



Tax Deductible Voluntary Contributions

Helping you live your best life

Important Notes

Important: If you are in doubt about the meaning or effect of the contents of this marketing material, you should seek independent professional advice.

1. Investment in the Principal HK Dollar Savings Fund is different from placing deposits with a bank or deposit-taking company and is not protected by the Deposit Protection Scheme. Investment in the Principal HK Dollar Savings Fund will be subject to investment risks.
2. Fees and charges of a MPF conservative fund can be deducted from either (i) the assets of the Constituent Fund or (ii) members' account by way of unit deduction. This Principal MPF Conservative Fund uses method (i) and, therefore, unit prices/net asset value/fund performance quoted have incorporated the impact of fees and charges.
3. You should consider your own risk tolerance level and financial circumstances before investing in the Default Investment Strategy (“**DIS**”). You should note that the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund may not be suitable for you, and there may be a risk mismatch between the Principal Core Accumulation Fund and the Principal Age 65 Plus Fund and your risk profile (the resulting portfolio risk may be greater than your risk preference). You should seek financial and/or professional advice if you are in doubt as to whether the DIS is suitable for you, and make the investment decision most suitable for you taking into account your circumstances.
4. You should note that the implementation of the DIS may have an impact on your MPF investments and benefits. You should consult with the Trustee if you have doubts on how you are being affected.
5. You should consider your own risk tolerance level and financial circumstances before making any investment choices. In your selection of Constituent Fund(s), you are in doubt as to whether a certain Constituent Fund is suitable for you (including whether it is consistent with your investment objectives), you should seek financial and/or professional advice and choose the Constituent Fund(s) most suitable for you, taking into account your own circumstances.
6. In the event that you do not make any investment choices, please be reminded that any contributions made and/or benefits transferred into this Scheme will be invested into the DIS.
7. Investment involves risks. The value of the funds may go up or down. The past performance is not indicative of future performance. Your investment may suffer significant loss. There is no assurance on investment returns and you may not get back the amount originally invested.
8. You should not invest in reliance on this marketing material alone. You should read the relevant MPF Scheme Brochure for further details (including investment policy, risk factors, fee and charges of the Constituent Funds).

* “Scheme” means Principal MPF Scheme Series 800.

“Constituent Fund” means the constituent funds covered under the Scheme.

What is Tax Deductible Voluntary Contributions?

Tax Deductible Voluntary Contributions (TVC) is a new type of contributions under the MPF system. Members with contribution accounts or personal accounts of MPF schemes, or members of MPF Exempted ORSO schemes are all eligible to make TVC.

Scheme members can open a TVC account under an MPF scheme of their own choice and make TVC directly to the account without going through the employers. Only contributions made to TVC accounts not exceeding the tax deduction cap are tax deductible. Other types of MPF voluntary contributions are not tax deductible.

Scheme members can enjoy the flexibility to make TVC to their TVC accounts at any time and in varying amounts. They can also increase or reduce the amount of contributions, or cease to make contributions, or resume the making of contributions at any time, having regard to their personal circumstances.

The tax deductions, allowable under salaries tax or personal assessment, is subject to a cap of HK\$60,000 per year. Depending on your TVC amount, based on the prevailing highest tax rate (i.e. 17%), the maximum tax savings can reach HK\$10,200.

Source: Investor and Financial Education Council

Salary tax computation resulting from Mandatory Contribution (MC) and TVC

	A		B		C	
	Single, monthly salary HK\$30,000		Single, monthly salary HK\$60,000		Married, 1 child (4 years old), monthly salary HK\$60,000, spouse not working	
Total income (HK\$)	360,000		720,000		720,000	
	MC ¹ only	MC + TVC ²	MC ¹ only	MC + TVC ³	MC ¹ only	MC + TVC ³
Less: MC deduction (HK\$)	18,000	18,000	18,000	18,000	18,000	18,000
Less: TVC deduction (HK\$)	–	18,000	–	60,000	–	60,000
Net income (HK\$)	342,000	324,000	702,000	642,000	702,000	642,000
Less: allowance (HK\$)	132,000		132,000		264,000 + 130,000	
Net chargeable income (HK\$)	210,000	192,000	570,000	510,000	308,000	248,000
Tax payable (HK\$)	17,700	14,880	78,900	68,700	34,360	24,160
Tax savings from TVC (HK\$)	–	2,820	–	10,200	–	10,200

Source: <https://www.gov.hk/en/residents/taxes/salaries/allowances/allowances/7years.htm>

Note: Example is for reference only and does not constitute any form of advice.

