

Building financial wellbeing: What employers can do to support retirement savings

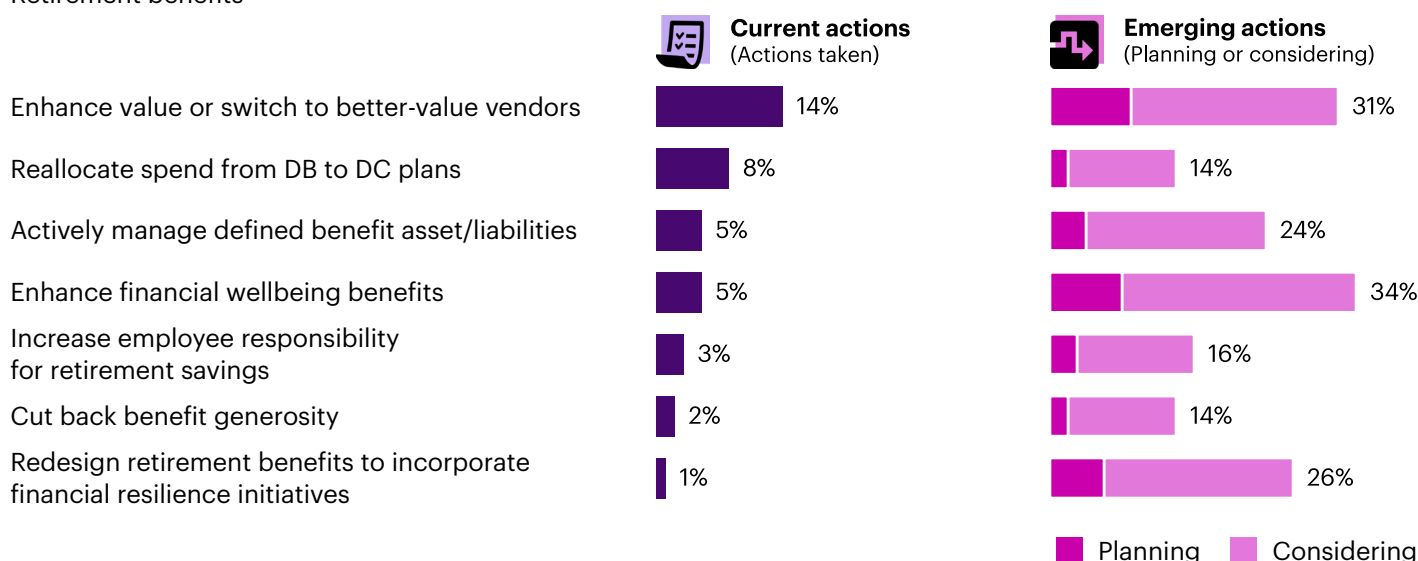
In times of economic uncertainty, financial wellbeing is getting more important than ever. When employees feel confident about their financial future, especially their retirement savings, they experience less stress and anxiety, which directly improves engagement and overall productivity at work. Supporting financial wellbeing also helps create a more resilient, motivated workforce that is better equipped to navigate today's fast changing environment.

In our recently released WTW's Benefits Trends Survey ("BTS"), we explored the factors shaping organizations' benefits strategies, the challenges and opportunities in managing them and the future changes being planned. One key finding is that talent issues persist and employers plan to use benefits as a tool to attract and retain talent and address wellbeing.

In answer to **"What actions has your organisation taken in the financial management of its retirement benefits or is planning or considering taking in the next three years?"**, enhancing financial wellbeing benefits scored highest when considering emerging actions in the next 3 years. We appear to have convergence as financial wellbeing is also one of the top 3 areas employees stated as wishing their employers to prioritise as revealed in the 2024 WTW Global Benefits Attitudes Survey.

