



Save & Sound

70 YEARS OF CPF





SAVE & SOUND: 70 YEARS OF CPF

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This artwork was commissioned by the Central Provident Fund Board in celebration of its 70th anniversary. It was created by The Creative Chair, a social enterprise under the Muscular Dystrophy Association of Singapore.

The artist, Timonhy Chan, has created a pattern centred around a tree motif which branches out to our three key pillars of social security. The nest egg motif symbolises retirement, the heart represents healthcare, and a block of flats depicts housing. Each element comes together to tell the story of the CPF Board's commitment to our members' future.

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FOREWORD



Few institutions have impacted Singapore society more profoundly than the Central Provident Fund (CPF). Its establishment in 1955 was a bold, forward-looking decision. In those early years, workers were focused on daily survival. Retirement was a distant concern. Here, the CPF played a crucial role – creating a system of steady, disciplined contributions that helped workers save for old age.

From the outset, the CPF was based on shared responsibility between the tripartite partners; hence the three keys in its logo. Employees set aside savings every month, employers provide monthly contributions, and the government ensures a fair and sustainable system that protects Singaporeans from the uncertainties of life, and provides greater support to those who need it. These collective

efforts have strengthened retirement adequacy for generations of Singaporeans. Today, over seven in 10 active CPF members have enough to set aside the Basic Retirement Sum when they turn 55.

Over the years, the CPF has evolved to meet changing needs, and now supports members at every stage of life. We introduced the Public Housing Scheme in 1968 to enable Singaporeans to use their CPF savings to purchase homes. Today, about 90 per cent of Singaporeans own their homes – one of the highest rates in the world.

In 1984, we introduced MediSave to help Singaporeans save for their medical expenses. This was later complemented by MediShield Life to provide all Singaporeans lifelong protection against large hospital bills, with premiums paid out of MediSave. Since 1986, the Government has allowed the use of CPF for investment, which gave members flexibility to grow their savings further.

And with a fast ageing population, the Government introduced the CPF LIFE annuity scheme in 2009 to assure members of lifelong monthly payouts. Today, the CPF Board also administers and disburses Government support schemes such as Workfare, the Silver Support Scheme, and GST Vouchers.

Over 70 years, a simple retirement savings scheme has been transformed into an indispensable pillar of our social security system, and become internationally recognised as one of the most effective and sustainable social security systems in the world.

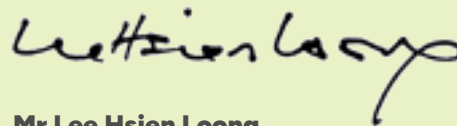
Through successive economic ups and downs, the CPF system continued to deliver stable and guaranteed returns to members, reinforcing confidence in its resilience. The journey was not always smooth sailing. Twice – due to the 1985 recession and then the 1997 Asian Financial Crisis – contribution rates had to be cut to preserve jobs and restore our cost competitiveness. These painful but essential decisions protected workers and stabilised the economy. Both times, they paid off handsomely in rapid economic rebounds post crisis.

Singaporeans are living longer, and work patterns are changing. Digitalisation brings new opportunities to improve efficiency and user experience, while introducing new risks, such as scams to dupe members of their hard-earned savings. We will continue to improve and adapt the CPF system to meet new challenges. We will support workers to save more when they can, and work longer if they wish.

But even as the CPF continues to evolve, its fundamental purpose remains unchanged: to enable Singaporeans to build financial security through their own efforts, without burdening future generations or the state, so that all can retire with confidence and dignity.

This commemorative book offers an inside look at the goals, considerations, and decisions that have shaped the CPF system over the decades. It is a fitting tribute to the men and women of the CPF Board, whose hard work, innovativeness, and dedication have strengthened the CPF system and enabled it to serve Singaporeans well.

Congratulations to the CPF Board on its 70th anniversary. I am confident that the CPF will continue to play a central role in building a strong and secure Singapore for generations to come.



Mr Lee Hsien Loong
Senior Minister

CHAIRMAN'S MESSAGE



When I reflect on the Central Provident Fund (CPF) Board's iconic three-key logo, it reminds me of the integral role it has come to play in the lives of every Singaporean. Officially, the three keys represent the tripartite partnership among employees, employers, and the Government.

To me, they also embody our commitment to protecting three fundamental basic needs in life: retirement, housing, and healthcare. We are now embarking on a fourth path, to empower members to take charge of their financial health.

I've had the privilege of witnessing firsthand how the CPF has evolved, previously as Permanent Secretary of the Ministry of Manpower, and now as Chairman of the CPF Board. As the CPF Board marks its 70th anniversary, it gives us a chance to reflect on how the CPF system

has grown – and will continue to evolve – to support every Singaporean.

Technology has been instrumental in our journey. Over the decades, the CPF Board has made significant investments to modernise the CPF system, making CPF services more convenient and accessible for Singaporeans. Within the organisation, every employee is encouraged to explore and adopt emerging technologies, including generative artificial intelligence, to continually enhance the way the CPF system supports its members.

Yet, technology is only part of the story. The heart of the CPF Board is its people. What sets us apart is our unique blend of deep institutional knowledge and a thriving culture of innovation. Many staff have dedicated their entire careers to the CPF Board, bringing decades of experience and insights into the intricacies of the system.

Yet instead of conservatism and complacency, there is dynamism in wanting to do better and exploit opportunities in process improvements, partnerships, and technologies to serve Singaporeans better. Their commitment stems from a shared belief in our meaningful mission to secure Singaporeans' retirement. As Chairman, I am humbled by this shared spirit. It drives our teams to give

their best in serving Singaporeans, whether in the area of policy implementation, daily operations, or customer service.

Once a transactional organisation focused on safeguarding savings, the CPF Board has since evolved into a trusted lifelong partner for its members. It is this trust between us and our members that we cherish and work hard to maintain. This is why the CPF Board does not take our past achievements or current success for granted, but stays open to learning.

We are expanding on our partnerships within Singapore: we continue to work closely with our valued tripartite partners from the Singapore National Employers' Federation and the National Trades Union Congress, while expanding collaborations with industry, community organisations, and social enterprises.

We also look beyond our shores to learn from global best practices, to seek fresh ideas and new possibilities. The CPF Board regularly engages with international organisations and experts, learning from their successes and challenges to refine our own offerings. This ensures that the CPF system remains relevant and responsive to evolving global trends, adapting swiftly to meet new challenges and opportunities.

Trust, while difficult to build, can be easily eroded. There are threat actors keen to test us. Therefore, at a time when the CPF Board is recognised for its innovativeness and stellar customer service, it is even more important that we stay alert and do our utmost to steward Singaporeans' CPF monies, and grow the bond of trust with members.

As we celebrate this milestone, I wish to recognise the contributions of the many past and present staff, management, and Board members who have taken the CPF Board in its 70-year journey to what it is today. Their contributions to Singapore have been immense. Our CPF Board team today, and indeed all Singaporeans, are reaping the benefits of their decades of hard work and dedication. As we celebrate our 70th anniversary, we honour both the past, and also the promise of what lies ahead. Here's to the CPF Board's unwavering dedication to supporting Singaporeans – now, and for generations to come.



Ms Yong Ying-I
Chairman
Central Provident Fund Board

CEO'S MESSAGE



As I reflect on what the Central Provident Fund (CPF) means to me, I realise how my perspective has changed since taking over as Chief Executive Officer of the CPF Board. Prior to my appointment, my impression of the CPF Board was similar to that of many Singaporeans – a public financial institution safeguarding our retirement monies. Now having seen for myself, I am reminded daily of how the breadth and depth of the CPF Board's impact on the lives of Singaporeans goes beyond dollars and cents.

Beyond being a trustee of the nation's pension fund, we are also an insurance administrator. Through CPF LIFE, the country's national annuity scheme, we provide lifelong monthly retirement payouts to our members. In addition, we play a key

role in making sure Singaporeans receive their government benefits.

In 2024, around \$10.1 billion in grants was disbursed on behalf of government agencies. Our impact as a national institution reminds us of why we are a cornerstone of Singapore's social security system.

In the administration of CPF schemes and policies, we also uphold many fundamental governance values that have shaped Singapore's society throughout our nation-building journey. These include individual responsibility, family and community support, and assistance for those who are vulnerable. These values are inherent in the design of our policies, and provide a common thread throughout the decades, even as our policies and schemes evolve to ensure relevance in changing times.

When I think of the CPF Board today, the image that comes to mind is that of a sturdy heritage tree – symbolising a resilient organisation that is rooted in values, and which continues to flourish. The rings of the tree bark represent generations of CPF Board staff whose dedication and know-how have brought us to this juncture of our history: 70 years!

Taking over the helm almost two years ago filled me with curiosity, apprehension, and

anticipation. The sheer scale of the mission was daunting. But very quickly, I discovered the “secret sauce” that makes it possible – lots of “heart” work by CPF Board officers.

A poignant example of this came just three months into my tenure. I received a letter from a member who worked as a security guard. He had approached the CPF Board for help after his former employer failed to pay his CPF contributions and wanted to convey appreciation to one of our investigation officers who had been assigned to the case. He was touched by the empathy and understanding he received from our colleague who went the extra mile to provide him with regular updates through phone calls and emails throughout the process.

He told me that as a security guard, he often encountered individuals who underestimated his role and education. But our officer made him feel “respected and valued,” and the way his case was handled gave him confidence and comfort.

His experience epitomises what I hope every member’s interaction with the CPF Board would be like – with empathy and sincerity. Our commitment to our members has carried us through the last seven decades, and continues to guide us in the years ahead. As history has taught us, change is inevitable.

With an ageing population, the demands on CPF will only grow. Retirement aspirations have become more diverse, and with increasing longevity, Singaporeans want to be protected against the risk of outliving their savings. The next chapter for the CPF will not be without challenges, but also offers an opportunity to strengthen retirement security for Singaporeans.

I wish to extend my gratitude to the many unsung heroes in TeamCPF, our past leadership and alumni, key partners, and CPF volunteers who have defined our journey over the past 70 years. With your support, we can uncover new possibilities, anchored and guided by the needs of our members.

As we progress forward together, let us remember that our commitment is not just about delivering well today, but also reinventing tomorrow.



Ms Melissa Khoo
Chief Executive Officer
Central Provident Fund Board

INTRODUCTION

When David's (not his real name) father passed away, his whole world crumbled. His father, who was his sole caregiver, had succumbed to illness after a stay in the hospital.

The teenager, who has special needs, was also at risk of losing his home as the flat was still not fully paid for. The flat's Home Protection Scheme (HPS) coverage, which would have been able to offset the remaining mortgage on the flat, had unfortunately lapsed as his father missed the latest premium payment while hospitalised.

With the help of a relative, David approached the Central Provident Fund (CPF) Board for assistance. His request: Could the HPS be reinstated so that David could continue living in an environment that he was familiar with?

Typically, claims would not be possible for lapsed covers. But the CPF Board empathised with David's plight and acknowledged that his father had been faithfully servicing his HPS

renewal premium annually and would have continued to do so if not for ill health. And so, the CPF Board approved his request and the HPS policy was reinstated, allowing David to remain in his home.

The interaction shows how significantly the CPF has evolved since its inception as Singapore's national retirement savings scheme. The CPF was implemented when it became clear that many citizens did not have enough savings to tide them through retirement, but it has gone far beyond that.

The foundation for the CPF came from a proposal by Singapore's first Chief Minister Mr David Marshall, who reportedly spent 20 pounds of his own money to get a British Queen's Counsel's advice on how to best operate this scheme.

The report commissioned by Mr Marshall eventually formed the basis for the introduction and passing of the CPF Ordinance in 1953, before coming fully into effect on July 1, 1955.

How the Singapore model differs from many other countries' social security systems is that it is not a welfare system, but one that encourages self-reliance. This unique attribute of the system has allowed it to stand the test of time.

"Though not without its shortcomings, we were the envy of many. I recall visiting some jurisdictions where their system of defined benefits was already on the verge of breaking down. With escalating costs of retirement benefits, funding for a growing pool of retirees was an unsolvable political problem," said former CPF Board Chief Executive Officer (CEO) Mr Willie Tan (2002–2005).

In the decades that followed, the CPF quickly expanded beyond its initial intent to better meet the needs of Singaporeans.

SINGAPOREANS, OUR COMPASS

What started as a simple old age savings scheme to give low-income workers security in their golden years has evolved into a sophisticated social security system that supports members throughout their life.

It now supports Singaporeans in buying a home, eases the burden of hefty medical

bills, helps CPF members grow their CPF savings, and provides monthly payouts during retirement. Besides managing \$609.5 billion in funds and serving 4.2 million members (as of 2024), the CPF Board is also one of the largest insurance providers in Singapore, just without an army of agents.

Today, the CPF system has garnered international recognition for its policies and schemes.

In 2024, it ranked fifth out of 48 retirement income systems reviewed in the annual Mercer CFA Institute Global Pension Index – retaining its top spot in Asia and its top 10 position globally.

The CPF Board is also renowned for its attention to customer satisfaction. There have been numerous instances where its employees went above and beyond to serve members.

On one occasion, an elderly man visited a CPF Service Centre to request the withdrawal of his CPF monies, seemingly coerced by a younger companion. A CPF Board staff noticed the unusual circumstances and handled the situation with care. While the staff accepted the application, they held back its processing. A few hours later, the staff

called the man to verify if the withdrawal request was indeed his decision.

“The member had no recollection of the visit, and indicated that he did not plan to make any withdrawals, so our staff cancelled the transaction,” shared CPF Board Chairman Ms Yong Ying-I.

This incident, among others, highlighted the importance of the additional safeguards implemented when serving seniors, including the installation of high-quality cameras at the entrances, exits, and service counters of CPF Service Centres, which serve to provide security surveillance as well as evidence of transactions being performed.

Even when appeals to withdraw CPF monies are rejected, the CPF Board recognises that members may be in financial need and takes proactive steps to assist them by working with other relevant Government agencies that can offer help. It could be working with the Ministry of Education to provide financial assistance to those struggling to pay for their children’s education or linking homeowners with the Housing & Development Board to apply for a change in the repayment period of their loan, with the loan instalment amount adjusted accordingly.

Despite its efforts to cater to members’ needs, the CPF system has faced criticisms and controversies over the years, both from within the Government and from members. There was the months-long debate on the use of CPF for home ownership in 1968 due to concerns that the scheme would eat too much into retirement savings.

Then there was the proposal in 1984 to raise the CPF withdrawal age from 55 to 60, and then to 65, in the Report of the Committee on the Problems of the Aged. This was misunderstood by some as a way for the Government to use their monies to fund the national rail project. In more recent years, there were the #ReturnOurCPF protests at Hong Lim Park in 2014, spurred on by perceived inflexibility and other issues.

But the CPF Board has continually overcome these challenges, with its CEO, Ms Melissa Khoo, noting that the CPF Board has successfully turned protests into partnerships. “Today, the CPF Board is trusted by Singaporeans as a partner in their lives, with 1,500 members who have become active volunteers, and many more who serve as advocates. The trust we have is hard-earned, and we want to grow this,” she told CPF Board employees during the CPF Board’s 69th anniversary.

“

Our system is unique because it brings together different stakeholders, individuals, employers, and the Government.

We all do our part and it reflects our social compact in Singapore. We want to help one another, and it means within our CPF system, the individual contributes, saves part of their income every month into their CPF account.

The employer pays CPF, but the Government also does its part. We run the entire CPF system and provide guaranteed risk-free interest rates on CPF savings. Importantly, we provide additional support for the more disadvantaged and vulnerable groups in different ways.

In some countries, they have what you call a defined benefit scheme. So when a person retires, they get a defined payout after retirement and that funding is supported by taxpayers. It sounds very attractive, but it can be difficult to sustain because with a rapidly ageing population, it means that there will be fewer taxpayers to support a rapidly growing pool of seniors. And then the burden continues to grow, which is why commentators looking at some of these pension systems describe it as a pension time bomb.”

Mr Lawrence Wong
Prime Minister and Minister for Finance



◀ Source:
Lianhe Zaobao

CONSTANT ADAPTATION

As the CPF Board turns 70 this year, it continues to evolve to meet the changing socioeconomic needs of its members. This ranges from higher cost of living and longer life expectancy to a changing employment market.

This book documents the CPF's journey through the years, expanding and growing alongside Singapore and its population. Through in-depth interviews with political office holders, past and present management and employees, partners, and CPF members who have benefitted from the various schemes, it pieces together the CPF's transition through different stages of national development.

This included navigating economic downturns, competition from emerging economies, and negative ground sentiments. It also offers a peek into the decision-making processes behind major schemes.

The narrative of the book follows the life cycle of a person, mirroring how the CPF supports members through life's key moments. After all, at different stages of life, people have different expectations of the CPF. The narrative is split into four sections, which also charts the journey of the social security system.

The first section chronicles the CPF's bumpy conception, overcoming obstacles including a riot, and how it became the first step towards financial independence in old age for most young working adults. It also touches on the CPF Board's foray into digitalisation to serve its members more efficiently in its early years.

Section two traces the CPF's expansion into home financing, detailing the Government's vision and the debates that surrounded the introduction of the CPF Housing Scheme. As a tween, the CPF became a key pillar of support for young adults embarking on the next stage of their lives – building a home and family. This section also covers the economic crises of the 1980s and 1990s, and the crucial role that the CPF played in preserving jobs and livelihoods, as well as steps taken by the Government to secure Singaporeans' retirement and address the challenge of an ageing population.

Section three takes a close look at the CPF's diversification into healthcare financing. Entering its adult years, the CPF Board became more sensitive to escalating healthcare costs and would over the years help administer national schemes, such as MediShield, to help members offset their medical bills. This section also covers the

expansion into allowing members to self-invest their CPF monies.

Section four covers more recent years from the 2000s as the CPF Board supported the Government to extend support to members for their entire lifetime through the administration of schemes such as CPF LIFE, MediShield Life, and CareShield Life. The CPF Board also stepped up to assist with the disbursement of Government grants, including top-ups to CPF accounts and cash payouts.

Lastly, it is the people within who form the backbone of the CPF. The book also highlights how CPF Board employees and CPF volunteers go the extra mile to serve members in the form of a listicle sharing seven experiences, and personifies the organisation through seven employee profile features.

Taken together, the hope is that this book provides a more intimate understanding of the CPF, its successes and struggles, and most importantly, how it has and will continue to prioritise the needs of its members.

It might seem ironic that adults in Singapore start saving for their retirement the moment they start working, but that is the beauty of the CPF. This foresight and long-term planning embody the essence of

Singapore's approach to social security. By encouraging early and consistent saving, the CPF not only ensures financial stability in retirement, but also empowers its members throughout their lives.

The CPF is social security, Singapore-style.

CPF through the decades: Serving generations of Singaporeans

When the CPF Board was inaugurated in 1955, it served only one purpose – helping Singaporeans save for retirement. Seventy years on, the CPF scheme has evolved to meet their changing needs over time.

The CPF Bill was first introduced by the Legislative Council on May 22, 1951.

1951

The Legislative Council passed the CPF Ordinance on December 11, 1953.

1953

The CPF scheme came into effect on July 1, 1955. The CPF Board finally opened for operations on the same day.

1955

1952

The Retirement Benefit Commission published a report on February 27, 1952 that recommended a compulsory pension plan as an alternative to the CPF Bill.

1954

The new CPF Board needed an office. Victoria Memorial Hall was the first of its many homes.



The CPF Board moved into its new home at 79 Anson Road.

1958

The CPF Board's membership reached its first million.

1974



1968

The Public Housing Scheme was introduced, allowing CPF members to tap on their CPF monies for downpayments and monthly repayments to purchase a Housing & Development Board (HDB) flat of their own.

1976

The CPF Board moved to a high-rise skyscraper at 79 Robinson Road.



The Special Account was created to help citizens better streamline and accumulate savings for retirement. Members could use funds in their Ordinary Account to pay their housing loans.

1977

Purchasing private property with CPF monies was made available to members with the launch of the Residential Properties Scheme.

1981

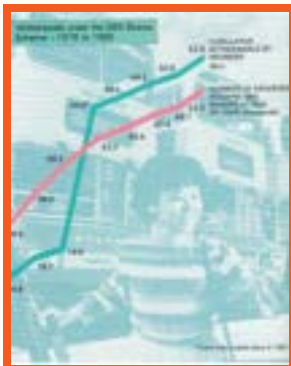
MediSave

The Government extended the usage of CPF funds for healthcare needs with the Ministry of Health's introduction of the MediSave scheme.

1984

1978

Members were allowed to use their CPF monies to invest in the Singapore Bus Service Shares Scheme.



1982

The Home Protection Scheme was introduced to help CPF members safeguard their homes in the event of death or incapacity.



CPF members were able to use their Ordinary Account to invest in shares, unit trusts, loan stocks, and more with the introduction of the Approved Investment Scheme.

1986



Members were able to tap on their CPF savings to finance their children's education with the CPF Education Loan Scheme.

The Dependants' Protection Scheme was set up to provide members and their loved ones basic financial protection against death or permanent incapacity.

1989

1987

The Minimum Sum Scheme was introduced to ensure CPF members had a regular stream of monthly income during retirement to support a basic standard of living. The Retirement Account (RA) was also created for members aged 55 and above. Members set aside their Minimum Sum in the RA, which provided them with monthly payouts when they reached their Draw Down Age.

The Minimum Sum Topping Up Scheme was launched as a way to help members make transfers to their Special Account and Retirement Account of their loved ones to help build up their retirement savings.



MediShield was introduced by the Ministry of Health (MOH) as a complement to the MediSave scheme. Administered by the CPF Board, MediShield was an insurance scheme to help members foot larger medical fees and hospital bills.

1990



The CPF Board started assisting with the disbursement of Government grants, including top-ups to CPF accounts and cash payouts.

1993

The CPF Board renamed the Approved Investment Scheme to the Basic Investment Scheme (BIS) and also introduced the Enhanced Investment Scheme, which provided members with more investment opportunities than BIS.



1992

The MediSave scheme was extended to the self-employed.

1994

The CPF Housing Grant Scheme was introduced by HDB and administered by the CPF Board to give first-timer families the alternative of buying a resale flat, especially if they wished to live near their parents for mutual care and support.



The Share Ownership Top-Up Scheme was launched to help Singaporeans own shares of Government-owned companies.

The Special Discounted Shares Scheme was launched to encourage share ownership, giving Singaporeans a greater stake in the country.

The CPF Investment Scheme (CPFIS) was renamed to CPFIS-Ordinary Account and CPFIS-Special Account. Members were allowed to invest their Special Account savings in lower-risk financial instruments suitable for retirement.

2001

1997

The Basic Investment Scheme and Enhanced Investment Scheme were merged to form the CPF Investment Scheme.



1998

HDB extended the CPF Housing Grant Scheme, which was administered by the CPF Board, to first-timer singles looking to purchase a resale flat on the open market.





MOH introduced ElderShield, a long-term care insurance scheme targeted at supporting elderly with severe disabilities, which was administered by the CPF Board.

2002

Lower-income Singaporean workers received increased support in the form of additional cash payments and CPF contributions with the Workfare Income Supplement scheme.

