

# AIA MACAU NON-MANDATORY CENTRAL PROVIDENT FUND ("AIA MACAU CPF")

Partnering with you to build your retirement reserve



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# NON-MANDATORY CENTRAL PROVIDENT FUND – AN IMPORTANT PART OF YOUR RETIREMENT RESERVE

The Non-Mandatory Central Provident Fund (“CPF”) system was launched on 1 January 2018. This system aims to strengthen social protection for the residents of the Macau SAR in their old age. Whether you desire luxurious lifestyle or wish to live frugally during retirement, you should have a large enough reserve to cover your daily needs.

Under the CPF, you and your employer will make monthly contributions equal to at least 5% of your basic salary. With your employer’s contribution, you can build a retirement reserve even faster, so seize the opportunity!



**Q:** When shall I start preparing my retirement reserve?

**A:** Now! Time is important and most of the successful retirement plans rely on long-term, regular investment. The earlier we start, the larger the retirement reserve we may accumulate through dollar-cost averaging and compound effects.

## Why choose AIA Macau CPF?

### **1** AIA Macau - one of the leading life insurance and retirement service providers

- Established in Macau 1982, we are one of the largest insurance companies in the territory.
- In terms of pension fund assets under management<sup>▲</sup>, we are the top retirement service provider in Macau.
- We have the largest number of participating members<sup>▲</sup>, reflecting our unparalleled strength in Macau’s pension fund market.

<sup>▲</sup> As at 30 June 2023, Statistical Data of Registered Private Pension Schemes, Monetary Authority of Macau.

## 2 Unique and comprehensive fund choices

- Unlimited free fund switching\*
- Comprehensive fund choices - from conservative to aggressive, suitable for members with different investment risk appetites

Fund	Risk level	Investment mix	Investment objective
AIA Macau Conservative Fund	Low	Bank deposits and money market instruments: 70% - 100% Short-term bonds: 0% - 30%	To preserve capital with minimal risk, but there is no guarantee of capital.
AIA Macau Retirement Fund	Low	Bond and fixed income instruments: 90% - 100% Cash: 0% - 10%	To invest in a set of well-planned and balanced bond and fixed income instrument portfolios within an acceptable range of risks to achieve long-term and highly stable returns.
AIA Macau Capital Stable Fund	Low to medium	Equities: 20% - 40% Bonds: 60% - 80%	To minimise its short-term capital risk and to enhance returns over the long term through exposure to global bonds and equities.
AIA Macau Balanced Fund	Medium	Equities: 40% - 60% Bonds: 40% - 60%	To maximise its long-term capital appreciation with moderate risk parameters by investing in a balanced portfolio of global equities and bonds.
AIA Macau Growth Fund	Medium to high	Equities: 50% - 70% Bonds: 30% - 50%	To maximise its long-term capital appreciation by investing in an internationally diversified portfolio of securities mainly in equities with balance in bonds.
AIA Macau Manager's Choice Fund	Medium to high	Equities: 10% - 70% Bonds: 30% - 90%	To maximise its long-term capital appreciation by performing dynamic asset allocation in an internationally diversified portfolio of securities.
AIA Macau American Equity Fund	High	Equities: 50% - 70% Bonds: 30% - 50%	To maximise its long-term capital appreciation by investing mainly in equities and bonds of North American companies.
AIA Macau Hong Kong Equity Fund	High	Equities: 50% - 70% Bonds: 30% - 50%	To maximise its long-term capital appreciation by investing mainly in equities and bonds of companies in Hong Kong SAR.

The risk level and investment mix stated above is for reference only.  
The investment mix is subject to change at the fund managers' discretion.

## 3 On-going and unparalleled service and support

Our customer service team is dedicated to providing you with professional, reliable and timely assistance.

