

## Singapore

Exchange rate: US\$1.00 equals  
1.37 Singapore dollars (S\$).

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current law:** 2001 (provident fund), with amendments.

**Type of program:** Provident fund system.

Note: Central Provident Fund (CPF) operates four types of individual accounts: an ordinary account to finance the purchase of a home, approved investments, CPF insurance, and education; a special account, principally for old-age provisions; a medisave account to pay for hospital treatment, medical benefits, and approved medical insurance; and, from age 55, a retirement account to finance periodic payments from age 60 to 65.

#### Coverage

Employed persons, including most categories of public-sector employees, earning more than S\$50 a month.

Self-employed persons earning an annual net trade income greater than S\$6,000 are covered for hospitalization expenses and approved medical insurance.

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

#### Source of Funds

**Insured person:** None if monthly earnings are less than S\$500; contributions gradually increase to 20% for monthly earnings of S\$1,500 or more.

Depending on the fund member's age, between 1% and 23% of the total insured person and employer contributions are placed in the ordinary account, between 0% and 7% are placed in the special account, and between 6.5% and 9% are placed in the medisave account. The medisave account covers the cost of hospitalization and medical expenses (see Sickness and Maternity, below). At age 55, a retirement account is established in which fund members must place a maximum of S\$106,000 (up to 50% of which can be pledged property and the remainder in cash).

Fund members aged 50 or older contribute at lower rates.

The maximum monthly earnings for contribution calculation purposes are S\$4,500.

Insured persons may make additional voluntary contributions. The total insured person and employer voluntary and mandatory contributions must not exceed S\$26,393 a year.

Mandatory contributions are tax-deductible.

**Self-employed person:** Between 2.17% and 8.5% (depending on age) of annual income to the medisave account only. Additional voluntary contributions are possible, up to a maximum.

The maximum annual contribution to the medisave account (depending on age) is between S\$3,510 and S\$4,590.

Mandatory contributions are tax-deductible.

**Employer:** None on behalf of employees with monthly earnings less than S\$50; contributions gradually increase to 14.5% of monthly earnings of S\$1,500 or more.

Contributions on behalf of all employed fund members aged 35 or older and earning less than S\$1,500 per month are paid at lower rates.

The maximum monthly earnings for contribution calculation purposes are S\$4,500.

Employers may make additional voluntary contributions on behalf of employees. The total employer and insured person voluntary and mandatory contributions must not exceed S\$26,393 a year.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Contributions are allocated to three separate accounts, and individual savings can be accessed under certain conditions.

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

*Drawdown payment:* Funds can be drawn down before age 55 to purchase a home or insurance (term-life insurance scheme and a mortgage-reducing insurance scheme operated by the Central Provident Fund), invest in approved instruments, and pay for education at approved local institutions for the member or his or her children.

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

*Drawdown payment:* Funds can be drawn down before age 55 to make investments in approved instruments.

*Medisave account:* Funds in excess of S\$29,500 (the medisave minimum sum) can first be withdrawn at age 55. The cessation of employment is not necessary.

*Drawdown payment:* Funds can be drawn down before age 55 for medical treatment and to purchase medical insurance for the member and dependents from the Central Provident Fund or approved private providers.

*Retirement account:* At age 55, a retirement account is established in which fund members must place a maximum of S\$106,000 (up to 50% of which can be pledged property and the remainder in cash). The cash proportion ensures monthly income from age 62 (age 60 to 65 for certain cohorts and occupations), until the account is empty.

All funds may be withdrawn at any age if a member permanently emigrates from Singapore.

**Disability benefit:** The fund member must be assessed with a permanent total incapacity for any work. 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:** Paid to one or more survivors named by the fund member.

## Old-Age Benefits

### Old-age benefit

*Ordinary and special accounts:* A lump sum is paid equal to total employee and employer contributions, plus at least 2.5% (ordinary account), minus drawdown payments and the cash proportion of the minimum sum of the retirement account.

*Medisave account:* At age 55, fund members must leave the medisave minimum sum, of at least S\$29,500, in the medisave account to meet the cost of future hospitalization. Savings in excess of S\$29,500 can be withdrawn subject to certain conditions.

*Drawdown payment:* Funds may be drawn down for medical treatments, subject to limits. Up to S\$800 per insured person per policy year can be used to purchase severe illness medical insurance (MediShield and Medisave-approved plans). Up to S\$600 per insured person per calendar year can be used to purchase severe disability insurance (ElderShield and ElderShield Supplements). Fund members can purchase medical insurance for their dependents.

