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Year of the OX



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Retirement Planning and Education Programme 22Aug – 24 Oct 2020



【退休有術】第三集

MPF developments



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【退休有術】第四集



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Elaine Lau CEO AIA Pension and Trustee Co Ltd and Chief Corporate Solutions Officer. AIA Hong Kong and Macau

俗稱為懶人基金的「預設投資策略」(DIS) 適合那類型的積 金供款人?你屬於以下3類型的哪一類?

- 1) 工作太忙有時間處理強積金
- 2) 心多多有選擇困難的供款人
- 3) 對投資不太認識或者沒有概念的人

DIS又稱為懶人基金,是因為其設計可以令計劃成員少了後 顧之憂。一方面基金的收費設有上限,基金亦會投資於環球 市場,有助分散風險,而隨著計劃成員的年歲增加而降低投 資風險。當DIS推出之後,每4個新開的強積金帳戶便有一個 選擇預設投資策略或其下的基金。

事實上,認識DIS亦不代表你能夠成功部署退休計劃,退休 策劃要成功,研究指出應具備以下4大因素,你認為哪個因 素最重要:

- 1. 相對較高的儲備率
- 2. 有效的資產配置
- 3. 良好的理財策劃及監控
- 4. 優秀的投資表現

原來要安享退休,超過七成人認為具備相對較高的儲備率是 最重要的。而在強積金平台作出額外的供款,尤其是可扣稅 的供款,一方面可以減輕稅務開支,亦可以達到增加儲備的 效果!

Recording Replay:

https://www.youtube.com/watch?v=T8BHPiTMqVA&feature=youtu.be

很多人覺得,退休是一件很遙遠的事情,往往採取一種 拖得就拖(遲啲先諗)的心態。試想想,假設一位年青 人25歲開始工作,到65歲退休;按香港人平均壽命85歲 來計算,即是說,有40年的打工生涯為退休作儲備,但 要去應付長達20年的退休生活需要。換句話說,即是打 工仔每兩年的工作,便需要儲到最少一年的退休生活費 驟眼看,當然是沉重的財務負擔!不過,只要及早做好 部署,一定有方法可以應付。利用時間的威力,透過複 息效應,可以為儲蓄滾存增值。因此,若想擁有良好的 退休保障,一定要及早作出部署。

一項理想退休生活調查顯示,有三分之二的被訪者,面 對退休儲備不足的問題。他們面對的儲備缺口,平均超 過二百萬港元!雖然很多人都知道,部署退休計劃很重 要,但是打工一族往往沒有認真面對,以及沒有付諸實 行。

很多打工仔對退休計劃部署的壞習慣是,儲得少及儲得 遲。有近五成的受訪者,沒有明確的退休計劃,甚至打 算到48歲才開始儲錢!如果想實現理想的退休生活,一 定不能夠「HEA住」做準備,要時刻提醒自己:「早啲 儲及儲多啲」。及早儲蓄及投資,發揮複息效應的威力 才有更高的機會儲蓄足夠的儲備,享受優質的退休生活

Recording Replay:

https://www.youtube.com/watch?v=kf5z84IJRGM&feature=youtu.be

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Investment Journey for Life 2.0

Part 1: Rich or Poor? Your Choice

With a growing importance of financial readiness for retirement in Hong Kong, Mr Bob Lee, Chief Business Officer, BCT Group gave a presentation on "Rich or Poor? Your Choice" and shared his insights on retirement planning and tips on building an adequate retirement nest egg.

To retire well is to plan well. Who doesn't want a rich retirement? In fact, it is solely investors' choice. Bob shared that among BCT's MPF scheme members having over HK\$1 million in their accounts as of August 2020: (1) 92.2% of them have employers making voluntary contributions to their account; (2) 11.7% of them also make tax deductible voluntary contributions (TVC); (3) 9.1% have special voluntary contributions (SVC). While similar percentages in the total member base remain in low single digit, this phenomenon reflects that additional contribution is essential for building a bigger retirement savings pool for an individual.

