



MEDIA FACTSHEET

**FOR IMMEDIATE RELEASE
DATE: 12 April 2012**

FURTHER EXTENSION OF CPF MINIMUM SUM TOPPING UP SCHEME - Members Enjoy Tax Relief for Cash Top-Ups to Parents-and-Grandparents-in-laws

Minister of State of Manpower and National Development, Tan Chuan-Jin announced the extension of top-ups under CPF Board's Minimum Sum Topping-Up (MSTU) Scheme to parents-in-law and grandparents-in-law at the Retirement Conference "Improving Retirement Security in Singapore" today.

Come January 2013, cash top-ups parents-in-law and grandparents-in-laws' Special or Retirement Accounts¹ will also enjoy tax relief. With this, CPF member may enjoy up to \$7,000 tax relief for cash top-ups to family members, including to one's spouse, siblings², parents, parents-in-law, grandparents and grandparents-in-law. Together with cash top-ups into one's own CPF account, members can enjoy up to \$14,000 tax relief.

Members will also be able to make a top-up from their Ordinary Account to their parents-in-law and grandparents-in-laws' Special or Retirement Accounts, if the net balances in members' Ordinary and Special Accounts, including the amount withdrawn for investments, are more than the prevailing Minimum Sum. Currently, CPF top-ups can be made to spouses, siblings, parents, grandparents.

¹ Top ups will be to Special Account for recipients below age 55, and Retirement Account if recipient is 55 and above.

² To qualify for tax relief for cash top-ups for spouse/siblings, spouse/siblings must not have annual income exceeding \$4,000 in the year preceding the top-up (e.g. salary or tax exempt income such as bank interest, dividends and pension) or is handicapped.

Started in 1987, the MSTU Scheme aims to help members enhance their retirement savings, by encouraging them to top up to their own, or family members' Special or Retirement Accounts using their Ordinary Account savings or cash. Recipients can currently enjoy up to 5% interest per annum on their CPF savings³, thus building up their retirement nest egg faster.

In 2011, there were over 38,200 MSTU transactions amounting to \$215.6 million. Top-ups for parents' were the most popular, with 58% of all top-ups made in 2011 going into parent's accounts. Top-ups into one's own account constituted 23% of all top-ups in 2011, while top-ups to spouses made up 16%.

Annex: Key Changes to MSTU Scheme over the years to enhance retirement savings of members and their loved ones.

PUBLIC ENQUIRIES

For more information, please visit <http://www.cpf.gov.sg> or call the CPF Call Centre at 1800-227-1188.

MEDIA ENQUIRIES

For clarification of this media factsheet, please contact:

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³ Special and Retirement Account monies currently enjoy a floor rate of 4% interest per annum until the end of 2011. An additional 1% interest per annum is paid on the first \$60,000 of a member's combined balances, with up to \$20,000 from the Ordinary Account.

Key Changes to MSTU Scheme Over The Years

Year	Key MSTU announcements
Apr 1987	Start of MSTU Cash top-ups to self and cash/CPF top-ups to parents Tax relief cap at \$6,000 for cash top-up per calendar year
Jul 1995	MSTU extended to spouse (cash and CPF top-ups) without tax relief
Dec 2000	MSTU extended to grandparents (cash top-ups only) with tax relief.
Jan 2005	Tax relief cap raised to \$7,000 per year for cash top-ups to self, parents and grandparents as well as non-working spouse with annual income of \$2,000 or less.
Oct 2007	MSTU extended to siblings (cash and CPF top-ups) and CPF top-ups to grandparents. Tax relief extended to cash top-ups for siblings with annual income of \$2,000 or less.
Nov 2008	Tax relief cap of \$7,000 per year for cash top-up to own account by self or employer. Additional tax relief of \$7,000 per year for cash top-up to parent, spouse, grandparent, sibling
Apr 2009	CPF top-up requirement lowered to the prevailing Minimum Sum, down from 1.5 times.
Jan 2010	Annual income criterion for tax relief for cash top-up to non-working spouse and sibling change to \$4,000 or less. Income criterion for tax relief removed for disabled spouse and siblings.