

Act now and plan for early retirement to make your dreams of financial freedom a reality with PRURetirement Deferred Annuity Plan



合資格延期年金保單
Qualifying Deferred
Annuity Policy

We know you do not want to work forever. One day, you would like the freedom to explore your passions and spend quality time with your loved ones – including your fur babies! – without having to go into the office every day.

With some careful **early planning** and **disciplined saving**, an exciting early retirement filled with life's little luxuries can be yours. By taking out **PRURetirement Deferred Annuity Plan** now, you can create a **monthly passive income** in the future, giving you the **financial freedom** you dream of.

Did you know?



Average target for retirement:
HKD 3.43 million^I



Only 15%^{II} of respondents
(aged 50-60) are **properly prepared**
for **retirement**



Life expectancy: **89 years^{II}** for **men**;
94 years^{II} for **women**



92%^{II} of respondents (aged 50-60)
underestimate their **lifespan** by **10.6 years^{II}**



Inflation is a **key risk** for **retirement**;
average inflation in Hong Kong: **2-3%^{III}**

It's important to start exercising disciplined saving now!

If you start saving for retirement in your 40s or 50s, there **may not be enough time** for **compound interest** to multiply your **savings**. Don't fall into the trap of **underestimating** your **retirement needs** or the **time needed to save up!**



Calculate your passive income?
Click [here](#) or scan the QR code!

Source:

I. Prudential Financial Wellbeing Tracker (September 2023)

II. Prudential Longevity Resilience Survey
<https://www.prudential.com.hk/en/all-news/prudential-longevity-resilience-survey/index.html>

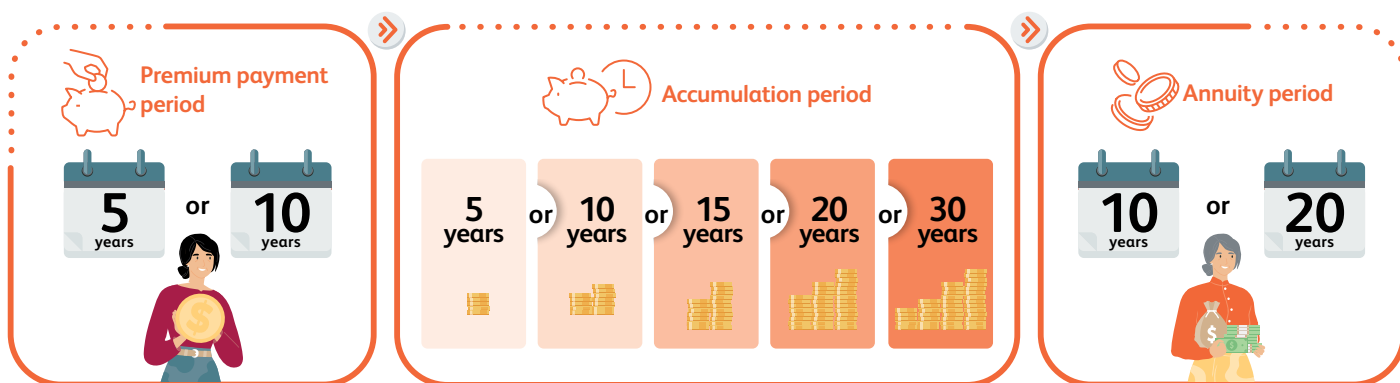
III. IFEC - Five retirement planning mistakes to avoid
<https://www.ifec.org.hk/web/en/blog/2023/03/retirement-planning-mistakes.page>

We gathered the above statistics from internal and external sources for reference purposes only. We do not confirm or guarantee the accuracy or reliability of the external sources and accept no liability, legal or otherwise, for any loss or damage incurred as a result of any inaccuracies or omissions from the external sources.



How it works

PRURetirement Deferred Annuity Plan is a Qualifying Deferred Annuity Policy ("QDAP") certified by the Insurance Authority. It offers a range of options so you can tailor your plan to best suit your retirement needs. Qualifying premiums are also **tax deductible**, giving you tax relief now as you save for your retirement.