*Retirement account:* At age 55, a retirement account is established in which fund members may place a maximum of S\$106,000 (up to 50% of which can be pledged property and the remainder in cash). The cash proportion ensures monthly income from age 62 (age 60 to 65 for certain cohorts and occupations), until the account is empty. Funds can be deposited with a bank, left in the Central Provident Fund retirement account, or used to buy a life annuity from an insurance company.

*Interest rate:* Members receive a market-related interest rate (based on the 12-month fixed deposit and month-end savings rates of the major local banks) on their ordinary account savings. The interest rate for savings in the medisave, special, and retirement accounts and the first S\$60,000 in a Central Provident Fund member's combined accounts (including up to S\$20,000 from the ordinary account) earn an additional interest rate of 1% per year. The Central Provident Fund Board guarantees a minimum interest rate of 2.5% per year on all accounts. Interest is computed monthly and compounded and credited annually.

## Permanent Disability Benefits

### Disability benefit

*Ordinary, medisave, and special accounts:* A lump sum is paid equal to total employee and employer contributions, plus at least 2.5% of compound interest after setting aside a reduced sum in the retirement account to provide a monthly payment to the member and the medisave minimum sum (S\$29,500) in the medisave account.

*Drawdown payment:* Funds can be drawn down for medical treatments subject to limits. In addition, up to S\$800 per insured person per policy year can be used to purchase catastrophic illness insurance schemes (MediShield and Medisave-approved plans). Up to S\$600 per insured person per calendar year can also be used to purchase severe disability insurance schemes (ElderShield and ElderShield Supplements). Fund members can purchase medical insurance for their dependents.

*Interest rate:* Members receive a market-related interest rate (based on the 12-month fixed deposit and month-end savings rates of the major local banks) on their ordinary account savings. The interest rate for savings in the medisave, special, and retirement accounts is pegged to the 12-month average yield of the 10-year Singapore Government Securities plus an additional interest rate of 1%. The first S\$60,000 in a CPF member's combined accounts, including up to S\$20,000 from the ordinary account, will also earn an extra 1% interest. The Central Provident Fund Board guarantees a minimum interest rate of 2.5% per year. Interest is computed monthly and compounded and credited annually.

### Survivor Benefits

**Survivor benefit (all accounts):** The benefit is equal to the remaining balances in the deceased's accounts and any term-life insurance payouts.

The fund member determines the proportion of benefit that different survivors receive. In the absence of named survivors, the benefit is distributed by the Public Trustee in accordance with the law.

### Administrative Organization

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

Managed by a tripartite board and a chairman, the Central Provident Fund (<http://www.cpf.gov.sg>) is responsible for the administration of the program, including the custody of the fund, collection of contributions, and payment of benefits.

## Sickness and Maternity

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### Regulatory Framework

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

**Current laws:** 1996 (employment); and 2001 (provident fund), with amendments.

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

### Coverage

**Cash benefits (employer liability):** All employed persons.

**Medical benefits (provident fund):** Employed and self-employed persons with annual net income greater than S\$6,000.

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

**Medical benefits (social assistance):** Singapore citizens unable to pay for medical treatment in approved hospitals and medical institutions can apply for financial aid from the medifund program. 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 be given free medical treatment at government hospitals and clinics.

### Source of Funds

#### Insured person

**Cash benefits (employer liability):** None.

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

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

#### Self-employed person

**Cash benefits (employer liability):** Not applicable.

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

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

#### Employer

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

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

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

#### Government

**Cash benefits (employer liability):** None.

**Medical benefits (provident fund):** Fund members are subsidized when using certain classes of hospital wards.

**Medical benefits (social assistance):** The total cost.

### Qualifying Conditions

**Cash sickness benefit (employer liability):** The insured must have at least 6 months of employment. Medical certification is necessary.

**Cash maternity benefit (employer liability):** The insured must have at least 180 days of employment immediately before childbirth.

**Medical benefits (provident fund):** The insured must be a member of the medisave program. (Members can access savings in their medisave account.)

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

### Sickness and Maternity Benefits

**Cash sickness benefit (employer liability):** Up to 14 days of paid sick leave are provided a year (up to 60 days if hospitalized).

