

## Singapore

Exchange rate: US\$1.00 =  
1.35 Singapore dollars (S\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

**First law:** 1953 (provident fund), implemented in 1955.

**Current laws:** 2001 (provident fund) and 2015 (income support program).

**Type of program:** Provident fund and social assistance system.

Note: Central Provident Fund (CPF) provides four types of individual accounts for each member: an ordinary account (OA) to finance the purchase of a home, approved investments, CPF insurance, and education; a special account (SA), principally for retirement (may invest in retirement-related financial products); a Medisave account (MA) for certain medical expenses (see Sickness and Maternity); and a retirement account (RA) set up at age 55 to finance periodic payments at retirement.

#### Coverage

**Provident fund:** Employed persons, including most categories of public-sector employees; and self-employed persons with annual net income greater than S\$6,000 (MA only).

Voluntary coverage is available.

Special system for certain categories of public-sector employees, including administrative service staff.

**Silver Support Scheme (social assistance):** Needy, elderly citizens of Singapore.

#### Source of Funds

##### Insured person

**Provident fund:** 20% of monthly earnings greater than S\$750 if aged 55 or younger; 5% to 13% if older than age 55. Insured persons earning more than S\$500 a month but less than S\$750 a month pay a flat monthly amount depending on age and earnings.

The minimum monthly earnings used to calculate contributions are S\$50.

The maximum monthly earnings used to calculate contributions are S\$6,000.

Of the combined insured person and employer contribution, 1% to 23% is allocated to the OA, 1% to 11.5% to the SA, and 7% to 9.5% to the MA, depending on age. (Contribution rates for older fund members are higher.) The MA covers the cost of hospitalization and medical expenses (see

Sickness and Maternity). Funds from the OA and the SA are transferred to the RA at age 55.

The maximum annual combined insured person and employer contribution is S\$37,740.

**Social assistance:** None.

##### Self-employed person

**Provident fund:** 4% to 10.5% (depending on age, earnings, and whether or not the self-employed person is a pensioner) of annual income to the MA only. (Contribution rates for older fund members, persons with higher monthly earnings, and nonpensioners are higher).

The maximum mandatory annual contribution to the MA is S\$4,320 to S\$7,560 a year, depending on age, earnings, and whether or not the self-employed person is a pensioner.

**Social assistance:** None.

##### Employer

**Provident fund:** 17% of employee monthly earnings greater than S\$50 if aged 55 or younger; 7.5% to 13% of employee monthly earnings greater than S\$50 if older than age 55.

The minimum monthly earnings used to calculate contributions are S\$50.

The maximum monthly earnings used to calculate contributions are S\$6,000.

Of the combined insured person and employer contribution, 1% to 23% is allocated to the OA, 1% to 11.5% to the SA, and 8% to 10.5% to the MA, depending on age. (Contribution rates for older fund members are higher). Funds from the OA and the SA are transferred to the RA at age 55.

The maximum annual combined insured person and employer contribution is S\$37,740.

**Social assistance:** None.

##### Government

**Provident fund:** Under the Workfare Income Supplement Scheme (see Family Allowances), 60% of up to S\$3,600 a year, depending on the insured's age, to the CPF accounts of low-wage employees aged 35 or older (aged 13 or older if disabled) with average gross monthly income up to \$2,000; 90% of up to S\$2,333 a year, depending on the insured's age, to the MA of self-employed persons; tops up CPF accounts for all workers on an ad hoc basis.

**Social assistance:** The total cost.

#### Qualifying Conditions

##### Old-age benefit (provident fund)

**Ordinary account:** Funds can be withdrawn at age 55, subject to certain conditions.

**Drawdown payment:** Funds can be withdrawn before age 55 to purchase a home or insurance (term-life insurance scheme and a mortgage-reducing insurance scheme run by

the CPF Board) or to pay for education at approved local institutions for the fund member or his or her children. Funds over S\$20,000 can be withdrawn to make investments in approved instruments.

**Special account:** Funds can be withdrawn at age 55, subject to certain conditions.

**Drawdown payment:** Funds over S\$40,000 can be withdrawn before age 55 to make investments in approved instruments.

**Medisave account:** Funds over S\$49,800 (the Medisave minimum balance) can be withdrawn at age 55. Retirement is not necessary.

