

**CPF**  
The Foundation

**CPF vs SRS:  
The Ultimate  
Retirement &  
Tax-Saving  
Laorbock  
Playbook**

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A definitive framework for  
optimizing your next dollar

**SRS**  
The Growth Engine

# Where does your next retirement dollar go?

No

Have you hit the CPF Full Retirement Sum (FRS) of \$220,400?

Yes

No

Is your chargeable income >\$80,000?

Yes

## Top up CPF SA/RA.

Earn guaranteed 4% and claim up to \$8,000 in tax relief.



## Stop. Invest elsewhere.

SRS tax savings are too low to justify the lock-up.

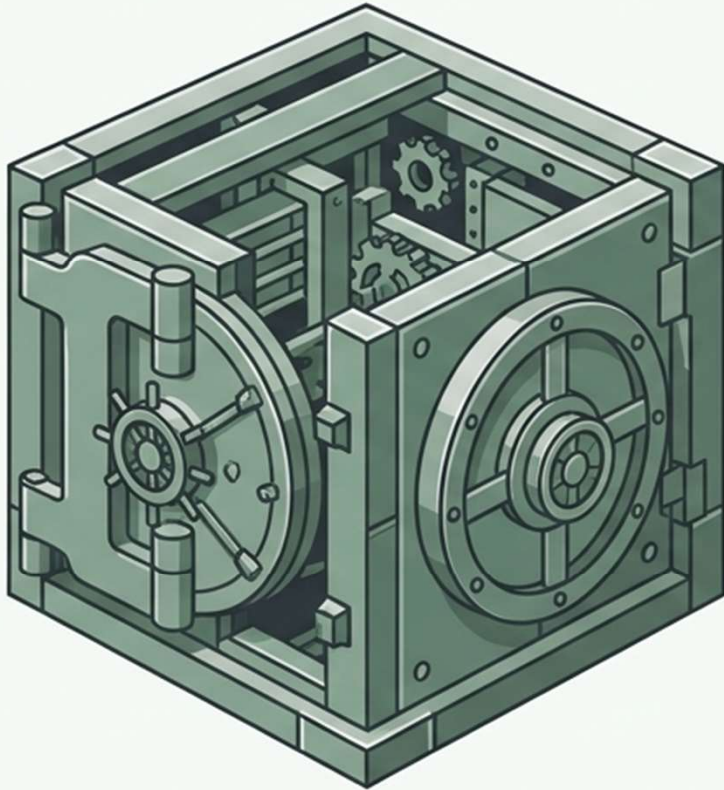


## Open SRS.

Maximize your \$15,300 tax shield and invest for growth.



# The Foundation: CPF Demystified



## ■ Card 1

### **The Guarantee**

4% p.a. guaranteed return (up to 5% on the first \$40k). Zero market risk. Zero credit risk.

## ■ Card 2

### **The Tax Shield**

Up to \$8,000/year income tax relief for self-top-ups.

## ■ Card 3

### **The Output**

Automatically converts to CPF LIFE at 65—a lifelong, government-guaranteed annuity. Payouts are 100% tax-free.



Strict liquidity. Funds are completely locked until age 55 (SA) or 65 (RA).

■ Card 1

### The Limits

\$15,300/year for Citizens/PRs. The full contribution amount is 100% tax-deductible today.

### The Flexibility

No guaranteed return. You must invest the funds (SGX stocks, REITs, ETFs, Singapore Government Securities).

### The Output

Penalty-free withdrawal starts at age 63. You have 10 years to draw down.

### The 50% Rule

Only 50% of each SRS withdrawal is subject to income tax. If managed correctly, the effective exit tax can be near zero.

# The Growth Engine: SRS Demystified



# The Definitive Comparison Matrix

	CPF SA/RA Top-Up (RSTU)	Supplementary Retirement Scheme (SRS)
<b>Relief Limit</b>	\$8,000/year	\$15,300/year (SC/PR)
<b>Guaranteed Return</b>	Yes (4% p.a.) 	No (Market-dependent) 
<b>Investment Options</b>	Highly restricted	Broad (Stocks, ETFs, etc.)
<b>Penalty-Free Access</b>	Age 55/65 	Age 63
<b>Tax on Withdrawals</b>	0% (Tax-Free)	50% of withdrawal is taxable
<b>Annuity Option</b>	Built-in (CPF LIFE)	Optional (Purchase separately)

# The \$80,000 Tipping Point

## <\$80,000 Income

- Marginal Tax Rate: ~7%
- Tax Saved on \$15.3k: ~\$1,071

**Verdict:** The modest tax savings do not justify the 20-30 year lock-up and the lack of guaranteed returns. Stick to CPF.

