



香港年金  
HKMC ANNUITY

# HKMC Annuity Plan



**Never too Old** To be Bold

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# Your Life's Vibrant New Chapter

Have you ever imagined the quality of life in your 60s, 70s, or 80s?

The key to thriving through retirement is to develop a financial plan that can safeguard the future you desire.

The HKMC Annuity Plan offers a lifelong guaranteed income to people aged 60 or above, providing a worry-free retirement journey.

## Live long and prosper

Have you ever looked at your anticipated lifespan and the length of your retirement?

### Life Expectancy Calculator

Estimate how long you will live

## Secure a prosperous future with better financial planning

Once you retire, money will be going out rather than coming in. Can your savings support your entire retirement?

### Never Dried-up Calculator

Find out how long your savings would last

# HKMC Annuity Plan Highlights

The HKMC Annuity Plan offers a lifelong stable monthly annuity income with an **annuity payout rate guaranteed to be at least 5.6%<sup>1</sup> per year**, enabling peace of mind.



 **Immediate Benefit**

Receive annuity payments from next month

 **Guaranteed Income**

A fixed monthly amount guaranteed

 **Lifetime Promise**

Secure a lifelong income

 **Solid Backing**

Wholly owned by the Exchange Fund<sup>2</sup>

## Flexible

Withdrawal arrangement for medical-related expenses

## Guaranteed “breakeven”<sup>3</sup>

Benefit amount  $\geq$  premium paid

# HKMC Annuity Plan Overview

Insurance company	HKMC Annuity Limited
Eligibility	Hong Kong permanent residents aged 60 or above
Policy currency	Hong Kong Dollar (HK\$)
Premium payment	Single premium
Premium	HK\$50,000 to HK\$5,000,000 <sup>4</sup>
Benefit term and annuity income period	Whole-life
Death Benefit	<p>If the insured passes away within the Guaranteed Period, designated beneficiary(ies) may choose to receive the Death Benefit in either of the following ways.</p> <p>(1) Monthly payments – continue to receive the remaining unpaid Guaranteed Monthly Annuity Payments until the Guaranteed Period ends; or</p> <p>(2) Lump sum payment (equivalent to the higher of the following)</p> <p>(i) The Guaranteed Cash Value<sup>5</sup> of the policy as at the date of receipt of the death claim application received by HKMC Annuity Limited; or</p> <p>(ii) The premium less the total annuity payments received<sup>6</sup></p>



Special withdrawal arrangement	The insured may withdraw up to 100% of the remaining balance of the premium paid to cover his / her medical-related expenses <sup>7</sup> without any withdrawal charge. The remaining balance of the premium paid refers to the amount of the premium paid deducting the total annuity payments received <sup>8</sup> by the insured. The maximum lifetime withdrawal limit for each insured is HK\$1,000,000 <sup>9</sup> . If the amount of Guaranteed Monthly Annuity Payment payable under the policy becomes zero after special withdrawal <sup>10</sup> , the policy will be terminated.
Surrender Value	The insured may surrender the policy; the Surrender Value is equivalent to the Guaranteed Cash Value of the policy <sup>5</sup> .



# Examples of Guaranteed Monthly Annuity Payment

## Guaranteed Monthly Annuity Payments based on a premium of HK\$1,000,000

Age at application <sup>11</sup>	Male		Female	
	Guaranteed Monthly Annuity Payment (HK\$)	Annuity payout rate <sup>1</sup>	Guaranteed Monthly Annuity Payment (HK\$)	Annuity payout rate <sup>1</sup>
60	5,100	6.1%	4,700	5.6%
61	5,240	6.2%	4,820	5.7%
62	5,380	6.4%	4,940	5.9%
63	5,520	6.6%	5,060	6.0%
64	5,660	6.7%	5,180	6.2%
65	5,800	6.9%	5,300	6.3%
66	5,950	7.1%	5,400	6.4%
67	6,100	7.3%	5,510	6.6%
68	6,250	7.5%	5,620	6.7%
69	6,400	7.6%	5,730	6.8%
70	6,560	7.8%	5,840	7.0%
71	6,720	8.0%	5,950	7.1%
72	6,880	8.2%	6,060	7.2%
73	7,040	8.4%	6,180	7.4%
74	7,200	8.6%	6,300	7.5%
75	7,360	8.8%	6,420	7.7%
76	7,520	9.0%	6,540	7.8%
77	7,680	9.2%	6,660	7.9%
78	7,840	9.4%	6,780	8.1%
79	8,000	9.6%	6,900	8.2%
80	8,160	9.7%	7,030	8.4%
81	8,320	9.9%	7,160	8.5%
82	8,480	10.1%	7,290	8.7%
83	8,640	10.3%	7,420	8.9%
84	8,800	10.5%	7,550	9.0%
85	8,960	10.7%	7,680	9.2%

### HKMC Annuity Plan Calculator

Find out how much monthly annuity income you can receive

### Myth 1

The HKMC Annuity Plan just pays out from my own savings. How can it help me?



