



# Save & Sound

70 YEARS OF CPF



◀ Former bank officer Mrs Janet De Souza is now a home baker known for her sugée and chocolate fudge cakes. (Source: CPF Board)

# IT'S NOT LUCK, THEY PLANNED



It's 7am and the sweet, alluring aroma of *kueh lapis* has started to fill the kitchen, signalling that Mrs Janet De Souza's home bakery is once again open for business.

The former bank officer turned home baker, 69, gets especially busy during the Chinese New Year and Christmas festive periods, fulfilling the orders she receives through word of mouth.

A glance at the clock tells her that the cake is ready to be taken

out of the oven. Onto a metal rack it goes to be cooled. For her husband Cedric, this is his cue to start preparing to become a delivery man for the day.

"She doesn't like me in the kitchen, but I help with the deliveries," he said with a laugh.

On other days, the 72-year-old retired advertising veteran is a freelancer who takes on a variety of projects, from administrative to field work.

He has also completed a course in e-commerce and video production, as well as a Specialist Diploma in International Trading. “I enjoy working because it keeps me moving; I meet people, and I never stop learning,” he said.

It is the retirement that the couple had hoped for – pursuing their hobbies without having to worry about cash or rely on their two children for financial support. Every month, they receive enough money from their CPF accounts to cover their daily expenses with a little extra for indulgences.

“We do believe that if you work, contribute to your CPF and make prudent financial decisions throughout your life, you should have enough to see you through retirement comfortably,” said Mr De Souza.

Their relationship with the CPF, however, was not always so amicable. Like many other Singaporeans, the couple felt the pinch of monthly CPF contributions in their 30s, when

they were sandwiched between caring for their ageing parents and young children.

“When we were younger, the foresight wasn’t there as much, and you would rather have more cash on hand and better purchasing power. CPF contributions did feel like a burden,” said Mr De Souza, adding that their sentiments changed in their 40s.

Realising that they would eventually be living alone when their children move out of the family home – an executive Housing & Development Board flat in Pasir Ris – the couple began to seriously think about how to achieve the lifestyle they wanted in their senior years. As they approached their 50s, they came to appreciate the safety net that the CPF would provide them in retirement.

His wife, Janet, chimed in: “Now we can say ‘eh, contributing is quite good. It forces you to save.’ At the end of the day, you get back your money and it is sufficient to last you through retirement.”

► The monthly CPF payouts Mrs Janet De Souza and Mr Cedric De Souza receive are more than enough to cover their daily expenses. (Source: CPF Board)



“

We see it as the payback that we are receiving after all that we have put in during our earlier days. The monthly payouts keep us going. It could have been a disaster for us without CPF.”

**Mr Cedric De Souza**

### **THE CPF AT A TURNING POINT**

While the De Souzas are now enjoying their golden years with support from their CPF payouts, it took some major adjustments before the scheme found the right formula to meet the changing needs of the new millennium and ensure retirement adequacy for Singaporeans.

Signs that the CPF was losing its lustre began in 2003 when Singapore was at a crossroads between preserving its wage systems and taking the path of restructuring and reform.

Jobs were migrating from developed countries to emerging economies like China and India faster than ever because of their abundant, skilled, and low-cost manpower. The Government had tried to prevent it by reforming the tax regime, moderating land prices and rentals, investing in education and skills-training, and moving into research and development, among other measures.

But these changes would not be enough to stem the outflow of jobs, noted then-Prime Minister Mr Goh Chok Tong in a Ministerial Statement in Parliament that year, where he stressed that the cost of doing business and living standards in Singapore had hit First World levels.

“Therefore, from the economic perspective, we should keep the CPF contribution rate as low as possible,” he elaborated. “The lower we go, the less the pressure on companies to move out because of high wage costs. Wages account for as much as 20 to 30 per cent of total business costs in certain industries.”<sup>1</sup>

## “MOST DRASTIC CPF CHANGES”

The key shift in 2003 was to forgo the target of restoring the CPF contribution rate to 40 per cent when economic conditions permitted.

It was no longer feasible to meet this target that was set after contribution rates were lowered to tide through the 1985 economic recession and the 1997 Asian Financial Crisis.

Instead, the Government further lowered the CPF contribution rate, and set a long-term target range instead of a single rate.

For workers aged 50 and below, this was set at 30 to 36 per cent, with employee contribution fixed at 20 per cent. And for those above age 50 to 55, the range was set even lower at 24 to 30 per cent, with an employee contribution rate of 18 per cent.

