

# Service and Support for your Retirement Plan

Employer Guide





# Introduction of Employer Guide

The success of your Mandatory Provident Fund Scheme relies on a close partnership between you and Principal, the Trustee, Administrator and Investment Manager of Principal MPF Master Trust Scheme. The following outlines what you and Principal have to do to make our partnership successful once the initial setup of the scheme setup has been completed.

We designed this administration and procedural guide to make it easy for you to use. We hope that it answers all of your questions regarding the day-to-day administration of your retirement scheme. If you would like to have more details, please feel free to contact us for assistance.

Customer Service Hotline:	(852) 2827-1233
Employer Hotline:	(852) 2251-9322
Fax Number:	(852) 2827-1707
Email Address:	<a href="mailto:hkinfo@exchange.principal.com">hkinfo@exchange.principal.com</a>
Principal Website:	<a href="http://www.principal.com.hk">http://www.principal.com.hk</a>
Office Address:	30/F, Millennium City 6, 392 Kwun Tong Road, Kwun Tong, Kowloon, Hong Kong

We appreciate the opportunity to serve you and look forward to a long-lasting relationship.

We are here for you and we understand what you and your employees are working for!

Trustee & Administrator:	Principal Trust Company (Asia) Limited (“PTC”)
Fund Manager:	Principal Asset Management Company (Asia) Limited (“PAM”)

# New Business Installation

Once you have joined any one of the Principal MPF Schemes (Series 600 / 800), the following forms will need to be completed during the installation period:

- 1. Authorized Officer Signature Form/Email Address Form**
- 2. Direct Debit Authorization**
- 3. Request for Special Services**

## 1. Authorized Officer Signature Form/Email Address Form

- 1.1. This form is designed to provide us with the signature specimen and email address of your authorized officer(s) for scheme administration purpose.
- 1.2. This form should be submitted with company chop affixed when you need to change/add authorized officers/ signatures or email addresses for the Scheme.
- 1.3. Name of Employer, Contract Number, and Effective Date of Change must be completed in the first section of this form.

## 2. Direct Debit Authorization

- 2.1. This form is used if employer chooses to settle contributions, fees and charges (if any) by direct debit from his designated bank account.
- 2.2. As it usually takes 6-8 weeks for banks to set up direct debit authorization, employer is requested to settle contributions, fees and charges (if applicable) by cheque for the first 2 months or until he received our notification on the approval of the setup.
- 2.3. Employer must submit changes of member information and remittance statement or contribution listing to us in either hardcopy or softcopy within 6 calendar days after the last day of the contribution period.

## 3. Request for Special Services

- 3.1. This form is used to request for the following special services:
  - 3.1.1. Additional Benefit Statement (you can choose the Frequency and the Mailing Address)
  - 3.1.2. Other statements such as Member Contribution / Surcharge Details
  - 3.1.3. Copy of Principal MPF Master Trust Deed
  - 3.1.4. Customized statements / services
- 3.2. Fee(s) will be charged for the above special service(s) and will be included in the Contribution/Charge Notice.
- 3.3. The Contract Number, Name of Employer and Effective Date must be provided.



# Enrolment

You have to enrol all your non-casual employees, aged between 18 and 65 and have been employed for 60 days or more under an employment contract, in the Scheme as members on the Plan Effective Date or 60 days from either the MPF Commencement Date or the Date of Employment, whichever is later.

## FORMS TO BE SUBMITTED TO PRINCIPAL:

### 1. Membership Enrolment Form

#### 1. Membership Enrolment Form

- 1.1. This form must be completed by each individual member (your eligible employees) and signed by the member and the Authorized Officer of the Employer with company chop.
- 1.2. This form is to give instructions on the member's choice of investment funds and/or authorize the Employer to deduct salary for optional voluntary contribution.
- 1.3. The member should return the completed form to Principal at least ONE MONTH prior to the first contribution payment or first transfer-in of benefits to his/her account. If the money is received prior to the receipt of this form, they will automatically be invested in the Default Fund specified for the MPF Scheme.

#### Section A

It should be completed and signed by the Employee.

#### Section B

It should be completed and signed by the Authorized Officer of the Employer with company chop. Alternatively, you can provide all the eligible members' particulars in a prescribed softcopy format via electronic mail. Please contact your administrator to obtain the required format if necessary.



# Contribution / Billing

Contributions for employees with payroll cycles more frequent than monthly can be remitted to the Trustee within the first 10 calendar days after the end of the month. As an employer, you are required to send both the employer and employee contributions together with a remittance statement to the Trustee on or before the contribution day (i.e. the 10th day after the end of each contribution period).

