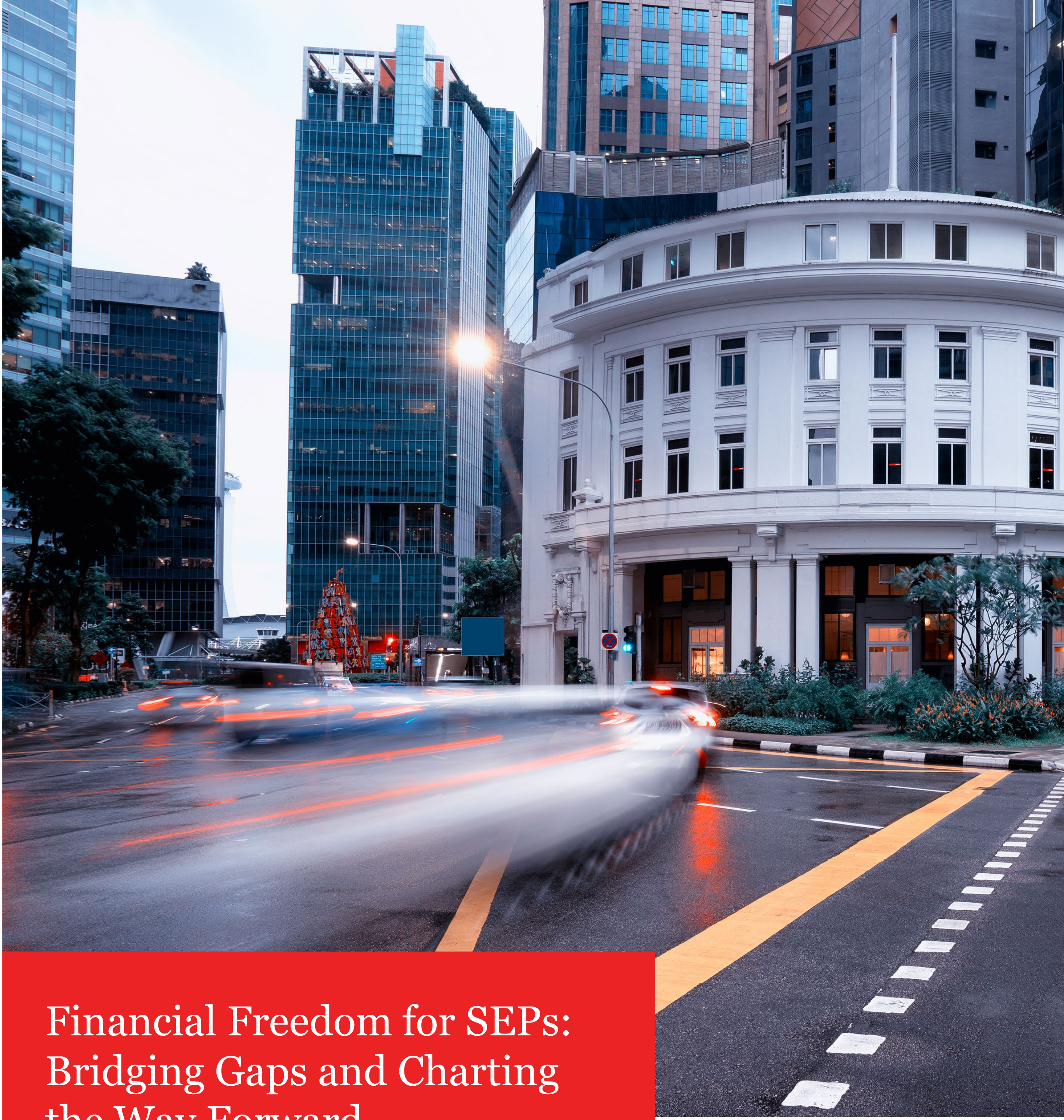


Financial Freedom for SEPs: Bridging Gaps and Charting the Way Forward

Singlife pwc Singlife Financial Advisers

Contents

Foreword 4

Evolving Landscape with Platform Workers Act 5

Overall Self-Employed Persons (SEP) Landscape 10

Reactions Following the Act's Implementation 16

Experiences and Perspectives 19

Our Thoughts 27

Acknowledgements 29

Contacts 30

Foreword

The financial landscape for self-employed and gig workers has long been marked by uncertainty, particularly in areas of protection and retirement security. Recognising these challenges, Singapore enacted the Platform Workers Act in September 2024, which came into effect on 1 January 2025. This landmark legislation introduces a new legal category for ride-hailing drivers and freelance delivery workers - platform workers - who occupy a unique space between traditional employees and the self-employed. The Act mandates contributions to the Central Provident Fund (CPF) by both platform operators and workers, ensuring improved housing and retirement savings, alongside financial support for work-related injuries and a legal framework for worker representation.

This report delves into the evolving financial needs of self-employed and gig workers, highlighting how the insurance industry is responding to bridge the protection and retirement gaps.

Through extensive interviews with self-employed persons (SEPs) and companies such as financial advisory companies and other companies, we captured firsthand insights into the realities faced by these workers. Many expressed concerns about inconsistent income and the lack of adequate safety nets, particularly regarding retirement adequacy and injury compensation. Platform operators, meanwhile, acknowledge their role in enhancing worker welfare but also highlight the balance needed to maintain the flexibility that defines platform work. The Platform Workers Act represents a significant step toward addressing these gaps, fostering a more secure and equitable environment for this growing workforce. This report aims to provide a comprehensive understanding of these developments and the collaborative efforts underway to support the financial resilience of self-employed and gig workers in Singapore.

Varun Mittal
Head, Innovation and Ecosystem, Singlife

Wanyi Wong
FinTech Leader, PwC Singapore

Justin Ho
Chief Executive Officer, Singlife Financial Advisers

Evolving Landscape with Platform Workers Act

Evolving Landscape with Platform Workers Act

Overview

In Singapore, a platform worker is an individual who enters into an agreement with a platform operator to provide services to users. Managed by the platform operator, these workers receive payment or benefits for their services. Platform workers are part of the broader SEPs community, which the CPF defines as individuals providing services under a contract for service. SEPs typically operate their own businesses or work independently.

As of 2023, Singapore has approximately 221,800 SEPs, including around 70,500 platform workers. These platform workers make up about 3 percent of the total workforce which constitutes taxi drivers (22,200), private-hire car drivers (33,600) and delivery workers (14,700)[1]. Whilst there was a decrease from the platform worker size of 88,400 platform workers in 2022[2], these statistics highlight the substantial role platform work plays within the broader employment landscape of the country.

In recent years, the rapid expansion of platform work has sparked discussions around worker rights and protections, given that many platform workers operate as independent contractors without traditional employment benefits. This means that, unlike traditional employees, these individuals are solely responsible for topping up their Medisave accounts and do not receive CPF contributions.