The CPF contribution rates for those aged 55 and above remained unchanged at 18.5 per cent for those aged 55 to 60; 11 per cent for those aged 60 to 65; and 8.5 per cent for those above 65 years old.

The CPF salary ceiling was also lowered from \$6,000 to \$5,500 (on 1 Jan 2004), to \$5,000 (on 1 Jan 2005), and to \$4,500 (on 1 Jan 2006), a move that was expected to save businesses about \$400 million in wage costs annually and cater up to the 80<sup>th</sup> percentile monthly salary.

“The changes I have announced are the most drastic we have ever made to the CPF system. They are necessary because we are seeing the most drastic changes yet in our external environment,” said then-Prime Minister Mr Goh Chok Tong.

At the age of 48, the CPF appeared to hit a turning point. Previous goals were being redefined, with the aim of reducing CPF contribution rates to make Singapore more business-friendly and reduce overall cost.

For CPF members like Mr Jason Chen, who earned about \$5,000 in 2003, it meant lower CPF contributions. Employers only had to pay CPF contributions (10 to 16 per cent) on up to \$4,500 of his monthly wages, instead of the full \$5,000.

But Mr Chen, then a lecturer, viewed the change positively. It meant that he would have more disposable income, as his own CPF contribution was also lowered in line with the reduced salary ceiling.

“The extra take-home pay mattered. I had a young family, so any extra cash helped. It also mattered that the CPF contribution then was adequate to pay for my housing mortgage,” he said.

Yet, this latest reform was the start of almost a decade of unrest among CPF members. New schemes were constantly met with criticism that

the Government was finding ways to withhold members’ CPF savings.

Recalling the controversial move two decades later, former Prime Minister Mr Goh shared in an interview for this book that the protests were loudest from older workers who suffered deeper CPF contribution cuts.

“They said: ‘You are taking away my wages by lowering CPF.’ The counter argument was ‘If we pay you the same rate as a younger worker, why would companies employ you, an older worker?’” he said.

“We had to explain to them that they would lose employment to younger workers. We had to persuade people. Rationally, people supported it. But human psychology is different for different people.”

## **MADE FOR LIFE**

Standing at the rostrum of the University Cultural Centre at the National University of Singapore on August 19, 2007, then-Prime Minister Mr Lee Hsien Loong was filled with optimism – and his National Day Rally

► Then-Prime Minister Mr Lee Hsien Loong delivering his 2007 National Day Rally speech. (Source: Ministry of Information, Communications and the Arts Collection, courtesy of National Archives of Singapore)



speech titled “City of Possibilities; Home for All” showed it.

“There’s growing buzz and confidence in the air and our overall outlook is positive. The environment externally is also favourable. There’s optimism all over Asia,” he said.<sup>2</sup>

A significant portion of his speech focused on the CPF, specifically addressing how to adjust and bring the CPF system up to date. This came four years after the major 2003 CPF contribution rate cuts and signalled that the second phase of restructuring was on the horizon – shifting the focus from business concerns to addressing the challenges of an ageing population.

Earlier in the year, the CPF Board had implemented the Workfare Income Supplement scheme, which encourages eligible lower-wage workers to work and build up their CPF savings by providing them with cash payments and additional CPF contributions. More importantly, the CPF had to tackle the issue of longer lifespans.

“When CPF started, life expectancy was 60, 61; now, it is 80 years old. So, we need to make three changes – firstly, improve the returns on the CPF savings. Secondly, draw down the CPF savings later so that they will last longer and thirdly, to cover the risks of living longer than expected,” said Mr Lee in 2007.

As the first change, he announced that from 2008, CPF members would receive an extra interest of 1 per cent per annum on the first \$60,000 of their combined balances, capped at \$20,000 from their Ordinary Account. On the second change, taking into consideration that many were living past 82, he shared that the Draw Down Age would be progressively pushed up to 65 by 2018.

As for the third change, and the groundbreaking CPF-related announcement, he introduced a national longevity insurance annuity for CPF members – in the form of the CPF Lifelong Income For the Elderly (CPF LIFE) scheme. CPF LIFE incorporates risk pooling, an approach that is more common

## NTUC, THE SANDWICHED PARTNER

Veteran labour leader Ms Cham Hui Fong considers the 2003 CPF contribution rate cuts as one of the most difficult episodes in her career in the labour movement.

While she could appreciate that the Government wanted to help young workers be more cost-effective and in turn more attractive to businesses, the National Trades Union Congress (NTUC) was worried about older workers whose median salaries were low.

