

Tax Deductions for Retirement Savings – Effective from April 1, 2019



Provide tax incentives to encourage the working population to save early for retirement in order to cope with the financial risk arising from longevity.

Deduction cap
\$60,000

The taxable income is subject to a deduction cap of **HK\$60,000** per assessment year. It is an aggregate limit for both Tax Deductible MPF Voluntary Contributions (TVC) and premiums paid to a Qualifying Deferred Annuity Policy (QDAP).

Maximum
savings

\$10,200

The actual tax savings depend on personal income level, entitled tax allowances and deductions as well as the amount of TVC and QDAP premiums made. Based on the prevailing highest tax rate (17%), the maximum tax savings can reach **HK\$10,200**.

Some examples of potential tax savings can be found here:

<https://www.thechinfamily.hk/web/en/managing-your-money/qdap-tvc/tax-savings.html>

2019/20

The tax deduction measures will be effective from the year of assessment 2019/20. Taxpayers can claim the relevant deduction when they file the tax return for the year of assessment 2019/20 for the TVC and QDAP made from April 1, 2019 to March 31, 2020.



Work out your retirement budget and saving plan with the Chin Family Retirement Planner below! Simply answer some questions about your savings, investments, lifestyle needs etc. and you will be provided with a free analysis report.

<https://www.thechinfamily.hk/web/en/managing-your-money/qdap-tvc/retirement-calculator.html>