



Hong Kong Retirement Benefits Study Report 2025



Unlocking the Potential of Retirement Benefits in Hong Kong: New Research Insights

The retirement benefits landscape in Hong Kong is undergoing significant transformation. Amid new legislative reforms, ongoing economic volatility and changing employee expectations around financial wellbeing, the way organisations approach retirement benefits is coming under greater scrutiny.

In Aon's Hong Kong 2025 Retirement Benefit Study, our survey findings reveal a market in transition as employers adapt to address compliance requirements and a workforce who are becoming more aware of the need for adequate financial provision for their retirement.

In the following report, we share five key insights that explore the potential gaps, challenges, and opportunities for employers looking to optimise their retirement benefits offer.



A Significant Gap in Voluntary Contributions

One of the most notable survey findings is the significant opportunity presented by voluntary contributions. While just over half of employers now offer voluntary Mandatory Provident Fund (MPF) top-ups (i.e. contributions in excess of the mandatory level of MPF contributions), 47% do not.

This gap matters — without voluntary contributions, employees are less likely to achieve retirement adequacy, particularly in a market where living costs and longevity continue to rise. According to [Aon's Employee Sentiment Study 2025](#), retirement benefits are among the top 5 benefits valued by employees and 33% say that employers should help employees save for retirement/long term needs.

Among organisations that do offer voluntary contributions, most base these on monthly basic salary, with 25% applying a salary cap. The median employer

contribution falls between 6% and 10%, subject to a vesting schedule. Many employers link higher contributions to longer years of service.

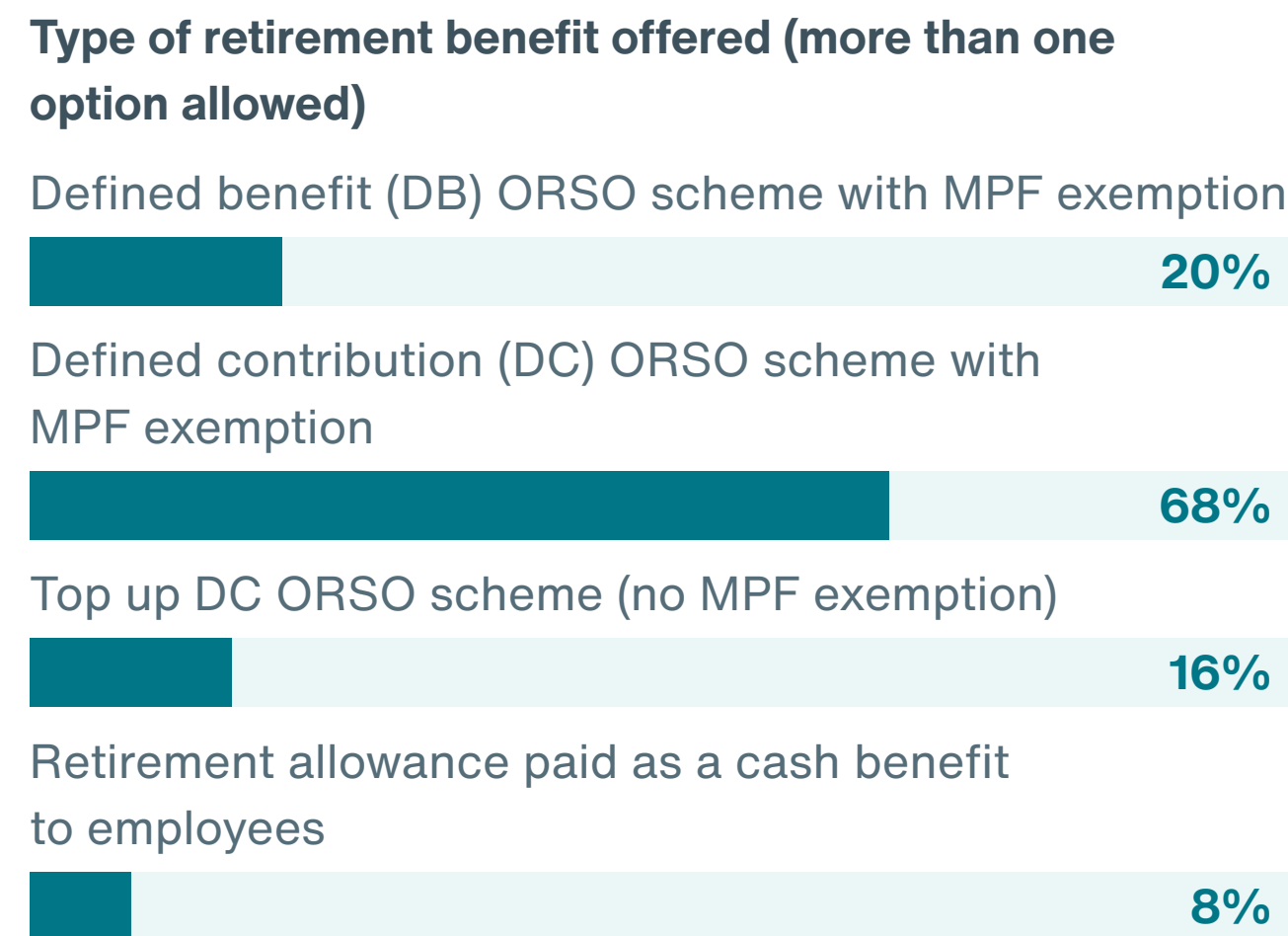
While these findings point to a maturing retirement benefits landscape, the gap in voluntary provision shows that many employers could still do more to support their workforce's financial security and strengthen their brand as an employer of choice in the talent market. However, many organisations may not know how they measure up to other employers.