2007

2006

Members with terminal illnesses or serious medical conditions that severely impaired their life expectancy could withdraw some of their CPF savings.

HDB introduced the Additional CPF Housing Grant which was targeted at helping eligible first-time lower income households own their first home. This was also administered by the CPF Board.

2008

Extra interest of 1 per cent per annum was paid on the first \$60,000 of members' combined CPF balances.

The Special CPF Housing Grant (SHG) was introduced to help eligible first-timer low-income households buy an HDB flat.

2011

MOH replaced MediShield with MediShield Life, providing payouts for members against large medical bills regardless of their age or health conditions.

2015

CPF members who turned 55 from 2013 onwards would have the additional option of withdrawing up to 20 per cent of their Retirement Account savings from their payout eligibility age.

The CPF Board moved out of its long-time office at 79 Robinson Road and relocated its headquarters to Novena Square.

2009

With more people living longer, CPF LIFE, short for CPF Lifelong Income For the Elderly, was introduced to ensure members receive lifelong monthly payouts, no matter how long they live. Four plans were initially offered: Balanced Plan, Basic Plan, Plus Plan, and Income Plan.

2013

Taking in feedback from Singaporeans, CPF LIFE simplified its offerings from four plans to two: Standard Plan and Basic Plan.



Additional 1 per cent per annum extra interest was paid on the first \$30,000 of combined CPF balances for members aged 55 and older.

The Minimum Sum was replaced by the Retirement Sum, which has three tiers: Basic, Full, and Enhanced. Having a range of retirement sums allowed members to better plan for their retirement based on their needs.

The Silver Support Scheme was introduced for seniors who had lower incomes during their working years and now had less in retirement, providing them with a quarterly cash payment to supplement their retirement income.

The Matched Retirement Savings Scheme was launched to help senior Singaporeans with lower retirement savings to save more and boost their monthly payouts in retirement through dollar-for-dollar matching grants on cash top-ups.

2016



2021

2019

HDB introduced the Enhanced CPF Housing Grant, which replaced the Additional CPF Housing Grant and Special CPF Housing Grant to benefit more first-time buyers. It was made available to eligible buyers regardless of whether they purchased a new or resale flat.



2020

The MOH launched CareShield Life, administered by the CPF Board, which offers monthly cash payouts in the event of a severe disability.

The Contribute As You Earn scheme was introduced, which helps self-employed persons contribute to their MediSave as and when they receive service payments.





The CPF Board introduced new anti-scam measures such as enhanced authentication for certain CPF e-services, a Daily Withdrawal Limit for online withdrawals, the CPF Withdrawal Lock and a 12-hour cooling period for update of personal account details.

2023

Introduction of CPF contributions for Platform Workers to support their housing and retirement needs.

2025

The Enhanced Retirement Sum, which was three times the Basic Retirement Sum (BRS), was increased to four times of the BRS. This allowed more members to set aside a higher amount in their Retirement Account and correspondingly receive higher monthly payouts.

The Special Account was closed for members aged 55 and above to better align CPF interest rates to the nature of savings in each CPF account.

2024

The CPF Board assisted with the disbursement of the Ministry of Finance-introduced Majulah Package bonuses such as MediSave Bonus and Retirement Savings Bonus.

Non-Singapore citizens and non-Permanent Residents' participation in CPF schemes ceased, in line with the core purpose of the CPF system to support the retirement, housing, and healthcare needs of citizens.



SECTION 1

PROVI

CENTRAL PROVIDENT FUND ORDINANCE (Chapter 150)

CERTIFICATE OF MEMBERSHIP

Employer's Ref. 10000 Member's No. 100068

Full Name of Employee HONG SAY CHONG

Name in Chinese characters 方世宗

Identity Card No. S5A 08887 MALE ~~FEMALE~~

Year and Date of Birth. Date 24th Month September Year 1937

I hereby certify that the above-named employee has been registered as a member of the Central Provident Fund.



E. S. Lee

Chairman
Central Provident Fund Board

▲ The Certificate of Membership was distributed as a booklet by the CPF Board to its members. (Source: CPF Board)

DENDENCE

NEW BEGINNINGS

[pro-vɪ-d(ə)ns]

noun

timely preparation for future eventualities

The start of adulthood can mean different things to different people. It could be receiving your first salary, signing up for your own health insurance plan, or being financially independent. But most Singaporeans have one thing in common – receiving their first CPF contribution.

Helping Singaporeans lay a sound foundation for retirement at the onset of their working life has been the CPF's simple yet crucial mission since its inception in 1955. While this goal faced considerable resistance initially from both workers and employers, the system has stood the test of time.



▲ Ms Atiqah Nadzirah Binte Ishak (left) and Mr Azreel Dini Bin Mohammad Najmuddin (right) are all smiles with their trust in CPF. (Source: CPF Board)

Beating the Odds



For many working Singaporeans today, starting to contribute to their CPF accounts is a rite of passage – offering peace of mind that they have started saving for the future.

Just ask Ms Atiqah Nadzirah Binte Ishak, 24, and her fiancé Mr Azreel Dini Bin Mohammad Najmuddin Mohdar, 25, who view it as a painless way of putting money away for retirement or a rainy day. Every month, the young couple see their CPF savings grow, ready to be tapped on for their housing and healthcare needs.

“Personally, I think CPF is a safety net. If I don’t have extra money set aside, I think I’ll be struggling a lot. So having CPF savings monthly and only using it when needed feels great to me,” said Mr Azreel, a logistics executive.

But CPF was not always so welcomed. There were initial doubts and fears when the CPF system was first introduced that were eventually overcome only when Singaporeans experienced the support that the system provided.

75-year-old Mdm Goh Siew Kim had mixed feelings about setting aside a portion of her wages for CPF contributions every month when she began working as a salesperson at Oriental Emporium nearly 60 years ago.

“Most people couldn’t even support their family. So how can you ask them to contribute to CPF?” recalled Mdm Goh. At that time, employees made a 10 per cent CPF contribution monthly, with half of the contribution from their salary, and the other half from their employers.¹



◀ Mdm Goh Siew Kim (second from left) on her first day of work at the Oriental Emporium. (Source: Courtesy of Mdm Goh Siew Kim)



▲ Mdm Goh's first Yearly Statement of Account from the CPF Board in 1967. (Source: Courtesy of Mdm Goh Siew Kim)

Her sentiments reflected the concerns of other employees then. It was 1967, just 12 years after CPF was formed, and many working Singaporeans had yet to see how the scheme that was meant to secure and grow their savings for retirement would help them.

In fact, many were worried about not having enough money to support themselves through retirement. Mdm Goh was among them. "I was also thinking, by the time I reach retirement age, will I have enough money to support myself?" she added.

But all her worries dissipated over time. Over the years, she used her CPF savings to buy a three-room HDB flat in Tampines to raise her family and pay for medical bills incurred by her eldest son who was sickly and more recently, her cataract surgery. When she retired, she started to receive monthly payouts for her daily living expenses.

With the benefit of hindsight, Mdm Goh said with a smile: "I'm very thankful that the Government set up this scheme for us citizens." It was not easy, however, to start CPF

– a process that was fraught with delays and detractors.

START OF SOCIAL SECURITY

Everything was set for a May 1, 1955 launch. It was going to be an auspicious start for the CPF, a new national retirement savings scheme that would be set up on a day to honour workers – Labour Day. But the well-laid plans went awry.

Three days before the CPF Board was due to open, then-Minister for Labour and Welfare Mr Lim Yew Hock announced its postponement. It followed criticisms from some legislators that the scheme was causing widespread discontent among workers, whose wages were barely sufficient to buy basic necessities. They could not afford to contribute 5 per cent of their monthly salary to their CPF.

The discontent was spilling onto the streets. Coincidentally, a strike between bus drivers and their employer, the Hock Lee Amalgamated Bus Company, had begun a few days earlier on April 25, 1955.² It would escalate into what is

known today as the Hock Lee bus riots – with 31 people injured, and four killed.

The angry mob of workers at Alexandra Road, where the company's bus depot was located, was not only calling for better worker rights. Other pent-up issues that emerged during the protests included disapproval of many new legislation such as the looming CPF scheme.³

As expected, workers were upset about the monthly CPF contribution that could not be withdrawn as and when they needed the money. Instead, it would serve as a form of enforced savings – growing into a nest egg for retirement.

The scheme caused anxiety among lower-income workers. “Most of us – drivers, shop-assistants, and low-paid clerks – live from hand

► Police officers subduing angry crowds with water hoses during the Hock Lee bus riots. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore.)



to mouth, we certainly cannot afford to contribute part of our earnings, however small, to the Central Provident Fund. We should therefore be exempted,” urged a forum writer in *The Straits Times* in April 1955.⁴

As a result, the CPF Bill was amended to exempt workers who earned less than \$200 a month from making contributions. But their employers were still required to contribute their share.

“

It is our desire that the second half of the year should see the commencement of this legislation so important to the worker and we do not wish to see his welfare postponed.”⁵

Mr David Marshall
Former Chief Minister

The amendment was passed on June 29, 1955, when then-Chief Minister Mr David Marshall also announced the new launch date: July 1, 1955.

This two-month postponement, before the CPF’s official launch on July 1, 1955, was in fact short when compared to the four-year wait for the CPF Bill that was first mooted in May 1951.

CPF SCHEME VS PENSION PLAN

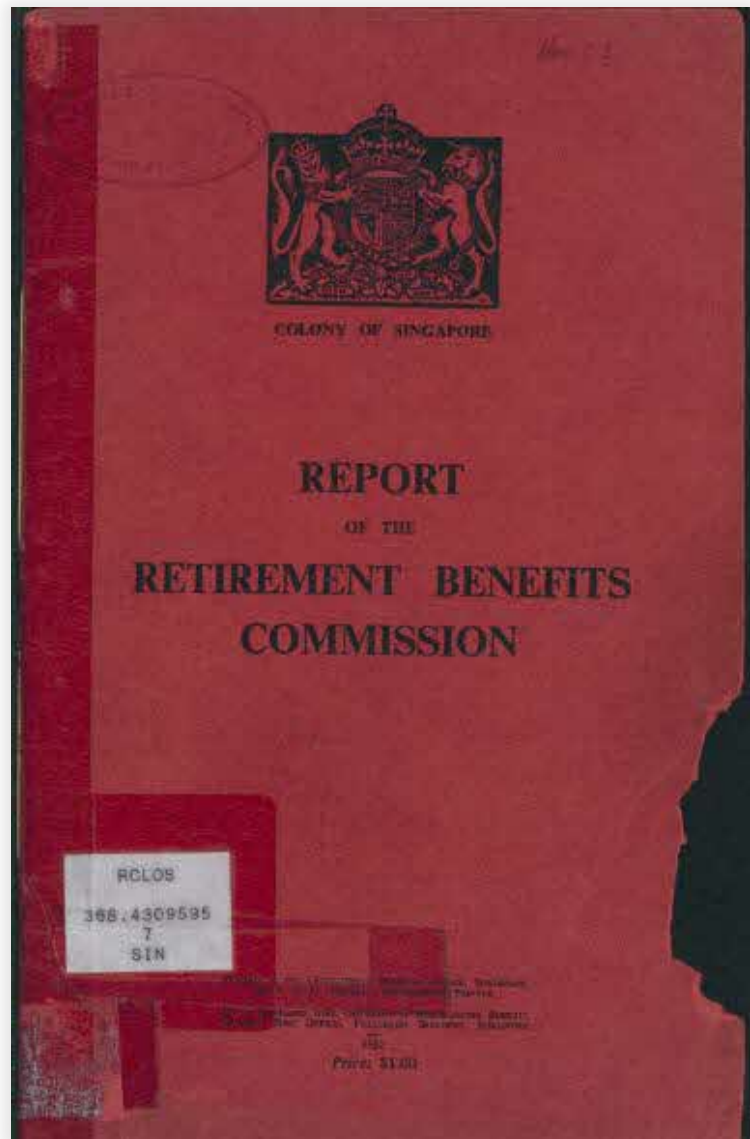
The idea goes back even earlier to the post-war recovery period of March 1949, when the Legislative Council agreed with Mr Lim Yew Hock to set up a committee to study social security schemes for workers – covering medical care, unemployment benefits, and old age pension for citizens in this British colony.⁶

But it took another two years before the CPF Bill was introduced by lawyer and legislator Mr Tan Chye Cheng, better known as C. C. Tan. On May 22, 1951, the Chairman of the Singapore Progressive Party sought to establish a compulsory

central provident fund that would provide retirement benefits for all employees except for those whose employers had already covered them, reported *The Straits Times*.⁷

A counter proposal by the Retirement Benefit Commission was published on February 27, 1952. It suggested having a compulsory pension plan instead, with an employer contribution of 60 cents weekly per worker.⁸ The employee's contribution would start at 20 cents, and increase annually by 20 cents until it equalled the employer's contribution. Upon retirement, the employee would receive \$25 a month in the first year, gradually increasing to \$30.

► Front cover of the Retirement Benefits Commission Report, a proposed alternative to the CPF. (Source: Courtesy of National Library Singapore)



CIRCULATION I

1) Chairman	4) EDPM
2) DGM (A & C)	5) Head (Admin)
3) Secretary	6) HEO (Personnel)

Publications: From Singapore StandardDate 30th Sept. 1954

Provident Scheme To Come Into Force Next Year

Standard Staff Reporter

MORE than 250,000 employees of Government Departments and commercial firms in Singapore, are expected to join the Central Provident Fund when it commences sometime in the middle of next year.

"Once in operation," declared the chairman of the Board, Mr. R. C. Kendall, "the rate of interest on contributions will be 2½ per cent per annum after the first year."

Interests can rise to five per cent. If the percentage is over that figure, then the Board will only agree to it, after both the employer and employee reach an understanding.

"For salaries that are more than \$300 the maximum contribution will be \$25," Mr. Kendall said.

He stated that the Rules of the Board will be enforced by law, and any employer refusing to obey them will be guilty of a criminal offence.

Asked the position regarding private firms who have insurance schemes for their employees, Mr. Kendall replied: "Firms with their own provident funds can apply to the Board to have their own employees exempted from contributing to the CPF."

Exemption

"The Board will examine these applications and if the applicants' own schemes are equal or better than the Fund, then the Board may approve their exemption," he said.

To date 12 private companies have asked for exemption.

In the case of Government departments, he declared, "the Ordinance will apply to those employees whom the Government will include in the scheme."

Steps to be taken by firms for the implementation of the Fund are: 1. The employer will be required to report to the Board giving the name and address of its employees.

2. The particulars of each employee will be collected and registered.

"Employees will be able to withdraw their contributions, together with the corresponding contributions from the employer, when they reach 55 years of age," he stated.

No Loans

No loans will be allowed, and the only time the employee can withdraw his contributions before the specified age is if he becomes physically disabled, if he leaves Malaya for good, or if he has been unemployed for not less than two years, and in the Board's opinion, is not likely to be employed again.

"He will then be able to withdraw his full contribution plus the interests accrued," Mr. Kendall declared.

One of the qualifications required before an employee can start contributing to the Fund is that he must work in his firm for three months. "Contributions will begin on the fourth," he said.

◀ Newspaper clippings published on the commencement of the CPF in 1955. (Source: CPF Board)

The Commission believed that this plan would benefit employees by providing a regular monthly income which would continue from retirement till death, reported *The Straits Times*.⁸ On the other hand, the central provident fund scheme could begin with the employee's contribution of 2 per cent of his earnings, rising to 5 per cent. With a total regular contribution (employee and employer) of 10 per cent of earnings and an interest rate of 3 per cent, a worker after 30 years would be entitled to 476 per cent of their annual earnings, assuming they remained constant.

It was clear that both schemes had pros and cons, with the pension plan benefitting workers within a few years while the provident fund scheme was estimated to provide adequate amounts for retirement until 15 to 20 years later. After rounds of endless debates, a decision was finally made – favouring the long-term solution that was the provident fund scheme.

On December 11, 1953, the CPF Ordinance was passed.⁹

By September 1955, two months after its July launch, the CPF Board had received over \$1.5 million in contributions, with 160,000 employees and 12,900 employers registered.¹⁰

GROWING WITH THE NATION

In no time, operations in the CPF Board were in full swing. As more members registered, manpower had to catch up. Soon, it grew too big for its premises at Victoria Memorial Hall. In 1958, the Board moved into its second home at 79 Anson Road.

Singapore's political scene was also in the midst of remarkable reform. In 1959, led by Chief Minister and former Labour Minister Mr Lim Yew Hock, Singapore was granted full internal self-government. But the fortunes of Mr Lim and his Labour Front government quickly changed that same year when elections were held to usher in the new Legislative Assembly.

The then-opposition People's Action Party (PAP), led by Mr Lee Kuan Yew, won by a landslide, clinching 43 of the 51 seats.

On December 11, 1953, the CPF Ordinance was passed.

Mr Lee would go on to become the first Prime Minister of Singapore. With a fresh slate of leadership, new plans were in store for the young nation, from improving the standard of living to boosting economic growth.

Yet, this new PAP government, which had little to do with the initial implementation of CPF, could see the value of the system. They not only retained it but continued to refine it over the years – expanding its functions beyond saving for retirement into a financial planning system for members.

Fast forward to 2025, 70 years after it was launched, the CPF looks very different and has gained international recognition.

Former CEO Mr Willie Tan (2002–2005) recalled the praises from his foreign counterparts who are responsible for social security in their countries.

“Almost without exception, they were amazed at the comprehensive

nature of the CPF system,” he shared, adding that he had visited many other countries whose systems were on the verge of breaking down.

It is a different situation in Singapore. “In our case, you save as you work and then hopefully, you grow your savings over time. And by the time you retire, you have a sum of money,” he said.

In an interview for this book, Minister for Manpower, Dr Tan See Leng, observed that the CPF system had evolved significantly since its inception in 1955.

“Back then, life expectancy was much lower, and the system’s main focus was just saving for retirement. But as Singapore transformed, so did CPF. Today, it not only supports retirement but also helps with housing and healthcare needs, giving Singaporeans more confidence in their financial future,” he said.

“

Now with longer life expectancies, the challenge is ensuring retirement savings last a lifetime. We also recognise that people’s retirement needs are becoming more diverse.

With a more educated and financially savvy population, CPF’s role is to provide the right information, at the right time, empowering individuals to make informed decisions for their future.”

Dr Tan See Leng
Minister for Manpower

► Source: Ministry
of Manpower



3

4

CENTRAL PROVIDENT FUND BOARD
P. O. BOX 3060 — SINGAPORE

13117	182000
GOH TIAR PANG	

CONTRIBUTOR'S STATEMENT OF ACCOUNT

Dear Sir/Madam,

According to my records the amount credited to your account in the Central Provident Fund up to 31st December, 1955,

was →

AMOUNT	NUMBER
\$ 5.00	18200.000000

This amount includes only money which had been paid to the Board by 31st December, 1955. If you consider that the amount is wrong, please return this statement with a note giving details of the contributions with which you believe you should have been credited.

Yours faithfully,
C. E. GREEN,
Accountant.

► Member contributions were handwritten for the CPF Board's first YSOA in 1955. (Source: CPF Board)

From Analog to Digital



The days leading up to the issuance of the Yearly Statement of Account (YSOA) would often be spent in a frenzy for the CPF Board employees in the early years. They would be sifting through endless stacks of paperwork – salary slips, identification documents, work passes.

Each employee would be furiously scribbling, calculating, tabulating, and checking each individual CPF contribution. Only then could they accurately tally the employee's and employer's contributions.

“Everything had to be done manually,” recalled the late Mrs Doris Wong, who joined the CPF Board in 1958. “It was quite tedious, unlike today when computers do most of the work.”

In its early days, the CPF Board logged all the account details through ledgers and bulky, typewriter-looking book-keeping machines. After the numbers were checked, producing the statements required another tedious round of manual checks, this time of members' place of employment, home addresses, and personal particulars.

These details – from their names to their five-digit membership numbers and their employer’s reference numbers – were painstakingly handwritten. Their CPF contribution amounts were carefully printed using a typewriter.

The statements, which included a short message from the CPF Board’s accountant at the time,

Mr C.E. Green, would be carefully folded, manually packed into envelopes, and mailed out to each member. This labour-intensive process took its toll as membership grew. Employee morale and productivity levels suffered as it was getting tougher to keep track of the growing number of accounts. Something had to change.

DID YOU KNOW?

Singaporeans used to keep track of their CPF contributions with a CPF membership number. The five-digit number, printed on each individual YSOA, was phased out in favour of the National Registration Identity Card, also known as NRIC number, in 1966. The nine-character alphanumeric identifier that Singaporeans are all too familiar with today has since become a mainstay in today’s statement of account.

A SUPER SOLUTION

Former CPF Board General Manager, the late Mr Robert lau, remembered the loud sounds of the book-keeping machines, which made the office environment rather noisy and unpleasant.

“It sounded like a factory; all the clattering (and) banging,” the late Mr lau said in an oral history

interview with the National Archives of Singapore.

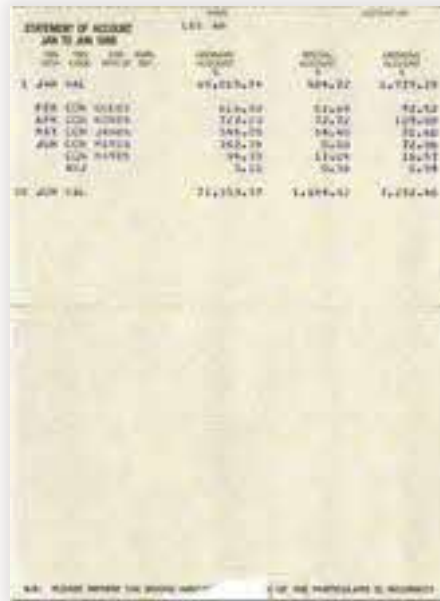
But without the machines, which helped employees compute and add up sums automatically, it would have been impossible to keep tabs of all the members’ accounts. A new approach was needed – one that was more efficient, and less loud.



◀ The IBM1401 Data Processing System that the CPF Board used at the beginning of their digitalisation journey in the early 1960s. (Source: Around the World Photos/ Shutterstock.com)

CPF STATEMENTS THROUGH THE DECADES

► In 1965, when Singapore attained independence, the YSOA got its first major facelift from a vertical to a horizontal format.



► With the introduction of the MediSave and Retirement Accounts in the 1980s, the YSOA became a half-yearly statement in 1986.



► The YSOA was refreshed again in the mid-1970s to reflect new changes to the CPF system.

STORY SPOTLIGHT

ELECTRONIC STATEMENTS



▲ The PAL-Internet interface greeted users when they logged in to check their account balances. (Source: CPF Board)

December 26, 1997 will always be a memorable day for Mr Ng Hock Keong, Deputy Chief Executive Officer (Infocomm Technology & Digital Services).

Not because it was Boxing Day, but because it was the day the CPF Board launched electronic

statements on its website, also known as CPF PAL-Internet. For the first time, members could view their Statement of Account online.¹

“We thought that one day after Christmas would be a good day (to launch),” he said with a laugh.

