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What is the CPF retirement sum?

Confused about the CPF retirement sum? Learn more about these essential CPF terms for your retirement!

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SOURCE: CPF Board



Retirement might seem distant for some, but it's a phase that most of us will inevitably face.

A common concern of many Singaporeans is that their retirement savings will not last till they are old. This is especially true when they do not have a steady income stream post-retirement.

Taking into account your CPF for retirement planning is a natural first step for most Singaporeans as they would have accumulated CPF savings during their working lives.

To ensure a solid foundation for your retirement years, it's useful to understand the options available and how to make the most out of your CPF savings. Let's dive in and explore what the CPF retirement sum means for you!

Understanding the retirement sum (RS)

You might have heard about the term "minimum sum", but do you know it has been renamed to the "retirement sum" in 2016?

In essence, the retirement sum (RS) is a reference point that provides an indication of how much you need to save to meet your desired monthly payouts.

There are three levels of retirement sums to note:

- The Basic Retirement Sum (BRS) provides monthly payouts in retirement to cover basic living needs, excluding rental expenses.
- The Full Retirement Sum (FRS) is an ideal point of reference of how much one needs in retirement.
- The Enhanced Retirement Sum (ERS) provides a higher monthly payout, making it suitable for those who might require more retirement income.

How is my retirement sum (RS) calculated?

When you turn age 55, the savings from your Special Account (SA), followed by Ordinary Account (OA), will be transferred to a newly opened Retirement Account (RA).

The amount to be transferred is capped at the FRS as a point of reference of how much you might need for your retirement. The amount of CPF savings in your RA will ultimately determine your future monthly payouts.



TIP

If you wish to receive higher payouts for your desired retirement lifestyle, you can choose to set aside more by making a top-up to the current ERS.

Unlike the BRS and FRS which are fixed according to your year of birth, the ERS increases yearly and is the maximum amount that CPF members can top up to.

The BRS and FRS are also adjusted annually as long-term inflation, longer life expectancy, and improvements in standard of living are taken into consideration. The retirement sum you will need to set aside depends on the time you turn age 55 and is fixed for the rest of your life. Hence, you might find that your retirement sum is different from that of a friend's if you are of different age.



TIP

If you own a property in Singapore with a lease that lasts until you are 95 years or older, you have the flexibility to meet your FRS with a mixture of property (up to half your FRS) and cash.

If you are born in 1958 or after and have at least \$60,000 in your Retirement Account when you start your monthly payouts, you will be automatically included in [CPF LIFE](#) – a national longevity insurance annuity scheme that provides you with monthly payouts no matter how long you live.

How much CPF LIFE payout will you get based on your retirement sum?

CPF retirement sum for members who turn age 55 in 2024	Amount in Retirement Account at age 55	Estimated monthly payout from age 65^
Basic Retirement Sum (BRS)	\$102,900	\$840 - \$900
Full Retirement Sum (FRS)	\$205,800	\$1,560 - \$1,670

If you are age 55 and above, you can choose to top up your Retirement Account up to the current ERS for higher monthly payouts:

	Amount
Current Enhanced Retirement Sum	\$308,700

Estimated monthly payout from age 65, if you top up to ERS when you reach age 55^

\$2,280 - \$2,450

^Estimated for members who turn age 55 in 2024 and set aside/top-up the respective amounts, based on the CPF LIFE Standard Plan and CPF interest rate of 4%.

What are the retirement sums applicable to me?

Here are the retirement sums that are applicable to members who turn age 55 from 2023 to 2027:

55 th birthday in the year of	Basic Retirement Sum (BRS)	Full Retirement Sum (FRS)
2024	\$102,900	\$205,800
2025	\$106,500	\$213,000
2026	\$110,200	\$220,400
2027	\$114,100	\$228,200

The government will announce the retirement sums ahead of time to allow CPF members who are reaching age 55 to prepare ahead for retirement.

If you are age 55 and above, you can choose to [top up your RA](#) up to the current Enhanced Retirement Sum (ERS) for higher monthly payouts, regardless of when you turn 55. Here are the ERS amounts for 2024 to 2027:

Year	Enhanced Retirement Sum (ERS)
2024 (current)	\$308,700
2025	\$426,000
2026	\$440,800
2027	\$456,400

The ERS is currently set at 3 times of the BRS. From 2025, the [ERS will be raised to 4 times the BRS](#) to provide members an option to voluntarily top up more to receive even higher monthly payouts.

Options to grow your CPF savings

If you have not met your FRS or BRS by age 55, you can still receive your payouts at age 65.

However, it's important to note that these payouts may be lower than what you might have anticipated or required. This makes it essential to be mindful of your retirement goals and the need to plan accordingly.

If you are interested in growing your CPF savings further, consider the following ways to get higher payouts in retirement:

1. Top up to the current ERS

If you would like higher payouts, consider [making cash top-ups to your Retirement Account](#) (up to your current ERS).

You will also enjoy tax relief of up to \$16,000 a year if you make cash top-ups to both yourself and your loved ones (up to the current FRS).

Login to your [Retirement dashboard](#) to view the exact amount of top-up that you can make.

2. Receive matching grant on cash top-ups

For eligible individuals, the [Matched Retirement Savings Scheme \(MRSS\)](#) provides a dollar-for-dollar grant (up to an annual cap of \$600) for every top up made to their Retirement Account. Find out if this applies to you with the [Matched Retirement Savings Scheme Eligibility Checker](#).

From 1 January 2025, MRSS will be enhanced to help eligible members save more for retirement.

Laying the foundations for a solid retirement plan

The BRS and FRS act as valuable guides to assist you in planning for your retirement.

As you make steady progress towards achieving your retirement goals, it's beneficial to keep the retirement sum in mind. This will help you in planning for your golden years based on your ideal retirement lifestyle.

Try using the [CPF Planner](#) (for those age below 54) or the [Plan my Payouts](#) tool (for those aged 65 and above) to plan for your retirement with CPF.

Happy planning!

The information provided in this article is accurate as of the date of publication.

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