

Closure of Special Account for members aged 55 and above in the second half of January 2025

Here's what you need to know about the closure of the Special Account and how you can maximise your CPF savings.

19 Jul 2024

SOURCE: CPF Board



IN A NUTSHELL:

- The CPF Special Account (SA) will close in the second half of January 2025 for members aged 55 and above.
- The savings in the SA will be transferred to the Retirement Account (RA), up to the Full Retirement Sum (FRS), so that members can get higher payouts. Any remaining SA savings will be transferred to the Ordinary Account (OA) which earns the short-term interest rate and can be withdrawn when needed.

- Members can top up their RA to the Enhanced Retirement Sum (ERS), transfer CPF savings to their loved ones, or have the flexibility to withdraw or invest the CPF savings in their OA.
- Members can view the estimated amounts that will be transferred from their SA to their RA and/or OA by logging in to their [Retirement dashboard](#).

During [Budget 2024](#), it was announced that the SA for CPF members aged 55 and above will close in early 2025. This is to better align CPF interest rates to the nature of savings in each CPF account.

Read on to learn more about this change and how you can optimise your CPF savings to prepare for it.

What happens when the CPF Special Account (SA) closes for members aged 55 and above in the second half of January 2025

Budget 2024: Closure of Special Account



When your SA is closed, your SA savings will be transferred to the RA, [up to your FRS](#), so that you can get higher monthly payouts. These savings will continue to earn the long-term interest rate.

If you have set aside your FRS, whether fully in cash or with a mixture of property and cash, any remaining SA savings will be transferred to your OA. These savings will earn the short-term interest and can be withdrawn when you need them.

Options to maximise your CPF savings

1. Boost monthly payouts by transferring OA savings to RA, up to the prevailing Enhanced Retirement Sum (ERS)

If you wish to earn higher interest and receive higher retirement payouts, you can consider transferring your OA savings (including savings that were channelled from your SA due to the closure of SA), to the RA, up to the prevailing ERS. The RA interest rate is the same as the SA.

Please note that top-ups to the RA are not reversible. Your top-up monies will be paid to you as monthly payouts, and cannot be withdrawn for other purposes.



TIP

As announced in Budget 2024, the ERS will be raised to \$426,000 on 1 January 2025, from three to four times the Basic Retirement Sum (BRS). This means you can enjoy higher retirement payouts if you voluntarily top up your RA to the ERS.

For example, if a male CPF member who turns age 55 in 2025 tops up his RA to the raised ERS of \$426,000 in 2025, he can expect an increase in monthly payouts from \$2,530 to \$3,300 at age 65 under the CPF LIFE Standard Plan for as long as he lives.

2. Help your loved ones with their retirement by transferring your CPF savings to them to top up their CPF accounts

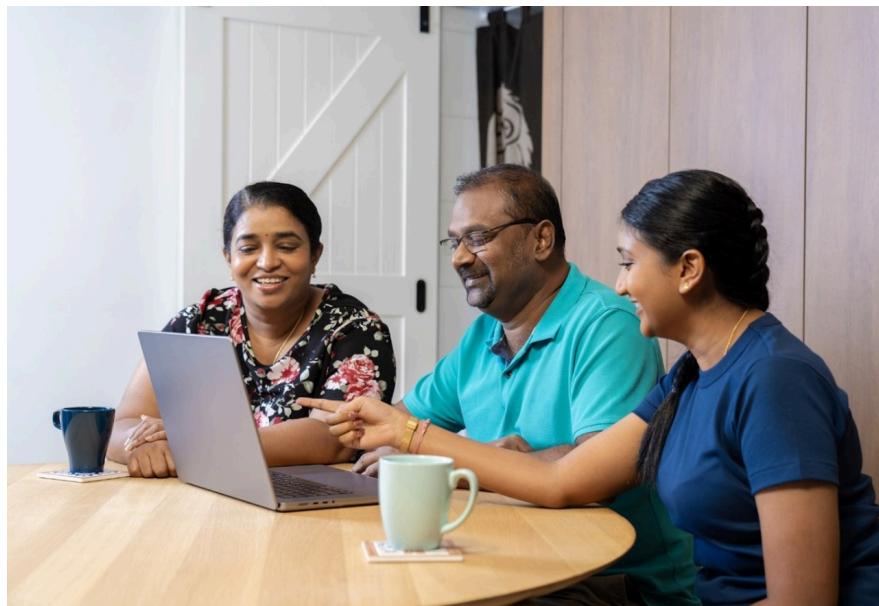
If you have set aside the FRS for your monthly payouts, you can consider transferring to your loved ones – that is, your grandparents, grandparents-in-law, parents, parents-in-law, spouse or siblings – to help them get higher monthly payouts in retirement.

