

# Don't need CPF Life? Use it for charity



For Singaporeans who have done well in building wealth and have more than enough to last them a lifetime, here is an idea on how you can make use of CPF Life.

You can turn it into a gift for charities that will keep on giving for as long as you live.

And how much is this gift worth? Depending on your longevity, it

can range from about \$500,000 to close to \$1 million.

CPF Life is compulsory for all Singaporeans, regardless of whether they need the money or not.

For instance, those who have millions of dollars in savings or investments are likely to be able to enjoy a retirement income that is substantially more than even the highest CPF Life monthly payout of more than \$2,000. But they, too, are entitled to enjoy the benefits that come with CPF. So they may want to consider using this payout for a worthy cause.

Not all charities in Singapore are fortunate enough to have regular donors to keep supporting them, let alone one who can give more than \$2,000 every month, potentially for 20 to 30 years.

According to a recent Credit Suisse report, there are over 200,000 millionaires here. Imagine if only 1

per cent of these wealthy folks, or 2,000 of them, use their CPF Life for the public good, about \$5 million will go to the needy every month, or \$60 million in a year.

And if all of them are blessed with long life, just this group of folks would have donated over \$2 billion in their lifetimes, and that is just with money from CPF that they do not need.

Of course, giving to charities is not an act reserved for the rich – many ordinary Singaporeans are very generous when it comes to helping those less fortunate than themselves.

## A 'CPF TRUST' FOR CHARITY IS EASY TO SET UP

Unlike a charity trust or foundation that would require people to manage, you can easily start your own CPF Life “trust fund” without much effort.

All you need to do is to open a bank account and instruct the CPF Board to deposit your monthly payout there when you reach 65.

One month after the first payout goes in, you can apply for Giro payments to your preferred charities based on the fixed sum that you will be getting.

That's all you need to do. This is better than leaving instructions in wills to donate to charities as you can do it while you are still around.

As both the monthly deposit and deduction will be done automatically, this account will never be empty until the CPF Life payout ends upon death.

And when your beneficiaries realise that the monthly donation from you has stopped, they will probably say a prayer for you because they will know you have gone to a better place.

**Tan Ooi Boon**

