

# How to top up your CPF and the benefits of doing so

Learn how to grow your retirement income by making cash top-ups or CPF transfers to your Special Account or Retirement Account.

10 Apr 2023

SOURCE: CPF Board



Are you looking back at the past year and regretting missing out on opportunities to maximise your tax relief? Let's do it right this year. One of the easiest ways to earn tax relief is by topping up your CPF savings via the Retirement Sum Topping-Up Scheme (RSTU).

By making regular cash top-ups to your CPF savings, you can enjoy tax relief of up to \$8,000 a year, and at the same time grow the savings that will be used to fund your dream retirement! What's more, if you make a cash top-up to your loved ones, you'll also get additional tax relief of \$8,000 a year!

Tax relief is one of the many benefits that RSTU offers. Here are some of the other benefits and why you should start planning early:

## 1. Steady returns on your investment

Setting aside a large sum of money for retirement can seem very challenging. It doesn't have to be as daunting as many think, however, if one astutely harnesses the power of compound interest, which Albert Einstein once quipped as the "eighth wonder of the world" (with good reason).

With interest rates up to 5-6% per annum<sup>1</sup>, it's possible to accumulate savings in your CPF accounts substantially by saving just a small amount on a regular basis. For example, a monthly top-up of \$50 to your Special Account (SA) or Retirement Account (RA) can grow to more than \$7,000\* in 10 years, and more than \$12,000\* in 15 years!

<sup>1</sup> Inclusive of an extra 1% interest paid on the first \$60,000 of a member's combined balances, capped at \$20,000 from the Ordinary Account (OA). Members aged 55 and above will also receive an additional 1% extra interest on the first \$30,000 of their combined balances, capped at \$20,000 from the OA.

\*Computed using base interest of 4% p.a.

## 2. Time is a valuable asset

The earlier you start to top up your CPF savings, the more time your money has to grow. The power of compounding means that even small amounts can grow into a substantial amount over time. By waiting, you're effectively missing out on the opportunity to maximise the growth

potential of your retirement savings.



#### TIP

By topping up/transferring earlier in the year, you can earn more interest. For example, if you do so in January rather than December, you could earn up to 20% more interest in just 10 years.

### 3. The value of your money may erode

The prices of goods and services will also increase over time, which in turn decreases your purchasing power. This means that the amount that may seem enough today may not be enough to cover your expenses in the future. By topping up your CPF savings early (and regularly), you're ensuring that your retirement savings keep up with the pace of inflation.



#### TIP

Use the [CPF Planner](#) to project how your CPF savings will grow over time. Learn how close you are to your goal, and how much more you may need to support your dream retirement.

Whether you are planning to build your own retirement nest egg or to help your loved ones grow their retirement funds, here's a guide on making top-ups to help you get started on boosting your retirement funds with compound interest!

### Making cash top-ups

Cash top-ups can be made to yourself, your family, friends and on behalf of your employees (if you are an employer). Cash top-ups not only help build up the retirement savings of your loved ones, but you can also claim tax relief from these top-ups.

While there is no threshold for [topping up to your parents](#) or grandparents (or parents-in-law/grandparents-in-law), do take note of the conditions for tax relief eligibility for cash top-ups made to your spouse or siblings. To qualify, your spouse or sibling must not have an annual income of more than \$4,000 in the year preceding the year of top-up or is handicapped.

Overall, do note the overall personal income tax relief cap of \$80,000 also applies for cash top-ups to CPF accounts.

For eligible members under the [Matched Retirement Savings Scheme \(MRSS\)](#), the Government will match every dollar of cash top-ups made to the Retirement Account, up to \$600 per year.



#### TIP

You can also consider a CPF transfer. Savings in your Ordinary Account (OA) earn a base interest of 2.5%, while SA or RA savings earn base interest of 4%. If you are below age 55, you can transfer your OA savings to your SA to earn higher interest. If you are aged 55 and above, you can set aside more savings for your retirement needs by transferring your SA or OA savings to your RA<sup>2</sup>.

CPF transfers can also be made to your spouse, parents, parents-in-law, grandparents, grandparents-in-law and siblings.

<sup>2</sup> For members aged 55 and above, SA savings will be transferred first before OA savings.

Note that both cash top-ups and CPF transfers are irreversible. Also, if you choose to make a transfer of your CPF savings from one account to another, you will not enjoy tax benefits. If you want to enjoy [tax relief](#), you should consider making [a cash top-up instead](#).

