

# Compare and select wisely amongst the different TVC promotions



**Tax Deductible Voluntary Contributions (TVCs) have been popular since their launch in 2019 and allow members a deduction against tax up to a limit of HK\$60,000 each year.**

Members can select freely amongst the many MPF schemes that offer TVC products. Further, to attract more business and contributions, many MPF providers have launched different promotional offers, each with their own terms and conditions. Members should compare carefully and decide based on their own individual circumstances.

## **Offers focused on members opening new TVC accounts**

Many of the promotional offers are applicable to newly opened TVC accounts. This means that if you have previously made TVCs to a particular MPF provider, you cannot enjoy a welcome offer from the same provider.

However, if you have a Contribution Account, Personal Account or Special Voluntary Contribution with a provider, but not a TVC account, you would usually be entitled to a welcome offer in respect of a newly opened TVC account. Promotional offers are appealing for those opening their first TVC account or for those who transfer an existing TVC account to another provider.

## **Welcome offers vary across different providers**

Welcome offers can typically be divided into two categories, (i) those that provide a one-off bonus unit rebate and (ii) those that offer a discount on the providers' ongoing management fees. Some providers offer both.

The amount of rebate is one of members' major concerns, this can range from a few hundred dollars to over ten thousand dollars. You will need to understand the providers' terms and conditions, as to when the rebate will be paid and how long contributions must be retained in the TVC account to remain eligible. For example, some providers only require you to make contributions in the first year upon opening your TVC

account, whilst others require members to continue to make contributions for several years to be eligible for the rebate(s). Also, there are providers that grade the size of members' accumulated contributions or transferred benefits, with higher grade, the member enjoys more rebate.

Only some providers offer a reduction to the ongoing management fees. However, note that if the employer's contribution account already offers a special management fee discount, such discount will not necessarily apply to a TVC account established with the same provider.

Members need to make careful comparisons and should consider all relevant factors to determine which providers' TVC product best suits their needs.

## **Open an account and make contributions before the deadline**

In order to benefit from this year's tax deduction and also a provider's welcome offer, you must open a TVC account and make contributions to it and / or transfer contributions from an existing TVC account by 31 March 2022.

Note that it takes some time for the provider to process and collect the contributions after receiving the order, the transfer process of TVC account can often take a whole month. In order to ensure the provider receives the contributions or transfer before 31 March 2022, members should not procrastinate until the last minute to avoid missing the opportunity.

## **Other factors to consider other than attractive TVC offers**

As well as attractive promotional offers, there are other factors to consider when choosing a TVC scheme. Members should not ignore other important factors such as fund range, investment performance, management fees and customer services, etc. TVCs are a helpful way of supplementing your retirement and other savings on a tax-efficient basis. We believe that the TVC welcome offers will encourage more members to open a TVC account, which will increase the volume of MPF accrued amount and enhance members' retirement protection.

# TVC優惠大不同宜多作比較



成員開立可扣稅自願性強積金供款賬戶“TVC”後，免稅額上限為每年 60,000 元（即最高每年可減去 10,200 元的稅款），自 2019 推出以來一直深受歡迎。

由於成員的 TVC 可以自由選擇強積金計劃，營運商為了吸引更多成員，均推出回贈優惠，而當中的優惠條款各有差別，成員應小心比較並根據自身狀況作出決定。

## 優惠主要針對成員新開戶

回贈優惠一般針對新開的 TVC 賬戶，這代表成員若已於某個強積金計劃開立了 TVC 賬戶，就不能再享受相關的迎新優惠。

如果成員於同一受託人持有供款賬戶、個人賬戶或特別自願性供款賬戶，而沒有任何 TVC 賬戶，則通常仍可獲取優惠。對於首次開立 TVC 賬戶或希望將 TVC 賬戶轉至其他受託人的成員來說，迎新優惠的確存在一定吸引力。

## 優惠安排各有不同

受託人提供的迎新優惠主要可歸類為兩個範疇，(i) 以基金單位發放的一次性回贈以及 (ii) 管理費折扣，部分受託人同時提供兩款優惠。

回贈金額肯定是最引人注目的，可由數百元到過萬元，但成員要符合受託人所定的條件。成員應該了解當中的條款及安排，例如紅利單位會於何時存入成員的 TVC 賬戶、權益須保留於 TVC 賬戶的時間等。

有的受託人只須成員於開設賬戶的首年供款，亦有受託人要求成員之後數年繼續作供款，才能獲取最多的回贈。此外，有些受託人根據成員累計供款或轉入權益的規模劃分等級，等級越高可享有更大金額的回贈。

至於管理費折扣，只有部份受託人提供。大家要注意，如果僱主的供款賬戶已經享有由受託人提供的特別管理費折扣，此折扣通常都不再適用於 TVC 賬戶。有見及此，成員必須進行詳細比較，並考慮所有相關因素，才能評估那一家受託人適合自身需要。

## 限期前開立賬戶並供款

TVC 的稅務扣減或迎新優惠都設有時限：成員須於今年 3 月 31 日前開設賬戶並進行供款及/或將權益轉入賬戶。

要注意的是，稅務扣減是按受託人於 3 月 31 日前或後收妥的供款，而不是成員何時作出相關指示。受託人收到指令後需要一段時間處理並收妥供款，而轉移更可能要用上一個月的時間，所以成員盡量不要拖到最後一刻，以免錯失機會。

## TVC 回贈吸引 仍要考慮其他因素

TVC 回贈優惠雖然吸引，但應只是成員選擇強積金計劃的其中一個考慮因素，成員不應忽略例如強積金計劃本身的基金選擇、基金表現、收費水平以及客戶服務等其他因素。相信受託人的迎新優惠，有助吸引更多成員參加 TVC 計劃，對壯大強積金權益規模以及提升成員的退休保障，帶來正面及積極的影響。

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