Actions taken in the financial management of retirement benefits

Retirement benefits



Source: 2025 Benefits Trends Survey

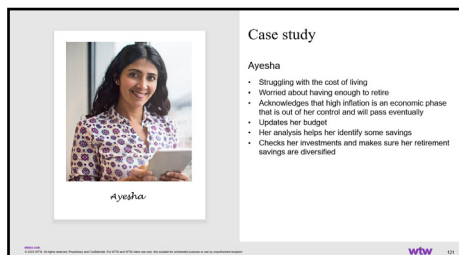
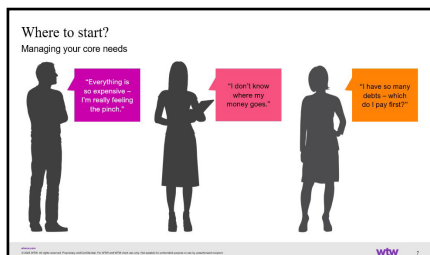
What can employers do?

Many employers recognize the importance of financial wellbeing but often feel uncertain about how to take the first step. One strategy is to elevate the benefits they offer, to signal their purpose and values:

Most common

Educational workshops

Equipping employees to raise their 'financial IQ'



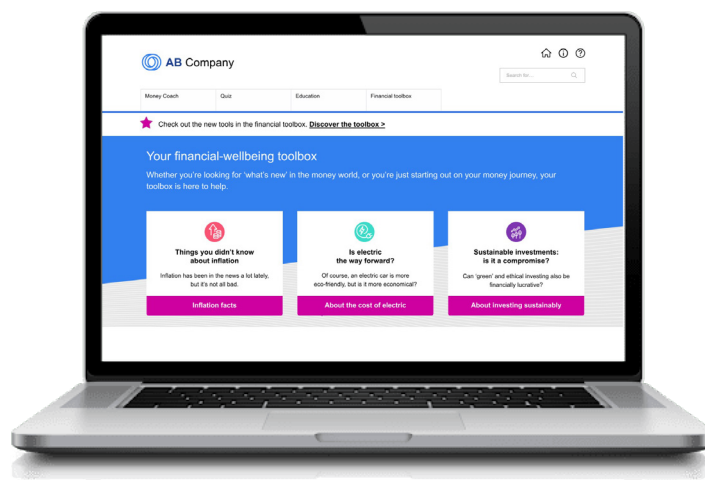
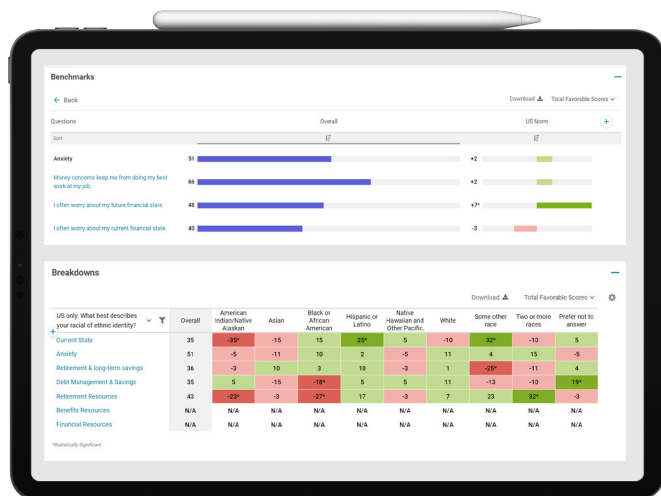
Others

Listening

Live or virtual workshops, focus groups

Behaviour change technology

Customised financial education, consumer-grade technology



Tools should ideally cater to a spectrum of needs as employees will be at different life stages and have different financial wants. Programs should also include different channels of interaction to accommodate different forms/preferences for learning and information collection.

In addition to the above examples, we have delivered a variety of education workshops which range from universal principles (e.g. investing 101, teaching your children about money, the debt struggle etc.), to those tailored to Hong Kong (e.g. tax-deductible retirement products) – which could be easy for employers to start planning for the financial wellbeing journey.

What can you do?

With the eMPF Platform onboarding in full swing and MPF full portability in the pipeline, you may want to use this opportunity to review your financial wellbeing program, and what more you can do by leveraging on the eMPF transition journey to enhance/highlight your offering. We would be happy to assist in charting where you are (including collecting feedback) and designing an action plan.

Other MPF resources

Member Education

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

At WTW, we provide regular short educational articles to members on hot topics and recent events. Recent articles published by WTW are available on [MPFexpress](#). Visit our website to find out more.

