

HSBC MPF Employer Service Guide



Important Notes

- ◆ The HSBC Mandatory Provident Fund – SuperTrust Plus is a mandatory provident fund scheme.
- ◆ You should consider your own risk tolerance level and financial circumstances before making any investment choices or investing in the MPF Default Investment Strategy (the 'DIS'). You should note that the DIS Constituent Funds, namely, the Core Accumulation Fund and the Age 65 Plus Fund, the DIS or a certain Constituent Fund may not be suitable for you. There may be a risk mismatch between the DIS Constituent Funds or a certain Constituent Fund and your risk profile (the resulting portfolio risk may be greater than your risk preference). When you are in doubt as to whether the DIS or a certain Constituent Fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice. You should make the investment decision most suitable for you taking into account your circumstances.
- ◆ You should note that the implementation of the DIS may have an impact on your MPF investments and accrued benefits. We recommend that you consult with the Trustee if you have doubts on how you are being affected.
- ◆ The Guaranteed Fund invests solely in an approved pooled investment fund ('APIF') in the form of an insurance policy provided by HSBC Life (International) Limited. The guarantee is also given by HSBC Life (International) Limited. Your investments in the Guaranteed Fund, if any, are therefore subject to the credit risks of HSBC Life (International) Limited. Please refer to section 4 'Risks' of the MPF Scheme Brochure for details of the credit risk.
- ◆ The guarantee in the Guaranteed Fund only applies under certain conditions. Please refer to subsection 3.4.3(f) 'Guarantee features' of the MPF Scheme Brochure for details of the guarantee features (including in the context of payment of accrued benefits in instalments) and the 'Guarantee Conditions'.
- ◆ MPF Benefits, AVC Benefits and TVC Benefits are payable on a Member's 65th birthday or on early retirement on or after reaching age 60. The accrued benefits can be paid in one lump sum or in instalments, at the Member's election. The accrued benefits can be paid in such form and on such terms and conditions as the Trustee may, to the extent not prohibited by the MPF Ordinance or General Regulation, prescribe. Please refer to subsection 6.7(c) 'Payment of MPF Benefits, AVC Benefits and TVC Benefits' of the MPF Scheme Brochure for details.
- ◆ You should not invest based on the information shown on this document alone and should read the MPF Scheme Brochure.
- ◆ Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the product features and risks involved, please refer to the MPF Scheme Brochure.
- ◆ Important – if you are in doubt about the meaning or effect of the contents of the MPF Scheme Brochure, you should seek independent professional advice.

What's inside

HSBC MPF – Your trusted MPF partner	4
Managing MPF scheme at a glance	5
1 Enrolling new employees	6
2 Making contributions	8
◆ A. Calculation of contributions	8
◆ B. Steps of making contributions	10
3 Terminating employees	14
◆ Refund on long service payment or severance payment	15
Value-added services for your employees	17
Appendix: Contribution checklist	19
Getting in touch with us	20
Notes	20



HSBC MPF

– Your trusted MPF partner

Solid foundation and reputation of HSBC

With HSBC strong local background, international expertise and track record for managing retirement funds, you can rest assured that HSBC is your choice of trust and strengths.

Tailor-made services to save your time and effort

As an experienced MPF service provider, we understand you wish to have hassle-free administration. We have various means of contribution arrangement, including traditional and electronic methods to provide you with ease and convenience.

Comprehensive investment option designed to suit different needs

We provide a range of choices to suit different investment style and your employees can choose to invest in different Constituent Funds.

Managing MPF scheme at a glance

Thank you for choosing HSBC MPF for your employees.

In this guide, we cover three key areas you need to know when managing an MPF scheme, these include enrolling new employees, making contribution and terminating employee. We've also included tips and ways we can help you to make sure things run smoothly.

With HSBC MPF, you can take care of your MPF scheme conveniently and easily through multiple channels.



Follow HSBC MPF WeChat Official Account to keep posted with the latest MPF updates and account management information. Virtual assistant 'Emma' can help you with general enquiry anytime, anywhere. Act now! Search our WeChat ID 'HSBCMPF' or scan the QR code to follow us!