**Drawdown payment:** See Sickness and Maternity.

**Retirement account:** Funds can be withdrawn at age 55, or at any age if the fund member has a serious medical condition or is permanently leaving Singapore and West Malaysia.

Fund members with at least S\$40,000 in the RA at age 55 or at least S\$60,000 at age 65 are automatically enrolled in a life annuity from the CPF Board (CPF Life). (Enrollment is voluntary for fund members with less than this amount.)

**Silver Support Scheme (social assistance):** Age 65 with total CPF contributions of up to S\$70,000 by age 55 and household per capita monthly income of up to S\$1,100. Self-employed persons must have annual average net income of up to S\$22,800 from age 45 to 54. Must live in public housing with less than six rooms and must not own or be married to someone who owns a property with more than five rooms.

**Disability benefit (provident fund):** The fund member must be diagnosed with a serious medical condition, assessed with a permanent total incapacity for any work, or terminally ill. The disability is assessed either by a registered doctor in any government hospital or by the Central Provident Fund Board's panel of doctors.

**Survivor benefit (provident fund):** Paid to one or more named survivors.

### Old-Age Benefits

#### Old-age benefit (provident fund)

**Ordinary and special accounts:** A lump sum is paid of total employee and employer contributions plus at least 2.5% compound interest minus drawdown payments and the minimum balances required at age 55 for the RA (up to S\$161,000 for persons who do not own a home, up to S\$80,500 for persons who own a home, depending on age) and the MA (S\$49,800).

**Medisave account:** A lump sum is paid to meet the cost of hospitalization.

**Drawdown payment:** See Sickness and Maternity.

**Retirement account:** Funds can be withdrawn to buy a life annuity from the CPF Board or approved insurers, or can be deposited with approved banks that pay a monthly income until the account is depleted. From May 1, 2016, all members with at least S\$60,000 in their retirement account at age 55 must purchase the life annuity provided by the CPF Board.

**Interest rate:** The interest rate on the OA savings is 2.5% or the average interest rate of major local banks over the last three months, whichever is higher. The interest rate on the SA, MA, and RA savings is based on the 12-month average yield of the 10-year Singapore Government Securities plus 1%. The first S\$60,000 in a member's combined accounts (including up to S\$20,000 from the OA) earns an additional 1% a year. The CPF Board guarantees a minimum interest rate of 2.5% a year on all accounts. Interest is computed monthly and compounded and credited annually.

**Silver Support Scheme (social assistance):** S\$300 to S\$750 a quarter is paid, depending on the number of rooms in the dwelling.

### Permanent Disability Benefits

#### Disability benefit (provident fund)

**Ordinary, Medisave, special, and retirement accounts:** A lump sum is paid of total employee and employer contributions plus at least 2.5% of compound interest minus drawdown payments and the minimum balances required at age 55 for the RA (up to S\$161,000, depending on age) and the MA (S\$49,800), pro-rated according to the insured's age.

A monthly benefit of the remaining balance in the RA is also paid.

The minimum monthly benefit from the RA is S\$450.

**Drawdown payment:** See Sickness and Maternity.

**Interest rate:** The interest rate on the OA savings is 2.5% or the average interest rate of major local banks over the last three months, whichever is higher. The interest rate on the SA, MA, and RA savings is based on the 12-month average yield of the 10-year Singapore Government Securities plus 1%. The first S\$60,000 in a member's combined accounts (including up to S\$20,000 from the OA) earn an additional 1% a year. The CPF Board guarantees a minimum interest rate of 2.5% a year on all accounts. Interest is computed monthly and compounded and credited annually.

### Survivor Benefits

**Survivor benefit (provident fund, all accounts):** The benefit is the remaining balances in the deceased's accounts and any term-life insurance payouts or any death benefit from the CPF life annuity scheme.

The fund member determines the proportion of benefit that different survivors receive. If there are no named survivors,

the benefit is distributed by the Public Trustee according to law.

### Administrative Organization

Ministry of Manpower (<http://www.mom.gov.sg/>) provides general supervision through its Income Security Policy Division.

Central Provident Fund Board (<https://www.cpf.gov.sg/>), managed by a tripartite board and a chairman, administers the programs, including the custody of the fund, collection of contributions, and payment of benefits.

