

## “Do it right, save more” – MPF Tax Deductible Voluntary Contributions

To encourage people to plan more for retirement, the government provides tax deductions for MPF voluntary contributions and qualifying deferred annuity policy premiums starting 1 April 2019. BCT commissioned The University of Hong Kong to conduct a survey<sup>1</sup> earlier and found that almost 80% of the respondents had never heard of the above arrangement. As an employer, how much do you know about this new measure? Let us take a deeper look at “Tax Deductible Voluntary Contributions - TVC”, the new tax incentive, in this issue!

### Summary of the Tax Incentive

- Effective on 1 April 2019 (i.e. tax assessment year 2019/2020)
- Tax deduction cap is \$60,000<sup>2</sup> per year
- Maximum tax savings can go up to \$10,200<sup>3</sup>



### Who can open an account

- Holders of contribution accounts / personal accounts of MPF Schemes
- Members of MPF Exempted ORSO Schemes



### Flexible contribution

You can set your own contribution amount and method, either by lump sum contributions and / or monthly contributions by autopay



### Independent account

A new individual account for TVC needs to be set up



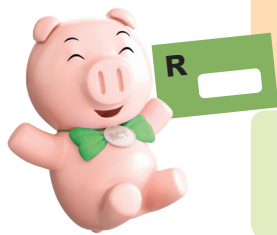
### Withdrawal arrangement

Same arrangement as mandatory contribution<sup>4</sup>



### Make your own fund choice

You can choose funds in accordance with your individual needs



As mentioned above, our survey found that the public is not aware of the new measure, but when the respondents learnt about the new tax deduction arrangement, 60% of them are interested in making TVC, while more than 40% expressed interests in using an ePlatform if more information and such ePlatform are available to facilitates tax saving. As such, BCT will provide timely information and a convenient ePlatform to help you save tax and time in one go. You may contact your BCT relationship manager to arrange a member briefing for more details about TVC.

### How's TVC Different from Other Voluntary Contributions?

	Tax Deductible Voluntary Contribution (TVC)	Special Voluntary Contribution (SVC)	Employee Voluntary Contribution (EEVC)
<b>Scheme Selection</b>	Employee	Employee	Employer
<b>Tax Deductible</b>	Yes	No	No
<b>Contribution</b>	Flexible contribution amount and method	Flexible contribution amount and method	<ul style="list-style-type: none"> <li>• Contribution amount based on salary</li> <li>• Fixed contribution schedule and amount</li> <li>• Contribute via employer</li> </ul>
<b>Withdrawal</b>	Same as mandatory contributions	Can withdraw or transfer anytime	<ul style="list-style-type: none"> <li>• Subject to the terms of the scheme</li> <li>• May withdraw upon termination</li> </ul>

<sup>1</sup> Survey conducted by the Social Sciences Research Centre of the University of Hong Kong, between 17 and 30 January this year, in which 816 working adults were interviewed.

<sup>2</sup> The tax deductible limit of \$60,000 per tax payer is the aggregate limit for tax deductible voluntary contributions and qualifying deferred annuity policy premiums.

<sup>3</sup> Taking an individual who makes \$60,000 a month and pays a progressive tax rate of 17% as an example, he/she can save \$10,200 in taxes under the new policy.

<sup>4</sup> According to the law, you may withdraw your MPF account balance when you reach the age of 65. You may apply for early withdrawal under the following circumstances: 1. early retirement at age 60; 2. permanent departure from Hong Kong; 3. total incapacity; 4. terminal illness; 5. have \$5,000 or less in account balance; or 6. death.

## Launching Two-factor Authentication for Online Account in April Offering Dual Protection to Members



To offer our members a safe, reliable and convenient online platform, we have launched the Two-factor Authentication ("2FA") for online account.

### What is Two-factor Authentication?

2FA sounds complicated but it is a security mechanism that requires two types of credentials for authentication and is designed to offer an additional level of account protection. In other words, knowing member's login name and password are not enough to pass the authentication check. A second authentication factor such as a **one-time password generated by SMS / Email, or a biometric factor such as fingerprints and facial recognition** is required, or member will be required to login via registered biometric factor under 2FA.

### How does it benefit members?

The new arrangement enhances the security of account access and online transactions when logging in to member's account via [www.bcthk.com](http://www.bcthk.com) and mobile APP "BCT MPF". Once a member has logged in to member account successfully via 2FA, the member will not be required to enter password when placing account instructions, thereby can manage his / her account efficiently.

3 Minutes Guide on  
"Two-factor Authentication"  
Usage



### Reminder to Your Employees - What do they need to do?

A valid **mobile phone number** and **email address** are mandatory for BCT's 2FA, for sending one-time password. **Please remind your employees' that their registered mobile phone numbers and email addresses at BCT are up-to-date.**

Due to online login security reason, starting from **8 October 2019**, if BCT does not have members' valid local mobile phone number and email address, we will not be able to send one-time password when they login to their accounts. To provide / update mobile phone number and email address, please login to our web and go to "[Personal Information Maintenance](#)" page under "[MyBCT](#)".



## 2018 MPF Report

The 2018 "Employer Statement" and "Member Benefit Statement" are now available on employer website and member website. If your employees are not sure how to read the statement, they can always review [the tutorial offered by BCT Piggy Army](#):



### The 2019 MPF Awards

BCT Group has earned multiple accolades and the "**Best Administrator**" for 4 consecutive years in the 2019 MPF Awards organised by MPF Ratings Limited (MPFR)!