Channels available for you



1 Enrolling new employees



e-Enrolment



enrolment pack

(relevant documents are also available on our website)



2 Making contributions



electronic channels



paper remittance statement

Settle by



direct debit



cheque



3 Terminating employees

Submit through



electronic channels



paper remittance statement



1

Enrolling new employees

As an employer, you must enrol your eligible employees into your MPF scheme, unless they're exempted.

Eligible employees are:

- ◆ between 18 and 65 year-old, and
- ◆ employed for 60 days or more under a continuous contract of employment, or
- ◆ casual employees engaged in the construction or catering industries and employed on a day-to-day basis or for a short term fixed period of less than 60 days.

Exempt persons include:

- ◆ domestic employees,
- ◆ self-employed licensed hawkers,
- ◆ people covered by statutory pension or provident fund schemes, such as civil servants and subsidised or grant school teachers,
- ◆ members of occupational retirement schemes which are granted exemption certificates,
- ◆ non-permanent residents from overseas who enter Hong Kong for the purposes of employment for less than 13 months, or who are covered by overseas retirement schemes, and
- ◆ employees of the European Union Office of the European Commission in Hong Kong.

Enrolling employees is simple, and HSBC MPF helps you take care of it with a few simple steps.



Remember to enrol your eligible non-casual employees to an MPF scheme **within first 60 days** of their employment with you.

How to enrol a new employee



By e-Enrolment

If you're using designated HR software, your employees can fill out the enrolment form online. You can contact employer hotline for details.

By paper form



You can request enrolment pack which includes the MPF Scheme Brochure, Employee Application Form (form code: IN61), 'Member Service Guide' from our hotline or download the relevant documents from our website and give them to your employees. Ask them to return the Employee Application Form to you after filling it out.

After receiving the form from them, fill in the employer section and send to us for enrolling the new employee.



Tell your employees to watch the MPF enrolment video on our website for lots of MPF tips.



You can also call the employer hotline or your account manager to arrange a tailor-made briefing for your employees.



Your employee will receive a confirmation when the enrolment is completed.



2 Making contributions



A. Calculation of contributions

Relevant income

This refers to all monetary payments paid or payable by you to your employees, including wages, salary, leave pay, fees, commissions, bonuses, gratuities, perquisites or allowances, but excluding severance payments or long service payments.

Mandatory contribution

You must contribute 5% of the employees' relevant income per month subject to the maximum relevant income level and your employees are required to match the portion unless their relevant income is below the minimum relevant income level.

Voluntary contribution

You can provide additional employee benefits by making additional voluntary contributions on top of mandatory contributions.

Or you can encourage your employees to plan for their retirement early and make Tax Deductible Voluntary Contributions to enjoy tax concession or to make Flexi-Contributions with greater flexibility. They can call HSBC MPF Member Hotline at 3128 0128 to learn more about different arrangements on additional voluntary contributions and how to get thing started.

Contribution day

Under the MPF legislation, the contribution day* is on the 10th day of every month for a monthly-paid employee. You need to deduct employees' contributions from their payroll and pay with the employer's contributions on or before the contribution day. So you'll need to pay the contribution for September on or before 10 October, for example.



TIPS

If you're self-employed, please read our Member Service Guide to find out how to manage your contributions.

You have to make mandatory contributions for employees who have been working for you for over 60 days (except casual employees)

Employee start day	You'll need to make employer contributions from the day an employee starts working for you.
The 30th day	Employees enjoy a 30-day contribution holiday, so they don't pay employee contributions for the first 30 days of employment and the rest of the payroll cycle in which the 30th day falls if the payroll cycle is monthly or shorter than monthly. If the payroll cycle is longer than monthly, then your employees don't pay contribution for the first 30 days of employment and the calendar month in which the 30th day falls.
The 60th day	The first contribution will be due on the 10th day* of the month after the month on which the employee has worked for 60 days and you'll need to pay contribution for the first few months together.

