



The CPF Board today announced several changes to the CPF Scheme, chief of which is the increase in the CPF minimum sum. Besides the increase in the prevailing CPF Minimum Sum (MS) from \$117,00 to \$123,000 from from 1 July 2010, the Medisave Minimum Sum (MMS) will also go up \$34,500 from \$32,000. Members can withdraw their Medisave savings in excess of the MMS at or after 55 years old.

Furthermore, the maximum balance a member may have in his Medisave Account will also be increased correspondingly to \$39,500, from \$37,000.

The new minimum sum will apply to CPF members who turn 55 years old between 1 July 2010 to 30 June 2011.

Impact

This year's \$6,000 increase is smaller than the previous year's \$9,000 increase. For CPF members who are not turning 55 soon, the most direct impact of a higher minimum sum is to reduce the funds allowed for the purchase of a second property. The latest increase should play a small but important part in cooling the booming property market.

CPF Minimum Sum Raised to \$123,000

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Since the increase has been expected (only the quantum was unknown), it would otherwise have minimum impact on CPF members in general.