YF Life
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April 30, 2019

This notice contains important information that requires your attention. Should you have any queries, you are recommended to seek independent professional advice.

Terms used in this document have the same meaning as that in the Principal Brochure dated April 16, 2019 unless otherwise defined.

Dear MASS Mandatory Provident Fund Scheme ("Scheme") Members,

Thank you for your continued support for the Scheme. We are writing to inform you that Tax Deductible Voluntary Contribution ("TVC") will be available in the Scheme with effect from May 1, 2019.

Tax Deductible Voluntary Contributions
Changes to the Inland Revenue Ordinance will take effect on April 1, 2019. From April 1, 2019, similar to premiums paid for qualifying deferred annuity products, MPF voluntary contributions made in a specified account set-up by scheme members (namely, TVC account) can also enjoy tax concession in order for them to meet the long-term saving objective for retirement protection.

Your investment decision should not be based on this document alone. We encourage you to read the First Addendum of the Principal Brochure carefully because the new arrangement may affect your retirement planning and tax benefits associated with the TVC account.

What is TVC?
TVC is a new type of contributions and can only be paid into a TVC account of an MPF scheme. TVC may enjoy tax concession. Other characteristics of TVC are as follows:

- TVC can only be made directly by the persons who fulfil the eligibility requirements as mentioned in item (b) below;
- Involvement of employers is not required;
- Although it is voluntary in nature, TVC is subject to the same vesting, preservation and withdrawal restrictions applicable to mandatory contributions.

Accordingly, any accrued benefits derived from TVC (including the TVC made in excess of the maximum tax deduction limit during a tax assessment year) will be preserved**. Members should note that accrued benefits held in a TVC account can only be withdrawn upon retirement at age 65 or on other statutory grounds under the MPF legislation.**

TVC account holders can make their own fund selection or choose to invest in DIS under the Scheme according to their circumstance and risk appetite. If the TVC member fails to submit to the Trustee a valid investment instruction or does not make any investment choice at the time of TVC account opening, his / her TVC will be invested in DIS.

(a) Tax Concessions for TVC
TVC may be eligible for tax concessions starting from the year of assessment 2019/2020. The maximum tax deductible amount for the year of assessment 2019/2020 is $60,000. It is an aggregate limit for both TVC and other qualifying annuity premiums.

Same as the tax deduction for mandatory contributions and other tax concessions, **the individual tax payer (not the trustee, sponsor and/or other operators of the scheme) is responsible for the application of tax deduction and keeping track of how maximum tax deductible limit is fully utilized.** In this regard, the Trustee will provide a tax-deductible voluntary contributions summary to facilitate TVC members in filling in the relevant tax concession information on your tax return filing if TVC is made by the member to the Scheme during a year of assessment.

(b) Eligibility
Any person who is:
- **a current holder of contribution account or Personal Account of an MPF scheme; or**
- **a current member of an MPF exempted ORSO scheme**

can make TVC to an MPF scheme by opening a TVC account.

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The Trustee of the Scheme may reject any application to open a TVC account in the event of:
(i) having reason to know that information and documents provided to the Trustee are incorrect or incomplete;
(ii) failure of applicants to provide information and documents as required by the Trustee to ensure compliance with applicable laws and regulations relating to anti-money laundering / tax reporting; and/or
(iii) other circumstances which the Trustee may consider appropriate.

(c) Transfer of TVC accrued benefits
TVC member may, at any time, choose to have ALL Accrued Benefits in the TVC account in the Scheme transferred to another TVC account in another MPF scheme nominated by such TVC member. **Transfer of TVC accrued benefits in part or to a contribution account / Personal Account, however, will not be accepted**.

For the avoidance of doubt, such benefit transfer amount cannot be claimed as deductions for taxation purpose.

(d) Termination of TVC accounts
TVC accounts with zero balance and in respect of which there is no transaction activity for 365 days may be terminated by the Trustee.

Note: Investment involves risks and the account balance of TVC (as tax incentivized retirement savings) may go up as well as down.

Amendments to the Principal Brochure of the Scheme
Amendments will be made to the Principal Brochure and other relevant documents (e.g. administrative forms, relevant marketing materials) to reflect the above changes. To reflect the above changes, the Principal Brochure will be revised by the way of the First Addendum. The Principal Brochure (including its addendum) can be downloaded from our website www.yflife.com after May 1, 2019. You can also obtain hardcopies of the Principal Brochure (including its addendum) at our office or by contacting our MASS MPF Hotline as shown below after May 1, 2019.

Should you have any queries, please do not hesitate to contact our MASS MPF Hotline at 2533-5522. If you are in doubt about the meaning or effect of the contents of this document, you should seek independent professional advice.

For and on behalf of
YF Life Trustees Limited

Jonas Wong
President