* Generally, for monthly-paid non-casual employees, the contribution day is the tenth day of each month. For casual employees (who are not members of an industry scheme), the contribution day is the tenth day after the last day of the relevant contribution period. If the contribution day falls on a Saturday, a public holiday, a gale warning day or a black rainstorm warning day, then the contribution day refers to the next working day which is not a Saturday, a public holiday, a gale warning day or a black rainstorm warning day.



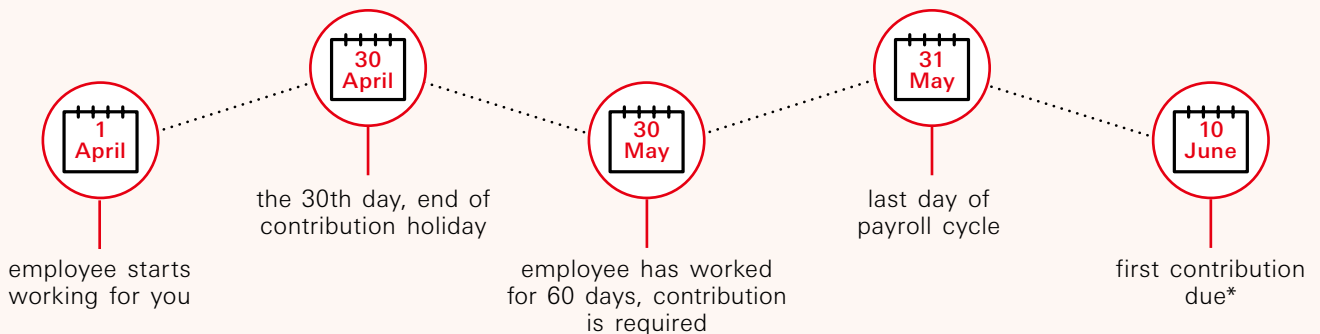
Use the **First Time Contribution Calculator** on our website to help work out what and when you'll need to pay for a new employee.

You can also refer to more contribution scenarios on the website, such as for casual employees and different payroll cycles.

In the examples below, we assume the payroll cycle is by calendar month.

Example 1 – employee starts on 1 April

Employer's first contribution: includes April and May
Employee's first contribution: starts from May

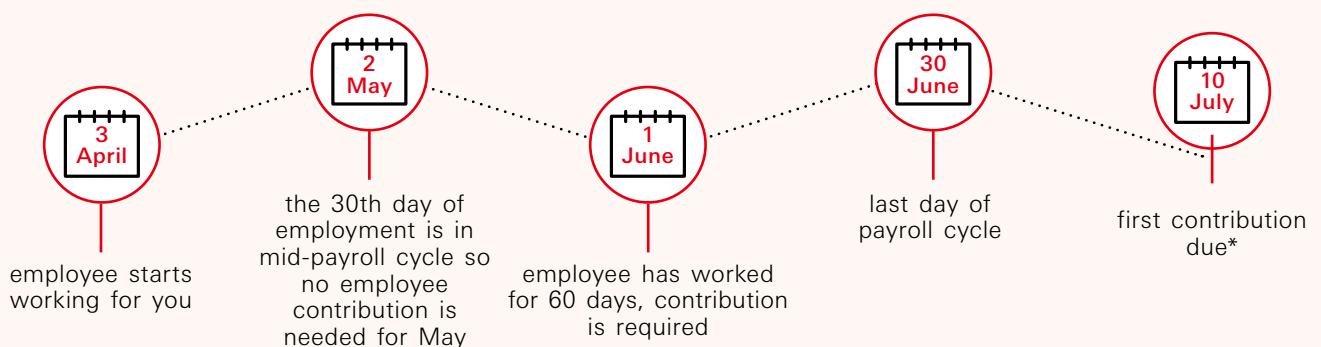


In this example, the employee will have worked for you for 60 days on 30 May, so you'll **pay the first contribution for this employee on or before 10 June, covering April and May.**

The employee's contribution holiday ends on 30 April and the employee contribution will start in May. So you'll deduct the first employee contribution from his/her salary for May and send to us with your employer contribution on or before 10 June.

