

TAKE CONTROL Navigating Retrenchment 2.0: Your Financial Roadmap

A practical, phase-by-phase guide to protecting your cash flow and your peace of mind

A collaboration by:



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Losing your job is stressful and disruptive. But it doesn't have to be financially catastrophic.

This guide walks you through your options, from managing your cash flow to CPF rules and HDB mortgage help, government support schemes, and community resources.

With the right information and decisions, you can protect your family and navigate this period with greater confidence.

Your Roadmap at a Glance

Four phases, from sensing risk to landing your next role.

1

BEFORE
While You're
Employed

Build cash buffers, improve your options and set up lifelines while still employed.

2

FIRST 48 HOURS
During
Retrenchment

Verify contractual entitlements and negotiate the retrenchment payout where applicable

3

AFTER
Stretch Your
Dollars

Preserve cash, cut outlay and avoid irreversible moves.

4

ONGOING
Support & Re-
Skilling

Tap government schemes, temporary income and community assistance.

While You're Employed

IF YOU SENSE IT IS IMPENDING

Act while you are still employed to strengthen your finances and ease the transition.

Uncertainty is unsettling, and it is normal to feel anxious. Take it one step at a time.

Build Your Emergency Fund



Every dollar you set aside gives you room to breathe

- Set aside 6–9 months of essential expenses in cash or liquid savings
- Total up your liquid savings, then size the gap. **MoneyOwl's Emergency Fund calculator** helps.
- Track every expense and build a simple budget
- Trim discretionary spending early
- Even if retrenchment never comes, you build lasting, better habits

Sort spending into three types

Fixed — constant essentials

Mortgage, utilities, insurance, school fees, loans, helper

Variable — essential but fluctuating

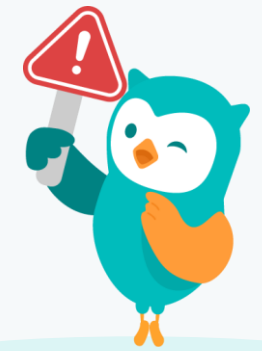
Groceries, transport, tuition, personal care

Discretionary — wants you can cut

Dining out, entertainment, travel, subscriptions

MoneyOwl's Emergency Fund calculator





Smooth Your Monthly Cash Flow

Preserve cash and smooth your outflows — reversible moves you can unwind later.

Redirect Loan Repayments

- Do not rush to pay down housing or fixed-term loans
- Pay your mortgage from CPF Ordinary Account instead of cash
- Refinancing? Negotiate a longer tenure to cut monthly outlay

Split Lump-Sum Payments

- Convert annual premiums, subscriptions & renewals to monthly
- Prioritise cash flow over cost savings where necessary
- At a minimum, know how to switch quickly if needed

Avoid Risky Commitments

- Avoid illiquid or volatile investments, or lock-in insurance
- Prioritise liquidity and flexibility over growth
- Chasing a “quick buck” is gambling - it can backfire

Review Insurance

Your protection matters — review your insurance gently and carefully

- Insurance premiums are one of the largest financial commitments
- Check for over-payment and under-coverage.
 - Many pay high premiums for low-coverage policies with “cash value”
 - Refer to Monetary Authority of Singapore’s (MAS) **Basic Financial Planning Guide** on the recommended insurance protection for core needs
- Consider adding low-cost term life or critical illness insurance first to cover severe catastrophic life events
 - Low-cost way to get full coverage
 - Ensures you maintain coverage even if you have to drop some expensive policies



Surrendering your insurance policy is a last resort. You may be subject to penalties and may not be re-insurable.

Always seek advice from a licensed adviser.



Basic Financial
Planning Guide

Build Backup Infrastructure

Setting these up while things are steady means one less worry if the day ever comes



Finance

- Apply for credit cards and credit lines while you are employed but leave them unused. They serve as a financial safety net if you need to manage debt later - 0% balance transfer offers can provide temporary relief by moving high-interest debt to interest-free periods.
- Explore alternate income streams.

Workplace Protection

- **Sign up as an NTUC member** (\$9/month) for retrenchment support, legal advice and career resources.





Be Mentally Prepared

Retrenchment is as much an emotional event as a financial one — getting ready in advance keeps you in control and helps you make decisions quicker.