However, some platform operators exercise management control over the platform workers, setting the fees received by these platform workers and imposing restrictions on how the workers would perform their work. Concerns have also arisen regarding the level of protection and insurance coverage provided to these workers, especially for injuries sustained during work that could affect their daily earnings.

Addressing the challenges faced by the platform workers, the Platform Workers Act 2024 (the Act) enacts the Advisory Committee on Platform Workers' recommendations to enhance protection for platform workers. Effective 1 January 2025, this legislative change marks a significant step toward integrating platform workers into the broader labour rights framework, reflecting the evolving nature of work in the digital age.

The Platform Workers Act enacts the Advisory Committee on Platform Workers' recommendations to enhance protection for platform workers.

1. Ensuring adequate financial protection for platform workers in case of work injury
2. Improving housing and retirement adequacy by introducing CPF contributions
3. Enhanced representation

[1] What you need to know about the new Platform Workers Bill, Straits Times, 9 September 2024
[2] Labour Force in Singapore Advance Release 2023, Manpower Research and Statistics Department Singapore, 30 November 2023

Evolving Landscape with Platform Workers Act

Unpacking the Changes

Under this Act, platform workers will have the option to make CPF contributions, enhancing their retirement savings and financial security. Additionally, they will enjoy mandatory protection under the Work Injury Compensation Act (WICA), similar to normal employees, ensuring coverage for work-related injuries. These measures aim to provide platform workers with more robust financial protection, as well as housing and retirement benefits, aligning workforce policies with the demands of the digital economy.

CPF Contributions

The Act stipulates that platform workers born on or after 1 January 1995 are required to make CPF contributions, with both platform workers and platform operators contributing at rates set by the Inland Revenue Authority of Singapore (IRAS). To facilitate a smooth transition, these contribution rates will be incrementally raised until 2029. Platform workers born before 1 January 1995 have the option to voluntarily increase their CPF contributions.

To alleviate the financial impact on platform workers' cash flows, the Singapore government has introduced the Platform Workers CPF Transition Support (PCTS) initiative. This program provides cash credits to eligible platform workers to help offset some of the additional CPF contributions.

Insurance Coverage

Platform workers are now entitled to the same level of protection for work-related injuries as traditional employees. These on-the-job protections encompass coverage for medical expenses, compensation for income lost during medical or hospitalisation leave, and lump-sum payments for severe injuries that result in permanent disability or death.

Workers are eligible to file claims for injuries sustained while performing their duties. This includes incidents occurring during travel to a work location or while carrying out specific tasks, such as picking up a passenger.

These measures aim to ensure that platform workers receive a robust safety net, acknowledging the inherent risks of gig and platform-based work and aligning their coverage with that of employees.

Legal Representation

Platform workers now have the opportunity to organise and advocate on their rights or on behalf of their peers by registering with Platform Work Associations, which enable them to negotiate with platform operators. These channels offer a structured means for platform workers to voice their concerns and represent their collective interests effectively.

Platform workers will be provided the same level of coverage of Work Injury Compensation (WIC) as employees:

Medical Expenses	Income Loss Compensation During Medical or Hospitalisation Leave	Lump-Sum Compensation for Permanent Incapacity or Death
Up to $45,000 or medical expenses incurred 1 year from the date of accident, whichever is reached first.	**For medical leave:** Full average daily earnings for up to 14 days, 2/3 average daily earnings from 15th day to 1 year from the date of accident. **For hospitalisation leave:** Full average daily earnings for up to 60 days. 2/3 average daily earnings from 61st day to 1 year from the date of accident.	**Death**: From $76,000, up to $225,000 **Permanent Incapacity:** From $97,000, up to $289,000

Source: Strengthened Protections for Platform Workers from 1 Jan 2025, Ministry of Manpower, 27 January 2025

Evolving Landscape with Platform Workers Act

Financial Freedom Index

The Financial Freedom Index (FFI), commissioned by Singlife, seeks to understand how financially free individuals in Singapore feel. This Index reflects participants' financial sentiments and perceptions regarding their financial situations.

The Index is determined by a single direct question, asking participants to rate their sense of financial freedom on a scale from 1 to 10, where 10 represents "Extremely financially free" and 1 denotes "Not at all financially free". Participants were asked to rate how financially free they felt. The survey utilised 24 key indicators, categorised six key themes, to evaluate factors contributing to financial freedom.

Two separate FFI studies were conducted. The first was for Singapore General Population covering diverse demographic groups. This general survey was conducted online between April and June 2024, involving 3,000 participants. These participants included both Singaporeans and Permanent Residents (PRs) aged 18 to 65, covering a broad spectrum of income levels and life stages.

A second survey which focuses on SEPs was also conducted to understand how financially free they feel.

Financial Freedom Indicators

Retirement	Income streams/ stability	Managing unexpected events	Spending / Savings and goal setting	Managing recurring expenses	Giving back
1. I have sufficient savings to tap into when I retire to maintain my lifestyle. 2. I have the choice to stop working/retire whenever I want to. 3. I can estimate how much I would need to retire. 4. I have started planning the steps I need to take towards retirement.	5. I have alternative streams of income on tap of my main income. 6. I have passive income streams. 7. I have a growth trajectory for my job situation. 8. I feel secure and stable with my job situation. 9. My income growth is consistently higher than the increase in my household expenses.	10. I am able to maintain my current lifestyle in the event of unexpected circumstances for at least 12 months. 11. I have sufficient savings/emergency funds to tap into in unexpected situations. 12. I have the ability / resources to settle my hospital bills if I fall ills or in case of any unforeseen circumstances.	13. I am able to meet my monthly savings goal after paying my monthly bills/loans. 14. I am able to put my financial knowledge into how I manage my money and am in full control of my personal finances. 15. I have more than enough savings/ money to spend on my needs and wants. 16. I can estimate how much is needed to maintain my lifestyle in the period before I stop working.	17. I can pay off my loans most/all of the time 18. I can pay off my monthly bills in full most/all of the time. 19. I can provide for my dependents comfortably. 20. I have the ability to manage rising costs/inflation. 21. I do not have to rely on others financially for my needs and wants today. 22. I do not expect to rely on others financially for my needs and wants in the future.	23. I expect myself to have enough money for the rest of my life and that my loved ones will also receive some inheritance from me should I pass on. 24. I have enough money to give back to society on a regular basis.

Source: Financial Freedom Index 2024, Singlife, 26 August 2024

Evolving Landscape with Platform Workers Act

Perspectives Gathered from Different Surveys Conducted

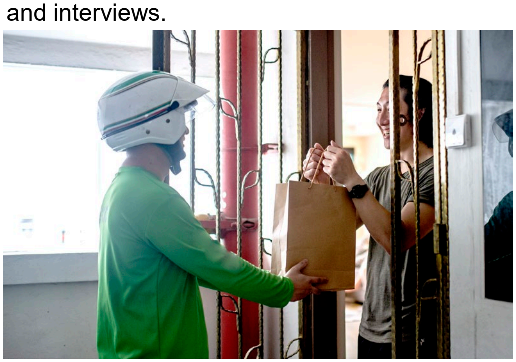
The FFI study for SEPs was conducted with 400 self-employed Singaporeans and Permanent Residents, conducted in September 2024. This group included both Platform Workers and Non-Platform Workers. The participants were aged 21 and above, with the majority falling into the 35 to 44 and 45 to 54 age range (60%). This survey targets at those who earns a monthly income of SGD 8,000 or less, with more than half who earns less than SGD4,000. This quantitative survey rides on the questions used in the general Financial Freedom Index study.