“The low salaries of older workers meant it was hard for them to meet the Minimum Sum,” said Ms Cham, Deputy Secretary-General of NTUC.

It took two years of constant dialogue to get them to accept the changes, albeit grudgingly.

NTUC lends a voice to workers, pushing for changes that could benefit them. But it is also a crucial partner to the Government and businesses, supporting pro-growth economic policies. Balancing the various needs is not easy.

As Ms Cham put it: “We are sandwiched.”

Even as the NTUC accepted cuts to the CPF contribution rates during crises and the wage restructuring, it also expected businesses to be fair to their workers when they did well.

“There were years where there was a crisis, but some companies were still doing well. We got them to return the CPF contribution rate cuts to workers (in the form of special bonuses). Otherwise, it is only a one-way track,” she said.

in defined benefit systems and less so in defined contribution systems like the CPF. It was the Government's way of addressing the risk of longevity while still preserving the premise of self-reliance, with members using their CPF savings for CPF LIFE premiums.

Former CPF Board Chairman Mr Moses Lee (2002-2005), who stepped down before CPF LIFE was launched, shared that the CPF Board had researched annuity products in the market years before Prime Minister Mr Lee had made the announcement.

"We found that they were very limited in scope and length. For instance, (industry experts) told me that the longest period that an annuity lasts in the commercial sector then was 20 years. Then I said, 'Hey, people will take out their money at 55 years old and then 20 years later they would just be 75. Then what do they eat after that? Grass?'" he said in an interview.

As Mr Moses Lee was also the Permanent Secretary of the Ministry of Health at that time, he thought

back about MediSave and MediShield and how the Government assists Singaporeans in saving and paying for their healthcare bills.

He felt that a national annuity scheme would make sense, and shared the idea with then-CPF Board Chief Executive Officer (CEO) Mr Willie Tan (2002–2005).

"Dr Ng Eng Hen was then Manpower Minister. So we actually went to present to him to say that we think the CPF should embark on the study to implement a national annuity scheme for Singapore," he said. The idea was supported by the Government.

During a Ministerial Statement in September 2007, Dr Ng Eng Hen elaborated on the need for the national annuity scheme. "Singaporeans must come to terms with our longevity, both individually and as a nation. And the quicker we do this, the better," he said.

In his statement, Dr Ng highlighted how many Singaporeans were surprised to learn about the significant increase in life expectancy.

This observation led him to emphasise the urgency of taking action. "It is precisely because so many individuals do not anticipate how much longer they will live, that we have to act now and ensure that all Singaporeans make provision for their old age."

“

When Singaporeans were told that the average life expectancy at birth had increased from 61 years in 1957 to 80 years now, many were surprised. Some, I know, still do not believe that we are living so long.”

**Dr Ng Eng Hen**

Former Minister for Manpower

► As life expectancy increased, a national annuity scheme became necessary to ensure Singaporeans had enough to tide them through their golden years. (Source: CPF Board)



Dr Ng expressed concern that without proper guidance, many would fail to prepare adequately for their future. “Left to themselves, too many would leave things to chance, or prepare inadequately or worse, not at all.” He added that this approach would be unsustainable, noting that “it is neither fair nor sustainable to expect others and society to assume the full burden of meeting our needs.”

Former CPF Board CEO Mr Liew Heng San (2005-2011) drew an interesting parallel between CPF LIFE and the Stanford Marshmallow Experiment. This study on delayed gratification offered children a choice of rewards: one marshmallow they could eat immediately, or two marshmallows if they could wait 15 minutes. In subsequent longitudinal studies, researchers found that children who could wait fared better in school and in life.

Mr Liew likened the CPF to a form of delayed gratification, with CPF LIFE taking this principle even further.

“

Can you save and not touch your nest egg till the day of retirement? CPF LIFE uses this same principle and says, ‘look, can I offer you an incentive to delay the withdrawal of your nest egg? Every withdrawal deferred will earn you an extra marshmallow. This logic of compounding is ruthless. Because whether you take it all out today, or wait 10 years to take out a bigger pot of marshmallows, remember it all started with the same capital.’”

**Mr Liew Heng San**  
Former CPF Board CEO

By incentivising members to start their payouts later, CPF LIFE aims to ensure that Singaporeans have sufficient funds for as long as they live, which addresses the

longevity risk associated with an ageing population.

