

ANNEX C-4:
ILLUSTRATION OF ENHANCEMENTS TO RETIREMENT SCHEMES

This is an illustration of how older Singaporeans can benefit from right-sizing their HDB flat, as well as benefit from the enhancements to the Silver Support Scheme (SSS) and the new Matched Retirement Savings Scheme (MRSS).

Mr and Mrs Tan are a retiree couple, who are both 65 years old and currently living together in a 3-room HDB flat, which Mr Tan paid for using his CPF savings when he was working.

- a. Mr Tan has a balance of \$60,000 in his CPF Retirement Account (RA). This provides him with a monthly CPF LIFE payout of about \$370. He does not qualify for the SSS currently, as his total CPF contributions (which includes CPF monies used for housing) exceeds the current threshold of \$70,000.
- b. His wife, Mrs Tan, is a homemaker and has little CPF savings. She currently receives a quarterly SSS payout of \$600 per quarter, or \$200 a month.
- c. Together, they receive about **\$570 per month** to support their retirement needs, alongside family support and their own savings.

2. The couple decides to move from a 3-room flat to a short lease 2-room Flexi flat to tap on their housing assets for retirement. They take up the Silver Housing Bonus, so that they can have higher CPF payouts. Their total CPF RA balances increase by \$60,000 after the move.

3. After the implementation of the Matched Retirement Savings Scheme (2021-2025), they each receive \$3,000 in CPF top-ups from their loved ones over five years. The Government fully matches these amounts. Their individual CPF balances increase by \$6,000 each at the end of the five-year period.

- a. As a result of right-sizing their flat¹ and the Matched Retirement Savings Scheme², the couple will be able to enjoy a higher combined CPF LIFE payout of about **\$800 per month for life³**.

4. After the implementation of the enhanced Silver Support Scheme, Mr Tan qualifies for a payout of \$900 per quarter. Mrs Tan's quarterly payout also increases from \$600 to \$900. Hence, the couple receives a combined Silver Support payout of about \$1,800 per quarter, which works out to **\$600 per month**.

¹ As part of right-sizing their flat through the Silver Housing Bonus, the couple tops up \$60,000 from their sales proceeds to Mrs Tan's CPF RA. This gives her around \$350 in monthly CPF LIFE payouts.

² The MRSS provides the couple with an additional \$80 in monthly CPF LIFE payouts.

³ This includes Mr Tan's current monthly CPF LIFE payout of about \$370.

5. With the above schemes, Mr and Mrs Tan's total retirement income **increases from about \$570 to about \$1,400 per month**. This is achieved through a combination of individual effort, housing monetisation, as well as family and Government support (see Figure 1 below).

Figure 1: Illustration of Benefits from Retirement Schemes