Prepare Emotionally

Get mentally and emotionally ready for the possibility of retrenchment.



Share With Family

Talk it through with your spouse or close family so you agree on priorities.

During Retrenchment

THE FIRST 48 HOURS

When retrenchment is announced, focus on securing your entitlements and do not sign any agreement before reviewing it carefully.

Give yourself a moment, then take the next step calmly — nothing has to be decided all at once.

Go Through Your Retrenchment Package

Secure a formal termination letter, then check every component of your compensation settlement

1

Retrenchment Benefit

Prevailing norm is to pay a retrenchment benefit between 2 weeks to 1 month salary/year of service.

Employees with 2 years' service or more are eligible for retrenchment benefit*.

However, do take note that retrenchment benefits are not mandatory.

2

Notice Pay

Salary in lieu of notice if you are asked to leave immediately, without serving your notice period.

3

Annual Leave & Bonuses

Payment for unused annual leave and any pro-rated bonuses you are entitled to.

4

Others

Other salary-related payments, where applicable such as:

- Allowances
- Medical and insurance coverage
- Commission
- Reimbursement
- Restricted Stock Units / Stock Options

Note that the list is not exhaustive.

*In accordance with the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment

Negotiating & Securing Your Retrenchment Package

For NTUC members

NTUC members can contact NTUC or your respective union



Visit: <https://bit.ly/NRFINPME>

For Non-members

You can approach the **Tripartite Alliance for Dispute Management (TADM)** for mediation.



Visit: <https://www.tal.sg/tadm>

Then preserve the payout: Keep it liquid in savings, fixed deposits, Singapore Savings Bonds or money market funds (which are not capital-guaranteed).

Post-Retrenchment: Stretch Your Dollars

STRETCH YOUR DOLLARS AND YOUR TIMELINE

Prioritise cash flow, avoid irreversible moves, and make your emergency fund last until your next role.

Small, steady choices add up — be kind to yourself along the way.

Take Stock, Then Reduce Cash Outlay



A • How long will your cash last?

- List every asset — liquid (cash, fixed deposits, T-bills, SSBs, CPF OA if >55) and illiquid (investments, cash value of insurance policies, property)
- Recalculate with your payout included: how many months of expenses does it cover?
- Compare liquid assets against monthly expenses first
- Aim for 6 - 9 months savings

B • Reduce your monthly outlay

- Pay the mortgage from CPF OA; spread large annual payments to monthly instalments where possible
- Lower grocery bills by switching to house brands and shopping at wet markets
- Reduce utility costs by increasing aircon temperature or using a fan more often
- Cook at home more frequently and reserve dining out for occasional treats or promotions.
- Consider whether a car or domestic helper remains essential; these are often among the largest household expenses.
- Use free or low-cost learning resources where possible instead of paid tuition.

More energy saving tips from
National Environment Agency



Pause Investments



Free up cash flow — without locking in losses



Regular Plans: Pause

Pause recurring savings & investment plans - usually penalty-free and frees up cash right away.



Stocks & ETFs: Hold

Highly liquid if you truly need cash. But don't panic-sell long-term holdings in a downturn.



ILPs, Endowments, Whole Life policies: Hold & Explore Options

Surrendering an investment-linked policy may trigger high charges and cut your coverage. More on next page.

Review Insurance Options



Option	How it works	Cash flow	Protection	What to watch out for
Premium waiver / holiday	Pauses premiums for a limited time	Relief; pauses outflow	Maintained	Check eligibility & when payments resume
Policy loan	Borrow against your policy's cash value	+ Lump-sum cash	Reduced on claim	Accrues interest; short-term only
Convert to "paid-up"	Cash value funds a smaller policy; no more premiums	Relief; stops outflow	Reduced permanently	New underwriting to restore cover later

Note: Some insurance policies pay a stipend if you are involuntarily unemployed.



Policy features, charges and consequences vary by policy. Check your policy contract and consult the insurer or a licensed adviser before acting. Surrendering insurance is a last resort - an uninsured emergency could wipe out your savings and you may face penalties or be unable to re-insure.