In 2008, the National Longevity Insurance Committee, led by then-Chairman of the National Wages Council Professor Lim Pin, put forward a recommendation for a scheme that would provide basic, affordable, and flexible plans for longevity protection for CPF members. The Committee proposed 12 different plans to provide members with greater flexibility and choice – six refundable and six non-refundable options.

However, the Government concluded that such a wide array of options would complicate decision-making for members. Consequently, they streamlined it to just four plans, each varying in their monthly payouts and bequest amounts – Balanced Plan, Basic Plan, Plus Plan, and Income Plan.

“With monthly payouts for life, CPF LIFE is a major milestone in the enhancement of financial security for Singaporeans after they retire

eventually,” said then-Manpower Minister Mr Gan Kim Yong.<sup>3</sup>

The scheme received more than 30,000 sign-ups within two months after its launch in 2009 from older CPF members who committed over \$1.2 billion to the scheme.

Following the launch, CPF members turning age 55 from 2013 with at least \$40,000 in their Retirement Account were automatically enrolled in CPF LIFE, with older members having the option to opt in.

## **HAMPERED BY MISCONCEPTIONS**

But the initial enthusiasm soon dampened as critics started to poke holes in the scheme for being too inflexible to cater to diverse needs. The potential of the scheme was also stifled by its complexity. This made it easy for misconceptions to arise, grow, and fester.

In 2011, a survey by *The Business Times* found that many tended to

## STORY SPOTLIGHT

## “WE WANT TO BE INDEPENDENT AND NOT DEPEND ON OUR HUSBANDS”

**A**fter having her son, Mdm Grace Ng decided to leave her job as an aircraft maintenance officer to fully focus on his upbringing.

While being a full-time mother was rewarding, there was always a nagging worry at the back of her mind – her lack of income.

“My neighbour at the time, who was also a housewife, would often joke that we should go out and work to get some income. In fact, we considered becoming supermarket cashiers. Other friends in a similar situation took on jobs as factory workers,” said the 68-year-old.

When CPF LIFE launched in 2009, her sister-in-law, who was also a housewife, urged her to sign up. “She said my father lived a long life (till he was in his 90s) and that I better get an annuity,” shared Mdm Ng.

“My sister-in-law and sister were all housewives when we signed up for CPF LIFE and we liked the scheme because we want to be independent and not depend on our husbands.”

She signed up for the CPF LIFE Plus Plan in 2010. Over the next 10 years, she topped up her Retirement Account as and when she could. In 2021, when she turned 65 years old, she started to receive about \$2,000 a month from the scheme.

Although she now works as an E-Lobby Gold Ambassador with the CPF Board, the payouts she receives from CPF LIFE give her the assurance that she will have enough for her retirement needs even if she is unemployed.

“I know I have money coming in. It doesn’t matter if I use it or not. And if I want to pamper myself by eating some good food, I can do so without hesitation,” she said.



▲ Mdm Grace Ng with her family. The housewife signed up for CPF LIFE so as to have a financial safety net in old age. (Source: Courtesy of Mdm Grace Ng)

underestimate their life expectancy and thus believed that a compulsory, lifelong annuity scheme such as CPF LIFE was unnecessary. The same survey also revealed that 45 per cent of respondents would opt out of the compulsory scheme, if given a choice.<sup>4</sup>

Commenting on the initial backlash, Mr Moses Lee said: “I know not everybody is happy because some people think that they can do better on their own. They don’t want to be part of a pool. But we have to, like in most things, look after the majority.”

He added: “I think it is a very good scheme. If I were a retiree knowing that every month, come rain or shine, I have this money that I can look forward to no matter what, that would be a very good feeling.”

The following year, in an attempt to streamline and simplify the policy, the Government reduced the number of CPF LIFE plans from four to two. The CPF Board combined more popular features of the Plus and Balanced Plans into a new plan called the Standard Plan,

which also became the default plan. The Standard Plan offered a steady monthly payout.

The second plan was the existing Basic Plan, which offered progressively lower payouts in the future. The Income Plan, which had generated low demand with only 3 per cent of CPF LIFE participants choosing this plan, was scrapped.

In sharing the changes to the CPF LIFE scheme, then-Deputy Prime Minister and Manpower Minister Mr Tharman Shanmugaratnam highlighted two misconceptions. One, the scheme was introduced by the Government to hold onto their CPF monies for life. Two, CPF savings are lost as members are not living long enough to reap the full benefits of the scheme.