## What is the maximum amount of cash top-ups or CPF transfer you or your loved ones can receive?

You can receive cash top-ups or CPF transfers up to the Full Retirement Sum (FRS) in your SA if you are below 55, and up to the Enhanced Retirement Sum (ERS) in your RA if you are 55 and above.



Find out more about [the current FRS and ERS](#).

You can also [check your top-up limits](#).

## How can you make a cash top-up or CPF transfer?

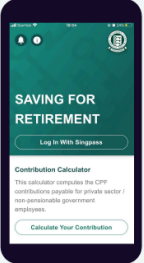
You can now make a cash top-up or CPF transfer easily on the go via the [CPF Mobile](#) app (available for Android or iOS):

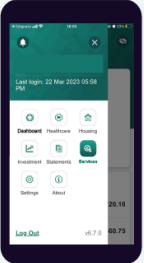


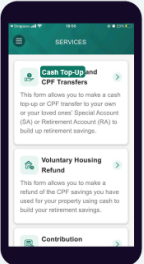
# How to make a cash top-up or CPF transfer with CPF Mobile

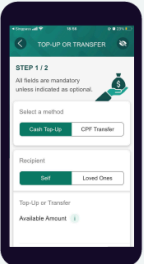


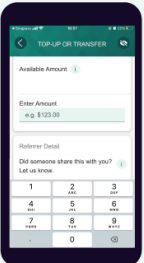
## Cash top-up

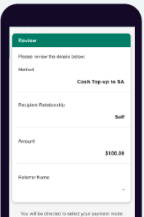
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1 Log in to CPF Mobile with your Singpass account
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2 Select "Services" from the navigation bar
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3 Click on "Cash Top-Up and CPF Transfers"
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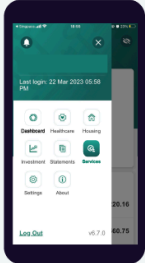
4 Choose Cash Top-Up and your recipient type
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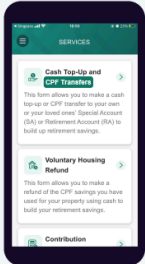
Enter the amount which you would like to top up
- 


5 Confirm the details of your top-up and you will be redirected to the payment gateway upon choosing your payment mode

## CPF transfer

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1 Log in to CPF Mobile with your Singpass account
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2 Select "Services" from the navigation bar
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3 Click on "Cash Top-Up and CPF Transfers"
- 

4 Choose CPF Transfer and your recipient type
- 

Enter the amount which you would like to transfer
- 

5 Confirm the details of your transfer

*\*You will be required to upload supporting documents if you are doing a CPF transfer to your loved ones for the first time (Not required if your marriage is registered in Singapore).*

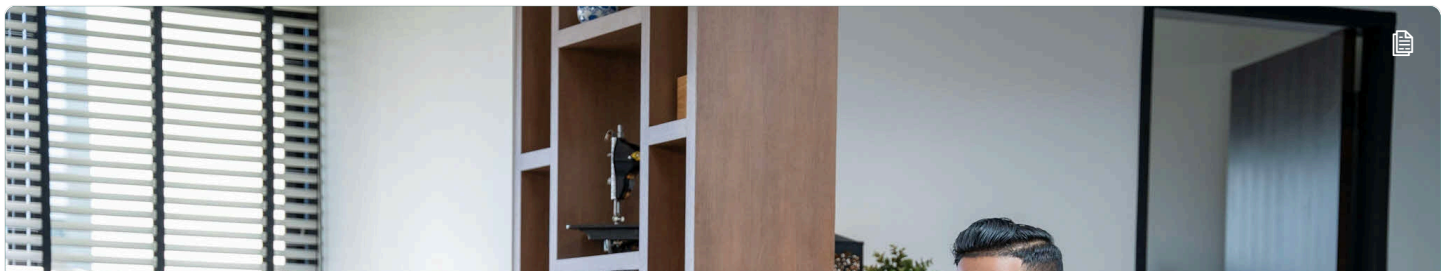


You can also [make a cash top-up or CPF transfer](#) via my cpf Online Services or make regular top-ups with GIRO.

By starting early and contributing regularly, you can grow and make the most of your CPF savings. So don't wait for next year just for the tax relief benefit – start topping up your CPF savings today!

Information accurate as of date of publication.

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