

How CPF-OA Helped Us Reach A Milestone

For our family, CPF-OA supported a practical goal: clear the mortgage and reduce a major monthly obligation.



Why this mattered



More certainty



Less concern over
refinancing and rate changes



Stronger household
balance sheet

When the mortgage was paid off, it was a genuinely happy financial milestone.

After The Mortgage Was Paid Off, Why Still Leave OA Alone?

For me, the question was no longer housing. It was what role CPF-OA should play after that.

How I reframed CPF-OA



2.5% was not exciting — but acceptable for money meant to stay very safe



I compared OA more with Singapore Government securities and high-quality fixed income



The question was not “Can stocks outperform?” but “What return do I need from safe money?”

What I was open to



When T-bill yields moved comfortably above 2.5%, I was part of the T-bill craze



I was willing to improve the return without changing the job of the money too much



Now that T-bill yields are closer to 2%, I still keep an eye on them and would reassess if they rise again

Why I still left OA alone



I did not feel the need to turn CPF-OA into another risk asset



Other parts of my portfolio already take market risk through stocks, REITs and ETFs



For this pool of money, stability mattered more than maximising return

I was never against investing CPF-OA. I simply did not feel the need to turn it into another risk asset.

The Opportunity Cost Looks Different As I Get Closer To 50

For me, the question is no longer just the return I might give up. It is also what I get in exchange for keeping CPF-OA stable.

Portfolio context



I already have meaningful exposure to equities, REITs, dividend stocks and global ETFs.



These assets are there for long-term growth and income, and I accept that they fluctuate.



Because of that, CPF-OA does not need to perform exactly the same role.

If I were 28



30+ years before retirement.



Higher long-term compounding matters more.



More time to recover from a bad market.

The opportunity cost of leaving OA at 2.5% would likely feel larger.

Closer to 50



Retirement is no longer several decades away.



A market fall near retirement matters more.



I may need to draw from the portfolio while prices are weak.



Stability and flexibility now matter more.

The trade-off looks more reasonable at this stage of life.

How I view the trade-off today



Opportunity cost is still real.



Stable pool of money.



Less pressure on market-based investments.



Not every part of retirement needs to move with the market.

The opportunity cost is real — but this pool of money did not need to maximise expected return.

CPF May Also Help Me Support My Wife's Retirement

Because my wife is not working, I also see a possible future role for some of my CPF-OA within our shared retirement planning.

Why this matters



My wife is not working, so naturally her CPF balances are lower than mine.



This makes CPF a household retirement issue, not just an individual one.



For me, CPF-OA may still have another useful family role to play.

Possible CPF path

-  At 55, if I have excess OA savings available.
-  After the relevant CPF requirements are met.
-  I may consider using part of it to top up my wife's Retirement Account.
-  This could help support a higher CPF LIFE payout for her from age 65.

Subject to the CPF rules and limits applicable at that time.

Why that affects my OA decision today



I can already see a possible use for this money within the next several years.



That makes me less inclined to expose it to equity-market volatility.



The opportunity cost looks different now that I am closer to 50.



Keeping OA stable can support future family retirement planning.

Personal retirement angle

Earlier in life, CPF-OA helped us pay off our home. Later on, it may also help strengthen my wife's retirement income.

For me, CPF-OA is not only about my retirement. It may also support my wife's retirement security later on.

The Dividend Uncle's Take

Not every dollar needs to maximise return

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Could I have ended up with more money if I had invested more of my OA? Quite possibly. But for me, the trade-off was worthwhile.

1

Helped us pay off our home



CPF-OA played a big role in servicing our mortgage. We cleared it after about 15 years, and I was so happy that I shared it on the channel and Instagram.

2

Provides stability today



Now, CPF is part of the safer side of my financial position while my stocks, REITs and ETFs take the investment risk.

3

May support my wife's retirement



When I reach 55, I plan to consider using part of any excess OA savings to top up my wife's RA, subject to the CPF rules at that time.

4

The trade-off



Lower potential return in exchange for greater stability, flexibility and peace of mind.

What I am willing to give up



Some potential return from investing CPF-OA in higher-returning assets.

What I gain instead



Housing certainty earlier in life, a more stable retirement structure, and potential support for my wife's retirement later on.

What I am aiming for



Keep growth risk in equities, REITs and ETFs



Keep part of the household finances stable



Reduce pressure to draw from markets at a bad time



Let each pool of money perform a different job



I don't need every part of my financial life to do the same thing.

Why You May Quite Reasonably Do Something Different

The sensible CPF-OA decision can change when circumstances change.

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Investing CPF-OA is not right or wrong in isolation. It depends on your age, what you already own, and what you may need the money for.

1 Longer time horizon



If you are in your 20s or 30s, the opportunity cost of leaving OA at 2.5% can be much larger. Higher expected returns have longer to compound, and there is more time to recover from downturns.

2 What you own outside CPF



I already have meaningful exposure to stocks, REITs, ETFs and other market-based assets. Someone with very little invested outside CPF may reasonably want OA to play more of a growth role.

3 What you may need OA for



My OA helped service our mortgage earlier in life, and it may support household retirement needs later. Someone with no housing need and no foreseeable use for OA may reach a different conclusion.

4 Different circumstances, different answer



Change the age, portfolio structure or intended use of OA, and the sensible decision can change as well.

What I am not saying



I am not saying everyone should leave CPF-OA alone.

What I am saying



The decision should be made in the context of your overall financial life.

Three questions that matter more



How long before I need this money?



What investment risk am I already taking elsewhere?



What job do I eventually want my CPF-OA to perform?



The same CPF-OA can lead to different sensible decisions.

And CPF Is Making Investing Easier Too

A new voluntary CPF investment scheme is expected in 1H 2028.



If investing CPF does make sense for you, CPF is introducing a simpler way to do it.

1 Simple, curated choice



CPF Board plans to appoint 2 to 3 commercial providers offering a small number of diversified life-cycle options, instead of asking members to choose from a very wide product range.

2 Lower-cost structure



All-in fees will be capped, with the aim of keeping the scheme simple and cost-conscious.

3 Risk reduces over time



The portfolios are expected to start with more growth exposure such as equities, then gradually shift towards lower-risk assets such as bonds as the target date gets closer.

4 Progressive liquidation



Investments are planned to be sold down progressively rather than all at once. Proceeds go to the Retirement Account up to the Full Retirement Sum, with any remainder returning to the OA.

Who may find it useful



Younger members, long-term investors, or people who want growth exposure but do not want to actively manage CPF investments.

My own view today



I would study the details when the scheme launches, but it may not fundamentally change the role I currently want my OA to perform.

Why it matters



Matches risk to life stage



Makes CPF investing simpler



May suit people different from me



More risk can make sense earlier in life; less risk can make sense nearer retirement.