



# FACT SHEET

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## **Enhanced Premium Plan: Improved Benefits for Our SAF Warrant Officers and Specialists**

### **Background of Premium Plan**

1. The Premium Plan was introduced in 2000 for SAF Warrant Officers and Specialists (WOSpecs). It replaced the former pension and contract schemes. Monies previously used to fund these schemes were channelled to fund the Premium Plan.
2. The retirement age for WOSpecs is up to 55 years old. The Premium Plan is aimed at encouraging WOSpecs to remain in service until their retirement from the SAF and to help them build up a financial reserve for transition to a second career after retirement.

### **Premium Accounts**

3. Under the Premium Plan today, MINDEF contributes a certain percentage of a WOSpec's salary into two accounts:
  - a. Central Provident Fund (CPF) Top-Up Account. WOSpecs are on a reduced CPF contribution arrangement. MINDEF tops up the difference between the full and reduced employer CPF contribution into the WOSpecs' CPF Top-Up Account to ensure they are on par with other employees who receive full employer CPF contributions, subject to the statutory limit set by the CPF Board. The monies in the WOSpecs' CPF Top-Up Account will be transferred to their CPF Account when they leave the SAF.
  - b. Career and Retirement Endowment (CARE) Account. Warrant Officers receive contributions into their CARE Account from the time they attain 3rd Warrant Officer (3WO) rank until their retirement from the SAF. Warrant Officers who attain 3WO rank by their 12th year of service will also receive a one-time lump-sum payment to their CARE account. This is to encourage them to remain in service till retirement and to help them build up a financial reserve for their transition to a second career thereafter.
4. The monies in the CPF Top-Up and CARE accounts are invested by professional fund managers, supervised by a board of trustees, to generate returns.

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## Premium Bonus

5. In addition to contributions into the two above-mentioned accounts, WOSpecs are eligible to receive cash retention payments called Premium Bonuses. WOSpecs receive Premium Bonuses at their third and sixth year of service. WOSpecs who attain 3WO rank by their 12th year of service will receive an additional Premium Bonus.

## Key Enhancements to Premium Plan

6. Following a recent review of the Premium Plan, MINDEF and the SAF will be making the following changes to ensure the plan remains market competitive and relevant in supporting our WOSpecs' life-cycle and career transition needs. The key changes, which will take effect on 1 January 2026, are as follows.

- (i) More Regular Premium Bonuses. All WOSpecs will be eligible to receive Premium Bonuses at ages 26, 29, 32 and 35, regardless of their rank. This will better support their needs, such as marriage and housing, at this life stage. The new Premium bonuses will replace the existing Premium Bonus payments.
- (ii) Full CPF Contribution. WOSpecs will receive full employer and employee CPF contributions. Contributions in accordance to the prevailing national CPF contribution rates will be paid into our WOSpecs' CPF accounts. This will enable them to accumulate more CPF funds earlier in their careers, to better support their housing and healthcare needs. With the move towards full CPF contribution, the existing CPF Top-Up Account will be phased out.
- (iii) Increased Retirement Contributions. Contributions into the CARE Account will commence from the 1st year of service for all WOSpecs, instead of attainment of 3WO rank, and at an increased rate for Warrant Officers. Warrant Officers will also receive two lump sum contributions at ages 40 and 45 into their CARE accounts. The increased contribution duration and rates will help our WOSpecs to build up a larger reserve for their career transition upon retirement from the SAF.

7. Together, the changes will better meet the life-cycle needs of SAF WOSpecs and provide greater financial assurance for career transition upon their retirement from the SAF.

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