Aon supports employers in evaluating their retirement plans using our proprietary data, enabling them to identify gaps and align more closely with their desired market positioning. For organisations seeking to understand whether their benefits are delivering real value — benchmarking provides the visibility that can support a more competitive retirement benefits offer.



ORSO Plans: Flexible Options for a Global Workforce

While MPF schemes are the statutory retirement scheme offered by employers in Hong Kong, ORSO (Occupational Retirement Schemes Ordinance) plans continue to play a role for many organisations. 1/3rd of employers offer more than just an MPF scheme, compared to 44% in [Aon’s 2022 Older Age Workforce Study](#).



Aon’s study revealed that 31% of ORSO plans allow overseas employees to join, highlighting the value ORSO plans can offer. For companies employing expatriates or operating across multiple jurisdictions these schemes deliver clear benefits, particularly in locations where local retirement systems are unavailable or unsuitable for non-citizens.

The survey shows that ORSO contribution levels are typically higher than those offered through MPF schemes. Among employers offering defined contribution ORSO plans:

- Median contributions ranged between 10% and 12% of salary
- Contribution levels often vary by years of service, allowing benefits to scale with tenure.

The flexibility of ORSO plans also extends to benefit design. Unlike the standardised investment frameworks under MPF, ORSO schemes can allow for tailored investment strategies, enabling employers to better align plans with workforce needs and risk profiles.

Employers can expect significant long-term benefits from greater customisation, employee satisfaction, and cross-border coverage. This is especially the case for employers competing for international talent. Whilst the number of ORSO schemes is declining, they should not be overlooked when reviewing your retirement benefits strategy.

Investment Returns Matter – But So Do Fees

When selecting a retirement provider, employers surveyed ranked investment performance as the most important factor. This was closely followed by brand reputation and having sufficient investment options. Interestingly, competitive fees ranked last among the seven factors considered.

Factors that influence employers' choice of retirement plan provider and their ranking

- | | |
|---|---|
| 1 | Good investment performance |
| 2 | Brand awareness - well known market provider |
| 3 | Sufficient investment choices |
| 4 | Retirement planning tools and financial wellbeing support |
| 5 | Employer servicing e.g. portals and responsiveness |
| 6 | Member servicing e.g. portals and responsiveness |
| 7 | Competitive Fees |

These rankings raise an important issue. Strong investment returns are crucial for maximising retirement benefits, but higher fees can reduce the net gains employees receive — particularly over longer time horizons and during periods of market volatility. Overlooking fees can quietly erode employee wealth over time.

