



# Save & Sound

70 YEARS OF CPF

## EPILOGUE

The energy was palpable that day. But it wasn't the usual office chatter. Boisterous cheers and cries of excitement erupted from the eighth floor of the CPF Board's office, as employees gathered around a mini racetrack.

It was not a game of *Mario Kart*, but it was a race nonetheless. Specifically, it was the Amazon Web Services DeepRacer competition that focused on machine learning,

a month-long initiative in November 2021 that got the CPF Board's senior leadership all fired up.

"Colleagues were screaming and shouting. They were all cheering their cars along," Ms Yong Ying-I, Chairman of the CPF Board, recalled fondly. The internal initiative had a much deeper purpose – for senior leadership to walk the innovation talk through hands-on learning.

► Members of the CPF Board's senior management team at the CPF DeepRacer event in 2021. (Source: CPF Board)





◀ Staff from the CPF Board cheering on their self-driving race cars during the DeepRacer competition. (Source: CPF Board)

In a reverse mentorship style, senior staff were partnered with junior officers, from whom the former picked up Python programming skills to train small-scale self-driving race cars.

“It shows that the management is willing to learn, willing to try, and they lead from the front,” Ms Yong continued.

A year later, in July 2022, the DeepRacer competition returned for round two, this time extended to all CPF Board staff. Thirty-five

teams vied for victory with their miniature cars.

This culture of constant innovation clearly goes beyond just the CPF Board’s technology and digital teams – it is embraced organisation-wide. The reason is simple: to continue to serve CPF members better.

## RETIREMENT READY

The CPF Board’s mission is to enable Singaporeans to have a secure retirement through lifelong

income, healthcare financing, and home financing. But it takes more than just high standards of service delivery to meet this herculean task – it’s about ensuring that the policies and schemes introduced by the CPF Board meet the changing needs of members.

While the proportion of active CPF members setting aside the Basic Retirement Sum has increased from about five in 10 to more than seven in 10 over the past decade, the age-old question of whether Singaporeans are adequately covered for retirement remains challenging to answer due to ever-shifting demographics. A straightforward solution would simply be to raise the Retirement Sum so that members can enjoy higher payouts from higher savings. But the reality is far more complex.

“People will accumulate their CPF savings, but whether or not you can set aside more is a separate matter. In other words, there is a limit to which the public would find this acceptable,” noted CPF Board Chief Executive Officer (CEO) Ms Melissa Khoo.

Instead, more emphasis should be placed on growing CPF funds as a whole rather than just determining how payouts and withdrawals should scale over time, according to Mr Liew Heng San, CEO of the CPF Board (2005–2011).

He drew a colourful analogy to illustrate this: “If you have a pot of beef *rendang*...and you only fret over how to dole out the number of pieces per year, well, there are only so many pieces you can dole out. But if you focus on growing the quantity of beef *rendang*, then you can get *gemuk* (meaning ‘fat’ in Malay).” Therefore, the fastest way to justify ‘fattening’ CPF savings by paying the long-term interest rate to all CPF accounts is to recognise that aggregated CPF balances are always stable and increasing every year.

Another question to ponder relates to one’s personal savings philosophy: Should people save only for themselves or for the next generation too?

As Mr Augustin Lee, who served as CEO from 2019 to 2023, said:

“If you scrimp on daily expenses and pass away without fully using your CPF, you are probably over-saving...Some people live frugally because they’re afraid of running out of savings. CPF LIFE addresses this uncertainty.”

This is a prevalent cultural mindset among Asians – to bequeath a significant amount, whether in cash or assets, to their children. But as with all things, it’s about striking the right balance. Save too much at the expense of your present needs, or save too little and financially burden the next generation to support you in your later years.

### **FROM ‘TRANSACTIONAL’ TO ‘RELATIONAL’**

At the end of the day, everyone’s financial journey is unique, and a one-size-fits-all approach is sorely inadequate. A new retiree would logically require different advice from a fresh graduate who has just entered the workforce.

“I know Singaporeans sometimes ask, ‘Why can’t I do this? It is my CPF money,’” observed Minister for

Manpower Dr Tan See Leng in an interview for this book.

“Yes, CPF savings belong to each member, but...at its core, CPF is a social security system, not just individual savings accounts. It works because of collective participation, risk-sharing, and prudent management. So, the real question is not whether CPF should be more rigid or more flexible,” he said.

