恒生銀行
HANG SENG BANK

HANG SENG MPF

Comparing TVC and QDAP video transcript
Duration: 2’38”

Scene	Audio	Visual
Saving Tax, Saving for Retirement	With so many lunch sets to choose from how do you make a choice? Among all these fruits how do you know which is best for you?	
	Even retirement planning comes with many options;the market offers various solutions to boost retirement savings. For MPF, there are options like “Additional Voluntary Contributions”, “Flexi-Contributions” and “Tax Deductible Voluntary Contributions” (‘TVC’). For insurance, there are “Savings Insurance”, “Annuity Life Insurance” and “Qualifying Deferred Annuity Policy” (‘QDAP’). Each solution comes with its own unique benefits.	
Features of TVC & QDAP	In recent years, there has been considerable interest in TVC and QDAP as both offer tax deduction in a tax assessment year.	

	The maximum aggregate tax-deductible amount applicable to both solutions is HK$60,000 per taxpayer which results in tax saving of up to HK$10,200.	
	What are the differences between these 2 solutions? Let's hear them from this pair of twin brothers. Although the twins were born just 2 minutes apart, their personalities cannot be more different. When they were young, the elder twin played as a striker; while the younger twin played as a goalkeeper. As adults, the elder twin became a diving instructor while the younger twin became a teacher. Now at the age of 40, they are planning their retirement. The enterprising elder twin opted for TVC; while the prudent younger twin chose QDAP for himself which also provides life protection.	
	Regarding the features of the solutions TVC allows, not only customizing the contribution amount and contribution cycle according to the specifications of different schemes,	

	but also temporarily discontinuing contribution. This is more suitable for people like the elder twin who are more open to adjusting their funds flexibly and accept higher investment risks.	
	As for QDAP, the premium and payment period are predetermined. For QDAP, the lowest total premium on the market is HK$180,000 with premium payment period as short as 5 years. Certain schemes may even offer non-guaranteed return which is perfect for meticulous people like the younger twin.	
	When withdrawing funds in the future with TVC, scheme members who reach the retirement age of 65 or on other statutory grounds can withdraw in one lump sum or by instalments. With QDAP, it is possible to withdraw the fund in instalments from the age of 50 with a collection period as short as 10 years. As mentioned earlier, tax deduction is an aggregate benefit from both solutions. The only difference between their tax-deductible amount being that if a married couple are both taxpayers, their combined tax	

	deductible amount from QDAP can be shared between both spouses.	
Contact information	Want to find the right MPF and insurance solutions for your retirement? Please call Hang Seng MPF Direct or Life Insurance Hotline and talk to us!	Hang Seng MPF Direct: 2997 2838 Hang Seng Life Insurance Hotline: 2198 7838
Disclaimer		• Please note the risks associated with the relevant products. • The Sponsor of Hang Seng MPF scheme is Hang Seng Bank Limited; while Hang Seng Bank's Qualifying Deferred Annuity Policy is underwritten by Hang Seng Insurance Company Limited. • Investment involves risks. Past performance is not indicative of future performance. The value of financial instruments, in particular stocks and shares, and any income from such financial instruments, may go down as well as up. For further details including the MPF product features and risks involved, please refer to the MPF Scheme Brochure. • Additional voluntary contributions, Flexi-Contributions and tax deductible voluntary contributions are accepted at the discretion of the MPF Trustee. The MPF Trustee reserves the absolute right not to accept any additional voluntary contributions, Flexi-Contributions and tax

		deductible voluntary contributions at any time. • Any general tax information provided above is for your reference only, and you should not make any tax-related decisions based on such information alone. Please note that only the premium paid net of any marketing offers (e.g. discount, premium waiver, etc.) might be eligible for tax concession and the actual tax benefits would depend on personal tax position (e.g. salaries income and assessable profits) and you should always consult with a professional tax advisor if you have any doubts. Further information on tax concessions applicable to QDAP may be found at www.ia.org.hk. The relevant information is issued by Hang Seng Bank Limited and Hang Seng Insurance Company Limited (wholly-owned subsidiary of Hang Seng Bank) December 2020