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1. Home

CPF overview

How CPF works

The Central Provident Fund (CPF) is a key pillar of Singapore's social security system. CPF helps Singapore Citizens and Permanent Residents set aside funds to build a strong foundation for retirement.

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Basic needs

The three basic needs in retirement

For greater peace of mind in your golden years, it's important to take care of these three needs.

1
A fully paid-up home

Owning a home means you don't have to worry about rent. Strike a balance and buy a property within your means.

Your CPF savings eventually form your retirement income. So every dollar you spend on housing could be a dollar less for your retirement needs.

2
Insurance and savings for healthcare

This is where your MediSave savings come in. Think of it as your healthcare savings account. It helps you set aside part of your income for medical expenses such as hospitalisation and outpatient treatments.

You can also use MediSave to cover premiums for MediShield Life and other approved medical and long-term care insurance.

3
A steady stream of lifelong retirement income

While we know how much we have saved, we can’t predict how long each of us will live. That’s why we have CPF LIFE, our national longevity insurance annuity scheme.

Get monthly payouts no matter how long you live, so that you can enjoy your CPF savings with greater peace of mind.

How CPF works

Your CPF accounts

A comprehensive savings system

As you work and make CPF contributions, you accumulate savings in these three accounts: your Ordinary Account (OA), MediSave Account (MA), and Special Account (SA).

At age 55, a Retirement Account (RA) is created for you.

How much you contribute depends on age

Depending on your age, CPF contribution rates can range from 12.5% to 37% of your monthly wages.

Employee’s age (years)	Contribution rates from 1 January 2024 (for monthly wages > $750)

	By employer (% of wage)	By employee (% of wage)	Total (% of wage)
55 and below	17	20	37
Above 55 to 60	15	16	31
Above 60 to 65	11.5	10.5	22
Above 65 to 70	9	7.5	16.5
Above 70	12.5		

Other ways CPF accounts might be opened

Besides employment contributions, CPF accounts will also be opened when the CPF Board receives cash top-ups or government grants.

For example, if you make a cash top-up for your child, or when a Singapore Citizen newborn qualifies for a MediSave grant.

Growing your CPF

How to save more and earn interest

Earn stable interest of up to 5% per annum if you’re below 55. Gain up to 6% per annum if you’re 55 and older.

Earn more with compound interest

If you’re below 55, for every dollar that you contribute to your SA from your employment, your employer chips in another $0.85, giving you $1.85.

This $1.85 will double to $3.70 in about 20 years, and $7.40 in about 40 years*. This is seven times more than the $1 you contributed.

**Computed using the base interest of 4% per annum on your SA*

Government support for you

Besides paying stable interest, the Singapore Government also supplements your retirement savings through the Workfare Income Supplement (WIS) Scheme.

WIS encourages eligible workers to work and build up their CPF savings for retirement, housing, and healthcare.

Self-employed

If you're self-employed, you need to contribute to MediSave. These savings will be especially important in old age when you may have stopped working.

For your convenience, if you receive service payments from government agencies, they'll deduct a portion of your payment and credit it into your MA. Making smaller and more regular MediSave contributions as and when you receive payments makes saving for your healthcare needs easier.

Make cash top-ups

Whether you're an employee or are self-employed, you can grow your savings by making cash top-ups to either:

- Your OA, SA, and MA; or
- Only your MA

By making cash top-ups, you can earn interest even when you're not working or do not have regular CPF contributions.

Top up with a mix of cash and CPF savings

If you would like to save specifically for retirement, you can top up your SA or RA using cash or CPF savings.

Top up under the Matched Retirement Savings Scheme (MRSS)

If you're 55 to 70 and have yet to meet the current Basic Retirement Sum (BRS), you can make cash top-ups to get higher retirement payouts.

The Singapore Government will match every dollar of cash top-ups made to your RA, up to a maximum grant of $600 a year. The scheme will run from 2021 for five years for a start.

Invest your OA and SA savings

You have the option of investing in a wide range of investments to grow your retirement nest egg. If you're not confident of investing on your own, you should leave your savings in your CPF account and earn interest.

Voluntary Housing Refund

Another way to grow your retirement savings is to make a partial or full voluntary refund of the CPF savings you’ve used to buy your house.

Using your CPF

More than just saving for retirement

Besides retirement, you have the flexibility to use your CPF savings for a variety of other needs.

Using your OA savings

Using your OA savings

Many members use CPF to buy a property or service a housing loan.

Important thing to note

While you may use your OA savings to pay for your property, consider keeping some savings.

These savings can help with future mortgage payments in times of emergency. If left unused, these savings can grow at stable interest rates.

Using your MA savings

MA savings can be used for hospitalisation and approved medical insurance

MediSave is a national savings scheme which helps CPF members save for medical expenses, especially after retirement.

You can use your MediSave savings for your own and your dependants’ hospitalisation, day surgery, and certain outpatient expenses.

Payment of premiums for insurance coverage

You can also use your MA savings to pay for the yearly premiums on approved insurance plans including:

- ElderShield
- CareShield Life

- MediShield Life
- Other medical insurance offering additional benefits on top of those provided by MediShield Life

Retiring well

Enjoying your retirement income

When you retire, your CPF savings can offer a source of funds to meet your daily expenses. Here’s how.

Using your RA savings

Retirement withdrawals

From age 55, you have the flexibility to withdraw your CPF savings after setting aside the applicable retirement sum in your RA.

You can withdraw at any time, whether in full or partially, and as frequently as you like.

Important thing to note

You do not have to withdraw all your withdrawable savings at one go. If you do not have an immediate need, you may find it better to leave your savings in your CPF accounts to earn interest of up to 6% per annum.

Monthly payouts for as long as you live

After age 65, you can apply to start receiving lifelong monthly payouts under CPF LIFE. You'll use your RA savings to join CPF LIFE.

Housing monetisation

Silver Housing Bonus (SHB) and Lease Buyback Scheme (LBS)

Besides renting out your flat or spare bedroom for rental income, you can apply for the:

- SHB when you right-size your HDB flat
- LBS when you sell the tail-end of your flat’s lease

Sales proceeds

The amount you gain from monetising your house will go towards your RA to join CPF LIFE. Part of it will also be paid to you in cash.

Account closure

CPF Nomination and account closure

Upon death, your CPF savings will be paid out and distributed. If a CPF Nomination is made, it will be distributed to the nominee(s) in the proportion stated.

Without a CPF Nomination, CPF savings will be transferred to the Public Trustee for distribution in accordance with the intestacy or Muslim inheritance laws of Singapore.

Getting support

Government support for those earning less

1
Silver Support Scheme (SSS)

SSS provides quarterly cash supplements to seniors who had low incomes during their working years and now have less in retirement.

2
Other targeted efforts

In recent years, the Government has put in a wider suite of schemes to give seniors greater assurance in retirement. This includes healthcare subsidies and GST vouchers.