The survey findings discussed in this publication are based on data from this survey, known as "2024 Self-Employed Persons: Financial Freedom Index" conducted by Singlife.

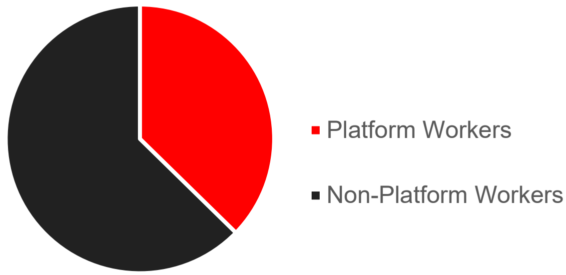
Furthermore, in October 2024, qualitative interviews were conducted with a diverse group of full-time tutors, personal trainers, and hawkers, all Singaporeans aged 30-46, to gather their views on the impact of recent changes to work-related injury compensation.

These surveys and interviews together offer a comprehensive perspective on the challenges SEPs face and their perceptions of achieving financial freedom in their current roles. The study delved into themes such as their sense of financial independence, CPF savings, and attitudes toward retirement.

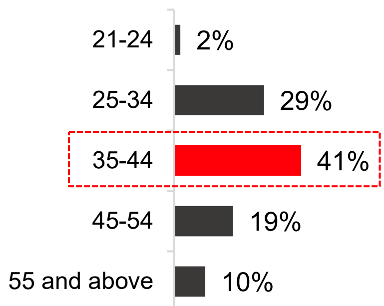
The following sections will detail the key findings and insights drawn from these surveys and interviews.



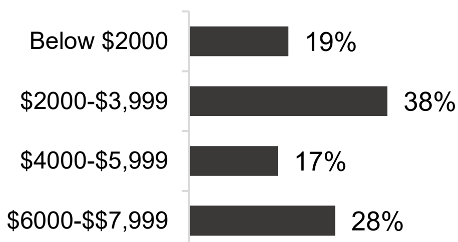
Types of SEPs



Age Profile of SEPs



Monthly Personal Income of SEPs



Source: 2024 Self-Employed Persons: Financial Freedom Index, Singlife, 2024

Overall SEP Landscape

Drivers and Diverse Forms of Self-Employment

Behind Choosing Self-Employment

Approximately 11.8% of workers in Singapore are self-employed[3]. For many, this decision is driven by a desire for enhanced flexibility and a better work-life balance.

Focusing on platform workers, 25% opted for self-employment due to the flexibility in working hours and the aspiration to be their own boss. Additionally, 18% of platform workers chose self-employment to achieve a better work-life balance.

Comparatively, among non-platform workers, 37% selected self-employment for the flexibility in their schedules, while 17% made this choice to improve their work-life balance.

Navigating Involuntary Self-Employment

While 78% of SEPs have voluntarily chosen this path, 21% have done so out of necessity, primarily due to a lack of skills or qualifications required for traditional employment.

Specifically, among platform workers, 9% were unable to find suitable jobs in the market, and 6% lacked the necessary qualifications.

For non-platform workers, 13% lacked the required skills, and 6% were unable to find other suitable employment.

The remainder of those who became self-employed involuntarily were either retrenched or laid off from their previous jobs or needed to supplement household income because their prior salaries were insufficient to sustain their lifestyles.

Exploring the Varied Types of SEPs

The largest segment of SEPs in Singapore consists of freelance workers, accounting for 60% of the total. Within this group, 18% are engaged in retail, while 10% each are involved in hospitality, service, and food and beverage (F&B) roles, as well as warehouse and office work.

Ride-hailing, delivery, and private hire drivers represent the second-largest category at 20%. Of this group, 9% are delivery workers, riders, or drivers, and 6% each are taxi drivers and private hire car drivers.

Among non-platform self-employed workers, 13% are business owners, making up the majority of this category. The remaining include home or private tutors at 4%, real estate agents at 4%, and insurance agents or financial advisers at 3%.

Among the 153 platform workers surveyed out of the 400, it was found that they typically engage with either primary or secondary platforms. Primary platforms are predominantly in the private hire and local delivery sectors, including companies such as Grab, Deliveroo, Gojek, TADA, Food Panda, and Ryde. Secondary platforms, on the other hand, are mainly involved in logistics, staffing/recruitment, and influencer marketing.

[3] How Much Self-Employed Persons Need To Contribute To MediSave (And What Happens If You Don't), DollarsAndSense Business, 24 April 2025

Unless otherwise indicated, all data on this page are sourced from: 2024 Self-Employed Persons: Financial Freedom Index, Singlife, 2024.

Drivers and Diverse Forms of Self-Employment

Weighing the Benefits and Challenges of Self-Employment

	Uncapped Potential	Schedule Flexibility	Independence / Control	A Way to Earn Income	Passion & Purpose
Positive Side	"The sky's the limit for how much I can earn, I don't need to wait a whole year to get a small increment in salary."	"I can choose how much or how little work I take on. I can shift around my schedule."	"Because I don't work in an office, I don't have to entertain office politics or admin.. I can be my own boss!"	"After I lost my full-time job, it was hard to find another job. So I decided to pursue self-employment instead."	"I am passionate in this area, I like seeing my clients improve after working with me."
'Shadow Side'	"I wake up at 3 am and work 16 hours, 7 days a week to maximise my earnings. Not sure if my health can take it. If I get sick, I don't earn anything."	"The fluctuations in my income makes financial planning and saving for emergencies more complicated."	"I need to do everything myself, no one is helping me. Sometimes it can get overwhelming."	"I cannot see a path out of this job, I will likely be doing this until I cannot work anymore?"	"I still have to do other things outside of my passion, like marketing for my services to get new clients."
	Pressure to Work Longer Hours	Income Instability	No One to Help	Stuck In This Job Forever	Tied Down by Other Tasks

Source: 2024 Self-Employed Persons: Financial Freedom Index, Singlife, 2024

Self-employment in Singapore offers a range of benefits, such as increased flexibility and personal autonomy, but it also comes with its own set of challenges that individuals must navigate. Despite these obstacles, the majority of SEPs in Singapore are content with their career choice. Notably, 78% of respondents indicated their intention to continue their self-employed status over the next five years, demonstrating a commitment to this career path. However, 18% of those surveyed remain uncertain about their future plans.

