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# First step to a bigger nest egg

Transferring his savings from his Ordinary Account to his Special Account allows savvy investor Jason Kuek to earn higher interest on his CPF savings



Like many others, 34-year-old associate business support manager Jason Kuek—who works in the pharmaceutical industry—has concerns about the potential repercussions of the current economic downturn, such as job security and inflation.

Pointing out with a wry smile that there is a perception that the pharmaceutical industry is impervious to economic fluctuations because “people will always need medicine”, Jason said: “Many industries are downsizing, and you never know what might happen.”

The former chemical engineering graduate added: “Generally, prices for a lot of things have risen, such as food and transport, but wages have not kept up with this pace of growth.”

Currently, his insurance premiums, as well as the monthly payments for

his car, which he bought two years ago, form the bulk of his expenditure.

However, the bachelor added that his long-term goal is to eventually buy an apartment of his own.

While he has become more cautious with his money, in light of the current economic situation, he sees it as the perfect opportunity to boost his investment portfolio.



JASON KUEK

The keen investor, who has been dabbling in stocks since his university days, currently owns a combination of

“very, very high-risk” and blue-chip shares.

Said Jason: “I’m looking to hold them for the long term, and it’s a very good time to invest in Singapore blue chips because prices are very low.”

Five years ago, he also used about

15 per cent of his CPF Ordinary Account savings to invest in China, India and Singapore unit trusts.

Believing, however, that a good portfolio should comprise “a portion of cash”, Jason puts half of his monthly salary into a savings account, even though he reckons that “interest rates are so low right now that putting money in the bank is as good as doing nothing with it”.

Currently, certain CPF schemes offer more alternatives for Jason to grow his money effectively.

While the funds in his Ordinary Account (OA) now earn him 2.5 per cent in interest, it would be a good idea for Jason to transfer part of these savings into his Special Account (SA), which earns a minimum of 4 per cent in interest per annum — 1.5 per cent more than the OA.

Agreeing that transferring his OA savings to SA would be useful as part of his financial planning, Jason said with a smile: “Basically, at this point, if I have the opportunity to increase my funds, I will.” — **Lynette Koh**

**>> Transfer your Ordinary Account savings to your Special Account to earn an additional 1.5% interest**

Your Ordinary Account (OA) savings currently earns you 2.5 per cent interest per annum while your Special Account (SA) earns you 4 per cent per annum.

If you do not intend to use your OA for housing, transferring your savings to your SA allows you to enjoy an additional 1.5 per cent in interest, risk free.

Transfers can be made immediately via [www.cpf.gov.sg](http://www.cpf.gov.sg).

Plan the use of your CPF savings carefully as transfers are irreversible.

Want to know how to grow your money the safe way?  
Log on to [www.cpf.gov.sg](http://www.cpf.gov.sg) (News>Highlights) to find out more.