

# Basic FINANCIAL PLANNING GUIDE for Golden Years

## 65 years and above

Remember to make clear plans to settle your financial and personal matters according to your wishes.




Key Needs	Rules of Thumb	What to Do
 <p>RETIREMENT GOALS</p>	<p>Work out lifelong monthly payouts under <b>CPF Life</b></p> <p><b>Spend within your means</b></p> <p><b>Unlock the value of your assets</b></p>	<p>Work out how much savings you need for your desired monthly payouts under your preferred CPF LIFE plan <a href="https://go.gov.sg/lifeestimator">go.gov.sg/lifeestimator</a></p>  <p>Explore options to <b>monetise your property</b>:</p> <ul style="list-style-type: none"> <li>Silver Housing Bonus, Lease Buyback Scheme, renting out room/flat</li> </ul>
 <p>EMERGENCY FUNDS</p>	<p><b>Set aside at least 3 to 6 months' worth of expenses</b></p>	<p>Consider keeping money in a combination of:</p> <ul style="list-style-type: none"> <li>Savings Accounts</li> <li>Singapore Savings Bonds (SSBs)*</li> </ul> <p><i>*SSBs are guaranteed by Government. You can exit your investment in any given month without penalty</i></p>
 <p>LEGACY PLANNING</p>	<p><b>Make your will and CPF nomination, and appoint trusted persons</b></p>	<p>Consider making your:</p> <ul style="list-style-type: none"> <li>Will, CPF nomination</li> <li>Lasting Power of Attorney, Advance Care Plan</li> </ul> <p>Learn more on My Legacy Portal with step-by-step guide <a href="https://go.gov.sg/legacyplan">go.gov.sg/legacyplan</a></p> 
 <p>PROTECTION</p>	<p><b>Familiarise with national schemes</b> that you are already covered under:</p> <ul style="list-style-type: none"> <li><b>MediShield Life</b> for large healthcare bills</li> <li><b>CareShield Life/ElderShield</b> for long-term care in case of severe disabilities</li> </ul> <p>Insure your home</p> <p>Review if your insurance plans remain affordable</p>	<p>Check if you have switched to CareShield Life and encourage your loved ones to do so too! <a href="https://go.gov.sg/csl">go.gov.sg/csl</a></p>  <p>Consider fire and home content insurance, even when you have fully paid off your mortgage</p>

# CASE STUDY

“ Anika, 67, retired 2 years ago but continues to work part-time as an assistant infant care teacher. She has no dependents.

Here’s a breakdown of her monthly cashflows for financial planning:

Monthly Salary	\$1,800
Employee CPF Contribution (7.5%)	\$135
Monthly Take-home Pay	\$1,665
Monthly Expenses	\$1,200

Financial Planning Needs	Rules of Thumb	Product(s)	Amount per month
 PROTECTION		<u>Fire and Home Content Insurance</u>	<b>\$8</b>
	<u>Large healthcare bills</u>	• MediShield Life	<b>\$93 from CPF<sup>1</sup></b>
	<u>Long-term care</u>	• CareShield Life	<b>\$74 from CPF<sup>2</sup></b>

**TOTAL out-of-pocket \$: \$8 on protection**

- Anika has accumulated \$10,000 in emergency savings over the course of her career, which is more than the recommended 6 months’ worth of expenses (\$7,200).
- As her children no longer stay with her, Anika is considering options to release some value from her 4-room HDB flat. She is exploring whether to take advantage of the Lease Buyback Scheme, rent out her surplus rooms or downgrade to a smaller housing.
- Anika has also done her legacy planning, including setting a will, Lasting Power of Attorney, Advance Care Plan, and CPF nomination.

1. Based on actual MediShield Life premiums (before subsidies) of \$1,120.56 (annual) or \$1,120.56/12=\$93.38 (monthly) according to <https://www.cpf.gov.sg/content/dam/web/member/healthcare/documents/MediShield%20Life%20Premiums%20by%20Age%20Group.pdf>. MediShield Life premiums are payable yearly using CPF. Premiums also increase with age.

2. Based on estimated CareShield Life annual premiums. Refer to <https://www.cpf.gov.sg/member/healthcare-financing/careshield-life/careshield-premiums-and-subsidies> to check your premiums. CareShield Life premiums are payable yearly using CPF. Premiums also increase with age.

