

# Impact of extra interest over time

## Below 55 years old

**ALAN TAN**  
CPF member  
30 years old



**\$20,000** Ordinary Account (OA)

**\$40,000** Special, Medisave and Retirement Accounts (SMRA)

Time horizon	With extra 1% interest for first \$60,000
In 10 years	\$25,600 OA + \$66,400 SMRA = <b>\$92,000</b>
In 20 years	\$32,800 OA + \$105,500 SMRA = <b>\$138,300</b>

## 55 years old and above

**PETER CHUA**  
CPF member  
56 years old



**\$20,000** OA

**\$40,000** SMRA

Time horizon	With extra 1% interest on first \$60,000 & additional 1% interest on first \$30,000
In 10 years	\$25,600 OA + \$70,000 SMRA = <b>\$95,600</b>
In 20 years	\$32,800 OA + \$114,400 SMRA = <b>\$147,000</b>

NOTE: • The figures are based on a starting balance of \$20,000 in the OA, \$40,000 in the SMRA, and no further contributions and withdrawals.

- CPF members stand to gain more over time with the extra interest for the first \$60,000.
- CPF savings in the OA earn guaranteed interest rates of 2.5 per cent a year, while savings in SMRA earn 4 per cent.
- The first \$60,000 of your combined CPF balances, of which up to \$20,000 comes from your OA, earns an extra 1 per cent interest a year. An additional 1 per cent interest is paid on the first \$30,000 of combined CPF balances for all members aged 55 and above.
- Figures rounded to the nearest \$100.

## How they compare

	Month of annual CPF top-ups	
	January	December
\$2,000 per year for 10 years	\$20,000	\$20,000
Interest earned over 20 years	\$16,800	\$15,500

NOTE: • Calculation is based on Special and Retirement Account interest rates of 4% per annum.

- CPF members earn higher interest when top-ups are done at the start rather than end of the year.