



International High-Level Round Table on Mandatory Funded and Mixed Pension Schemes Development Prospects

Digitalization of Scheme Administration: The eMPF Platform

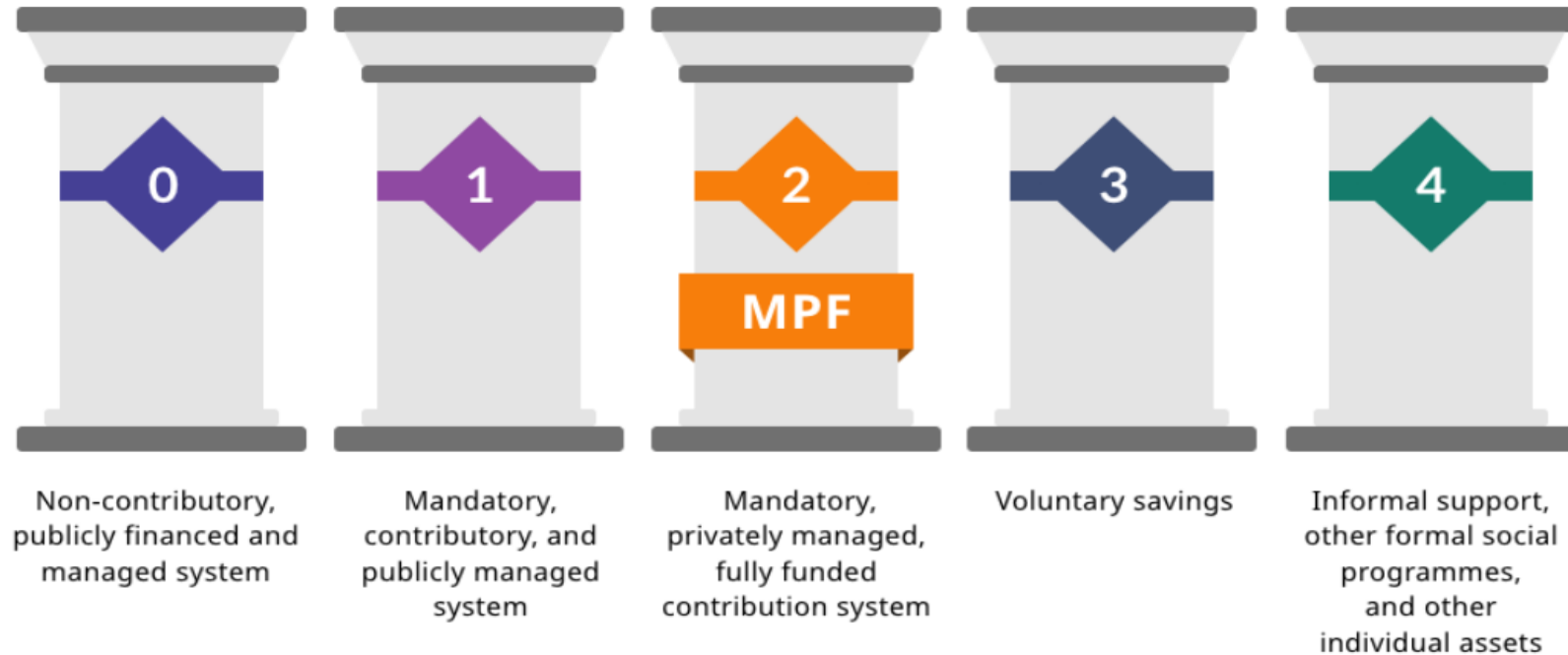
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Role of the MPF System in Hong Kong's Retirement Protection Framework

World Bank's Multi-pillar Retirement Protection Framework



Examples in Hong Kong

<ul style="list-style-type: none"> • Old Age Allowance • Old Age Living Allowance • Comprehensive Social Security Assistance Scheme 	Not applicable	<p>MPF (mandatory part)</p>	<ul style="list-style-type: none"> • MPF (voluntary part) • Personal savings/ investment 	<ul style="list-style-type: none"> • Family support • Public housing • Public healthcare
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Features of the MPF System