According to Bob, TVC launched in 2019 plays a key role in helping people to channel retirement savings into MPF funds. Members who contribute additional HK\$60,000 to their MPF accounts can save up to HK\$10,200 of taxes annually.

Speaker: Mr. Bob Lee from BCT Group

When Life 1.0 is our working life, Bob reminded us we are progressing towards retirement through 4 phases called "Earn, Save, Grow, Preserve". When applying the concept for an MPF member, "Earn" means making mandatory contributions that riding on the salary earned. We can then "Save" and "Grow" the assets through making different sorts of additional contributions. Bob also said more members would make SVC and TVC when they reach their 40s or 50s with higher salaries. Lastly, "Preserve" means actively manage the pension savings and make suitable adjustments at different life stages.

On the concluding notes, Bob reminded the audiences that "Start Early" and "Being Engaged" are also keys to retirement success. "e" tools available nowadays definitely can help people achieve the above goals. Lastly, "Stay Invested" even after retirement in light of longer life-expectancy. Making appropriate choices during accumulation phase helps one move on to decumulation phase smoothly with sufficient retirement savings, ultimately leads to a rich retirement.

Source: BCT Group

Part 2: Live Long, Live Well

People are living longer and longer, with expect life expectancy at birth increasing from age 82.3 in 2019 to age 88.4 in 2069 for male, and from age 88.1 to age 93.9 for female. While a longer life poses threat on outliving our planned wealth, Mercer's 2020 street-level survey shows that more than 50% respondents will scale back living standards or delay retirement. Mercer also observed that majority of the older age group prefer to withdraw MPF all at once upon retirement, and they indicated that they cannot accept any loss or can only tolerate less than 5% of loss.

The longevity risk and risk aversion attitude are challenges to the quality of our life at retirement. While many focus on accumulating wealth for retirement, the decumulation phase is often receiving less attention.

Post-retirement investment should consider the spending need, horizon and risk tolerance. A variety of retirement saving vehicles are available, such as by continuous investment under MPF with members to opt for partial withdrawal, MPF income stream products, Qualified Deferred Annuity Plan, annuity plan from HKMC, reverse mortgage program and insurance policy mortgage program from The Hong Kong Mortgage Corporation Limited.

Keep investing after retirement can consider a diversified portfolio with conservative assets for short-term needs with lower risk, and moderate risk portfolio for potential returns for a longer term though with greater uncertainty.

Speaker: Ms. Mandy Chan from Mercer HK

Given the risk-averse attitude, a product/strategy which provides a steady income with a potential gain is favourable. The MPF income stream products is one of the vehicles that structure steady and regular income by distribution of dividend to meet monthly expenses, while allowing continuous capital growth.

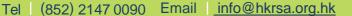
We observed that respondents from 2020 street-level survey are more aware of employee voluntary contribution and tax deductible voluntary contribution in MPF. This is encouraging and has proven the tangible impact of MPF providers and employers on employees' awareness of the various retirement saving vehicles.

Going forward, we believe there is a strong foundation to raise awareness and familiarity among individuals to think about their retirement plans. We think that employers can play a significant role on this journey such as by more financial education. It is also time for employer to consider redesigning their retirement scheme to strengthen the retirement protection level and flexibility design, such as extension of retirement age and flexible working arrangement. Employer can also provide platform for members to access and purchase own retirement saving products at own decision

Source: Mercer Hong Kong

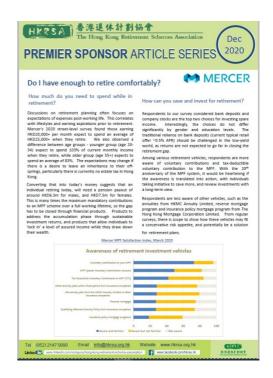






We are delighted to publish articles by two of our Premier Sponsors, First Sentier Investors and Mercer, offering insights on how we can better plan for our retirement. Stay tuned for more articles in Feb 2021!





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