

## **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 Guidelines shall become effective on the date of commencement of operation of section 46 of the Mandatory Provident Fund Schemes (Amendment) Ordinance 2015, i.e. 1 February 2016.

## **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.

**BENEFIT PAYMENT STATEMENT**

Print/Issue Date:

**SECTION 1. PERSONAL DETAILS OF MEMBER**

Member Name: \_\_\_\_\_ Employer Name (if applicable): \_\_\_\_\_  
 Member Account Number: \_\_\_\_\_ Last Date of Employment (if applicable): \_\_\_\_\_  
 Claimant Name: \_\_\_\_\_ Withdrawal Ground: \_\_\_\_\_  
 (if different from member name): \_\_\_\_\_  
 Address of Member: \_\_\_\_\_ Withdrawal Option:[e.g. in a lump sum/by instalments]

**SECTION 2. SCHEME INFORMATION**

Name of Scheme: \_\_\_\_\_  
 Name of Trustee: \_\_\_\_\_

**SECTION 3. PAYMENT SUMMARY**

Amount of Payment<sup>1</sup> (HK\$): \_\_\_\_\_ 27,200  
 Date of Payment: \_\_\_\_\_  
 Amount of Fees and Expenses<sup>2</sup> relating to Payment Deducted from Member's Benefits (HK\$): \_\_\_\_\_

**SECTION 4. SUMMARY OF BENEFITS REDEEMED BY SOURCE OF CONTRIBUTIONS<sup>3&4</sup>**

Based on Unit Price as at {Redemption Date}											
Fund Code	Number of Units in Funds				Redemption Price (HK\$)	Amount (HK\$)					
	Current Employment		Former Employment	Personal Account		Current Employment		Former Employment	Personal Account	Net Amount Redeemed	Bid Spread Deducted <sup>5</sup>
	Employer's Contributions	Member's Contributions				Employer's Contributions	Member's Contributions				
A01	200	100	200	0	10	2,000	1,000	2,000	0	5,000	0
A02	400	200	20	0	50	20,000	10,000	1,000	0	31,000	0
Total										36,000	
DESCRIPTION OF FUND CODE											
A01	CAPITAL FIXED PORTFOLIO										
A02	STABLE HONG KONG FUND										

**SECTION 5. PAYMENT DETAILS (HK\$)<sup>3&4</sup>**

	Current Employment				Former Employment		Personal Account		Total	
	Employer's Contributions		Member's Contributions		Mandatory	Voluntary	Mandatory	Voluntary	Mandatory	Voluntary
	Mandatory	Voluntary	Mandatory	Voluntary						
Redemption Amount	11,000	11,000	11,000	0	3,000	0	0	0	25,000	11,000
Vested Benefits <sup>5</sup>	11,000	2,200	11,000	0	3,000	0	0	0	25,000	2,200
Less: Long Service Payment/Severance Payment Refund to Employer <sup>7</sup>									0	0
Less: Long Service Payment/Severance Payment Refund to Member <sup>7</sup>									0	0
Less: Amount of Fees and Expenses <sup>2</sup> relating to Payment Deducted from Member's Benefits									0	0
Cash Payout to Member									25,000	2,200

**SECTION 6. OUTSTANDING CONTRIBUTIONS/SURCHARGES (HK\$)<sup>8</sup>**

Covered Period	Amount of Outstanding Contributions/Surcharges (if known)

Any outstanding contributions/surcharges in relation to the scheme member's account concerned, if recoverable, will be paid to the claimant as soon as practicable after receiving it.

**Important notes:**

If you have any query on this document, please seek further information from our website at [trust.com.hk](http://trust.com.hk) or by calling our hotline at XXXX-XXXX.

Instructions to approved trustees

1. This is the sum of the “Long Service Payment/Severance Payment Refund to Member” and “Cash Payout to Member” as shown in Section 5.
2. Section 168(d) of the Mandatory Provident Fund Schemes (General) Regulation (“the Regulation”) requires the disclosure in a benefit payment statement of an itemized statement of any expenses relating to the payment of the accrued benefits that were deducted from those benefits by the trustee before making the payment.
3. Columns in the tables in Sections 4 and 5 should be adjusted or deleted as necessary. As a guidance,
  - (i) for benefits paid out of an employee contribution account, please show “NA” in the columns under “Personal Account” or delete the columns relating to “Personal Account”;
  - (ii) for benefits paid out of a self-employed person contribution account, please show “NA” in the columns under “Employer’s Contributions” and “Personal Account”, or delete the columns relating to “Employer’s Contributions” and “Personal Account”; and
  - (iii) for benefits paid out of a personal account, please show “NA” in the columns under “Current Employment” and “Former Employment”, or delete the columns relating to “Current Employment” and “Former Employment”.
4. No need to show this Section if it does not involve any redemption from funds. For instance, this may apply when the trustee recovers outstanding contributions and surcharges for the member and directly pays these benefits to the member without any subscription and redemption in the scheme.
5. Please show “0” or by other means to indicate that there is no bid spread involved in redemption. Bid spread for withdrawal of benefits can only include necessary transaction costs incurred and permitted to be charged in order to give effect to the withdrawal.
6. Trustees should indicate the vesting percentages applied in calculating the vested benefits. The vested benefits are calculated by deducting the unvested benefits refunded to employer from the redemption amount. If the redemption amount is net of the unvested benefits, they may choose not to show the row relating to the “Vested Benefits”.
7. For a payment without long service payment/severance payment refund to employer or member, please show “0” or delete the rows relating to “Long Service Payment/Severance Payment Refund to Employer” or “Long Service Payment/Severance Payment Refund to Member”.
8. Section 168(e)(iii) of the Regulation provides that if any contribution or contribution surcharge was outstanding at the time of the payment and was irrecoverable, the benefit payment statement must indicate the fact that it is irrecoverable and the amount concerned if known to the trustee.