Mandatory

Except for exempted persons



Privately managed
under trust



Defined
Contribution



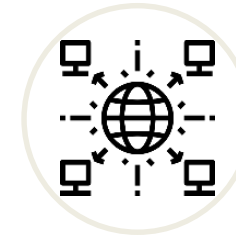
Fully funded,
financially sustainable



Employment
based



Employer chooses scheme*
Employee chooses his/her own
investment portfolio (funds)



Decentralized
administration

* Under the Employer Choice Arrangement, scheme members can, once a year, opt to transfer the accrued benefits derived from the employee mandatory contributions in their contribution accounts to a scheme of their own choice



Key MPF Statistics



4.7 Million Scheme Members
(as at end December 2022)



353 000 Employers



13 Trustees



27 Schemes

Enrolment Rate

Employee

100 %

Self-employed Person

88 %

Employer

100%

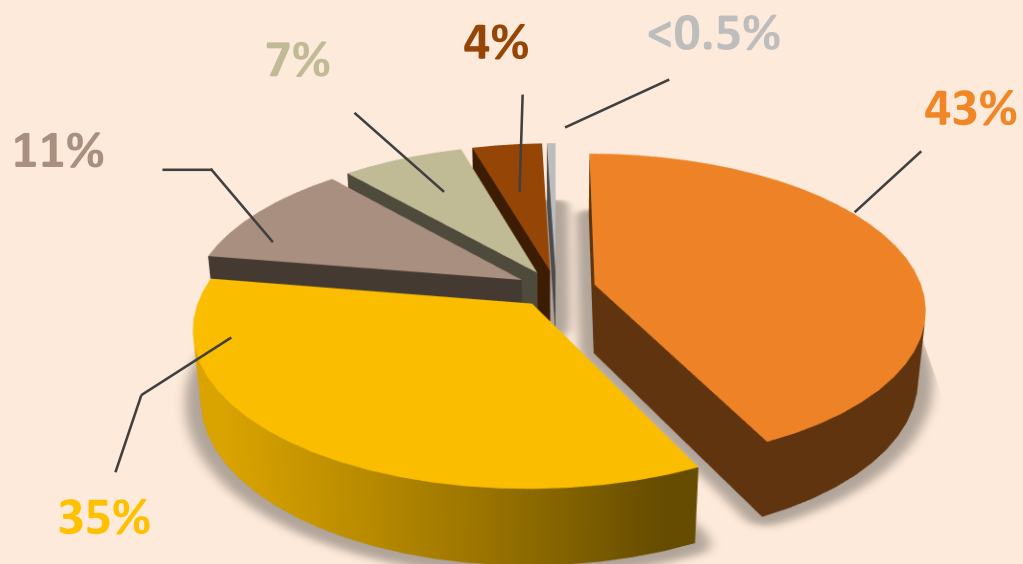


415 Funds

(as at end June 2023)

Net Asset Values of the MPF System

Net Asset Values
HK\$1,112 billion
(equivalent to US\$141.9 billion)