On average, SEPs in Singapore have been working in their current roles for approximately 6.79 years, signalling a substantial level of experience within this segment of the workforce. A closer examination of the data reveals that the largest proportion, 29%, have been self-employed for a period ranging from one to four years, indicating a significant influx of individuals transitioning to self-employment during this timeframe. Furthermore, 27% have sustained their self-employed status for five to six years, showcasing a degree of stability and commitment.

Interestingly, 17% of SEPs have been self-employed for more than a decade, illustrating the long-term viability of self-employment for a notable segment of the population. Conversely, 10% have ventured into self-employment within the past year, highlighting a continuous interest and entry into this mode of work. This diverse range of tenures among SEPs underscores the varied experiences and adaptability required for success in the self-employment landscape of Singapore.

Financial Freedom among SEPs

Insights from the Perspectives of SEPs

The SEPs have assessed their financial freedom using the FFI and rated themselves at 65 out of 100, suggesting they perceive themselves as slightly more financially free than average.

A closer examination of various demographic groups reveals that older SEPs (aged 45 and above) typically report lower FFI scores, scoring 52 out of 100. This disparity may be attributed to older SEPs often having greater financial obligations as they are nearing their retirement age therefore there is greater urgency to be financially ready for that stage.

The survey also indicates a positive correlation between financial freedom and monthly personal or household income. Specifically, SEPs with a monthly personal income ranging from SGD6,000 to SGD7,999 report a higher sense of financial freedom, with a score of 81, compared to those with a monthly personal income below SGD2,000, who score 39. Similarly, households with SEPs with a monthly income of SGD12,000 rate their financial freedom at 82, whereas those with an income of SGD4,000 rated it at 57. These findings suggest that higher monthly personal and household incomes are associated with greater spending power, thereby enhancing the perception of financial freedom among SEPs.

Different Indicators of Financial Freedom

Income Streams / Stability

Half of the SEPs convey a sense of security and stability in their current occupational roles. This sentiment reflects a certain level of confidence in their ability to maintain their professional standing and manage their financial responsibilities. Despite this sense of stability, the perception of a clear trajectory for career advancement appears to be less prevalent among these SEPs. Only 45% of SEPs agree that they have a well-defined career progression path. This indicates that a significant portion of SEPs are navigating their careers without a clear roadmap for growth and advancement.

Moreover, the survey reveals a nuanced picture when considering income growth relative to household expenses. While some SEPs report that their income growth consistently outpaces the rise in household expenditures, this is not the universal experience. The disparity underscores the challenges faced by SEPs in managing financial growth alongside personal and familial financial obligations. The data suggests that while a percentage of SEPs successfully managed to increase their earnings at a rate that exceeds their rising living costs, others find themselves struggling to achieve similar financial progress.

Managing Unexpected Events

While half of the SEPs express confidence in their ability to access sufficient funds during unforeseen events or health-related emergencies, they exhibit less certainty regarding their capacity to sustain their current lifestyle or continue meeting financial obligations under such circumstances. This difference highlights the challenges SEPs face in balancing immediate financial preparedness with long-term financial stability, underscoring the need for comprehensive financial planning and risk management strategies.

Financial Freedom among SEPs

Different Indicators of Financial Freedom

Spending Versus Savings

About half of SEPs express confidence in their ability to achieve their monthly savings targets after fulfilling their obligations for bills and loan payments. Furthermore, they generally concur that they can accurately estimate the financial requirements needed to sustain their current lifestyle until they retire. However, only 46% of SEPs feel they possess more than sufficient savings or disposable income to comfortably address both their needs and wants. This indicates that while many SEPs manage their current financial responsibilities effectively, a significant portion still faces challenges in accumulating surplus funds for discretionary spending.

Managing Recurring Expenses

In our FFI survey, half of all SEPs report being able to meet their monthly obligations for bills and loans consistently. They generally do not foresee needing to rely on others for their necessities and desires, both presently and in the future.

Approximately half of all SEPs feel confident in their ability to comfortably support their dependents or manage escalating costs and inflation effectively. For those SEPs earning less than SGD 2,000 per month, only 10% feel capable of keeping up with the rising cost of living or inflation. Furthermore, just 20% can consistently meet their monthly financial obligations. Despite these challenges, approximately 25% do not expect to rely on others for their future necessities and wants, indicating optimism about potential increases in their income over time. This data highlights the financial pressures faced by lower-earning SEPs and underscores their optimism for future income growth despite current difficulties

Giving Back

Despite the confidence expressed by most SEPs in meeting monthly financial obligations and maintaining sufficient emergency savings, fewer than half anticipate having enough funds to leave as an inheritance for their loved ones. Additionally, many SEPs feel unable to make regular contributions to society, such as monthly donations to charity. This highlights that while SEPs generally feel secure in their personal financial situations, their confidence diminishes when considering the financial wellbeing of their families in the event of a tragedy. This indicates a gap in their financial planning concerning long-term familial support and philanthropic contributions, suggesting a need for broader financial strategies that extend beyond individual needs.

Conclusion

In conclusion, while SEPs demonstrate commendable confidence in managing their immediate financial responsibilities, there is a clear need for enhanced financial planning to address long-term stability concerns. The challenges they face in providing for their dependents, planning for inheritance, and contributing to societal causes highlight a gap in their financial strategies. By focusing on comprehensive financial planning that includes long-term familial and philanthropic goals, SEPs can better position themselves to achieve lasting financial security. Despite these hurdles, the prevailing optimism among SEPs about future income growth serves as a positive indicator, suggesting that with the right strategies, they can overcome these challenges and achieve their broader financial aspirations.

Financial Freedom among SEPs

Obstacles on the Path to Financial Freedom

The FFI survey highlights that over half of the SEPs consider financial freedom crucial, yet they only scored 65 points in the survey. The main challenges hindering financial independence include irregular income, which disrupts financial stability, insufficient earnings that limit savings and investments, unexpected personal or family health expenses, and concerns about job security.

These financial obstacles contribute to a sense of pessimism, with 16% of SEPs believing that financial freedom is unattainable. The outlook is particularly bleak for those earning less than S$2,000 monthly, where nearly 40% feel that financial freedom is out of reach. This data underscores the urgent need for effective strategies to help individuals overcome these barriers and achieve their financial goals.

Concerns and Worries of SEPs

Focusing on the concerns of SEPs, the primary worry centres around securing adequate funds for retirement savings and managing the rising cost of living due to inflation. Additionally, 51% of SEPs express significant anxiety over ever-increasing healthcare and medical expenses. Economic instability and the ability to cover unexpected emergencies are also concerns for 48% of SEPs.

The survey further reveals that platform workers tend to have more financial worries compared to their non-platform workers. Notably, 63% of platform workers are concerned about accumulating sufficient retirement savings, compared to just 45% of non-platform workers. Healthcare and medical expenses are the second most pressing concern, with 60% of platform workers worried, compared to 45% of non-platform workers. A significant disparity also exists in ensuring adequate insurance coverage, with 56% of platform workers expressing concern versus 37% of non-platform workers.

