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Tax Deduction Series

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With the launches of the tax deduction schemes introduced by the government of the Hong Kong Special Administrative Region ("HKSAR"), AXA Hong Kong proudly presents 4 eligible plans for tax deduction based on the features of Qualifying Deferred Annuity Policy ("QDAP") and Voluntary Health Insurance Scheme ("VHIS") providing you with the up-to-market medical and retirement solutions to achieve your lifetime goals.



Qualifying Deferred Annuity Policy

The premium paid under QDAP, which is certified by the Insurance Authority, is eligible for tax deduction.



Voluntary Health Insurance Scheme

Certified by the HKSAR, eligible plan under VHIS allows policy holder to enjoy tax deductions for premiums for themselves and all specified dependent(s).



IncomeEnrich Deferred Annuity Plan ("IncomeEnrich")

Highlights:

- ✓ Flexibility to craft your retirement solution
- ✓ Steady stream of income and potential wealth growth
- ✓ Save on tax today while planning for tomorrow
- ✓ Waiver or extended grace period for premium payments during difficult times
- ✓ Peace of mind with life and dementia protection
- ✓ Relish a hassle-free application experience



AXA WiseGuard Pro Medical Insurance Plan - Flexi Plan ("WiseGuard Pro")

Highlights:

- ✓ Guaranteed renewal up to age of 100³
- ✓ No waiting period (including unknown pre-existing conditions)
- ✓ Choice of 3 different benefit levels and deductible options to meet your unique needs
- ✓ Full cover⁴ for hospitalisation and surgical benefits⁴
- ✓ No claim discount⁵
- ✓ AXA Signature Network⁶



Smart Medicare - Flexi Plan

Highlights:

- ✓ Reimbursement protection of medical expenses up to age 100²
- ✓ Guaranteed renewal up to age 100³
- ✓ No lifetime benefit limit
- ✓ No waiting period
- ✓ Choice of 3 different benefit levels to meet your unique needs
- ✓ Optional supplementary major medical ("SMM")
- ✓ No claim discount⁷
- ✓ Worldwide emergency assistance⁸



AXA WiseGuard Medical Insurance Plan - Standard Plan ("WiseGuard Medical")

Highlights:

- ✓ Guaranteed renewal up to age 100³
- ✓ Annually refreshed benefit item limit with no lifetime benefit limit
- ✓ No waiting period
- ✓ Coverage for pre- / post-confinement and day case procedure outpatient care
- ✓ Coverage for local psychiatric treatment



AXA Tax Deduction Series

allows taxpayers to maximise their savings to achieve a joyful life!

Case 1: Individual



HKD10,604



Mabel (age 35) who successfully applied for:

1. **WiseGuard Medical**
2. **IncomeEnrich**

Annual salary: HKD456,000

Tax assessment ^{9,10} (HKD)	Before insured	After insured
(A) Personal total annual income	456,000	456,000
(B) Allowances and deductions:		
Basic allowance	132,000	132,000
Mandatory contributions to recognised retirement schemes	18,000	18,000
VHIS premium	N/A	2,371
QDAP premium	N/A	60,000
Net chargeable income (A) – (B)	306,000	243,629
Tax payable	34,020	→ 23,416
Tax savings	N/A	10,604

Case 2: Married couple with children



HKD25,116



Mr. Lee (age 40) & Mrs. Lee (age 40) who successfully applied for:

1. **Smart Medicare** with SMM - Superior benefit level
2. **IncomeEnrich**

And their son (age 10) and daughter (age 5):

3. **Smart Medicare** with SMM - Superior benefit level

Annual salary (joint assessment): HKD960,000

The example assumes that the total annual incomes of Mr. and Mrs. Lee are HKD840,000 and HKD120,000 respectively.

Tax assessment ^{9,10} (HKD)	Before insured	After insured
(A) Annual household income	960,000	960,000
(B) Allowances and deductions:		
Mandatory contributions to recognised retirement schemes	24,000	24,000
VHIS premium	N/A	27,739
QDAP premium	N/A	120,000
Married person's allowance	264,000	264,000
Child(ren) allowance	240,000	240,000
Net chargeable income (A) – (B)	432,000	284,261
Tax payable	55,440	→ 30,324
Tax savings	N/A	25,116

Case 3: Married couple with parents



HKD23,120



Mr. Chan (age 35) & Mrs. Chan (age 30) who successfully applied for:

1. **WiseGuard Pro** – Premier (Deductible: Nil)
2. **IncomeEnrich**

Annual salary (joint assessment): HKD972,000

The example assumes that

- (i) the total annual incomes of Mr. and Mrs. Chan are HKD840,000 and HKD132,000 respectively; and
- (ii) Mr. and Mrs. Chan claim allowance in respect of 3 dependent parents aged 60 or over and 1 dependent parent aged 55; and
- (iii) all of the dependent parents do not reside with Mr. and Mrs. Chan continuously throughout the whole year.

