

# CPF members can start retirement payouts any time from age 65

Manpower Minister Josephine Teo said in Parliament yesterday that there is no change in policy and Central Provident Fund (CPF) members can choose to start their monthly payouts at 65. They can also defer payouts anytime between 65 and 70, with age 70 being the latest that they can defer payouts. Below are five things members need to know about the issue.



## Question 1: DID THE GOVERNMENT CHANGE WHEN I CAN START MY PAYOUTS?

No, there is no change. You can activate your payouts any time from your payout eligibility age, which is 65 from 2018.



## Question 2: WHY DON'T PAYOUTS START AUTOMATICALLY AT AGE 65?

The CPF Board starts your payouts after it receives your instructions. This applies to CPF members on the Retirement Sum Scheme (RSS) and those who joined CPF Life from July 2015. It is not assumed that every member wants to start his payouts at 65 as there are benefits to deferring payouts.\*



## Question 3: WHAT ARE THE BENEFITS OF DEFERRING MY PAYOUTS?

You'll earn more interest, which means longer and/or higher payouts. With every year of deferral, your CPF savings will earn risk-free interest of up to 6 per cent a year.

This 6 per cent includes:

- An extra interest of 1 per cent for the first \$60,000
- Additional extra interest of 1 per cent for the first \$30,000

For members on CPF Life, every year of deferral results in up to 7 per cent higher payouts. If you defer for five years, that's up to 35 per cent more.



## Question 4: WHAT HAPPENS TO MY PAYOUTS AT AGE 70?

In the past, RSS members who did not instruct the CPF Board to start their payouts could end up keeping their savings in their CPF accounts until they passed away.

Therefore a Latest Payout Start Age of 70 was introduced. Even if a member does not give instructions to start his payouts, the CPF Board will start his payouts automatically at age 70.

The member can still instruct the CPF Board to start the payouts any time from age 65. The same applies to members who join CPF Life from July 2015.



## Question 5: HOW CAN I START MY PAYOUTS?

Before your payout eligibility age, the CPF Board will send you a personalised letter to inform that you can start your payouts. You can start your payouts by:

- Completing the hardcopy application form that comes with the letter;
- Applying online through the CPF website; OR
- Visiting one of five CPF Service Centres islandwide.

If you do not start your payouts, the CPF Board will continue to send you instructions in your Yearly Statement of Account on how you can do so.

NOTE: \*The option to defer CPF Life retirement payouts was NOT available before July 2015. The payouts for a member who joined CPF Life before July 2015 will therefore automatically start when the member reaches payout eligibility age. This will not change unless the member instructs the CPF Board to defer payouts.