Expecting low traffic due to the festive season, Mr Ng was shocked by the number of visitors to the website on the day of launch. As many as 20,000 members visited the site, which overwhelmed the system and caused it to crash.

Mr Ng, who was then-Assistant Manager (Support Information Systems), worked quickly with his team to upgrade the bandwidth of the site to accommodate more users.



But demand was so strong that they had to upgrade it twice, he recalled.

Six years later, on March 1, 2003, the CPF Board implemented a personal authentication system for Singapore, now widely known as Singpass.

Today, checking CPF transactions and contributions is an easy three-step process: visit the CPF Board's website, log in with Singpass, and view contributions and balances.

Individuals can also log in using the CPF Mobile app to check their contributions and balances in a matter of seconds.

This digital transformation has dramatically increased accessibility and convenience. From 5.4 million digital enquiries and transactions in 2003 when Singpass was first implemented, the number has since soared to 115.8 million in 2024.

◀ The entrance of the PAL Lobby at Admiralty MRT station (Source: CPF Board)

The solution was the supercomputer, a high-performance computer that used multiple systems to solve complex problems. It was a relatively new invention from the United States at that time, used mainly by a handful of Government or large organisations for heavy-duty research from space programmes to missile defence.

Mr lau, then-Director of Manpower and Head of Data Processing, who eventually became General Manager of the CPF Board from 1973 to 1980, was tasked with sourcing the right supercomputer for the CPF Board. “We called the guys who sold computers in for a chat – IBM and ICT,” he said.

After much internal discussion and debate, the CPF Board eventually settled on IBM, also known as the International Business Machines Corporation. In 1962, the CPF Board purchased the IBM1401 that was designed to process data stored on punched cards.

This particular supercomputer was becoming popular. It was known as the mainframe for the masses due

to its affordability and accessibility, as it was smaller in size and could typically fit into an office space.² Soon, it was used in organisations across the world, from processing legal documents and crunching data to printing on cheques.

The media also published news reports about the prowess of these supercomputers.

“

The card reader-and-puncher is capable of reading up to 800 cards per minute. The printer has a 600-line-per-minute alphanumeric printing rate, and a 1,285-line-per-minute numerical printing rate.”³

The Straits Times, 1963

At the CPF Board, it would replace the existing book-keeping machines, which had limited programmability and could only

► A photo of the CPF Board management and staff in the early years of the agency. (Source: CPF Board)





◀ Parts of the IBM1401 Data Processing System being lifted through the window at the CPF Board headquarters at 79 Anson Road. (Source: CPF Board)

perform simple tasks. In turn, it would not only reduce the tedious and endless process of paperwork, but also greatly reduce employee workload.

In September 1963, after almost a year of waiting, the IBM1401 system arrived in Singapore. The first order of business at the CPF Board, which had since relocated to 79 Anson Road, was to get the huge crates of heavy computer components into their office.

But the crates were too big to fit through its front doors. Eventually, a crane was deployed, and workmen were tasked to create a makeshift entrance – courtesy of a widened window on the third floor of the building.

Housing the supercomputer, which was approximately four times the size of an office filing cabinet, was another challenge, recalled Mr lau. “It was a huge and extremely hot (system). Together with a huge card reader for our punch cards and line printer, it took up quite a big room,” he added.

The room needed to be air-conditioned and the CPF Board even elevated the flooring level to accommodate the large amount of computer cables. “We actually had to build the wooden platform to put the computers on top,” he said.

With the supercomputer, member contributions, which had previously been manually typed by book-keeping machines, were now stored on punched cards. Each tiny card, which was peppered with tiny rectangular holes and measured approximately 18cm by 8cm, could store up to 80 bytes of information, a phenomenal feat at the time.⁴

THE START OF DIGITALISATION

Mr Poo See Chye, who was part of the pioneer batch of employees at the CPF Board, recalled using the IBM1401. “We prepared about 10,000 punch cards each day and the machine would read them,” said the former Senior IT Consultant.

That was how members’ CPF account balances were updated. When the process was completed,

the data was encoded onto spools of magnetic tape and subsequently reused.

The machine also made it easier for the CPF Board employees to “search for a particular member’s balance,” said Mr Poo, whose job became easier as he no longer had to record and calculate contributions manually.

But it still took time, as the machine “searched the tape sequentially, so it could take a very long or short time depending on whether the record was near the start or the end of the tape,” he added.

Employees also had to be careful not to drop the tray of punch cards, he warned. When that happened, they would have to be re-sorted with a card sorter.

Although the IBM1401 was eventually replaced by more powerful computers and systems, it laid the foundation for the CPF Board’s subsequent digitalisation journey.

The incorporation of the IBM1401 was a pivotal moment in the CPF Board’s history, coinciding with a period of momentous political change in Singapore.

In September 1963, Singapore became a part of Malaysia. But a mere two years later, it left Malaysia and became independent on August 9, 1965. For the young nation, the immediate concerns were more of economic survival than social security.

The CPF Board, now almost a tween, was also experiencing the pangs of puberty and change – along with the new country. By 1968, the CPF system would be expanded beyond a retirement savings scheme. This time, it would take on a supporting role in housing a nation.

“

Looking back, I think it was rather amazing how that odd-looking, transistorised box could have spawned this fearsome industry.”



Mr Robert lau, former General Manager of the CPF Board, reflecting on the exponential growth of the IT industry.

◀ Source: National Library Board

FROM SUPERCOMPUTERS TO REVAMPED CODES: Our Digitalisation Journey

When personal computers were first introduced to the CPF Board's employees in the early 1990s, there was more scepticism than excitement. Boxy and bulky, they were foreign and confusing to employees who were long accustomed to mainframe dumb terminals, pen and paper.

"We even had to teach our users how to operate the mouse," said Ms Ivy Ho, who joined the CPF Board's IT department in 1990.

As she helped her colleagues get acquainted with the new technology, she recalled receiving many enquiries about how their typed text disappeared when the text scrolled beyond the visible screen area.

To help them understand that the text was still present but simply out of view, she came up with an analogy

using MRT trains. She explained that the screen was like a station platform; as you typed, it was like trains (text) arriving. When the platform fills up, older trains (earlier text) move out of sight but are still on the track, just as typed text moves off-screen but remains in the document, accessible by scrolling.

"I have to use a lot of analogies like this because they couldn't grasp how (the new technology) worked," said the current Director of the Accounts Information & Services department.

After the initial shock passed, and employees got the hang of the computers, technology quickly proved to be a game changer.

THE Y2K BUG

A technological crisis was looming as the world approached the year 2000.



◀ CPF Board employees learning how to use computers to tabulate member contributions and statements. (Source: CPF Board)



◀ CPF Board employees using an early telecommunications system in the 1980s. (Source: CPF Board)

Known as the Y2K bug, it arose due to concerns regarding the storage of calendar data. To conserve data storage space, calendar years were often indicated by two digits rather than four. As a result, when the 21st century rolled around, there was a real risk of computer systems failing to distinguish 1900 from 2000.

It was a global problem, with corporations worldwide scrambling to fix their systems to avoid the error and potential disruption. Former employee Mr Lim Chong Lin, who joined the CPF Board in 1998, was brought into the team tasked with conquering the bug.

Working to change the abbreviation of years from two digits to four digits in the CPF Board's systems to ensure smooth operations into the 2000s was an experience to remember. Several rounds of pre-emptive tests were also done prior to the big day.

The former Director of the Retirement Decumulation Systems Department remembered reporting to the office at 10pm on December 31, 1999 with the rest of the IT department to shut down the systems. When the clock struck midnight, the team got to

work. "We did various tests together until every system was reported (and accounted for)," he said.

By the time all systems were up and running as per normal, the sun was high in the sky. Despite the sleep deprivation, the then-fresh graduate was thankful for the chance to be involved in the project. "I only slept at noon on the first day of the new century," he recalled with a laugh.

Recalling that night, Mr Wu Wai Mun, who was then-Deputy General Manager of Computer and Collection, exclaimed: "Nothing happened!" He credited this to the CPF Board's culture of always being prepared. "Everybody got so excited. The systems were thoroughly changed and tested. We sailed through the Y2K event."

FUTURE-READY CODE

The journey to digitalisation is constantly ongoing.

In 2016, the CPF Board laid the foundation for a digitalisation project that would phase out the computer language COBOL and convert it

to Java. The project had three key objectives: reduce time to market, improve user experience, and enable the tech capabilities of employees.

It took eight long years, with the project executed across three phases. It was a long march to migrate 34 million lines of COBOL code to Java and the project was completed in 2024. Then-Chairman Mr Chiang Chie Foo (2013–2021), who was a major sponsor for IT transformation, stood by the team and their monumental undertaking of the project, which was mooted during his tenure.

“If we print the 34 million lines on A4 papers with 12-point font and line them up from end-to-end, we are talking about a paper trail of 168,500 metres. That means you can lay the papers starting from Changi Airport, go round the whole of Singapore, and back to (our) Novena headquarters,” shared Mr Ng Hock Keong, Deputy Chief Executive Officer (Infocomm Technology & Digital Services).

It was not easy. The project almost came to a standstill during the COVID-19 pandemic. The project team resorted to remote working

and extended the resources to two development centres overseas. The operating model was eventually expanded post-pandemic, and today, four offshore development centres have been set up to meet the IT resource crunch.

But the most nerve-racking moment was when the CPF Board team had to brief then-Prime Minister Mr Lee Hsien Loong on the project’s status in January 2020. He asked very technical questions, from architecture to storage to application design.

Thankfully, the session wrapped up well, with Mr Lee approving the team’s work with a big smile. Now that the project was completed, the next goal was to maintain the fruits of their hard work.

SECTION 2

PRUD



▲ The CPF has played a fundamental role in allowing Singaporeans to own their homes. (Source: CPF Board)

PRUDENCE

A HOME FOR EVERYONE

[pru:.dəns]

noun

skill and good judgement in the use of resources

After a few years of working and having met the right partner, many start to think about trading their singlehood for married life. For others, it might also be time to get their own space.

How did Singapore enable about 90 per cent of Singaporeans to own a home? It stemmed from a decision made more than half a century ago that gave citizens a tangible stake in the country and a sense of rootedness to build a nation. Today, Singapore has one of the highest rates of home ownership in the world, and a big part of it can be attributed to the Public Housing Scheme launched in 1968.



▼ A birthday celebration at Madam Suppiah Sivarani's Ang Mo Kio flat, which she moved into in 1987. (Source: Courtesy of Madam Suppiah Sivarani)

A STAKE IN SINGAPORE



Madam Suppiah Sivarani's eyes welled up with tears as she opened the door to her newly renovated home for the first time back in 1987. The factory worker's son Karthik, then a one-year-old infant and ever so active, toddled freely into the four-room flat in Ang Mo Kio.

Standing next to her in hushed silence was her husband, Mr Kuhanesan, a self-employed handyman, who was beaming as he admired

the interior of their first matrimonial home. Though he was grateful to his parents for giving them a space in their flat for the past few years, nothing compared to being a homeowner himself.

"It was really wonderful. My child could have his own room," recalled 70-year-old Madam Suppiah of their move almost 40 years ago, facilitated by the use of CPF savings to purchase the flat.

“

It was quite expensive, but we knew we could depend on our CPF to pay the downpayment and the monthly payments. When paying from my CPF, I didn't feel the pain.”

Madam Suppiah Sivarani

They used their CPF savings to pay the downpayment, equivalent to \$15,000 or 20 per cent of their \$75,000 resale flat. They also paid their monthly mortgage of less than \$200 with their CPF.

It was a literal elevation of her standard of living, from her days as a child growing up in a *kampung* in Lorong Halus, near Tampines. She no longer had to deal with leaky zinc roofs and the threat of flooding. Instead, she had the convenience of public transport and amenities in her new neighbourhood. The family now had more space, which was useful when they welcomed another child.

This was the story of humble to high-rise living for millions of

Singaporeans. A turning point was the Public Housing Scheme, launched in 1968, which opened up the use of the CPF to pay for homes. It was a major change from the original purpose of CPF, which was solely intended to build retirement savings when it started in 1955. But as the country developed, the scope of the CPF evolved.

The tremendous implications of the change meant that it was discussed vigorously in Parliament.

SQUATTER TO STAKEHOLDER

Brows knitted and with his usual force of character, founding Prime Minister Mr Lee Kuan Yew had one key message for a packed House in July 1968: In newly independent Singapore, everyone had to pull their weight.

Mr Lee had good reasons to be concerned. The biggest was the imminent withdrawal of the British military, a key engine of the economy. Broad swathes of manufacturing processes, factories, and jobs would disappear in a couple of years.

► The CPF Public Housing Scheme, launched in 1968, opened up the use of CPF to pay for homes. This gave many Singaporeans the chance to own a home. (Source: CPF Board)

30 YEARS OF
CPF
1955 - 1985



Owning an HDB home through CPF savings



One way to overcome this potential setback was to expand industries and attract foreign investments to Singapore with skilled, motivated workers. Those who worked hard had to be duly rewarded. “The Government does not expect its workers to put in more effort for nothing. So, we are putting more into the kitty,” he noted.¹

Besides promising higher wages and bonuses, he also knew that people needed to have a personal stake in the country. This was not the case at that time, as migrants formed most of the population.

A crucial solution to ensure residents had a stake in the country was letting them own a piece of real estate – their home.

Home ownership had been a goal for years. The Housing & Development Board (HDB) was set up in 1960 to build thousands of public housing flats quickly as many were resettled from overcrowded slums and squatter settlements.

In 1964, the HDB introduced the Home Ownership for the People

Scheme to help Singaporeans own their HDB homes, instead of rent public homes, so that they could have a stake in the country. But there was a problem: the take-up rate was lower than expected as many could not afford the 20 per cent downpayment on the homes.²

Could the use of CPF funds be the elusive key to unlocking higher home ownership rates?

THE GREAT HOUSING DEBATE

Yet, opening up the use of CPF was far from straightforward. There had been calls to use it for purposes beyond retirement, such as unemployment assistance and healthcare. But the Government held firm for the initial 13 years as its sole focus was ensuring the retirement adequacy of Singaporeans.

The July 1968 Parliament sitting was among the first instances when then-Prime Minister Mr Lee mentioned using CPF for home purchases, under what was known as the Public Housing Scheme.



▲ Flats in Kallang Basin in 1970. The HDB, set up in 1960, built thousands of flats in the early years to resettle people from overcrowded slums. (Source: Housing and Development Board Collection, courtesy of National Archives of Singapore)



◀ Today, many families use their CPF savings to pay for their HDB flats. (Source: CPF Board)

“

With the home ownership plan for the mass of our workers, and not just the higher-salaried groups, more and more of our working population will have a growing personal stake in the continuing prosperity and stability of our society.”³

Mr Lee Kuan Yew
Former Prime Minister

In fact, the Government had been studying ways to see how CPF savings could be used to purchase HDB flats for months.

There were clear arguments in favour of liberalising the use of CPF for housing:

1. It would transform thousands of Singaporeans into stakeholders of the country. Uplifting their living conditions would boost the political, economic, and social stability of the nascent nation.⁴
2. Securing a home would alleviate concerns during retirement.
3. A final argument was the knock-on effect it would have in spurring the economy.⁵

Just a month after Mr Lee spoke in Parliament about the CPF proposal, Mr Eric Cheong, then-Member of Parliament for Toa Payoh, said the move would accelerate property sales. “This in turn would create the demand for the construction of more houses and flats,” noted Mr Cheong. “With increased building activity, there will also be a greater demand for

building materials such as steel, cement, bricks, and tiles.”⁶

Despite the benefits, there were understandable concerns. The main argument was that if a substantial portion of retirement funds were used for homes, there could be little left for retirement.

There was also a worry that some people could have an emotional attachment to their home and refuse to monetise it, resulting in an asset-rich, cash-poor situation.⁷

A RUSH FOR FLATS

After much public discussion, the CPF (Amendment) Act came into effect on September 1, 1968, to allow CPF savings to be used for housing.

To avoid the pitfall of Singaporeans spending too much of their retirement funds on homes, the scheme was implemented in a calibrated manner. It began by allowing only low-income members to tap CPF funds for subsidised HDB flats – and only for a portion of the flat’s purchase price.

The new scheme proved extremely popular. “Rush for Board flats gains momentum,” *The Straits Times* headline proclaimed on September 9, about a week after the change.⁸ It reported how 900 people – or more than 100 a day – had applied for flats, more than twice the 40 daily applications before.

The next year in 1969, about 8,000 people registered to buy flats.⁹ This figure in a single year was comparable to the 8,500 flats HDB sold in five years from 1964 to 1968,¹⁰ before the CPF Public Housing Scheme kicked in.

By the end of the decade, about a third of Singaporeans were living in public homes.¹¹

The scheme was a resounding success, and there were plans to take it further to benefit more Singaporeans. The initiative was subsequently extended to allow middle-income Singaporeans to use their CPF savings to buy larger, non-subsidised flats built by the Housing and Urban Development Company (HUDC).

► Then-Prime Minister Mr Lee Kuan Yew looking at models of public flats in 1963. A priority for Singapore in the early days was building homes quickly to house a growing population. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)



A VERY 'SPECIAL' ACCOUNT

The Special Account (SA) was set up in 1977 to set aside money for retirement purposes in a dedicated account. This is unlike the Ordinary Account (OA), which is primarily used for housing purposes.

When the CPF Minimum Sum Scheme was introduced in 1987 to ensure that members had a regular stream of monthly income during retirement to support a basic standard of living, the Retirement Account (RA) was also created.

Savings from the SA and/or OA would be transferred to the RA to set aside the Minimum Sum at age 55, from which members would receive monthly payouts for about 20 years.

This further boosted Singaporeans' use of CPF funds for homes.

To safeguard members' retirement savings, the CPF Special Account (SA) was created in 1977 to help members set aside funds strictly for retirement purposes. Monies in the SA could not be used for housing.

A few years later, the use of CPF for home financing was further liberalised. In 1981, the Residential Properties Scheme was introduced, which allowed the use of CPF savings to buy private homes, helping families achieve greater social mobility.

By 1982, a total of \$3.7 billion was withdrawn from CPF to pay for residential properties.¹²

HOUSING AS A RETIREMENT NEST EGG

It was clear that the CPF housing scheme had elevated the quality of life for many members and changed the fabric of the nation.

"The CPF has been invaluable in transforming us into a home-owning society," said then-Prime Minister Mr Lee at the 1985 National Day Rally.¹³

"Had we depended on voluntary savings, 400,000 would not have become home-owners. We would not have built modern Singapore in the same way. We would also have been a very different society, more rootless."

About 30 years later, then-Prime Minister Mr Lee Hsien Loong also described the CPF and home ownership as the "twin pillars of our retirement adequacy." In the 2014 National Day Rally, he pointed to how the home was a "valuable little pot of gold to draw on" in one's golden years.¹⁴

In February 2025, Prime Minister Mr Lawrence Wong shared with *The Straits Times* how having a home gives people peace of mind. "Housing in some ways is also a form of assurance for one's retirement, because having your

A SHELTER IN THE STORM

Even as the Government liberalised the use of CPF savings to finance a wide range of housing types, it also introduced new schemes to protect members from unforeseen circumstances.

In 1982, the Home Protection Scheme (HPS) was launched, offering insurance coverage for outstanding HDB flat mortgages in the event of a member's incapacity or death. The aim was to ensure families who experienced an unexpected tragedy could continue to live in the flat without the financial burden of outstanding housing loans. Madam Ang Gek Lung, a homemaker, was a beneficiary of this scheme. Her husband, a lorry driver, died in a traffic accident in 1994, leaving her and their two toddler sons behind.¹⁵

The HPS paid the balance of the loan on their two-room flat. Madam Ang also received \$30,000 under the Dependents' Protection Scheme, a term-life insurance scheme which provides insured members and/or their families with some money to get through the first few years should the insured member suffer from incapacity, terminal illness or pass away.

own home as you grow old is a very important form of assurance for every family," he said. "It also means you don't have to pay rent, so you have security as you get older. But this does not mean we can overspend on housing either."¹⁶

While many can see the benefits of home ownership and how it is a good store of value, opinions still differ on how much CPF savings should be used for purchasing homes.

In an interview for this book, Mr Lim Boon Heng, former labour chief and Cabinet Minister, candidly shared his views: "I felt that the proportion of CPF savings that could be used was too high, while the proportion safeguarded for retirement in the Special Account or Retirement Account was too low."

"It had two effects: a faster rise in housing prices, and insufficient cash for retirement. When people have more money they can deploy, the demand for housing and the type of housing rises; so prices rise. It is the fundamental law of economics. So people are happy when they see the value of their homes rise. But when

people retire, they find themselves asset-rich but cash-poor. It is a social problem today."

There are safeguards within the CPF system to prevent members from overextending themselves. For instance, there are limits to the amount of Ordinary Account savings that can be used for housing. Members are also required to refund the CPF monies used to purchase the flat, plus the interest it would have accrued, when selling the flat.

Members can also choose to retain \$20,000 in their Ordinary Account, when purchasing a home, as a safety net. The CPF remains a work in progress. To gauge its success, perhaps it is best to envision its absence, as Mr Lee Kuan Yew once put it in his 1985 National Day Rally Speech.

The importance of the CPF system was also seen in how it helped Singapore survive its first major recession.

“

Imagine the alternative of a Singapore without CPF? As we made high economic growth in the 1960s and 70s, like workers in Hong Kong, they would have high disposable incomes which would go into consumer durables. They will pay high rents to the landlords for tiny rooms. They will buy enormous quantities of clothes, shoes, furniture, television sets, radios, tape-recorders, hi-fis, washing machines, motor cars. They would have no substantial or permanent asset to show for it.”¹⁷

Former Prime Minister Mr Lee Kuan Yew,
in his 1985 National Day Rally speech

► At the 1985 National Day Rally, then-Prime Minister Mr Lee Kuan Yew asked the audience to imagine a Singapore without the CPF system, as a measure of its success. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)



STORY SPOTLIGHT

“YOU DON’T THINK ABOUT CPF WHEN YOU ARE DATING!”

It was finally time to have the conversation. After a few years of dating, Ms Esther Ang and her boyfriend, Mr Ashraf Azman, were ready to talk numbers.

The big question: Could they afford a Build-to-Order (BTO) flat from the HDB?

After all, Ms Ang, 29, was still in her final year of university in 2017. Mr Ashraf, who is five years older than her, had been working in the aviation industry for a few years by then. After a quick check of his CPF account, they found that there was enough for a downpayment, which was about \$20,000 for their desired flat type.

“It was a huge relief. You don’t think about CPF when you are dating!” Ms Ang said with a laugh. But when it was time to take a significant step in the relationship, the ability to use their CPF

savings for their first home meant that they could have peace of mind.

This was especially important as they needed their cash savings for their wedding and home renovation, which amounted to a six-figure sum in total.

Thanks to the Public Housing Scheme, they could buy a \$385,000 four-room BTO flat in Tampines North, which they moved into in April 2023 with their infant son, Ansel. Now, they each pay about \$450 monthly from their CPF savings to service the mortgage.

