



For Immediate Release

*World Financial Planning Day on 2 October*  
**“Tax Incentives for the Workforce” Survey Results Reveals**  
**Nearly 80% High on Self-rating Knowledge 40% Scores Well on VHIS**

(Hong Kong – 2 October, 2019) The Institute of Financial Planners of Hong Kong (IFPHK) supports the World Financial Planning Day for the third straight year through a survey to understand public attitudes on financial planning.

This year, the IFPHK is in step with the government’s tax incentives for retirement planning, consolidating public’s perception and intention on three tax-deductible products, namely the Tax Deductible Voluntary Contributions (TVC), Qualifying Deferred Annuity Policies (QDAP) and Voluntary Health Insurance Scheme (VHIS).

The online survey commenced in mid-July for one month and a total of 372 responses have been collected. Survey findings are highlighted as below:

- **Over 70% of respondents agrees that the “Tax-deductible products” helps with retirement planning.**
- **Nearly 78% of respondents stated that they have full understanding on the “Tax-deductible products”, 16% of them believed themselves to be highly familiar with the products.**
- **Percentage of respondents who have achieved perfect score in the “Tax-deductible products” quiz: QDAP (67%), TVC (58%) and VHIS (43%).**
- **23% of respondents consider participating the “Tax-deductible product”. 29% shall consider at a later stage, while 48% will not give it a thought.**
- **43% of respondents receives information about “Tax-deductible products” through traditional media (TV, newspaper and radio). On the other side, 15% opts for government or regulatory sources and 19% opts for financial firms’ website.**
- **In terms of retirement income, the top three options from respondents are: MPF (31%), Investments (26%) and Bank Savings (24%).**

### **Retirement Life Wildly Unaffordable Simply Through Rental Income**

As the old saying that Hongkongers have a fondness for real estate investment, the Survey reveals that only a small fraction is planning their retirement with passive income from a rental property. As the housing affordability crisis long holds Hong Kong in a vice-like grip, only 8% consider retirement planning through rental income among all respondents. The findings suggest that 7.8% of the respondents receives a monthly income of \$65,001 or above.

### **IFPHK’s Recommendation on Retirement Planning**

Speaking of retirement planning, the IFPHK recommends planning ahead to reduce the odds and avoid falling short. Another surprising finding shows that a substantial number of Hongkongers overestimate their understanding on the “Tax-deductible products”, which could get in the way of a worry-free retirement planning. The IFPHK highly recommends that the public should turn to trustful sources (e.g. Inland Revenue Department, Food and Health Bureau, Insurance Authority and the Mandatory Provident Fund Schemes Authority), while reviewing one’s need in retirement planning.



### **About “World Financial Planning Day 2019” (“WFPD”)**

The IFPHK hosts the “World Financial Planning Day 2019” (“WFPD”) in Hong Kong, as a support to the Financial Planning Standards Board (“FPSB”) initiatives during the International Organization of Securities Commissions’ (“IOSCO”) World Investor Week. The WFPD is set on 2 October, 2019 this year.

During the WFPD, the IFPHK and all FPSB’s affiliate organizations representing a global community of over 181,000 CFP<sup>CM</sup> professionals will provide programs to promote consumer awareness and understanding of financial planning.

IOSCO’s World Investor Week is a week-long global campaign designed to raise awareness about the importance of investor education and protection, and to highlight the investor education and protection initiatives of securities regulators around the world. As part of its global campaign, IOSCO has invited securities regulators from six continents, alone or in partnership with local and international nonprofit groups, to provide programs and events to promote the importance and value of investor education and protection.

For more information about the WFPD, please visit: <http://worldfpday.org/>

For more information about IFPHK’s WFPD initiatives, please visit: <http://www.ifphk.org/wfpd2019/index.html>

### **About the IFPHK**

The IFPHK was established in June 2000 as a non-profit organization for the fast-growing financial services industry. It aims to be recognized in the region as the premier professional body representing financial planners dedicated to upholding the highest professional standards.

The IFPHK is the sole licensing body in Hong Kong authorized by Financial Planning Standards Board Limited to grant the much-coveted and internationally-recognized CFP<sup>CM</sup> certification and AFP<sup>TM</sup> certification to qualified financial planning professionals in Hong Kong and Macau.

It represents more than 7,600 financial planning practitioners in Hong Kong from such diverse professional backgrounds as banking, insurance, independent financial advisory, stockbroking, accounting, and legal services.

Currently there are more than 181,000 CFP<sup>CM</sup> certificants in 26 regions. The majority of these professionals are in the U.S., Canada, China, Australia and Japan, with more than 4,400 CFP<sup>CM</sup> certificants in Hong Kong.

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FINANCIAL  
PLANNING  
DAY  
PROMOTED BY FPSB

# Institute of Financial Planners of Hong Kong "Tax Incentives for the Workforce" Public Survey

## SUMMARY

Period: 23 July - 23 August, 2019  
Completed Survey: 372  
Average income: \$25,001 - \$30,000  
Aged 30 or above: 80%

## OBJECTIVES

To consolidate public's view on  
"Tax-deductible products" in terms of their:

- Enthusiasm
- Familiarity
- Sources of Information

## TAX-DEDUCTIBLE PRODUCTS



Tax Deductible Voluntary Contributions (TVC)



Qualifying Deferred Annuity Policies (QDAP)



Voluntary Health Insurance Scheme (VHIS)

## SURVEY RESULTS

71%

believes in its effectiveness on retirement planning

29% disagree in it

77%

self-rated "fairly good" or above on product knowledge

16% self-rated as "so-so"

7% self-rated as "not at all"

48%

will not participate in the products

29% intends to participate later

23% intends to participate

### Survey Quiz Accuracy:

58% TVC

67% QDAP

43% VHIS

### Source of Information:

43% Traditional Media

19% Digital

15% Government or Regulator

### Source of Retirement Income:

31% MPF

26% Stocks / Funds

24% Bank Savings

## CFP PROFESSIONAL ADVICE



Start Early,  
Risk-Free



Do not  
self-overrated



Official Source

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