Your company's MPF contribution and related documents must be received by Principal and not by your MPF intermediaries before its receipt can be confirmed, as such please send your MPF contribution directly to Principal to avoid missing the contribution deadline.

Principal will send Contribution/Charge Notice to the employer to remind them of the contribution calculated together with a Contribution Listing if requested by the employer. The following explanation will help the employer to review the "bill notice" when he received it.

STATEMENTS PROVIDED BY PRINCIPAL:	PAYMENT METHOD:
1. Contribution/Charge Notice	By Cheque
2. Contribution Listing	By Direct Debit
3. Remittance Statement (to be provided by Employer)	By Bill Payment
4. Forfeiture Details	

## STATEMENTS PROVIDED BY PRINCIPAL

### 1. Contribution/Charge Notice

- 1.1. This Notice will be prepared and sent to the employer regularly around the last day of each contribution period.
- 1.2. The contribution period is shown as the "Covered Period".
- 1.3. Contribution Fee – the contribution fee is applicable to contracts with Class D / Class N units of the relevant constituent funds.

### 2. Contribution Listing

- 2.1. Contribution Listing is only available upon request by the employer.
- 2.2. It lists out all the active members currently under the MPF plan.
- 2.3. It provides the following information in respect of the "Covered Period".
  - › MPF Relevant Income
  - › Monthly Income (if any)
  - › Employer and Employee Mandatory Contributions
  - › Employer and Employee Voluntary Contributions (if any)
  - › Total Contributions for the Covered Period in respect of each member
  - › Retroactive Period Covered
- 2.4. According to the MPF Regulation, the employer is required to make mandatory contributions for the employee, who has been employed for 60 days or more, from the first day of such employment. The employer will therefore make contributions for a "Retroactive Period".
- 2.5. The employer is also required to deduct employee mandatory contribution from the employee's payroll commencing from the complete payroll period after his 30th day of employment.
- 2.6. The employer must check carefully the Contribution Listing.
- 2.7. Changes to the contribution amount due to new member, member termination or salary change can be marked on the listing. It must be signed and appended with company chop, then have it returned to Principal with the contribution payment (except for Direct Debit clients) within 10 calendar days immediately after the last day of the Contribution Period.
- 2.8. For Direct Debit clients, the amended Contribution Listing must be returned within 6 calendar days immediately after the last day of the Contribution Period by fax, e-mail or mail.

### 3. Remittance Statement (to be provided by customer)

If the employer used the payroll system - Alpha HRMS, the completed and signed Remittance Statement must be provided to Principal.

### 4. Forfeiture Details

- 4.1. This statement will be sent to the employer regularly around the last day of each Contribution Period. It is usually sent together with the Contribution / Charge Notice (this statement is only available if there are Employer Voluntary Contributions.)
- 4.2. It shows the movements of the Forfeiture Account since the last report date. The usage of forfeiture balance will follow the instructions as elected in the employer's MPF Application Form.

# Special Reminder for Employer with Non-Calendar Month Payroll Cycle

Please note you are required to submit first contribution of new member soon after he/she reaches 60 days of employment, kindly refer to the below example or call our customer service hotline for assistance.

## Example:

Payroll Cycle:	15 Sep 2015 to 14 Oct 2015
Commencement date of employment:	2 Sep 2015
60 <sup>th</sup> day of employment:	31 Oct 2015
Deadline for performing enrolment by employer:	2 Nov 2015
Deadline for remittance of first payment of Employer Mandatory Contribution :	10 Nov 2015
Payroll period that the 1 <sup>st</sup> contribution of the Employer Mandatory Contribution falls into:	2 Sep 2015 to 14 Sep 2015 and 15 Sep 2015 to 14 Oct 2015

If you have an employee terminates after the payroll cutoff date, please be reminded that you need to report the member termination and contributions with payment on or before the next contribution due date for the termination month.

## Example:

Payroll Cycle:	15 Jun to 14 Jul 2015
Date of cessation of employment:	28 Jun 2015
Deadline for remittance of report termination and last contribution:	*10 Jul 2015
Covered Period of last contribution:	15 Jun to 27 Jun 2015
Payroll period that the last contribution of the member falls into:	15 Jun to 14 Jul 2015

**Remark\*:** The last contribution of the terminated member is due on 10 July 2015 instead of 10 August 2015.

# Payment Method

## Cheque:

Please write down the Contract Number and Covered Period at the back of your cheque, have it crossed and made payable to appropriate payee as shown below:

MPF Scheme Series	S600	S800
Payee Name	PTC – MPF S600	PTC – MPF S800

## Direct Debit:

Please fill in the Direct Debit Authorization Form.

