

Singapore

Exchange rate: U.S.\$1.00 equals
1.78 Singapore dollars (S\$).

Old Age, Disability, and Survivors

Regulatory Framework

First law: 1953.

Current law: 1985, with 1991 amendment.

Type of program: Provident fund system providing lump-sum benefits and annuity payments.

Note: Central Provident Fund (CPF) operates four types of individual account: 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 care, and approved medical insurance; and, from age 55, a retirement account, to finance periodic payments from age 62.

Coverage

Employed persons earning more than S\$50 a month and some self-employed persons.

Exclusions: Members of approved equivalent private plans.

Special pension system for certain categories of public-sector employee.

Source of Funds

Insured person: 20% of earnings if monthly earnings are over S\$363; 5% of earnings plus 1/3 of the amount over S\$200 if monthly earnings are between S\$200 and S\$363; no contributions if monthly earnings are under S\$200.

Fund members aged 55 or older contribute at lower rates.

Maximum earnings for contribution purposes are S\$6,000.

From October 1, 2002, 20% of earnings if monthly earnings are over S\$750; 0.6% of the amount over S\$500 if monthly earnings are between S\$500 and S\$750; no contributions if monthly earnings are under S\$500.

Employer: 16% of payroll if monthly earnings are S\$50 or over; no contribution for monthly earnings under S\$50.

Contributions for fund members aged 55 or older are paid at lower rates.

Maximum earnings for contribution purposes are S\$6,000.

Government: None.

Depending on the fund member's age, between 3% and 4.25% of the above contributions are placed in the medisave account to cover medical expenses (see *Sickness and Maternity*, below).

Qualifying Conditions

Old-age benefit: Age 55.

Disability benefit: Permanent incapacity for work.

Survivor benefit: Named by the fund member as the beneficiary.

Old-Age Benefits

Old-age benefit (ordinary and special accounts): A lump sum equal to total employee and employer contributions, plus at least 2.5% compound interest, less drawdowns (see below).

Retirement account: At age 55, fund members must place S\$75,000 in the retirement account (part of which is a prescribed cash amount, the remainder can be pledged property) to ensure continued periodic income from age 62.

Drawdown payments: The drawdown of funds from the member's ordinary and special accounts is permitted for such purposes as children's education fees, the purchase of a home, and the purchase of approved financial products.

Compound interest rate: The rate is linked to average commercial savings and fixed deposit rates and is adjusted four times a year: January 1, April 1, July 1, and October 1. The interest awarded to individual provident fund accounts is calculated monthly, compounded, and credited annually.

Permanent Disability Benefits

Disability benefit (ordinary and special accounts): A lump sum equal to total employee and employer contributions, plus at least 2.5% compound interest, less drawdowns.

Compound interest rate: The rate is linked to average commercial savings and fixed deposit rates and is adjusted four times a year: January 1, April 1, July 1, and October 1. The interest awarded to individual provident fund accounts is calculated monthly, compounded, and credited annually.

Survivor Benefits

Survivor benefit (ordinary and special accounts): A lump sum equal to total employee and employer contributions, plus at least 2.5% compound interest, less drawdowns. The benefit is payable to named survivors or legal heirs.

Compound interest rate: The rate is linked to average commercial savings and fixed deposit rates and is adjusted four times a year: January 1, April 1, July 1, and October 1. The interest awarded to individual provident fund accounts is calculated monthly, compounded, and credited annually.

Administrative Organization

Ministry of Manpower provides general supervision.

Managed by a tripartite board and a chairman, the Central Provident Fund is responsible for the custody of the fund and the administration of the program.

Sickness and Maternity

Regulatory Framework

First laws: 1968 (employer liability) and 1983 (provident fund).

Current laws: 1996 (employer liability) and 1983 (provident fund).

Type of program: Multiple employer liability (cash sickness and maternity benefits), provident fund (medical care), and social assistance (medical care) systems.

Coverage

Cash benefits (employer liability): All employed persons.

Medical care (provident fund): Employed persons and some self-employed persons.