Ms Atiqah Nadzirah Ishak and her fiancé, Mr Azreel Dini Mohammad Najmuddin Mohdar, were another young couple that could happily move into a new BTO home because of their CPF savings.

The monthly CPF contributions provided a good estimate of their



▲ Ms Atiqah Nadzirah Ishak and her fiancé, Mr Azreel Dini Mohammad Najmuddin Mohdar, with the keys to their new BTO home. (Source: CPF Board)

next step financially. “(Having contributions) gave us some numbers to work with, to budget properly,” said Mr Azreel, 26, a logistics executive. “It was quite exciting for me, and it also gave both of us more clarity.”

Now that Ms Atiqah, 25, is furthering her studies, the couple is also relieved that they could make their downpayment for their flat with their CPF savings.

As first-time home buyers, they also benefited from the Enhanced CPF Housing Grant, which was raised to up to \$120,000 for families and up to \$60,000 for singles in August 2024. Other schemes include the CPF Housing Grant for Resale Flats, which gives a subsidy of up to \$80,000 for eligible first-timer families purchasing a resale flat, and up to \$40,000 for singles.

MULTIPLE CPF USES FOR A SINGLE

Ms Georgina Gao, 43, remembered the frustrations of her home-hunting journey in 2018 as a single. With only two-room BTO flats available to singles, she had to look for a resale flat so her mother could stay over when she visited her.

“I wanted to stay near where my mum used to live in Bugis, but the listed prices there were around \$700,000 for a 40-year-old four-room resale flat,” she said. “I told myself to keep my options open.”

Eventually, she bought a four-room resale flat in Punggol for \$398,000. The CPF Housing Grant subsidised \$25,000 of her home’s cost.

“I may sell my place to downgrade to a two-room (flat) when I am older,” said the civil servant. “It’s nice to know that the \$25,000 will go back to my CPF account and I can use it for the next purchase.” As she plans a career switch and sets aside savings for a part-time course, she is thankful for how CPF has helped her in her life goals. She is thinking long-term about her post-work years too.

“In terms of retirement planning, I view CPF as a foundational element,” she said. “I have reached the current Full Retirement Sum in the Special Account, which should provide a reliable base for my retirement funds. With compounding interest, I am confident I will be able to receive a good payout at age 65.”



▲ Source: Shutterstock

► The Straits Times: (Source: The Straits Times © SPH Media Limited. Reprinted with permission)

LOOK

The dollars and cents of a cut in CPF

Labour costs have been pinpointed as one cause for the poor state of Singapore's economy. Should we reduce the rates of CPF contributions to ease the load on employers? One MP has called for a 10 per cent cut. It is a move which some ministers have come out against since CPF is part of the worker's salary, and home buyers among them may be hard hit.

But what does a 10 per cent cut portend? PAUL ONG looks at three wage earners, one earning \$500, another \$1,500 and a third \$3,000, to see what the cut means in terms of dollars and cents.

THE high cost of labour has been identified as one reason for the economic downturn and to reduce the wage bill for employers, one possible direct measure has been mentioned.

It has been suggested that the government raise contributions to the Central Provident Fund, the mandatory savings fund to which both workers and employers contribute every month.

At present, for every dollar a worker earns, 25 cents go to the CPF and his employer contributes a matching sum. This adds to a total of 50 cents for every dollar he earns or 50 per cent of his salary.

Many employers have blamed CPF rises for their high costs. It has been estimated that wages constitute about 22 per cent of a firm's total costs.

As a result, many firms would like to see a cut in the rate of CPF contributions and a reduction of 10 per cent is one figure which is often mentioned.

An MP who has lost his

voice in support of this sentiment is Dr. Toh Chin Chye (Kochire).

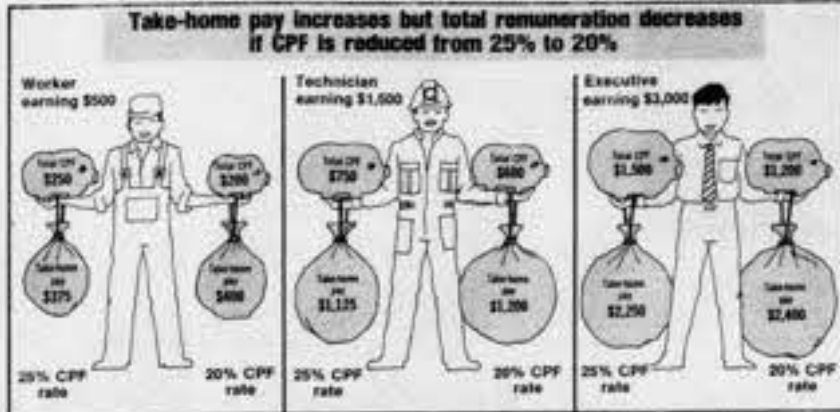
He said the rate of contributions should be reduced by 10 per cent, and later by a further 5 per cent if the slump continued.

He said a 10 per cent reduction would pump an extra \$1,000 million into the economy without any cost to the Government as the money represented employees' salaries and employers' contributions.

Last Sunday, however, the Acting Minister for Labour, Mr. Lee Yock Suan, gave four reasons why the rate of CPF contributions should not be cut.

First, CPF is one of the pillars of the Singapore economy. Secondly, the savings are a form of hard cash, a useful buffer in the event of a world banking crisis.

Thirdly, the contributions make up part of the worker's wages and, fourthly, contributors will find it difficult to service their housing loans if the rate is cut.



How is the worker affected if the rate of contribution is cut, say by 10 per cent, that is, 5 per cent on each side?

Take for example, someone earning \$1,000 a month. His CPF contribution is \$250. His employer pays in an equivalent amount. Thus, every month, his CPF account goes up by \$500.

If there is a 10 per cent cut, he will see \$100 less in his savings, since both he and his employer will now pay only \$200 each into his CPF account (20 per cent of his salary equals \$200).

Let's look at three hypothetical cases — a factory hand who earns \$500, a technician who earns \$1,500 and a manager who earns \$3,000.

For Mr. Factory Worker who earns \$500, it means extra cash of \$25 in hand (\$400 instead of \$375) but it also means a drop in the total remuneration. (See table.)

He will now get \$600 (salary plus what his company gives him in CPF) instead of \$625. And each month his CPF will go up by only \$300 instead of \$500.

Likewise, Mr. Technician who receives \$1,500 a month will get \$15 more cash and "lose" \$75 in terms of the total remuneration.

He will really be getting \$1,800 instead of \$1,875. As for

monthly CPF, he will be putting away only \$300 instead of \$250.

For \$1,000 a month Mr. Manager, the absolute loss will be even more grievous.

While his cash flow rises by \$100, his total remuneration has fallen by the same. His total package will drop by \$250 to \$1,600 from \$1,750, a fall of 4 per cent.

And he will now be adding only \$1,200 instead of \$1,500 a month to CPF.

What about house buyers? A cut in CPF may be seen as a boon for some who prefer to have more cash now regardless of the fact that their CPF savings have fallen.

But those who are in the process of paying off loans for their house or flat may not feel quite the same.

Take Mr. Factory Worker. Let's say he has bought a \$8,000 three-room flat with a loan and is spreading the loan over 20 years. His monthly repayment to the HDB would be \$100.

Currently, he can use all the money which goes into his ordinary account for the repayment of his housing loan. That is, he can use 40 per cent of the 50 per cent paid into his CPF every month. In this case, \$200.

A 10 per cent fall in contributions however, means that

Mr. Factory Worker will be saving only \$20 a month. If he can still use the same proportion of CPF for his housing loan, only \$100 can be used.

Which means that he will have to supplement the CPF funds with a cash payment of \$20.

Let's assume that Mr. Technician and Mr. Manager have worked their loans so that the full portion of their CPF monthly contributions is being used for repayment.

Mr. Technician who earns \$1,500, is thus utilizing his \$300 a month.

If a 10 per cent cut in CPF does take place, he would have only \$240 monthly CPF funds for his housing loan. Which means he would have to top it up to \$300 with a cash payment of \$120, wiping out his "cash gain" of \$75.

He now has \$60 less in cash than before the drop in CPF.

Similarly, if Mr. Manager has been maximizing the use of CPF funds for the servicing of his loan, he would currently be using \$1,200 for his loan pay-back.

A 10 per cent cut in CPF contribution rates will mean that he will have only \$960 available. So he would need \$240 in cash for topping up.

Then, despite his cash gain of \$100, he ultimately has \$60 less cash, since he has settled his housing loan.

In terms of money, the worker has little to gain and much to lose if CPF rates were to fall. The plus points accrue strictly at the employer's end.

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PROTECTING THE NEST EGG



ASSURANCE FOR WORKERS

“

From the workers' perspective, to know that they have got money in their CPF account to cover outgoings such as mortgage repayments and healthcare expenses will give them a lot of comfort. It's less stressful for them, even when they are in between jobs. If they are able to build up their CPF funds during their working life, they will also be able to enjoy some post-retirement income.”

Mr Bob Tan

Former Vice-President of Singapore National
Employers Federation

After years of working on the assembly line meticulously putting together intricate circuit boards, Mr James Jayabalan was promoted to planner, overseeing the process at his electronics company Honeywell Synertek. Finally, he was advancing in his career.

But it was cut short abruptly. When Singapore entered a recession in 1985 after 20 years of uninterrupted growth, he was retrenched. At a loss over how to support his family, he told *The Straits Times* during the depths of the downturn: “I need to have a job by the end of the month. Or else I am in trouble.”¹

Mr Jayabalan was not alone. Thousands of industrial workers like him were laid off as companies in Singapore such as Bata, Eveready, and Union Carbide halted production amid a slowing global economy and stiff regional competition.

Some workers like Ms Goh Sim Ai were more fortunate. After losing her job at electronics company E. Hopt, her union helped her to find

a new job – but it would pay less than two-thirds of her previous salary.²

Unions were trying their best to sustain the livelihoods of workers, but there was only so much they could do. The escalating wages from the years of double-digit growth, and a three-year corrective wage policy from 1979 to 1982, had caught up with Singapore.

“The recession in 1985 was caused by wages outstripping productivity growth,” said Mr Lim Boon Heng, who was then-Assistant Secretary-General of the National Trades Union Congress (NTUC), in an interview for this book. “When the recession happened, there was a hot debate over what should be done.”

The Government had to moderate wage growth to save jobs and keep Singapore competitive. One way was to trim CPF contribution rates, which had reached a high of 50 per cent of salaries in 1985 – comprising equal contributions from both employer and employee.³

► Workers at a factory in Kallang in 1987. The recession in the mid-1980s caused many industrial workers to lose their jobs. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)





▲ Then-Deputy Prime Minister Mr Goh Chok Tong met with union leaders in 1985 to discuss how to save jobs amid the recession. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)

An obvious solution was to lower employer contributions, which would effectively be a wage cut. But this cost-cutting measure should be a last resort as it would affect the finances of workers, particularly for their retirement.

'THEY WERE LOOKING VERY SCARED'

Mr Goh Chok Tong, the newly-minted Deputy Prime Minister and successor

to founding Prime Minister Mr Lee Kuan Yew, had a tough task – to save jobs in Singapore.

He had gathered the country's union leaders for their views on the worst downturn since independence, as unemployment rose to 4.1 per cent in June 1985⁴ and economic growth dipped below zero for the first time to minus 1.4 per cent in the second quarter of 1985.⁵

CPF CUTS: A LESS PAINFUL WAGE CUT

“If we had stopped increasing CPF since 1980, the CPF rate would have stayed at 38.5 per cent, 11.5 per cent less than it is today (in 1985). With the yearly National Wages Council recommendations from 1981 to 1984, the wage settlements would nevertheless have been at and beyond the upper ranges of the recommendations because we were short of workers.

The only difference would have been that with no change in CPF rates, employers would have paid the whole increase in wages, without additional savings for workers in the CPF of 11.5 per cent (CPF increased 4 per cent in 1981; 2.5 per cent in 1982; 1 per cent in 1983; 4 per cent in 1984). The workers would have got all these increases immediately to spend as disposable incomes.

The downturn in 1985 would still have happened. The difference, however, is that workers would have gotten used to spending higher incomes. Any cutbacks now will mean painful cuts in take-home pay.

Instead, because of increases in CPF from 1980 to 1984 of 11.5 per cent, we now have a margin of safety for cutting back wage costs, without reducing disposable incomes of workers, by reducing their compulsory savings.”

Mr Lee Kuan Yew,
then-Prime Minister, in a speech at the 1985 National Day Rally⁶

There was disquiet in the room, noted Mr Goh, adding: “I found that they were all looking very scared as the recession was getting deeper.”

The Cabinet had already approved a 10 percentage point cut on employers’ CPF contributions. Yet, Mr Goh believed the reduction should be dialled up to 15 percentage points for greater impact, meaning firms contributed just 10 per cent of their employees’ salary into their CPF accounts – instead of 25 per cent.

One problem stood in the way: Workers would not take kindly to such a deep slash. But Mr Goh’s meeting with union leaders convinced him that they were aware that the painful short-term cut would lead to longer-term recovery and success.

“I told them, ‘Let’s go for a 15 percentage point cut to show the investors that the workers can take the pain,’” he said, in an interview for this book.

The union leaders recognised that this was a necessary move, and the cut was approved.

Their cooperation was, in fact, a strong show of Singapore’s model of tripartism, where the Government, employers, and unions worked together to implement the deep CPF contribution rates cut across the board, which was enforced in 1986.

Explaining why Singapore could pull off the seemingly impossible task and get workers’ buy-in at that time, NTUC’s Mr Lim, who became labour chief, said: “It wasn’t an easy task, but there was trust in the NTUC leadership. What the ground required was fair play – that when the economy grew again, the cuts should be restored.”

The CPF proved to be more than just a national retirement savings scheme, but also a macroeconomic tool and a cost-cutting mechanism. The CPF contribution rates had been rising from 20 per cent in 1971

to 30 per cent in 1974 and reached the high of 50 per cent in 1985, but there was a need to strike a balance between saving for old age and the nation's needs to keep industries competitive and retain jobs.

Thanks to the CPF contribution rates cut, Singapore pivoted strongly to recovery, with the growth rate bouncing back to 10.8 per cent in 1987. "The economy is recovering because we took decisive measures to tackle our economic problems directly," said then-Prime Minister Mr Lee in his 1987 New Year message. "By not flinching from painful policies, Singaporeans have spared themselves higher inflation and a longer recession."⁷

The CPF contribution rate, however, was never restored to 50 per cent as it was deemed too high, leading to uncompetitive wages. Instead, it took five years before the CPF contribution rate was raised from 35 per cent to 40 per cent (with employees contributing a higher

22.5 per cent then and employers contributing 17.5 per cent). Over the next three years, the contributions from employees and employers were calibrated to land at 20 per cent each from employee and employer.

"In retrospect, perhaps we should have moved a little faster in restoring the CPF rates after 1985. But we could not be sure that growth would continue to be strong. Also, it is quite likely that the strong growth was partly the result of our cautious approach in restoring CPF rates," observed then-Deputy Prime Minister Mr Lee Hsien Loong at the inaugural National Manpower Summit in 1999.⁸

What was clear about the CPF cuts was that a cut in the contribution rates across the board was too blunt a tool. A more refined approach was needed for future economic storms.

"After the 1985 recession, we embarked on wage reform.

STORY SPOTLIGHT

HOW CPF CUTS IMPACTED EMPLOYERS AND WORKERS

As Singapore became more open and globalised, it was more than just economic trends that swept the country. On the street, preppy fashion styles like pastels, turtlenecks, and lycra

were adopted by “yuppies”, the term coined for young urban professionals of the 1980s.

Mr Stephen Lee, then-Managing Director of textile firm Great Malaysia Textile Investments,



▲ Then-Managing Director Mr Stephen Lee from Great Malaysia Textile Investments (fourth from left), speaking to then-Deputy Director of NTUC Mr Ng Pock Too (third from left), as then-Secretary-General of NTUC Mr Ong Teng Cheong (fifth from left) observes workers at the factory. Mr Lee recalled how the CPF contribution rate cut proved a lifesaver for his company. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)

was deeply attuned to these trends. After all, the industry was worth a whopping S\$1 billion in Singapore alone.⁹

But as the 1985 recession heaped pressure on his bottom line, the CPF contribution rate cut of 15 percentage points proved a lifesaver.

“It (the CPF contribution rate cut) was an instant help,” said Mr Lee, who had more than a thousand workers under him. “Labour was easily the largest operating cost, aside from material costs.”

The cut rescued many companies from the

brink of closure. “I remember at the time all the employers heaved a big sigh of relief,” said Mr Lee, who was also President of Singapore National Employers Federation (SNEF) from 1988 to 2014.

◀ Mr Stephen Lee, former President of SNEF, said the CPF contribution rate cut in the mid-1980s provided relief for many employers. (Source: Singapore National Employers Federation)

▶ Mr Bob Tan, former Vice-President of SNEF, believes having money in their CPF accounts gives workers more comfort in their expenditure. (Source: Singapore National Employers Federation)



The country's swift and decisive move to help businesses overcome the recession enhanced its reputation in the business world, said SNEF's Mr Bob Tan.

"It sent a clear signal to the global business economy and investors that with the support of the tripartite partners, we were able to respond to changing economic conditions, even to the extent of cutting wages across the board to keep businesses in Singapore competitive," said Mr Tan.

BLUNT INSTRUMENT

CPF contribution rate cuts, however, also reduced employer contributions for unaffected industries, particularly the healthcare sector.

Ms K Thanaletchimi, who entered the workforce as a pharmacy assistant in 1987 when jobs were scarce, learnt from her father the pain of such cuts and the challenges that it could pose. But it was not until the Asian Financial Crisis more than 10 years later that she had to rally her peers to accept the cuts.

As she had just been elected as President of the then-National University Hospital Employees' Union, she recalled having to

explain the CPF contribution rate cut to workers despite the healthcare industry not being affected by retrenchments during the economic downturn, as it was actually recruiting more workers.

"In fact, there were more patients and an increase in workload during bad times," she quipped.

"The workers had to make some sacrifices, but it was based on trust that all parties (such as the Government and employers) were committed to restoring the CPF contribution rates when times are good," she said.

Calling the CPF contribution rate cut an instrument of last resort, Ms Thanaletchimi, who is now President of National Trades Union Congress (NTUC) and Healthcare Services Employees' Union (HSEU), said the creation of a more flexible wage system then and now, has minimised the use of CPF as a macroeconomic tool.

"(The CPF contribution rate cuts) were a bitter medicine to swallow for workers, but we could do it because of the trust and our spirit of tripartism. Solidarity was important and we firmly stood by it," she said.

When asked if CPF can still be used as a macroeconomic tool today, Mr Lim Swee Say, former Minister for Manpower and former labour chief, did not rule it out.

“But such a move should not be the first and only move, bearing in mind both the near- and longer-term implications on our workers in meeting their housing, medical and retirement needs,” he said in an interview for this book.

In fact, even during the depths of economic disruptions in 2020 during the COVID-19 pandemic, the CPF contribution rates remained untouched. Instead, the Government provided \$28.1 billion of wage subsidies under the Jobs Support Scheme to help companies survive and retain their local employees.¹⁰



► Ms K Thanaletchimi, President of NTUC, said the creation of a more flexible wage system has minimised the use of CPF as a macroeconomic tool. (Source: National Trades Union Congress)

The objective was to develop a wage system that would enable companies to adjust wage costs, without having to resort to a CPF cut,” said former labour chief Mr Lim, who also held the portfolio as Minister in the Prime Minister’s Office. Among the new moves were annual bonuses dependent on company profitability, and monthly variable components which could be quickly adjusted.

With greater wage flexibility, the next economic downturn during the Asian Financial Crisis in 1997/98 saw a reduced CPF contribution rate cut. It was snipped by 10 percentage points in January 1999, as there was also an awareness that any deeper cuts would be unsustainable. Many members depended on their CPF to pay their monthly mortgage.

THE AGEING CHALLENGE

Shortly after the CPF cuts in the mid-1980s, another landmark decision was made: The introduction of the Minimum Sum Scheme. It had its roots in a report which caused some concern.

The document was released in February 1984 and was meant to be like any other Government report. But the Report of the Committee on the Problems of the Aged had unwittingly fanned flames among the citizens.

The main reason was in a Singapore Monitor headline the very afternoon the report was published: “CPF WITHDRAWAL: PROPOSAL TO UP AGE TO 60.”¹¹ Among the recommendations in the 54-page document was to raise the age at which CPF members could withdraw their savings, from 55 to 60 and then to 65 years old, in light of an ageing population.

It drew an unprecedented backlash, with calls from angry Singaporeans jamming *The Straits Times’* hotline after it had covered the recommendations. There were even accusations that the Government wanted to withhold money to finance the national rail project.

The report, more commonly referred to as the “Howe Yoon Chong report,” named after the

► Then-Health Minister Mr Howe Yoon Chong chaired a committee that released a 1984 report on addressing Singapore's ageing population. Among its recommendations was raising the CPF withdrawal age, which proved deeply unpopular with the public. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)



The Minimum Sum Scheme was introduced in 1987, helping members spread out their savings over retirement by providing monthly payouts.

late Health Minister who chaired the committee, had damaging consequences. It was blamed for the ruling People's Action Party's 12 percentage point drop in votes at the general election that year.

It was perceived as a debacle. But the report, which was commissioned by the Government, was a timely study of a growing challenge – Singapore's rapidly ageing population and retirement adequacy.

"Following the Howe Yoon Chong report on ageing, it was recognised that with longer life spans, and people staying healthy and fit longer, CPF savings would not be enough for people to live on in a longer period of retirement," said Mr Lim Boon Heng.

Despite the report's negative reception, it brought home the point that the CPF is never based on a static reality. A complicated and often unpredictable mix of demographics and economics means there has to be constant evolution and calibration of CPF policies.

MAXIMISING SAVINGS WITH A MINIMUM SUM

With rising life expectancy and the threat of inflation, how could Singapore create a long-term safeguard for members in the 1980s? A solution was keeping a minimum amount in their CPF savings for basic retirement needs in the long term, which would then be disbursed as a steady income stream after retirement.

Within weeks of the fateful Howe Yoon Chong report, the concept of a "minimum sum", created by then-Minister for Labour Mr S. Jayakumar, was suggested as an alternative move. This meant that people could withdraw part of their CPF savings at age 55, with the rest being subject to staggered withdrawals.

Explaining the idea, former Prime Minister Mr Goh said it departed from the recommendation of the report, which he called "overly protective" and gave a person a standard of living beyond the minimum required.¹² There were other things to consider as well in

determining the sum, such as the value of a member's house.

After much deliberation, the Minimum Sum Scheme was introduced in 1987, helping members spread out their savings over retirement by providing monthly payouts.

From age 60, the Payout Eligibility Age (previously known as the Draw Down Age) would provide the retiree with about \$230 per month for about 20 years, depending on the interest rate, said then-Acting Minister for Labour Mr Lee Yock Suan. "The Minimum Sum Scheme improves on the existing CPF scheme by making it more complete," he said of the move.¹³

Another way to ensure people have enough for retirement is to give them the option of working longer. In the late 1980s, the Government worked on collective agreements with unions to raise the retirement age from 55 to 60, before it was legislated in 1993.

