Learn About MPF Employee Choice Arrangement

Commenced on 1 November 2012, **the MPF Employee Choice Arrangement** (ECA) gives employees greater autonomy, allowing them to opt to transfer the portion of their mandatory contributions and investment return in their contribution account to a trustee and change the scheme based on their own choice once a year. Below is the summary of this arrangement:

Type of accrued benefits in Employee's contribution account	Before ECA	After ECA
Employer mandatory contributions under current employment	Not Transferable	Not Transferable
Employee mandatory contributions under current employment	Not Transferable	Transferable[1]
Mandatory contributions from former employment or self-employment (if any)	Not Transferable	Transferable[2]

[1] In a lump sum once every calendar year (i.e. the period from 1 January to 31 December in any given year)

[2] In a lump sum at any time

Reminder:

- Though the MPF ECA is now in effective, it is not necessary for employees to immediately make a transfer. They can simply choose to retain any accrued benefits in their original MPF scheme and transfer them at a later date depending on their personal circumstances.
- Employees should never make a transfer simply because of promotional offers. They should note that transfers may involve investment risks.
- Employees should carefully consider various factors and their individual needs before deciding whether a transfer is appropriate.

Four major factors to be considered

1. Products (scheme and fund)
2. Quality of service
3. Fees and charges
4. Personal factors and needs

Potential investment risk

- It is impossible to time the market as the investment markets could be volatile.
- Out-of-market situation may result in "sell low, buy high".
- It is not possible to pre-set prices for sell and buy transactions.
- Transferring out of guaranteed funds may lose guaranteed returns.

For more information, please visit the MPFA website at **www.mpfa.org.hk**

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