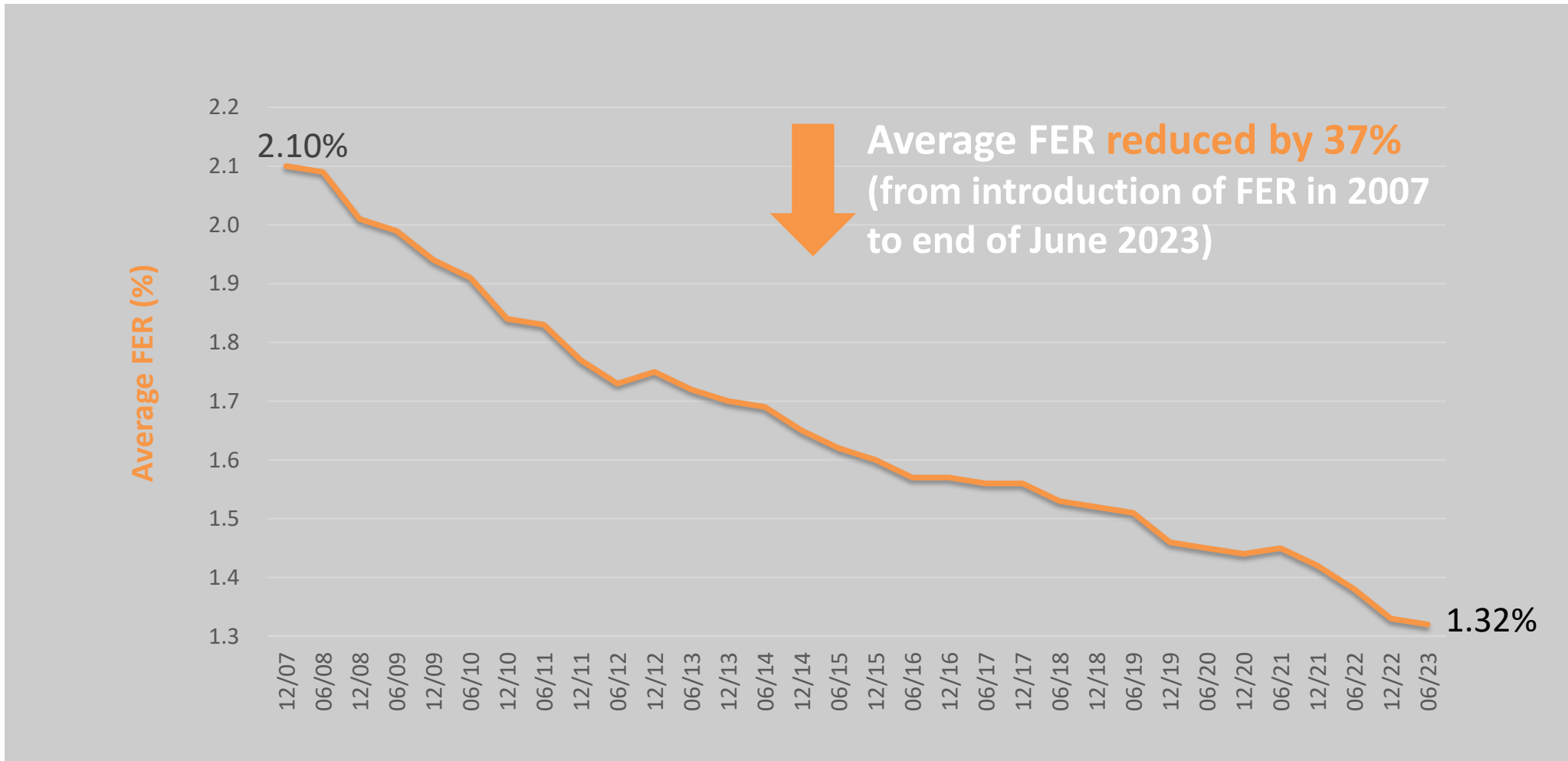
(as at 30 June 2023)

- Equity Fund (HK\$482 billion, equivalent to US\$61.5 billion)
- Mixed Assets Fund (HK\$386 billion, equivalent to US\$49.2 billion)
- Money Market Fund – MPF Conservative Fund (HK\$120 billion, equivalent to US\$15.4 billion)
- Guaranteed Fund (HK\$79 billion, equivalent to US\$10.1 billion)
- Bond Fund (HK\$40 billion, equivalent to US\$5.1 billion)
- Money Market Fund – Other than MPF Conservative Fund (HK\$5 billion, equivalent to US\$0.6 billion)

According to the USD-HKD average exchange rate in June 2023



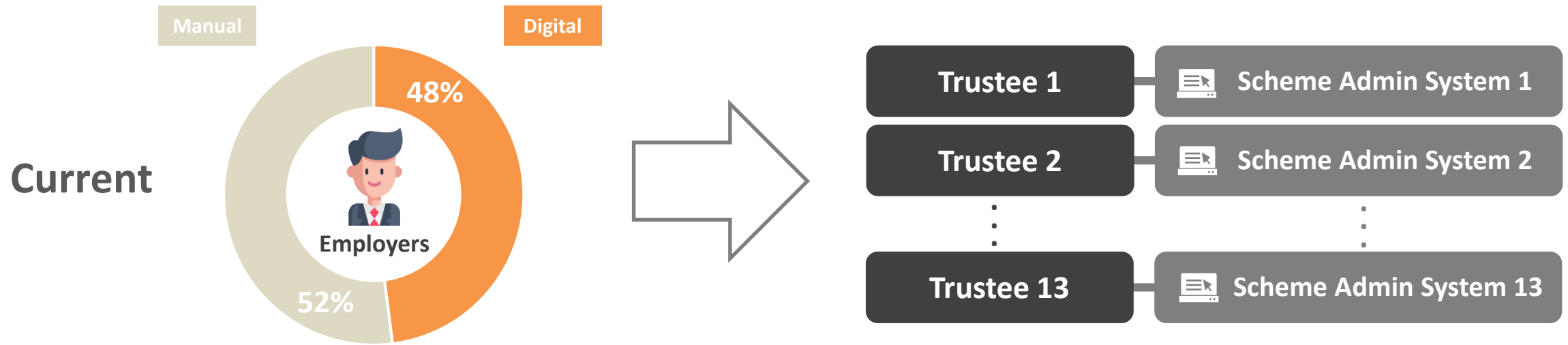
Fund Expense Ratio (FER)



