

I am aged 55 and above. What will happen when my Special Account is closed and what is the rationale for doing so?

Today, members aged 55 and above have two CPF accounts that hold savings intended for retirement payouts: the Special Account (SA) and the Retirement Account (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 However, some SA savings can be withdrawn on demand from age 55. As a principle, only savings that cannot be withdrawn on demand should earn the long-term interest rate, and savings that can be withdrawn on demand should earn the short-term interest rate. To better align CPF interest rates to the nature of CPF savings in each CPF account, we will close your SA if you are aged 55 and above from early 2025. SA savings will be transferred to your RA, up to your Full Retirement Sum (FRS). These savings will continue to earn the long-term interest rate. If you have met your FRS, whether fully in cash or with a mixture of property and cash, any remaining SA savings will be transferred to your Ordinary Account (OA), where they remain withdrawable and will earn the short-term interest rate. You can choose to transfer your OA savings to the RA at any time, up to the prevailing Enhanced Retirement Sum (ERS) to earn long-term interest rates and receive higher retirement payouts. Once transferred, the RA savings can only be streamed out to you in retirement payouts. With the raised ERS from 1 January 2025, more than 99% of the members aged 55 and above today would be able to transfer all their SA savings, that were channelled to the OA due to the closure of SA, to the RA. You will be notified after the transfer of all SA savings to your RA and/or OA, and closure of your SA in early 2025. You will also be able to check the amounts transferred from your SA to your RA and/or OA from your CPF statement. No action is required from you now. Watch the video on how the SA will be closed for you from early 2025. More details on the implementation date will be shared in the second half of 2024. For details on other specific areas of your CPF savings, refer to these FAQ pages: