

## **Manulife turns the Private Retirement Scheme into a powerful staff retention and reward tool with flexible vesting component**

**KUALA LUMPUR** – Manulife Asset Management Services Berhad (MAMSB) recently introduced the vesting component to their Private Retirement Scheme (PRS), the Manulife PRS NESTEGG Series.

Vesting is when contributions into the Private Retirement Scheme are given to employees only after they have fulfilled a condition, e.g. completion of a certain length of service. The type of conditions imposed, amount of vested contributions, and timing of the contribution payouts to employees can be adjusted by the employer, and this is collectively referred to as a “vesting schedule”.

“There is a rising need for employee benefit programs that do not merely reward employees, but also double up as retention programs. The increasingly competitive job market demands that employers get creative in their ways to reduce turnover” says Edward Ooi, Chief Executive Officer of Manulife Asset Management Services Berhad.

The ability to vest PRS contributions becomes an equally, if not more efficient staff retention tool compared to conventional employee benefit schemes. Unlike annual bonuses, the vested PRS contributions are staggered over a period of time to encourage employees to remain longer with the company.

Unvested amounts (which occur when the employee does not fulfill the conditions in the vesting schedule) are channeled back into the company and employers can even enjoy tax benefits when they make employee contributions above the statutory rate, up to 19% of their employee’s remuneration. For employees, they will not be taxed on their employer’s PRS contributions for them.

Manulife’s PRS system: Flexible vesting schedules with efficient on-boarding and post-sale facilities

With a sophisticated and innovative on-boarding PRS system, Manulife can structure flexible and highly-customizable vesting schedules based on rank, age, performance, as well as length of service. Employers can mix and match these various conditions for schedules to best fit the needs and objectives of a company, regardless of the existing employee benefit program, company size, or industry.

“The Manulife’s PRS NESTEGG Series on-boarding system with vesting also allows for paper-free transactions that reduces processing time. Plus, employers and employees can access the user-friendly and secure Manulife post-sale system online. This allows them to track transactions and balances of contributions into the individual PRS accounts – making it easy to manage and monitor their accounts at their convenience” added Ooi.

“Attracting talent and employee retention are the two biggest issues to plague human resources, and retirement benefits may soon be an important factor in an employee’s decision to join, stay or leave a company.

With our global expertise in managing some of the world’s leading pension funds, combined with our new vesting component, Manulife now offers employers the edge it needs to retain talent while maximizing tax benefits for their businesses” closed Mark O’Dell, Group Chief Executive Officer of Manulife Holdings Berhad.

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### **About Manulife Asset Management Services Berhad**

Manulife Asset Management Services Berhad (MAMSB) is a wholly owned subsidiary of Manulife Holdings Berhad, which is substantially owned by Canada-based Manulife Financial Corporation. MAMSB operates under the brand name of Manulife Asset Management and holds Capital Markets Services License for fund management, dealing in securities restricted to unit trusts and dealing in private retirement schemes, under the Capital Markets & Services Act 2007.

### **About Manulife Asset Management**

Manulife Asset Management is the global asset management arm of Manulife Financial. Manulife Asset Management provides comprehensive asset management solutions for institutional investors and investment funds in key markets around the world. Manulife Asset Management also provides investment management services to affiliates’ retail clients through product offerings of Manulife and John Hancock. This investment expertise extends across a broad range of asset classes including equity, fixed income and alternative investments such as real estate, timber, farmland, as well as asset allocation strategies.

Manulife Asset Management has offices with full investment capabilities in the United States, Canada, the United Kingdom, Japan, Hong Kong, Singapore, Taiwan, Indonesia, Thailand, Vietnam, Malaysia, and the Philippines. In addition, it has a joint venture asset management business in China, Manulife TEDA. It also has operations in Australia, New Zealand, Brazil and Uruguay. John Hancock Asset Management, Hancock Natural Resource Group and Declaration Management and Research are units of Manulife Asset Management.

Manulife Asset Management was named Best Asian Bond House by Asia Asset Management. As at March 31, 2013, assets under management were US\$248 billion. Additional information about Manulife Asset Management can be found at [ManulifeAM.com](http://ManulifeAM.com).

## **About Manulife Financial**

Manulife Financial is a leading Canada-based financial services group with principal operations in Asia, Canada and the United States. Clients look to Manulife for strong, reliable, trustworthy and forward-thinking solutions for their most significant financial decisions. Our international network of employees, agents and distribution partners offers financial protection and wealth management products and services to millions of clients. We also provide asset management services to institutional customers. Funds under management by Manulife Financial and its subsidiaries were C\$555 billion (US\$547 billion) as at March 31, 2013. The Company operates as Manulife Financial in Canada and Asia and primarily as John Hancock in the United States.

Manulife Financial Corporation trades as 'MFC' on the TSX, NYSE and PSE, and under '945' on the SEHK. Manulife Financial can be found on the Internet at [manulife.com](http://manulife.com).