### Sickness and Maternity

#### Regulatory Framework

**First laws:** 1953 (provident fund), implemented in 1955; 1968 (employment); and 1993 (medical endowment scheme).

**Current laws:** 2000 (medical and elderly care), 2001 (provident fund), 2001 (child development co-savings), 2009 (employment), and 2015 (medical benefits).

**Type of program:** Employer-liability (cash sickness and maternity benefits), provident fund (medical benefits), and social assistance (medical benefits) system.

Note: Provident fund members have a Medisave account to pay for hospital treatment, selected outpatient medical treatment, and approved medical insurance.

#### Coverage

**Cash sickness and maternity benefits (employer liability):** Employed persons.

Exclusions: Self-employed persons.

**Medical benefits (provident fund):** See coverage under Old Age, Disability, and Survivors.

MediShield Life program: Citizens and residents of Singapore.

**Medical benefits (social assistance):** Residents of Singapore.

#### Source of Funds

##### Insured person

**Cash sickness and maternity benefits (employer liability):** None.

**Medical benefits (provident fund):** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits (social assistance):** None.

##### Self-employed person

**Cash sickness and maternity benefits (employer liability):** Not applicable.

**Medical benefits (provident fund):** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits (social assistance):** None.

##### Employer

**Cash sickness and maternity benefits (employer liability):** The total cost.

**Medical benefits (provident fund):** See source of funds under Old Age, Disability, and Survivors.

**Medical benefits (social assistance):** None.

Employers can seek a tax exemption for the three types of benefits (above) for medical expenses incurred up to a certain percentage of their wage costs.

##### Government

**Cash sickness and maternity benefits (employer liability):** None.

**Medical benefits (provident fund):** Subsidizes services in certain classes of hospital wards and in outpatient and long-term care provision; subsidizes premiums for low- and middle-income persons under the Medishield Life program.

**Medical benefits (social assistance):** All or part of the cost of treatment in approved publicly funded institutions.

#### Qualifying Conditions

**Cash sickness benefit (employer liability):** Must have at least three months of employment. A registered doctor must provide medical certification.

**Cash maternity benefit (employer liability):** Must have at least three months of employment immediately before childbirth.

**Medical benefits (provident fund):** The insured must have savings in the MA.

MediShield Life program: Must be a citizen or permanent resident of Singapore.

**Medical benefits (social assistance):** Provided to citizens satisfying means and income tests.

#### Sickness and Maternity Benefits

**Cash sickness benefit (employer liability):** 100% of the employee's gross wages is paid for up to 14 days a year (up to 60 days if hospitalized).

**Cash maternity benefit (employer liability):** 100% of the employed woman's gross wages is paid for up to 16 weeks for the first two births. (Employers pay for the first eight weeks) An additional 16 weeks is paid for each subsequent birth.

The maximum benefit is S\$10,000 for each four-week period.

### **Workers' Medical Benefits**

**Medical benefits (provident fund):** Funds can be withdrawn from the MA for medical treatments and to purchase MediShield Life (a basic health insurance plan) and ElderShield (a severe disability long-term care insurance plan) or ElderShield Supplements for a member or his or her dependents, subject to limits. In addition to MediShield Life, insured persons may use the MA to purchase Integrated Shield Plans from private insurers.

Benefits include inpatient care, outpatient surgery, and prescribed medicine in approved hospitals and medical institutions. Insured persons must make a copayment for subsidized treatment in public health care institutions. The cost of medical treatment is deducted from the fund member's balance in the MA for approved treatments, or may be claimed from the member's MediShield or Integrated Shield plan.

The MA can be used to pay for childbirth and maternity care expenses incurred for the first four live childbirths; for the birth of the fifth and subsequent children if both parents have a combined MA balance of at least S\$15,000 at the time of the childbirth.

**Medical benefits (social assistance):** Residents of Singapore unable to make the copayment for medical treatment in approved hospitals and medical institutions can apply for financial aid from the Medical Endowment fund (Medifund). The amount of financial aid provided depends on individual circumstances. Under the separate public assistance program, individuals without employment or any source of income may receive free medical treatment at government hospitals and clinics. Means-tested subsidies are also available at approved intermediate and long-term care institutions.

### **Dependents' Medical Benefits**

Medical benefits for dependents are the same as those for the insured.

### **Administrative Organization**

**Employer liability:** Ministry of Manpower (<http://www.mom.gov.sg/>) provides general supervision and enforces the law through its Labor Relations and Workplaces Division.