**Cash maternity benefit (employer liability):** The benefit is equal to 100% of the female employee's gross wages.

Working mothers are provided up to 12 weeks of maternity leave. Employers pay for the first 8 weeks of leave for the first two births. Government reimburses employers for the additional 4-week leave period for the first two births and pays for the entire 12-week leave period for the third and fourth births, if the qualifying conditions are met. Government reimbursement is capped at S\$10,000 each for the first two births and S\$30,000 each for the 3rd and 4th births.

### Workers' Medical Benefits

Outpatient treatment and inpatient hospital care are provided through government hospitals and approved private hospitals and medical institutions. Benefits include day-surgery treatment and prescribed medicines. The cost of medical treatment is deducted from the fund member's balance in the medisave account for approved treatments.

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

Patients in hospital wards receive subsidies of up to 80% of costs.

Maximum limits apply to costs deducted from the medisave account for different types of services (such as a maximum of S\$450 for daily hospital charges, including a maximum of S\$50 for a doctor's daily attendance fees).

## Dependents' Medical Benefits

Members can use their medisave account to help pay for the medical expenses of their spouse, children, parents, and grandparents. Grandparents must be Singapore citizens or reside permanently in Singapore.

The medical benefits, subsidies, and maximum limits on cost are the same as for the insured person.

## Administrative Organization

**Employer liability:** Ministry of Manpower (<http://www.mom.gov.sg>) provides general supervision and enforces the law through its labor relations department.

**Provident fund:** Ministry of Manpower (<http://www.mom.gov.sg>) provides general supervision and enforces the law through its Income Security Policy Department.

Managed by a tripartite board and a chairman, the Central Provident Fund (<http://www.cpf.gov.sg>) is responsible for the administration of the program, including custody of the fund, collection of contributions, and payment of benefits.

**Medical benefits:** Ministry of Health (<http://www.moh.gov.sg>) provides medical services through government hospitals and private providers.

## Work Injury

### Regulatory Framework

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

**Current law:** 2008 (work injury compensation).

**Type of program:** Employer liability system, involving compulsory insurance with a private carrier for all manual employees (regardless of earnings) and non-manual employees with monthly earnings of S\$1,600 or less (unless exempted).

### Coverage

All manual labor employees; nonmanual labor employees with earnings of S\$1,600 a month or less.

Exclusions: Self-employed persons; nonmanual labor employees with earnings greater than S\$1,600 a month; independent contractors; household workers; and members of the armed forces, police force, civil defense force, central narcotics bureau, and prison service.

### Source of Funds

**Insured person:** None.

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

**Employer:** The total cost, through the direct provision of benefits or insurance premiums.

**Government:** None.

## Qualifying Conditions

**Work injury benefits:** There is no minimum qualifying period, but claims must be made within 1 year of the date of the accident.

### Temporary Disability Benefits

The benefit is equal to 100% of the insured's average monthly earnings in the 12 months before the disability began and is paid for up to 14 days if not hospitalized (up to 60 days if hospitalized); thereafter, the benefit is equal to 2/3 of the insured's average monthly earnings in the 12 months before the disability began.

The benefit is paid from the first day of incapacity for a maximum of 1 year.

### Permanent Disability Benefits

**Permanent disability benefit:** If the insured has an assessed permanent disability, a lump sum is paid that varies according to the insured's age when the disability began, average monthly earnings in the 12 months before the disability began and the assessed degree of disability.

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\$60,000.

The maximum lump sum is S\$180,000.

**Constant-attendance supplement:** If the insured has an assessed degree of permanent disability of 100% (total disability) and requires the constant attendance of another person, an additional grant equal to 25% of the lump sum is paid. Medical certification must be provided by a registered doctor.

**Partial disability:** A lump sum is paid equal to the assessed degree of disability multiplied by the insured's average monthly earnings in the 12 months before the disability began multiplied by a factor set according to the schedule in law.

### Survivor Benefits

**Survivor benefit:** 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 are a spouse, parents, grandparents, step-parents, children, grandchildren, stepchildren, and brothers and sisters. Survivors need not have been dependent. The

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Commissioner for Labor splits the lump sum among eligible survivors.

The minimum lump sum is S\$47,000.

The maximum lump sum is S\$140,000.

### ***Administrative Organization***

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

Commissioner for Labor, part of the Ministry of Manpower, enforces the law, approves agreements between employers and claimants, and distributes survivor benefits.

Employers must insure against liability with private insurance for all manual employees and non-manual employees earning S\$1,600 a month or less. The Ministry of Manpower may waive the compulsory insurance requirement for any employer or class of employers.