Example 2 – employee starts on 3 April

Employer's first contribution: includes 3-30 April, May and June
Employee's first contribution: starts from June

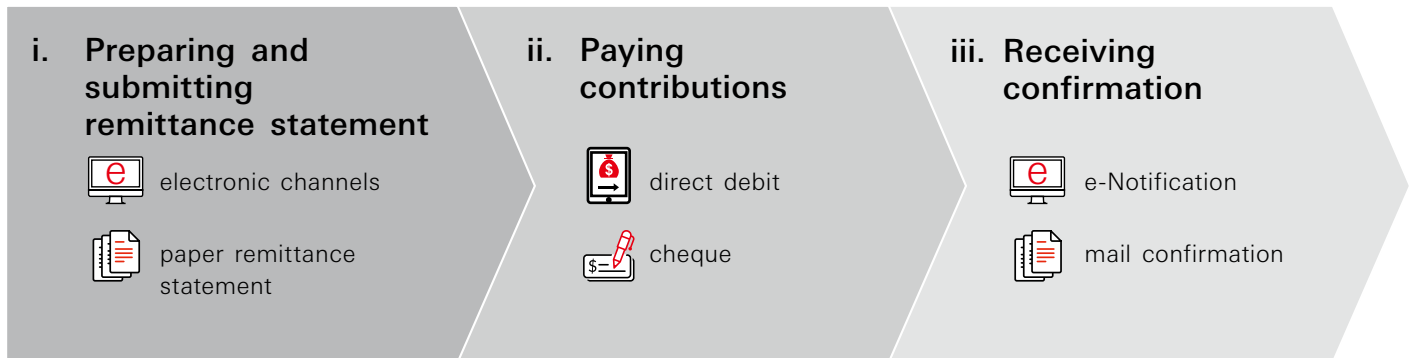


In this example, the employee will have worked for you for 60 days on 1 June. So you'll **pay the first contribution for this employee on or before 10 July, covering April, May and June.**

As the 30th day of employment of the employee is in mid-payroll cycle (2 May), no employee contribution is needed for the rest of that month due to incomplete payroll cycle. So the first employee contribution will be deducted from the salary for June and send to us with your employer contribution on or before 10 July.

* Generally, for monthly-paid non-casual employees, the contribution day is the tenth day of each month. For casual employees (who are not members of an industry scheme), the contribution day is the tenth day after the last day of the relevant contribution period. If the contribution day falls on a Saturday, a public holiday, a gale warning day or a black rainstorm warning day, then the contribution day refers to the next working day which is not a Saturday, a public holiday, a gale warning day or a black rainstorm warning day.

B. Steps of making contributions



i. Preparing and submitting remittance statement

Each month, you need to give us a remittance statement containing contribution details of each employee such as relevant income, and how much you and the employee are contributing for the relevant contribution period.

You can prepare your monthly remittance statement electronically or on paper. If you'd prefer to do it electronically, you can choose between four options.

By electronic channels



HSBC Business Internet Banking MPF Service

- ◆ We calculate the contributions based on the relevant income you provided in last contribution period for you to check
- ◆ You can prepare and send in your remittance statement in advance and pay at a later date
- ◆ Saves your time
- ◆ There's less chance of calculation mistakes



Designated encrypted email channel

- ◆ We preload your latest contribution details in e-Remittance Statement and send them to you by secure email
- ◆ You can make any changes and email them back



HR software with MPF contribution functions

- ◆ Contribution calculation function to ensure accuracy
- ◆ Also supports basic HR functions, for example tax reporting
- ◆ Minimises input error with data validation



Customised file interface

- ◆ Caters for employers with own internal HR system
- ◆ Supports specific file format that suit your needs
- ◆ Contact us if you wish to submit remittance statement under such arrangement

Submit remittance statements through electronic channels is simple and efficient. For more details about electronic contribution, you can visit the HSBC MPF website, contact HSBC MPF Employer Hotline on 2583 8033, or speak to your account manager.

