

MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

IV.27 Guidelines on Benefit Payment Statement

INTRODUCTION

Section 168 of the Mandatory Provident Fund Schemes (General) Regulation (the Regulation) provides that when the approved trustee of a registered scheme pays accrued benefits to a claimant, the trustee concerned must ensure that the claimant is provided with a benefit payment statement containing the information as prescribed under that section. Section 168(f) of the Regulation provides that the Mandatory Provident Fund Schemes Authority (the Authority) may specify any other information to be contained in a benefit payment statement by means of guidelines.

2. Section 6H of the Mandatory Provident Fund Schemes Ordinance (the Ordinance) provides that the Authority may issue guidelines for the guidance of approved trustees, service providers, participating employers and their employees, self-employed persons, regulated persons and other persons concerned with the Ordinance.

3. Section 47A of the Ordinance empowers the Authority to specify or approve the form and contents of documents required for the purposes of the Ordinance.

4. The Authority hereby issues guidelines to:

- (a) set out the other information to be contained in a benefit payment statement pursuant to section 168(f) of the Regulation;

- (b) set out the form and contents of the benefit payment statement pursuant to section 47A of the Ordinance; and
- (c) provide guidance as to the timing for issuing benefit payment statements by approved trustees.

EFFECTIVE DATE

5. These revised Guidelines (Version 2 – March 2019) shall become effective on 1 April 2019. The previous version of these Guidelines (Version 1 – February 2016) shall be superseded on that day.

BENEFIT PAYMENT STATEMENT

6. For the purpose of section 168(f) of the Regulation, the following information (see Annex for the template) has to be contained in a benefit payment statement:

- (a) for each constituent fund, the following details of redemption:
 - (i) the redemption date;
 - (ii) the number of units redeemed in each constituent fund;
 - (iii) the redemption price of units;
 - (iv) the net amount redeemed;
 - (v) the bid spread deducted; and
- (b) a reconciliation between the redemption balance of each sub-account of the scheme member's account and the final amount paid out, showing, where applicable, the amount of benefits vested, the long service payment/severance payment refund to the employer, the long service payment/severance payment refund to the scheme member, the amount of fees and expenses relating to the payment deducted from the member's benefits, and the cash payout to the scheme member.

7. The form and contents of the benefit payment statement incorporating the information in paragraph 6 are set out in the Annex. The approved trustee is required to include the information specified in the Annex when preparing the benefit payment statement.

8. The approved trustee should issue the benefit payment statement to the claimant within 5 business days after the date of payment of benefits.

DEFINITION OF TERMS

9. “Business day” means any day other than a Saturday, a public holiday, a gale warning day or a black rainstorm warning day within the meaning of section 71(2) of the Interpretation and General Clauses Ordinance (Cap 1).

10. Where a term used in the Guidelines is defined in the Ordinance or the subsidiary legislation then, except where specified in the Guidelines, that term carries the meaning as defined in the Ordinance or the subsidiary legislation.