

ANNEX C: LIFE Bonus (L-Bonus)

The CPF LIFE scheme will be introduced as a major new plank to assure Singaporeans of a stream of income for as long as they live. Singaporeans who turn age 55 in or after 2013 and who have at least \$40,000 in their CPF Minimum Sum will be automatically included in the scheme. Older Singaporeans and those with less in their Minimum Sum can opt in.

The Government will provide a sign-on Bonus, called the LIFE Bonus (L-Bonus), to encourage Singaporeans to enrol in the LIFE scheme.

- L-Bonus will be provided for the first five cohorts of Singaporeans who join the LIFE scheme i.e. those aged 46 to 50 in 2008, with up to \$54,000 Assessable Income (AI) and live in a property of up to \$11,000 Annual Value (AV) at the time of enrolment.
- Members in the oldest cohort, those aged 50 in 2008, can expect to receive between \$2,200 and \$4,000 (Table 1). The youngest cohort, those aged 46 today, will get 30 percent of what the 50 year-old receives.
- L-Bonus will also be extended to those aged above 50 in 2008 who opt in.
- For members with less than \$40,000 in their Minimum Sum, but want to participate in the LIFE scheme, the Government will help them to do so and give them the L-Bonus as long as they are willing to make a reasonable contribution to their balances and accept lower monthly payouts.
- L-Bonus will be given to members at the point of enrolment in the CPF LIFE Scheme.
- This will cost the Government \$770 million, which will be built up in a trust fund over three years, starting with a transfer of \$260 million in 2008.

Table 1: L-Bonus for those aged 55 and older in 2013

Assessable Income (AI)	Annual Value (AV)	
	Up to \$6,000	More than \$6,000 and up to \$11,000
\$24,000 or less	\$4,000	\$3,200
More than \$24,000 and up to \$54,000	\$3,200	\$2,200

Based on AV and AI cut-offs in 2008. Actual AV and AI cut-offs for the year of enrolment may vary.