## FIND OUT MORE FOR Golden Years

### Emergency funds

To work out how much you need in emergency funds, compile your household and personal expenses in a month, including loan repayments, credit card bills, insurance premiums, and taxes.

When budgeting for your expenses, a useful tip is to separate the essentials from the good-to-haves.

Aim to set aside enough to cover at least 3 to 6 months' worth of expenses. If your income is irregular, aim to have savings equivalent to 12 months of expenses.

“ Prioritise paying off high interest debts (e.g., credit card bills), to avoid high interest charges. ”

### CPF and your retirement

CPF helps you meet your retirement needs in two ways:

- Under CPF LIFE, you will get monthly payouts for life starting from 65. Choose from three CPF LIFE plans that suit your needs.
- You can withdraw up to \$5,000 after 55, or leave your savings in your CPF account to earn interest.

Explore options and submit instructions related to your payouts  
[go.gov.sg/cpfpayouts](https://go.gov.sg/cpfpayouts)



Consider making small and regular cash top-ups or CPF transfers to your Special or Retirement Account to grow your retirement savings. Check if you are eligible for Matched Retirement Saving Scheme with dollar-for-dollar matching from the Government up to \$600.

Consider housing monetisation options such as Silver Housing Bonus and Lease Buyback Scheme to boost your retirement income.

Consider options to monetise your properties  
[go.gov.sg/monetise](https://go.gov.sg/monetise)



### Legacy planning

Legacy planning involves:

- A will: sets out your instructions on how you want your estate to be distributed after your death;
- A Lasting Power of Attorney: lets you appoint one or more people you trust to act and make decisions on your behalf should you lose mental capacity;
- An Advance Care Plan: sets out your wishes for future health and personal care; and
- A CPF nomination: determines how your CPF savings should be distributed.

Learn more on My Legacy portal with step-by-step guide  
[go.gov.sg/legacyplan](https://go.gov.sg/legacyplan)



## FIND OUT MORE FOR Golden Years

### MediShield Life

MediShield Life is a national health insurance that covers large hospital bills and selected costly outpatient treatments such as cancer treatments and dialysis.

All Singapore Citizens and Permanent Residents are covered by MediShield Life and premiums can be fully paid using your MediSave.

If you prefer to choose your own doctor, or opt for private hospitals or Class B1/A wards in public hospitals, your hospital bill would be larger.

“ **Half of Singapore residents with IPs do not utilise their IP benefits fully** by choosing to stay in Class B2/C wards when hospitalised. In such cases, MediShield Life's coverage would be sufficient and additional IP may not be necessary.

”

Private insurers offer Integrated Shield Plans (IPs)\*, which provide additional coverage on top of MediShield Life to help with your out-of-pocket expenses.

When making a decision to buy an IP, evaluate your needs and be mindful of the long-term costs that increase significantly with age. You can use MediSave to cover IP premiums, but it has withdrawal limits. If your IP premium (excluding MediShield Life) exceeds these limits, you may need to pay a portion using cash.

Check out MOH's comparison of IPs  
[go.gov.sg/compareip](https://go.gov.sg/compareip)



\* IP policyholders are also not eligible for Additional Premium Support (APS), which is a form of financial assistance for MediShield Life/CareShield Life premiums. If you are currently receiving APS to pay for your MediShield Life and/or CareShield Life premiums, you will stop receiving APS if you choose to be insured under an IP. This applies even if you are not the person paying for the IP.

### CareShield Life

CareShield Life is a national long-term care insurance scheme that provides monthly financial support should you develop a severe disability. CareShield Life covers all Singapore Citizens and Permanent Residents born in 1980 onwards, and premiums can be fully paid by your MediSave.

CareShield Life provides enhanced benefits as compared to ElderShield. ElderShield policyholders who have not developed severe disability may sign up to join CareShield Life.

Severe disability is when you cannot perform at least 3 out of the 6 activities of daily living independently (e.g. feeding, dressing, toileting, washing, transferring and mobility).

If you would like higher payouts or additional coverage (e.g. for less severe disability), private insurers offer CareShield Life Supplements. Carefully consider your needs and the long-term cost of CareShield Life Supplements, which depends on your current age.

Check if you have switched to  
CareShield Life and encourage  
your loved ones to do so too!  
[go.gov.sg/csl](https://go.gov.sg/csl)



Find out more about CareShield  
Life Supplements  
[go.gov.sg/cslsup](https://go.gov.sg/cslsup)