These findings indicate that platform workers generally feel less confident than non-platform workers about having enough funds, which affects their ability to achieve financial freedom.

Top 5 Challenges of Being Self-Employed in Singapore

28%	27%	26%	25%	24%
No CPF contribution from employer	**Irregular income**	**Lack of employment benefits**	**No compensation for income loss if unable to work due to health issues/work injuries**	**Lack of medical benefits (e.g. outpatient medical claims, hospitalization plans)**
PW: 26% | Non-PW: 29%	PW: 28% | Non-PW: 26%	PW: 26% | Non-PW: 26%	PW: 22% | Non-PW: 27%	PW: 22% | Non-PW: 26%

Top 5 Financial Expenses that SEPs find it challenging to keep up

29%	28%	28%	27%	25%
Daily / living expenses for self	**Increased GST**	**Household expenditure**	**Daily / living expenses for dependents**	**Healthcare and medical expenses**
PW: 33% | Non-PW: 26%	PW: 32% | Non-PW: 26%	PW: 25% | Non-PW: 30%	PW: 24% | Non-PW: 28%	PW: 25% | Non-PW: 26%

Source: 2024 Self-Employed Persons: Financial Freedom Index, Singlife, 2024

Reactions Following the Act's Implementation

CPF Usage and Awareness

Voluntary Contribution to CPF

From 1 January 2025, platform operators are required to deduct CPF contributions from platform workers' earnings as and when they earn and submit them to CPF Board every month. This aims to help the platform workers make timely CPF contributions without needing to submit the CPF contributions themselves[4]. In contrast, other self-employed individuals who are not defined as "platform workers" do not enjoy the same benefit.

Prior to this announcement, 70% of SEPs were voluntarily contributing to CPF, but their average monthly contributions were less than S$400. Interestingly, when comparing voluntary CPF contributions, 7% more non-platform workers were contributing compared to platform workers, and their contributions were 35% higher on average.

This contrasts with FFI survey results indicating that 73% of platform workers are aware of the benefits of CPF contributions, compared to only 53% of non-platform workers. Despite a lower awareness among non-platform workers, a higher proportion of those who are aware choose to contribute voluntarily each month.

Food for Thought

Depending on the success of the current recommendations for the platform workers on CPF contributions and insurance coverage, considerations could be placed on implementing similar protection and retirement benefits for SEPs across all sectors. This would level the playing field for all SEPs.

Awareness of Benefits of CPF savings

One advantage of CPF savings is their use in covering insurance premiums. While 80% of SEPs reportedly know that CPF savings can be applied to insurance payments, there is a common misconception among them that these funds can be used for critical illness and life insurance, which CPF regulations do not permit. The only insurance products eligible for payment with CPF savings are Integrated Shield Plans (ISPs), MediShield Life, and ElderShield.

After learning about Integrated Shield Plans (ISPs), 80% of SEPs aged 21 to 39 are inclined to buy ISPs. Of these SEPs, 20% would make the purchase online independently, while 57% would complete the online purchase after receiving assistance from customer service, an agent, or an adviser. Meanwhile, 23% would require an agent or adviser to help them purchase offline. The primary reason for seeking help is uncertainty about the benefits and terms and conditions of the insurance plan. This indicates that once SEPs are informed or can access assistance to understand the plan, they are willing to secure insurance coverage for themselves.

[4] CPF contributions for platform workers, Ministry of Manpower, 14 March 2025

Attitude Towards Retirement

Enablement
Overall SEP Landscape
Post-Act Implementation

Definition of Retirement

We have observed multiple differing definitions of retirements among SEPs. Some of the SEPs surveyed expressed that they do not want to stop working as they are afraid of feeling bored and it fuels their sense of purpose while others envision themselves working at a reduced capacity or having the choice to stop work when they want to.

Confidence Towards Retirement

Among the SEPs we have surveyed in our FFI survey, 46% do not feel confident about their retirement.

A whopping 95% of SEPs save up to $1,000 per month for retirement. In comparison, the average Singaporean would need $566,640 in savings to feel financially free — an amount that would take 27.3 years to accumulate if one were to save S$1,733 per month[5].

This shows a trend of majority SEPs saving significantly less than the average Singaporean in order to feel financially free. They would require a significantly longer time to save enough money to feel financial free.

What Ideal Retirement Looks Like

We have also gathered some ideas from the SEPs on how they view an ideal retirement and it generally involves not having financial worries. Examples include being able to travel whenever without having the need to worry about daily cost of living.

Some SEPs expressed that their general idea of an ideal retirement would be to have the choice to stop working and also have the time to spend more time with their loved ones.

There is also a consistent trend of a lower percentage of SEPs intending to retire compared to the general population of the same age group. The median retirement age of SEPs sits at 65, compared to the general population of 62.

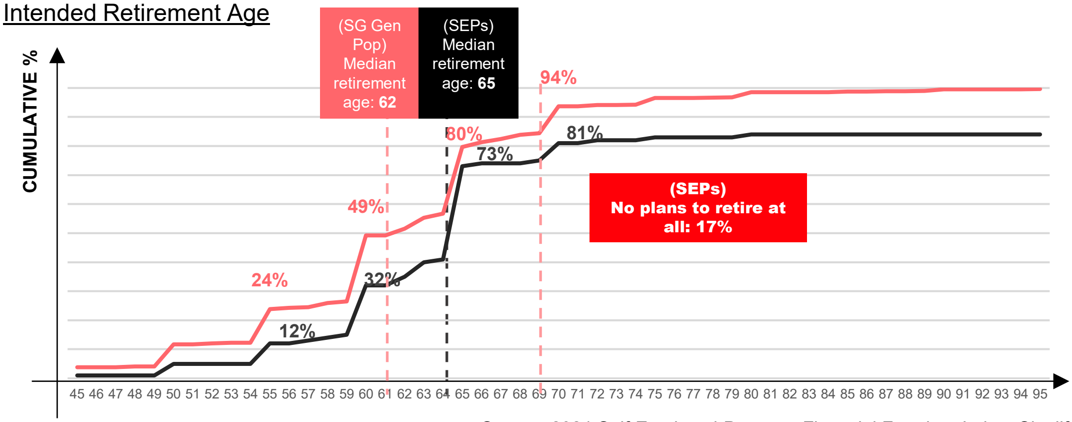
Progressing Toward Retirement

There are multiple strategies that SEPs have to work towards retirement. Some follow the conventional way of saving through minimising cash outflows. Some utilise financial products such as endowment plans and others would invest and find ways to layer income through retirement plans for timing the payouts.

However, the savings were generally not intended for retirement, but a flexible pool of money to be used for any purpose.

Majority of SEPs intend to retire by 70 years old – three years later than the median retirement age of the average Singaporean consumer.

