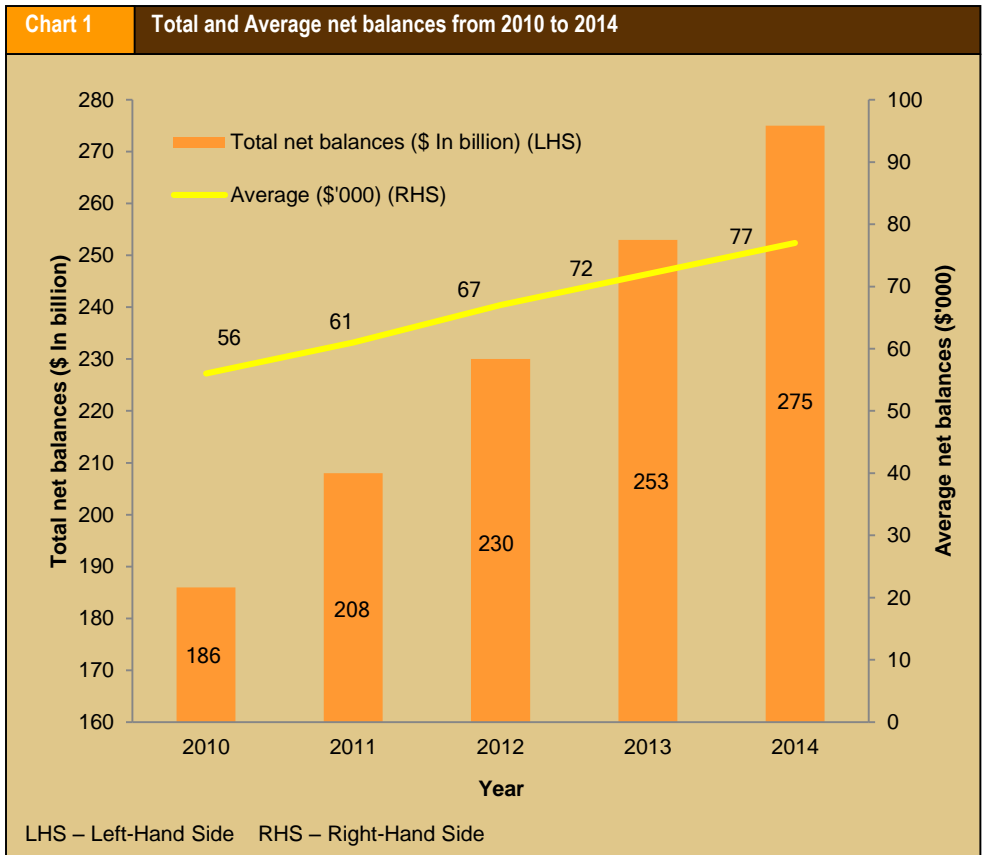


CPF savings are kept in four accounts, namely, the Ordinary Account (OA), Special Account (SA), Medisave Account (MA) and Retirement Account (RA)<sup>1</sup>. The aggregate of the net OA, SA, MA and RA balances make up the total net CPF balances. This article examines the growth of net balances of CPF members<sup>2</sup> over the last five years from 2010 to 2014.

**CPF net balances have been rising steadily over the last five years**

CPF membership has been increasing steadily over the years, from 3.34 million in 2010 to a total of 3.59 million in 2014. Similarly, total net balances have been rising from \$185.9 billion in 2010 to \$275.4 billion in 2014 (**Chart 1**). Average net balances also exhibited a similar trend, rising steadily from \$55,600 in 2010 to \$76,600 in 2014. The increase in CPF net balances for all members from 2010 to 2014 could be attributed to a few factors, such as an increase in CPF membership, economic growth<sup>3</sup>, wage increases and higher CPF contribution rates.



1. RA is created when a member turns 55 years old.
2. CPF member refers to a person who has a positive balance in any of the CPF accounts.
3. For more details on real economic growth, please refer to (<http://www.singstat.gov.sg/statistics/visualising-data/charts/real-economic-growth>) (as at 19 March 2015).

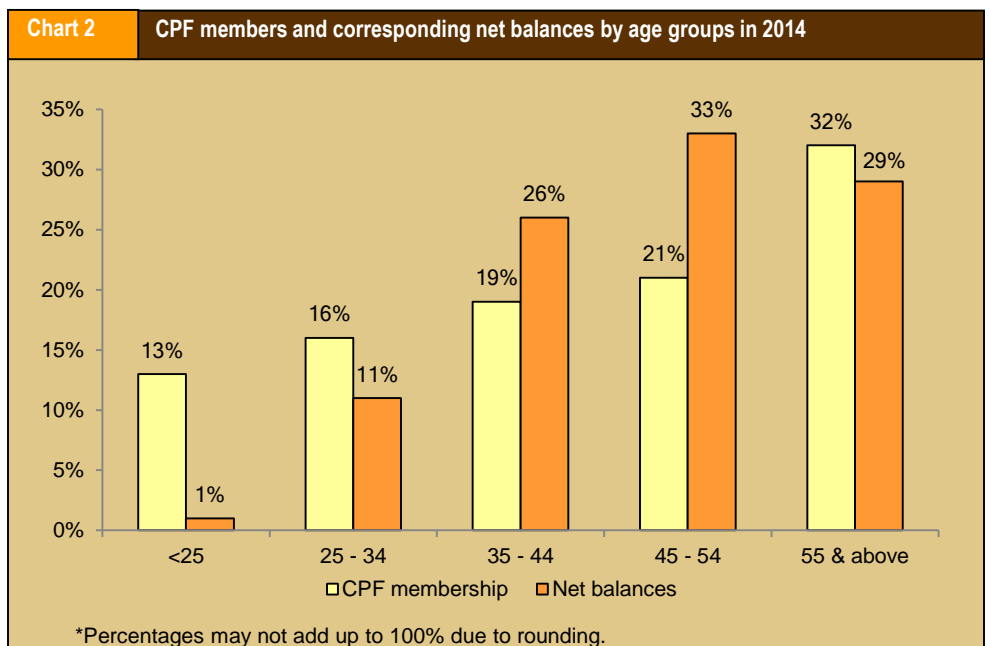
**Members in age group  
35-54 accounted for  
significant proportion of  
total net balances**