Tax assessment ^{9, 10} (HKD)	Before insured	After insured
(A) Annual household income	972,000	972,000
(B) Allowances and deductions:		
Mandatory contributions to recognised retirement schemes	24,600	24,600
VHIS premium	N/A	16,000
QDAP premium	N/A	120,000
Married person's allowance	264,000	264,000
Dependent parent(s) and dependent grandparent(s) allowance	175,000	175,000
Net chargeable income (A) – (B)	508,400	372,400
Tax payable	68,428	45,308
Tax savings	N/A	23,120

Remarks

1. This maximum tax deduction limit is the aggregate limit for Mandatory Provident Fund Tax Deductible Voluntary Contribution and deferred annuity premiums. It is also based on the information on allowance published by the Inland Revenue Department ("IRD") as of the print date of this leaflet and is subject to change from time to time. Only the qualified annuity premiums paid in relation to the annuity payments can be tax deductible. Please note any premiums paid for any supplements attached to **IncomeEnrich** will not be qualified for tax deduction.
2. The benefit periods of **Smart Medicare**, **WiseGuard Medical** and **WiseGuard Pro** are up to age 100 (age at last birthday) of the insured person, subject to the termination of policy as stated in section Important information of the relevant product brochures respectively.
3. Subject to the terms and benefits of the policy contract, you have a guaranteed right to renew the policy by making payment of the prevailing premium on each policy anniversary.
4. Full cover shall mean the actual amount of eligible expenses and other expenses charged after deducting the remaining deductible (if any), and is subject to the annual benefit limit, lifetime benefit limit and other conditions. Psychiatric treatments and medical implants are excluded from full cover benefit. Further details of the terms, conditions, exclusions and limitations are provided in the policy contract.
5. If after a no claim discount has been deducted, a claim incurred in respect of previous 5 policy years becomes payable under **WiseGuard Pro**, the no claim discount shall be re-calculated by taking into account the relevant claim payable, and the policy holder shall return to the Company the difference between the recalculated amount and the no claim discount actually paid to the policy holder, otherwise the Company will not pay such claim.
6. Network doctors and network healthcare facilities are independent third parties and are not agents of AXA. AXA shall not have any obligation or liability whatsoever in relation to the medical services provided by network doctors and network healthcare facilities, and shall not be responsible for any act or failure to act on the part of network doctors and network healthcare facilities.
7. If after a no claim discount has been deducted, a claim incurred in respect of previous 3 policy years becomes payable under **Smart Medicare** or **Smart Medimoney** (where applicable), the no claim discount shall be re-calculated by taking into account the relevant claim payable, and the policy holder shall return to the Company the difference between the recalculated amount and the no claim discount actually paid to the policy holder, otherwise the Company will not pay such claim.
8. The provision of services is subject to the terms and conditions of the worldwide emergency assistance. AXA reserves the right to amend the terms and conditions thereof from time to time without prior notice. This is an optional service. Clients can opt-out the services by writing to AXA.
9. All illustrated examples in this leaflet are for reference only. The actual tax savings may be lower than the above examples. The final calculation is subject to the actual assessment results of the IRD. Moreover, the above examples are calculated based on the allowances, deductions, and tax rates for the year of assessment 2019/20 and assume that (i) the tax payable is calculated at progressive rates; and (ii) the taxpayer has no other allowances, deductions, or tax concessions, except for the allowances and deductions illustrated above.
10. Each taxpayer can enjoy a maximum tax deductible limit of HKD60,000, which is the aggregate limit for qualifying annuity premiums and Mandatory Provident Fund Tax Deductible Voluntary Contribution. While for VHIS, each taxpayer can enjoy a maximum tax deductible limit of HKD8,000 for qualifying VHIS premiums paid for each insured person.

You must meet all the eligibility requirements set out under the Inland Revenue Ordinance and any guidance issued by the IRD of HKSAR before you can claim the tax deductions.

Any general tax information provided is for your reference only, and you should not make any tax-related decisions based on such information alone. You should always consult with a professional tax advisor if you have any doubts. Please note that the tax law, regulations or interpretations are subject to change and may affect related tax benefits including the eligibility criteria for tax deduction. We do not take any responsibility to inform you about any changes in the laws and regulations or interpretations, and how they may affect you. Please contact the IRD directly for any tax related enquiries.

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