The plan in action¹

The enjoyment that never ends

Live life after retirement, just like you imagined

Want to retire in your early 50s? **Discipline** is the key. The **earlier** you **start saving regularly**, the **more** your **money** will **grow** over time.

Josie, a social media influencer who loves dogs, knows the importance of **planning early** in order to let her **savings grow for as long as possible**. She dreams of **retiring early** to spend quality time with her beloved dogs, so she enrolls in **PRU**Retirement Deferred Annuity Plan at age 31.



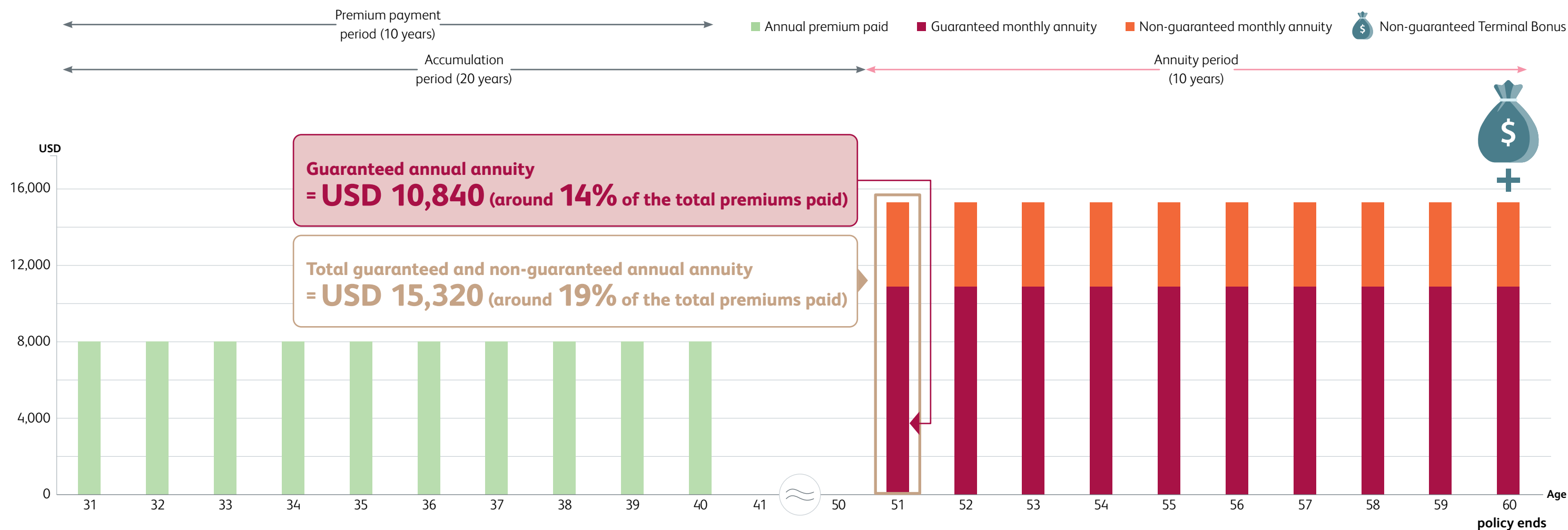
Josie's foresight and discipline pay off. She receives a projected total payout of **USD 170,607²** under the plan – around **2.1 times the total premiums paid**, owing to the power of **compound interest** over a long period of time. With the money, she retires at age 51, and she and her husband, Keith enjoy their travelling with their beloved dogs.

The guaranteed Internal Rate of Return ("IRR")³ at the end of the annuity period is 1.49% p.a., and the total IRR³ at the end of the annuity period is 3.67% p.a..

