



MPF 積金快線 Express

A balanced perspective
on your MPF

Issue no. 63

Building retirement resilience through employer action

As Hong Kong faces the twin challenges of an ageing population and increasing life expectancy, retirement adequacy is becoming a growing concern for employees, employers and policymakers alike. While the Mandatory Provident Fund (MPF) system provides an important foundation for retirement savings, many employees may need significantly more resources to maintain their desired lifestyle throughout retirement. The latest research conducted by WTW in partnership with The Hong Kong Retirement Schemes Association (HKRSA) explores retirement preparedness in Hong Kong and highlights how employers can play a pivotal role in strengthening retirement outcomes for the workforce.

A longer retirement requires greater preparedness

One of the key findings of the research is the impact of longevity on retirement planning. As people live longer, they face a greater risk of outliving their retirement savings. The study estimates that an average retiree may require around HK\$20,000 per month to meet retirement expenses at current price levels. To sustain this level of spending throughout retirement, a male retiree may require approximately HK\$6.6 million in retirement savings at age 65, while a female retiree may need around HK\$7.1 million to achieve a 90% confidence level of maintaining adequate retirement income throughout her lifetime.

These figures highlight the growing challenge of retirement adequacy. Building retirement resilience requires not only consistent saving but also long-term planning that takes into account inflation, investment returns and increasing life expectancy.

Male Target

\$6.6M

For 90% Confidence

Female Target

\$7.1M

For 90% Confidence

Employers are already supporting better outcomes

Through interviews covering employers representing more than 90,000 employees in Hong Kong, the research found that many organisations are already going beyond statutory retirement requirements. Many surveyed employers contribute between 8% and 15% of salary to MPF or ORSO schemes, significantly above statutory minimum contribution levels. Others have implemented matching contribution arrangements and supplementary retirement savings programmes to help employees build greater long-term financial security.

Many employers view retirement benefits as an important component of their overall employee value proposition. Enhanced retirement support can contribute to employee wellbeing, strengthen engagement, support talent retention and reinforce an organisation's reputation as an employer of choice. Given the clear link between financial wellbeing and workforce productivity, retirement planning is increasingly being viewed as part of broader employee wellbeing strategies.

Empowering employees to shape their retirement

The research highlights opportunities to strengthen employee engagement in retirement planning, particularly among younger employees who often prioritise shorter-term financial goals. Financial education, voluntary savings incentives and easier access to retirement planning tools can help employees make more informed decisions throughout their careers.

As Hong Kong's retirement system matures, attention is also shifting from accumulation to decumulation — helping employees convert retirement savings into sustainable retirement income while managing longevity and inflation risks.

A shared responsibility for the future

The report identifies three priorities for strengthening retirement protection in Hong Kong:

1. encouraging greater voluntary savings,
2. expanding retirement income solutions, and
3. empowering employers to provide stronger retirement support.

As trusted partners in employees' financial wellbeing journeys, employers are uniquely positioned to influence retirement readiness. By helping employees save earlier, save more and achieve higher investment return with acceptable risk tolerance, organisations can contribute to stronger workforce resilience while enhancing the employee experience.

The findings serve as a timely reminder that retirement security is a shared responsibility. Through continued collaboration among employers, employees, industry stakeholders and policymakers, Hong Kong can build a more sustainable and resilient retirement system for future generations. As longevity continues to reshape retirement expectations, proactive employer engagement will be critical in helping Hong Kong's workforce achieve better retirement outcomes. For a deeper dive into the findings and recommendations, readers may refer to WTW's publication, [Joint Study by HKRSA and WTW Explore Collaborative Opportunities to Enhance Retirement Confidence in Hong Kong](#), where the full research report is also available.



Other MPF resources

Member Education

Given the defined contribution nature of the MPF scheme, it is vital to provide sufficient member education so that employees can achieve the best value from their contributions.

At WTW, we provide regular short educational articles to members on hot topics and recent events. Recent articles published by WTW are available on [MPFexpress](#). Visit our website to find out more.