Investment involves risk. You should consider your own risk tolerance level and financial circumstances before making any investment choices.

1. For ease of calculation, the employee MPF MC is taken to be 5% of the employee's monthly income, with a monthly maximum contribution limit set at HK\$1,500.
2. For ease of calculation, TVC is taken to be 5% of the employee's monthly income.
3. To enjoy maximum tax concession of HK\$10,200, TVC is taken to be maximum tax-deductible limit of HK\$60,000.

TVC Tax Deduction Calculator

The tax deductions, allowable under salaries tax or personal assessment, is subject to a cap of HK\$60,000 per year. Depending on your TVC amount, based on the prevailing highest tax rate (i.e. 17%), the maximum tax savings can reach HK\$10,200.

Scan the QR code below to calculate your tax savings



Why make TVC with us?

Diversified Investment Options

With solid experience in investment management, we offer diversified investment options, providing different characteristics and risk levels to meet different investment objectives and retirement needs of members.

Retirement Services Specialists

Our experienced retirement services specialists possess technical know-how in managing/administering pension schemes, and are committed to delivering professional advices and services to help you achieve your retirement goals.

Reliable Administration and Quality Customer Services

Our sophisticated administrative and advanced I.T. systems are designed to accommodate your unique personal requirements, while providing flexibility for change. Besides, we also provide quality customer services to members and they can take advantage of them to manage their MPF account efficiently.

Convenient Information Access

Members can obtain their individual account information conveniently through the round-the-clock Principal TeleTouch[®] interactive voice response system or internet-based **Principal Retirement Services Centre** (www.principal.com.hk). With these, members can access their account balances, daily fund prices, investment performance and even switch funds anytime and anywhere. The cut-off time of processing the change of investment choice is 4pm on any Hong Kong business working day.

In addition, members may also obtain their account balances, daily fund prices and investment performance via the **Principal Mobile App**. Both members and non-members can take advantage of the budget planning tool, where this Mobile App also offers "Fund Price Alert" function. Lastly, by subscribing the **Principal E-Notification Service**, members will receive member benefit statement and other MPF related notices issued by Principal via email, members can also subscribe for Monthly Account Balance SMS service.



How to open TVC account with us?

The minimum TVC contribution with the Scheme is HK\$300 per month or a lump sum of HK\$3,000. You may open your TVC account by completing and returning the TVC application form to us. The form can be downloaded at www.principal.com.hk/en/tvc.

(For details of our TVC Account, please call our Customer Service Hotline: (852) 2827 1233 or visit our website www.principal.com.hk)



How to make contribution?

- By direct debit from designated bank account, you may get Direct Debit Authorization Form¹ online or
- By cheque, make your crossed cheque payable to **PTC – MPF S800**, with the Contract Number and Covered Period written at the back

¹ For online admin forms, please go to www.principal.com.hk.

When can you withdraw your TVC contributions?

Same as the MPF mandatory contributions, TVC contributions have to be preserved until the age of 65 (unless exempted on other statutory grounds).

Once you reach the age of 65 or upon early retirement at the age of 60, you can choose to withdraw your accrued benefits derived from TVC by lump sum or by instalments, or you can retain your accrued benefits in the TVC account. By law you can withdraw your accrued benefits early on the following six specific grounds:



Early Retirement



Permanent Departure from HK



Small Balance



Death



Terminal Illness



Total Incapacity

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For details of Principal MPF Tax Deductible Voluntary Contributions Account, please call our Customer Service Hotline: [\(852\) 2827 1233](tel:85228271233) or visit our website www.principal.com.hk



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