**Provident fund:** Ministry of Manpower (<http://www.mom.gov.sg/>) provides policy guidelines through its Income Security Policy Division.

Central Provident Fund Board (<https://www.cpf.gov.sg/>), managed by a tripartite board and a chairman, administers the program, including custody of the fund, collection of contributions, and payment of benefits.

**Medical benefits:** Ministry of Health (<https://www.moh.gov.sg/>) regulates medical services provided by government hospitals and private providers. It also oversees the

funding of the healthcare sector, subsidies and Medifund to patients, and provides policy direction for Medisave, MediShield, and ElderShield.

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### **Work Injury**

#### **Regulatory Framework**

**First law:** 1933 (workmen's compensation).

**Current law:** 2009 (work injury compensation).

**Type of program:** Employer-liability system through a private carrier.

#### **Coverage**

Manual employees (regardless of earnings) and non-manual employees with monthly earnings of S\$1,600 or less (unless exempt).

The Ministry of Manpower may waive the compulsory insurance requirement for any employer or class of employers.

Exclusions: Self-employed persons, household workers, military, police, civil defense force, central narcotics bureau, and prison service personnel.

#### **Source of Funds**

**Insured person:** None.

**Self-employed person:** Not applicable.

**Employer:** The total cost; provides benefits directly or pays insurance premiums.

**Government:** None.

#### **Qualifying Conditions**

There is no minimum qualifying period, but claims must be made within one year of the date of the accident or when the disability began.

#### **Temporary Disability Benefits**

100% of the insured's average monthly earnings in the 12 months before the disability began is paid for up to 14 days if not hospitalized (up to 60 days if hospitalized). Thereafter, 66.7% of the insured's average monthly earnings in the 12 months before the disability began is paid.

The benefit is paid from the first day of incapacity for the duration of incapacity, up to one year.

#### **Permanent Disability Benefits**

If the insured is assessed with a total permanent disability, a lump sum is paid that varies according to the insured's age when the disability began and average monthly earnings in the 12 months before the disability began.

The lump sum ranges from 72 times the insured's average monthly earnings in the 12 months before the disability began (if aged 66 or older) to 181 times the insured's average monthly earnings in the 12 months before the disability began (if aged 14 or younger).

The minimum lump sum is S\$88,000.

The maximum lump sum is S\$262,000.

Constant-attendance supplement: If the insured has a 100% assessed degree of permanent disability (total disability) and requires the constant attendance of others, an additional 25% of the lump sum is paid. A registered doctor must provide medical certification.

Partial disability: A lump sum is paid as a percentage of the full benefit according to the assessed degree of disability and a schedule in law.

### **Workers' Medical Benefits**

Treatment at approved hospitals is provided.

### **Survivor Benefits**

A lump sum is paid that varies according to the insured's age at the time of death and average monthly earnings.

The lump sum ranges from 48 times the deceased's average monthly earnings in the 12 months before death (if the deceased was aged 66 or older) to 136 times the deceased's average monthly earnings in the 12 months before death (if the deceased was aged 14 or younger).

Eligible survivors include a spouse, parents, grandparents, stepparents, children, grandchildren, stepchildren, and brothers and sisters.

The minimum lump sum is S\$69,000.

The maximum lump sum is S\$204,000.

### **Administrative Organization**

Ministry of Manpower (<http://www.mom.gov.sg/>) provides general supervision through its Work Injury Compensation Department, Occupational Safety and Health Division.

The Commissioner for Labor, and the Assistant Commissioners assess the disability, pay benefits, conduct hearings, and investigate and enforce the Work Injury Compensation Act.

### **Unemployment**

#### **Regulatory Framework**

The Workfare Training Support Scheme provides subsidized employment training, including a training allowance of up to S\$4.50 an hour of training completed, to persons who qualify for the Workfare Income Support Scheme (see Family Allowances).

### **Family Allowances**

#### **Regulatory Framework**

The Workfare Income Supplement Scheme supplements the income and CPF savings of low-wage workers aged 35 or older with a gross monthly income up to S\$2,000. Individuals must have worked at least two months in any three-month period. The benefit is 40% of up to S\$3,600 a year, depending on the insured's age (10% of up to S\$2,333 a year, depending on age, if self-employed). The benefit is paid quarterly.