

MERCER MPF SATISFACTION INDEX

JULY 2019
49.5

AUGUST 2019

53.3

MONTHLY INDEX COVERING OVER 2,400 RESPONDENTS ANNUALLY

Conducted by Nielsen Hong Kong

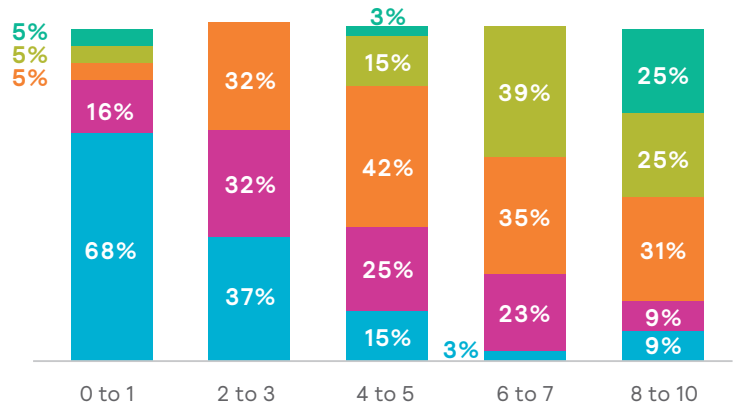
MPF SATISFACTION HIGHLY CORRELATES TO EXPECTATIONS ABOUT THE COVERAGE OF MPF ON POST-RETIREMENT EXPENSES

Based on responses to Mercer’s monthly survey, those who believe MPF can cover more of their retirement expenses tend to have higher satisfaction with the MPF system.

MPF, as a privately managed mandatory retirement saving system, is the second of the five pillars of an ideal pension system defined by the World Bank. It has to work well with the third and fourth pillars – voluntary retirement contributions and individual assets, respectively – to generate adequate resources to support post-retirement expenses. It may not be realistic to expect MPF to cover all these expenses by contributing only at the mandatory contribution level. Under normal market conditions and using reasonable investment strategies, however, this second pillar should be able to support basic retirement expenses on a subsistence level.

More education by employers and MPF providers might be helpful in promoting the role of MPF and developing reasonable expectations from the public and, in turn, improving satisfaction with the MPF system.

MPF Satisfaction Score



Expectation regarding coverage of MPF on post-retirement expenses:

Very little Small part Some Around half Most or all

THE MORE ENGAGED, THE MORE SATISFIED

Time Horizon Until Retirement

Members who are closer to retirement age are more satisfied.



58.0

Members who are age 55 or above



52.2

Members who are below age 55

Knowledge Level

Members who have a high level of knowledge about MPF feel more satisfied.



59.4

Members who believe they have a high level of knowledge about MPF



43.5

Members who believe they have a low level of knowledge about MPF

Inquiry Frequency

Members who inquired about MPF at least once in the past 12 months feel more satisfied.



57.4

Members who made inquiries about MPF in the past 12 months

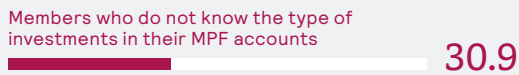


35.4

Members who did not make inquiries about MPF in the past 12 months

Understanding MPF Account Investment Types

Members who understand the type of investments in their MPF accounts are more satisfied.



Awareness of Own Investment Performance

Members who have a good sense of how their MPF funds are performing are more satisfied.



Members who have a good sense of how their MPF funds are performing



Members who do not have a good sense of how their MPF funds are performing

TOP THREE EXPECTATIONS FROM MPF MEMBERS IN AUGUST 2019, APART FROM GOOD PERFORMANCE AND LOW FEES



30.8%

Provide loyalty discounts and clear MPF benefit statements



30.3%

Provide clear and easy-to-understand fund information for comparison/selection

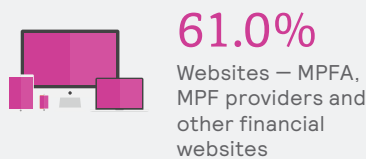


27.9%

Provide more comprehensive fund choice

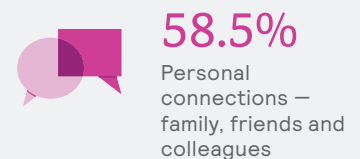
IN THE PAST 12 MONTHS, WHERE HAVE PEOPLE SOUGHT HELP?

We find it is more common for members to seek advice from personal connections, followed by websites.



61.0%

Websites – MPFA, MPF providers and other financial websites



58.5%

Personal connections – family, friends and colleagues



41.5%

MPF agents – individuals or financial institutions



18.4%

No advice sought

Note: The figures above do not add up to 100%, as individuals can seek advice from multiple sources.

For more information, please contact:

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