

Well-planned retirement is a Dream that can come True

Hong Kong people have become increasingly aware of the need for retirement planning. At the same time, there is a growing demand for annuity products, and that's where MassMutual steps in.



Jeanne Sau, CMO, MassMutual Asia Ltd.
美國萬通亞洲首席市場總監蕭莉玲

Since the Mandatory Provident Fund (MPF) was introduced in Hong Kong in 2000, public interest in retirement planning and annuities has grown rapidly.

MassMutual Asia, the first insurance service provider to introduce the lifetime annuity to the market, has been a major annuity provider in Hong Kong and currently commands more than 40 percent of the market share. The importance of having an annuity product in a retirement portfolio can't be understated.

That's why the company concentrates on educating potential customers about the value of annuities.

"MassMutual adopts an 'ABC' (awareness before change) strategy in educating the public on the importance of a well-planned retirement life," said CMO Jeanne Sau.

An informed public

Every two years, the company commissions the Public Opinion Programme of the University of Hong

Kong to conduct a usage and attitude survey that zooms in on Hong Kong people's awareness of retirement planning, as well as their expectations and planning for retirement life.

"Riding on the survey findings, MassMutual Asia alerts the public to the risk of an ill-planned retirement, educates the public on how to avoid pitfalls when mapping out a retirement plan and (how) to use a lifetime annuity product to transfer the risk of 'living too long'," Sau said.

"Living well in retirement has everything to do with planning – and good timing," she said. MassMutual Asia holds some rather unique retirement-planning client seminars.

"Enjoying a carefree retirement life is the dream of many but the reality for only a few. To help rectify this situation, MassMutual Asia regularly organizes creative and interactive retirement-planning seminars using dolce vita themes, for example, abalone cooking.

"Through the sharing of abalone cooking techniques, the seminar highlights the fact that an effective method and the appropriate time-frame are factors conducive to an ideal retirement life, as in the cooking of abalone to perfection," said Sau.

The company's advertising campaign is headlined, "I want to retire at 40," and that's not just an attractive catch phrase, according to Sau. "This may sound impossible to many people. However, if you start your retirement plan early, adopt a progressive premium contribution approach and do it with persistency, it can be possible to retire at 40! Being financially independent is pivotal to when you can start your retirement," she said.

Keys to planning

The biennial retirement survey results show that most people have seriously underestimated the retirement funds they will need to support the type of lifestyle they hope to enjoy after retiring. MassMutual Asia has developed several retirement planning

tools to help the public calculate how much money they need for retirement. The tools include:

- **MMPro**, a personal financial-analysis platform that helps consultants conduct retirement planning with customers. It can project the retirement funds a customer will need, taking into account the mortality rate, the multiplier effect of inflation, annual expenses after retirement, value of total assets owned, projected MPF and shortfall, among other factors.
- **iAdvice**, an iPad app for consultants to help customers map out their retirement planning using several interactive financial planning calculators, including one for retirement planning.
- **iFinance**, a free iPhone app, available for download by the public. The interactive tool helps customers identify various financial planning needs, including retirement planning.

Consumers also need to understand the difference between plans. There are true annuity plans that provide the insured with lifetime annuity income, without any pre-set period; there are also endowment plans that provide the insured with pre-set installment payments that usually range from four to forty years.

"As endowment plans do not provide a lifelong income guarantee, this type of 'annuity' plan may not be able to adequately cover the risk of prolonged life expectancy," said Sau. "Given that the two retirement plans offer similar guarantees in return, the choice is obvious.

"With the objective of having a worry-free retirement life in mind, choosing a 'genuine' annuity plan that promises lifetime annuity income is the answer."

Keeping up with trends

MassMutual Asia has a strict protocol in place to make sure its more than 2,000 financial consultants are well versed in all the tools of the trade. From the outset, consultants submit to a twelve-day training

regimen, and consultants must undergo regular training to keep abreast of the latest in market trends, financial products and service platforms.

"On a regular basis, we update our sales platforms so as to ensure our consultants are always well-equipped to implement MassMutual Asia's ABC strategy to help customers understand their retirement needs and map out an ideal retirement plan," said Sau.

With double-digit growth in sales over the past several years, the training is paying off. Sau predicts the stellar sales trend will continue to rise, thanks to its competitive lifetime annuity plan.

"For example, our Target Annuity Saver offers lifetime annuity income and a variety of annuity options to suit customers' needs, including a joint annuitant option in which the insured can share the annuity income with his/her spouse. In the event of the death of either annuitant, the other will continue to receive two thirds of the annuity for the rest of his/her life. There is also an increasing annuity income option that helps counteract the inflation effect, the lifetime annuity income will increase by 5 percent every two years," Sau said. "In addition, our continuous efforts in advocating the importance of a well-planned retirement, together with the sophisticated financial-planning platforms that we provide, are all contributing positively to this growth."

Demographics and annuities

"With life spans increasing and birth rates on the decline in Hong Kong, it has never been more important to supplement retirement income with annuities," she said.

