

**THE UNIVERSITY OF HONG KONG****Frequently Asked Questions on Mandatory Provident Fund (MPF)****Q1: What is MPF?**

A1: The MPF, introduced in December 2000, is an employment-based statutory retirement protection system implemented by the Hong Kong Special Administrative Region (HKSAR) Government. Both employees and their employers are required to contribute monthly to MPF schemes provided by approved private organisations, according to their salaries and the period of employment.

**Q2: Which MPF Scheme has the University adopted as its designated MPF Scheme?**

A2: The University has adopted the HSBC Mandatory Provident Fund SuperTrust Plus Scheme (the “HSBC MPF Scheme”) as its designated MPF Scheme. This Scheme is administrated by HSBC Limited. Detailed information about the Scheme can be found on the HSBC website at <https://www.hsbc.com.hk/mpf/funds/>.

**Enrolment****Q3: Who are required to enrol into an MPF Scheme?**

A3: Except for certain categories of exempt persons (refer to Q5 below), all appointees aged between 18 and 65 undertaking employment for 60 days or longer, irrespective of whether it is on full-time or part-time basis, are required by law to join and contribute to an MPF Scheme.

To enrol in the Scheme, appointees are required to complete and submit the HSBC MPF “*Employee Application Form (IN61)*” either (i) [online](#) (which is encouraged for faster processing); or (ii) by downloading the form in PDF format from our HR website at <https://intraweb.hku.hk/local/staffing/forms/in61.pdf> and submitting the completed form to the Human Resources Office (HRO) by mail or by email at [mpfhro@hku.hk](mailto:mpfhro@hku.hk).

**Q4: When is the deadline for submitting the MPF enrolment form (“*Employee Application Form (IN61)*”)?**

A4: To comply with the statutory requirement of enrolling eligible employees in an MPF scheme within the first 60 days of their employment, the University kindly requests appointees to submit the form as early as possible, and in any case within a week after commencement of duty, to ensure sufficient time for processing by the relevant parties and opening the account, thus facilitating timely MPF contributions.

**Q5: Who is eligible for exemption from the MPF Scheme and what is the process for applying?**

A5: Appointees can be exempted from the MPF Scheme if they hold an employment visa AND meet one of the following criteria:

- (a) The validity period of the employment visa granted by the Immigration Department does not exceed 13 months;
- (b) The validity period of the employment visa granted by the Immigration Department is more than or beyond the first 13 months, and the appointee is a member of a provident, pension, retirement or superannuation scheme established outside Hong Kong.

For appointees falling under category (a), exemption from MPF is automatic. For those under category (b), they will need to complete and submit the “*Declaration Form for Exemption from MPF (document 112/1114)*”, which can be downloaded from our HR website at <https://intraweb.hku.hk/local/staffing/forms/exempt-mpf.pdf>. The completed form should be sent to the HRO either by mail or by email at [mpfhro@hku.hk](mailto:mpfhro@hku.hk).

It is important to notify the HRO promptly of any changes in circumstances that may affect the appointees’ eligibility for exemption (e.g. change of visa type, obtaining the right of abode in Hong Kong, or cessation of membership in overseas retirement schemes). This will enable the HRO to take appropriate follow-up actions.

**Q6: Is it necessary to complete a new MPF enrolment form when rejoining the University after a break of service, even if there is already an existing MPF account with HSBC?**

A6: Yes, a new enrolment form must be submitted for opening a new MPF account if there is a break of service between your appointments with the University. In the event that no instructions were given to the trustee within three months after receiving notice of termination of employment from the University, the existing MPF account from previous appointments would have been transferred to a personal account under the same scheme.

