

## **ANNEX: CPF AMENDMENT BILL 2017**

The CPF Amendment Bill 2017 will be introduced for its First Reading at the Parliament sitting on 02 October 2017. The key features of the Bill are:

- A. Strengthen family support by allowing more CPF members to make CPF transfers to their parents and grandparents;
- B. Update the payout benchmark for Retirement Sum exemption; and
- C. Other amendments to clarify and streamline the administration of the CPF Act.

2. The key policy-related changes in the Bill are outlined below.

### **A. Lower threshold for members to make CPF transfers to their parents and grandparents**

3. Currently, members must first meet the CPF balance threshold of Full Retirement Sum (FRS) in cash before they can transfer their balance Ordinary Account (OA) savings to their parents and grandparents. Members below age 55 will need to meet the current FRS, while members aged 55 and above will need to meet the FRS that is applicable to their cohort. The current FRS is \$166,000 for members age 55 and below age 55 in 2017. The current Basic Retirement Sum (BRS) is \$83,000, half of the FRS.

4. The CPF Act will be amended to lower the threshold for members who want to make CPF transfers to their parents and/or grandparents.

- i. For members aged 55 and above, they can transfer savings above their applicable BRS from their OA, Special Account and Retirement Account (OSRA) if they have at least their cohort BRS in their OSRA and have sufficient property pledge/charge to make up their cohort FRS.
- ii. For members below age 55, OA savings can be transferred after setting aside the current BRS in their OA and SA with sufficient property pledge/charge to make up the current FRS.

### **B. Update the payout benchmark for Retirement Sum exemption**

5. CPF members can apply to be exempted from setting aside their Retirement Sum if they have their own private annuity or pension, which provides them with payouts for life. Today, a member can apply to be fully exempted from setting aside

their Retirement Sum if his private annuity or pension is equivalent to the monthly payout that he can receive after setting aside his cohort FRS under the Retirement Sum Scheme (RSS).

6. The CPF Act will be amended to change the payout benchmark for full exemption from setting aside the Retirement Sum to the monthly payout that a member with his cohort FRS is expected to receive under CPF LIFE. This is because CPF LIFE has replaced RSS as the default scheme for CPF retirement payouts.

### **C. Other amendments**

7. The CPF Act will be further amended to provide greater clarity and efficiency in the administration of the CPF system, such as simplifying the CPF Act so that all computational details for the limits on voluntary top-up to the various CPF accounts will be specified in the CPF regulations.

### **Public Enquiries**

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