



中國人壽信託有限公司  
CHINA LIFE TRUSTEES LIMITED

China Life **MPF**  
Your companion for retirement life

# MPF Newsletter

2019 3<sup>rd</sup> Issue



## Great Employer – Human Resources Forum 2019

China Life always endeavors to provide high-quality value-added services to corporate customers. On 10 July 2019, we have co-organized the “Great Employer – Human Resources Forum” with Randstad Hong Kong Limited for the first time.



There were over hundred of representatives from large-scale corporations, hotels, chain catering enterprises participated in the forum. 3 speakers had explored the main theme in their presentations, including “How can Employers Attract Talents - Employer Brand Research” by Randstad Hong Kong Limited; “New Trend of Employee Medical Benefits” by Corporate Business Department of China Life; and “How to be a “Good MPF Employer” and Latest News of MPF Market” by China Life Trustees, bringing new thoughts to the 3 human resources aspects most-concerned by employers.



# News Feed

## Fund Restructuring

To simplify the choice of constituent funds and to enhance the competitiveness of China Life MPF, China Life Retire-Easy Balanced Fund and China Life Retire-Easy Capital Stable Fund (each is referred to as is a “Terminating CF”) will be terminated with effect from 23 September 2019 (the “Termination”). The redemption proceeds of each of the Terminating CF will be transferred to and used to purchase units in China Life Balanced Fund and China Life Age 65 Plus Fund (each a “Transferee CF”) respectively whereby the Transferee CFs have very similar investment objectives.

For further details, in particular for the relevant cut-off times for instructions relating to the Terminating CF(s), please refer to the notice related to the Termination which has been mailed to participating employers and members by China Life Trustees in June 2019. This notice is also uploaded to China Life MPF website [www.chinalifetrustees.com.hk](http://www.chinalifetrustees.com.hk).

## Enhanced Service – Issuance of Semi-Annual Member Benefit Statement



China Life MPF members receive an “Annual Member Benefit Statement”, which contains information of MPF account e.g. balance, gain/loss, contribution amount, asset transfer in last scheme year, by the end of every March.

China Life Trustees has now enhanced the service from 12 August 2019 onwards. Members can download the “Semi-Annual Member Benefit Statement” of each scheme year (as at 30 June 2019) after logging in their China Life MPF online accounts. This will be helpful for members to obtain document with more recent account details.



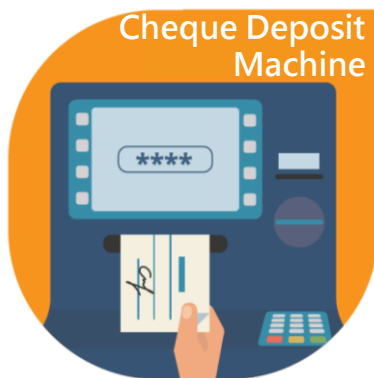
# New MPF e-Payment Experience



China Life MPF e-Payment methods bring the following advantages to you when handling MPF contributions:

- ✓ 24-hour operation – more flexible in time
- ✓ Quick and simple – can avoid postal delay
- ✓ Convenient for record-keeping – easy for filing management

## New e-Payment Methods



Make your payment with over 180 cheque deposit machines of Bank of China (Hong Kong).



You may pay online through Bank of China (Hong Kong) account

You may also use the current methods in below to make contributions to the China Life MPF accounts of you or your employees:

### e-Channels



e-Cheque



Direct Debit

### General Means



Submit Cheque in-Person / by Mail



Deposit over the Bank's Counter

For details, please refer to e-Payment leaflet.

# Market Perspectives



## Global Outlook (covering June 2019)

### US

The US equity market fluctuated near record highs in June fueled by the prospect of interest rate cuts by the US Federal Reserve (Fed) and hopes for a resolution to the US-China trade dispute boosted market sentiment. We expect the US economy to decelerate modestly in the back half of this year. We expect the Fed to provide adequate accommodation, which would help to continue to elongate this business cycle.