By paper remittance statement

We send you a printed remittance statement

- ◆ with preloaded contribution details based on your last reporting

Let us know about

- ◆ changes to relevant incomes
- ◆ new employees joining the scheme
- ◆ last contribution and termination date for the terminated employees

Send the statement back to us

You can choose from:

- ◆ putting it in an MPF drop-in box in the designated branches. Visit our website to find one near you, or
- ◆ posting it to: The Hongkong and Shanghai Banking Corporation Limited, PO Box 73770, Kowloon Central Post Office



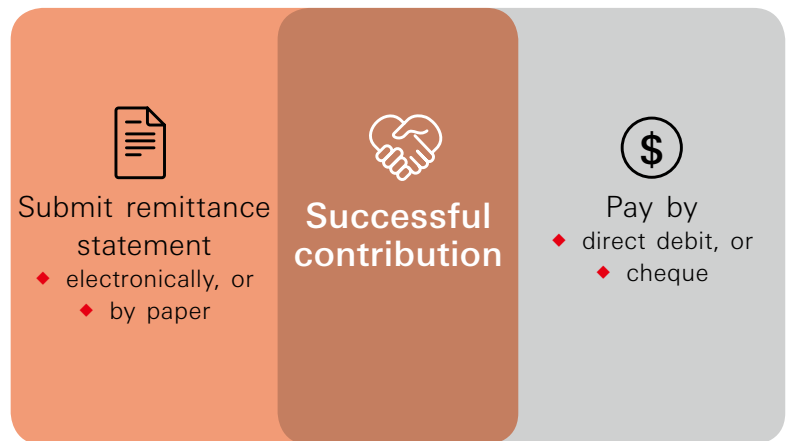
We send out e-notification when we've received your remittance statement, remember to update your email address for the service!



ii. Paying contributions

You must pay the contribution and send us your remittance statement at the same time, on or before the contribution day.

If you don't, the contribution will be deemed late, and there may be potential contribution surcharge.



We accept two payment methods, please don't send payment by cash, bearer cheque or demand drafts or we'll have to reject your payment.

You can pay by:



direct debit

Simply download, fill out and send to the administrator the Direct Debit Authorisation (form code: IN14) from our website. Please make sure you **have enough money in your bank account for payment after submitting remittance statement.**



cheque

Please see the appendix on page 19 for who to make the cheque payable to. **Cross your cheque** and write **your Employer ID** and the **contribution period** you're paying for clearly on the back.

Your cheque will be rejected if any of the information is wrong, unclear or missing. So please check carefully before you send it to us.



We recommend paying by direct debit for a quick and easy way to make sure your payments are always on time.

If you're paying by cheque, remember to attach it to the remittance statement so that we get them both together.

iii. Receiving confirmation

It's important to keep record for checking in the future and to facilitate that, we provide you with various forms of confirmation, including:



by email

You'll get an email notification when we've received your remittance statement and your employees will receive an email notification when the allocation of units to their account is completed.

Remember to update your email address and remind your employees to update theirs in our record to receive timely notifications.



on Business Internet Banking (BIB) or HR software

You can find your submission record on BIB or on the HR software you use, remember to save a copy of the record as the history may expire.



by mail

You'll receive a mail confirmation once we've processed your contribution, the completion of the contribution allocation is subject to payment clearance.



