Is it Worth Joining A Co-Operative?

Description

In a previous post, I wrote about what credit co-operatives (co-ops) do and the important role they play in society. Iâ??ve also received some questions from readers as to whether it is worth joining a co-operative in Singapore, especially if they qualify for one.

After looking through all the benefits, Iâ??m convinced that being a member of a co-op has its benefits and privileges.

Just to name a few of these benefits:

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- Gaining access to a wide range of affordable products and services
- Financial solutions at reasonable interest rates (no need to resort to unlicensed moneylenders, please!)
- Educational scholarships and bursaries awards
- Hospitalisation benefits
- Loyalty membership benefits

Today, there are 66 co-ops affiliated to the Singapore National Co-operative Federation that one can choose from.

Among these, there are credit co-ops that serve members working in the civil service, with the Singapore Government Staff Credit Co-operative (SGSCC) as one such co-op. Having registered in 1925, SGSCC is also Singaporeâ??s first co-op.

Civil Servants: Member Benefits

Open to all staff who are employed in the civil service, statutory boards and government-linked companies, SGSSC provides the resources to help its members build a better future.

THE SINGAPORE GOVERNMENT
STAFF CREDIT CO-OPERATIVE SOCIETY LIMITED

According to SGSSCâ??s website, there are three saving options for members:

- Subscription Saving
- Specific Deposit Saving
- Fixed / Time Deposits

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Working in a similar fashion as the Singapore Savings Bonds *(SSBs, which fans will know Iâ??m a huge advocate of)*, SGSCCâ??s saving schemes offer competitive interest rates, while granting you the flexibility to withdraw your savings in times of need.

Moreover, all co-ops including SGSCC are regulated by The Registry of Co-Operative Societies of Singapore (under the purview of the Ministry of Community, Culture and Youth), and are required to have their accounts regularly audited. SGSCCâ??s long track record and history attest to their sustainability.

For more information on how co-ops are governed and regulated in Singapore, you can head over to MCCYâ??s website here to read more.

For all Singaporeans and Permanent Residents

The only credit co-op that has almost no restrictions (other than you needing to be a Singaporean or Permanent Resident) for joining as a member would be the TCC Credit Co-operative.

TCC Credit Co-operative Limited
(The Credit Co-operative with a Heart)

Apart from providing access to affordable financial solutions, TCC also allocates some of its surpluses to assist members in times of need through its Common Good Fund like hospitalisation grant, marriage grant and educational scholarships and bursaries awards. TCC also distributes dividends to its eligible members every year.

TCC members can even enjoy exclusive health screening packages at preferential rates at Thomson Medical. And should members get hospitalised, they can put in a claim for a hospitalisation grant of $30 per day (just like how the payouts on your insurance work, except that you donâ??t have to pay any insurance premiums for this one).

Itâ??s also fuss-free to open a Savings Account as there are no administrative or membership fees involved. Their Subscription Savings Account, for instance, usually pays out 3% â?? 5% in dividends annually, which can be higher than other high-yield bank accounts which Iâ??ve reviewed before on this blog!

Education Loan Options

TCC also provides its members with access to education loans at a flat interest rate of 2.2% per annum (p.a). Compare this to the likes of OCBCâ??s Frank Education Loan, which charges 4.5% p.a. (or effectively 5.17% per year if you pay it off within 2 years).

For Union Members

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AUPE Credit Co-operative Limited

AUPE Credit Co-Operative Limitedis open to all union members. Members can also enjoy the provision of financial solutions, such as loans from as little as 4%* including medical loans for medical expenses or treatment costs, renovation loans (under $30k) to tide over getting your new home in order, and even study loans or grants for your children. In addition, should any member be hospitalised, you will also get a hospital benefit of $20 per day without the need to purchase any extra hospitalisation insurance.

Alternative Financial Solutions

Iâ??ve mentioned previously that if you are seeking financial solutions, other than financial institutions, there are alternatives and one of them is credit co-ops. Credit co-ops are less profit driven than most commercial enterprises, and have a social mission, thus they are more willing to go the extra mile for their members.

Financial solutions dispensed by credit co-ops generally have a more flexible repayment period (up to 48 months) to help members manage their cash flow without feeling as though theyâ??re being driven up the wall just to repay the loan.

Whether you need a short-term financial solution because youâ??ve unexpected medical expenses to pay off, or for your childrenâ??s educational needs, you may look at different forms of financial assistance including credit co-ops. If youâ??re unable to repay on time, you can also be rest assured that credit co-ops will do their best to help come up with a reasonable debt repayment schedule that meets your needs.

Where, then, does the money or interests earned by credit co-ops go to?

Well, surpluses earned by the credit co-ops are channelled back to its members in the form of benefits such as annual dividends (members of SGSCC received 3% dividend in their subscription capital in previous years), hospital benefits, or even educational awards and bursaries to members or their children.

Man, I wish my dad had joined SGSCC back then, so we could tap on their education bursaries with my good grades to help me tide through school! Unfortunately, he and none of us in the family knew about SGSCC, but now YOU do!

What Types of Co-ops Are There?



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There are plenty of co-ops available in Singapore, but they generally fall under these categories:

1. **Campus co-ops**

Formed in educational institutions, campus co-ops offer students and staff the platform and opportunity to develop their entrepreneurial skills. Examples include The Co-operative Society of Nanyang Technological University Ltd (NTU@COOP), Ngee Ann Polytechnic Consumer Co-operative Society Ltd and Temasek Polytechnic Co-operative Society Ltd.

2. **Credit co-ops**

Also known as Thrift & Loan societies, credit co-ops play an important role in improving the economic and social statuses of their members through no-frills saving schemes that encourage thrift.

3. **NTUC co-ops**

With over 10,000 employees employed, NTUC co-ops like NTUC FairPrice Co-operative and NTUC Income Co-operative provide a wide range of affordable products and services to not only members but to the general Singapore society.

4. Service co-ops

Varying from aged care to employment services, these co-ops provide a wide range of services to their members. Under the healthcare and social support, the Silver Caregivers Co-operative and Runninghour Co-operative are great ones to check out.

To learn more about co-ops, head over to SNCFâ??s website! And most importantly, if you qualify for any of the co-ops, you might just want to consider whether itâ??ll benefit you to join, especially given all the solutions and benefits that they offer.

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Disclaimer: This is a sponsored post written for the Singapore National Co-operative Federation to promote greater awareness of co-operatives in Singapore in conjunction with the World Credit Union Conference which is being held in Singapore for the first time. All opinions are that of my own.

Category

1. Savings