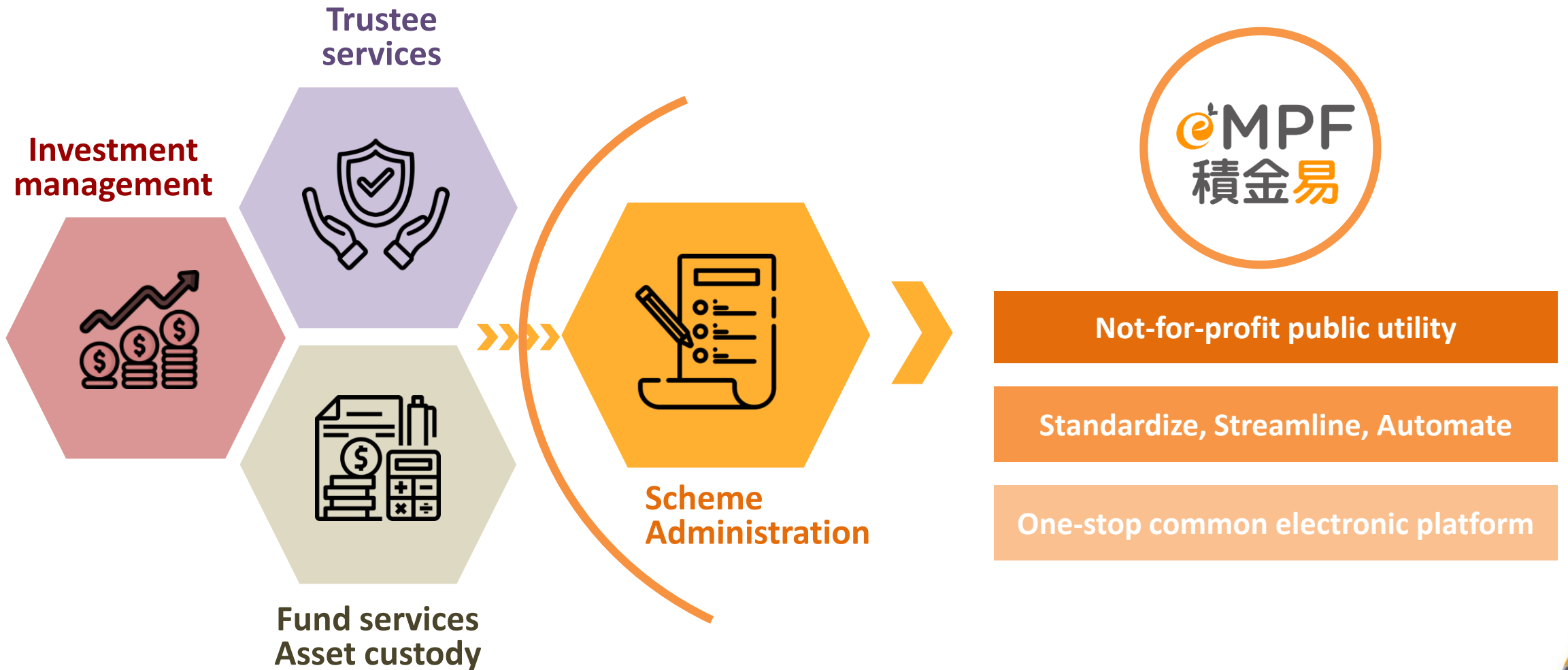


The eMPF Platform

Current and Future MPF Scheme Administration



Reshaping the MPF Ecosystem



eMPF Platform: A Comprehensive Administration Platform



Account activation and enrolment

- Register on eMPF Platform
- Enrol MPF scheme



Handle contributions and process payment

- Mandatory contributions
- Voluntary contributions
- Recover default contributions