You may run out of money anytime if you live off your savings only.



The HKMC Annuity Plan provides you with a guaranteed monthly income for life without an upper age limit.

### Myth 2

If my time comes earlier, will I get less than the premium I paid?

The HKMC Annuity Plan **guarantees “breakeven”**<sup>3</sup>

If the insured passes away within the Guaranteed Period, **designated beneficiary(ies)** may choose to receive the **Death Benefit** in either of the following ways:

**1 Monthly payments**

Continue to receive the remaining unpaid Guaranteed Monthly Annuity Payments until the Guaranteed Period ends; or

**2 Lump sum payment (equivalent to the higher of the following)**

- i The Guaranteed Cash Value<sup>5</sup> of the policy as at the date of receipt of the death claim application received by HKMC Annuity Limited; or
- ii The premium less the total annuity payments received<sup>6</sup>



**Benefit Amount**

(including total annuity payments received<sup>6</sup> and Death Benefit (if applicable))



**Premium Paid**



Remarks

- 1. Annuity payout rate, as annuity rate, is calculated as follows:  
$$\frac{\text{Guaranteed Monthly Annuity Payment} \times 12}{\text{premium}} \times 100\%$$

Assuming a 60-year-old female applies for the HKMC Annuity Plan with HK\$1,000,000 and the Guaranteed Monthly Annuity Payment is HK\$4,700, the annuity payout rate would be 5.6% (HK\$4,700 x 12 / HK\$1,000,000 x 100%). If partial surrender or special withdrawal has been made, the subsequent Guaranteed Monthly Annuity Payments will be reduced.
- 2. HKMC Annuity Limited is a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited which is wholly owned by the Hong Kong Special Administrative Region Government through the Exchange Fund.
- 3. Assume no partial or full surrender has been made under the policy.
- 4. The minimum premium per policy is HK\$50,000, while the maximum individual premium cap per insured is HK\$5,000,000.
- 5. Guaranteed Cash Value varies with the premium, the insured's age and gender, and other factors. Please refer to the illustration document and policy provisions for details.
- 6. The total annuity payments received is the cumulative Guaranteed Monthly Annuity Payments received up to the date the death claim application is received by HKMC Annuity Limited.
- 7. Regardless of how many policy(ies) issued by HKMC Annuity Limited the insured owns, such a withdrawal can only be made once in the insured's lifetime. The insured must submit one single application for all the medical and dental expenses in respect of the insured for all policies issued by HKMC Annuity Limited whether in respect of one or more than one medical and dental treatment / examination. Once a single application has been made and accepted by HKMC Annuity Limited, no other application will be accepted.
- 8. The total annuity payments received is the cumulative Guaranteed Monthly Annuity Payments received up to the date the special withdrawal application is accepted by the HKMC Annuity Limited.
- 9. The aggregate withdrawal limit of HK\$1,000,000 is the total maximum amount that may be withdrawn for medical and dental expenses once in the insured's lifetime for

all the policies issued by HKMC Annuity Limited in respect of the same insured. If a single application has been made and accepted by HKMC Annuity Limited, and the special withdrawal amount as specified in the application is less than HK\$1,000,000, then the insured will only be entitled to receive the specified special withdrawal amount approved for the application. HKMC Annuity Limited will not accept further application for special withdrawal of the balance in respect of any medical and dental expenses not submitted and approved for the single application.

- 10. After special withdrawal, the amount of the Guaranteed Monthly Annuity Payments, the Guaranteed Cash Value, the Death Benefit (if applicable) and the total amount of benefits paid and payable of the policy will be reduced accordingly.

- 11. Age last birthday of the insured at application.

Important Notes

I) Guaranteed Monthly Annuity Payment

Guaranteed Monthly Annuity Payment varies with the insured's age and gender at application.

The HKMC Annuity Plan (the Plan) is a whole-life guaranteed annuity insurance product. Guaranteed Monthly Annuity Payments are payable to the insured provided that the insured is alive at the time of payment and the policy remains in force. Proof of the insured's survival satisfactory to HKMC Annuity Limited is required.

II) Guaranteed Period

Guaranteed Period means the period commencing from the Premium Start Date of the policy during which Guaranteed Monthly Annuity Payments will be paid subject to the policy terms until the cumulative Guaranteed Monthly Annuity Payments paid reach 105% of the premium. As long as the insured is alive and the policy remains in force, the insured will continue to receive the Guaranteed Monthly Annuity Payments for the rest of the insured's life even after the expiry of the Guaranteed Period.