### Applicable to Principal MPF Scheme Series 600 (Pre-S500 employer)

#### “DBS Virtual Account” service:

To assist you making your MPF contribution payment, you can now make the payment by cheque, or cash via a new “DBS Virtual Account” service.

Payments to “DBS Virtual Account” can be made through the DBS Counter Service at branches (**Non** DBS Treasures Branches and DBS Treasures Private Client Branches).

#### COMBINATION OF VIRTUAL ACCOUNT NUMBER

79 – 130 – “YOUR MPF CONTRACT NUMBER WITHOUT ALPHABET”

Your Unique Virtual Account Number

**“79 – 130 – XXXX”**

( i.e. in case your MPF contract number is **DH XXXX**, your Virtual Account Number will be **79 - 130 - XXXX** )

Once payment has been made, you will be provided with a receipt. Please forward us this **receipt** together with your **remittance statement** via one of the following means on or before the contribution due day.

1. Fax Number: 2827-1707
2. Email: OPTINFO@exchange.principal.com
3. By Mail: Pension Operations Department  
Principal Trust Company (Asia) Ltd  
30/F, Millennium City 6  
392 Kwun Tong Road  
Kowloon  
Hong Kong





## Applicable to Principal MPF Scheme Series 600 and 800

### Bill Payment:

You can arrange to make your contribution payment through any of the following devices provided by HSBC or Hang Seng Bank. Please refer to the details shown below to proceed. Kindly note that you are still required to send us the image / printout of the receipt showing the company name and contract number together with your remittance statement as we will not be able to process any payment without the receipt.

- › Online banking
- › Automatic Teller Machines (ATMs)
- › Cheque Deposit Machines (CQMs) – **Only provide by HSBC**

<b>Category</b>	Others
<b>Merchant</b>	Principal Trust Company (Asia) Limited – for CQM Principal Trust Co (Asia) Ltd – for Online Banking Principal Trust – for ATM
<b>Bill Type</b>	02 = PTC - MPF S600 03 = PTC - MPF S800
<b>Bill Payment Reference Number</b>	It is your MPF contract number with Principal, please be reminded to skip all alphabets and zero right after the alphabets (E.g. SD0012034 should be input as 12034)

### Important Notes:

- › You should retain the copy of the receipt or the image of the payment made as a proof of payment as required by the MPFA.
- › All receipts or image of the receipts showing the company name and contract number must be sent with your remittance statement to Principal on or before the contribution due day.
- › Principal will not recognize any payment without the aforesaid receipt or image of the receipt. Employer may be subjected to surcharge as a result.
- › The decision of Principal will be final in the event of any dispute this may cause.



# Maintenance

To ensure the accuracy of our records, please complete the appropriate forms and return to us within 30 days of the effective date of any changes. To avoid any delay in contribution and termination processing, please provide all the required information and check the accuracy before sending it to us. You can also update the changes by accessing our website: [www.principal.com.hk](http://www.principal.com.hk), or using Principal TeleTouch© (2827-1233).

## FORMS TO BE SUBMITTED TO PRINCIPAL:

1. **Change/ Request of Employer Particulars**
2. **Notice of Change of Member Particulars**

### 1. Change Request of Employer Particulars

- 1.1. The employer can use this form to report all company changes, such as:
  - 1.1.1. Employer's particulars
  - 1.1.2. Contribution mode
    - > report any changes on the contribution frequency and/or contribution period
  - 1.1.3. Voluntary contribution particulars
    - > report any changes on the rules and terms of voluntary contribution
- 1.2. It must be signed by the Authorized Officer of the Employer with company chop.

### 2. Notice of Change of Member Particulars

- 2.1. This form is used to report any changes relating to the member.
- 2.2. Types of changes:
  - > Relevant Income
  - > Member Class
  - > (Optional) Voluntary Contribution – please tick the “” to indicate the change
  - > Residential Address
  - > Telephone Number
- 2.3. Alternatively, the employer can provide the above changes in softcopy. Please contact your administrator to obtain the required format if necessary.

# Termination / Distribution

A member may request for withdrawal of his/her accrued benefits under one of the following circumstances:

1. Termination of Employment
2. Normal Retirement (at age 65)
3. Early Retirement (at age 60)
4. Death
5. Permanent Departure from Hong Kong (once in a lifetime)
6. Small Balance (total balance in all MPF schemes is less than or equal to HK\$5,000)
7. Total Incapacity (as defined by the MPF Ordinance)
8. Terminal Illness (as defined by the MPF Ordinance)
9. Employer fails to pay Employer Voluntary Contribution for a period of 6 months or more (only the vested portion of the voluntary contribution can be withdrawn)

