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Press Release

Hong Kong's MPF Assets may hit HK\$4.2 Trillion in 2045 – Actuaries report MPF Market Size Projection for the next 20 years and what it means to you

Hong Kong, [5 March 2026] – The Actuarial Society of Hong Kong (ASHK) has published the MPF Market Size Projection 2025-2045 study (2025 Report), its latest estimate of the future size of the Mandatory Provident Fund (MPF) assets over the coming 20 years.

The MPF system affects the lives of the great majority of Hong Kong's working population and their families. According to data released by the Mandatory Provident Fund Schemes Authority (MPFA), as of 31 December 2025, the MPF assets stood at approximately HK\$1,550 billion.

The 2025 Report was undertaken by the ASHK Pension and Employee Benefits Committee. The starting point for the study was data published in December 2025 by MPFA. The projected 2045 MPF assets size is in a range of HK\$3.9 to 4.5 trillion, around 2.7 times the 2025 level. It is expected that MPF assets will reach the HK\$2 trillion mark around 2030 and HK\$3 trillion around 2038.

It is important to note that the actual asset balance in 2045 will depend on several uncertain factors, including actual contribution amounts, economics, demographics, regulatory changes, members' and employers' behaviour. The report estimates the most sensitive factor impacting the balance will be future investment returns. For example, a 0.5% per annum difference in net investment return will result in an HK\$300 billion difference in the 2045 balance. Nevertheless, the ASHK believes that its independently derived best estimate will be useful to the MPF community and the public.

1. Outliving Your Savings? ASHK Warns of Longevity Trap – Push for Silver Products to Secure Lifelong Income!

The study also projects that for a 45-year-old male employee with an existing MPF balance of HK\$0.4 million who contributes HK\$2,000¹ monthly would accumulate approximately HK\$1.8 million when he retires at age 65. This lump sum savings can be used during his entire retirement life.

However, life expectancy in Hong Kong has increased by around 5.5 years² since the launch of MPF over 20 years ago. Given this general increase and the unpredictability of an individual's lifespan, the savings will need to last longer than planned, and there is a risk that we will outlive our MPF savings (longevity risk) upon retirement.

ASHK advocates the development of more "silver" products and services, such as annuities, that provide a sustainable income source. Following retirement, there should be strategic integration and promotion of these "silver" products as a complementary tool that offers a lifelong income stream. This could include using choice architecture to transfer lump sums of MPF withdrawal (full or partial) into annuities (or other income generating products) and include inflation protection features to maintain purchasing power.

¹ Estimation based on the [2024 median monthly employment earnings of employed persons over 15](#), which was HK\$20,000

² [Hong Kong Assured Lives Mortality 2022 Issued in 2025](#)

In parallel more help is needed for pre-retirees and retirees to understand the options and strategies for managing their MPF savings. This could include utilising PensionTech for personalised communication, providing better financial education that leads to behaviour changes, and providing free, impartial, personalised information/guidance.

2. Retire Better: Raise Contributions Now or Face a Retirement Crisis

The study also projects that, adjusting for inflation, the above MPF savings of HK\$1.8 million could generate a monthly annuity of HK\$6,400³ at 2025 price level; this equates to a 32% pension replacement rate⁴.

This rate is low when compared to many developed economies⁵, highlighting that the existing mandatory savings alone is insufficient. Without adequate retirement income, retirees may become a financial burden on their families or society. To improve retirement adequacy, ASHK calls for more intervention to increase the contribution amounts to boost MPF savings. The maximum relevant income (Max RI) level has been static since 2014; it no longer keeps pace with salary inflation and should be raised. Mandatory contributions can also be increased by uplifting the mandatory contribution rate of 5% and introducing tiering.

Also, for the above-mentioned case, if the MPF member were to start making voluntary contributions of HK\$5,000 per month at 45 years old (taking advantage of the tax-deductible voluntary contributions TVC) to increase MPF savings, his pension replacement rate would increase to 64%. ASHK also stresses the need for enhanced policies aimed at encouraging voluntary contributions. This includes using behavioural nudges⁶, simplifying digital enrolment for TVC, setting separate tax-deductible limits for TVC and QDAP (qualifying deferred annuity plans), and providing incentives to encourage employer-matched voluntary contributions.

Full details of the study protocol and related materials are available at <https://bit.ly/ASHKMPF202602>. This report is free for public access.

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About the Actuarial Society of Hong Kong

Founded in 1968, the Actuarial Society of Hong Kong (ASHK) is the professional body for actuaries in Hong Kong. The ASHK provides a platform for actuaries to improve sustainability by helping people and organisations be more financially resilient with a positive social impact.

³ Using a long-term inflation assumption of 2.5% p.a., the projected MPF savings of HK\$1.8 million in 2045 would be equivalent to approximately HK\$1.11 million in 2025 price levels. The annuity is calculated with this amount under the current terms of the HKMC Annuity Plan for a male.

⁴ Pension replacement rate = Pension income / Pre-retirement income

⁵ OECD Gross Pension Replacement Rates <https://www.oecd.org/en/data/indicators/gross-pension-replacement-rates.html>

⁶ A subtle prompt or design feature that encourages people to make a specific choice without forcing them or taking away their other option