The Guaranteed Cash Value of the policy will gradually decrease as the insured begins to receive the Guaranteed Monthly Annuity Payments, and it will reduce to zero after the Guaranteed Period ends. Given that there is no Guaranteed Cash Value after the Guaranteed Period, no Death Benefit nor Surrender Value will be payable if the insured passes away or the policy is surrendered after the Guaranteed Period.



### III) Cooling-off Period

If the insured is not satisfied with the policy, the insured has the right to cancel the policy within the cooling-off period and obtain a refund of any premium paid by giving a written notice to us subject to deduction of the Guaranteed Monthly Annuity Payment that we have already made (if any). The cooling-off period is the period of 21 calendar days immediately following the day of the delivery of the policy or the notice informing the policy is approved to the insured or the nominated, whichever is the earlier. The signed written notice to cancel the policy must be submitted to the Customer Service Centre of HKMC Annuity Limited at 19/F, Two Harbour Square, 180 Wai Yip Street, Kwun Tong, Kowloon, Hong Kong within the cooling-off period. Please refer to the application form for more information.

### IV) Early Surrender Risk

This is a long-term insurance product. Full surrender, partial surrender or termination of the policy may result in a significant loss, where the total amount of benefits the insured would receive may be significantly less than the premium paid.

Upon partial surrender of the policy, the subsequent amount of the Guaranteed Monthly Annuity Payments, Guaranteed Cash Value, Death Benefit (if applicable) and the total amount of benefits paid and payable to the insured will be reduced accordingly.

For the details of the terms and conditions applicable to partial surrender, please refer to the policy provisions.

### V) Death Benefit

Lump sum death benefit payment option will apply in the absence of unanimous agreement of all designated beneficiaries to elect any Death Benefit payment option within 30 days of receiving the death claim application by HKMC Annuity Limited. Given that the Death Benefit will be determined as at the date of receipt of the death claim application, delay in submitting the death claim application may reduce the Death Benefit amount payable to the designated beneficiary(ies). The designated beneficiary(ies) may not receive any Death Benefit if death claim application is received after the Guaranteed Period ends.

Where there are any suspended Guaranteed Monthly Annuity Payments which remain unpaid at the time the death claim application is received, all of those suspended Guaranteed Monthly Annuity Payments shall become payable to the designated beneficiary(ies) in a lump sum.

Please refer to the policy provisions for the details of the terms and conditions applicable to the Death Benefit.

### VI) Special Withdrawal Arrangement

Special withdrawal can only be made once in the insured's lifetime for the purpose of payment for the medical and dental expenses incurred or to be incurred from medical and dental treatment / examination carried out or to be carried out in Hong Kong. After the special withdrawal, the amount of the Guaranteed Monthly Annuity Payments, the Guaranteed Cash Value, the Death Benefit (if applicable) and the total amount of benefits paid and payable of the policy will be reduced accordingly. If the amount of Guaranteed Monthly Annuity Payments payable under the policy becomes zero after the special withdrawal, the policy will be terminated.

If the medical and dental treatment / examination is not carried out on or within a reasonable period of time from the date when it is scheduled to be carried out, any payment made by HKMC Annuity Limited for the medical and dental expenses may, at HKMC Annuity Limited's discretion, be deemed as payment made for partial surrender. In such case, the insured may suffer a loss.

Please refer to the policy provisions for the details of the terms and conditions applicable to special withdrawal.

### VII) Credit Risk

HKMC Annuity Limited underwrites the Plan and the insured is subject to our credit risk. If HKMC Annuity Limited is unable to meet the financial obligations of the policy, the insured may lose the premium paid and the benefits under the Plan.

### VIII) Inflation Risk

The current benefits of the Plan may not be sufficient to fully meet the insured's future living expenses since the future cost of living may become higher due to inflation.

### IX) Termination

The policy shall terminate when:

- (i) HKMC Annuity Limited approves the insured's written request to surrender and terminate the policy; or
- (ii) The insured dies; or
- (iii) The amount of the Guaranteed Monthly Annuity Payments payable under the policy become zero upon special withdrawal for medical and dental expenses under the policy; whichever is earlier.



## Disclaimers

The HKMC Annuity Plan (the Plan) is underwritten by HKMC Annuity Limited. Apart from the sales representatives of HKMC Annuity Limited, HKMC Annuity Limited may appoint licensed insurance intermediary(ies) as the authorised intermediaries of HKMC Annuity Limited for referring interested customer to HKMC Annuity Limited to conduct a Financial Needs Analysis to ascertain the customer's suitability in subscribing to the Plan. You may call our Customer Service Hotline for the details of our authorised intermediaries.