**Under each of the above circumstances, certain documents will be required to facilitate the termination / distribution process. Upon completion of the distribution process, a Member Final Benefit Statement will be provided to the employee. A summary of the required documents is listed in Table 1.**

**Table 1 Summary of required documents under different claims scenarios**

Claims Scenarios	Required Documents		Statement and Report to Employer / Employee / Claimant
	From Employer	From Employee	
1. Termination of Employment	1) Notice of Member Termination Form 2) Evidence of LSP / SP Offset if applicable)	1) Fund Transfer Form or Form MPF(S) – P(M) 2) HKID Copy	Benefit Payment Statement / Member Benefit Transfer Out Statement
2. Normal Retirement		1) Form MPF(S) – W(R) 2) HKID Copy	
3. Early Retirement		1) Form MPF(S) – W(R) 2) Form MPF(S) – W(SD1) 3) HKID Copy	
4. Death		1) Form MPF(S) – W(O) 2) HKID Copy of the member and the claimant 3) Letter of Probate or Letter of Administration (The above documents shall be submitted by the member's personal representative(s))	
5. Permanent Departure from HK		1) Form MPF(S) – W(O) 2) Form MPF(S) – W(SD2) 3) HKID Copy 4) Copy of Clearance Certificate issued by IRD (if applicable) 5) Evidence of Permission for Emigration to a place other than Hong Kong	
6. Small Balance (Total MPF Balance is less than or equal to HK\$5,000)		1) Form MPF(S) – W(O) 2) Form MPF(S) – W(SD3) 3) HKID Copy	
7. Total Incapacity		1) Form MPF(S) – W(O) 2) Form MPF(S) – W(M) 3) HKID Copy	
8. Terminal Illness		1) Form MPF(S) – W(O) 2) Form MPF(S) – W(T) 3) HKID Copy	
9. Claim of the vested portion of voluntary contribution if employer failed to pay 6 months or more of Employer Voluntary Contribution		Not applicable	

# Severance Payment / Long Service Payment

Important notes to employers in respect of the claim arrangement of Severance Payment / Long Service Payment (“SP/LSP”):

Employer has the rights to offset SP/LSP from the accrued benefits derived from the employer contributions to the MPF scheme in accordance with section 12A of the Mandatory Provident Fund Schemes Ordinance (Cap 485). If no instruction is given by the employer, long service payment/severance payment will be offset by employer’s voluntary contribution followed by mandatory contribution. To apply for the SP/LSP offset, the employer should provide the Trustee with the following:

(A) a written confirmation that:

- (i) the SP/LSP paid to the terminated employee was calculated and paid in accordance with the relevant provisions of the Employment Ordinance (Cap.57) (“Ordinance”),
- (ii) the amount of SP/LSP so paid is to be offset against the accrued benefits arising from the contributions paid by the employer in respect of the terminated employee to the MPF Scheme setup by the employer; and
- (iii) such offset is made in accordance with the relevant provisions of the Ordinance;

AND

(B) the member’s written acknowledged receipt of payment of SP/LSP from the employer.

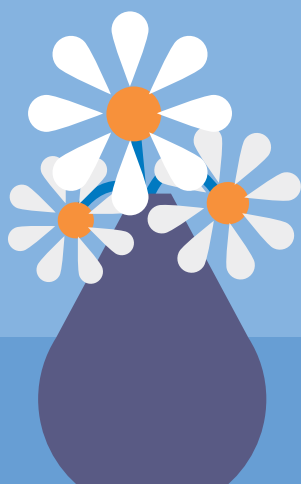
The employer should note that before a claim for payment from the employee member’s MPF accrued benefits to offset SP/LSP can be made:

- (i) the Trustee has to receive an election or a claim form from the employee member; or
- (ii) if the employee fails to submit an election or a claim form, the Trustee has to wait for 3 months before transferring the employee’s MPF accrued benefits to a personal account.

In order to avoid undue delay in the claim of SP/LSP, the employer should remind the employee member to submit an election or a claim form to the Trustee as soon as possible after his termination of employment.

## FORMS TO BE SUBMITTED TO PRINCIPAL:

1. **Notice of Member Termination Form**
2. **Fund Transfer Form (complete by member)**
3. **Claim Form (complete by member)**



# Overview of Contribution Tools

Contribution Tools	Contribution Calculator ( Excel )	Online Submission Tool: Option 1 –Direct Connect Option 2 –e-Contribution	Alpha HRMS ( PC-based )
Calendar Month Payroll	✓	Both Option 1 & 2	✓
Non-calendar Month Payroll		Option 1 only	✓
Print Pay Slip	✓		✓
Report Tax File			✓
Manage Staff Annual Leave			✓
Other Human Resources Functions			✓