In 2019, then-Prime Minister Mr Lee Hsien Loong announced that the

retirement age would be raised from 63 in 2022 to 65 by 2030. "Many of us want to build up bigger nest eggs for when we eventually retire," he said.¹⁴

Another sign of how CPF policies are constantly reviewed and adjusted is the change in CPF contribution rates for older workers above age 55. To alleviate employer burdens, they were reduced in 1988, then in 1993 and 1999.¹⁵ However, they were raised in 2019 to enable older workers to save more.

To help more members save more for their retirement, the total contribution rates for senior workers aged above 55 to 70 were further increased from 2022 till 2025. From 2026, the CPF contribution rates for senior workers aged above 55 to 65 will be increased by another 1.5 percentage points.¹⁶

CPF's role as a steward of Singaporeans' nest eggs will continue to evolve, adapting to economic conditions, life expectancies, and demographics. The next big step was securing Singapore's newest social security pillar: healthcare expenses.



We want all our seniors to have a secure retirement and a good quality of life. That is why we have introduced various support schemes – from the Pioneer and Merdeka Generation Packages to the Silver Support Scheme and Matched Retirement Savings Scheme.

But young seniors are in a unique situation. The cohort is in their 50s and early 60s, and they sometimes joke that they are the “almost generation”. Our children are almost graduating or almost ready to move out. We are almost ready for retirement. For those who are fortunate enough, with living parents, their parents are in their later years and need more of their care and attention. So, many are juggling ageing parents, families, and retirement planning – all at the same time.

They also had fewer opportunities when they were growing up. That age group from 1960 to 1973 had much lower cohort participation rates in the universities. Today, over 40 per cent of each cohort earns a degree.

For people in this generation, wages were lower when they were building (their) careers, and they didn’t have the same runway to benefit from the CPF enhancements made over the years to build up their retirement savings. That’s why we introduced the Majulah Package – to give young seniors a boost so that more can reach their Basic Retirement Sum, or even the Full Retirement Sum.”

Dr Tan See Leng
Minister for Manpower

RETIREMENT SUM MILESTONES

The Retirement Sum (previously known as the Minimum Sum) and the Payout Eligibility Age have continued to keep pace with increasing longevity and cost of living.

“The evolution of the CPF is a continuous process to ensure that it remains relevant and responsive to the needs of its members and changes in our society,” said then-Labour Minister Mr Lee Boon Yang in 1994.¹⁷

“For those with less savings, there is all the more reason for them to safeguard their savings to last them 20 years in retirement. Otherwise, they will encounter financial problems in old age.”

1994 – It was announced that the Minimum Sum would increase by \$5,000 every year.

2003 – Then-Prime Minister Mr Goh Chok Tong announced that the sum would be raised by \$4,000 a year, and adjusted for inflation, to reach \$120,000 (in 2003 dollars) by 2013.¹⁸

2013 – Due to the high inflation in 2012, the Government decided to spread out the remaining hikes until 2015.¹⁹

2015 – The Minimum Sum was increased to \$161,000.²⁰

2016 – The Minimum Sum was replaced with the Retirement Sum, which is a reference point that provides an indication of how much you need to save for your desired monthly payouts. The three tiers of retirement sums were intended to provide members with options to decide how much they want to save for their retirement:²¹

- Basic Retirement Sum (BRS)
- Full Retirement Sum (2x BRS)
- Enhanced Retirement Sum (3x BRS)

2025 – The Enhanced Retirement Sum was raised to four times the BRS to enable members to voluntarily save more to enjoy even higher monthly payouts in retirement.

SECTION 3

PROG

83-Z0008

NHP
National Health Plan

▲ The National Health Plan was published as a blue paper in 1983 containing plans to overhaul Singapore's healthcare system. (Source: Ministry of Health)



**A Blue Paper
by the Ministry of Health
February 1983**

RESS

CHEERS TO HEALTH AND WEALTH

['prəʊgrɛs]

noun

to develop to a higher, better, or more advanced stage

Midlife can be seen as a time of crisis – or opportunity. As people grow older, they often gain wisdom too, and begin to contemplate what a purposeful retirement looks like for them beyond their current concerns.

Whether it is travelling the world or pursuing lifelong interests, a contented and active retirement can only be achieved with good health and a comfortable nest egg.



▶ Even as Singaporeans take charge of their health by maintaining an active lifestyle, the CPF provides extra support to cushion any healthcare expenses that should arise. (Source: CPF Board)

YOUR HEALTH IS IN YOUR HANDS



The festive Chinese New Year spirit was the furthest thing from Ms Wina Lie's mind in January 2024.

For the third time in five months, her elderly father had been admitted to the hospital for a particularly nasty kidney infection, one which rendered him unable to move. Just a day before, her mother had suffered from food poisoning after a recent trip to Bali, resulting in a three-day hospital stay.

"I was in the hospital every day for the entire month of January," recalled Ms Lie, 44, adding that she had shuttled between the intensive care unit at Sengkang General Hospital and

Changi General Hospital, where her parents were staying respectively.

"It was very difficult, not just in terms of time management, but emotionally too. My parents were worried about each other, and I was the middleman reassuring both of them when in reality, I kept crying when I was alone."

Thankfully, her bosses were understanding of her situation, and her parents-in-law and eldest sister stepped in to help take care of her two children, then aged 10 and 12. But life can change very quickly. Her father's infection worsened, requiring him to undergo dialysis treatment.

Five days later, the doctor called to say her father was suddenly behaving aggressively. “We would later find out that there was bleeding in his brain,” she added. Her father eventually died of a brain hemorrhage, aged 80.

Despite her immense grief, there were still bills to pay. While she and her three sisters were Singaporeans, her parents retained their Indonesian citizenship. With neither Government subsidies nor CPF accounts, they accrued a medical bill of more than \$60,000 over the five months.

Thankfully, together with her younger sister, they were able to use their MediSave to pay a significant portion of the bill – leaving a balance of \$10,000 in cash.

“The ability to use MediSave to pay for the hospital bill was a significant relief, both financially and emotionally,” she said.

Her story reflects a perennial concern in Singapore: rising healthcare costs, a problem compounded when individuals

have to balance between their own medical and financial needs and those of their family members.

The issue has been on the Government’s radar since the early 1980s. In the decade leading up to 1981, the nation’s healthcare bill had more than quadrupled from \$59 million to \$257 million. Against this backdrop, the National Health Plan was launched on February 2, 1983.¹

The 20-year plan marked a significant turning point in Singapore’s healthcare system, resulting in the launch of a first-of-its-kind national medical savings scheme: MediSave.

FROM PITCH TO POLICY

While MediSave is a key component of the CPF today, the scheme was met with fierce opposition when first mooted.

Not everyone was on board. The most notable dissenter was former Deputy Prime Minister and Health Minister Dr Toh Chin Chye, a member of Mr Lee Kuan Yew’s Old Guard. In fact, he had clashed with

► Ms Wina Lie
(first from left)
with her sisters
and father.
(Source: Courtesy
of Ms Wina Lie)



Mr Lee over the latter's plan to have individuals set aside a part of their monthly CPF contributions for their medical needs. Dr Toh was in favour of free healthcare.

The disputes did not stop even after Dr Toh stepped down and Mr Goh Chok Tong took over as Health Minister in 1981.

But Mr Goh resolutely stood his ground. "Healthcare must be the social responsibility not solely, but primarily, of any government. But it does not mean that you discharge your social responsibility by dispensing free medicine or heavily subsidised medicine," he rebutted.²

By having people "co-pay" their medical expenses, the likelihood of potential financial abuse and wastage would be reduced. "If every dollar spent has to come from subsidies from the government, people will say, 'I don't worry, I just go to the hospital and spend it. Not enough, just push the government politically to contribute more,'" explained Mr Goh.

“

There are over a thousand Singaporeans over the age of 100 today. I've seen many senior citizens exercising in the gym, which I go to as well, so we are going to live a long time. But there are certain diseases, certain chronic illnesses which you can't avoid when you're still alive. Who's going to pay for this?"

**Former Prime Minister
Mr Goh Chok Tong**, recalling the debate that occurred four decades ago

Even so, the public was wary, even sceptical, and Mr Goh sought to allay their concerns. He started an extensive, year-long consultation exercise in March 1982 to explain the policy and gather feedback from Singaporeans across the island. If the MediSave scheme was to be implemented, he needed the support of the masses.

Thus began a year of visits to different parts of Singapore and almost 100 dialogue sessions organised by the Ministry of Health (MOH), on top of traditional media campaigns via print, radio, and television.³

As expected, Singaporeans' main concerns revolved around having lesser funds for retirement.

As exhausting as these outreach efforts were, they were equally illuminating and useful. "With every round, I also learned to present my arguments better. After four to five rounds with so many people...I saw that my argument was getting through," Mr Goh said.

It got to the point that participants grew tired of seeing him and his colleagues from MOH. "Many told us frankly: please get on with it!" recalled Mr Khaw Boon Wan, then a young officer at MOH, in an interview for Mr Goh's biography *Tall Order: The Goh Chok Tong Story*.⁴ More importantly, this signalled a win in their books – they had

successfully gained the confidence of the public, so much so that they didn't need further convincing.

Mr Goh did not merely pay lip service to those who spoke up either. With the feedback he gathered, he tweaked the proposal for MediSave, raising CPF contributions by just 1 percentage point, rather than the proposed 6 percentage points, with a portion of existing contributions being channelled to MediSave. This helped to allay employees' worries that their take-home pay would be reduced just to set aside more money for MediSave.

Most expressed support for the scheme. Mr Lim Boon Heng, then-Member of Parliament for Kebun Baru, saw it as "complementary to the present benefits that workers are entitled to," as reported in a 1983 *Straits Times* article.⁵ Together with the fact that the public had been well-primed for MediSave, there was no question the scheme would be passed.

Within the first year of the launch of the MediSave scheme, the CPF Board collected \$786 million – more than double the operational expenses of the public health system that year.

A NEW ERA OF SELF-CARE

MediSave, the national medical savings scheme, was officially established in April 1984 to help members save for not just their own, but also their family's in-patient care, certain outpatient expenses, long-term care, as well as insurance premiums.

At that time, the monthly contribution was 6 per cent of an individual's income. Today, employees allocate between 8 and 10.5 per cent of their monthly salaries to their MediSave Account based on their age group and net income – the older they are, the higher the percentage allocated to their MediSave.

Within the first year of the launch of the MediSave scheme, the CPF Board collected \$786 million – more than double the operational expenses of the public health system that year.⁶

While MediSave started off covering only medical expenses incurred in public hospitals, and later private hospitals, it slowly expanded to cover other types of medical expenses over the years. These include:

- Outpatient care: Vaccinations (such as hepatitis B, HPV, influenza, and more); chemotherapy for cancer patients; CT/MRI scans; health screenings; and the treatment and management of chronic diseases.
- Long-term care: Home palliative or hospice care; disability care; rehabilitative care; and home medical and home nursing services.
- Insurance premiums: MediShield Life, ElderShield, and CareShield Life premiums (more on these schemes in Chapter 8).

Initially, the roughly 160,000 self-employed individuals in Singapore then were encouraged to open MediSave Accounts to benefit from the scheme.⁷ Just like employees, they benefitted from saving regularly while they were healthy and working, especially since they were not entitled to company medical benefits. In 1992, MediSave contributions were eventually made

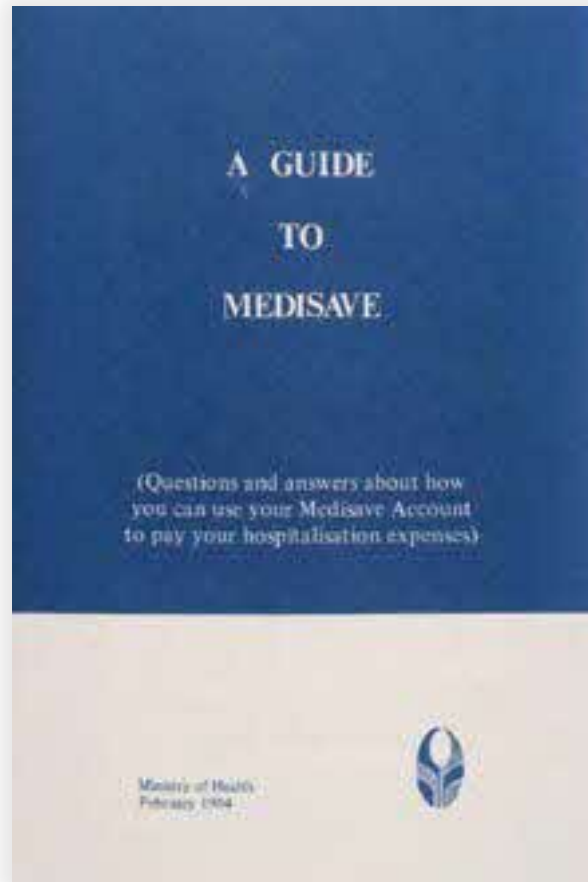
compulsory for them under the Self-Employed Scheme.

To this day, the MediSave scheme continues to support members in meeting their healthcare expenses. In 2024, about \$1.43 billion of MediSave savings were utilised for medical expenses under the scheme.⁸

Even so, MediSave alone would not have been adequate to cover all of one's healthcare expenses, especially larger hospitalisation bills incurred by those with serious healthcare episodes.

This was why MediShield, a basic health insurance scheme, was later introduced on July 1, 1990 to better protect Singaporeans against large medical expenses, such as inpatient hospitalisation and certain outpatient bills that could not be covered by their MediSave savings.

MediShield was later expanded to include an optional second-tier scheme in 1994. Named MediShield Plus, it provided higher coverage as compared to MediShield. MediShield Plus was later privatised in October 2005.



▲ The first brochure on MediSave that was sent out to explain the scheme. (Source: National Museum of Singapore)

'I DIED FOR FIVE MINUTES'

In 2015, MediShield was replaced by MediShield Life, offering even better protection and higher payouts. Significantly, it would protect all Singapore Citizens and Permanent Residents for life, even those with pre-existing medical conditions. This upgrade proved crucial for many, including Mr Victor Lee, who found himself in a life-threatening situation.

▼ Mr Victor Lee looking sprightly after his operation at the National University Hospital. (Source: Courtesy of Mr Victor Lee)

The year was 2024, and the 62-year-old was in the thick of a pickleball tournament at Bishan Clubhouse when he suddenly blacked out mid-game. "When I woke up, I realised I was being pushed on a stretcher already," he recounted.

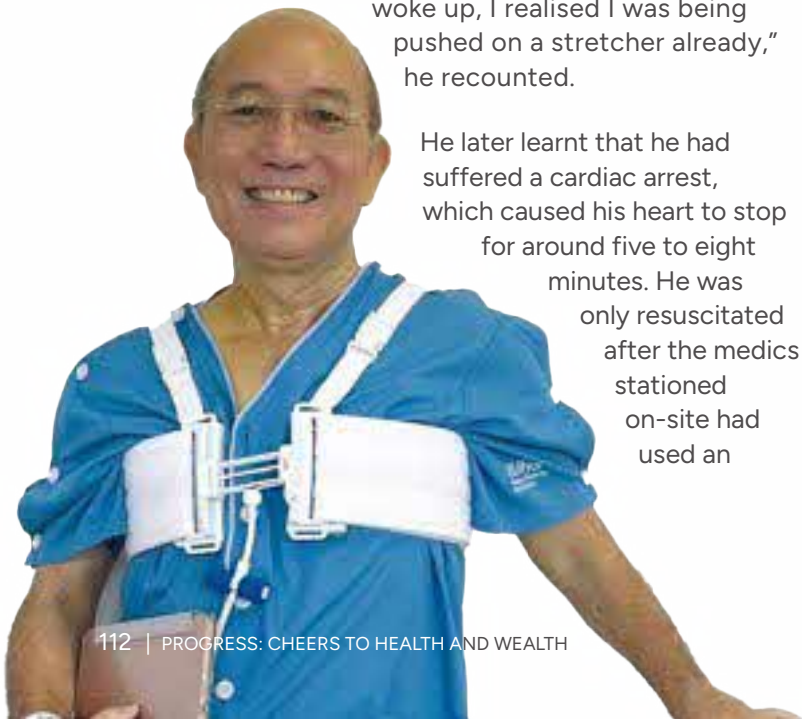
He later learnt that he had suffered a cardiac arrest, which caused his heart to stop for around five to eight minutes. He was only resuscitated after the medics stationed on-site had used an

automated external defibrillator (AED) and performed cardiopulmonary resuscitation (CPR) on him.

"When my friend who was with me called my wife to tell her what happened, she thought that I had won a medal," he joked.

But the humour was short-lived. After he was admitted to Tan Tock Seng Hospital's Accident and Emergency Department, more bad news awaited him. The doctors were unable to insert a stent through the two affected arteries leading to his heart that were about 95 per cent blocked. This essentially left him with one option: open-heart surgery, a more invasive but effective method.

Naturally, he and his family were initially resistant to this option, especially since his vital signs had improved. "Imagine you died for five to eight minutes, then you learn they still have to cut you open," he said. "But the doctor told me, 'If you do it, you can live for another 10 to 20 years.'"



It was enough to persuade him. About two weeks later, the surgery took place at the National University Hospital, thankfully without any complications.

Altogether, his 26-day stay in a B2 ward in both hospitals and surgery cost him over \$60,000. He did not have to pay a single cent in cash.

“Half of it was covered by government subsidies, and the other half was covered partly by MediShield Life and my personal insurance. It was the first time I used my MediShield Life too,” he explained. The deductible – which is the fixed amount payable once per policy year before any payout from MediShield Life – was fully deducted from his MediSave Account.

Walking became his main form of exercise, at least for the six to 12 months before he could get back into more strenuous sports like pickleball. “My goal is to continue working, spending time with my family, and being active for as long as I can,” he said.

▼ Mr Lee (right) enjoys a good game of pickleball with his friends. (Source: Courtesy of Mr Victor Lee)



MediShield Life pays more and patients pay less



←----- Total Bill with MediShield Benefits ----->



←---- Total Bill with **MediShield Life** Benefits ---->



▲ MediShield's coverage benefits were enhanced with the new MediShield Life in 2015. (Source: CPF Board)



MEDISHIELD LIFE EXPLAINED

What is it?

A basic health insurance scheme that protects all Singapore Citizens and Permanent Residents against large medical bills for life, regardless of age or pre-existing health conditions. It covers large bills from hospitalisations and selected high-cost outpatient treatments, and its claim limits are sized for subsidised care in public hospitals.

How does it work?

Members can receive MediShield Life payouts up to the applicable claim limits for hospitalisation stays, treatments, and surgical procedures. The claim limits are sized to fully cover nine out of 10 subsidised bills, with deductibles and co-insurance covered by MediSave.

Before MediShield Life starts to pay out, members have to first pay a deductible. This is paid only once every policy year. Deductibles help to sieve out smaller, more affordable bills that can be paid through MediSave, so that MediShield Life can focus on covering larger bills and premiums can be kept affordable.

The co-insurance component is a percentage of the claimable amount that members co-pay after the deductible. A small amount of co-insurance incentivises patients to use healthcare services responsibly, while keeping costs manageable for them. The deductible, co-insurance, and the bill above the claim limits can be paid using MediSave and/or cash.

FIXING HER S-SHAPED SPINE

Healthcare issues do not discriminate. While the common perception is that older people are more likely to have health issues and thus benefit from MediShield Life and MediSave, the reality is

► Ms Nabilah Tan Isaman (left) and her older sister. (Source: Courtesy of Ms Nabilah Tan Isaman)

that anyone can experience a healthcare scare.

For 26-year-old Ms Nabilah Tan Isaman, MediShield Life and MediSave were lifesavers. Diagnosed with scoliosis at the age of 14, she struggled with severe pain for years, including chronic aches in her back, shoulders, and legs due to the imbalance caused by her crooked spine.

“Honestly, I thought I could live with it,” she admitted. She tried all sorts of alternative therapies, from yoga, to pilates, to even chiropractic, though none addressed the root of her problems.

Things eventually took a turn for the worse when she turned 19. “One day, I had very bad chest pain, to the point I couldn’t even breathe. That was



when I knew I had to get my spine checked,” she said.

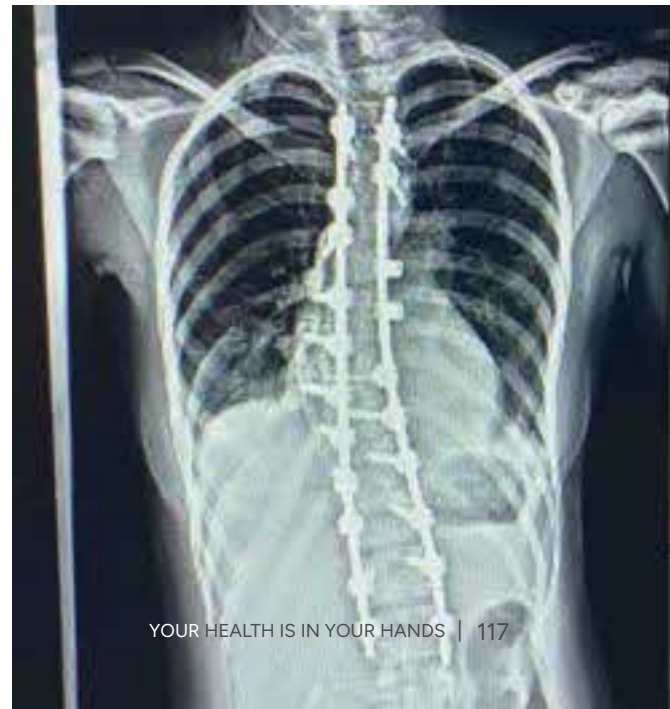
The doctor found that Ms Isaman’s spine had a curve of about 64 degrees, effectively S-shaped. At this point, surgery was unavoidable, although she was advised to undergo the procedure after graduation because of the lengthy recovery process that would follow.

After graduating from LASALLE College of the Arts about four years later in 2022, she underwent an 11-hour surgery at Singapore General Hospital to correct her spine. “I practically ‘grew’ 8cm (in height) after the surgery,” she said.

There was, of course, another major concern. The medical bill of \$16,000 was staggering for a fresh graduate who had not even started working.

That was when her older sister stepped in. “We didn’t want to use our parents’ MediSave because they’re older and might need it eventually,” Ms Isaman explained. Her sister, who had been working for more than seven years and had never been hospitalised, offered

► X-ray scans of Ms Isaman’s spine before (top) and after (bottom) the surgery. (Source: Courtesy of Ms Nabilah Tan Isaman)



to use her MediSave instead. With government subsidies, funds from her sister's MediSave, and with payouts from MediShield Life, Ms Isaman had to only pay less than \$1,000 in cash.

“

MediSave lifted a huge financial burden off my family, and I could focus solely on recovery instead of stressing over finances.”

