

Issue no. 47

# MPF e-Enrolment

A great way to reduce HR effort and  
to enhance employee experience

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A balanced perspective on your MPF



## MPF e-Enrolment

In Hong Kong, employers must enrol all their employees to their registered MPF scheme after employees complete 60-day continuous employment. This first-time enrolment is a critical step for employees to communicate to the providers regarding their contact information as well as their investment allocation. As such, enrolment is the most important process from both employee and employer perspectives in the MPF world. e-Enrolment is one of the major enhancements in recent years to simplify the enrolment process and reduce hassles of submitting paper forms.

In this issue, we summarize of our review of 7 major providers regarding their e-Enrolment process and highlight the areas that improvement may be made.

## The employees touchpoints during the e-Enrolment process

From an employee's perspective, e-Enrolment should offer ease of access and completion:



### Invitation link by SMS/Email

All providers offer to send the invitation link by SMS or email and some even use both channels to cover the different preferences in communication! Does your provider offer a choice?



### Waiting period to generate invitation

Most providers will immediately generate invitations to eligible employees upon receiving notification of new hires, but some have a waiting period of 1 - 3 days. Obviously the sooner the better - strike while the iron is hot, and enrolment is top of mind!



### Enrolment reminders

These can range from 1 - 2 reminders within the first month of the employment, to weekly reminders, to customization according to the employer. Since it is the employer's responsibility to ensure employees are enrolled in the MPF, discuss your experience so far with your provider and find a solution that best suits your past enrolment experience.



### Invitation link expiry

Invitation links are personalised and one would expect this to deactivate after enrolment is completed or the employee is no longer eligible (e.g., employee leaves service) to avoid duplicate enrolment and follow-ups. Surprisingly, 40% of providers do not have this check - an important point to discuss with your provider!



### Enrolment confirmation & account set-up

Not all providers will send separate SMS or email confirmations to employees on account creation though a Welcome Pack will normally be issued. As the account set-up process can take between 2 - 6 working days, it is preferable to have SMS or email confirmations from providers to acknowledge creation of member account.





### What about from the employer perspective?

The employer's process can be broadly tackled on 3 fronts under e-Enrolment:

#### Platform

Submission of information online. The submission will automatically trigger the enrolment and the provider will reach out directly to the employee for the process.

Of the interviewed providers, all but one offers portals for employers to upload information on to. Through the portal, employers can upload secure personal data directly. The enrolment invitation link is then sent to employees promptly by providers, enhancing the enrolment process' efficiency.

#### Data management

All interviewed providers support batched (or grouped) notification and application approvals – good news because this means no more individual employee uploads which will be more efficient for both time and effort for you.

We also compared the data points you are required to submit for enrolment because the less you need to provide, the easier this would be. The least number of data points required is three.

#### Tracking

All but one provider displays the status of enrolment (e.g., invitation sent, approval pending approval, registration completed etc.) which is useful as it is the employer's responsibility to ensure MPF enrolment.

The outlier can provide information on request, but we consider this to fall short of the mark in terms of an "e" process. The ability to track online can ease your oversight considerably so do check this out.

A lot of details (and there's more) which are often not covered or glossed over in the presentations. Whilst e-Enrolment can vastly enhance the overall experience and effectiveness for both the employer and the employee, many employers also hesitate to change over to e-Enrolment as they do not fully understand the process and the details involved.

Contact us to see how yours can be improved.

# Other MPF resources

## Member education resources

Given the defined contribution nature of the MPF scheme, it is vital to provide sufficient member education so that employees can obtain the best value from their contributions and their employer contributions.

At WTW, we are keen to provide regular short educational articles to members on hot topics and recent events. Recent articles published by WTW are available on [MPFexpress.com](https://www.mpfexpress.com) [Click Here]. Visit our website to find out more.

Article	Content
Guaranteed funds may not provide positive investment returns	Investment markets have been very volatile recently and members have been commenting on their shrinking MPF account balances. Some members have transferred all or part of their MPF assets to Guaranteed funds to preserve the capital built up within the MPF system.
Understanding MPF retirement income funds	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.
Volatile investment markets three things to consider in the context of your MPF savings	Investment markets continue to be very volatile, made worse recently by the Russian invasion of Ukraine, surging inflation and many central banks starting to tighten their monetary policies.
Adding ESG elements in MPF to follow the investment trend	When thinking about our investments, including those made within the MPF system, most people tend to focus on financial factors such as risk and return. However, in recent years, investors in other parts of the world, including Europe and the United States, are increasingly considering other factors too, namely those which bring a positive impact and contribution to the world.
Impact of Hong Kong's ageing population on retirement protection	Population ageing is a common issue worldwide. If the trend continues, it will impose a heavy financial burden on public retirement protection systems. In Hong Kong, this highlights the importance of MPF.

