

Understanding MPF Retirement Income Funds

The WTW logo is displayed in a large, white, sans-serif font in the bottom right corner of the page. The background of the entire page is a high-angle photograph of a large crowd of people, likely at a marathon or festival, with a blue and white striped barrier in the foreground.

Recently, a number of MPF providers have added a retirement income fund to their investment fund range.

A retirement income fund helps members create "passive income" after retirement. It also acts to preserve the purchasing power of the member's assets and counter the effects of inflation. For members with a lower risk tolerance and those near, or already at retirement, this type of fund can be quite attractive.

Satisfying both "investment" and "income" needs

When members are close to retirement, they face a choice as to whether to withdraw their MPF benefits in cash, or to continue to keep their MPF assets invested for use sometime in the future. Most retiring members lose their primary income after retirement, so they tend to withdraw their MPF benefits, but at the cost of losing the opportunity to increase asset value and counter the effects of inflation.

In view of this, the launch of retirement income funds can help members continue to invest their assets in the MPF system and earn income after retirement.

Retirement Income Funds are Mixed Asset Funds

In general, retirement income funds are mixed asset funds that invest in both stocks and bonds. MPF fund managers have a high degree of freedom in deciding the asset allocation depending on market conditions, but will usually tend towards investment strategies with lower volatility.

The bond portion of the fund can provide stability and interest income to the fund. Also, as the funds invest in higher-yielding bonds such as longer-term bonds, corporate bonds and even emerging market bonds, etc., there are opportunities to generate returns above inflation.

In terms of investment risk, retirement income funds are similar to other mixed asset funds with the same corresponding asset mix.

Post-retirement dividends can be withdrawn at any time

Some retirement income funds have a dividend distribution arrangement similar to stocks. They have a record date, an ex-dividend date, and a distribution date. In such cases, dividends will be paid in respect of units held by a member before the record date. The distribution of dividends will cause a unit price adjustment on the ex-dividend date. The distribution date is the date on which the dividend is paid to the member.

Before reaching age 65, dividends are usually reinvested in the retirement income fund so as to compound investment growth. After age 65, dividends are instead reinvested in less risky and more stable assets.

Some trustees allow members the option of (1) setting up a standing instruction to withdraw a specific amount on a monthly/quarterly basis as an alternative source of income whilst continuing to invest, or (2) one-time partial/full withdrawal. Benefits which are not withdrawn will continue to be invested in the MPF system.

Retirement Income Funds are not guaranteed products

Under normal market conditions, the funds pay monthly dividends as planned, but the funds do not provide any guarantees on investment returns or dividend payout ratios. If the investment return is below expectations, the fund may reduce its payout level.

In general, retirement income funds are not principal and/or interest-guaranteed products. The price of the fund can go up or down. Even if the fund has a dividend target (e.g. higher than the inflation rate by a certain percentage), there may be adjustments to the actual dividend payout depending on market conditions.

More options for retirement investing

The management of retirement income funds is more complicated than traditional funds, but this does not prevent MPF providers from launching these new products and extending new investment options for members. To reduce the burden on retired members, some providers automatically reduce fund fees for members after the age of 65.

Since retirement income funds have only recently been launched, past record and available data is limited. Whether these funds can achieve their long-term investment objectives is yet to be seen. Members may start paying attention to the funds' operation and performance, as these funds maybe a reliable choice in the future.

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help organizations sharpen their strategy, enhance organizational resilience, motivate their workforce and maximize performance. Working shoulder to shoulder with our clients, we uncover opportunities for sustainable success—and provide perspective that moves you. Learn more at [wtwco.com](https://www.wtwco.com).

有關韋萊韜悅

在韋萊韜悅，我們運用數據和灼見，為機構的人才、風險和資本範疇提供解決方案。我們的同事遍布全球 140 多個國家，他們既具國際視野，亦富當地知識，協助機構強化策略、增強組織彈性、激勵員工，以及儘量提昇表現。我們與客戶並肩合作，發掘機會去持續取得成功，同時提供打動你的觀點，詳情請瀏覽 [wtwco.com](https://www.wtwco.com)。

認識強積金退休收入基金



wtw

部份強積金受託人近日引入了退休收入基金。

這種基金一方面是為了讓成員能夠於退休後創造「被動收入」，同時也提供投資渠道以保持資產購買力並抗衡通脹。這對不少風險承受能力較低以及臨近或經已退休的成員來說，可算相當吸引。

同時滿足「投資」與「收入」需求

很多成員於退休時需要面對一個抉擇，應該提取強積金權益使用，還是繼續滾存投資。成員大多因退休後失去主要收入，缺乏財務安全感，所以傾向提取權益，但卻因此失去了投資增值及抵抗通脹的機會。

有見及此，受託人推出的退休收入基金，可以說是同時滿足了「投資」及「收入」兩個需求。成員可將資產繼續投資於強積金內，並在退休後獲取收入。

退休收入基金屬於混合資產基金

一般而言，這類退休收入基金產品屬於混合資產基金，會同時投資於股票及債券。基金經理有較大自由度，按市況去決定兩者的比重，但通常偏重於波動性較低的投資策略。

基金中的債券部份可為基金提供穩定性及利息收入。由於基金投資於年期較長的債券、企業債券、甚至新興市場債券等息率回報較高的債券，基金有機會創造高於通脹的回報。

就投資風險而言，退休收入基金與相應的混合資產基金類近。

退休後派息可隨時提取

有些退休收入基金有派息安排，與股票相似，兩者都有紀錄日、除息日及分派日。成員於紀錄日前持有的基金單位將獲派息。分發派息會導致基金單位價格於除息日調整。分派日則是實際派息的日期。

成員 65 歲前，派息通常會再投資於退休收入基金，從而達致複息效益。成員 65 歲後，派息則會再投資於風險更低及更穩定的基金。

部份受託人容許成員退休時可選擇（1）設立行常指示以每月／每季提取特定金額，作為另類收入來源及繼續投資，或（2）單次部份／全數提取。未被提取的權益將可於強積金系統內繼續投資。

退休收入基金並非保本保息產品

於正常的市場狀況下，基金會按計劃每月派息，但基金不會就投資回報或派息率提供任何保證。如果收入及回報表現不及預期，基金有可能調低派息水平。

總體而言，退休收入基金並非保本及／或保息產品，基金價格可升可跌，即使基金訂明了派息目標（例如比通脹率高特定百分比），最終結果仍要視乎市場狀況，有可能出現調整。

為退休投資提供多一個選擇

退休收入基金的管理較傳統基金較複雜，但這並不影響業界引入新產品的意願，為成員開闢新的投資選擇。為了減輕退休成員的負擔，有的受託人更會在成員年滿 65 歲後自動降低基金收費。

由於這類基金只推出了一段短時間，僅有少量相關數據，這類基金能否達成其長期投資目標仍有待確認。成員可多留意這類基金的運作及表現，相關基金將會是另一個可靠的選擇。