We analysed the distribution of CPF net balances and membership across various age groups. The level of net balances is expected to differ by age since older workers would have worked for a longer time and thus had a longer runway to accumulate CPF balances.

Members in the 35-54 age group constituted 40% of the total CPF membership, but accounted for 59% of the total net balances in 2014 (**Chart 2**). This is likely because the members are in the prime of their working life, and are thus better able to accumulate CPF savings through higher wages and more regular work.

Older members aged 55 and above comprised 32% of the total members, and constituted a slightly lower proportion of CPF net balances at 29%. This similar trend was observed for CPF net balances in 2013. One possible reason for the lower proportion of CPF balances is that some members may have withdrawn part of their balances at or after turning 55.

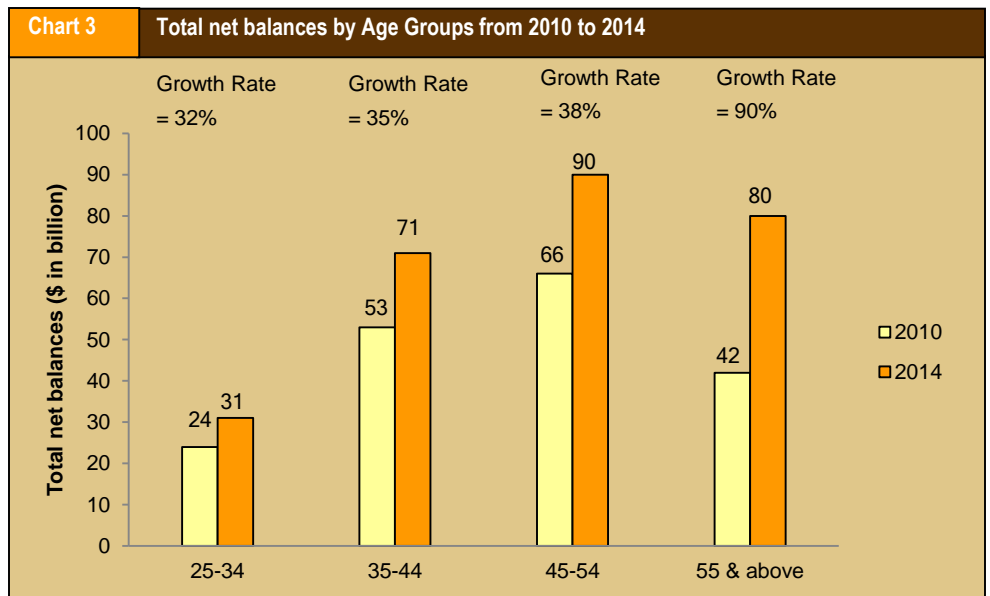
Younger members in the 25-34 age group accounted for 16% of CPF membership and 11% of CPF net balances. Such members would have just entered the workforce and started to build their CPF balances.



**Increasing balances  
within all age groups in  
last five years**

To review the accumulation of CPF balances for retirement purposes, we examine in this section the changes to CPF net balances from 2010 to 2014 for members in four age groups: 25-34, 35-44, 45-54 and 55 & above.

From **Chart 3**, we observed that net balances across all age groups increased from 2010 to 2014. Net balances for members in the 55 & above age group experienced the highest growth rate of 90%, with balances almost doubling from \$42.1 billion in 2010 to \$79.9 billion in 2014. This points to an improvement in their retirement adequacy and could be a result of members choosing to keep the monies in their CPF accounts to earn higher interest. More members are also working longer in response to the Government’s call for active aging, allowing them to save and accumulate more CPF monies. Conversely, members in the 25 to 34 age group recorded the smallest increase of 32% (which is still a significant increase), with net balances growing from \$23.8 billion to \$31.4 billion over the same period. Similar trends were observed for the net balances of members in the 35-44 and 45-54 age groups, where balances grew by 35% and 38% respectively from 2010 to 2014.



## Summary

Total CPF net balances have been rising steadily over the past five years, reaching a total of \$275.4 billion in 2014. Increases in CPF membership, economic growth, wage increases and higher contribution rates are likely to have contributed to the growth in CPF net balances.

In addition, the distribution of CPF net balances and membership indicates that members in the age group of 35 to 54 accounted for a significant portion of total net balances. Increases in net balances were also observed across all age groups. Notably, members aged 55 and above experienced the highest growth rate in net balances.

CPF members are encouraged to start early in accumulating their retirement funds and exercise prudence in using their CPF monies for any expenditure. They are also encouraged to participate in CPF voluntary contribution schemes such as the Retirement Sum Topping-Up Scheme to help enhance the savings of their loved ones with lower CPF account balances.

### About *CPF Trends*

*CPF Trends* is a regular series of papers produced by the Management Information Department to disseminate analyses of statistical data and trends on CPF related issues. These papers are generally brief and aimed at a broad audience interested in CPF related issues.