Ms Nabilah Tan Isaman

Two years later, Ms Isaman's quality of life has drastically improved. "I'm still a bit stiff, but there's a lot less pain and frustration," she said, adding that she is also able to use MediSave to offset the costs of her annual follow-up medical check-ups.

Now a freelance designer, she diligently contributes to her MediSave Account should another health scare arise.

Clichéd as the saying is, health is, quite literally, wealth. The liberalisation of the CPF transformed the landscape of healthcare financing in Singapore, allowing individuals to save for and meet their current and future healthcare needs.

After all, a dream future retirement is one where people do not have to constantly worry about medical bills and can instead focus their energy where it matters – pursuing their passions.

The uses of the CPF would once again be expanded to accommodate such aspirations. This time, it would give members the freedom to grow their wealth in another way: investing.

SINGAPORE
TELECOMMUNICATIONS
LIMITED

(Incorporated in the Republic of Singapore)



GROUP A SHARES

a fixed price of S\$1.90 for each Share
a fixed price of S\$2.00 for each Share,
100 Shares are Reserved Shares
of tender at or above S\$2.00 for

the full text of Singapore Telecom's Prospectus is published
today on 11 October 1993. Copies of the Prospectus
the Stock Exchange of Singapore Limited.
A copy of a translation of this letter

what are:
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Murni pada 11 Oktober 1993. Maklumat
Berkas Sekeloh Singapura Berhad.
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BATIARUM B SHARON

Dear CPF Member

CPF SHARE OWNERSHIP TOP-UP SCHEME

The CPF Share Ownership Top-Up Scheme (the Scheme) allows Singaporeans who have made at least \$500 CPF contributions since 31 August 1993, are eligible for a pro-rata share of the Scheme. CPF savings and can be used to purchase shares.

I am pleased to inform you that the amount has been credited to your CPF account.

► Cash grants were given out to encourage Singaporeans to buy discounted shares in the newly-corporatised telco Singtel through the CPF. (Source: CPF Board)

FROM SAVINGS TO SHARES



The year was 1993. Crowds descended upon the former CPF Building at 79 Robinson Road, and soon, snaking queues were winding through its lobby. People wore looks of equal parts anxiety and anticipation.

“Every time someone identified himself or herself as CPF Board staff, all the members of the public would surround that person and start asking

a lot of questions,” recalled Ms Tan Chui Leng, former Group Director of the Retirement Income Group at the CPF Board.

The situation was no different at the other CPF Service Centres. Members were anxious to know how they could use their CPF savings for the newly announced Special Discounted Shares (SDS) Scheme.



► Ms Tan Chui Leng was one of many CPF employees who were involved in managing the overwhelming crowds when the share ownership schemes were launched. (Source: CPF Board)

“To many members, it was the first time they were buying shares,” said Ms Tan.

Rolled out in October 1993, the scheme allowed CPF members to use their CPF savings to buy shares in government-linked company Singtel, which was newly listed. It was complemented by the Share Ownership Top-Up Scheme (SOTUS), in which those who contributed and retained at least \$500 to their CPF accounts between March and August 1993 would receive a \$200 cash grant from the Government, an incentive for them to buy the discounted Singtel shares.

These new schemes came a year after then-Prime Minister Mr Goh Chok Tong declared in his 1992 National Day Rally speech that the Government’s aim was to allow Singaporeans to share the fruits of the nation’s success and build up their assets through share ownership.¹

“They were very successful schemes, but the implementation was a great challenge,” recalled

► Then-Prime Minister Mr Goh Chok Tong delivering his National Day Rally speech at the Kallang Theatre in 1992, where he spoke about enlarging asset ownership for Singaporeans. (Source: Ministry of Information and the Arts Collection, courtesy of National Archives of Singapore)





Where do I sign? People heading in fumes at the CPF Building to join the CPF top-up scheme. Today is the last day for joining the scheme.

11th-hour rush to join CPF plan

By SITI ROSEAN KOTI

THERE was a last-minute rush at the CPF Building in Robinson Road yesterday. The reason: Singaporeans have till today to join the CPF Share Ownership Top-up scheme.

The Government will give \$200 to those who have put in \$200 in their CPF accounts since March 1. (See conditions at right.) You can deposit the \$200 at the CPF Building, the five CPF branches, or at post offices.

The \$200 grant will be credited to your account on Sept 11. You can invest it in CPF-approved stocks and shares later.

Yesterday afternoon, the CPF Building lobby was packed. A CPF Board spokesperson said: "This is expected. There are more people today because there's only more day left before the deadline."

"They were probably too busy to come earlier. Also, there are some people who tend to do things at the last minute."

Mr Q J Seah, 36, a clerk, said: "I heard about it months ago, but thought there was ample time until I noticed people queuing in post offices to top up their CPF accounts."

Said Mr Abdul Aziz, 37, a provisions stall owner: "I have a stall to manage. Every day I am busy. I thought about coming much earlier but just didn't have the time."

Miss Minny Lim, 31, a student, said she heard about the scheme in February but could not come earlier due to schoolwork.

Another student, Mr Raymond Yong, 23, said: "I was in the US all this time — studying. I finally decided that it will be a good move, so now I want to buy shares in future," said the student who was opening a new account. He is here for his holidays.

Mr KM Chan, 32, who is self-employed, offered another explanation:

"In this scheme, we've got to come up with the cash ourselves. It's normal for people to want to hold on to the cash until the very last moment. I think that's why there's a crowd on the last two days."

THE SCHEME

ONLY Singapore citizens who are at least 21 years old today may qualify for the grant.

To receive the full grant of \$200, CPF contributors must put in at least \$200 in their account between March 1 and today.

Those who put in less than \$200 will receive a proportionate amount.

Non-CPF members, who include non-citizen students and the unemployed, can also qualify provided they open an account with the CPF Board.

▶ Long queues formed at the former CPF Building on the last day of the share ownership scheme, as members rushed to submit their application forms. (Source: The Straits Times © SPH Media Limited. Reprinted with permission)

Mr Lim Han Soon, the CPF Board's longest-serving General Manager, who held the position from 1987 to 2002. This was due to the sheer scale of the schemes, which almost all working adults qualified for. What's more, CPF members could get the shares at a preferential rate of \$1.90 a share then, which was deemed too good a deal to pass up.

The SDS was not the first time that members could use their CPF monies to invest. Investment options were introduced as early as 1978, and formally launched in 1986 – expanding the usage of the CPF beyond its three key pillars of retirement, housing, and healthcare. It was in recognition of the fact that while the CPF scheme offered risk-free interest rates, some members preferred more options and control over how they could grow their CPF savings.

Today, almost four decades later, the CPF Board has introduced high-quality and low-cost investment options that are accessible to the majority of CPF members.



INVESTING IN THE FUTURE

Back in the 1970s to early 1980s, Singapore witnessed a period of rapid economic growth as the country moved into higher value-added industries like electronics and precision engineering.

With the nation's booming prosperity, it was natural that Singaporeans would want a slice of the success, or "own a piece of Singapore," noted Ms Linda Chan, Vice Dean of the CPF Board Academy.

The very first investment one could use CPF monies for – the 1978 Singapore Bus Service (SBS) Shares Scheme – was introduced to enable CPF members to buy up to 5,000 shares in one of Singapore's major transport companies. Subsequently, with the aim to provide CPF members with more flexibility to manage their CPF monies, an extensive investment scheme was formalised.

On May 1, 1986, the CPF Board introduced the Approved Investment Scheme (AIS), the first

▲ A young Ms Linda Chan at her desk on the 40th storey of the old CPF Building at 79 Robinson Road. (Source: Courtesy of Ms Linda Chan)

comprehensive investment scheme to feature more than one product. It allowed members to invest up to 20 per cent of their Ordinary Account (OA) savings to buy gold, shares, unit trusts, and loan stocks.

As with all investments, this came with a certain degree of inherent risk. Members were reminded to exercise prudence, with then-Acting Minister for Labour Mr Lee Yock Suan cautioning that CPF members who chose to take advantage of the scheme “must exercise care,” as their savings were ultimately for their social security needs.²

The AIS launch came a year after the country bounced back strongly from its first post-independence recession in 1985, and the economy continued to flourish. In the decade between 1986 and 1996, the nation saw an average annual growth rate of 12.8 per cent.³

On October 1, 1993, the AIS was renamed to the Basic Investment Scheme (BIS). At the same time, a new Enhanced Investment Scheme

(EIS) was introduced to allow members to invest their OA savings in a wider range of products.

Finally, in 1997, BIS and EIS were merged to form the CPF Investment Scheme (CPFIS) of today. The CPFIS was further expanded on January 1, 2001 to allow members to invest both their OA and Special Account (SA) savings, respectively referred to as the CPF Investment Scheme-Ordinary Account (CPFIS-OA) and CPF Investment Scheme-Special Account (CPFIS-SA).

Under the CPFIS, members could choose to invest in a wide range of financial products of varying risk profiles. These include shares, Singapore Government Bonds, Treasury Bills, unit trusts, exchange traded funds (ETFs), and gold.

While there was a wide range of investment options, the CPFIS was specially designed with safeguards to protect members’ interests, namely that they could only invest their OA and SA savings if they had more than \$20,000 and \$40,000 respectively.

ENHANCING CPFIS: HIGHER QUALITY, LOWER COSTS

Among those who chose to participate in the CPFIS, not all were equally savvy in investing. It led to calls for caution from political leaders over the years, but no one could temper market volatility, resulting in wins for some, and losses for others.

Over the last two decades, the CPF Board has embarked on a journey to improve the quality of funds under the CPFIS and lower the cost of investments.

From February 2006, the admission criteria for new funds under the CPFIS was tightened. To be included under the scheme, new funds had to meet a few stringent requirements: have a good track record for at least three years; be in the top 25th percentile of funds they are benchmarked against; and have an expense ratio (the annual operating costs as a proportion of a fund's net assets) lower than the median of existing CPFIS funds in its risk category.

“

In finance, they say there is no free lunch; higher returns come with higher risk. And if you are prepared to take that higher risk, then you must also be prepared that financial markets are volatile.

There will be ups, there will be downs, and you have to be prepared that if you make the wrong investment decisions, you could have a situation where your hard-earned investment monies go to a wrong investment decision, and then you end up with a big hole in your retirement plans.”

Prime Minister Mr Lawrence Wong, in a 2025 interview with *Lianhe Zaobao*

By 2011, these criteria were extended to existing funds under the CPFIS. The caps on expense



ratios were further reduced by 0.2 to 0.3 per cent for all funds in 2014 and 2016 respectively. “Over the years, the admission criteria for CPFIS funds have been based on the quality of investment products amongst peers, and cost. This has yielded positive results for our CPF members,” said Mr Koh Yong Guan, former CPF Board Chairman (2005–2013).

From 2018, three main enhancements were made to the CPFIS to better cater to members who had the time and knowledge to invest, and were prepared to undertake investment risks.

First, to help members decide whether the CPFIS is suitable for them, a compulsory Self-Awareness Questionnaire was introduced in

◀ CPF members must complete the Self-Awareness Questionnaire before they can start investing under the CPFIS. (Source: CPF Board)

2018 for new CPFIS investors, while existing ones were encouraged to take it as well.

Second, sales charges, which are fees paid to a financial advisor or distributor for facilitating a CPFIS transaction, were eventually removed in 2020.

Third, wrap fees, ongoing charges paid to a financial advisor for managing an individual's CPFIS account, were gradually reduced over the years, standing at 0.4 per cent per annum since 2020.

Later, from 2019, CPFIS investors could also use robo-advisors for investment advice and to invest in low-cost funds through online platforms. This came in line with Singapore's push to become a leading fintech hub in Asia and the emergence of robo-advisors in the market, which provided professional investment management services at a lower cost through automation and made investing more accessible to retail investors.

With the inclusion of more low-cost passive funds under the CPFIS over

the years, investors benefitted from expense ratios that were as low as 0.05 per cent.

These refinements were critical in enhancing the viability of the scheme for its target group: members with an appetite for risk and who possess both the time and knowledge to invest. As of December 2024, CPF members have channelled over \$28.2 billion from their OA and SA to investments.⁴

The evolution and refinement of the CPF investment schemes reflect an attentiveness to the diverse needs of Singaporeans, providing an additional option for those who have a higher risk appetite when it comes to their CPF savings.

With the CPF's comprehensive support for retirement – from housing and healthcare needs to investment opportunities – living out one's dream retirement is no longer just a dream, but an imminent reality. Now, the groundwork has been laid, and it is time for members to wind down and savour their hard-earned retirement savings.

STORY SPOTLIGHT

INVESTING WITH PURPOSE

About a decade ago, Ms Ong Sin Hong began to re-evaluate what a meaningful life looked like for her. “I used to have zero hobbies,” confessed the 60-year-old self-proclaimed workaholic, who is Chief Financial Officer at a local steel company.

That is no longer the case. Since she started learning the ukulele, she has combined her passion for music with her love for volunteering. Now, she spreads joy through music to the elderly and mentally challenged at nursing homes with her friends.

While her inner workaholic keeps putting off her retirement, there is another part of her that is looking forward to the countless possibilities it has to offer, including hiking and travelling the world.

Rather than retreating into passivity, many others like herself are beginning to see retirement

as the start of a new chapter, a chance to find renewed purpose in life.

Of course, Ms Ong’s vision of her dream retirement is grounded in decades of careful planning and the comfortable nest egg she’s built through her CPF. She has also grown her savings by investing in a variety of low-risk dividend stocks through the CPFIS-OA to collect a consistent stream of income.

She recalled buying shares in Keppel back in 2009, when prices dropped. “I was driving out to have lunch and listening to the radio. During the stock announcements, I heard Keppel shares were only at \$5-something and quickly went to buy them. I didn’t have a lot of cash in hand, so I used my CPF. I knew it was a good opportunity for such stocks to go down to so low,” she recounted.

“Even when the price peaked at around \$12 at one point, I didn’t sell...But I told myself it’s okay because I’m a long-term investor. Overall, I’m not losing (money) at all. I still earn a healthy yearly dividend, which automatically goes back to my CPF,” she said, adding that she is still holding onto her Keppel shares.

She is also a strong advocate of capitalising on the high interest

rates of 4 per cent on the SA (before age 55) and Retirement Account (RA) (after age 55).

“CPF is important for my retirement savings while CPF LIFE ensures that I have a consistent stream of cash flow when I eventually retire. At the end of the day, CPF benefits all of us. We don’t want to be in a situation where we burden our young ones; we have to be personally responsible for ourselves,” she maintained.



▲ After picking up the ukulele, Ms Ong Sin Hong (far left) often volunteers and performs at nursing homes with her friends. (Source: Courtesy of Ms Ong Sin Hong)

STORY SPOTLIGHT

MAKE YOUR CPF COUNT: 4 TIPS BEFORE INVESTING

Just like all investments, investing your CPF balances is not risk-free. As the age-old advice goes, the key to successful investing lies in understanding and managing risks appropriately, while aligning your risk profile with your targeted returns. When it comes to investing your CPF savings, the main advantage is the potential to boost your retirement nest egg by achieving higher returns than the risk-free CPF interest rate.

Ms Lorna Tan, former Invest Editor at *The Sunday Times* and best-selling finance author, shares four essential points to consider before deciding on whether the CPFIS is the right scheme for you.

1. Set aside OA funds that you may potentially use for big-ticket items such as housing purchases and loan repayments.
2. Maintain an emergency mortgage payment buffer by setting aside part of your OA savings in case you unexpectedly lose your income.
3. Consider topping up your own or your loved ones' CPF accounts to grow savings and enjoy higher monthly payouts in retirement.
4. Understand your financial situation, investment goals, risk tolerance, time horizon, and the available product solutions.

“Personally, I would not encourage investing your SA balance since it enjoys an attractive interest of up to 5 per cent,” she added.

The bottom line is: “Invest only if you are confident of earning more than the risk-free interest.”



▲ Ms Lorna Tan with then-Deputy Prime Minister Mr Heng Swee Keat, Senior Minister of State Mr Tan Kiat How and fellow guest speakers at a financial literacy workshop in Bedok, where she shared tips on retirement planning and how to optimise CPF savings with over 200 residents in 2024. (Source: Courtesy of Ms Lorna Tan)

STORY SPOTLIGHT

RETIRING WITH \$1 MILLION



▲ Mr Calvin Leong first interned at the CPF Board before joining full-time in 2022. (Source: Courtesy of Mr Calvin Leong)

While many of his peers are getting married and settling down, Mr Calvin Leong has other plans. The 28-year-old aims to amass over \$1 million in savings by the time he retires.

A key part of his strategy to get there? Investing part of his CPF savings.

Unlike his friends, who are using the bulk of their OA savings to buy a flat, he has some to spare. “I planned it such that the moment I hit \$20,000 in my OA, I immediately started investing my CPF money,” he said, referring to how he is diversifying his investment portfolio through the CPFIS-OA. It was through his internship at the CPF Board in 2021 that he was first exposed to the scheme.

Every month, he dutifully invests most of his monthly OA contributions and purchases index funds through a robo-advisor regulated by the Monetary Authority of Singapore and linked to his CPF Investment Account.

So far, his investments are up 11 per cent – more than four times the OA interest rate.

To him, there are two practical uses for tapping on the CPFIS. One, if he plans to buy his own flat when he hits the age of

35, his investment returns, which will be credited back to his OA, can help him to finance his home. Two, in the scenario that he doesn't move out of his parents' home, he gets to enjoy an added boost to his retirement funds.

By his "modest" projections, he expects to save about \$1.3 million by the time he turns 55. At that point, his plan is to top up his RA to the Enhanced Retirement Sum for higher monthly payouts in retirement. "My eventual goal is to get as much payouts from CPF LIFE as possible," he said.

► Mr Leong (second from left) setting up marketing posters around CPF service centres with his team. (Source: Courtesy of Mr Calvin Leong)



SECTION 4

PUR



► The CPF supports Singaporeans through their lives, from their carefree days as a child to their golden years as retirees and grandparents. (Source: CPF Board)

POSE

A LASTING LEGACY

['pə:pəs]

noun

the reason for which something is done or created, or for which something exists

After years of toiling for their families, the baby boomers were ready to wind down and enjoy what they had been saving up for – their retirement. But the world they had grown up in – the same one the CPF was designed to support – had changed. It was more expensive, and people were living longer.

To make sure that members could be supported till death, the CPF introduced the most significant scheme of the 2000s: CPF LIFE.



◀ 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.”¹

“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 80th 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.²

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.³

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”

After 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.⁴

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.”⁵

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.⁶

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.”⁷

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.⁸

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



▲ 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.⁹

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



“

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.

“

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 2015¹⁰

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.

“

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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Enjoying life

Enjoying life

Step active into your golden years knowing that your healthcare needs are covered through CPF.

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Retiree **Ng Han Chen, 67** makes every penny count to allow his family to enjoy life.

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Plan with clarity today for tomorrow's financial calm

With CPF LIFE, receive monthly payouts no matter how long you live. Choose from three CPF LIFE plans, and decide when to start your payouts between ages 65 and 70, to support your retirement lifestyle.

Make every day matter. Find your financial calm at www.cpf.gov.sg/retire

CPF LIFE

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 2023.¹¹ 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.



► Ms Hilary Huang (centre) with her family on her wedding day. She made her CPF nomination in her 20s when her parents were declared bankrupt. (Source: Courtesy of Ms Hilary Huang)

FOR THE NEXT GENERATION



Growing up, John (not his real name), the youngest of three brothers, never felt that his father played favourites. As far as he could remember, the siblings were always treated equally and fairly. That changed when his father passed away, and John found out that he had been left out of his father's CPF nomination.¹

Shocked and upset, John suspected his two brothers had influenced their father's decision. Fortunately, it turned out to be a huge misunderstanding.

The CPF Board later found that his father had made his CPF nomination before John was born. John's story, shared at the CPF Board's Ready for Life Festival in 2023, underscores the importance of reviewing one's CPF nomination at significant milestones in life.

While the CPF is mainly for retirement, it can also provide crucial final support to loved ones after one's passing. It could help a spouse shoulder the financial burden of being a single parent, put a child through university, or care for a relative battling health problems.

For Ms Hilary Huang, her main concern was whether her parents, who were declared bankrupt, would have enough to get by should she pass on. This spurred her to make her CPF nomination when she was only in her 20s, bequeathing all her funds to her brothers.

“At that point in time, the thought process was very simple – making a CPF nomination is free and it speeds up the disbursement process. I trusted that my brothers would make sure my parents’ living expenses and unforeseen needs are paid for should death occur to me such that they would not have to worry about their retirement or medical expenses,” said Ms Huang.

CPF monies do not fall under one’s personal estate and therefore cannot be covered by a legal will. Instead, a CPF nomination is needed to state to whom and how the savings should be distributed, and in what proportions.

This helps to protect against creditors and since a lawyer is not required to go through a court probate process – which is

necessary for wills and typically takes three to six months – it enables CPF nominees to receive the deceased’s CPF monies more quickly and at no cost.

In January 2020, the CPF online nomination service was launched, digitalising the process and enhancing both convenience and privacy for CPF members. Within a month, more than 900 CPF members had used the service.

A key highlight of the service is its remote witnessing feature, which allows witnesses to witness an online nomination remotely without the need to be present with the member.

This feature came timely when Singapore went into a circuit breaker partial lockdown in April 2020 during the COVID-19 pandemic, and strict social distancing measures were enforced on the entire nation. CPF members could still make their nominations via the online nomination service.² As of 2024, more than 400,000 online nominations have been submitted.

“

The reason why CPF could not be distributed with a will was quite simple: we wanted to make sure creditors could not lay their hands on members' CPF. For instance, if you still owe money to the bank when you pass away, the bank will be able to claim from your estate. Therefore, if CPF formed part of your estate, then creditors can claim from your CPF instead of your nominee.”

Mr Augustin Lee
Former CPF Board CEO



◀ Source: CPF Board

Ms Huang, who is a financial consultant, noted that more of her clients and friends are doing their CPF nominations earlier in life, though it remains an uncomfortable subject for some.

“The common reply is ‘yeah, I’ve been wanting to do it.’ Most people don’t consider that death can

happen at any time. I have had people walk away from the dining table when they realise I was going to talk about death,” she said

While planning for death has traditionally been a taboo subject, particularly in Asian cultures, perspectives are changing. As people live longer, often seeing

► An infographic explaining what the CPF Nomination Scheme covers. (Source: CPF Board)



LIFE DECISIONS BEFORE FINAL DECISIONS



▲ Mr Christopher Tan, CEO of wealth advisory firm Providend.
(Source: Courtesy of Mr Christopher Tan)

Should you buy an expensive condominium unit with a great view that is beyond your means, or settle for a more affordable housing option?

To answer that question, people need to ask themselves what their non-negotiable life goals are, said CEO of wealth advisory firm Providend, Mr Christopher Tan.

“Money is at the end of the day an enabler. It would be quite disastrous to adjust our

lives for our financial decisions. Instead, it would be better to adjust our finances to cater to our life decisions,” he said.

