

FAQ on Withdrawal

1. Question: What is the arrangement of my accrued benefits in the Scheme when I leave HA?

Answer: According to the Trust Deed and Rules, members who leave HA must withdraw their benefits under the Scheme unless application for membership extension is made.

Provided that adequate notice of your employment termination has been received, your fund units will be sold at the end of the month preceding your last day of employment to ensure timely payment of benefits. Contributions for the last two months will be kept as cash and will not be invested. The Scheme Administrator will arrange to deposit the payment into your designated bank account (usually the employee's payroll account). Payment advice and detailed benefit statement will be sent to your correspondence address upon successful dispatch of payment.

If you have applied for membership extension, you can retain all your provident fund benefits in the account for a maximum of five years. Apart from withdrawing the benefits in full, starting from 1st June 2020, extended members can **partially** withdraw their accrued benefits during the five-year membership extension period as well.

With the introduction of the new partial withdrawal function on 1st June 2020, other than submitting written instruction, extended members can also make full withdrawal of their accrued benefits by applying through the dedicated website or hotline operated by Invesco.

For details of membership extension and partial withdrawal, please refer to the respective FAQ under the membership extension section and partial withdrawal section.

2. Question: How much do I get if I leave HA?

Answer: As stipulated in the Trust Deed and Rules, your final accrued benefits are subject to the following vesting scale:

Completed years of service on termination of employment	Vesting Percentage
less than 3	0%
at least 3, but less than 4	30%
at least 4, but less than 5	40%
at least 5, but less than 6	50%
at least 6, but less than 7	60%
at least 7, but less than 8	70%
at least 8, but less than 9	80%
at least 9, but less than 10	90%
10 or more	100%

If you leave HA, your vested benefits are calculated up to the date you leave your employment and according to the unit prices of the funds at the time the payment is processed.

$$\text{Vested Benefits} = \text{Number of units} \times \text{Unit Price} \times \text{Vesting \%}$$

Depending on when you joined the Scheme and whether you are entitled to long service or severance payments ("SP/LSP"), you may or may not get your vested benefits in full after leaving HA.

If you joined the Scheme **after 1st December 2000**, an amount equivalent to the minimum MPF benefits ("MMB") must be calculated upon cessation of employment and transferred from the Scheme to an MPF scheme. If you joined the Scheme **on or before 1st December 2000**, you can withdraw all your accrued benefits in accordance with the vesting scale of the Scheme upon termination of employment. Please refer to Q3 below for details of the MMB.

By law, long service or severance payments will be paid to an employee upon retirement or some other events within 7 days after the date of termination of employment contract. HA can then offset her contributions against any SP/LSP paid to you by deducting the said amount from your final payment.

$$\text{SP/LSP Benefits} = \frac{2}{3} \times \text{final month salary (capped at HK\$22,500)} \times \text{years of service}$$

(but subject to an overall cap of HK\$390,000)

Please note that if your accrued benefits are not sufficient to fully offset the SP/LSP, HA can further make use of the MMB to offset the balance of the SP/LSP to which you are entitled.

3. Question: What are minimum MPF benefits (“MMB”)?

Answer: According to the MPF regulation, accrued benefits in respect of a member who joined an ORSO scheme after the launch of the MPF System (i.e. after 1st December 2000) are subject to the preservation, portability, and withdrawal requirements up to an amount equivalent to the MMB.

MMB means the lesser of -

- (a) the member’s benefits accrued under the scheme during the years of post-MPF service;
- and
- (b) $1.2 \times$ final average monthly relevant income \times years of post-MPF service.

The MMB can only be withdrawn when the member meets one of the following withdrawal requirements:

- attainment of retirement age at 65;
- early retirement at the age of 60;
- permanent departure from Hong Kong;
- total incapacity;
- terminal illness; and
- death.

4. Question: Can HA offset my provident fund contributions against long service or severance payments (“SP/LSP”)?

Answer: Yes. By law, HA can offset the LSP/SP paid to you with the accrued benefits derived from employer’s contributions. The amount offset from your account should not be more than the amount of LSP/SP paid to you.

5. Question: Can I defer my benefits withdrawal upon retirement or service termination?

Answer: Yes. All members with positive account balance in HAPFS, except those under summary dismissal, are eligible for applying for membership extension. For members who have been adjudged bankrupt and remain undischarged as of the last date of employment, prior written consent from the Official Receiver’s Office or the Trustee-in-bankruptcy is required. Please refer to the FAQ under the membership extension section for details.

6. Question: Are there any administrative charges or handling fees incurred for the withdrawals?

Answer: No administrative charges or handling fees will be imposed by the Scheme Administrator except partial withdrawal for extended members. A handling fee of HK\$300 will be charged for each partial withdrawal request. For details, please refer to the FAQ under the partial withdrawal section.

7. Question: How long will it take to withdraw the amount?

Answer: In normal case, payment will be released within 30 working days from the last day of employment.

8. Question: Can I withdraw some account balances from the Scheme for emergency use?

Answer: No. You are not allowed to withdraw any of your account balances during your employment with HA. However, extended members can partially take out their accrued benefits with effect from 1st June 2020. For details, please refer to the FAQ under the partial withdrawal section.

9. Question: What will the arrangement be if I have passed away?

Answer: Your account balance will be claimed by your designated beneficiary(ies). If there are no designated beneficiaries, your account balance will be claimed by your legal personal representative. The respective personal representative needs to submit the claim form for payment of accrued benefits and provides a copy of Letter of Probate or Administration issued by the Probate Registry.

Effective 1st January 2020, under the new Hong Kong regulation on Automatic Exchange of Financial Account Information ("AEOI"), beneficiary or personal representative is required to provide the Scheme Administrator with a self-certification on tax residency(ies) before the claim is processed. For details of AEOI, please refer to the FAQ under the AEOI section.