Manage MPF accounts

- Fund switching
- Scheme transfer



Benefit withdrawal

- Withdraw benefits
- Long Service Payment (LSP) / Severance Payment (SP) offset by employers



Generate notices, documents and reports

- Issue notices and documents
- Data maintenance and information management system



General administration and compliance

- Enquiries & complaints
- Report to MPFA
- Continuous interface with eMPF Platform
- Fee payment for use of eMPF Platform



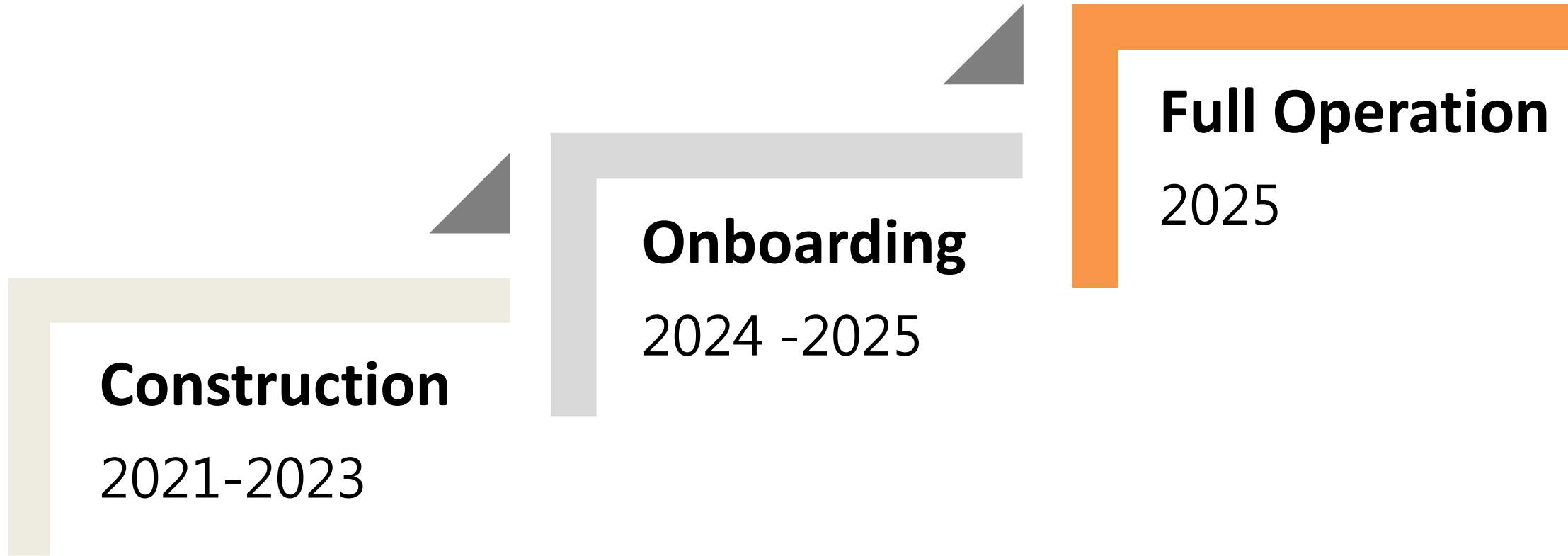
Communication channels and connectivity

- Online Platforms (Web Portal + Mobile App)
- Service centres

Full-fledged functionalities for employers and scheme members



Project Timeline



Benefits of the eMPF Platform



Scheme Members

- One-stop handling of all accounts
- Operate anytime, anywhere
- Real-time viewing of all accounts
- **Create room for fee reduction**



Employers and Self-employed Persons

- One-stop for enrolment and contributions
- Operate anytime, anywhere
- Reduce paper work and human errors



Trustees

- Standardize, streamline and automate scheme administration
- Reduce administrative burden and associated compliance burden and costs



MPFA

- Improve efficiency and reliability of the MPF System
- Facilitate supervision of trustees and protection of member interests
- Pave way for future reform initiatives



Thank You