## MPF market share

Do you know how your MPF sponsor ranks in terms of the market share within the entire MPF market? This information is available on [MPFexpress.com](https://www.mpfexpress.com) [Click Here]. This section provides the latest MPF market distribution information and helps you understand the relative MPF asset sizes of different sponsors in the MPF market.

# Highlight of investment performance up to 30 June 2022

The annualised performance over 1-year and 5-year periods ended 30 June 2022 of each MPF fund type was as follows:

Performance ended 30 June 2022		1-year period			5-year period		
Fund category	Fund type	Highest % p.a.	Average % p.a.	Lowest % p.a.	Highest % p.a.	Average % p.a.	Lowest % p.a.
Mixed Assets Funds	Equity content > 80% Funds	-17.9	-20.3	-24.1	3.5	2.6	1.6
	Equity content 60% - 80% Funds	-16.4	-18.5	-21.4	3.3	1.9	-2.2
	Equity content 40% - 60% Funds	-15.7	-17.3	-18.9	2.5	1.2	0.1
	Equity content 20% - 40% Funds	-13.9	-15.3	-16.9	1.4	0.3	-0.4
Default Investment Strategy Funds	Core Accumulation Funds	-11.1	-12.5	-13.8	5.1	4.1	3.7
	Age 65 Plus Funds	-8.6	-11.0	-12.0	1.8	1.4	1.1
Equity Funds	Hong Kong Equity Funds	-20.2	-27.1	-32.2	6.5	1.1	-0.9
	Hong Kong Equity (Index Tracking) Funds	-22.3	-22.9	-25.5	0.7	-0.8	-1.5
	China Equity Funds	-26.7	-28.8	-31.6	2.6	-0.1	-4.0
	Greater China Equity Funds	-24.8	-29.0	-32.9	8.3	4.9	1.3
	Asian ex Japan ex HK Equity Funds	-23.4	-24.6	-27.5	3.0	2.0	0.2
	Asian ex Japan Equity Funds	-24.2	-26.2	-29.5	4.2	1.9	-3.7
	Pacific Basin ex Japan Equity Funds	-19.2	-23.5	-29.5	3.9	1.2	-4.0
	Global Equity Funds	-12.8	-16.5	-24.5	7.5	4.3	1.0
	United States Equity Funds	-10.0	-14.3	-29.6	9.5	8.4	5.7
	European Equity Funds	-14.2	-16.7	-29.8	3.1	0.5	-1.9
	Japanese Equity Funds	-14.2	-14.2	-14.2	1.7	1.1	0.2
Bond Funds	Hong Kong Dollar Bond Funds	-7.5	-8.1	-8.8	0.4	0.2	-0.5
	Asian Bond Funds	-9.5	-10.3	-11.0	0.3	-0.1	-0.4
	Global Bond Funds	-12.2	-14.1	-18.4	-0.7	-1.6	-3.0
	RMB Bond	-1.4	-2.6	-4.5	2.7	1.9	1.5
Money Market Funds	MPF Conservative Funds	0.5	0.0	0.0	1.3	0.5	0.1
	Hong Kong Dollar Money Market Funds	-1.4	-1.4	-1.5	0.4	0.4	0.4
	RMB and HKD Money Market Funds	-0.1	-0.8	-1.2	2.3	1.6	1.1
Others	Guaranteed Funds	1.0	-7.2	-15.8	1.0	-0.1	-1.2

Source: MPFA

As of 30 June 2022

Disclaimer: The information and data included in this table are provided for general information purposes only and do not constitute investment advice, nor should they be construed as an offer or solicitation or recommendation to invest in or deal in any scheme, fund, product, service provider or service referred to. As such, the information provided should not be relied upon for any investment or other financial decisions and no such decisions should be taken without seeking specific professional advice. Any use of or reliance on any information or materials contained herein is entirely at the reader's own risk and WTW and its affiliates accept no responsibility and will not be liable for any consequences howsoever arising from any such use or reliance. In addition, please be reminded that past performance is not an indication of future performance.

### 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 you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success - and provide perspective that moves you. Learn more at [wtwco.com](https://wtwco.com).



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