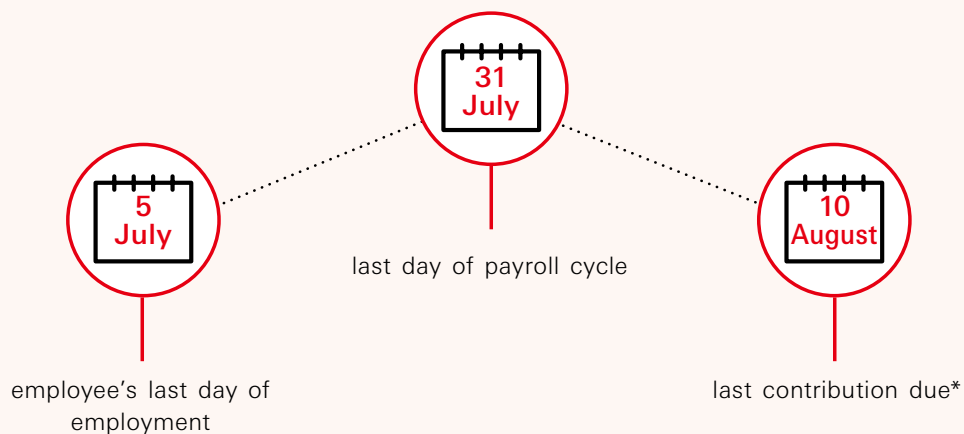


3

Terminating employees

If any of your employees is terminated, remember to pay the last contribution for him/her on time. You should report the last contribution together with the contributions of other employees on or before the relevant contribution day*. You need to let us know in your remittance statement the final contribution and the last day of employment of the employee.

Example



* Generally, for monthly-paid non-casual employees, the contribution day is the tenth day of each month. For casual employees (who are not members of an industry scheme), the contribution day is the tenth day after the last day of the relevant contribution period. If the contribution day falls on a Saturday, a public holiday, a gale warning day or a black rainstorm warning day, then the contribution day refers to the next working day which is not a Saturday, a public holiday, a gale warning day or a black rainstorm warning day.



Remember to submit the remittance statement and Payment Proof for Long Service Payment/Severance Payment (form code: INLS) at the same time for a timely refund of long service payment or severance payment (if any)!

Refund on long service payment (LSP) or severance payment (SP)

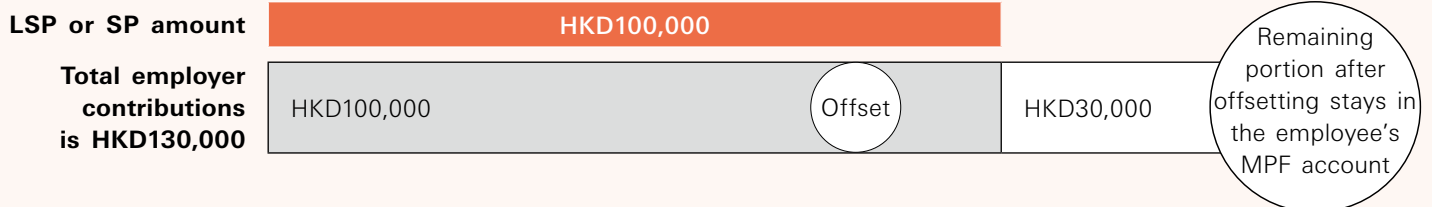
If you need to pay LSP or SP to employee under the Employment Ordinance, you can apply for a refund from the employee's MPF account, subject to a maximum offsetting amount of HKD390,000.

The refund will be made with the vested accrued benefits derived from the employer's mandatory and voluntary contributions (including ORSO transfers) under an MPF scheme, in this order:

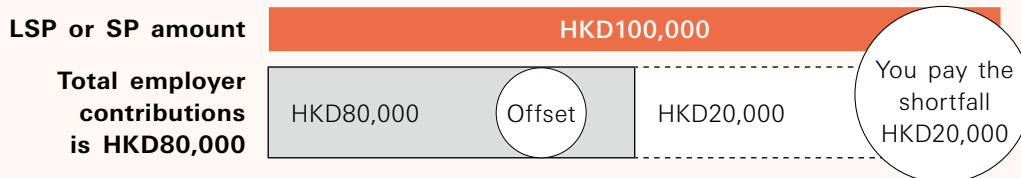
1. Employer voluntary contributions[#] (if applicable)
2. Employer's ORSO transfers[#] (if applicable)
3. Employer special contributions[#] (if applicable)
4. Employer mandatory contributions

[#] Only applicable for vested portion

Example 1 – when the accrued benefits attributable to your contributions are more than the LSP or SP



Example 2 – when the accrued benefits attributable to your contributions are less than the LSP or SP



How to apply for a refund

Make sure you let us know the person has left using the remittance statement.