Interestingly, employers also rated member servicing and employer servicing as less important than investment performance. This suggests that core financial metrics dominate decision-making, with factors like the ease of using portals, responsiveness of customer service teams, and the ability to access educational tools seen as less important.

From an employee's perspective, service quality can have a major impact on the perceived value they're getting from a retirement plan. A user-friendly, digital-first experience and access to financial education can make the difference between employees feeling positive about their retirement outlook or becoming disengaged and anxious about their financial future.

Legislation Changes: Long Service Payments and Digital Platform Access

The retirement benefits landscape is also being reshaped by regulatory changes. From May 2025, Hong Kong employers will no longer be able to offset long service payments (LSP) using employees' accrued retirement fund balances.

Under the previous system, an employer could deduct the accrued benefits derived from the employers' mandatory MPF contribution from the LSP amount due, reducing the financial impact of severance payments to the employer. Under the new rules, this offsetting will no longer be permitted and employers must pay the full LSP entitlement for new employees joining after May 2025 while also preserving the employee's retirement savings.

Aon's survey found that:

28%

of employers currently apply the offsetting approach

This suggests that for a potential significant portion of the market, the new rules will materially affect costs. Although transitional government subsidies will help for up to 20 years, businesses will ultimately bear the full cost. For the 13% who are unsure whether they apply the offsetting approach, improving governance and documentation will ensure that their benefit programs are well understood and appropriately administered.

It was encouraging to see that some employers (18%) provide enhanced LSP benefits, above the statutory minimum, by either removing the statutory cap on salary or the cap on total benefits as prescribed under legislation.

59%

do not apply the offsetting approach

Another layer of complexity comes from the introduction of the eMPF digital platform. By the end of 2025, all retirement providers will be required to migrate to this centralised system — a significant shift for both providers and employers. The largest providers are being onboarded last, and they hold 70% of the market share (by assets under management), which is likely to present its challenges. For HR leaders, the transition will mean adjusting to new workflows and digital processes.

13%

are unsure

Financial Wellbeing: A Growing Priority

Beyond compliance and plan design, another important theme from the research is the increasing importance of financial wellbeing. Retirement benefits are no longer viewed as a financial transaction at the end of an employee's career. Instead, they are recognised as being part of a broader framework for financial wellbeing.

While retirement planning tools and financial wellbeing support ranked fourth in importance when choosing a provider, employers can expect financial education, support services, and digital engagement tools to move up the agenda, particularly in light of the incoming eMPF platform transformations.

Helping employees understand their behaviour to money and concepts like market volatility, long-term investing, and retirement adequacy can make a difference in how they engage with their retirement plan and benefits.

Organisations that invest in supporting financial confidence — through clear communication and accessible tools and education — are likely to build more engaged, loyal, and productive workforces. In contrast, those that leave out these elements may find themselves struggling to retain talent in an increasingly competitive environment.



Summary

How Organisations Can Stay Ahead

Hong Kong’s retirement benefits landscape is changing, with regulatory reforms (e.g. proposals to implement full portability), economic challenges, and rising employee expectations all driving a need for more flexible and people-focused retirement planning strategies.

Aon’s research shows that while employers are making progress, major gaps remain:

- A large proportion of employers do not offer voluntary employer contributions.
- Despite their potential value, flexible schemes like ORSO are becoming less popular.

- Fees are often overlooked, in spite of their potential to have a significant impact on plan returns, particularly in volatile markets.
- Service quality and financial wellbeing are undervalued relative to their potential for improving employee engagement and retention outcomes.

Organisations that engage with these issues early and align their benefits offering with the needs of a changing workforce will strengthen their employee value proposition for years to come.

About the Study

The study was designed to help HR professionals to understand the retirement benefits available in the Hong Kong market and how their organisation’s offering compares. The study aims to provide data insights to aid better decisions. There were a total of 78 participants across all industries.



About Aon

Aon plc (NYSE: AON) exists to shape decisions for the better — to protect and enrich the lives of people around the world. Through actionable analytic insight, globally integrated Risk Capital and Human Capital expertise, and locally relevant solutions, our colleagues provide clients in over 120 countries with the clarity and confidence to make better risk and people decisions that help protect and grow their businesses.

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