Intended Retirement Age



Source: 2024 Self-Employed Persons: Financial Freedom Index, Singlife

[5] Financial Freedom Index 2024, Singlife, 26 August 2024

Experiences and Perspectives

Experiences and Perspectives

Experiences and Perspectives

Following the implementation of the Platform Workers Act, we conducted one-on-one interviews with self-employed financial adviser representatives and industry leaders to gather insights on the challenges of SEPs. These interviewees occupy a unique space, as they not only provide services to clients who might be freelancers or platform workers but also have firsthand experience of being self-employed themselves.

The discussions focused on the following areas:
a) Personal experiences as self-employed individuals; and
b) Serving self-employed clients;

The interviews were conducted with the following three individuals:

1. Kenji Lee (Executive Director of Alpha Wealth Financial Advisers)
2. Timothy Koh (Senior Financial Services Manager of Alpha Wealth Financial Advisers)
3. Tang Khan Loon (Deputy CEO of Financial Alliance)

Introduction of Interviewees

Kenji Lee

Kenji boasts a robust 14-year career in business, beginning with a foundational seven-year period dedicated to consultancy. During this time, he honed his skills in advising a diverse range of clients, building a solid foundation of expertise. In the following seven years, Kenji transitioned into management and leadership roles, focusing on empowering and guiding diverse groups, including salaried individuals, the unemployed, and the self-employed. This career trajectory highlights Kenji's commitment to impactful leadership and their passion for engaging with and understanding people to drive success across various segments.

Timothy Koh

Timothy's career journey exemplifies adaptability and strategic planning as he transitioned from the music industry to financial advisory. Driven by the need for financial stability and influenced by his family's involvement in finance, Tim made this shift four years ago. His daily routine is a blend of personal pursuits such as gaming, exercise, and meditation, alongside professional responsibilities, including meetings and tasks related to his financial advisory role. He favours self-employment over traditional salaried positions, valuing the work-life balance and productivity-based rewards it offers—a preference further reinforced by his experience managing a music school. This transition allows him to leverage his diverse skills, ensuring both financial stability and the flexibility to nurture his personal interests.

Tang Khan Loon

After a brief stint as a design engineer, Khan Loon's career in the financial advisory sector began in 1996 when he joined his father's life insurance agency in Penang, Malaysia. There, he helped manage and grow the business before starting his own financial planning practice in Malaysia and Singapore. In 2007, he joined a Malaysian financial advisory firm linked to Professional Investment Advisory Services ("PIAS") Australia, becoming a part of the management team. He moved to Singapore in 2009 to become the General Manager of Distribution at PIAS Singapore. By 2012, he joined Financial Alliance as a Director and was appointed to the position of Deputy CEO in 2025.

Alpha Wealth Financial Advisers

FINANCIAL® ALLIANCE

Experiences and Perspectives

Interviews on Self-Employment Experiences

The decision to become self-employed is often driven by a desire for flexibility and autonomy. Initial hurdles such as managing irregular income, establishing business processes securing personal insurance, and retirement planning are common for SEPs. They also share their approach on securing personal insurance, retirement planning and CPF contributions, and some challenges faced by their SEPs client as they are advisers themselves.

1. What motivated you to become self-employed rather than remain in or switch to a salaried role?

Kenji: First, is the freedom to roam around. The freedom to invent, which is to have creativity and freedom to speak, to feel. I've always realised that I perform much better when I'm given the autonomy and the authority to act independently as compared to being an employee.

On some days, you might want to spend more time with your family or take your kids out. You might want to go for a quick holiday. Being in this field gives me the autonomy to do so.

Tim: My wife wanted a child and I went around to find ways to make money. Music is not where the money is going to be, to have a child.

I think that work-life balance is very important and when you work from 9:00am to 5:00pm, there are days where you have multiple things to do. Being self-employed offers me the flexibility on my working hours.

Khan Loon: Even though I was doing well in my own field, I always felt that it was my calling to help manage and grow the life insurance business that my father has dedicated so many years of his life to build. With this sincere wish for my father to be able to retire with peace of mind, I quit my full-time job to embark on this journey as a self-employed person.

2. What were the biggest hurdles you faced when you first became self-employed (e.g., irregular income, setting up business processes, etc.)?

Kenji: Irregular income. Let’s say if some policies are in annual payment, you will see a higher fluctuation. If I sold three annual plans last month, I could make about $1,000. However, if I only managed to sell one annual plan this month, my commissions would drop by 60%. The fluctuation can be like that.

For myself, I did a lot of money planning. I started growing my income from $250 to $500, to $700, to $1,000 to $2,000. It becomes incremental. I set for myself a target of incremental rate should be at $500 per month.

As you go along, it is exponential. Eventually I no longer sell plans, and the way I pitch becomes more to optimise and to spend less time on each case, with more effectiveness.

(Continued on the next page)

Experiences and Perspectives

(Continued from the previous page)

2. What were the biggest hurdles you faced when you first became self-employed (e.g., irregular income, setting up business processes, etc.)?

Kenji: (continued) Additionally, I kept my expenses low. First, I only travelled on public transport. I would sleep less, wake up earlier, stretch my days from morning to late night to maximise my day, and ensure that I successfully close every appointment I go to. I have to make money out of every appointment. When you have about 3 digits in your bank, you do not really have much to spend, so the only way is to earn more.

Tim: I need the benefits, similar to an employee working full time. For example, company insurance covers a lot of things. The other form of employee benefits are stable in a sense and there's a lot of structure.

On income, last October was my best month. I went on holiday in November and December and hence there was a drop in income. For SEPs like us, we would have to plan ahead for the income volatility.

Khan Loon: In the life insurance industry, differentiating yourself is difficult but essential. My initial challenge was how to communicate our brand positioning to clients and business partners in a way that resonated with them.

My second struggle was lead generation and prospecting. Having a pipeline of new paying customers is the lifeline of every sustainable business. I believe this applies to most businesses, and not just financial consultants.

Finally, as a self-employed person, even though you don't have a fixed salary every month, you still have fixed financial commitments, especially when you have dependants. Learning to manage one's cashflow is crucial.

3. How did you approach securing personal insurance, retirement planning, or CPF contributions? Any difference to how you handled these before going into self-employment?

Kenji: I always believed that as a practitioner in the industry, you have to walk the talk. As soon as I started my career, I became my first client myself. As soon as I got like a few $100 of commissions, and I took that portion and bought into my policies.

I have to set up my own personal portfolio in various investment classes, to earn higher percentage on my investment returns and to have higher liquidity.

I would make my own kind of preparation, just to make sure that I have alternate ways to protect myself against being self-employed and not be shortchanged in a way.

Currently I'm offered a medical plan as a director of my financial advisory firm. Back in my previous company, I was also offered a series of accident plans like group term life insurance.

(Continued on the next page)

Enablement
Overall SEP Landscape
Post-Act Implementation

Experiences and Perspectives

(Continued from the previous page)

3. How did you approach securing personal insurance, retirement planning, or CPF contributions? Any difference to how you handled these before going into self-employment?