### Europe (including UK)

European and UK equities gained in June. Both markets rose steadily alongside international markets, soothed by an improving outlook for global economic growth, the prospect of improved US-China trade relations and a more loosening of monetary policy. We are not confident about the economic backdrop for the UK due to the odds of a 'no-deal' Brexit have ratcheted up. We expect a continued, modest deceleration in the eurozone economy in the next few months.

### Asia Pacific (ex Hong Kong ex China ex Japan)

Asian equity markets staged a recovery in June ahead of the US-China presidential meeting at the G20 gathering in Osaka. Market sentiment was further buoyed by the prospects of a US interest rate cuts soon. We expect the economic impact of trade tension on China's growth to be manageable. We believe growth in rest Asia is strongly backed by a robust consumer story, particularly in India where continued reforms will also help unlock the growth potentials.

### Hong Kong and Mainland China

Offshore Chinese equities staged a strong comeback. Market momentum recovered thanks to the meeting between President Xi and President Trump during the G20 summit. The meeting has yielded positive progress and was well received by investors. We expect the economic impact of trade tension on China's growth to be manageable. We expect Chinese government to remain committed to policy support by deepening tax and fee cuts and providing ample and reasonable system-wide liquidity to stabilize economic outlook.

### Japan

Japanese equities ended the period higher as optimism over the possibility of the US and China coming to some form of reconciliation cheered markets higher. Expectations of the Fed cutting rates further added to the positive momentum. From a long-term perspective, we maintain our constructive view that labour force and capacity shortage combined with companies' cash hoard will continue to support the capex cycle and foster innovation and productivity improvement among Japanese companies. Corporate governance reform continues to progress slowly but surely leading improvements in capital efficiency and profitability.

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# MPFA's Article

## False Declaration on Permanent Departure to Withdraw MPF is a Criminal Offence

The Mandatory Provident Fund (MPF) is intended to help employees plan ahead for retirement. In general, scheme members are entitled to withdraw their MPF benefits in a lump sum or by instalments when they reach the age of 65. Under special circumstances, early withdrawal is permitted on grounds such as terminal illness or permanent departure from Hong Kong.

The Mandatory Provident Fund Schemes Authority (MPFA) has uncovered crime syndicates abetting scheme members in making false declarations of permanent departure to make early withdrawal of their MPF, for which the syndicates charge a commission. According to a landmark case, a number of scheme members applied for MPF early withdrawal from their trustees, with the help of the agents claiming to assist people under the age 65 withdraw their MPF benefits. The scheme members even made false declarations of permanent departure from Hong Kong at a District Office, and used the same address to collect cheques for the accrued benefits.

The MPFA investigated the case and found that the scheme members had made only short trips between Hong Kong and the Mainland. Some of them were even employed after they had made the declaration. This revealed that they did not intend to permanently depart from Hong Kong. The MPFA collaborated with the police to combat two illegal syndicates, which resulted in the prosecution of the involved offenders who had made false statements that they were permanently leaving Hong Kong to make an early withdrawal of their MPF benefits. The offenders were convicted by the Court.

The MPFA reminds all members that making a false claim is a criminal offence. Offenders are liable to a maximum fine of \$100,000 and imprisonment for one year on the first conviction. The MPFA will also proactively look into a sample of claims, and investigate suspicious cases and take enforcement actions when necessary. During the five-year period from 2013–14 to 2018–19, over 400 scheme members who had made false declarations to withdraw MPF benefits on the grounds of permanent departure from Hong Kong were convicted.

The MPF is a vital part of your retirement protection. Early withdrawal will have an impact on your retirement planning. Scheme members should not withdraw MPF benefits illegally, nor disclose personal information to unknown third parties. The MPFA has launched a webpage to provide more related information to scheme members:

[http://www.mpfa.org.hk/eng/main/employee/false\\_declaration\\_PD.jsp](http://www.mpfa.org.hk/eng/main/employee/false_declaration_PD.jsp)