"Relying on the MPF alone may not be able to support a satisfactory retirement life. In addition, the sustained low-interest environment does not provide satisfactory returns. These factors are making people rethink their retirement strategy and prompting them to look for a genuine worry-free retirement solution that guarantees handsome returns."

In Hong Kong, women tend to have a higher demand in annuity over men. Statistically speaking, Hong Kong women make up 54 percent of the Hong Kong population and they do live longer than men. In addition, figures from the Hong Kong Census and Statistics Department show that the employment rate for females aged 60 and above is 21 percent, versus 59 percent for males. Evidently, females finish their careers much sooner than males. With early retirement and greater life expectancy for females, the result is that the average retirement life for Hong Kong women can be as much as 30 to 40 years, or even longer periods.

"That explains why women tend to have a higher demand for annuities. In fact, better planning is imperative for financing an unexpectedly long retirement for both women and men."

When to cash in

The insured of Target Annuity Saver can exercise the annuity option as early as age 55, by converting the cash value in

the annuity policy into lifetime annuity income, which guarantees lifelong payout. MassMutual Asia's unique ALM (asset-liability matching) strategy backs its lifetime annuity product that offers a competitive 3.65 percent p.a. guaranteed interest rate for policies that have been in force for 15 years or more, regardless of the economic situation.

Unlike other so-called "annuity" plans, which are de facto endowment plans that only provide the insured with pre-set installment payments, MassMutual Asia's Target Annuity Saver guarantees lifetime annuity income even if the insured lives until 100 years old or even longer.

The issue age for Target Annuity Saver ranges from 18 to 65, and as with any retirement plan, the earlier consumers start, the better.

"With a longer payment term, it means your monthly premium payment will be relatively lower, making it so much easier to achieve your retirement target," said Sau. "In

addition, a relatively longer accumulation period and the compounding effect are instrumental in building a much bigger amount for your retirement."

Retirement is an inevitable part of most people's lives, and the firm strongly suggests that everyone seek advice from professional financial advisors who can help them properly map out their retirement.

"And we recommend a 'genuine' annuity plan as a core component for ensuring lifetime retirement income, and that the annuity income should comprise over 50 percent of total retirement funds as a safety net to cover the basic living expenses during the golden years." **BM**

Congratulations to MassMutual Asia Ltd. winner of the BENCHMARK Wealth Management Awards 2012 in the following categories.
祝賀美國萬通保險亞洲有限公司榮獲2012《指標》財富管理大獎以下獎項。

Best-in-Class
Retirement Product
最佳表現獎 退休產品

妥善規劃令夢想退休生活成真

香港愈來愈多人明白及早規劃退休生活的重要性，同時對年金的需求與日俱增，美國萬通亞洲窺準市場趨勢，早著先機。

香港自2000年正式推行強積金 (MPF) 制度後，社會大眾對退休策劃和年金的需求大大提升。

美國萬通亞洲是首家將終身年金引進香港市場的壽險公司，目前是本地主要的年金服務供應商，其市場佔有率超過40%。年金在個人退休策劃組合中的重要性，實在無庸置疑。

美國萬通亞洲一直致力教育客戶，加深大眾認識年金的價值。

美國萬通亞洲首席市務總監蕭莉玲指出：「我們透過『先認知、後改變』 (awareness before change) 的策略來教育大眾，幫他們認識妥善規劃退休生活的重要性。」

提升市民對退休策劃認知度

美國萬通亞洲每兩年委托香港大學民意研究計劃進行有關退休策劃的研究，以便深入了解香港民眾對退休規劃的認知，以及對退休生活的期望。

蕭莉玲表示，「調查結果驅使我們銳意提升令市民對退休策劃的認知，

使他們明白不妥善籌劃退休生活的風險，如何避免令退休儲備出現落差，以及如何利用終身年金計劃轉嫁『活得太久』的風險」。

她指出，懂得把握時間為退休進行規劃，是日後享有無憂退休生活的關鍵所在。而美國萬通亞洲會不時舉辦別具特色的退休規劃講座。

「能無憂無慮地享受退休生活是許多人的夢想，但真正能實現夢想的人又何其少，為協助更多人能實現夢想的

退休生活，我們發揮創意，以多元化的優游生活享受作主題，舉辦例如以烹調鮑魚作元素的退休策劃講座。」

「規劃理想的退休生活就如烹調鮑魚一樣，不僅講求好的技巧，時間亦要拿捏得宜」，蕭莉玲說。

她提到美國萬通亞洲企業形象廣告系列當中以「我想40歲退休」為題的「退休篇」，她說這並非空想，「不少人對這夢想能否實現深表存疑，其實只要能儘早進行有效規劃，配合累積式的保費供款方式，並持之以恆，從40歲開始便展開退休生活的夢想並非不可能！不過關鍵在於能否達致財務獨立。」

規劃的關鍵

每兩年進行一次的退休策劃調查結果顯示，許多人嚴重低估了退休所需的儲備，並不足以實現個人所夢想的退休生活。美國萬通亞洲遂開發不同的退休規劃工具，協助市民大眾計算能夠安心退休所需的儲備金額：