- Monthly Fund Performance Review
- Online fund selection test
- Online platform for account management and fund switching
- Annual benefit statement
- 24-hour Interactive Voice Response System
- Member Hotline (direct conversation with a customer service representative):  
Monday to Friday 9 a.m. to 9 p.m.  
Saturday 9 a.m. to 1 p.m.
- AIA Connect mobile app

\* Unlimited fund switching requests via aia.com.hk are allowed, but only one fund switching or reallocation request is allowed in each scheme year if using paper format. Free fund switching is subject to change at the discretion of AIA Macau.

**Investment involves risks. You may suffer significant loss of your investments and not all funds available under the Scheme would be suitable for everyone. Fund price, investment performance and returns may go down as well as up. For further details including fees and charges and product features, please refer to the Management Regulation.**

**You should consider your own risk tolerance level and financial circumstances before making any investment choices. When, in your selection of funds, you are in doubt as to whether a certain fund is suitable for you (including whether it is consistent with your investment objectives), you should seek independent financial and/or professional advice and choose the fund(s) most suitable for you taking into account your circumstances.**

**You should not base your fund choices on this document alone and should refer to the Management Regulation for details (including fees and charges) before making any investment decisions.**

# Learn more about CPF

## At a glance

### 1 Are you eligible to join CPF?

If you are a Macau SAR resident who has reached the age of 18, or are under 18, but you have registered in the social security system, you will automatically become a CPF individual account owner.

### 2 How is the CPF account structured?

An individual account of CPF comprises three sub-accounts: a “government-managed sub-account”, a “contribution sub-account” and a “preserved sub-account”.

	Government-managed sub-account	Contribution sub-account	Preserved sub-account
Source of fund	<ol style="list-style-type: none"> <li>Incentive basic funds (MOP 10,000)</li> <li>Special allocation from budget surplus</li> </ol>	<ol style="list-style-type: none"> <li>Contributions made by employers and employees (joint provident fund scheme)</li> <li>Individual voluntary contributions (individual provident fund scheme)</li> </ol>	Transferred-in amounts from contribution sub-account after employment termination or cessation of individual voluntary contribution into individual provident fund scheme
To be managed by	Social Security Fund (“FSS”)	Fund Management Entity (i.e. AIA Macau)	

### 3 Are the funds transferrable between sub-accounts?

Yes. You can apply for fund transfers between the above three sub-accounts. Please note that the relevant contribution made under current employment in the contribution sub-account can only be transferred when you leave employment.

### 4 When can you withdraw the money?

In general, you can submit an application to FSS to withdraw the funds when you reach age 65. You can withdraw all or part of the funds from the account once a year. An employee can withdraw the funds earlier in the following situations:

Reasons for withdrawal	All or part of the balance in the individual account	The upper limit is the amount accumulated under the allocation system*
Needing to bear huge medical expenses due to serious injury or illness of his/her own	✓	
Reaching the age of 60 and not being engaged in any paid activities <sup>#</sup>	✓	
Based on humanitarian or other properly explained reasons	✓	
Needing to bear huge medical expenses due to serious injury or illness of his/her spouse, any degree of lineal consanguinity or affinity		✓
Has been receiving a disability pension from the FSS for more than one year		✓
Receiving special disability subsidy from the Social Welfare Bureau		✓

\* The upper limit is the sum of the incentive basic funds and the special allocation of funds from budget surplus that are injected into the accounts by the government over the past years and less the accumulated amount of withdrawals.

# Once the application has been approved, the same reason cannot be used to withdraw the funds again.

## Contribution

### Joint provident fund scheme – the scheme that you and your employer participate in together

#### 5 How much must you contribute?

You and your employer need to make monthly contributions which are equal to 5% of your basic monthly salary. Contribution calculations are subject to an upper limit and lower limit:

		Employer contribution	Employee contribution
Basic wage (MOP)	Less than \$7,445 <sup>♦</sup>	5%	0%
	\$7,445 <sup>♦♦</sup> to \$35,360 <sup>♦</sup>	5%	5%
	More than \$35,360 <sup>♦</sup>	\$1,768	\$1,768

#### 6 Can you opt to join CPF?

Yes. The joint provident fund scheme is set up voluntarily by the employer and you can join on a voluntarily basis.

