

Actions Required for Eligible ORSO Employees to Receive Government's Injection of \$6,000



The information below is applicable to ORSO employees only. **MPF members do not need to take any action.**



Website: www.mpfa.org.hk

Introduction

The Government is going to inject \$6,000 into the MPF accounts of eligible MPF and ORSO scheme* members to enhance their retirement protection. To receive the injection, eligible ORSO scheme members who do not have preserved accounts should open an MPF preserved account by 31 March 2009.

*ORSO schemes refer to MPF exempted ORSO schemes which are retirement schemes set up voluntarily by some employers to provide retirement benefits for their employees.

What is MPF System?

The MPF System has been in operation since 2000 to provide basic retirement protection for Hong Kong workforce. Employees aged 18 to below 65 are required to join an MPF scheme. MPF contributions made by both employers and employees monthly are vested in employees and can only be withdrawn when they reach the age of 65[^].

[^] Early withdrawal of MPF accrued benefits (including contributions and investment returns) are only allowed under circumstances such as early retirement at 60 years old, death, total incapacity, etc. On the other hand, scheme members are allowed to retain their accrued benefits in the MPF accounts after the age of 65. For details, please visit www.mpfa.org.hk.

What is a Preserved Account?

An MPF preserved account is an account to hold the accrued benefits (including contributions and investment returns) of a scheme member. Preserved accounts will receive no further contributions but will continue to invest according to scheme members' instructions. Fees and charges will be incurred. MPF preserved account holders may switch to any MPF trustee, scheme or investment option of their own choice at any time.



A. Your Actions by 31 March 2009

You should return the completed application/enrolment form with your investment option to your trustee by 31 March 2009. Here are the steps for you to follow:



1 Study this pamphlet and the information sent by your trustee

2 Complete the application/enrolment form

3 Remember to choose an investment option

4 Make sure to sign the form

5 Return the completed form to your trustee by 31 March 2009

6 Your trustee will notify you in writing after completing the injection

7 Contact your trustee if you do not receive the notification from it by mid May 2009



If you fail to return the completed form by 31 March 2009, the injection will be invested in the default option of your trustee's MPF scheme.



B. Manage Your MPF Account after the Injection



MPF is part of your asset. In order to enhance your retirement protection, please regularly review your investment option, the Annual Benefit Statement and fee table issued by your trustee, its service etc.

MPF is a long-term investment. You are advised to refrain from frequent fund switching during short-term market swings.



Frequently Asked Questions

- Q1.** Why do I have to open an MPF preserved account?
- A1.** It is government policy to make the injection into an MPF preserved account for retirement protection as the assets will be preserved until the age of 65. In addition, as a preserved account holder, you may switch to another MPF trustee, MPF scheme or investment option of your own choice at any time, thus enjoying more flexibility of choosing an investment option that best suits your needs.
- Q2.** If I fail to submit the application / enrolment form to the trustee by 31 March 2009, will I still receive the injection?
- A2.** Yes. Late submission of the form will not affect the injection. However, the trustee will make investments according to the default option of your MPF scheme. You can change the investment option at any time later.
- Q3.** After opening the MPF preserved account, I will have both MPF and ORSO accounts. Will there be any changes to my ORSO account and ORSO arrangement?
- A3.** The MPF preserved account is opened for receiving the injection. It will not affect the existing arrangement of your ORSO account.

For enquiries about the arrangement, please contact your MPF trustee.

How to Choose MPF Schemes and Investment Options?

There are five major types of MPF funds, each represented by a cartoon character of the MPF "JJ Five" Band to enhance your understanding:

When choosing your MPF scheme and investment option, you have to consider the following factors:

- Evaluate personal factors such as the number of years to your retirement, investment goals and risk tolerance level
- Understand the features, investment objectives, risk and charges of different funds
- Study relevant information such as members' guide, fund fact sheet and fee table[#]

[#] Fees and charges of different schemes are available at the Fee Comparative Platform on the MPFA website.

Characteristics of the "JJ Five" Band