The Plan is a product of HKMC Annuity Limited but not the Agent Banks'. In respect of an eligible dispute (as defined in the Terms of Reference for the Financial Dispute Resolution Centre in relation to the Financial Dispute Resolution Scheme) arising between you and an Agent Bank out of the selling process or processing of the related transaction, the Agent Bank is required to enter into a Financial Dispute Resolution Scheme process with you; however any dispute over the contractual terms of the Plan should be resolved between you and HKMC Annuity Limited directly.

HKMC Annuity Limited is a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited which, in turn, is wholly owned by the Hong Kong Special Administrative Region Government through the Exchange Fund. HKMC Annuity Limited is authorized and regulated by the Insurance Authority to carry on long term insurance business in or from the Hong Kong Special Administrative Region.

HKMC Annuity Limited reserves the right to decide at its sole discretion to accept or decline any application for the Plan. HKMC Annuity Limited will refund any premiums paid (without any interest) for unsuccessful applications.

This product brochure should be read together with your Illustration Document and other marketing materials, which include additional information and important considerations about the Plan. You should not apply for the Plan unless you fully understand the product features and risks. For more information or if you have any enquiries, please call our Customer Service Hotline.

Levy collected by the Insurance Authority has been imposed on relevant policy at the applicable rate and would be remitted in accordance with the prescribed arrangements. For further information, please visit our website or call our Customer Service Hotline. For the HKMC Annuity Plan, the levy will be absorbed and paid by HKMC Annuity Limited for all the insureds.

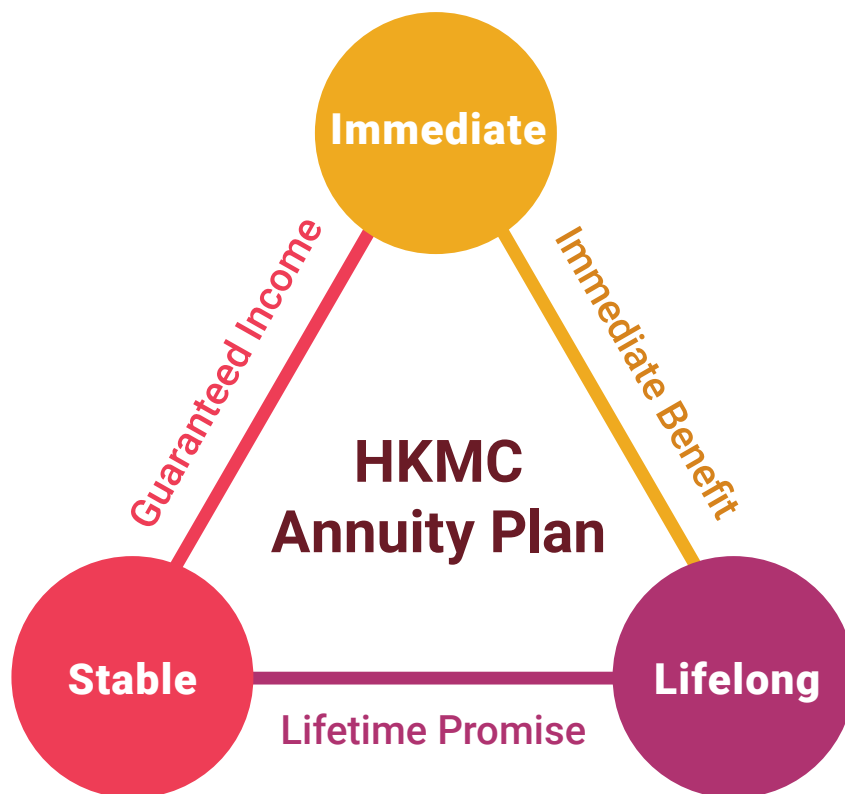
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HKMC Retire 3 refers to the Reverse Mortgage Programme and the Policy Reverse Mortgage Programme operated by HKMC Insurance Limited (HKMCI) and the HKMC Annuity Plan underwritten by HKMC Annuity Limited. The HKMCI is a wholly-owned subsidiary of The Hong Kong Mortgage Corporation Limited.

HKMC  
RETIRE  
退休 3 寶

In respect of the HKMC Annuity Plan, the insured means the policyowner. 'We', 'us' and 'our' refer to HKMC Annuity Limited.



**Contact us for more details!**

**Customer Service Centres**

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Suites 3202-5, 32/F, Tower One, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong

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19/F, Two Harbour Square, 180 Wai Yip Street, Kwun Tong, Kowloon

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22/F, 909 Cheung Sha Wan Road, Lai Chi Kok, Kowloon

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