Tip As a Hong Kong taxpayer, Josie can benefit from a tax deduction on her qualifying premiums of up to HKD 60,000⁴ for the plan each year during her premium payment period (if applicable). If her qualifying premiums reach the maximum limit of HKD 60,000 and assuming her tax rate is 17%, she can **save up to HKD 10,200 per year** (if applicable). **The actual amount depends on individual circumstances.**

Josie's policy details

Premium payment period	10 years
Accumulation period	20 years
Annuity period	10 years
Premium payment mode	Annual
Annual premium paid	USD 8,000
Total premiums paid	USD 80,000
Guaranteed monthly annuity	USD 903
Non-guaranteed monthly annuity	USD 373
Total guaranteed and non-guaranteed monthly annuity	USD 1,277
Total annuity payout (received over the 10-year annuity period)	USD 153,199⁵
Non-guaranteed Terminal Bonus (received at the end of the annuity period)	USD 17,408



<p>Total guaranteed monthly annuity received in these 10 years</p> <p>USD 108,400</p>	<p>Total non-guaranteed monthly annuity received in these 10 years</p> <p>USD 44,800</p>	<p>Non-guaranteed Terminal Bonus received at the end of the annuity period</p> <p>USD 17,408</p>
<p>USD 170,607²</p> <p>= around 2.1 times the total premiums paid</p>		
<p>Guaranteed IRR³ at the end of the annuity period</p> <p>1.49% p.a.</p>		
<p>Total IRR³ at the end of the annuity period</p> <p>3.67% p.a.</p>		

Remarks:

1. This example and all the figures mentioned here are for illustration purposes only. Ages mentioned throughout this example refer to “age next birthday [“ANB”]”. Josie is a non-smoker. We have assumed that Josie withdraws the monthly annuity from the policy once we start paying it and she takes out no policy loans. **The Terminal Bonus and the non-guaranteed monthly annuity we pay are not guaranteed; we may review and adjust them at our discretion.** The actual amount of Terminal Bonus and the non-guaranteed monthly annuity may be higher or lower than the values in the example. **Under persistently unfavourable market conditions, the actual amount of the non-guaranteed monthly annuity may be significantly less than the amount we have shown in this flyer.** For further details of the product, please refer to the product brochure, policy document and insurance proposal of **PRURetirement Deferred Annuity Plan**. Unless otherwise specified, we have rounded the figures to the nearest whole number for easy reference.
2. Consists of USD 108,400 total guaranteed monthly annuity, USD 44,800 total non-guaranteed monthly annuity and USD 17,408 non-guaranteed Terminal Bonus.
3. The above IRRs are rounded to the nearest two decimal places and are for illustrative purposes only, and we assume that: (i) all premiums have been paid in full when due and insurance levy is not included; (ii) prepaid premiums (if any) are not included; (iii) premium payment mode remains unchanged throughout the policy term; (iv) no Death Benefit/Smart Care Cover has been paid, no partial surrender has been made and no policy loans are taken; (v) all guaranteed monthly annuity and non-guaranteed monthly annuity are withdrawn immediately after they are paid; and (vi) total IRR includes non-guaranteed benefits consisting of non-guaranteed monthly annuity and non-guaranteed Terminal Bonus. The projected non-guaranteed benefits are based on our bonus scales determined in light of our current assumed investment return, claims and persistency, etc., and our bonus/dividend declaration philosophy, and are not guaranteed. The actual amount payable may change from time to time with the values being higher or lower than those illustrated. The IRR varies across different premium payment, accumulation and annuity periods, you should decide the best combination according to your financial situation and retirement needs.
4. This is the maximum annual tax deduction per taxpayer for their qualifying deferred annuity premiums and Mandatory Provident Fund tax-deductible voluntary contributions. For more information on tax deductions, please contact the Inland Revenue Department of HKSAR.
5. Includes the total guaranteed payout of USD 108,400 and total non-guaranteed payout of USD 44,800 received over the 10-year annuity period.



Click [here](#) or scan the QR code for more information on
PRURetirement Deferred Annuity Plan

Need more details? Get in touch

Please contact your consultant or call our Customer Service Hotline at 2281 1333 for more details.

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