#### 7 Can you make the investment choice?

You can choose the suitable funds and investment allocation percentages for your contribution portion. For your employer's contributions portion, your employer will typically make their own investment decision. If your contribution period (see next question) meets the requirements for obtaining all of your employer's contributions (i.e. the vesting percentage is 100%), you will have the right to make investment choice for your employer's contribution portion.

#### 8 How do we calculate the vesting percentage of the contributions?

The vesting percentage depends on how many years of contributions you have made as of the date of termination of employment:

Years of contributions	Vesting percentage
Less than three years	0%
Three years to less than four years	30%
Four years to less than five years	40%
Five years to less than six years	50%
Six years to less than seven years	60%
Seven years to less than eight years	70%
Eight years to less than nine years	80%
Nine years to less than ten years	90%
Ten years or more	100%

**Note:** If you switched from Private Pension Fund ("PPF") to CPF, the number of years you made contributions under PPF will be counted under the CPF calculation.

**Example:** Jan 2012 – Dec 2017 make contributions under PPF  
Jan 2018 – Nov 2019 make contributions under CPF

↳ Years of contribution will be "Seven years to less than eight years"

#### 9 If you resign, how can you manage your contribution sub-account?

You can choose one of the following options:

- i. Keep it under the AIA Macau preserved sub-account (Default option)
- ii. Transfer it to the Government-managed sub-account (once in a year, application and approval from the FSS is required)
- iii. Transfer it to an AIA Macau contribution sub-account
- iv. Transfer it to a preserved sub-account or contribution sub-account under another fund management entity

<sup>♦</sup> Effective on 1 January 2024 and subject to regulatory change over time. For the latest information, please visit [www.fss.gov.mo](http://www.fss.gov.mo).

<sup>♦♦</sup> This is the lower limit of the calculation base of contributions which refers to the minimum wage for cleaning and security workers in the property management business, and is subject to change over time.

**10 Can you join CPF if your employer has previously set up a PPF plan for you?**

Yes, under the condition that your employer has set up a CPF plan. Your employer will first submit an application to the FSS. Once it is approved, your employer will notify you of the relevant details of CPF within 10 days. You then have three months to decide whether or not to participate in the joint provident fund scheme.

If you choose to interface, you must submit written consent to your employer. Your employer will state a date for the interface and contributions received after this date will be paid towards the joint provident fund scheme. Contributions made under PPF before the interface will continue accumulating under PPF.

If you choose not to interface, you and your employer can continue paying towards PPF.

**More about PPF and CPF**

- ★ If the terms under PPF are more favourable to you (e.g. the contribution rate is higher), your employer should reserve these terms under CPF.
- ★ Under PPF, the employer's contributions can be used to offset dismissal compensation. However under CPF, the contribution accumulated after the interface cannot be used to offset dismissal compensation.

**Individual Provident Fund Scheme – the individual scheme you choose for yourself****11 Can you choose your preferred fund management entity?**

Yes. Regardless of whether or not your employer sets up a joint provident fund scheme, you are free to choose to participate in the individual provident fund scheme and select your preferred fund management entity.

**12 Is there a monthly contribution amount limit?**

The minimum amount of contributions is MOP500. This amount can be increased up to MOP3,500<sup>△</sup> in increments of MOP100.

**13 If you want to participate in the individual provident scheme under AIA Macau, what should you do?**

You can call our Member hotline on 0800 272 and we will explain the application procedures in detail.

<sup>△</sup> Effective on 1 January 2024 and subject to regulatory change over time. For the latest information, please visit [www.fss.gov.mo](http://www.fss.gov.mo).

# Contact us

Member hotline	0800 272 Monday to Friday : 9 a.m. to 9 p.m. Saturday : 9 a.m. to 1 p.m.
24-hour Interactive Voice Response System	0800 272
Fax no.	(853)2872 2782
Address	Unit 201, 2F, AIA Tower, Nos. 251A-301, Avenida Comercial de Macau, Macau
Website	<a href="http://aia.com.hk">aia.com.hk</a>