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It is about how we can meet the diverse needs of individuals while keeping the system secure and sustainable for everyone. (The) objectives of the CPF system have been consistent through the years since its inception – to provide savings for housing, savings for healthcare, and savings for retirement. That is why CPF is structured to provide members with some choices, while ensuring they have enough for retirement.”

**Dr Tan See Leng**  
Minister for Manpower

“We will also continue to empower Singaporeans to take charge of their financial health, helping them understand the trade-offs and make the right decisions to support their desired retirement lifestyle,” he added.

This understanding has sparked a strategic shift in focus for the CPF Board, as it ventures into the realm of financial literacy and planning to better serve the diverse needs of Singaporeans.

In the past, the CPF was primarily a transactional service, mainly to safekeep members’ savings and help them use it when needed. Now, however, the service narrative has evolved to one that is more “relational” rather than transactional, as Mr Tan Hee Teck, President of the Singapore National Employers Federation (SNEF) and Board member of the CPF Board, described it.

“We need to move towards being a club. You are part of my club, your members have these privileges,” he said, drawing a comparison to the Singapore Airlines’ KrisFlyer

loyalty programme where members enjoy special benefits. In the same way, the CPF can be thought of as an “exclusive club” catered only to Singaporeans and Permanent Residents, he added.

For now, this takes shape in the form of empowering Singaporeans in navigating financial decisions throughout their life through personalised planners and resources. These customised services not only serve as a guide on how to better utilise their CPF to build a strong financial foundation, but also help them understand their broader financial picture beyond their CPF savings.

This idea of personalisation also simplifies what has often been thought of as an excessively complex CPF system, which will only continue to expand its suite of policies and services. “Retirement planning should not be such a complex science,” said CEO Ms Khoo.

The greater the personalisation, the easier it will be for members to see the benefits they receive from the

CPF system. “If we are able to offer you more tailored advice that suits you, then you don’t need to read the whole manual in order to find your share of it,” added Chairman Ms Yong.

### **THE WAY FORWARD: ‘EVOLUTION, NOT REVOLUTION’**

The success of the CPF system is the result of continual enhancements. “If we had taken the mindset of ‘we cannot change the CPF system at all, everything must be static,’ we will not have the CPF system today,” noted Prime Minister Mr Lawrence Wong in an interview with *Lianhe Zaobao* in 2025.

The goal is for the CPF Board to become a built-in government financial planner that ensures members strike the right balance, neither under-saving nor over-saving for the future. This even extends to helping members decide on a medical insurance plan that will offer the most suitable coverage for them.

In Singapore, most people are typically sold insurance, rather

than actively choosing to buy what they need. “What we need to study more is what would be a more optimal position for citizens, and also to better educate them. If you are buying a healthcare option, at least you know what you’re buying, as opposed to ‘my whole office bought, so I also bought,’” explained Ms Yong.

Having a strong digital presence has also been vital in ensuring that the CPF Board remains easily accessible to members. There were 115.8 million digital enquiries and transactions through the CPF website and CPF Mobile app in 2024. But these are not the only ways that the CPF Board engages with the public.

“While we are digital first, we are not digital only,” Ms Khoo emphasised.

Certain segments of society may be harder to reach through these channels, and greater collaboration with other public agencies or unions is needed to bridge these gaps.



◀ The CPF Board's senior management team with the organising committee for the CPF Summit 2025. (Source: CPF Board)

For instance, one of the CPF Board's partner agencies is the Silver Generation Office, which specialises in on-the-ground senior outreach. "They are able to literally knock on doors and help citizens. We would be able to do better together than if we just tried to do it on our own, because while we may be very strong online, some of the senior citizens are not necessarily digitally savvy," noted Ms Yong.

Simply put, the central question for the CPF Board has always been: The system is working well, but how can it work even better? This guiding philosophy underscores an unwavering commitment to continually improve the CPF system, even if it already inspires great trust and assurance in members. Each time the Government deliberates a change, all aspects of the issue at hand will be carefully considered.

While the CPF will continue to honour its historical role of supporting people in the three fundamental pillars of retirement,

housing, and healthcare, it will simultaneously evolve to meet members' increasingly complex needs and demands.

In Ms Khoo's words: "It is a journey of evolution, rather than revolution."