**Contributions**

**Q7: How much is the mandatory contributions to the MPF Scheme?**

A7: Both appointees and the University are each required to make mandatory contributions of 5% of the appointee’s monthly relevant income<sup>1</sup> into their MPF account, subject to the minimum and maximum relevant income levels. The current minimum and maximum

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<sup>1</sup> "Relevant income" refers to all monetary payments paid or payable by an employer to an employee, including wages, salary, leave pay, fees, commissions, bonuses, gratuities, perquisites or allowances, but excluding severance payments or long service payments under the Employment Ordinance.

relevant income levels are \$7,100 and \$30,000 respectively (i.e. the maximum contribution is \$1,500 per month).

| Monthly Relevant Income | Amount of Mandatory Contributions |                             |
|-------------------------|-----------------------------------|-----------------------------|
|                         | Payable by the University         | Payable by Appointees       |
| Less than \$7,100       | Relevant income $\times$ 5%       | No contributions required   |
| \$7,100 to \$30,000     | Relevant income $\times$ 5%       | Relevant income $\times$ 5% |
| More than \$30,000      | \$1,500                           | \$1,500                     |

All contributions required of the appointee to an MPF scheme are deducted from the appointee's salary by the University and paid to the trustee of the HSBC MPF Scheme.

**Q8: What is the contribution period and when are the contributions made every month?**

A8: Generally, the contribution period refers to the wage period and the contributions are made on the 10<sup>th</sup> day of each month<sup>2</sup>.

Employee's contributions for new appointees

There is a contribution holiday for the first 30 days of employment, as well as for any incomplete wage period that immediately follows the 30-day period.

For example, if an appointee's first day of employment is 5 June:

|                         |  |
|-------------------------|--|
| From 5 June to 4 July:  | There is a 30-day contribution holiday   |
| From 5 July to 31 July: | The contribution holiday extends to the end of the incomplete wage period that immediately follows the 30-day period   |
| From 1 August:          | MPF contribution will be deducted from salary for the contribution period of August and the University will remit the contributions to the trustee on or before 10 September, which is the contribution day. |

Employer's contributions

There is no contribution holiday for the employer, and the University will make the employer's contribution for an appointee from the first day of employment.

**Q9: Can appointees contribute more than the mandatory contribution level into their MPF account?**

A9: For retirement planning purposes, voluntary contributions can be made by opening a separate account under an MPF scheme that offers special voluntary contributions (SVC) or tax-deductible voluntary contributions (TVC) by selecting an MPF scheme of their choice.

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<sup>2</sup> If the contribution day falls on a Saturday, a public holiday or a gale/black rainstorm warning day, the contribution day is extended to the next day which is not a Saturday, a public holiday or a gale/black rainstorm warning day.

For more information on SVC and TVC, please visit the website of the Mandatory Provident Fund Schemes Authority (MPFA) at [www.mpfa.org.hk](http://www.mpfa.org.hk) (Select *MPF System > Voluntary Contributions / Tax Deductible Voluntary Contributions*). Moreover, appointees can utilize the **Trustee Service Comparative Platform** at <https://tscplatform.mpfa.org.hk/scp/eng/index.jsp> to facilitate choosing an MPF scheme that aligns with individual preferences.

### **Tax Residency Self-Certification**

**Q10: What is the purpose of the “Tax Residency Self-Certification” section in the MPF enrolment form?**

A10: The inclusion of the “Tax Residency Self-Certification” section in the MPF enrolment form is due to the regulatory requirements imposed on MPF schemes as reporting financial institutions (“Reporting FIs”), effective from 1 January 2020. The Reporting FIs are obligated to comply with the due diligence and reporting obligations under the Automatic Exchange of Information (AEOI) framework. AEOI involves the transmission of financial account information from Hong Kong to an overseas tax jurisdiction, with which Hong Kong has an AEOI arrangement in place. As part of this framework, due diligence procedures must be applied to identify reportable accounts. Therefore, it is essential for appointees to provide their tax residency status in the MPF enrolment form to ensure compliance with the AEOI requirements. Failure to do so may adversely affect the account opening process.

For more details on AEOI, please refer to the website of the Inland Revenue Department at [https://www.ird.gov.hk/eng/tax/dta\\_aeoi.htm](https://www.ird.gov.hk/eng/tax/dta_aeoi.htm).