Source of Funds

Insured person

Cash benefits (employer liability): None.

Medical care (provident fund): Employed persons contribute between 3% and 4.25% (depending on age) of monthly salary to the medisave account to cover the cost of hospitalization and medical expenses.

The maximum monthly contribution to the medisave account (depending on age) is between S\$180 and S\$255.

The above contributions are part of the provident fund contributions made under Old Age, Disability, and Survivors, above.

Self-employed persons make an annual contribution of between 6% and 8% (depending on age) of annual net income.

The maximum annual contribution to the medisave account for a self-employed person (depending on age) is between S\$4,320 and S\$5,760.

Employer

Cash benefits (employer liability): Total cost.

Medical care (provident fund): Between 3% and 4.25% (depending on the employee's age) of the employee's monthly salary for his or her medisave account.

The maximum contribution made for each employee's medisave account (depending on the employee's age) is between S\$180 and S\$255 a month.

The above contributions are part of the provident fund contributions made under Old Age, Disability, and Survivors, above.

Government

Cash benefits (employer liability): None.

Medical care (provident fund): No fixed amount; fund members are subsidized when using certain classes of hospital wards.

Qualifying Conditions

Cash sickness benefit (employer liability): At least 6 months' employment.

Cash maternity benefit (employer liability): At least 180 days' employment immediately preceding childbirth. Benefit is limited to the first two children.

Medical benefits (provident fund): Members of the medisave program. Persons over age 55 are required to maintain a balance of S\$23,000 (increasing to S\$25,000 in July 2003) in the medisave account to meet the cost of future hospitalization.

Sickness and Maternity Benefits

Cash sickness benefit (employer liability): Fourteen days of paid sick leave a year, or up to 60 days if the insured is hospitalized.

Cash maternity benefit (employer liability): 100% of wages for up to 4 weeks before and 4 weeks after childbirth.

Workers' Medical Benefits

Outpatient treatment and inpatient hospital care in government hospitals, including 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.

Dependents' Medical Benefits

Same as for the family head. Members can use savings in their medisave account to help pay for the medical expenses of immediate family members.

Administrative Organization

Employer liability: Ministry of Manpower provides general supervision and enforces the law.

Provident fund: Central Provident Fund administers the program.

Medical services: Ministry of Health provides medical services through government hospitals.

Work Injury

Regulatory Framework

First law: 1933.

Current law: 1990.

Type of program: Employer-liability system or compulsory insurance with a private carrier.

Coverage

All manual labor, except domestic servants, casual employees, and family labor; salaried employees earning less than S\$1,600 a month.

Special program for the police.

Source of Funds

Insured person: None.

Employer: Total cost, through direct provision of benefits or insurance premiums.

Government: None.

Qualifying Conditions

Work injury benefits: There is no minimum qualifying period.

Temporary Disability Benefits

100% of earnings for up to 60 days if hospitalized and 14 days if not hospitalized; thereafter, 2/3 of monthly earnings. Benefit is payable from the first day of incapacity for a maximum of 1 year.

Permanent Disability Benefits

If totally disabled, a lump sum equal to 6 to 12 years' earnings, according to age.

The minimum lump-sum benefit is S\$49,000.

The maximum lump-sum benefit is S\$147,000.

Constant-attendance supplement: Equal to 25% of the lump-sum payment.

Partial disability: A lump sum calculated in relation to the assessed degree of incapacity or according to the schedule in law for specified injuries.

Workers' Medical Benefits

Necessary medical treatment, hospitalization, appliances, and medicines. Medical care may be provided in a government facility.

Survivor Benefits

A lump sum equal to between 4 and 9 years of the insured's earnings, according to the insured's age at the time of death. The benefit is payable to eligible dependents.

The minimum lump sum is S\$37,000.

The maximum lump sum is S\$111,000.

Administrative Organization

Ministry of Manpower provides general supervision.

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

Employers must insure liability with private insurance companies. The Ministry of Manpower may exempt any employer or class of employers from compulsory insurance.