Mr Tan, an advocate for long-term financial planning, believes the average Singaporean needs to get these three Cs right – cashflow management through proper budgeting, CPF management by not over-leveraging on property, and coverage by right-sizing their insurance plans.

What makes the CPF unique from other pension systems around the world, he said, is its contribution system involving employees, employers, and the Government. All this ultimately leads to its annuity scheme of CPF LIFE that provides lifelong monthly payouts regardless of financial market conditions and lifespans.

A strong supporter of the CPF, he considers CPF LIFE the best annuity product in Singapore for achieving retirement adequacy. “If there is a job selling CPF, I would take it and be very rich,” he joked.

STORY SPOTLIGHT

MAKING SENSE OF RETIREMENT



▲ Minister for Health Mr Ong Ye Kung (centre) at the opening forum of the CPF Board's annual Ready for Life Festival in 2023. (Source: CPF Board)

When the COVID-19 pandemic caused the world to come to a standstill and many to lose their jobs, the importance of financial planning took centre stage.

For the CPF Board and MoneySense – Singapore's national financial education

programme overseen by the Monetary Authority of Singapore (MAS) and Ministry of Manpower (MOM) – it was an opportune time to strengthen their partnership. While the latter focuses on financial education and the CPF is the national social security system, their purposes eventually converge towards one goal – retirement adequacy.

“CPF Board has a very large reach, positive mindshare among Singaporeans, and strong communications and engagement capabilities backed by a passionate volunteer core,” said Mr Jeremy Huang, Director of Financial Planning Programme, and Director of Strategic Planning and Transformation at MOM, on why working together more intensively made sense.

In 2023 and 2024, they jointly organised a national retirement planning campaign, which included the CPF Board’s annual Ready for Life Festival, featuring talks and activities on diverse topics, from money management strategies to overall wellness and legacy planning.

“By joining hands, we strengthen the message that financial planning complements the CPF system. It’s clearer to the public that managing your money well, investing wisely, and adequate insurance protection contribute towards retirement

adequacy,” said Ms Abigail Ng, Executive Director of Markets Policy & Consumer Department at MAS.

Their partnership allows them to reach all demographics and reinforce the CPF’s relevance at different life stages.

Mr Huang pointed out that financial literacy is no less important than literacy in languages, science, and math.

“From the time you first make a purchase in the school canteen until you retire, you need to know how to plan your finances to achieve your goals and targets for yourself and your loved ones. MoneySense, the CPF Board, and the Institute for Financial Literacy have resources available for all and we welcome everyone to take advantage of them as you embark on your financial planning journey,” he said.

As for Ms Ng, she stressed that it is never too early to start thinking about retirement planning. “You will have the advantage of time, which is something you cannot buy back,” she said.

the birth of their grandchildren and perhaps even their great-grandchildren, legacy planning has become not just practical, but also an act of love.

“I want my loved ones to be able to live the life they want, pursue their dreams, and enjoy themselves,” said Ms Huang.

Ensuring peace of mind for both CPF members and their families has always been a priority for the CPF Board, with the CPF Nomination Scheme being one initiative that supports this.

Another big part of the effort is through healthcare support. Years of illness can be draining, both physically and financially, not just for individuals but also for those around them.

ENHANCING HEALTH INSURANCE

At the stroke of midnight on November 1, 2015, 3.9 million Singaporeans and Permanent Residents automatically came under the new compulsory universal health insurance scheme –

MediShield Life – that would cover them for life, regardless of pre-existing conditions.

For around 340,000 people, it was especially welcome news. They had been uninsured under the scheme’s predecessor – MediShield – due to pre-existing medical conditions, their age, and for some, because they had opted out.³

MediShield, introduced in 1990, was meant as a basic health insurance scheme sized for Ward B2/C care to help Singaporeans cope with very large hospital bills. However, over time, the scheme lost its effectiveness.

The low premiums collected could not cover the payouts and MediShield subsequently went into deficit.

“Due to inadequate adjustments to key parameters such as deductibles...MediShield gradually ended up covering too many hospital bills of various sizes, including the smaller bills that MediShield was not intended to cover. Consequently, MediShield

became less effective in protecting against the large hospital bills,” explained Mr Lawrence Wong in 2005, who was the Ministry of Health’s (MOH) Healthcare Finance Director.

MOH also sought feedback from unions, employees, employers, private insurers, and the public to address two key concerns – higher premiums and deductibles.

Taking these views into account, the scheme was reformed in July 2005 with higher claim limits to provide higher payouts for large bills. Co-payment was also halved from 60 per cent of the hospital bill to around 30 per cent.

While the reformed MediShield scheme provided enhanced coverage, there were still people who had fallen through the cracks. This included those who had pre-existing health conditions, or were too old to be covered as the scheme only extended to the age of 92.

At the National Day Rally speech in 2013, then-Prime Minister Mr

Lee Hsien Loong announced that it was time for a change – revamping MediShield to MediShield Life.⁴

“

Why MediShield Life?
Because it will cover you for life...It will cover everybody, every Singaporean, old ones, young ones, those newly born. Even those who are now outside the MediShield network, we will bring them back in. You may be elderly, you may have dropped out, you may have pre-existing illnesses, we will bring you back in. It may cost you a bit more but it can be done.”

Mr Lee Hsien Loong
Former Prime Minister

This was how the Government had incorporated risk-pooling, by spreading the cost of healthcare across a large population. The

On November 1, 2015, 3.9 million Singaporeans and Permanent Residents automatically came under the new compulsory universal health insurance scheme MediShield Life.

collective sharing of financial risk allowed everyone, including those with pre-existing conditions or significant healthcare needs, to receive better protection against large healthcare bills.

When the scheme was launched, then-Health Minister Mr Gan Kim Yong stated that MediShield premiums would be affordable to all and could be fully paid for via MediSave.⁵

The CPF, a 60-year-old senior citizen at this point, was ensuring that its members were supported for as long as possible. Lifelong schemes were becoming the trend. There was CPF LIFE, then MediShield Life, and just five years later, another would join the group – CareShield Life.

In 2020, the national long-term care insurance scheme, CareShield Life, was launched, providing basic, universal financial protection against severe disability to Singaporeans and Permanent Residents born in 1980 or later. For older individuals, CareShield Life

was kept optional. Policyholders would receive monthly cash payouts for as long as they remain in severe disability.

Compared to ElderShield which provided monthly payouts for up to five to six years, CareShield Life offers lifelong coverage and increased monthly payouts in the event of severe disabilities, albeit with higher premiums. CareShield Life payouts would be provided for as long as the member remains unable to perform three or more Activities of Daily Living.

In his second reading of the CareShield Life and Long-Term Care Bill, Mr Gan said: “Our society is ageing and we need to prepare for this ahead of time. CareShield Life is a major step in expanding the role of insurance in the long-term care financing landscape.”⁶

Not only are CPF members able to use MediSave to fully cover their CareShield Life premiums, but family members can also help by either paying from their own MediSave or topping up the

member's MediSave Account with cash.

While intended to be more beneficial to the old and frail, the scheme has also benefitted younger Singaporeans.

An example of a younger beneficiary is single mother Mdm Sutana, who became wheelchair-bound after a fall in 2021 that was worsened by complications from a prior surgery. This eventually forced her to quit her job as a pre-school centre administrator upon the advice of her doctors, despite her employer's best efforts to accommodate her mobility issues.

Without an income and facing mounting healthcare expenses

on top of an unsettled mortgage, she was worried about supporting her three children. Thankfully, she received a letter from the Board in 2022 inviting her to join CareShield Life. She opted to enrol and subsequently got her claim application approved.

Before receiving the letter from the Board, she was unaware about CareShield Life – a long-term care insurance scheme that offers financial support and lifetime monthly

▼ Mdm Sutana receives about \$600 monthly from CareShield Life. (Source: CPF Board)



cash benefits if you have severe disability, regardless of existing medical conditions.

Under CareShield Life, she receives around \$600 per month for as long as her disability conditions remain. “The money certainly helps. It can cover the things I need daily like groceries, personal care items as well as help with my children’s expenses,” said the 47-year-old.

And just like that, the CPF’s support for Singaporeans had gone full circle. From helping young adults to start off on the right financial foot, buying their own home, weathering through poor health, and now leaving behind their legacy.

But, there was something brewing in the air.

A NEW TYPE OF WORKER

Three decades ago, most people used to be full-time employees for most of their career. Today, many are opting for less conventional forms of employment, leading

to the rise of the gig economy. Changing employment patterns are, however, causing retirement funds to grow leaner – instead of fatter.

Take platform workers, for instance. For a long time, they were labelled as self-employed, though this definition failed to take into account their unique circumstances. Unlike freelancers, who decide their own rates and when to work, they depend completely on platforms for their livelihoods and are subject to significantly more management controls.

The tripartite partners recognised that and set out to rectify the situation. “Platform workers are in ‘employee-like’ work arrangements and so should get worker-like compensation,” said Ms Yeo Wan-Ling, Assistant Secretary-General of NTUC.

Their discussions led to the introduction of the Platform Workers Bill, which was passed on September 10, 2024. Under the

Platform Workers Act, workers who provide ride-hailing or delivery services will be recognised as a distinct legal category and be entitled to greater protection and benefits. Among these include legal representation and work injury compensation.

There is also CPF contributions, which is mandatory for younger platform workers born on or after January 1, 1995, and voluntary for older workers to help finance their housing and retirement needs. The CPF contributions from the platform operators will be gradually increased to match that of employees.

The Act is complemented by the Platform Workers CPF Transition Support scheme, which will provide monthly cash payments from 2025 to 2028 to support eligible lower-income platform workers.

“Rather than looking at it as reduced take-home pay, it is an increase in the total package for them,” said Ms Yeo. It is a landmark

achievement, one that makes Singapore one of the first countries in the world to provide statutory protections for platform workers.

Speaking on the Bill, Minister for Manpower Dr Tan See Leng said that it had been in the works for years, through close dialogue with unions, workers, and platform operators, starting with the set up of the Advisory Committee on Platform Workers in August 2021.

With the support of the NTUC, National Private Hire Vehicles Association, and National Delivery Champions Association, multiple dialogues were held with platform workers.

He noted that while platform workers appear to enjoy flexibility, their jobs and incentives are in fact significantly controlled by platform operators. This meant that should they get into an accident, they could lose their income entirely until they are able to resume work. This unpredictability of their earnings

The Platform Workers Act, passed on September 10, 2024, provides ride-hailing and delivery workers greater protection and benefits.

made it difficult to save regularly or plan for the long term.

“

For those who already own their homes, have grown up children, and are doing gig work for some extra income, it may not be an issue if their incomes are disrupted. But what about those who are younger, and are maybe saving for the downpayment for their first BTO flat? That is how we arrived at enhancing housing and retirement adequacy through increased CPF contributions as a key aspect of the Platform Worker Act.

I remember there were some workers who shared that they were more concerned about having enough cash earnings than saving for the future. We understand their concerns, and we respect their wish for flexibility, but we also have a

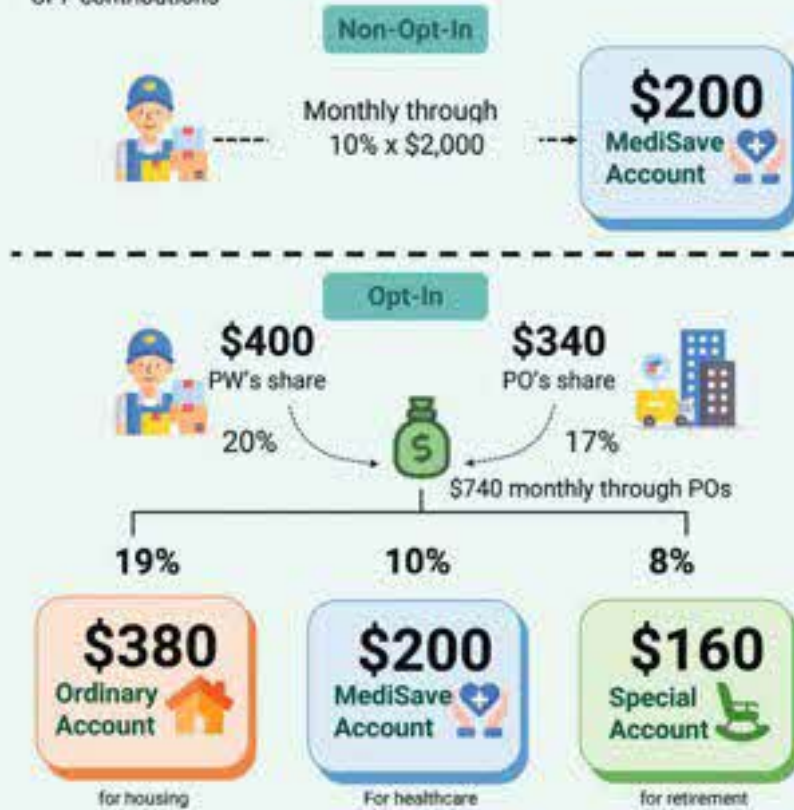
responsibility to help them secure their long-term needs.”

Dr Tan See Leng
Minister for Manpower

On January 1, 2025, the Act took effect, ushering in a new era for the CPF where it will have to navigate new ways of working. But as always, its mission remains – to help every worker build financial security for the future.

Example: Platform worker, aged 50 in 2029, with monthly net earnings of \$2,000

Illustration of a platform worker who opts in to increased CPF contributions



PW: Platform Worker; PO: Platform Operator

► An infographic explaining how the Platform Workers Act helps platform workers to grow their CPF savings. (Source: CPF Board)

7 WAYS

the CPF Board helps members feel
Confident, in Control, and Comforted

From the moment a Singaporean is born to the point he or she passes away, few organisations can say that they touch the lives of almost every resident in a country. But that is precisely what the CPF Board does.

It is more than just a social security agency. It is, in many ways, also a customer service organisation, catering to the needs of its 4.2 million members at every stage of their lives.

You may have heard the saying “the customer always comes first.” But the CPF Board takes it a notch further, making “customer-obsessed” a core value.

Deputy Chief Executive Officer (Services) Mr Wong Yan Jun has distilled its service excellence into

four key traits: Easy, Effective, Empathetic, and Empowering.

“These are the 4 ‘Es’ of our service principles. Rather than converting every customer into an expert of the complex CPF system, we focused our effort on empowering every customer to be a master of their own unique circumstances,” he said.

“By providing relevant, timely information and personalised guidance to our customers, they will feel comforted, confident, and in control, knowing that the CPF Board is enabling them to be a step closer to achieving financial security.”

Here are seven ways the CPF Board has put this core value into action over the past 70 years.

01.

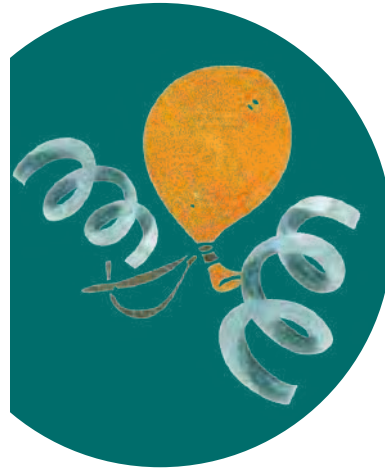
It celebrates life's milestones with you

A typical encounter at a CPF Service Centre used to go like this. A member would ask: "I heard that I can use my funds for this, can you advise me?" And the customer service staff would then retrieve information on the scheme being asked about before explaining it in detail.

While it served its purpose, the experience felt transactional. Over time, the CPF Board also observed that the needs of members changed with each life stage, whether they were young adults buying their first home, or seniors looking to grow their retirement funds.

That's when it shifted the customer service journey from transaction-based to event-based.

The "Service by Life Events" effort, launched in the early 2000s, enabled



members to zoom in on the services that they needed, shared former CEO Mr Willie Tan (2002–2005). "For our staff, it enabled them to serve our members better," he said.

This mindset change meant that CPF Board officers could serve members holistically by bundling different schemes relevant to them at their life stages, be it starting work or reaching retirement.

As it strives to empower its members even further, its efforts now focus on providing tailored support to members – considering their needs, circumstances, and preferences. The next time you hit a major life milestone, know that the CPF Board is journeying with you too.



02.

It does not stop at rejection

When a Singaporean is in financial distress, one of the first Government agencies the person often turns to is the CPF Board. Their request: “Can I make an early withdrawal of my CPF monies?”

Previously, this would have concluded as a “rejected appeal,” but this is no longer always the case.

Recognising that the root cause of their hardship could often be resolved by another Government agency, the CPF Board now takes a step further, by linking them up with someone who will be able to help them.

This could be the Housing & Development Board if they are struggling to keep up with mortgage

repayments, or the Ministry of Education if their issue is with school fees.

“This required a big mindset change as our staff needed to also know what are the other schemes available in other agencies to help citizens beyond CPF,” said Mr Augustin Lee, CEO of CPF Board (2019–2023), who mooted the initiative when he took on the role.

When an appeal comes in, the Rejected Appeals Management Protocol (RAMP) leverages the CPF Board’s extensive network of partners to help the member find a solution. As at end-2024, the Board assisted more than 29,000 members by linking them with 44 agencies through RAMP.

“We are always the ones to feel the citizens’ pain first,” said Mr Lee. There is a reason why the CPF Board is the public service’s “nerve endings.”

03.

Its staff are 24/7 CPF ambassadors

CPF staff are prepared to answer questions about its schemes – anytime and anywhere, even outside of work.

For Mr Clement Prasobhan and Ms Sharon Ann Alexander, this often means at family gatherings. In fact, the couple makes it a point to do some homework before they set off for a day of visiting.

“I’ll go and find out about the schemes, because I think it’s important and something we should know...and share them with my family and friends,” said Mr Prasobhan, Senior Deputy Director of the Compliance and Enforcement Department (CED) at the CPF Board.

Instead of seeing it as working “overtime” or being annoyed, Mr Prasobhan patiently answers all his relatives’ questions. And when he is able to address them well, he feels a sense of pride.

The same goes for his wife, Ms Alexander, a senior investigation officer at CED. “I’m quite proud to be a part of the CPF Board. I think (customer service staff) are quite approachable (to customers who have enquiries),” she said.

This attention to customer service has endured decades, deeply rooted in the CPF Board’s culture. Mr Lim Han Soon, as the CPF Board’s General Manager (1987–2002), even coined the tagline “I am a CPF Ambassador” to remind staff of the importance of providing excellent work and service for customers.

He recalled seeing one of the CPF Board’s office attendants direct a CPF member to the bank across the street where he could cash his CPF cheque. “When I asked him why he did it, he replied: I am a CPF Ambassador,” said Mr Lim, commending his actions.

For the CPF Board staff, helping people understand its schemes is not just work, but part of their everyday lives.





▲ Mr Quek Yong Kuang is part of the CPF Board's dedicated anti-scam team that reviews and enhances existing security measures. (Source: CPF Board)

04.

It seeks to protect your savings from scams

Safety first, even if it means slowing things down sometimes. That is the CPF Board's philosophy when it comes to finding the sweet spot between members' convenience and security.

Similar to how financial institutions and banks are required to send real-time notifications and institute a 12-hour cooling period for activating digital security tokens, the CPF Board also has this safeguard for high-risk transactions.¹

The rationale remains the same: to alert and provide sufficient time for members to respond to any unauthorised increases to their online Daily Withdrawal Limit, or changes to important personal

information and bank account details.

“We believe it’s in members’ interest for us to strike a balance. We called it ‘throwing some sand in the gears,’” explained Ms Yong Ying-I, CPF Board’s Chairman. “It does create some inconvenience, but we believe it will help protect members from scams.”

Such moves are timely as scams are not only on the rise but constantly evolving, getting more sophisticated and insidious over time.

There has been a “democratisation of scam tactics” with the advent of generative artificial intelligence (Gen AI), according to Chief Executive Officer Ms Melissa Khoo, requiring extra layers of protection to be put in place.

Besides introducing a cooling period, the default online Daily Withdrawal Limit has also been set at \$2,000 to minimise members’ losses in the case of unauthorised transactions. The

maximum Daily Withdrawal Limit for online withdrawals has similarly been lowered from \$200,000 to \$50,000 in September 2024, so that those who wish to withdraw higher amounts would have to split their transactions over the course of a few days or do so in person at service centres. Meanwhile, the CPF Withdrawal Lock allows members to disable online withdrawals.

“This is not your online banking account, so most people have been quite happy to leave the default (Daily Withdrawal Limit) at what it is, which greatly strengthens protection against unauthorised withdrawals,” added Ms Yong.

While such measures have kept the number of scams involving CPF withdrawals and losses to less than 1 per cent of all reported scams in 2024, the war against scams continues to safeguard members’ precious savings.

As scams evolve, so does the CPF Board, as it can never be too careful with its members’ funds.

05.

It ensures your Government payments reach you

Whether it is cash benefits or CPF top-ups, the CPF Board is often the main agency working behind the scenes to administer such government benefit schemes.

“Our clients are not just CPF members. The Government is one of our clients,” said Mr Lim Han Soon, former General Manager of the CPF Board (1987–2002).

Beyond being a social security savings scheme, the CPF Board also serves as the Government’s trusted agent for administering payouts to citizens. In 2024, it disbursed around \$10.1 billion in grants on behalf of Government agencies, including key components of the

Assurance Package and Majulah Package.

CPF Board’s central role should come as no surprise, given its extensive database of citizens’ financial details.

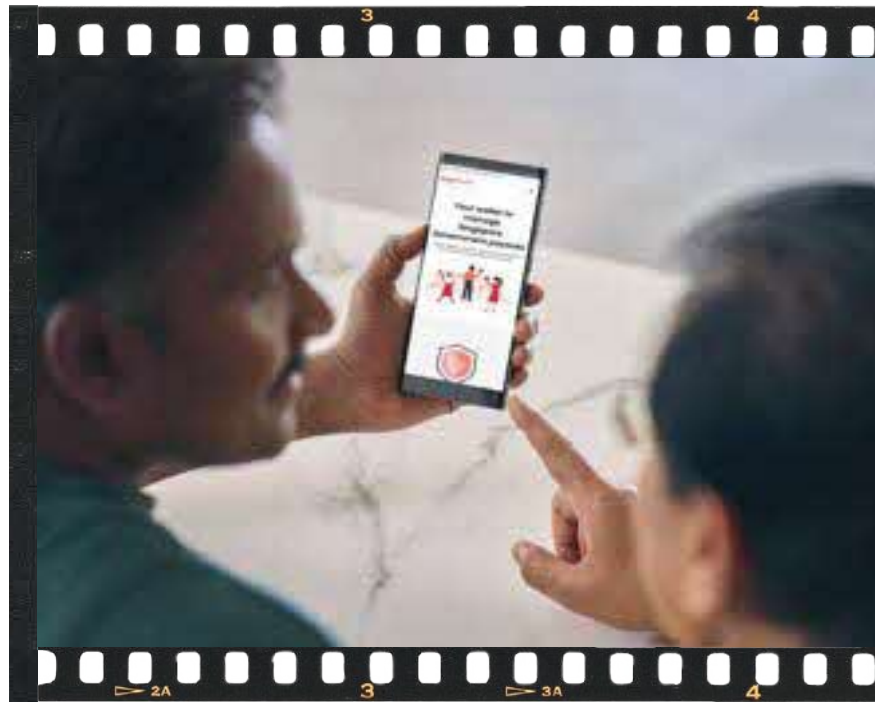
“We already have information on you related to your CPF. We know your bank account, and that it’s you and not a scammer. We’re in a much stronger position than other ministries and agencies, which logically may or may not have your bank account information. We can safely disburse monies to the correct bank account,” said Ms Yong Ying-I, Chairman of the CPF Board.