“Actually, all it means is you get paid for life through CPF LIFE instead of for 20 years under the Minimum Sum Scheme. CPF LIFE does not change how much you can withdraw from CPF in cash, and it does not change how your savings in other CPF accounts can be used,” he said. “The bequest

goes to your loved ones, not to other CPF members and not to the Government. You get all of your capital back either through your monthly payments or in a bequest that you leave to your family and loved ones.”<sup>5</sup>

The effort, however, did little to change perceptions towards the CPF. The unhappiness among Singaporeans towards the CPF would reach a head in June 2014.

### **#RETURNOURCPF**

They stood under the blazing sun at the Speakers’ Corner in Hong Lim Park, their clothes soaked with sweat. Some were young adults, others senior citizens. A few even held up placards airing their grievances about the CPF – “CPF MONEY IS MY MONEY” read one.

On June 7, 2014, *Reuters* reported that about 2,000 people gathered at the “Return Our CPF” protest where nine speakers criticised what they perceived as the inflexibility and changing rules of the CPF, the low rate of returns on CPF savings, and the lack of

transparency in how CPF monies are used.<sup>6</sup>

The week before the protest, several Members of Parliament had urged the Government to do more to improve CPF returns while others called for more alternative investment options to be made available. In response, then-Manpower Minister Mr Tan Chuan-Jin said: “There are trade-offs. Obviously, those who believe that you should have full flexibility in using it, the CPF does not afford that, and for good reason. Because ultimately, the CPF allows us a peace of mind, as you do have a constant, regular stream of income at the point of retirement, and to ensure that continues, rather than depending on somebody else or the state.”<sup>7</sup>

A 2014 poll of a representative sample of 1,000 citizens by *The Straits Times* also revealed that many respondents had a poor understanding or misconceptions about the CPF. Only 56 per cent of the respondents aged under 55 knew that if they did not have the

Minimum Sum, they did not have to top up the shortfall in cash.<sup>8</sup>

An even lower 43 per cent knew that they would still get a monthly payout even if they did not have the Minimum Sum. And just 13 per cent could identify the correct monthly payout that was pegged to the full Minimum Sum amount.

Reflecting on the unhappiness that has been directed at the Minimum Sum, former NTUC Secretary-General Mr Lim Boon Heng noted that while the CPF is very much a part of Singapore's social compact, it was not discussed.

Sharing a story about a friend's daughter who was appalled that a portion of her first paycheque went to her CPF account, he observed: "When we don't explain to people going to work for the first time, should we be surprised by a reaction like hers? Should we have a course on our social security system before students leave school? Or should we have a compulsory course for first time job entrants?"

"For me, one who has studied and knows our system better than most, and who has studied the implications of longer life spans, increasing the Minimum Sum is a no-brainer. For the vast majority, it is not," he said in an interview for this book.

In 2014, when negative ground sentiments reached fever pitch, then-Prime Minister Mr Lee Hsien Loong told the House that the Government would look into improving the CPF system and CPF LIFE scheme in such a way that the payouts would keep pace with the cost of living.

The CPF, now approaching its golden years as a 59-year-old, had to be enhanced to better meet the needs of Singaporeans.

### **A SILVER LINING: KEEPING UP WITH THE NEEDS OF SENIORS**

In his National Day Rally speech in August 2014, then-Prime Minister Mr Lee announced additional support for low-income elderly Singaporeans – the 10 to 20 per

Minimum  
SUM  
SCHEME

公积金  
最低存款  
计划

*Making it easier  
for a gracious retirement*

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CENTRAL  
PROVIDENT  
BOARD

**ANNUITIES  
PLANNING FOR A STEADY  
INCOME FOR LIFE**

'94  
EDITION

**LIFE INSURANCE ASSOCIATION**

▲ A booklet on the Minimum Sum Scheme, which was introduced in 1987 to ensure CPF members had sufficient savings for retirement. (Source: CPF Board)

cent of the population who may not accumulate enough CPF savings during their working lives.<sup>9</sup>

This would come in the form of the Silver Support Scheme, rolled out in 2016, which provides a quarterly cash supplement to seniors who had lower incomes during their working years and now have less in retirement.

Among the over 140,000 seniors who benefitted from the scheme when it was launched is married couple Mdm Tan A.M. and Mr Tin C.I. The quarterly payments they receive help to cover a portion of their utility bills, and their grocery expenditure.

“The cost of living has been increasing and we have had to think harder whenever we decide which food items to buy, comparing the prices carefully. The support we receive through the scheme helps to ease some of the burden,” said Mdm Tan.

The scheme was enhanced in 2021 to cover a wider segment of elderly low-income Singaporeans,

and given a further boost in 2025 when payments were raised by 20 per cent and the per capita household monthly income eligibility cap raised from \$1,800 to \$2,300.

