

April 1, 2019

This document is important and requires your immediate attention. This notice refers to the third addendum to the Offering Document and the ninth supplemental deed to the Trust Deed of the Manulife Global Select (MPF) Scheme (the "Scheme") and is intended to provide a summary of the changes made by the third addendum and the ninth supplemental deed for reference. You should refer to the Offering Document, the first addendum, the second addendum and the third addendum for full details of the Scheme. Capitalized terms used in this notice have the same meaning as those defined in the Offering Document. If you are in any doubt about the contents of this document, you should seek independent professional advice. Manulife Provident Funds Trust Company Limited accepts responsibility for the accuracy of the information contained in this document as at the date of publication.

## Notice to participating employers and scheme members of the Manulife Global Select (MPF) Scheme

Manulife Provident Funds Trust Company Limited (the "Trustee") would like to notify you of the changes to the Offering Document and the Trust Deed made through the third addendum and the ninth supplemental deed respectively. Unless otherwise specified, all the changes take immediate effect.

This part summarizes the changes which are elaborated in the main body of this notice:

1. The Offering Document and the Trust Deed are updated to include Tax Deductible Voluntary Contributions ("TVC"), which is a new type of contributions that will be offered under the Scheme with effect from April 1, 2019.
2. Details about TVC, such as its characteristics, eligibility, and vesting, preservation and withdrawal restrictions, are included in the Offering Document and the Trust Deed.
3. Other ancillary amendments are made in the Offering Document and the Trust Deed to align with the introduction of TVC.

The Trustee confirms that the said amendments will not have any adverse impact on the Scheme or its scheme members.

Scheme members who have any queries in relation to the amendments set out in this notice can call our Customer Service Hotline on 2108 1388 and participating employers can call 2108 1234.

### **(I) Tax Deductible Voluntary Contributions ("TVC")**

Changes to the Inland Revenue Ordinance will take effect on April 1, 2019. From April 1, 2019, similar to premiums paid for qualifying deferred annuity products, MPF voluntary contributions made in a specified account set-up by scheme members (namely, TVC account) can also enjoy tax concession in order for them to meet the long-term saving objective for retirement protection.

Your investment decision should not be based on this document alone. We encourage you to read the third addendum to the Offering Document carefully because the new arrangement may affect your retirement planning and tax benefits associated with the TVC account.

#### **What is TVC?**

TVC is a new type of contributions and can only be paid into a TVC account of an MPF scheme, TVC may enjoy tax concession. Other characteristics of TVC are as follows:

- TVC can only be made directly by the persons who fulfil the eligibility requirements as mentioned in item (b) below;
- Involvement of employers is not required;
- Although it is voluntary in nature, TVC is subject to the same vesting, preservation and withdrawal restrictions applicable to mandatory contributions.

Accordingly, any accrued benefits derived from TVC (including the TVC made in excess of the maximum tax deduction limit during a tax assessment year) will be preserved. **Members should note that accrued benefits held in a TVC account can only be withdrawn upon retirement at age 65 or on other statutory grounds under the MPF legislation.**

TVC account holders can make their own fund selection or choose to invest in Default Investment Strategy ("DIS") under the Scheme according to their circumstance and risk appetite. If a TVC account member fails to submit to the Trustee a valid

investment instruction or does not make any investment choice at the time of TVC account opening, his / her TVC will be invested in DIS.

(a) Tax Concessions for TVC

TVC may be eligible for tax concessions starting from the year of assessment 2019/2020. The maximum tax deductible amount for the year of assessment 2019/2020 is HK\$60,000. It is an aggregate limit for both TVC and other qualifying annuity premiums.

Same as the tax deduction for mandatory contributions and other tax concessions, **the individual tax payer (not the Trustee, sponsor and/or other operators of the Scheme) is responsible for the application of tax deduction and keeping track of how maximum tax deductible limit is fully utilized.** In this regard, the Trustee will provide a tax deductible voluntary contributions summary to facilitate TVC account holders / members in filling in the relevant tax concession information on their tax return if TVC is made by the member to the Scheme during a year of assessment.

(b) Eligibility

Any person who is:

- a current holder of contribution account or personal account of an MPF scheme; or
- a current member of an MPF exempted ORSO scheme

can make TVC to an MPF scheme by opening a TVC account.

The Trustee of the Scheme may reject any application to open a TVC account in the event of (i) having reason to know that information and documents provided to the Trustee are incorrect or incomplete; (ii) failure of applicants to provide information and documents as required by the Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering / tax reporting; and/or (iii) other circumstances which the Trustee may consider appropriate.

(c) Transfer of TVC accrued benefits

TVC account member may, at any time, choose to have ALL accrued benefits in the TVC account in the Scheme transferred to another TVC account in another MPF scheme nominated by such TVC account member. **Transfer of TVC accrued benefits in part or to a contribution account / personal account, however, will not be accepted.**

For the avoidance of doubt, such benefit transfer amount cannot be claimed as deductions for taxation purpose .

(d) Termination of TVC accounts

TVC accounts with zero balance and in respect of which there is no transaction activity for 365 days may be terminated by the Trustee.

For the purposes of anti-money laundering, compliance of the MPFS Ordinance and/or any other situations that the Trustee may deem appropriate, the Trustee reserves the right not to accept any TVC.

**Note: Investment involves risks and the account balance of TVC (as tax incentivized retirement savings) may go up as well as down.**

**(II) Other ancillary amendments aligning with the introduction of TVC**

To ensure consistency across all sections in the Offering Document, ancillary amendments regarding TVC are made to sections in the Offering Document with respect to application for membership, contributions, contribution investment

instructions, transfer of benefits, vesting of benefits, withdrawal, payment and portability of benefits, termination of sub-scheme, fees and charges, and annual benefit statement and ancillary amendments regarding TVC are made to the Trust Deed for consistency purpose.

Participating employers and scheme members are reminded to refer to the third addendum for full details of the Tax Deductible Voluntary Contributions.

The Trustee confirms that all the above-mentioned amendments to the Offering Document and the Trust Deed will not have any adverse impact on the Scheme or its members.

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To preserve the environment by reducing paper usage, the Trustee is not sending a copy of the revised Offering Document to participating employers and scheme members. Customers who wish to receive a copy of the revised Offering Document can download it from our website at [www.manulife.com.hk](http://www.manulife.com.hk) or request a copy in writing or verbally. You can write to the Provident Funds Services, Manulife (International) Limited, 21/F, Tower A, Manulife Financial Centre, 223-231 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong. Please quote your name, address and member account number (for scheme members) or sub-scheme number (for participating employers) in the request letter. Alternatively, scheme members can call our Customer Service Hotline on 2108 1388 and participating employers can call 2108 1234. Copy of the Trust Deed of the Manulife Global Select (MPF) Scheme can be inspected free of charge at our Customer Service Centers during the service hours (Monday to Friday from 9:00 am to 6:00 pm, except Public Holiday). For locations of our Customer Service Centers, please refer to our website or call our Customer Service Hotline.

Issued by Manulife Provident Funds Trust Company Limited