**Q11: How can appointees determine their tax residency in an overseas jurisdiction?**

A11: For detailed insights into the tax laws of different jurisdictions for defining tax residence, please refer to the website of the Organisation for Economic Co-operation and Development (OECD) at <https://www.oecd.org/tax/automatic-exchange/crs-implementation-and-assistance/tax-residency/>. If appointees have doubts regarding their tax residency status, it is recommended to seek professional advice from qualified tax professionals.

**Q12: Is it required to complete the “Tax Residence Self-Certification” section in the MPF enrolment form for appointees who are Hong Kong permanent residents, hold no foreign passports, and only have tax liability in Hong Kong?**

A12: Yes, it is still mandatory for all new MPF account holders to provide self-certifications to the Reporting FI in respect of their personal information, including tax residence. If an account holder is not a tax resident in any jurisdiction outside Hong Kong, the Reporting FI is not required to report their account information to the Inland Revenue Department for transmission to any jurisdiction outside Hong Kong. However, due diligence procedures will still be applied to verify that the account holder is not a reportable person.

## Fund Choice

**Q13: Where can more information be found on the different fund choices available under the HSBC MPF Scheme?**

A13: Detailed information on the unit price and cumulative performance of the funds offered under the HSBC MPF Scheme can be accessed on the HSBC website at <https://www.hsbc.com.hk/mpf/products/funds/prices-and-performance/>, facilitating informed decisions on fund choices based on personal preferences and financial goals.

**Q14: What is the Default Investment Strategy (DIS)?**

A14: The DIS is a ready-made investment arrangement primarily tailored for individuals who prefer not to make their own investment choice. It is also available as an investment choice for those who find it suitable for their own circumstances. In cases where appointees do not specify their investment choices when setting up a new MPF account, their contributions will be automatically invested in accordance with the DIS. For more information on DIS, please visit the website of the MPFA at [www.mpfa.org.hk](http://www.mpfa.org.hk) (Select *MPF Investment > Investment Portfolios > Default Investment Strategy*).

## Transfer of Accrued Benefits

**Q15: Can appointees transfer the accrued benefits to another MPF scheme during their service with the University?**

A15: Yes, appointees can transfer the MPF derived from the **employee's mandatory contributions** through the Employee Choice Arrangement (ECA). This arrangement allows them to transfer their contributions to an MPF scheme of their own choice once a year<sup>3</sup>, enabling greater autonomy and encouraging active management of their MPF investments. To initiate the transfer, a completed "*ECA Transfer Election Form (MPF(S)-P(P))*", which can be downloaded from the HSBC website at <https://www.hsbc.com.hk/mpf/documents/employees/>, will need to be submitted directly to HSBC for processing.

However, it is important to note that the MPF derived from the **employer's mandatory contributions** under the current employment cannot be transferred. This portion of the MPF must be retained in the original scheme until the cessation of employment. The University will continue to make contributions to the HSBC MPF Scheme, instead of the appointees' newly chosen scheme, even after they have exercised the right of transfer under the ECA.

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<sup>3</sup> A year refers to the period from 1 January to 31 December.

**Q16: How should appointees handle their MPF upon leaving the University?**

A16: Upon leaving the University, appointees may transfer the accrued benefits (derived from both the employer's and the employee's contributions) to another registered MPF scheme. Alternatively, they may opt to retain the accrued benefits in the HSBC MPF Scheme under a personal account. If no instructions are provided by the appointees to the trustee within three months of receiving the notice of termination of employment from the University, their MPF will be automatically transferred from the contribution account to a personal account under the same scheme and continue to be invested in the same funds chosen in the original contribution account.

**Withdrawal of Accrued Benefits**

**Q17: When can the accrued benefits under the MPF scheme be withdrawn?**

A17: Under the MPF legislation, scheme members may only withdraw their MPF derived from their mandatory contributions upon reaching the age of 65. Early withdrawal is only allowed under the following specific circumstances:

- Early retirement at age 60 or above;
- Permanent departure from Hong Kong;
- Total incapacity;
- Terminal illness;
- A small account balance of \$5,000 or less; or
- Death.