Mr Lee Hsien Loong had also acknowledged that there was the outstanding issue on how much the Minimum Sum should be over the longer term, and announced the formation of a CPF Advisory Panel to study this.

Chaired by Professor Tan Chorh Chuan, then-President of the National University of Singapore, the Panel members included academics, financial industry practitioners, and community representatives from the unions, social sector, and grassroots. The aim was to provide a broad diversity of views on the enhancements under consideration.

The 13-member panel met with more than 400 Singaporeans over several focus group discussions to help shape the Panel’s various suggestions. One of the observations that stood out was



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When I was appointed Chairman of the CPF Advisory Panel, I spent several hours reading the details of the CPF schemes on the CPF website and in brochures. It was pretty hard to understand!

Hence, the most challenging part of the public consultation exercise was how to frame the issues in a way that was easy to understand and discuss, while allowing us to obtain clear inputs and suggestions from focus group participants on the substantive points.”

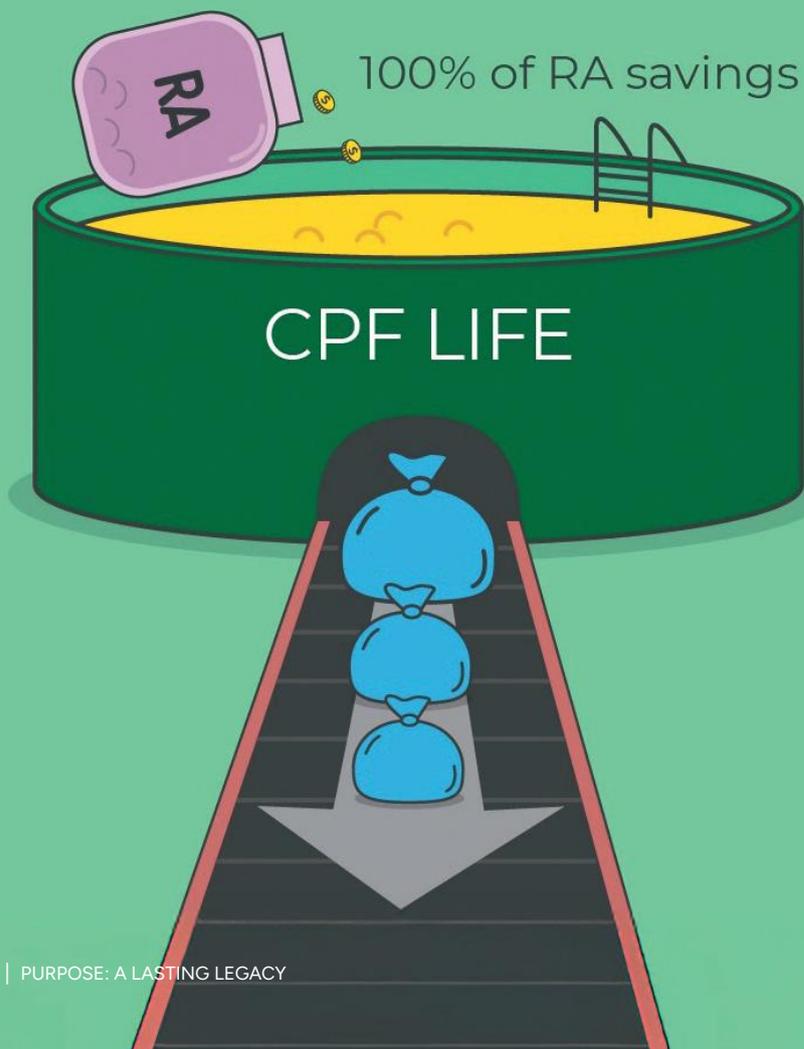


**Professor Tan Chorh Chuan**  
Former Chairman of the CPF  
Advisory Panel

◀ Source: *Lianhe Zaobao*

# ESCALATING PLAN

Receive lower starting monthly payouts  
that increase at 2% yearly for life



◀ An infographic explaining the CPF LIFE Escalating Plan. (Source: CPF Board)

that people were fixated on the Minimum Sum but did not relate it to their subsequent monthly CPF LIFE payouts.

“And if you connect the two, you’ll see that if you want a higher payout during retirement, then you have to set aside a higher amount of money, the Minimum Sum, in order to provide for this payout,” Prof Tan explained.