3. Have the flexibility to withdraw or invest your CPF savings by keeping them in your OA

You can continue to keep the SA savings transferred to your OA to earn 2.5% interest each year while retaining the flexibility to withdraw anytime. Alternatively, you can invest them under the [CPF Investment Scheme – Ordinary Account \(CPFIS-OA\)](#), if you have assessed that CPFIS is suitable for you.

You can also read more from [Lorna Tan, Head of Financial Planning Literacy at DBS Bank](#) and the author of four bestselling works – Money Smart, Retire Smart, More Talk Money, Talk Money, on how she plans to allocate her CPF savings.

Commonly asked questions regarding the closure of the SA in the second half of January 2025



Here are some commonly asked questions from members of the public. You can also visit the [FAQ page](#) on SA closure for answers to the other questions you might have.

1. Why will SA be closed for members 55 and above from the second half of January 2025?

Today, members aged 55 and above have two CPF accounts that hold savings intended for retirement payouts: the SA and the RA.

Both SA and RA savings earn the same long-term interest rate. However, some SA savings can be withdrawn on demand from age 55. As a principle, only savings that cannot be withdrawn on demand

should earn the long-term interest rate, and savings that can be withdrawn on demand should earn the short-term interest rate.

Closing of SA for members aged 55 and above is to better align CPF interest rates to the nature of CPF savings in each CPF account.

2. With the closure of the Special Account for CPF members aged 55 and above, which account will my CPF contributions be allocated to?

With the closure of SA, CPF contributions that go to the SA currently, as well as any [increase in CPF contributions allocated to SA](#), will be fully allocated to the member's RA instead, up to the FRS, to boost retirement payouts. For members who have set aside the FRS in the RA, these contributions will be channelled to the OA.

This will ensure that the additional contributions continue to earn the highest possible CPF interest rate to provide an even bigger boost to retirement payouts.

RA balances currently earn a minimum interest rate of 4% a year, compared to a minimum of 2.5% in the OA. Plus, members aged 55 and above earn an extra interest of 2% per annum on the first \$30,000 and 1% per annum on the next \$30,000 of their combined CPF balances (capped at \$20,000 for OA).

3. Is there still SA for members below age 55?

Yes. Members below age 55 would still have SA to help them accumulate savings for retirement. Their SA will only be closed when they turn age 55 and their RA is created.

4. I have earlier invested my SA savings. Do I have to sell my SA investments after the closure of SA?

You can still hold your existing CPF Investment Scheme-Special Account (CPFIS-SA) investments.

Upon sale or maturity after the SA is closed, the proceeds will go to the RA up to your FRS. The remaining amount will then be transferred to your OA.

Plan ahead for the closure of the SA

The closure of the SA will affect members aged 55 and above from the second half of January 2025. It's a good idea to take a moment to review your retirement plans, and make any necessary adjustments.

Prior to the closure of your SA, you may view the estimated amounts that will be transferred from your SA to your Retirement Account and/or Ordinary Account by logging in to your [Retirement dashboard](#).

Be sure to also check out our article on the [CPF retirement sums](#) or these [handy tools for your retirement](#) if you want to learn more about retirement planning!

Information in this article is accurate as at the date of publication.

You might also be interested in...



LEARNING WELL

ong learning and retirement
n hand

about memory loss and the
ognitive decline as you age?
ow lifelong learning can
age actively!

14 · 5 minute read



RETIRING WELL

How to use CPF LIFE as the
cornerstone of your retirement
planning

Having a reliable source of income in
retirement can help you live out your
golden years comfortably. Here's
Christopher Tan's take on retirement
planning.

05 Jul 2024 · 8 minute read



WELLNESS

How slow living can shape our
finances

Know more about the slow life
movement and how this lifestyle
help shape your mental well-being
and finances.

14 Jun 2024 · 5 minute read



RETIRING WELL



RETIRING WELL



WELLNESS

How lifelong learning and retirement go hand in hand

Worried about memory loss and the risks of cognitive decline as you age? Discover how lifelong learning can help you age actively!

12 Jul 2024 • 5 minute read

How to use CPF LIFE as the cornerstone of your retirement planning

Having a reliable source of income in retirement can help you live out your golden years comfortably. Here's Christopher Tan's take on retirement planning.

05 Jul 2024 • 8 minute read

How slow living can shape our finances

Know more about the slow living movement and how this lifestyle can help shape your mental wellbeing and finances.

14 Jun 2024 • 5 minute read

[View all >](#)