The list of awards we received include:

- MPF Ratings 2019 Gold Rated Scheme
- 2019 Best Administration Award
- 5-Year Consistent Performer 2019 - Equity (Asia)
- 5-Year Consistent Performer 2019 – Mixed Asset Fund (Dynamic)
- 10-Year Consistent Performer for 2019 - Mixed Asset Fund (Dynamic)

MPFR is an independent pension research provider in Hong Kong. For more details of the ratings and the award programme, please visit <https://www.mpratings.com.hk/awards-methodology/>



BCT's management team received the awards from Mr. Stefan Jordaan, Managing Director of Momentum Wealth International (first on the left), and Mr. Dennis Lau, CEO of Institute of Financial Planners of Hong Kong (first on the right).

### 2018 BENCHMARK Fund of the Year Awards

BCT continued its winning streak at the 2018 BENCHMARK Fund of the Year Awards, by winning a total of 9 accolades. The awards we won at this year's ceremony include:

#### Capability Awards

- Employer Support, BEST-IN-CLASS
- Most Useful Website, BEST-IN-CLASS
- Investor Education, BEST-IN-CLASS
- Product Due Diligence, BEST-IN-CLASS
- Member Servicing, OUTSTANDING ACHIEVER

#### Top Fund Awards

- China Equity, BEST-IN-CLASS
- Global Equity, BEST-IN-CLASS
- HK Equity (Index Tracking), OUTSTANDING ACHIEVER
- Target Maturity, OUTSTANDING ACHIEVER

For more details of the award programme, please visit: <https://www.fundawards.asia/hk/mpf-result-announcement-2018>



### Bloomberg Businessweek Top Fund Awards 2018

- Best Performer - Fixed Income – Global, MPFs (1-Year)
- Best Performer - Fixed Income – Global, MPFs (5-Year)
- Outstanding Performer - Greater China (Aggregated Approach), MPFs (1-Year)
- Outstanding Performer - Greater China (Aggregated Approach), MPFs (5-Year)
- Outstanding Performer - Equity – EMEA, MPFs (10-Year)

The Best Performers and Outstanding Performers awards recognize funds with the highest and secondarily scores in the peers using Bloomberg Data as of 28 September 2018, based on 1, 5, and 10 years total return figures. You can learn more about the award programme at: <http://www.bbwhkevent.com/tfa2018>



Remarks: The above awards are for reference only, and the sole purpose is for corporate communications. Investment involves risk. Past performance is not indicative of future performance.

## BCT 20th Anniversary!



Established in 1999, BCT is 20 years old this year! To celebrate the big day, we will be hosting a number of events under the theme: "Embracing a Sustainable Future", for our shareholders, colleagues, partners, clients, as well as the public. Through the initiatives, different stakeholders can learn more about BCT's milestones and growth story. They can also witness our unwavering commitment to a sustainable future. Let's kick start with an anniversary video featuring our Founding Chairman, Mr. Bernard Chan, and key client representative and CSR partners. [Check out the video now:](#)



## Good MPF Employer Award 2018-19 open for applications from 1 April

The 2018-19 Good MPF Employer Award, organized by the Mandatory Provident Fund Schemes Authority (MPFA), will be open for applications and nominations from 1 April to 30 June 2019. Marking its fifth anniversary this year, the annual Award aims to recognize employers who are committed to enhancing the retirement benefits of their employees. The response in the past few years has been encouraging. Nearly 1,400 companies and organizations have been honoured as "Good MPF Employers" so far.

In addition to the existing "e-Contribution Award" and "MPF Support Award", two new awards will be introduced this year. Employers who fulfil the relevant requirements will be presented with one or both of the following awards:

### Good MPF Employer 5 Years Award

Employers who have received a Good MPF Employer Award for five consecutive years

### MPF Excellent Employer

Of the employers eligible for the Good MPF Employer 5 Years Award, those who have offered more than one Mandatory Provident Fund (MPF) scheme and MPF voluntary contributions for all of their employees during the 2018-19 financial year

The Award this year covers the period from 1 April 2018 to 31 March 2019. Employers wishing to apply for the Award can simply submit an application online on MPFA's Good MPF Employer Award website. Alternatively, employers can submit their applications by email, fax or post. Employees are also welcome to nominate their employers by submitting a nomination form.

The MPFA will hold an award presentation ceremony in October this year. Certificates would be presented to awardees. They may also be invited to share their experiences with the public through various promotion channels!

Don't wait, apply now and be the Good MPF Employer of 2018-19!



Mandatory Provident Fund Schemes Authority  
Hotline: 2918 0102  
[www.mpfa.org.hk](http://www.mpfa.org.hk)

Member Hotline: 2298 9333  
Employer Hotline: 2298 9388  
[www.bcthk.com](http://www.bcthk.com)  
18/F Cosco Tower, 183  
Queen's Road Central, Hong  
Kong

Some of the information contained herein including any expression of opinion or forecast has been obtained from or is based on sources believed by us to be reliable, but is not guaranteed and we do not warrant the adequacy, accuracy, reliability or completeness of such information obtained from or based on external sources. The information is given on the understanding that independent investment advice should be sought when making investment decisions; that it will not be relied on in the making of investment decision and that any person who acts upon it or otherwise changes his or her position in reliance thereon does so entirely at his or her own risk. This is not an offer to buy or sell or a solicitation or incitement of offer to buy or sell any securities referred to herein, save for BCT (MPF) Pro Choice and BCT (MPF) Industry Choice and their underlying constituent funds. It should also be appreciated that under certain circumstances the redemption of units/shares may be suspended. Investment involves, in particular, risks associated with investment in emerging and less developed markets. Please refer to the relevant prospectus for details. Past performance is not indicative of future performance.  
"BCT Group" — BCT Financial Limited (Plan Sponsor)  
— Bank Consortium Trust Company Limited (Trustee & Administrator)

This document is issued by BCT Financial Limited