Traps to Avoid

New big commitments or policies

Cash on hand matters now, not growth. Skip new savings plans, investment policies and big-ticket buys - you can lose a lot if you exit early.

Risky investments & gambling

No casino, crypto or risky stocks. Trying to “make a quick buck” out of panic almost always backfires and can wipe out savings in days.

High-interest debt

Don't run daily expenses on cards you can only minimum-pay. Use lower-cost balance transfers, and contact **Credit Counselling Singapore** if debt piles up.



Credit Counselling
Singapore

Scams

Beware “job offers” that ask for upfront payment and watch out for ‘get rich quick schemes’.
Never lend your bank account or Singpass - that makes you a money mule which is a crime.
Check ScamShield for more details.



ScamShield

Support While You Search

INCOME SUPPORT, RE-SKILLING & ASSISTANCE

Tap on government schemes, temporary income and community support to bridge the gap to your next role.

These schemes can give you an additional buffer — extra breathing room while you find your next role.

Tap on Government Schemes

JOBSEEKER SUPPORT Up to \$6,000

Over 6 months while you actively job-search. SC & PR 21+, past average income $\leq$ \$5,000, home AV $\leq$ \$31,000.



MID-CAREER TRAINING ALLOWANCE \$3,000 / month

For selected full-time training (or \$300/month part-time) for Singapore Citizen 40+.

Access via MySkillsFuture portal



CAREER CONVERSION Up to 90%

Salary support plus structured on-the-job training when you pivot to a new industry.



Explore Temporary Income

Earn temporary income while you search

- Part-time, freelance or gig work extends your runway
- Prioritise work that keeps your professional skills sharp.
- Example: Rent out a spare room

NTUC Assistance & Support

NTUC CAP+Ure Fund

Extra help for eligible members supporting young children or elderly dependents.



NTUC Support for Caregivers of Children with Special Needs

This program provides assistance for the educational, therapeutic and daily needs of eligible children.



NTUC Support for Single Caregivers

This program aims to assist single caregivers with dependents at various life stages.



Union Training Assistance Programme (UTAP)

UTAP is a training benefit for NTUC members to defray their cost of skills upgrading.



Further Assistance & Support

Housing loan help

- **HDB:** the Homeowner Job Support (HJS) pilot can defer or reduce instalments and suspend interest for up to 12 months — if unemployed and working with a career coach.
- **Banks:** ask about refinancing or loan restructuring to lower your monthly commitment.

Community & government support

- **SupportGoWhere:** find grants like ComCare for lower-income retrenched households.

SupportGoWhere



- **Self-help groups:** CDAC, MUIS, SINDA or the Eurasian Association.
- **Your MP:** raise appeals and get referrals at Meet-the-People Sessions.

Summary Checklist



While You're Employed

- ✓ Build your buffer; track and cut spending
- ✓ Avoid risky, illiquid commitments
- ✓ Review insurance, but don't act lightly
- ✓ Set up credit lines & side hustles;
- ✓ Sign up as an NTUC member
- ✓ Prepare yourself and your family mentally

Stretch Your Dollars

- ✓ Check how long savings last (aim 6–9 months)
- ✓ Reduce cash outlay and expenses
- ✓ Pause regular savings and investments
- ✓ Review insurance options
- ✓ Avoid traps such as job scams and 'get rich quick' schemes

When Notice Comes

- ✓ Secure your termination letter and payslips
- ✓ Verify your final settlement agreement
- ✓ Contact NTUC / Your respective union / TADM if you need help
- ✓ Keep your payout liquid and low-risk

Support While Searching

- ✓ Seek NTUC's assistance & support schemes
- ✓ Tap SkillsFuture Jobseeker Support, Mid-Career Training Allowance & Career Conversion
- ✓ Take freelance work that keeps skills sharp
- ✓ Explore HDB/bank help, SupportGoWhere & self-help groups



YOU'VE GOT THIS!

A temporary phase — not a permanent destination

Setbacks are temporary. Understanding your rights empowers you to make informed decisions during difficult times.

Preserve your cash, make calculated moves, and tap on the resources and support available to help you move forward with confidence.

Missed the first edition?

Download Navigating Retrenchment 1.0: Employees' Playbook at <https://bit.ly/3Halmcu>

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