But the most important finding was that members had different needs and circumstances in retirement. Some had short-term financial needs which required access to their CPF monies, while others were more concerned about being able to set aside enough money for a comfortable retirement. It was clear that a one-size-fits-all scheme like the Minimum Sum Scheme was not the best approach.

“There was a middle-aged gentleman who argued vigorously that if he could withdraw all his CPF money, he could readily make 8 to 10 per cent returns by investing the funds himself. Coincidentally, there was another participant who

was an experienced investor. He explained to the group that it was not easy at all to achieve that level of return, whereas the CPF provided good, risk-free returns over the long term that were guaranteed by the Government,” recalled Prof Tan.

“It was interesting to see how the group which was hitherto rather quiet, took up this point with enthusiasm, and agreed that it is indeed a good deal.”

The discussions led to the creation of the Basic Retirement Sum (BRS), Full Retirement Sum (FRS), and Enhanced Retirement Sum (ERS), three levels of retirement sums which replaced the Minimum Sum. The Draw Down Age was also renamed the Payout Eligibility Age.

This represented a shift in approach to ensure retirement adequacy. The Minimum Sum Scheme emphasised accumulating a lump sum that would be used to generate monthly payouts during retirement for approximately 20 years. But as life expectancy increased, it became clear that the focus should switch to ensuring

lifelong payouts that met their desired retirement lifestyle.

CPF LIFE, on the recommendation of the Panel, was enhanced to introduce the Escalating Plan where payouts increase by 2 per cent every year to address inflation risks over time.

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The idea was really to have a more flexible system to cater for the different needs and circumstances of different members. But we also had to strike a balance. Because if we introduce too many options, then it's going to be much harder to understand and much harder for members of the public to choose. It would also be much harder to administer.”

**Professor Tan Chorh Chuan**  
Former Chairman of the CPF  
Advisory Panel

Other key suggestions included giving members the option to withdraw up to 20 per cent of their Retirement Account savings from the Payout Eligibility Age, and allowing members to defer their Payout Start Age up to 70 years old so that they could receive higher monthly payouts later.

“One key decision we had to make was to delink the payout eligibility age from the retirement and re-employment age. This was a policy shift to facilitate active agers to receive CPF LIFE payouts while continuing to work as we raise re-employment beyond age 65 towards 70,” said Mr Lim Swee Say, who was the labour chief when CPF LIFE was rolled out.

Despite the reservations that Singaporeans have had towards the scheme, he believes in its merits. “With longer life expectancy, we will all have to save more for our retirement. The challenge is to minimise “over” savings for those who may pass on at younger ages versus “under” savings for those who may live longer,” added Mr Lim, in an interview for this book.

## KEY RECOMMENDATIONS BY THE CPF ADVISORY PANEL IN 2015<sup>10</sup>

The three Retirement Sums when set aside at 55, correspond to three lifelong monthly payouts starting at 65:

- Basic Retirement Sum (BRS) of \$80,500: \$650 to \$700 per month
- Full Retirement Sum (2x BRS) of \$161,000: \$1,200 to \$1,300 per month
- Enhanced Retirement Sum (3x BRS) of \$241,500: \$1,750 to \$1,900 per month
- BRS to rise by 3 per cent per annum, from 2017 to 2020 to counter inflation.

*Note: Retirement sums were applicable to members turning age 55 from 1 January – 31 December 2016.*

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Since it is hard to predict who will live longer and who may not, pooling of risk is one way of ensuring that everyone can have the peace of mind of receiving monthly payouts for life without requiring everyone to set aside too much more in their Retirement Account.”

**Mr Lim Swee Say**

Former Minister for Manpower and former labour chief



◀ Mr Ng Chee Peng, former Chief Executive Officer of the CPF Board (2015–2019), who pushed for better communications with CPF members via social media to improve negative ground sentiments. (Source: CPF Board)

This time, the CPF Board, learning from its past experiences, took a more proactive stance by ramping up its communications efforts to help members better understand the changes.

### **CONFRONTING THE COMMUNICATIONS CRISIS**

When Mr Ng Chee Peng became Chief Executive Officer of the CPF Board in 2015, he headed straight to the CPF Tampines Service Centre. Taking over the reins following the #ReturnOurCPF movement, he wanted to hear members' grievances firsthand.

Observing customer service interactions from the sidelines, he noticed that many Singaporeans were not sure how much they had saved, the interest they had earned, or where their monies were being channelled to. Neither did they understand how the CPF system works.

