

# CPF Minimum Sum

## What is the Minimum Sum?

The Central Provident Fund, or CPF, is a national savings plan that helps us save for retirement.



The amount to set aside for retirement (called Minimum Sum\*) is based on the basic expenses of a lower middle-income household.

When we reach 55 years old, savings from our Special Account and Ordinary Account, up to the Minimum Sum, will be transferred to a new Retirement Account.



When we reach 65 years old#, we will receive monthly payouts from our Retirement Account.

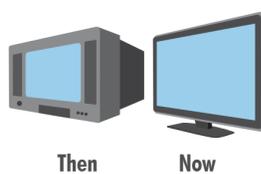


\*The Minimum Sum that applies to members turning 55 from 1 July 2014 to 30 June 2015 is \$155,000.

#65 is the Draw-down Age for those born after 1953. The Draw-down Age is the age at which members will receive monthly payouts from their CPF savings. It is currently 63, and is set to be raised to 64 in 2015, and to 65 in 2018.

The Minimum Sum has been increasing for each group of CPF members turning 55 for two reasons:

**1 Higher standard of living**



We need to cater to our rising expectations of what is considered a basic standard of living in retirement.

**2 Decreased currency value over time**



We have to keep up with inflation, so that the real value of our CPF savings does not decrease over time.

## Why does the Minimum Sum increase?

For those who turn 55 from **1 July 2014** to **30 June 2015**, the Minimum Sum is



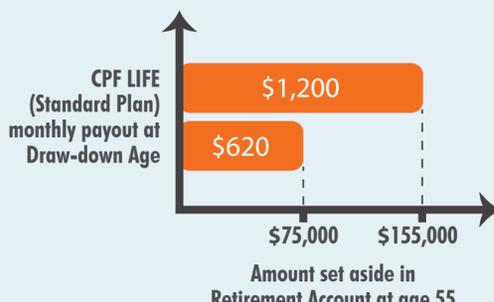
The Minimum Sum for those who turn 55 before **1 July 2014** remains unchanged.

## How much payout will I get when I retire?

The monthly payouts we get from 65 depends on how much we have in our Retirement Account. The more we have in our Retirement Account, the bigger the payouts we will get.



To illustrate, under the CPF LIFE Standard Plan\*, setting aside the Minimum Sum of \$155,000 at age 55 provides about \$1,200/month in retirement, while \$75,000 provides about \$620/month.



**Tip!**

Use the CPF LIFE Payout Estimator to estimate how much you can get under your CPF LIFE plan.



\*The CPF LIFE Scheme provides monthly payouts from our Draw-down Age for as long as we live. The Standard Plan is the default plan under CPF LIFE.

For more information, visit [www.cpf.gov.sg](http://www.cpf.gov.sg)

