From 1 November 2012, you will have a choice!

ECA Transfer Arrangements

After commencement of ECA, employees will be allowed to transfer their accrued benefits in two of the sub-accounts in their MPF contribution accounts under current employment, i.e. (1) employee contributions under current employment; and (2) contributions from former employment or self-employment. The transfer arrangements are as follows:

1. Accrued benefits can be transferred once every calendar year

- Employees can make a transfer of all the accrued benefits derived from the **employee mandatory contributions** under current employment **once** on a lump-sum basis **at any time in a calendar year**#.
- If employees have transferred the accrued benefits derived from mandatory contributions relating to their **former employment** or self-employment to their contribution accounts under current employment, they have the right to transfer these accrued benefits on a lump-sum basis to a trustee and scheme of their own choice **at any time**.

2. Accrued benefits in different sub-accounts can be transferred separately

- Employees can choose to transfer all the accrued benefits derived from employee mandatory contributions under current employment and all mandatory contributions made during former employment or self-employment at the same time. Alternatively, they can choose to transfer all the benefits from only one of the two aforesaid sub-accounts, i.e. the transfer of benefits for the two sub-accounts can be carried out separately. It is not necessary to transfer the benefits from the two sub-accounts to the same trustee and scheme.

3. Transfers can be made only on a lump-sum basis

- The accrued benefits in each sub-account must be transferred on a lump-sum basis. Employees are not allowed to transfer their benefits in batches or transfer only part of the accrued benefits in these two sub-accounts.

Note:
Disregard whether employees have exercised the right to transfer their accrued benefits under ECA, employers will continue to make new contributions (both employer and employee contributions) of each wage period into the **MPF accounts with the original trustees and schemes selected by the employers**, not the new trustees and schemes chosen by employees.

Every calendar year means the period from 1 January to 31 December in any given year.

Employee Choice Arrangement (ECA)

will commence on 1 November 2012. Under ECA, employees will be allowed to transfer their accrued benefits, i.e. the accumulated contributions and investment returns **from the employee mandatory contributions** made during their **current employment** to another MPF trustee and scheme of their own choice **once every calendar year#; or not to make any change by retaining the accrued benefits in the MPF scheme they are currently enrolled in.** As only the employee's portion is transferrable and not the employer's, the arrangement is also known as "MPF Semi-Portability".

Friendly reminder: To Transfer? Not to Transfer?

Although employees have a new right under ECA, this does not imply that it is "compulsory" to make a transfer or they should make a transfer immediately after the commencement. MPF is a long-term investment, so employees should consider their own needs, rather than "switching for the sake of switching" or "just following the crowd" when deciding whether to transfer or not.

Coming up next:
Point to note when making a transfer under ECA

Mandatory Provident Fund Schemes Authority

Your MPF. Your Choice.

Website: www.mpfa.org.hk Hotline: 2918 0102