At the same time, employees of the CPF Board bore the brunt of public discontent levelled at the CPF. There were staff who were afraid

to tell taxi drivers that they work at the CPF Board lest they receive an earful. Instead, they would alight at a distance from the former CPF headquarters at 79 Robinson Road and walk the rest of the way. Mr Ng decided he would focus on building two things – trust and respect.

“We wanted Singaporeans to trust that their CPF money is their money and that they would get back every cent of it. And we wanted to earn the respect of Singaporeans for the professionalism that staff brought to the table and our role in helping members meet their retirement, healthcare, and housing needs,” he said in an interview for this book.

But how was he to turn the tide on negative sentiments that had been growing stronger year after year? He brought the CPF Board where it had previously not dared to venture – the wild, wild world of social media. Some advised him against it, saying that he was courting trouble; others simply called the move crazy.

“It was a scary decision because it could have backfired. Given the negative sentiments prevailing then

against the CPF system, we could have been flamed or laughed at for trying something that seemed so radical at that time. But well, we did it anyway,” he said. A social media team was swiftly formed to meticulously plan the CPF Board’s strategy for content and engagement.

While the CPF Facebook page received its fair share of nasty comments, what was heartening was that it also received many positive ones.

“There were not only voices of dissent, but actually also a lot of voices of support...And you’ll be surprised that once some people say things in support, others will join in too. It was important that we let these voices of support surface and be heard as well, so we’re glad we created the platform which allowed this to happen,” Mr Ng shared.

On top of social media, the CPF Board also increased the number of touchpoints it had with members by commissioning TV and social media

advertisements and organising roadshows and talks.

It also transformed its Yearly Statement of Account. Instead of a line-by-line record of all debit and credit transactions in a tabular format, the CPF Board introduced visually engaging infographics which provided personalised overviews of CPF members’ account balances, inflows, and outflows, making it easier to understand how their CPF monies had grown and how it had been put to use, and the interest they had earned.

Asked if there was a specific moment which showed him that the CPF Board’s efforts were working, he said jokingly: “When the Ministry of Manpower asked us why there were so few parliamentary questions on CPF!”

While he would not credit it entirely to the communications shift, it was nonetheless an indication to the CPF Board that the situation was stabilising and that the CPF was no longer a political hot potato.

► Promotional materials used by the CPF Board for its annual retirement planning campaign in recent years. (Source: CPF Board)

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When Mr Augustin Lee succeeded Mr Ng as CEO in 2019, he went a step further to enhance transparency by sharing the CPF Board's perspective on viral, often inaccurate, social media posts criticising the CPF. "I had to persuade people internally to do things differently. We used to be very concerned about sharing details of the specific case publicly," he said.

"We decided that we should counter the posts by telling our side of the story, and to be confident enough to let the public judge. Quite often, the public realised that the original post was one-sided and left out crucial details of how the CPF Board had already done a lot to assist the member," he said.

Once people realised inaccurate viral stories wouldn't stick, the instances of such misleading social media posts declined.

“

It wasn't easy to make this shift because I had to persuade staff internally to do things differently. We used to be very concerned about sharing details of the specific case publicly. But before we do so, we get back to the writer first and give them an opportunity to amend, retract, or clarify their post. If it still falls on deaf ears, we shouldn't let our reluctance to share case details harm public confidence in CPF Board.”

**Mr Augustin Lee**

Former CPF Board CEO

Engaging CPF members and reviewing their feedback is an ongoing process. One example of how such feedback resulted in policy change is the reduction of the Retirement Sum Scheme payout duration from 2020. After hearing that members found the initial payout duration of up to age 95 too long, the duration was amended to up to age 90 at most.

Then-Minister for Manpower Ms Josephine Teo said in Parliament, “With the change, members whose payouts were originally projected to end beyond the age of 90 will now have their payouts end when they turn 90 instead, and they will thus effectively see an increase in their monthly payout amounts.”

In the years after, the CPF Board continued to build on its communications and engagement efforts and do what it does best, empowering Singaporeans to have a secure retirement.

More Singaporeans were voluntarily topping up their CPF accounts, with the total amount of top-ups hitting \$4.8 billion in 2024 – 14 per cent higher than 2023.<sup>11</sup> The numbers speak to a growing sense of trust among members, a testament to the Board’s ongoing efforts to improve its schemes, services, and engagement.

The CPF might be well into its senior years, but it remained committed to adapting to the changing socioeconomic conditions and needs of its members. Approaching the 2020s, the CPF Board’s focus turned to helping Singaporeans to leave behind a lasting legacy.