Then download the Payment Proof for Long Service Payment/Severance Payment (form code: INLS) from our website. Fill it out and send it back to us – make sure you've had it signed by the authorised person(s) of your company and the leaving employee.





Value-added services for your employees

HSBC MPF got lots of ways to help your employees understand and get the most out of their MPF accounts. They can:



view and manage their accounts via

- ◆ HSBC Personal Internet Banking
- ◆ HSBC HK Mobile Banking app, multiple functions available including balance checking, latest fund performance checking and fund switching
- ◆ HSBC MPF Member Hotline 3128 0128
- ◆ HSBC or Hang Seng Bank ATMs
- ◆ MPF member benefit statement and consolidated bank statement



talk to us in person

- ◆ regular member seminars
- ◆ visit one of the roadshows for helping your employees to manage MPF
- ◆ arrange a tailor-made on-site briefing through the hotline or your account manager
- ◆ designated branches with MPF specialist



get information on our website

- ◆ Member Service Guide and newsletters
- ◆ monthly and quarterly investment performance reports
- ◆ interesting videos on MPF Academy
- ◆ estimate the cost of living for retirement with HSBC Retirement Monitor
- ◆ retirement calculator helps your employees to work out how much they need to save



Appendix: Contribution checklist

Managing an MPF scheme can feel like a lot to remember, so here's a checklist to help you stay on top of the key jobs you'll need to do.



Enrolling a new employee

Don't forget to:

- send us the Employee Application Form (form code: IN61) within 60 days of the new employee starts working for you.
- include information about the new employee, the start date and relevant income on the remittance statement when you make your first contribution.



Filling out your remittance statement

Have you:

- told us the contribution period, for example 1-31 May 2018?
- given us details of the relevant income and mandatory contributions for every employee? (put '0' for those without relevant income)
- told us about first contribution for new employees?
- told us about final contributions for employees who left last month?
- written the total contribution on the statement?
- got authorised person(s) to sign it?
- paid enough postage (if you're sending it by post)?



Paying your contributions

- If you're paying by cheque, attach a crossed cheque made payable to:
 - 'HSBC MPF – SuperTrust Plus' or
 - 'HSBC Provident Fund Trustee (Hong Kong) Limited A/C HSBC Mandatory Provident Fund – SuperTrust Plus'
- If you're paying by direct debit, make sure you've got enough money in your bank account to cover the payment each month.



Terminating employees

Don't forget to:

- use your remittance statement to tell us they're leaving and their last day as an employee.
- pay your final contribution.
- send us Payment Proof for Long Service Payment/Severance Payment (form code: INLS) if you're applying for a refund.

Getting in touch with us



www.hsbc.com.hk/mpf



designated HSBC branches



2583 8033



HSBCMPF |

Featuring a live virtual assistant 'Emma' to answer your enquiries

Notes

- ◆ It is important that you read this publication in conjunction with the accompanying MPF Scheme Brochure which contains more detailed information about HSBC Mandatory Provident Fund – SuperTrust Plus including information on the fund structure, risk involved, fee table and of our ability to alter these fees and charges in the future.
- ◆ The information contained in this publication is for reference only and the provisions of the Mandatory Provident Fund Schemes Ordinance, other applicable legislation/regulations and guidelines or announcements published by the Mandatory Provident Fund Schemes Authority shall prevail.
- ◆ Additional voluntary contributions, Flexi-Contributions and Tax Deductible Voluntary Contributions are accepted at the discretion of the Trustee. The Trustee reserves the absolute right not to accept any additional voluntary contributions, Flexi-Contributions and Tax Deductible Voluntary Contributions at any time.
- ◆ HSBC Provident Fund Trustee (Hong Kong) Limited accepts responsibility for the accuracy of the information contained in this publication only at the date of publication.