Tim: Personally, I invest and participate in the mandatory CPF top up. We do understand the markets and are savvy enough to know how to invest. Generally, we have higher risk appetites, which lean quite well into investing.

Khan Loon: Whether salaried or self-employed, my priority in financial planning would always be paying for the most important thing in life. I would ensure I have sufficient resources to pay for daily essentials, cover bills and take care of my dependants.

It is only after these essentials are taken care of that I then look at important but not urgent needs, such as setting aside funds for retirement and to build wealth for longer-term goals in life. I consider Insurance as an essential, no-compromise item because if I didn't have proper health insurance, what if something goes wrong? That is not a situation I want to put my family in.

4. In your experience, what are the most common financial struggles your SEP clients face?

Kenji: My SEP clients are focused on meeting day-to-day challenges and paying monthly bills. Most of them are not planning ahead for retirement.

For an example, for an athlete or coach, sometimes their body cannot take them too far and they might have to re-strategise their source of income. Once the athlete gets injured, that will be downtime for now (lack of income). Income can be volatile. In this case, I would advise them to get basic insurance to cover the loss of income. For SEP clients, the income volatility is a bigger concern.

Tim: For the self-employed, I would usually recommend more investments and critical illness protection, because they do not have company insurance or CPF. For example, while many employees could use CPF to fund their housing loans, the SEP would need to make these payments in cash, and hence they would need different solutions, like for example, investment-linked policies (ILPs) or investment products with shorter maturities.

In servicing SEP clients, I would need to assess their income range and ensure that they can afford the premiums, even with some income volatility.

(Continued on the next page)

Experiences and Perspectives

(Continued from the previous page)

4. In your experience, what are the most common financial struggles your SEP clients face? (continued)

Khan Loon: At Financial Alliance, we serve a wide range of self-employed clients in various industries - from sole-proprietors in traditional businesses to digital nomads running one-person consultancies.

The common challenge is cashflow, because there can be a lot of uncertainty when it comes to when they would actually get paid. Ensuring that you can cover your business and personal costs is what determines the longevity of businesses. Revenue is necessary, but not sufficient for success.

Procrastination is another understandable and common hurdle we need to help self-employed clients surmount. While they focus on building their businesses, self-employed persons should not neglect setting and taking action towards their own future - such as retirement, financial freedom, and other life goals.

Company Interview

Experiences and Perspectives

We also spoke with Vincent Ha, CEO of Lyte, and delved into the unique challenges and concerns faced by SEPs in today's dynamic economic landscape. Lyte brings a data-driven perspective and has gained valuable insights into the real-world hurdles that these individuals encounter, and the systemic gaps holding them back. The discussion sheds light on critical issues like income volatility, for different SEPs in different phases of their lives and careers.

Introduction of Company

Lyte's mission is to empower self-employed individuals with the clarity, control, and confidence to power towards their goals. Currently, the company provides early payment and invoice factoring services, allowing SEPs—especially real estate agents and creatives—to smooth out cash flow and reinvest in business growth. Looking ahead, Lyte is building a broader ecosystem of support beyond commission advances, including financial solutions that help SEPs with home ownership, expense management, retirement planning, and business cost savings.

Challenges Faced by SEPs

#1 Income Fluctuation Remains the Primary Challenge for SEPs

One of the most pressing issues SEPs face is income fluctuation. Payments come in bursts, often delayed by weeks or months, making basic financial planning a struggle. SEPs also often shoulder their own business costs, which can be substantial. This includes their own marketing, advertising or software and equipment costs. This reduces effective take-home pay and can magnify any existing cash flow gaps.

Many freelancers merge personal and business funds, lacking the structure of a separate corporate bank account. This can lead to blurred lines in managing taxes, savings, and loan obligations.

#2 SEPs Face Some Systemic Disadvantages

A core struggle for SEPs is securing a home loan, where lenders thoroughly evaluate income consistency, credit history, and monthly debt obligations. Freelancers frequently contend with a 30% "haircut" on their variable income, severely limiting the loan quantum they can qualify for. This would shrink their loan eligibility and borrowing power, even if their actual earnings are on par with that of other salaried employees.

As such, without employer CPF contributions and with unpredictable revenue, freelancers often struggle to build a credit profile robust enough to secure comfortable housing loans.

#3 Phase of Career and Life Affects SEPs Too

Lyte has revealed a spectrum of financial experiences shaped by where SEPs are in their career stages. Early-career SEPs are most vulnerable, often operating without financial buffers. Veteran SEPs often have robust business systems and savings buffers, while newer SEPs can be derailed by early missteps.

Experienced SEPs tend to have established clientele and diversified revenue streams, and often own property or have already navigated big-ticket financial decisions.

(Continued on the next page)

> "Experience plays a major role in financial stability. Veteran SEPs often have robust business systems and savings buffers, while newer SEPs may face more challenges with income volatility. There is a pivotal point – typically around the five-year mark – where those who make it past are more likely to remain in self-employment.
>
> **Vincent Ha, CEO, Lyte**

Company Interview

Challenges Faced by SEPs

(Continued from the previous page)

#3 Phase of Career and Life Affects SEPs Too

New SEPs, on the other hand, struggle more with income volatility, leading some to return to traditional employment if they cannot build enough of a financial "runway" to stay afloat. They are often blindsided by variable pay and unexpected business costs, leading some to delay critical protections, such as insurance and long-term savings until they achieve a steadier income.

#4 Introduction of CPF Is a Potential Game Changer for SEPs, but Implementation Will Be Complex

CPF policies play a pivotal role in shaping SEP finances, but it is necessary to determine who would be responsible for paying the employers' CPF contributions. It provides long-term security for SEPs, where regular or mandated contributions could help SEPs build retirement savings and bolster creditworthiness for housing loans.

However, without meaningful incentives or co-contributions, many SEPs prefer to manage funds themselves, especially property-focused agents who feel they can outgrow CPF returns via real estate investing. There are also challenges surrounding who bears the "employer share" of the CPF for SEPs. SEPs might balk if this contribution cuts into their "take-home" pay. Striking the right balance between flexibility and long-term stability will be crucial.

> We've always encouraged real estate agents to top up their CPF, because it's a low-risk way to build financial security. But many are mindful that using CPF for property comes with accrued interest they'll need to repay. For some, that makes keeping their funds liquid – for investment opportunities or business needs – a more attractive option.
>
> **Vincent Ha, CEO, Lyte**

#5 Shifting Macro Environment and Continued Growth of the SEP Ecosystem

Economic conditions like interest rates, higher living costs, and even adoption of artificial intelligence ("AI") could reshape how many choose or remain in self-employment.

Rising mortgage rates and the overall cost of living could discourage risk-averse individuals from remaining in freelance work long term.

Some may be forced into self-employment if certain full-time roles shrink. Others may find new ways to monetise their skills or adopt "portfolio careers," blending multiple income streams with partial employment. Some content creators and influencers have started to pursue real estate or financial advisory as an alternative or supplementary income stream. Success of SEPs will depend on how adaptable they are and the willingness to apply their skills into adjacent industries and opportunities.

Conclusion

The rapidly evolving landscape offers both challenges and opportunities for SEPs aiming to increase their income. Income volatility remains a significant challenge, particularly for those new to the field. Striking a balance between meeting current expenses, including business needs, and planning for retirement and major expenditures like housing, is crucial. It is also essential for SEPs to consider how they can manage CPF contributions to ensure financial stability and future security..

Our Thoughts

Lessons Learnt and Looking Ahead

Putting Insights into Action

What We've Learnt

The current regulations implemented for platform workers through the Platform Workers Act aim to improve their confidence on protection and retirement goals. In this section, we explore considerations that could help improve the overall financial freedom and protection for platform workers, and how these measures could also be extended to other SEPs.

Improving Financial Literacy and Information Dissemination

To maximise the benefits of mandatory protections and CPF contributions for platform workers, it is essential to ensure that these individuals fully understand the implications of these changes and the opportunities available to them through CPF and insurance coverages. Effective implementation necessitates campaigns which help to increase awareness and support to enhance financial literacy among platform workers, enabling them to make informed decisions and optimise the benefits they receive.

Varied Needs of the SEP Population

In addition to platform workers in the ride-hailing and delivery sectors, there exists a broader category of platform workers and SEPs across various industries who remain inadequately protected and financially insecure. As demonstrated in the previous section, the short-term and long-term needs of these workers can vary greatly, influenced by their income levels and cost of living requirements, as well as phase of life (i.e. new to workforce, as opposed to near retirement). Consequently, a one-size fits all approach may not effectively address the diverse and niche needs of SEPs. It is imperative to curate a range of tailored measures and alternatives to specific groups within the SEP population that allow these workers to manage immediate financial pressures while also planning for long-term retirement security.

Finetuning of Existing Benefits Would Ease Challenges

SEPs often encounter significant challenges related to the absence of medical benefits and the burden of healthcare expenses, which can impact their financial security and overall wellbeing. The wellness benefits most preferred by SEPs are subsidised or discounted health screenings and vaccination programmes. To address these challenges effectively, it is crucial to implement targeted initiatives, propositions and enhanced benefits specifically designed for this group.

Paving the Way Forward in Wellbeing

Unlike the traditional workforce, SEPs do not have access to the traditional employee benefits, and thereby, are more susceptible to health related financial shocks. On top of this, a lot of the available health benefits are not holistic in nature. Embedding wellness benefits into broader financial protection schemes—through partnerships with healthcare providers or bundled insurance offerings—can truly drive their holistic wellbeing with focus on physical, mental as well as financial wellbeing.

Conclusion

To really move the needle and take this forward, all ecosystem stakeholders need to work closely together to ensure that the platform workers and SEPs receive adequate benefits. Concerns would need to be appropriately resolved such that a meaningful scheme can be put in place to improve the financial freedom and protection for SEPs.

Acknowledgements

About Singlife

Singlife is a leading homegrown financial services company that offers consumers a better way to financial freedom. We are headquartered in Singapore with a presence in the Philippines.

Singlife meets diverse customer needs by offering a comprehensive suite of insurance products, including life and health, general insurance and investments, employee benefits and financial advisory solutions.

We achieve this through a differentiated, open-architecture distribution model and Singapore’s largest network of financial advisers.

A pioneer in the digital insurtech space, we offer digital solutions accessible through the Singlife App and GROW with Singlife an investment platform.

We are a key player in the employee benefits solutions space and are the exclusive insurance provider for the Ministry of Defence, Ministry of Home Affairs and Public Officers Group Insurance Scheme. We’re also one of three government-approved long-term care insurance providers in Singapore.

We take our commitment to achieving Net Zero seriously and are an official signatory of the United Nations Principles for Sustainable Insurance and the United Nations-supported Principles for Responsible Investment.

Singlife was formed from the merger of Aviva Singapore and Singlife, originally an insurtech start up, in January 2022. Singlife is now a wholly owned subsidiary of Sumitomo Life, who acquired Singlife in 2024. We have over S$16 billion in assets as of 31 December 2024 and are rated “A” and “Baa1” by Fitch and Moody’s respectively.

Sumitomo Life was established in 1907 and is one of Japan's largest life insurance companies, with over US$300 billion in assets as of 31 March 2025.

About PwC

At PwC, we help clients build trust and reinvent so they can turn complexity into competitive advantage. We’re a tech-forward, people-empowered network with more than 370,000 people in 149 countries. Across audit and assurance, tax and legal, deals and consulting we help clients build, accelerate and sustain momentum.

About Singapore Financial Advisers (SFA)

Singlife Financial Advisers (SFA) is a licensed financial advisory firm under Singapore Life Ltd, offering multi-provider solutions across protection, health, savings, and legacy planning. The wealth managers are MAS-certified and work closely with their clients to provide holistic financial solutions and guidance to meet their financial needs. SFA works with various life and general insurers, and investment/fund providers, and endeavour to provide a wide range of financial advisory services.

Contacts

Varun Mittal
varun@singlife.com
Head, Innovation and Ecosystem, Singlife

Tawishi Singh
tawishi.singh@singlife.com
Vice President, Innovation and Partnerships, Singlife

Wanyi Wong
wanyi.wong@pwc.com
FinTech Leader, PwC Singapore

Justin Ho
justin_ho@singlife.com
Chief Executive Officer, Singlife Financial Advisers

This report is provided for informational purposes only. Any views, thoughts, and opinions expressed by the individual(s) and interviewee(s) are solely that of such individual(s) and interviewee(s) and do not reflect the views, opinions, policies, or position of Singapore Life Ltd. (‘Singlife”) or its related corporations (where applicable) (collectively, the "Singlife Group"). The Singlife Group does not endorse any views, thoughts, or opinions expressed here or the individual(s) and interviewee(s) referred to and is not responsible for the contents here.

This report does not have regard to the specific investment objectives, financial situation and particular needs of any specific person. This report is and should not be relied upon as financial advice. For clarity, this document is not and does not constitute an offer, recommendation, or solicitation to enter into any transaction, to buy or sell any insurance or investment product, or to adopt any financial or investment strategy in relation to any insurance or investment product.

All information and opinions expressed in this report were obtained from sources believed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to its accuracy or completeness or any verification on such information and opinions has been performed. All information and opinions herein are current as at the date of this report, and subject to change without notice.

To the extent permitted by law, Singlife specifically disclaims all warranties (express or implied) regarding the accuracy, completeness, or usefulness of this report and the information within and Singlife assumes no liability with respect to the consequences of relying on this report and the information within for any purpose. Singlife accepts no liability for any loss or damage arising directly or indirectly (including special, incidental or consequential loss or damage) from the use of this report.

Digital version
available here