

**Illustration 1**

Existing Member :

- Age 25 at the Commencement Date of the MPF Scheme
- Belongs to the General Staff Grade in both ORSO and MPF Schemes
- 2 years with the Company
- 2 years with the ORSO Scheme
- Salary of HK\$10,000 per month
- Annual Remuneration = 13 months pay (no other allowances and bonuses)

Contribution Balance under the ORSO Scheme as at the Commencement Date of MPF Scheme :

- Employee Contribution Balance = HK\$12,000
- Employer Contribution Balance = HK\$12,000

The MPF Scheme :

- Employee Contribution : 5% of Relevant Income
- Employer Contribution : 5% of Relevant Income
- Relevant Income includes the 13 month pay
- The employer and employee contribution balances under the ORSO Scheme are transferred into the MPF Scheme on the Commencement Date of the MPF Scheme.

Benefit Illustration :

*(a) Higher Investment Return Scenario*Projection Assumptions

- Rate of Gross Investment Return : 7% p.a.
- Rate of Salary Inflation : 4% p.a.
- Rate of Administrative Expenses : 2% p.a.

	<u>Projected Benefit under the MPF Scheme</u>		<u>Projected Benefit under the ORSO Scheme</u>	
	<u>Value of Employee Contributions (include initial balance) HK\$</u>	<u>Gross Benefit Amount HK\$</u>	<u>Value of Employee Contributions (include initial balance) HK\$</u>	<u>Gross Benefit Amount HK\$</u>
Age 26	19,236	38,473		
Age 27	27,100	54,200		
Age 28	35,633	71,265		
Age 29	44,879	89,758		
Age 30	54,887	109,773		
Age 35	118,195	236,391		
Age 45	338,552	677,104		
Age 55	767,617	1,535,234		
Age 65	1,570,324	3,140,647		

(b) *Lower Investment Return Scenario*Projection Assumptions

Rate of Gross Investment Return	:	4% p.a.
Rate of Salary Inflation	:	4% p.a.
Rate of Administrative Expenses	:	2% p.a.

	<u>Projected Benefit under the MPF Scheme</u>		<u>Projected Benefit under the ORSO Scheme</u>	
	<u>Value of Employee Contributions (include initial balance) HK\$</u>	<u>Gross Benefit Amount HK\$</u>	<u>Value of Employee Contributions (include initial balance) HK\$</u>	<u>Gross Benefit Amount HK\$</u>
Age 26	18,795	37,590		
Age 27	25,988	51,975		
Age 28	33,597	67,194		
Age 29	41,642	83,285		
Age 30	50,143	100,287		

	<u>Projected Benefit under the MPF Scheme</u>		<u>Projected Benefit under the ORSO Scheme</u>	
	Value of Employee Contributions <u>(include initial balance)</u>	Gross Benefit Amount	Value of Employee Contributions <u>(include initial balance)</u>	Gross Benefit Amount
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Age 35	100,250	200,500		
Age 45	248,946	497,892		
Age 55	491,072	982,144		
Age 65	876,320	1,752,641		

Warning : The amount of benefits one will eventually receive upon termination of service or retirement may be higher or lower than those being illustrated depending upon the actual experience over the period.

### **Illustration 2**

New eligible employee :

- Age 40 at the Date of Employment
- Belongs to the Managerial Staff Grade in both ORSO and MPF Schemes
- Salary of HK\$20,000 per month
- Annual Remuneration = 12 months pay + bonus

The MPF Scheme :

- Employee Contribution : 5% of Relevant Income  
(up to HK\$20,000 only)
- Employer Contribution : Matching Contribution
- Relevant Income = HK\$20,000 per month increasing each  
year with the salary inflation assumption

Benefit Illustration :

(a) *Higher Investment Return Scenario*

#### Projection Assumptions

- Rate of Gross Investment Return : 7% p.a.
- Rate of Salary Inflation : 4% p.a.
- Rate of Administrative Expenses : 2% p.a.

	<u>Projected Benefit under the MPF Scheme</u>		<u>Projected Benefit under the ORSO Scheme</u>	
	<u>Value of Employee Contributions</u>	<u>Gross Benefit Amount</u>	<u>Value of Employee Contributions</u>	<u>Gross Benefit Amount</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Age 41	12,273	24,546		
Age 42	25,650	51,300		
Age 43	40,206	80,412		
Age 44	56,021	112,042		
Age 45	73,180	146,360		
Age 50	182,432	364,864		
Age 60	567,207	1,134,414		
Age 65	884,262	1,768,524		

(b) *Lower Investment Return Scenario*Projection Assumptions

Rate of Gross Investment Return : 4% p.a.

Rate of Salary Inflation : 4% p.a.

Rate of Administrative Expenses : 2% p.a.

	<u>Projected Benefit under the MPF Scheme</u>		<u>Projected Benefit under the ORSO Scheme</u>	
	<u>Value of Employee Contributions</u>	<u>Gross Benefit Amount</u>	<u>Value of Employee Contributions</u>	<u>Gross Benefit Amount</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Age 41	12,110	24,220		
Age 42	24,946	49,892		
Age 43	38,542	77,084		
Age 44	52,935	105,870		
Age 45	68,160	136,320		

	<u>Projected Benefit under the MPF Scheme</u>		<u>Projected Benefit under the ORSO Scheme</u>	
	<u>Value of Employee Contributions</u>	<u>Gross Benefit Amount</u>	<u>Value of Employee Contributions</u>	<u>Gross Benefit Amount</u>
	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>	<u>HK\$</u>
Age 50	158,182	316,364		
Age 60	426,970	853,940		
Age 65	620,757	1,241,514		

Warning : The amount of benefits one will eventually receive upon termination of service or retirement may be higher or lower than those being illustrated depending upon the actual experience over the period.