

## Singapore

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

### Old Age, Disability, and Survivors

#### Regulatory Framework

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

**Current law:** 2001 (provident fund).

**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 the minimum wage depending on age (S\$50 a month for younger than age 36).

Self-employed persons earning an annual net 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; up to 20% for monthly earnings of S\$1,500 or more, depending on the fund member's age.

The contribution is divided among different types of individual accounts and the amount depends on the fund member's age: 1% to 23% of total monthly wages to the ordinary account, 0% to 7% to the special account, and 7% to 9.5% to the medisave account. The medisave account covers the cost of hospitalization and medical expenses (see *Sickness and Maternity*). At age 55, a retirement account is established in which fund members must place a minimum amount, which varies up to S\$123,000, depending on age (up to 50% can be pledged property).

Fund members aged 50 or older contribute at lower rates.

The maximum monthly earnings used to calculate contributions 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\$26,775 a year.

**Self-employed person:** 2.22% to 8.67% (depending on age) of annual income to the medisave account only. Additional voluntary contributions are possible, up to a maximum.

Depending on age, the maximum annual contribution to the medisave account is S\$3,601 to S\$4,681.

**Employer:** None for employees with monthly earnings less than S\$50; up to 15% for monthly earnings of S\$1,500 or more, depending on the fund member's age. There are lower contribution rates for all employed fund members aged 35 or older and earning up to S\$1,500 per month.

The maximum monthly earnings used to calculate contributions are S\$4,500.

Employers may make additional voluntary contributions for employees. The total employer and insured person voluntary and mandatory contributions must not exceed S\$26,775 a year.

**Government:** None.

#### Qualifying Conditions

**Old-age benefit:** Contributions are allocated to three separate accounts and a portion of the funds may be withdrawn 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 Board), and pay for education at approved local institutions for the member or his or her children. Funds over S\$20,000 can also be drawn down before age 55 for other approved purposes.

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

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

*Medisave account:* Funds over S\$34,500 (the medisave minimum balance) 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 of the member and dependents, or to purchase medical insurance for the member and dependents from the Central Provident Fund Board or approved insurers.

*Retirement account:* At age 55, a member must set up a retirement account with up to S\$123,000 (up to 50% may be pledged property) to ensure a monthly income from age 62 until the funds are depleted.

Alternatively, funds can be withdrawn to buy a life annuity from the Central Provident Fund Board or approved insurers, or be deposited with approved banks that pay a monthly income until the account is exhausted. From January 1, 2013, all members with at least S\$40,000 in their retirement account at age 55 must purchase an annuity through the CPF Life annuity scheme operated by the Central Provident Fund Board.

All funds may be withdrawn at any age if a member permanently leaves 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 named survivors.

### Old-Age Benefits

#### Old-age benefit

*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 retirement account (up to S\$123,000, depending on age) and the medisave account (S\$34,500).

*Medisave account:* At age 55, fund members must leave the medisave minimum balance of at least S\$34,500 in the medisave account to meet the cost of future hospitalization.

*Drawdown payment:* Funds may be drawn down for medical treatments of a member or his dependents, subject to limits. Up to S\$800 per insured person per policy year may also be used to purchase catastrophic hospitalization 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:* A monthly income is paid from a fund, until the account is depleted.

*Interest rate:* The interest rate on the ordinary account savings is based on the 12-month fixed deposit and month-end savings rates of the major local banks. The interest rate on the special account, medisave account, and retirement account 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 ordinary account) earn an additional 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 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 retirement account (up to S\$123,000, depending on age) and the medisave account (S\$34,500).

*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:* The interest rate on the ordinary account savings is based on the 12-month fixed deposit and month-end savings rates of the major local banks. The interest rate on the special account, medisave account, and retirement account 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 ordinary account) earn an additional 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.

#### Survivor Benefits

**Survivor benefit (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. 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.

Central Provident Fund Board (<http://www.cpf.gov.sg>), managed by a tripartite board and a chairman, is responsible for the administration of the program, 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; and 1968 (employment).

**Current laws:** 1996 (employment), 2001 (provident fund), and 2001 (child development co-savings).

**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.

*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.

*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.

*Medical benefits (social assistance):* None.

#### Government

*Cash benefits (employer liability):* None.

*Medical benefits (provident fund):* Subsidizes services in 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 means and income tests.

### 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 100% of the female employee's gross wages.

Working mothers are provided up to 16 weeks of maternity leave. Employers pay for the first 8 weeks of leave for the first two births. Government reimburses employers for the additional 8-week leave period for the first two births and pays for the entire 16-week leave period for subsequent births, if the qualifying conditions are met. The government pays up to S\$20,000 each for the first two births and S\$40,000 for each subsequent birth.

### Workers' Medical Benefits

Outpatient treatment and inpatient hospital care are provided through government hospitals and approved private hospitals and medical institutions. Benefits include outpatient surgery and prescribed medicine. 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.

Singaporean patients in government hospitals can 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 up to S\$450 for daily hospital charges, including up to 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 Singaporean citizens or reside permanently in Singapore.

Outpatient treatment and inpatient hospital care are provided through government hospitals and approved private hospitals and medical institutions. Benefits include outpatient surgery and prescribed medicine. 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.

Singaporean patients in government hospitals can 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 up to S\$450 for daily hospital charges, including up to S\$50 for a doctor's daily attendance fees).

### Administrative Organization

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

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

Central Provident Fund Board (<http://www.cpf.gov.sg>), managed by a tripartite board and a chairman, 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. Employers must insure against liability with private insurance for all manual employees and non-manual employees earning S\$1,600 a month or less.

#### Coverage

Compulsory coverage for all manual employees (regardless of earnings) and non-manual employees with monthly earnings of S\$1,600 or less (unless exempted).

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

Exclusions: Self-employed persons, 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; provides benefits directly or pays 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 or disability began.

### Temporary Disability Benefits

The benefit is 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 66.7% 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 the duration of incapacity, up to 1 year.

### Permanent Disability Benefits

**Permanent disability benefit:** 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\$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 25% of the lump sum is paid. Medical certification must be provided by a registered doctor.

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.

### **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 on the deceased.

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 Department, Occupational Safety and Health Division.

The Commissioner for Labour, as appointed under the Employment Act, and his appointed Assistant Commissioners assess and distribute compensation, conduct hearings, and investigate and enforce the Work Injury Compensation Act.