

Effective from 1 August 2018 Treatment of Annuity Scheme under Fujian (FJ) Scheme*

**Pre-surrender
value**

Not counted as asset


Payout

**Counted as monthly
income**

**Surrender
value**

Counted as asset

*** Only applicable to applicants aged 65 to 69 of FJ Scheme.**



Whether to subscribe for any annuity scheme is a matter of personal decision of elderly persons.

An example for illustration

**A singleton
male elder
aged 65**

**Asset:
\$600,000**

**Income:
pension \$2,500**

An example for illustration

Not subscribe for any annuity scheme

Subscribed for an annuity scheme with pre-surrender value of \$300,000

Subscribed for an annuity scheme with pre-surrender value of \$500,000

Asset: \$600,000	Exceeding asset limit for FJ Scheme (\$334,000)
Income: pension \$2,500	Meeting monthly income limit for FJ Scheme (\$7,820)

Not eligible for FJ Scheme

Remaining asset: \$300,000 (pre-surrender value of \$300,000 is not counted as asset)	Meeting asset limit for FJ Scheme (\$334,000)
Income: monthly payout at about \$1,740* + pension \$2,500 = \$4,240	Meeting monthly income limit for FJ Scheme (\$7,820)

Eligible for FJ Scheme

Remaining asset: \$100,000 (pre-surrender value of \$500,000 is not counted as asset)	Meeting asset limit for FJ Scheme (\$334,000)
Income: monthly payout at about \$2,900* + pension \$2,500 = \$5,400	Meeting monthly income limit for FJ Scheme (\$7,820)

Eligible for FJ Scheme

* Note: The return rate is made reference to the amounts estimated under the HKMC Annuity Plan of the Hong Kong Mortgage Corporation Annuity Limited.