



強制性公積金計劃管理局  
MANDATORY PROVIDENT FUND  
SCHEMES AUTHORITY

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**By Email Only**

25 November 2015

**Circular Letter: SU/CTR/2015/009**

**To All Approved Trustees of MPF Schemes**

Dear Sirs,

**Mandatory Provident Fund Schemes (Amendment) Ordinance  
("Amendment Ordinance")  
Withdrawal of Accrued Benefits by Instalments**

On 19 June 2015, the Authority issued a circular letter (SU/CTR/2015/002) reminding approved trustees of MPF Schemes various obligations to ensure readiness for implementing the provisions of the Amendment Ordinance which took effect on 1 August 2015. These included the amendments of early withdrawal of MPF benefits on the ground of terminal illness. The Legislative Council has recently approved the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015 (Commencement) (No.2) Notice 2015 ("Commencement Notice") gazetted on 9 October 2015. The Commencement Notices mainly covers amendments to allow withdrawal of MPF benefits by instalments upon retirement or early retirement, which will be implemented on 1 February 2016 ("Commencement Date"). The Commencement Notice can be accessed via:

[http://webopac.intranet/Userdocs/L.N.%20199%20of%202015%20\(Eng\).pdf](http://webopac.intranet/Userdocs/L.N.%20199%20of%202015%20(Eng).pdf).

### **System Development and Staff Resourcing**

The flexibility provided to members to withdraw accrued benefits by instalments will bring substantial changes to the way in which approved trustees have been processing payments heretofore. For instance, as opposed to redeeming all constituent fund units from scheme members' accounts to make payment in lump sum, approved trustees should be capable of paying the exact instalment amount specified by scheme members from 1 February 2016 onwards. As benefits can be withdrawn multiple times from a member's account, the volume of withdrawal transactions would likely increase. In the light of these considerations, trustees should ensure that their administration systems, staff and processes are able and ready to deliver the relevant services and standard in order to meet the new requirements under withdrawal by instalments before the Commencement Date. Adequate resources should be put in place well ahead for the implementation.

The Authority will soon launch publicity program for withdrawal by instalments. A set of FAQ is being developed and will be shared with the trustees once ready. Meanwhile, we call upon the trustees to commence staff training as soon as possible, if you have not already done so, with a target to complete it by early January 2016.

### **Caring for and Support to Retiring Members**

Withdrawal of benefits by instalments is only limited to scheme members who have reached the retirement age of 65 or have retired early at age 60. Approved trustees should pay special attention and provide additional support, where necessary, to this group of members.

### **Reminder in Processing Withdrawal of Benefits**

The circular letter of (SU/CTR/2015/002) reminds trustees to pay attention to a number of areas when handling claims for payment of accrued benefits. For instance, approved trustees should effect claims for payment of accrued benefits efficiently without delay, providing assistance to scheme members in understanding and resolving problems encountered during the process of claim, providing clear, accurate, and timely communication to scheme members about the results of the claim, etc. Approved trustee should continue to observe them in processing claims for withdrawal of benefits by instalments.

In relation to providing clear communication about the results of the claim, in accordance with the regulatory requirements, approved trustees are required to issue a benefit payment statement to the members showing the details of the redemption and payment after completing each withdrawal transaction. We request that the trustees should also make use of the statement to clearly notify members of the termination date of their MPF accounts upon withdrawal of the full amount of accrued benefits from the accounts.

We trust that you will ensure that all preparatory work will be completed before the implementation. If you have any questions, please do not hesitate to contact your case manager in the Authority.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Joseph Lee', with a stylized flourish at the end.

Joseph Lee  
Head  
Supervision Division