Singapore

Exchange rate: US$1.00 = 1.27 Singapore dollars (S$).

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) 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

Employed persons, including most categories of public-sector employees.

Voluntary coverage is available.

Self-employed persons with annual net income greater than S$6,000 are covered for hospitalization expenses and approved medical insurance (see Sickness and Maternity).

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

Source of Funds

Insured person: 20% (rising to 21% on January 1, 2015) of monthly earnings greater than S$750 if aged 50 or younger; 5% to 18.5% (rising to 6% to 19.5% on January 1, 2015) if older than age 50. Insured persons earning S$500 to S$749 pay a flat monthly amount depending on age and earnings.

The minimum monthly earnings used to calculate contributions are S$500.

The maximum monthly earnings used to calculate contributions are S$5,000.

Insured persons may make additional voluntary contributions. The total insured person and employer voluntary and mandatory contributions must not exceed S$30,600 a year.

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

At age 55, CPF members must set aside a minimum amount which varies depending on age (up to S$155,000) from the OA and SA accounts to fund the RA account (up to 50% of the minimum amount can be real estate holdings).

Self-employed person: 3.5% to 9.5% (depending on age) of annual income to the MA only. (Contribution rates for older fund members are higher).

The maximum mandatory annual contribution to the MA is S$4,200 to S$5,700 a year, depending on age.

Additional voluntary contributions are permitted. Total mandatory and voluntary contributions must not exceed S$30,600 a year.

Employer: 16% of employee monthly earnings of S$50 or more for employees aged 50 or younger; 6.5% to 14% of employee monthly earnings of more than S$50 for employees aged above 50 (January 2014).

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

The maximum monthly earnings used to calculate contributions are S$5,000.

Employers may make additional voluntary contributions for employees. The total employer and insured person voluntary and mandatory contributions must not exceed S$30,600 a year.

Of the combined insured person/employer contribution, 1% to 23% is allocated to the OA. 1% to 9.5% to the SA, depending on age (contribution rates for older fund members are lower), and 7% to 9.5% to the MA (contribution rates for older fund members are higher).

Government: Under the Workfare Income Supplement Scheme (see Family Allowances), 60% of up to S$3,500 a year, depending on the insured's age, to the CPF accounts of low-wage employees aged 35 or older with average gross monthly income up to $1,900 (90% of up to S$2,333 a year, depending on the insured's age, to the MA if self-employed); tops up CPF accounts for all workers on an ad hoc basis.

Qualifying Conditions

Old-age benefit:

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 run by the CPF Board) or to pay for education at approved local institutions for the member or his or her children. Funds over S$20,000 can be drawn down 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 drawn down before age 55 to make investments in approved instruments.

Medisave account: Funds over S$43,500 (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 permanently leaving 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.

Members automatically qualify for ElderShield (see Sickness and Maternity).

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 RA (up to S$155,000, depending on age) and the MA (S$43,500).

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 January 1, 2013, all members with at least S$40,000 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 based on the 12-month fixed deposit and month-end savings rates of the major local banks. 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.

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 RA (up to S$155,000, depending on age) and the MA (S$43,500).

Drawdown payment: See Sickness and Maternity.

Interest rate: The interest rate on the OA savings is based on the 12-month fixed deposit and month-end savings rates of the major local banks. 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 (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 according to 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; 1968 (employment); 1993 (medical endowment scheme).

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

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): All employed persons.

Exclusions: Self-employed persons.

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

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.

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 90 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 MA.)

All fund members and their dependents automatically qualify for MediShield (a basic health insurance plan) at birth.

All fund members qualify for ElderShield (a basic severe disability insurance plan) at age 40, unless they have pre-existing conditions.

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, up to S$20,000. (Employers pay for the first eight weeks) An additional 16 weeks is paid for each subsequent birth up to S$40,000.

Workers' Medical Benefits

Funds can be drawn down from the MA before age 55 for medical treatments of a member or his or her dependents, subject to limits. Up to S$1,400 for each insured person per policy year, depending on the insured's age, may also be used to purchase catastrophic hospitalization medical insurance (MediShield and Medisave-approved plans). Up to S$600 for each insured person per calendar year can be used to purchase severe disability insurance (ElderShield and ElderShield Supplements). Fund members can purchase medical insurance or disability insurance for their dependents.

Insured persons must make a copayment for subsidized treatment in public health care institutions. Copayments may be deducted from the MA.

Benefits include outpatient surgery and prescribed medicine in approved hospitals and medical 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.

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 Department.

Central Provident Fund Board (http://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 (http://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.

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

All manual employees (regardless of earnings) and nonmanual 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

Work injury benefits: 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

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$73,000.

The maximum lump sum is S$218,000.

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

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

The minimum lump sum is S$57,000.

The maximum lump sum is S$170,000.

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 and 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$1,900. Individuals must have worked at least two months in any three-month period. The benefit is paid quarterly.