For more detailed information on withdrawal of MPF, please visit the website of the MPFA at <https://www.mpfa.org.hk/en/mpf-system/withdrawal-of-mpf>.

**Q18: How can the MPF accrued benefits be withdrawn upon reaching the age of 65 or early retirement?**

A18: MPF can be withdrawn in a lump sum or by instalments. Appointees will need to complete the "*Claim Form for Payment of MPF Accrued Benefits on Grounds of Attaining the Retirement Age of 65 or Early Retirement (Form MPF(S)-WR)*", which can be downloaded from the HSBC website at <https://www.hsbc.com.hk/mpf/documents/employees>. The completed form, along with a certified true copy of their Hong Kong Identity Card, should be submitted directly to HSBC to initiate the MPF withdrawal process.

For a claim made on the grounds of early retirement, appointees are also required to make a statutory declaration stating that they have no intention of becoming employed or self-employed again. The declaration form "*Statutory Declaration for Claims for Payment of Accrued Benefits on Grounds of Early Retirement (Form MPF(S)-W(SDI)*" can be downloaded from the HSBC website at <https://www.hsbc.com.hk/mpf/documents/employees/>.

Alternatively, appointees have the option to keep their contributions in the existing MPF scheme for continuous investment.

### **Tax Deductions**

**Q19: Are there any tax deductions for the MPF contributions under the Inland Revenue Ordinance?**

A19: Appointees can claim a tax deduction under Salaries Tax for the mandatory contributions made to an MPF scheme. The maximum deductible amount should not exceed the amount prescribed in the Inland Revenue Ordinance (currently at \$18,000 per year). Please refer to the latest announcements by the Inland Revenue Department at <https://www.gov.hk/en/residents/taxes/salaries/allowances/deductions/mpf.htm>.

### **Offsetting Long Service Payment or Severance Payment**

**Q20: Why has an amount been deducted from the MPF account to offset the Long Service Payment or Severance Payment?**

A20: Under the current provisions of both the Employment Ordinance and MPF Schemes Ordinance, any Long Service Payment or Severance Payment that appointees may be entitled to upon leaving the University will be offset against the benefits derived from the **employer's contributions** to the MPF Scheme. More details on this arrangement can be found on the website of the MPFA at <https://www.mpfa.org.hk/en/mpf-system/long-service-and-severance-payments>. The University would observe the changes of regulations and update the arrangements as and when necessary.

### **Further Information and Contact**

**Q21: How to check the account balance under an MPF account?**

A21: Account balances can be checked through any of the following channels:

- Annual benefit statements (sent within three months after the end of each financial year of the MPF Scheme)
- HSBC internet Banking (Personal Customers)
- HSBC HK Mobile Banking app
- HSBC MPF Member hotline at 3128 0128
- ATMs at HSBC and Hang Seng Bank using an ATM card or credit card with HSBC

**Q22: Where can I find more information on MPF?**

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|--|---|
| A22: Background and regulations on MPF:                            | <a href="https://www.mpfa.org.hk/en/home/info-centre">https://www.mpfa.org.hk/en/home/info-centre</a>   |
| Information and enquiries on HSBC MPF Scheme:                      | <a href="https://www.hsbc.com.hk/help/faq/mpf/employees/">https://www.hsbc.com.hk/help/faq/mpf/employees/</a><br>HSBC MPF Member hotline: 3128 0128   |
| Enquiries on MPF enrolment and application for exemption from MPF: | Contact the respective HR Managers in your Faculty/Department/School/Office, or send your enquiry to <a href="mailto:mpfhro@hku.hk">mpfhro@hku.hk</a> |
| Enquiries on MPF contributions:                                    | Email the Finance and Enterprises Office (FEO) at <a href="mailto:feo_payroll@hku.hk">feo_payroll@hku.hk</a>  |

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