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ADJUSTMENT OF THE CPF MINIMUM SUM

The CPF Minimum Sum will be increased from $31,600 to $32,700 with effect from 1 April 1991. The increase of 3.4 per cent, the same as the rise in the 1990 Consumer Price Index, is to maintain the value of the Minimum Sum of $30,000 at 1986 prices.

Under the Minimum Sum, CPF members who reach 55 years of age are required, before they withdraw their savings, to set aside a minimum sum each in their CPF accounts or with approved banks or to invest it in approved annuities with insurance companies. Those who own properties can pledge their properties up to this value in lieu of setting aside the minimum sum. With effect from 1 April 1991, CPF members will therefore have to set aside $32,700 instead of $31,600.

For those members who keep their minimum sum with the CPF or approved banks, the amount that they can withdraw monthly from the age of 60 will also be raised by 3.4 per cent from $243 to $251 per month. This higher withdrawal rate will come into effect on 1st April 1996 when the cohort of members who reach 55 on 1st April this year reach 60 years of age. For those who have used their minimum sums to purchase approved annuities, their monthly withdrawals will be according to the terms of their annuity plans.

For a married couple who are both CPF members, the minimum sum will likewise be raised from $47,400 to $49,100 and the monthly withdrawal amount from $365 to $377.

The new minimum sum of $32,700 will also apply to the CPF approved investment scheme and the CPF education scheme from 1st April 1991. Hence, CPF members must have at least this sum in their CPF accounts or in the form of properties before they can participate in these other schemes.

MINISTRY OF LABOUR
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