Article	Content
Deconstructing the Credit Rating Requirements for MPF Bonds	Fixed income assets is an important asset class. Not only is 12% of overall MPF scheme assets invested in fixed income funds as of 31 March 2025, fixed income assets also form part of all mixed assets funds. In general, fixed income assets are invested in government bonds and/or corporate bonds. Most bond issues are given a credit rating provided by rating agencies, and broadly classified as investment grade or non-investment grade. The Mandatory Provident Fund Schemes Authority (MPFA) has long maintained regulations concerning the credit ratings of bonds. MPF funds are only permitted to invest in investment-grade bonds, with non-investment grade bonds explicitly excluded from the scope of investable assets under the Debt Securities Guidelines to reduce credit risk exposure.
Severe Weather Will Not Affect MPF Trading	Hong Kong is entering typhoon season, and the Observatory forecasts that 5 to 8 tropical cyclones will enter within 500 kilometers of Hong Kong in 2025. Similar to the Severe Weather Trading arrangement implemented by the Hong Kong Stock Exchange (“HKEX”) starting September 2024, MPF trading has also been adjusted accordingly.
Phasing out MPF offsetting will strengthen retirement protection	After years of discussion and with the financial support of the government, the offsetting mechanism will be abolished starting 1 May this year. The method for calculating long service or severance payments, as well as the eligibility criteria, will remain unchanged. The article summarizes the key features of this amendment.
Index funds play a more important role	To reduce MPF fees and improve management efficiency, the Mandatory Provident Fund Schemes Authority (MPFA) began encouraging trustees to use index funds as part of their investment portfolio management some years ago. As of September 2024, index funds accounted for over 16% of the total MPF assets, amounting to more than HKD 220 billion.

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](#). 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 2025

The annualised performance over 1-year and 5-year periods ended 30 June 2025 of each MPF fund type was as follows:

Performance ended 30 June 2025		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	19.7	16.7	13.9	7.9	6.2	4.1
	Equity content 60% - 80% Funds	16.9	14.3	6.9	5.7	4.6	2.6
	Equity content 40% - 60% Funds	13.4	11.4	5.9	3.6	2.6	0.9
	Equity content 20% - 40% Funds	10.9	9.1	5.2	1.6	0.9	-0.3
Default Investment Strategy Funds	Core Accumulation Fund	13.5	11.1	9.3	8.2	7.5	6.8
	Age 65 Plus Fund	8.1	6.5	5.5	2.2	1.1	0.5
Equity Funds	Hong Kong Equity Funds	38.0	32.6	27.0	3.7	-0.4	-4.2
	Hong Kong Equity (Index Tracking) Funds	46.0	40.6	39.2	2.5	1.9	-0.3
	China Equity Funds	41.6	34.9	24.2	0.1	-1.2	-2.8
	Greater China Equity Funds	25.1	21.8	15.9	3.7	1.5	-1.1
	Asia ex Japan Equity Funds	16.2	10.3	5.3	5.9	4.2	2.2
	Asia Pacific ex Japan Equity Funds	17.6	10.8	5.1	12.4	5.9	3.1
	Global Equity Funds	17.0	12.7	9.4	13.9	11.8	9.2
	United States Equity Funds	15.1	12.9	10.6	15.3	13.9	8.8
	European Equity Funds	15.7	11.9	1.8	12.7	10.2	7.0
	Japanese Equity Funds	17.4	12.2	9.1	13.7	11.1	9.4
Bond Funds	Hong Kong Dollar Bond Funds	7.6	7.0	6.4	1.0	0.8	0.2
	Asian Bond Funds	6.9	6.3	5.8	2.6	0.6	-0.5
	Global Bond Funds	7.9	6.4	5.2	-0.5	-2.2	-3.3
	RMB Bond	6.5	5.7	5.5	2.4	2.0	1.1

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Money Market Funds	MPF Conservative Funds	3.4	3.1	2.7	2.0	1.7	1.5
	Hong Kong Dollar Money Market Funds	5.3	4.9	4.6	1.9	1.9	1.8
	RMB and HKD Money Market Funds	4.0	3.3	3.0	2.5	1.7	1.4
Others	Guaranteed Funds	11.6	6.0	0.9	1.6	0.4	-0.5

Source: MPFA
As of 30 June 2025

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.

 
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