- **MMPPro**乃個人財務分析平台，可幫理財顧問協助客戶進行退休規劃，並會將死亡率、通脹的乘數效應、每年所需退休開支、個人資產總值、MPF的累積金額、尚欠金額等因素計算在內，推算出客戶所需的退休儲備金額。
- **iAdvice** 乃iPad平板電腦應用程式，提供多款互動財務計算機，讓理財顧問協助客戶進行全面理財分析及規劃，包括退休策劃。
- **iFinance** 乃iPhone 智能手機應用程式，可供市民免費下載，備有多款財務計算機，讓客戶以自助形式，瞭解自己於各方面的理財需要，例如退休策劃。

事實上，作為消費者我們必須懂得區分不同年金計劃。能夠為受保人提供終身年金收入的計劃，才是真正的年金計劃。而坊間不少年金計劃，實際上是設有派發期限的儲蓄壽險計劃，一般派發期限由4年至40年不等，兩者截然不同。

蕭莉玲表示：「以『年金』為名的定期儲蓄壽險計劃，由於未能提供長享長有的年金收入，實難以保障長壽的

風險。假使以上兩種退休計劃所提供的保證回報相若，精明之選其實顯而易見。」

「對於要享有無憂退休生活的目標而言，選擇能保證提供終身年金收入的『真』年金計劃，方為上策。」

與時並進 盡握優勢

美國萬通亞洲嚴格的專業培訓，要求旗下2,000多位理財顧問，必須深入認識不同的理財產品和服務平台，故此，特別為新加入的顧問提供為期12天的入職培訓課程，以及對現有顧問提供持續培訓課程，務求旗下顧問能時刻掌握最新的市場趨勢，以及加強對產品及服務平台的認識。

她續說：「我們會定期更新服務平台，以確保所有理財顧問能與時並進，以協助客戶了解個人的退休需要，擬定理想的退休計劃」。

美國萬通亞洲過去多年一直取得雙位數字的業績增長，顯示其專業培訓甚具成效。蕭莉玲預期，憑藉終身年金計劃所建立的競爭優勢，相信未來業績會持續取得理想增長。

她說：「美國萬通亞洲的目標必達年金儲蓄計劃，不僅提供終身年金收入，並備多款年金權益選擇，全面照顧客戶的需要，當中包括『聯合年金領取人』權益選擇，讓受保人可與配偶共享年金，於其中一人身故後，另一人亦可無限期繼續收取2/3年金金額，直至百年歸老；此外，亦提供有助抵消通脹的『遞增終身年金』權益選擇，年金金額會每兩年遞增5%。此外，本公司一直致力提倡妥善規劃退休的重要性和提供周全的理財規劃平台，均有助公司業務增長。」

人口結構與年金

蕭莉玲指出：「港人越趨長壽，加上出生率不斷降低，是香港社會所面對的問題，正因如此，懂得透過年金來補足退休開支缺口，尤其重要。」

「此外，單靠強積金不足以享有愜意的退休生活，加上儲蓄利率持續偏低，這些因素推動大家為退休策略作出反思，並尋求保證可提供可觀回報的退休解決方案。」

香港女性對年金的需求較男性高，就統計數據可見，女性佔總人口54%，而壽命亦普遍較男性長。香港政府統計處資料顯示，60歲以上女性的勞動人口參與率僅為21%，男性則為59%。女性較男性早離開職場；提早退休，加上較長預期壽命，令香港女性的退休生活年期長達30至40年，甚至更長。

「故此，女性對年金的需求較高。事實上，我們都無法準確預計自己壽命的長短，因此，無論男性或女性都必須妥善規劃，便可無懼長壽的風險」，蕭莉玲說。

享受退休生活 展開年金期

目標必達年金儲蓄計劃的受保人最早可於55歲行使年金權益，將年金保單的現金價值轉變成終身年金收入。該計劃保證無論經濟環境如何，為已生效滿15年或以上的保單提供每年3.65%利率保證，如此具競爭優勢的終身年金產商品背後，全賴美國萬通亞洲精確獨到的資產負債配置策略作強大後盾。

坊間部分以「年金」為名的計劃，實際上為只會於指定期限內分期向受保人派發金額的定期儲蓄壽險計劃，但美國萬通亞洲的目標必達年金儲蓄計劃，則保證派發終身年金收入，即使受保人活至100歲，或更長壽，亦保證可無限期每月享入息。

目標必達年金儲蓄計劃的承保年齡為18歲至65歲，越早投保，自然越有利。

蕭莉玲說：「較長的年金累積期，讓你可每月以相對更易負擔的保費，更輕鬆地實現退休目標。此外，較長的累積期，加上複利效應，有助滾存更可觀的退休儲備。」

退休是許多人必經的人生階段，美國萬通亞洲建議市民可向專業理財顧問尋求諮詢，為自己籌劃理想的退休生活。

「我們建議以『真』年金作為退休計劃的核心部分，所提供的終身年金收入應佔整體退休所需的5成或以上，以足夠支付基本退休生活費用為準，建立穩固的安全網。」BM