



Credit Card Minimum Payments: The Real Cost in Singapore

Description

A minimum payment keeps the account from immediately falling into arrears; it does not make the debt cheap. MoneySense says card interest is commonly 25% to 29% a year and minimums are often 3% to 5% of the balance or a dollar floor. Once a balance revolves, new purchases can also lose their interest-free period.

Start with the decision table

Situation	What it means
S\$5,000 balance; 28% a year; 3% minimum	After 12 modelled payments, about S\$4,575 remains
First month's modelled interest	About S\$116.67 before fees or daily-compounding differences
Total modelled payments over 12 months	About S\$1,769, yet principal falls only about S\$425
New spending continues	Repayment can stall or reverse
Cashflow cannot cover the next due amount	Contact the issuer before the due date; do not ignore it

The percentage shrinks with the balance

A minimum tied to 3% declines as the balance declines. That makes early payments feel manageable while stretching the tail. [MoneySense credit-card guide](#) explains why paying in full is the safest way to preserve the interest-free period.

Our calculator is deliberately conservative

The model uses S\$5,000, 28% divided monthly, no new spending, no fees and a minimum of 3% after interest or S\$50. Real cards may calculate daily, use a different minimum and add charges; use the card's statement terms.

A payment is not the same as principal reduction

In month one, the model adds S\$116.67 interest, sets a S\$153.50 minimum and reduces principal by only S\$36.83. After twelve payments, the balance is still about S\$4,575. Those are calculations, not a bank quote.

Freeze the leak before accelerating repayment

Stop discretionary card spending, move recurring essentials to a controlled method and keep required payments current. Then direct a fixed amount above the declining minimum so the repayment does not slow automatically.

Compare help by total cost and behaviour

A lower-rate balance transfer or structured plan can help only if fees, expiry rate and new-spend discipline are understood. [MoneySense managing-debt guide](#) is an official consumer reference; get the lender's written terms and seek qualified help where debt is unmanageable.

Worked application

At the modelled minimum, twelve payments total roughly S\$1,769 but reduce the original S\$5,000 balance by only about S\$425. Paying a fixed S\$500 a month under the same simplified rate would retire the balance far faster. The exact result needs the issuer's daily-interest and fee rules.

Action checklist

1. Read the statement's rate, minimum and due date
2. Stop adding discretionary purchases
3. List every card and cash advance separately
4. Set a fixed repayment above the minimum
5. Automate at least the required amount
6. Apply windfalls to the highest effective cost
7. Ask the issuer early if the plan is unaffordable

Build a decision record another person can check

The useful output is not only an answer to 'credit card minimum payment cost Singapore'. It is a small file showing why the answer fits this reader: a singapore cardholder tempted to pay only the minimum. Record the fact that controls each step, the date it was true and the source or service that

confirmed it. That matters because the task is to understand the cost path and choose a repayment amount that actually reduces principal; a changed amount, date, person, address, venue, device or eligibility fact can change the result even when the general rule has not moved.

#	Control	Evidence to retain	Failure signal
1	Read the statement's rate, minimum and due date	Authority page or service readback	Assuming the minimum is a repayment recommendation
2	Stop adding discretionary purchases	Dated input, statement or booking screen	Using the card while modelling no new spend
3	List every card and cash advance separately	Calculation sheet with assumptions	Ignoring cash-advance rates and fees
4	Set a fixed repayment above the minimum	Written confirmation from the responsible party	Comparing plans by monthly payment alone
5	Automate at least the required amount	Receipt, acknowledgement or reference number	Missing a due date while shopping for consolidation
6	Apply windfalls to the highest effective cost	Photograph, timetable or versioned document	Assuming the minimum is a repayment recommendation
7	Ask the issuer early if the plan is unaffordable	Final outcome and date checked	Using the card while modelling no new spend

The record should be short enough to update. Put the most recent evidence first, keep the earlier version, and label estimates separately from confirmed figures. The two original tools in this guide—a transparent 12-month amortisation model with no hidden spending and a payment-versus-principal comparison showing why \$1,769 paid is not \$1,769 repaid—serve different purposes: one structures the choice, while the other tests the choice against a concrete case. Neither should be copied into a new case without refreshing its inputs.

What each authority source establishes

Source	Claim used here	Freshness control
MoneySense credit-card guide	Typical 25% to 29% annual interest, minimum payment practices and loss of interest-free treatment.	Checked 2026-07-17; re-open before acting
MoneySense managing-debt guide	Debt repayment priorities and early contact with financial institutions.	Checked 2026-07-17; re-open before acting

These links are attached to the claims they support, not offered as a substitute for explanation. If a service screen, signed agreement or officer's written response conflicts with the general page, preserve both and ask which fact or newer rule produces the difference. Do not conceal the conflict by selecting the more convenient answer.

For the adjacent decision, continue with our [deposit-insurance guide](#) and [T-bill application guide](#). Each answers a separate next-step question.

Errors that change the outcome

- Assuming the minimum is a repayment recommendation
- Using the card while modelling no new spend
- Ignoring cash-advance rates and fees
- Comparing plans by monthly payment alone
- Missing a due date while shopping for consolidation

Keep the dated authority pages, calculation inputs, confirmations and any advice used for the decision. This article applies public information to a general fact pattern and does not determine an individual application, contract, tax position, medical need or legal dispute. Recheck the linked primary source immediately before acting, especially where the transaction, journey, booking or filing occurs after a stated change date.

Questions readers ask

Is a minimum payment interest-free?

No. It normally prevents immediate default but leaves a revolving balance subject to the card's interest terms.

Why does the balance fall so slowly?

Interest absorbs much of a declining percentage minimum, and the minimum itself becomes smaller.

Is the S\$4,575 figure universal?

No. It is a labelled model with stated assumptions; use your issuer's actual rate, daily method, minimum and fees.

Date Created

18/07/2026

Author

rachelng