7 May 2013

**CHANGES IN CPF MINIMUM SUM, MEDISAVE MINIMUM SUM AND MEDISAVE CONTRIBUITION CEILING FROM 1 JULY 2013**

**CPF Minimum Sum**

CPF members who turn 55 between 1 July 2013 and 30 June 2014 will need to set aside a Minimum Sum (MS) of $148,000 in their Retirement Account (RA). The MS for 2012 was $139,000.

The MS has been adjusted over the years to account for inflation, longer life expectancies and Singaporeans’ rising expectations of their quality of life post-retirement. The MS is targeted to reach $120,000 (2003$\(^1\)) in 2015.

**Medisave Minimum Sum and Medisave Contribution Ceiling**

The Medisave Minimum Sum (MMS) is the amount that a person turning 55 needs to set aside in his old age for his own or his dependants’ healthcare expenses and basic MediShield and ElderShield premiums. Regular MMS adjustments are necessary to help Singaporeans meet their long-term healthcare needs.

From 1 July 2013,

a. The Medisave Minimum Sum (MMS) will be raised to $40,500 from $38,500. Members will be able to withdraw their Medisave savings in excess of the MMS at or after age 55.

b. The maximum balance a member may have in his Medisave Account, known as the Medisave Contribution Ceiling (MCC), is set at $5,000 above MMS and this would be increased correspondingly to $45,500, from $43,500.

Any Medisave contribution in excess of the current MCC will be transferred to the member’s Special Account if he is below age 55 or to his RA if he is above age 55 and has a MS shortfall.

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\(^1\) The $120,000 target in 2003 dollars is effectively $120,000, adjusted for inflation between 2003 and the time the target is met. Doing so preserves the real value of the target.
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