\$80,000  
Income

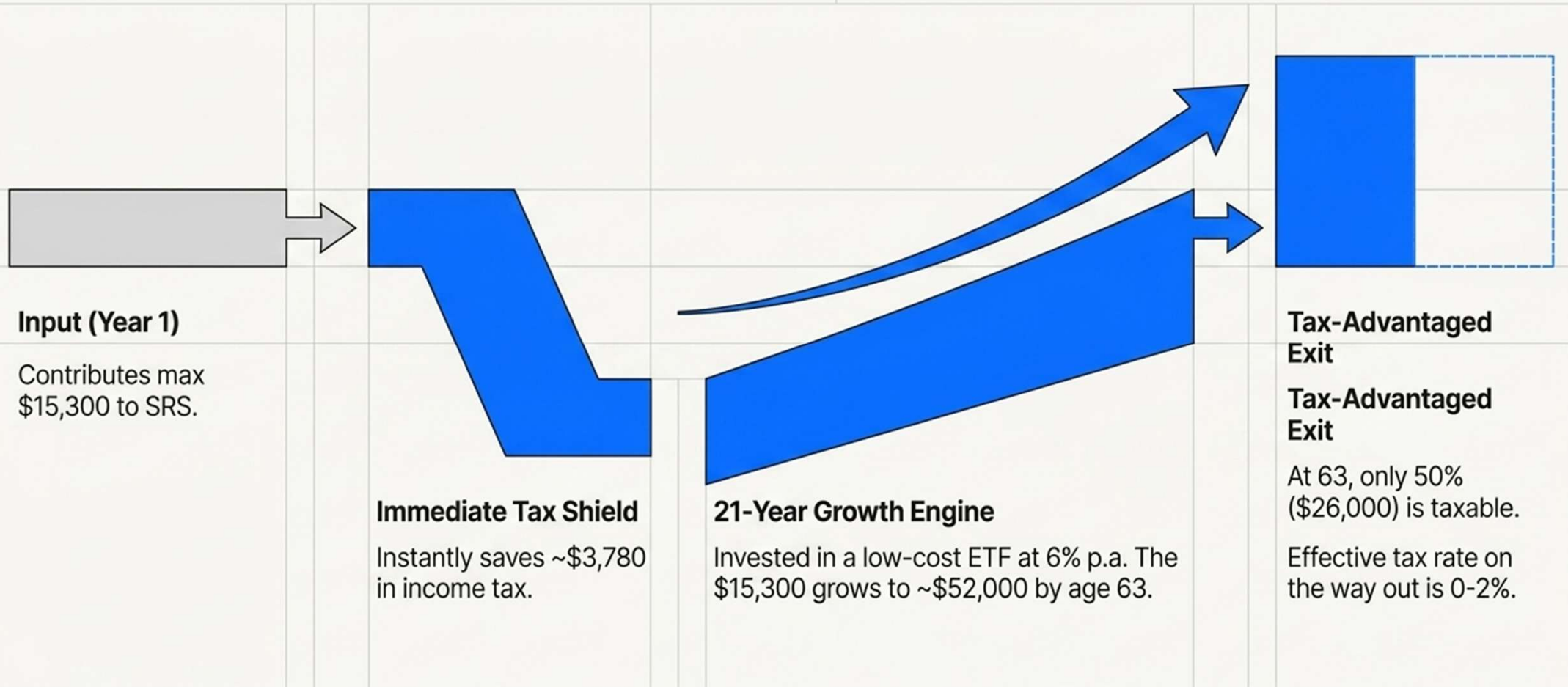
## >\$80,000 Income

- Marginal Tax Rate: 15–20%
- Tax Saved on \$15.3k: ~\$2,300–\$3,000

**Verdict:** The massive upfront tax shield unlocks immediate capital for compounding growth over decades. SRS becomes mandatory.

# Worked Example: The \$120k Earner

Profile: 42-year-old Singaporean, \$120k chargeable income.



**Bottom Line:** Over 21 years of max contributions, cumulative tax savings exceed **\$79,000**—before any investment returns.

# The Expat Advantage

## The Limit

Foreigners have a massive **\$35,700** annual contribution limit.

## The Strategy

Because foreigners cannot use CPF RSTU, SRS is the primary vehicle.

## The Multiplier

A foreigner earning \$150k saves **\$7k-\$9k** in income tax annually. Over 15 years, that's **>\$100,000** in guaranteed tax savings.

## The Exit Plan

Penalty-free withdrawal at age 63 remains intact even if you are no longer a Singapore tax resident.



# The Verdict: CPF First, Then SRS



CPF LIFE provides a lifelong annuity you cannot outlive.

Secure your unshakeable income floor first, then build your flexible growth engine on top.

**Step 1:**  
Top up CPF SA/RA.

**Step 2:** Open SRS  
(DBS, OCBC, or UOB).

**Step 3:** Consider MediSave  
top-up (up to \$79,000  
Basic Healthcare Sum).



**Action Deadline:** Contributions must clear by **December 31**.  
Safe practical deadline for online transfers: **December 24**.

# DISCLAIMER

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