

## Information from MPFA



### Prudent planning for retirement savings

Employees work hard throughout their careers with the hope of enjoying a comfortable retirement. As the average life expectancy in Hong Kong continues to rise, retirement could span 20 years or more. Without a steady income, savings will inevitably diminish due to inflation without proper planning. We suggest everyone plan their retirement expenses early, using MPF to maintain sound investments and thereby preserve their assets for a comfortable retirement.



Maintaining appropriate investments after retirement is crucial. As part of retirement protection, MPF scheme members may flexibly withdraw their MPF upon reaching the age of 65 or retire early at the age of 60. While lump-sum withdrawal is an option, we encourage scheme members to retain some or all of their MPF in their account for continued investment, depending on their financial situation, risk tolerance level, investment goals. This approach allows their savings to keep benefiting from compounding effect and long-term value accumulation. It also saves scheme members the time and effort required to search for alternative investment products. Moreover, MPF schemes, funds and trustees are subject to strict regulation and a high level of transparency, providing a certain level of protection and reassurance for retirees.

If scheme members decide to maintain their MPF investments after retirement, they should continue to adopt good MPF management practices, such as paying attention to the investment risks, long-term performance and fee levels of their investment portfolios and funds. Members should regularly review their MPF portfolio and consider whether adjustments are needed in light of their changing circumstances.

Scheme members are also reminded that if their MPF portfolio includes voluntary contributions or Guaranteed Fund, they should carefully review the governing rules and qualifying conditions in relation to withdrawals. For instance, withdrawing all or part of Guaranteed Fund before its minimum lock-in period ends may disqualify them from receiving the guaranteed returns.