Article	Content
Making good use of AI to enhance the MPF management experience	The wave of AI has been spreading rapidly around the world, and industries across all sectors are actively exploring how AI can improve efficiency and transform the way they operate. The MPF industry is no exception. In recent years, both the MPFA and MPF trustees have been actively adopting AI technologies to enhance service efficiency and improve member experience, helping members manage their MPF investment portfolios more conveniently.
Expanding the investment scope of REITs to enhance flexibility and risk diversification	Real Estate Investment Trusts (REITs) are familiar to some people but less so to others. Well-known examples such as Link REIT and Sunlight REIT illustrate how REITs work. While REITs are less commonly used than stocks or bonds, they can be a worthwhile option for MPF investors seeking stable income and diversification.
Deploying your MPF benefits smartly in retirement	As MPF scheme members approach retirement age, many already know they should review their overall financial situation. However, how best to take out and how best to invest MPF accrued benefits after retirement are often overlooked. Apart from withdrawing MPF benefits as a lump sum upon retirement, there are different ways in which members can plan their MPF benefits and adjust their investment strategies according to their individual needs, so as to maximise the long-term value of their MPF savings.
Regulation and penalties for defaulting on MPF contributions	Under the Mandatory Provident Fund Schemes Ordinance, employers in Hong Kong are required to make monthly MPF contributions for eligible employees. Both employers and employees must each contribute 5% of the employee's relevant income. Contributions for monthly-paid employees must be remitted to the trustee on or before the 10th day of the following month.

MPF market share

Do you know how your MPF sponsor ranks in terms of the market share within the entire MPF market? This information is available on [MPFexpress](#). This section provides the latest MPF market distribution information and helps you understand the relative MPF asset sizes of different sponsors in the MPF market.

Highlight of investment performance up to 30 June 2026

The annualised performance over 1-year and 5-year periods ended 30 June 2026 of each MPF fund type was as follows:

Performance ended 30 June 2026		1-year period			5-year period		
Fund Category	Fund Type	Highest % p.a.	Average % p.a.	Lowest % p.a.	Highest % p.a.	Average % p.a.	Lowest % p.a.
Mixed Assets Funds	Equity content > 80% Funds	23.6	20.3	17.7	5.4	4.3	2.2
	Equity content 60% - 80% Funds	24.5	16.5	13.8	4.5	3.1	1.4
	Equity content 40% - 60% Funds	17.3	11.7	10.1	2.6	1.4	-0.1
	Equity content 20% - 40% Funds	10.3	7.4	6.1	1.0	0.3	-0.9
Default Investment Strategy Funds	Core Accumulation Fund	42.6	16.0	13.1	12.4	6.5	5.5
	Age 65 Plus Fund	15.6	5.8	4.4	4.3	1.1	0.4
Equity Funds	Hong Kong Equity Funds	15.7	2.8	-2.0	-0.6	-4.9	-6.8
	Hong Kong Equity (Index Tracking) Funds	-1.3	-3.3	-5.6	-1.7	-2.5	-5.0
	China Equity Funds	11.1	-1.9	-11.8	-4.4	-5.5	-6.9
	Greater China Equity Funds	55.1	40.4	24.2	3.1	1.2	-1.5
	Asia ex Japan Equity Funds	82.7	56.1	39.9	10.9	6.2	3.0
	Asia Pacific ex Japan Equity Funds	110.3	47.4	34.7	16.5	7.1	1.2
	Global Equity Funds	69.5	24.5	13.5	18.7	9.8	6.2
	United States Equity Funds	24.4	19.9	9.9	11.6	10.5	6.0
	European Equity Funds	22.7	17.6	10.6	9.4	7.9	1.8
	Japanese Equity Funds	33.2	30.0	26.0	13.5	12.2	11.5
Bond Funds	Hong Kong Dollar Bond Funds	1.1	0.8	0.5	1.0	0.7	0.2
	Asian Bond Funds	3.7	3.0	2.6	0.7	0.1	-0.7
	Global Bond Funds	0.1	-0.4	-1.0	-1.0	-2.3	-3.3
	RMB Bond	5.7	5.4	5.3	1.9	1.6	1.0
Money Market Funds	MPF Conservative Funds	1.9	1.5	1.1	2.3	2.0	1.7
	Hong Kong Dollar Money Market Funds	1.6	1.5	1.5	2.2	2.1	2.1
	RMB and HKD Money Market Funds	4.6	4.1	3.8	1.9	1.2	0.9
Others	Guaranteed Funds	4.6	2.0	0.4	1.4	0.2	-1.5

Source: MPFA
As of 30 June 2026

About WTW

At WTW (NASDAQ: WTW), we provide data-driven, insight-led solutions in the areas of people, risk and capital. Leveraging the global view and local expertise of our colleagues serving 140 countries and markets, we help you sharpen your strategy, enhance organisational resilience, motivate your workforce and maximise performance. Working shoulder to shoulder with you, we uncover opportunities for sustainable success — and provide perspective that moves you. Learn more at wtwco.com.



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