The Non-Mandatory Central Provident Fund System (the "System") belongs to the second tier of the two-tier social security system promoted by the SAR Government. Its aim is to strengthen the protection for the Macao SAR residents in their old age. The System came into force on 1 January 2018.

1. Individual account owners of the non-mandatory central provident fund system

The following Macao SAR residents can become the individual account owners of the non-mandatory central provident fund system:

1) The person must have attained age 18;

2) A person under age 18 must have already enrolled in the social security system.

2. Individual accounts of the non-mandatory central provident fund system

An individual account of the non-mandatory central provident fund system is composed of a government-managed sub-account, a contribution sub-account and a preserved sub-account:

- The government-managed sub-account is automatically opened by the Social Security Fund for the individual account owner of the non-mandatory central provident fund system;
- The contribution sub-account and preserved sub-account are opened by the fund management entity.

3. Overview on the operations of the non-mandatory central provident fund system

Individual Account

Contribution sub-account
This sub-account is managed by the fund management entity, primarily for the use of recording and managing the contributions of the contribution scheme.

Leave employment

Leave employment

Preserved sub-account
This sub-account is managed by the fund management entity, primarily for the use of recording and managing the balance transferred from the contribution sub-account due to termination of a labour relationship.

Government-Managed sub-account
This sub-account is managed by the Social Security Fund based on the principles of prudence and low risk, primarily for the use of recording and managing the funds allocated by the government and the balance transferred from other sub-accounts.

The funds can be invested in pension funds that have already been approved to register under the non-mandatory central provident fund, and can be accumulated for future retirement through investment return and roll over.

Under normal circumstances, individual account owners who have attained age 65 may apply to withdraw all or part of the funds.
If an individual account owner is under the age of 65 but complies with the legal requirements, he/she may apply for an early withdrawal.

Source of Funds	
Contributory System	Joint provident fund scheme (employer and employee)
	Individual provident fund scheme
Allocation System	Incentive basic funds + Special allocation from budget surplus

4. Individual provident fund scheme

- The minimum amount of monthly contributions towards an individual provident fund scheme is 500 patacas, which can be increased at one's own will, but the increase must be in unit of 100 patacas, and subject to a ceiling of 3,600* patacas.
- The fund management entity, pension fund and investment allocation are entirely determined by contributors of the individual scheme.
- Employees who have already participated in a joint provident fund scheme can also participate in an individual provident fund scheme at the same time.
- Public sector staff can only participate in an individual provident fund scheme.

5. Joint provident fund scheme

- A joint provident fund scheme is voluntarily set up by employer and voluntarily joined by employees.

* The relevant amount will be adjusted according to the change of the "Minimum Wage for Employees".

- Employers may choose whether to interface the private pension plan with the non-mandatory central provident fund system, while employees may choose whether to interface or not.
- The fund management entity is chosen by the employer, and then the employer and employee may choose the appropriate pension fund(s) for their own contributions in the way of proportional allocation.
- Both employer and employee contribute 5% of the employee's monthly basic wage. If the employee's basic wage is higher than 36,400* patacas, both employer and employee can be exempted from paying contributions for the excess amount; and if the employee's basic wage is less than 7,664* patacas, the employee can be exempted from paying the contributions, but the employer is still required to make contributions.
- In the case of termination of a labour relationship, the employee may obtain all or part of the employer's contributions according to the vesting percentage, and the contributions that remain will go to the employer.

Note: Please refer to the "Joint Provident Fund Scheme" leaflet for the steps of participating and making contributions towards the joint provident fund scheme.

* The relevant amount will be adjusted according to the change of the "Minimum Wage for Employees".

6. Allocation system

The special allocation from budget surplus and its related amount are set by the Chief Executive in an Executive Order. Individual account owners of the non-mandatory central provident fund system who meet all the requirements below will be entitled to the funds:

1) The person must be still alive on 1 January of the calendar year when the Executive Order is published;
2) The person must be a Macao SAR permanent resident who have attained age 22 in the year preceding the publication of Executive Order ;
3) The person must have stayed in Macao for at least 183 days in the year preceding the publication of Executive Order.

The individual account owners of the non-mandatory central provident fund system who are distributed the special allocation of budget surplus for the first time will be entitled to a one-time incentive basic funds, which are in the amount of 10,000 patacas.

The original account balance under Law No. 14/2012 (Provident Fund Individual Accounts) will be automatically transferred to the respective government-managed sub-accounts of the individual account owners of the non-mandatory central provident fund system.

7. Withdrawal of funds

Individual account owners of the non-mandatory central provident fund system who belong to the following circumstances may apply to withdraw funds, and the maximum amount that can be withdrawn varies depending on the reason provided.

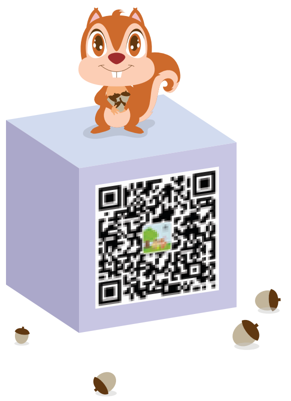
Reasons for making withdrawals	All or part of the balance in the individual account	The upper limit is the amount accumulated under the allocation system (Note 1)
The person has attained age 65	✓	
The person is under age 65 but in the following situations:		
There is a need to bear huge medical expenses due to serious injury or illness of one's own	✓	
The person has attained age 60 and is not engaged in any paid activities (Note 2)	✓	
The person has humanitarian or other properly explained reasons	✓	
There is a need to bear huge medical expenses due to serious injury or illness of one's spouse, any degree of lineal consanguinity or affinity		✓
The person has been receiving disability pension from the Social Security Fund for more than one year		✓
The person is currently receiving special disability subsidy from the Social Welfare Bureau		✓

(Note 1) The upper limit is the sum of the incentive basic funds and the special allocation from budget surplus that are injected into the accounts by the government over the past years minus the accumulated amount of withdrawals.

(Note 2) Once the application is approved, the individual account owner cannot withdraw funds for the same reason again.

Points to note:

- The contribution balance of the employer in the contribution sub-account can only be withdrawn after the termination of a labour relationship.
- The account owner may withdraw all or part of the funds from the individual account up to twice per year.



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Non-Mandatory Central Provident Fund System