

Non-Mandatory Central Provident Fund System



Interface between the Private Pension Plan and the Joint Provident Fund Scheme



Employer

To send the employee's participation consent form and related documents to the fund management entity in the following month for preparing to open a sub-account.

Fund management entity

To open a contribution sub-account for the employee.

Employer and employee

The new contributions are paid towards the joint provident fund scheme.

9
Please refer to the "Joint Provident Fund Scheme" leaflet for the steps of making contributions.

Private pension plan

The contribution balance accumulated before the interface will remain in the private pension plan for further accumulation.



For more information
Website: www.fss.gov.mo
Enquiry phone number: 2853 2850

The term "old employees" refers to the serving employees who have already joined the private pension plan of the company before the employer participates in the non-mandatory central provident fund system. They can choose whether to interface the private pension plan with the non-mandatory central provident fund system and keep some of the terms of the private pension plan;

The term "new employees" refers to the employees who do not join the private pension plan of the company, or they are the new hires of the company. They can only choose to participate in the non-mandatory central provident fund system and comply with its provisions.

Note 1: These are the basic standards. Employers can set more favourable terms for their employees.

Note 2: When the employee's contribution time fulfils the requirement for obtaining all of the employer's contribution benefits, the employee will be entitled to determine the funds to be invested and the allocation ratio for the employer's contributions.

Note 3: The upper and lower limits for the calculation base of contributions are linked to the "Minimum Wage for Employees". The current minimum wage stands at 7,280 patacas per month. If this amount is adjusted, the amounts for the upper and lower limits for the calculation base of contributions will also be automatically adjusted.

Note 4: If an employer does not rescind the labour contract on reasonable grounds, or the employee rescinds the labour contract on reasonable grounds, the employee will be entitled to the dismissal compensation. For details, please see Articles 70 and 71 of Law No. 7/2008 (Labour Relations Law).



		Old system for old employees	New system for new employees (Note1)
Fund management entity	To be chosen by the employer	Choose not to interface with the non-mandatory central provident fund system, and remain in the private pension plan	Free to choose to participate in the non-mandatory central provident fund system
Pension fund	Employer and employee make their own choice respectively (Note2)		To be chosen by the employer
Contribution rate			Employer and employee make their own choice respectively (Note2)
Calculation base of contributions			5%
Lower limit for the calculation base of contributions	To be set according to the basic standards of the non-mandatory central provident fund system, but the terms in the original private pension plan that are more favourable to employees must continue to apply.		Basic wage
Upper limit for the calculation base of contributions			Employees are free to choose. The current amount stands at 7,664 patacas (Note 3)
Vesting percentage			Employers and employees are free to make their own choice respectively. The current amount stands at 36,400 patacas (Note 3)
Contribution time	The contribution time before and after the interface must be added together.		Standard vesting percentages
If the employee is unreasonably dismissed	If there are relevant provisions in the private pension plan and if dismissal compensation (Note 4) is incurred, the private pension contribution balance accumulated before the interface can be used to offset the dismissal compensation.	To be set by the employer according to the terms of the private pension plan	Contribution time under the non-mandatory central provident fund system
If the employee is dismissed on reasonable grounds	The non-mandatory central provident fund system contribution balance accumulated after the interface cannot be used to offset the dismissal compensation, and it should be calculated according to the vesting percentages.		Should be calculated according to the vesting percentages
Withdrawal of funds	<p>Regarding the private pension contribution balance accumulated before the interface, the employee may not be able to obtain any of the employer's contributions if there are relevant provisions in the private pension plan.</p> <p>The non-mandatory central provident fund system contribution balance accumulated after the interface should be calculated according to the vesting percentages.</p> <p>Regarding the private pension contribution balance accumulated before the interface,</p> <ol style="list-style-type: none"> the funds should be withdrawn according to the terms of the private pension plan; or the employee may transfer his/her private pension benefits to the non-mandatory central provident fund system at the time he/she leaves the job. <p>Regarding the non-mandatory central provident fund system contribution balance accumulated after the interface, the employee should apply to withdraw the funds according to the provisions of the non-mandatory central provident fund system (In general, the person must be at least age 65).</p>		The employee should apply to withdraw funds according to the provisions of the non-mandatory central provident fund system (In general, the person must be at least age 65).