

## **Frequently Asked Questions on Changes to the CPFIS**

### **1. What are the new restrictions on the CPF Investment Scheme (CPFIS) arising from the CPF Reforms?**

From 1 April 2008, CPF members will not be able to invest the first \$20,000 in their Ordinary Account (OA) and first \$20,000 in their Special Account (SA). To invest under CPFIS-OA, members will have to set aside \$20,000 in their Ordinary Account before the remaining savings in their Ordinary Account can be used for investments. Similarly, they will have to set aside \$20,000 in their Special Account before the remaining savings in their Special Account can be used for investments under CPFIS-SA. Please note that this restriction is only on members' Ordinary Account and Special Account balances and not funds in their CPF Investment Accounts. This restriction is in place because of the extra 1% interest that members will earn on the first \$60,000 of their combined CPF accounts from 1 January 2008.

### **2. Some CPF members have made investments using their CPF before 1 April 2008 and their balances in their OA and SA are below \$20,000 respectively. Do they need to liquidate their CPFIS investments?**

No, CPF members are not required to liquidate their CPFIS investments if these investments were purchased before 1 April 2008.

### **3. Do CPF members need to pay cash for agent bank fees if their balances fall short of \$20,000?**

No, CPF members can continue to service the agent bank fees with their CPF savings even if their Ordinary Account balance falls below \$20,000. Agent bank fees are ongoing fees which need to be paid as long as members continue to hold on to their investments, hence CPF Board would make an exception for members to continue paying agent bank fees using their CPF.

### **4. If a CPF member has \$X in his Ordinary Account and \$Y in his CPF Investment Account, how much can he invest?**

Please see the scenarios below:

- a) If \$X is less than or equal to \$20,000, the member can only invest \$Y, subject to his stock/gold limit.
- b) If \$X is more than \$20,000, the member can invest \$X plus \$Y minus \$20,000, subject to his stock/gold limit.

- c) If the member initiates a refund of \$Y to his Ordinary Account or if \$Y is automatically refunded to his Ordinary Account (after two consecutive months of inactivity),
- i) if \$X plus \$Y is less than or equal to \$20,000, the member will not be able to invest any amount; and
  - ii) if \$X plus \$Y is more than \$20,000, the member is able to invest \$X plus \$Y minus \$20,000, subject to his stock/gold limit.

**5. Will CPF members' stock and gold limits be affected?**

There is no change in the computation of the stock and gold limits. However, if members do not have \$20,000 in their Ordinary Account, they will not be able to invest in stock or gold even if they have sufficient stock and gold limits.

For more information, please visit:  
<http://mycpf.cpf.gov.sg/Members/Gen-Info/FAQ/Investment/INV.htm>