

# MAXIMUM RELEVANT INCOME LEVEL FOR MPF CONTRIBUTIONS

INCREASED TO

# \$30,000

Monthly

With effect from 1 June 2014



MANDATORY PROVIDENT FUND SCHEMES AUTHORITY

Hotline | 2918 0102  
 Fax | 2259 8806  
 Website | www.mpfa.org.hk

## Am I affected?

With effect from 1 June 2014, the maximum relevant income level for MPF contributions will be increased to help working population save more for retirement. Details are shown below:

	Contribution periods starting before 1 June 2014		Contribution periods starting on or after 1 June 2014	
	Maximum relevant income level	Maximum relevant income level	Maximum amount of mandatory contributions	Maximum amount of mandatory contributions
Monthly-paid employees	\$25,000 monthly	\$30,000 monthly	\$1,500 monthly	\$1,500 monthly
Self-employed persons	\$25,000 monthly or \$300,000 yearly	\$30,000 monthly or \$360,000 yearly	\$1,500 monthly or \$18,000 yearly	\$1,500 monthly or \$18,000 yearly
Casual employees <sup>1</sup> under Industry Schemes	\$830 daily	\$1,000 daily	\$50 daily	\$50 daily

As the new maximum relevant income level comes into effect, the amount of mandatory contributions payable by the following persons will be increased:

- **Employees** with monthly relevant income more than \$25,000, and their employers
- **Self-employed persons** with monthly relevant income more than \$25,000 or yearly relevant income more than \$300,000
- **Casual employees under Industry Schemes** with daily relevant income of \$850<sup>2</sup> or more, and their employers

### What is “relevant income”?

“Relevant income” refers to any wages, salary, leave pay, fee, commission, bonus, gratuity, perquisite or allowance, expressed in monetary terms, paid or payable by an employer, but excluding severance payments or long service payments under the Employment Ordinance.

For the determination of relevant income for self-employed persons, please refer to the leaflet “Guide on MPF Rights and Obligations for Self-employed Persons”<sup>3</sup> published by the Mandatory Provident Fund Schemes Authority (“MPFA”).

<sup>1</sup> “Casual employees” refers to employees who are engaged in the construction industry or the catering industry, and are employed on a daily basis, or for a fixed period of less than 60 days.

<sup>2</sup> When the new maximum relevant income level comes into effect, the amount of mandatory contributions payable by casual employees under Industry Schemes with daily relevant income more than \$830 but less than \$850, and their employers, will remain at \$40 each per day.

<sup>3</sup> The leaflet can be downloaded from the MPFA website or obtained from the MPFA offices, the Public Enquiry Service Centres of the District Offices and regional offices of Labour Department.

## How are contributions calculated?

For contribution periods (generally mean wage periods) starting on or after 1 June 2014, MPF contributions are calculated according to the following tables:

### Monthly-paid employees and their employers

Monthly relevant income	Amount of mandatory contributions	
	Employer's contributions	Employee's contributions
Less than \$7,100	Relevant income x 5%	Not required
\$7,100 to \$30,000	Relevant income x 5%	Relevant income x 5%
More than \$30,000	\$1,500	\$1,500

### Self-employed persons making monthly or yearly contributions

Relevant income		Amount of mandatory contributions
Monthly	Yearly	
Less than \$7,100	Less than \$85,200	Not required
\$7,100 to \$30,000	\$85,200 to \$360,000	Relevant income x 5%
More than \$30,000	More than \$360,000	\$1,500 monthly or \$18,000 yearly

### Casual employees and their employers in construction industry or catering industry under Industry Schemes

Daily relevant income	Amount of mandatory contributions	
	Employer's contributions	Employee's contributions
Less than \$280	\$10	Not required
\$280 to less than \$350	\$15	\$15
\$350 to less than \$450	\$20	\$20
\$450 to less than \$550	\$25	\$25
\$550 to less than \$650	\$30	\$30
\$650 to less than \$750	\$35	\$35
\$750 to less than \$850	\$40	\$40
\$850 to less than \$950	\$45	\$45
\$950 or more <sup>4</sup>	\$50	\$50

### Reminders

**Employees:** Call the MPF Contribution Enquiry Line at 183 3030 and connect to your trustee to check whether your employer has made contributions accurately and punctually.

**Self-employed persons:** Trustee will make the necessary contribution arrangement for you. You may contact your trustee to enquire about the contribution arrangement or to report your relevant income.

**Employers:** Calculate contributions according to the new maximum relevant income level for the contribution periods starting on or after 1 June 2014. If computer software is used for calculation of contributions, please ensure that the computer software is updated before the new level takes effect.

For enquiries, please contact the MPFA, your employer or your trustee.

<sup>4</sup> This income band contains the daily maximum relevant income level (i.e. \$1,000) and the maximum amount of contributions (i.e. \$50). If the daily income of a casual employee is more than \$1,000, the amount of contributions payable by both the employer and the employee will remain at \$50 each per day.