Of course, it goes beyond just administrative work – to serve the Government is to indirectly serve the nation’s broader goals and interests

too, ensuring that no citizen misses out on the national benefits they are entitled to.

Take the Baby Bonus Scheme, one of the schemes that CPF Board used to administer. “The primary objective was to (increase the birth rate to) replace the population... That’s part of the national policy that we should support. So, we serviced the Government,” explained Mr Lim.

Ms Yong added: “Other than just doing more and more transactions on behalf of the Government, what are we doing this for? How can we actually help more Singaporeans of different socioeconomic circumstances?”



▲ CPF Board, in collaboration with OCBC Bank and GovTech, launched GovCash in 2022 to replace cheque issuance for Singaporeans who are unable to use direct bank crediting so that they can receive Government payments more quickly and conveniently. (Source: CPF Board)

DID YOU KNOW?

In February 2022, about 40,000 Singaporeans could finally withdraw government cash benefits conveniently from an Automated Teller Machine (ATM).² Without bank accounts, they had previously relied on cheques to receive the payment.

It was a longstanding last-mile problem that the CPF Board wanted to solve.

“We were asking ourselves then how to get the money to them quickly. It is quite troublesome because you can’t use cheques at a store. We needed a way that allowed people to go to an ATM to draw cash even without a bank account,” said former CPF Board CEO (2019-2023), Mr Augustin Lee.

That year, the CPF Board, in collaboration with OCBC Bank

and the Government Technology Agency (GovTech), launched a solution – GovCash. It allowed Singapore citizens to withdraw their Government benefits in cash from over 500 OCBC ATMs islandwide. Using Singpass Face Verification technology to authenticate users, users only needed to key in their unique eight-digit Payment Reference Number during the withdrawal. The ease of use and security of GovCash has enabled it to receive recognition both internationally and locally, from both industry and the public service.

There were even discussions for other government agencies to use it to disburse payments under their own schemes, though they did not come to pass, shared Mr Lee, adding: “But it has that potential.”

06.

It goes to the ground with the help of volunteers

It can be tough to answer every question, given the wide range of schemes administered by the CPF Board and their varying impact on its millions of members. To reach out to as many people as possible, the CPF Board has built a strong network of volunteers.

These individuals, who usually sign up for the role after a positive experience with the CPF Board, provide much needed support at events such as roadshows and outreach activities. Today, they number in the thousands, with over 400 of them being highly active core volunteers.

Part of this pool are husband and wife pair Mr Tham Wai Chung and Mdm Qhek Hwee Boon.



▲ CPF Volunteers Mdm Qhek Hwee Boon (left) and Mr Tham Wai Chung (right) sharing about the CPF schemes with Singaporeans. (Source: CPF Board)

Impressed by how the CPF scheme enabled him to buy a flat shortly after he graduated from university with limited savings, and even supported his wife through university, Mr Tham started volunteering with the CPF Board in 2022. He encouraged his wife to join shortly after.

Their goal is to debunk some of the myths about the CPF. “When people complain that the CPF Board locks up their money, it’s because they are not aware of the policies or schemes that they can make use of. So when we encounter unhappy residents, we tell them about schemes they can use and it changes their perspective,” he said.

The couple has even created graphical illustrations which they use to educate the public about the various CPF accounts, how compound interest works, as well as other schemes like CPF LIFE.

Mdm Qhek said a grandmother they presented to was so convinced that she decided to top up her grandson’s Special Account. “It is newfound

motivation for us when we see such positive results,” she added.

In 2024, Mr Tham and Mdm Qhek received the Outstanding Citizen Contributor award from the Government Technology Agency, for their efforts in helping CPF members navigate the CPF Board’s online tools and understand its schemes.

Noting how many volunteers take leave during weekdays or time out on weekends to turn up at CPF events, CPF Board CEO Ms Melissa Khoo said an elderly volunteer once told her: “It’s actually better for him as a volunteer, as a fellow Singaporean, to spread our message to other Singaporeans, because sometimes the message is better if it is not from *zheng hu* (the Government).”



◀ Over the years, the CPF Board has steadily enhanced customer service at its service centres. (Source: CPF Board)

07.

It goes the distance to save you time

Back in the 1980s, performing transactions at the CPF Building typically involved navigating a labyrinth of floors.

Need to generate a statement of accounts? Head to the third floor. But if you wanted to enquire or apply for any of the housing schemes, you need to take the elevator to the 35th or 36th storey.

“There were at least four to five floors that customers had to go through if they wanted to do all kinds of transactions. People joked that they had to take half-day leave just to come here,” said Mrs Sally Koh, former Director of the Collection Business Department.

A solution was launched in 1994: a one-stop service counter on the second floor. The CPF Board was the first public service organisation to implement this concept.

“Every customer should only be seated once and served by a single

► Mrs Sally Koh and Mr Leong Lick Tien (then-Deputy General Manager of Benefits & Services) at the former CPF Building’s one-stop service centre. (Source: CPF Board)



Customer Service Executive (CSE) regardless of the scheme they needed help with,” explained Mrs Koh, who was tasked to lead the project.

In 2005, a priority service called Club 55 was introduced, featuring a separate queue system manned by more experienced CSEs for customers aged 55 and above.

The CPF Board’s efforts was one of the attributes that won them the Singapore Quality Award in 2004 and the Service Excellence Award in 2009.

But the crowds remained. Former CEO Mr Yee Ping Yi (2011–2014) recalled how members would head to the service centres, take a queue number, and then go off to do their grocery shopping before coming back for their appointment.

As the world digitalised, the CPF Board further enhanced its online offerings. This included a personalised interface and the ability to make top-ups via PayNow. “We truly don’t want people to queue up,” said Mr Yee.

7 EMPLOYEES

share what it's like to work at one of the best social security systems in the world

If you ask the CPF Board employees what CPF stands for, it would probably be Caring, Passionate, and Fun.

Yet, the replies are usually more prosaic when the same question is posed to others outside of the organisation. In fact, among the younger generation, some even brand the social security agency as “very old,” revealed Chief Executive Officer Ms Melissa Khoo.

But age is only a number. Even as the CPF Board turns 70 this year (2025), those who join the statutory board that is in charge of

Singapore's social security system will realise that it is anything but old.

For a start, the median age of the employees is a youthful 38 and there is an intrinsic culture of innovation and curiosity, shared Ms Khoo.

“One distinct trait of our DNA is that there is a thirst for improvement. There is a constant drive to be and do better,” she added.

Hear from seven employees – past and present – on what their work means to them, and the impact it has had on CPF members and the nation.

01.

Woof-top walks

Mr Vijayakumar E. J.'s eyes trailed the side of the glittering, imposing building before the sun's glare interrupted his gaze.

The CPF Building, in all its 45 storeys of glory, was among the tallest skyscrapers in the Central Business District when he joined the CPF Board in 1979. "Most of the area was open space then," recalled Mr Vijayakumar.

It was day one of being a dog handler at the CPF Board. The organisation required guard dogs to protect the building premises which was occupied by the Ministry of Finance and Board of Commissioners of Currency up to the mid-1990s.

► Former CPF Board dog handler, Mr Vijayakumar E. J. (Source: CPF Board)



For a dog lover like Mr Vijayakumar, it was a dream job. The team's daily tasks included maintaining the kennel, training the guard dogs, and monitoring their health. Another task involved bringing his German Shepherd companion, Roy, up to the open space on the 42nd floor for walks.

"It was an open veranda where you could see the sea, where Marina Bay is now," he said.

Besides patrolling with Roy across day and night shifts, Mr Vijayakumar would double as a security officer. He was a familiar, friendly face to the CPF Board service staff who would call him for help when they had difficult situations. The dog handler had an intimidating presence. "I would tell rowdy customers off," he said.

His strapping, athletic physique was also tested when he represented the CPF Board in sports like football, netball, and squash in intra-government competitions in the 1980s.

Playing as a striker, he also recalled intense football matches against Malaysia's equivalent of the CPF, the Employees Provident Fund (EPF). "The only time we beat them was when they (the EPF team) came over to Singapore. Most of the time, we went over and got thrashed," he said, chuckling at the fond memories.

"I will always recall the friendly and sporty CPF culture," said the 69-year-old retiree, who till today keeps in close contact with his former colleagues.

02.

From colleagues to soul mates

Mr Clement Prasobhan is used to the sound of faint, occasional hurried tap-tap of footsteps on the carpeted floor, being seated near the corridor leading to the CPF Board's communal restrooms.

One day, he noticed a female colleague who was always nodding her head when she made her way to the bathroom. "I thought there was something going on in her head and she was trying to react to it," said the Senior Deputy Director of the Compliance and Enforcement Department (CED), who joined the CPF Board in 1997.

But he never once approached Ms Sharon Ann Alexander to find out what was on her mind. Their paths would eventually cross two years



later. In 2004, a colleague decided to play matchmaker.

Grinning at the memory, Ms Alexander shared: "She said Clement wanted to pass his number to me." It was not the first set-up with Mr Prasobhan. A few other colleagues had found the two compatible and tried to bring them together too.

This time, she decided not to ignore fate. She sent him a simple message: "Hi Clement, this is Sharon."

Mr Prasobhan, who had no idea what was going on, was pleasantly surprised by her message. A few

▲ Mr Clement Prasobhan and Ms Sharon Ann Alexander with their family on vacation in Taiwan. (Source: Courtesy of Mr Clement Prasobhan and Ms Sharon Ann Alexander)

messages later, they began to go on dates.

They clearly hit it off. After dating for two years, the couple tied the knot in 2006.

Today, the parents of four, who are celebrating 19 years of marriage in 2025, believe their differences help them maintain a good balance at work and at home.

“He’s very light-hearted and always sees the unseriousness of things (unlike me), so that’s a good balance in our relationship,” said Ms Alexander, a senior investigation officer at CED.

Similarly, Mr Prasobhan admires her seriousness. “She is very detailed, while I tend to overlook things,” he added.

“My kids find it very funny because they like the fact that both of us are so different from each other. It actually keeps the marriage interesting,” said Ms Alexander, noting her introversion against Mr Prasobhan’s extroversion.

While their job scopes do not overlap much, the couple always make time

to be each other’s work buddy – by having lunch together and listening to work issues.

Ms Alexander, who handles late CPF payment contribution enquiries, often struggled with scheduling interviews for affected parties. “When you need to interview employees for a court case, you need to schedule it accordingly and make sure that they don’t clash (in timing),” she said.

When she expressed these concerns to Mr Prasobhan – who deals with late payment cases that end up in court – he thought of ways to simplify the process for her.

“I thought of (getting interviewees to) record their statement digitally,” he said of the solution, which is currently a work-in-progress at the CPF Board.

But there is still one issue that he has no answers for – why did she keep nodding her head on the way to the toilet all those years ago?

“He did bring it up a couple of times, but I really have no answer. I didn’t even know I was shaking my head,” she said with a laugh.

03.

Speaking up for change

Surrounded by Chief Information Officers (CIOs) and director-level civil servants, Mr Ng Hock Keong felt out of place. It was the year 2000 and he was a Manager in the CPF Board's Support Information Systems department. He was standing in for his boss, who was unwell, at an "e-payment committee" meeting at the Ministry of Finance (MOF).

The hot topic for the day was how to get Singaporeans to transact digitally with the Government. Various agencies were working in silos with their own authentication systems, and the results were unsatisfactory.

As the meeting went on, it was clear that it was going nowhere. More



▶ Mr Ng Hock Keong, Deputy Chief Executive Officer of Infocomm Technology & Digital Services of the CPF Board. (Source: Courtesy of Mr Ng Hock Keong)

and more were voicing the challenges they were facing but no one had yet provided a solution. That was when Mr Ng raised his hand.

“Actually, if there’s no authentication system, you can use the CPF-PAL PIN. We have 800,000 users,” he said. CPF-PAL was an online service that allowed CPF members to check their e-statements online.

With that many users, the CPF-PAL PIN was a way to overcome the issue. But some laughed, seemingly disregarding his suggestion, and the meeting ended without a proper conclusion.

To his surprise, his suggestion would later be taken up. The CPF-PAL PIN was eventually used as a National PIN for the New Singapore Shares scheme in November 2001. This later evolved into the Singpass system, which allowed alphanumeric passwords, in December 2002.

His penchant for raising his hand and speaking up would show again 17 years later at yet another MOF meeting.

That day, the focus was on how to get Singaporeans to use the newly launched

PayNow system, which allowed people to make cash transactions with just their mobile phone numbers.

The meeting chairman asked if anyone had a potential use case in their agency. And Mr Ng quickly replied, the CPF Board has one. This time, seated at the table with other CIOs, no one laughed.

Back at the office, he mulled over his idea of using PayNow for CPF withdrawals at the age of 55. Technically, CPF members were already able to get their money within five days through GIRO, which was already fast.

But Mr Ng felt that speeding it up further through PayNow would help the CPF Board send out an important message, especially during a time when negative sentiments against the organisation were still running high.

“The fact that I can allow you to take the money instantaneously means we can be trusted. There is no such myth that our Government has no money,” shared Mr Ng.

Within eight months, the system was up with strong support from key partners like OCBC Bank and the Monetary Authority of Singapore, and it is widely used by CPF members today.

04.

Public officers by day, *getai* starlets by night

Donning gold sequined dresses and feathered head-dresses, they sashayed onto the stage in the heart of Ang Mo Kio, belting out Hokkien tunes with the confidence of seasoned performers. Anyone watching would find it hard to believe that before this, Ms Maple Chang and Ms Iris Sim had never performed on a public stage in their lives, let alone sung in front of an audience.

That night in August 2010, these officers from the CPF Board's Self-Employed Scheme and Workfare department stepped out from behind their computer screens into the flashy and garish world of *getai* for a very important reason – to explain the Workfare Income Supplement (WIS) scheme.

▶ The Banana Sisters, Ms Iris Sim (left) and Ms Maple Chang. (Source: Courtesy of Ms Jean Qingwen Loo via Public Service Division)



Their target: elderly and low-income workers who were unable to read, and might have missed out on traditional communications from the CPF Board.

Calling themselves Ah Xiang and Ah Jiao, or the Banana Sisters, they put up a 10-minute skit, joined by a boisterous taxi driver, haughty *tai-tai* wannabe, and a coffee shop assistant who looked like TV personality Phua Chu Kang. They were all the CPF Board's staff.

Their antics were met with raucous cheers from the crowd, just the reaction they were hoping for. "We could see people sitting up and listening and laughing at the right juncture," said Ms Sim, who acted as Ah Jiao.

Putting themselves out there was not easy. "But I knew I couldn't just be behind the scenes directing, especially when I was 'forcing' other people to do it," said Ms Chang, who had mooted the idea.

This lightbulb moment came after Ms Chang and her colleagues in the Self-Employed Scheme and Workfare department had people coming up to them at roadshows, holding their vernacular letters about the WIS scheme and asking what they were about. "We

knew we had to explore unconventional means," she explained.

Inspired by local filmmaker Royston Ng's movie *881*, they proposed doing a *getai*-like skit. But they had some convincing to do. The team acted out a snippet of the skit at a meeting with senior management and won them over.

The next month was a blur as the cast rehearsed for two hours every day after work while the rest of their department colleagues helped to create the props. It was worth the effort. Not only did they manage to engage a hard-to-reach audience, their campaign was also picked up by the media.

It was so successful that it did not stop at one iteration – the team performed from the August *getai* season all the way to Chinese New Year the following year.

"We were so invested and tweaked the script for every performance to customise it to the audience," said Ms Chang, who is currently Director of the CPF Board's Customer Contact Centre.

Looking back at that period in their career with the CPF Board, the pair said it was the camaraderie that kept them going. "The dedication and support of the team pushed me along," said Ms Sim.

05.

Impacting lives, one CPF member at a time

When Ms Noor Afizah Mahfodz took on a temporary stint with the CPF Board during the school holidays in 1988, she never expected it would shape her career trajectory.

“I was still figuring out what to do. I was not sure whether I wanted to continue my studies or not,” said the current Head of Training & Service Audit Management at the Service & Learning Excellence department.

Back then, the 20-year-old was stationed at the receipts and payment department, where she was responsible for removing staples from cheques that were bundled together. Aware of her career dilemma, her supervisor had



encouraged her to apply for a full-time position with the CPF Board.

She heeded the advice and joined the employer services department. At that time, service staff were rather scattered throughout the CPF Building as each scheme was assigned its own service enquiry counter on different floors.

“Customers really needed to take the lift, go up and down the old CPF Building, and queue at all the different service counters,” recalled Ms Afizah, who is now 58.

▲ Ms Noor Afizah Mahfodz, Head (Training & Service Audit Management) of Service & Learning Excellence in her younger days at the CPF Board. (Source: Ms Noor Afizah Mahfodz)

Soon after, the CPF Board decided it needed to transform its customer service. Instead of having multiple counters, they would consolidate them into a one-stop service counter.

In 1991, she was selected to be part of a pioneer team to man the new service counter and embarked on a journey in customer service.

“It ignited the passion in me to do public service because I realised how important the CPF system is to our members. I get to meet people from all walks of life, and they are very interesting,” she said.

While the work was rewarding, she would face her own set of challenges. For example, she recalled an unpleasant experience with an unhappy member early in her career that has been etched in her memory.

“He wasn’t very happy (with) the way I handled the situation, and I didn’t know how to defuse the situation until my supervisor stepped in,” she said.

Observing the way her supervisor handled the issue, it struck her that she needed to learn how to deliver service with the right customer mindset. Only then would she be able to attend to members’ needs.

“You can be giving the same message, but it’s a different way of giving that message. And that’s the big difference,” she said.

This lesson has stuck with her through her 36-year-long career at the CPF Board.

“I feel that (working in customer service) is such a noble cause and it touches people’s lives. There’s so much that one person can do if you put your heart to it,” she said.

▶ Mr Ong Chian Fuh, who is part of the CPF Board's outreach team. (Source: Courtesy of Mr Ong Chian Fuh)

CPF Briefing for Union Leaders

What are the upcoming key CPF changes in 2020?

06

Outreach amid outrage

Mr Ong Chian Fuh took in the applause from the stage. But this was not an ovation. It was hostile. The audience was clapping for a member who had posed a difficult, even inflammatory, question on the CPF system.

Why were their funds being “locked up”? Was the CPF Board trying to cheat people of their money?

All 500 pairs of eyes in the auditorium were now on him, the CPF Board representative at the organisation's public talk on retirement. This was in

2014 at the height of the “Return Our CPF” protest.

He remained calm throughout. Beneath his cool façade, however, was apprehension.

He grimaced as he recalled the rancour of 2014, when there were groups of people calling for greater transparency and higher returns from the CPF Board. “It was a very stressful period, with pressure from the public sentiment and people not trusting the Government and CPF system,” he said.

As part of the CPF Board's outreach team, he often bore the brunt of such dissatisfaction. "Whenever I went to the ground, I had to brace myself for a scolding," he said. "We had to have a thick skin, and not take things personally."

In fact, 2015 was very much a turning point in how the CPF Board engaged members.

"We ramped up our communication efforts from that point," he said, citing roadshows at heartland areas as an example. "We were on the ground, open and upfront, and not shying away."

He has also reached out to educate many about the CPF system, estimating that he has organised or taken part in more than a thousand events and talks in his 14 years at the CPF Board.

"We no longer just focus on the number of people we reach. Rather, we focus on the quality of the engagement," he said.

"Public outreach is very *siong* (colloquial Hokkien word for tiring)

as it is a very resource-intensive effort. We focus on the depth of the engagement," said Mr Ong. "But, it's very rewarding. Every positive perception of CPF is a win for us."

Besides the general public, his department has also engaged people at their workplaces. He has even made the journey to Jurong Island to give CPF talks to petrochemical companies.

There's also a pivot towards equipping partners such as unions and grassroots leaders, so that these groups can share about CPF confidently with their networks for a multiplier effect.

These efforts have made a difference in addressing misconceptions among the public about the CPF system.

"Over the past few years, we have seen a positive uptick in sentiment," he said, sharing that the one thing he would like people to know about the CPF system is that it is "always designed with Singaporeans at heart."

07.

Made in CPF: Innovating like a tech company

What if creating lengthy official documents was as easy as filling out a form? This was one of the many ideas that the CPF Board's Frontier Products Team entertained and, more importantly, acted on.

Formed in 2022 and formerly led by Mr Tan Bing Wen, Senior Deputy Director of the Data Science Accelerator department, the team's main objective is to build

► Mr Tan Bing Wen (right) and his Gen AI Core Team colleague Ms Pearlyn Chua presenting on the CPF Board's Gen AI pursuits at GovTech's Data Science Connect event. (Source: Courtesy of Ms Pearlyn Chua)



innovative software products within the organisation while harnessing new technologies. Or, in Mr Tan’s words, “to make the CPF Board operate more like a tech company.”

The idea eventually evolved into docCentral, a web application accessible to officers in the public sector that allows them to generate templated documents, such as employment contracts, simply by filling in a form. It has since reduced the time spent creating such documents by 60 per cent.

docCentral is just one of the growing suite of tools the team has developed. Others include formCentral, their first-ever product that aimed to integrate incompatible FormSG submissions with the CPF Board’s backend systems, and draftCentral, which uses generative artificial intelligence (Gen AI) to help CPF Board officers write correspondences with citizens more efficiently.

How the team names its products is a deliberate branding strategy – “Central” is a direct reference to the CPF Board’s name, while also emphasising the cross-disciplinary nature of its products.

And rather than simply innovating on an ad hoc project basis, the nine-strong multidisciplinary team comprising staff from both the tech and business departments takes a longer-term approach.

“Going forward, when we build digital services, it’s better to adopt a product mindset. Rather than seeing things as individual projects with specific end states, we try to adopt a product mindset instead, where we continually improve a product that we own to generate more value from it,” Mr Tan explained.

As the next big thing, Gen AI is undoubtedly the next frontier in its digital transformation journey. In fact, almost all of the Frontier Products Team’s projects in the pipeline are Gen AI-related.

Most of them are designed to enhance internal productivity, but in the long run, they translate into higher customer service standards.

“If we use Gen AI to do something that was previously very manual and repetitive, officers can be freed up to think about how to serve citizens

better," he explained.

Of course, the team recognises that it cannot get carried away and end up in its own bubble – the larger organisation has to be on board too. This is why it also dedicates a significant portion of its efforts to sensitising the staff body to Gen AI through initiatives like simple prompt engineering workshops, which have been met with great enthusiasm.

"At the CPF Board, everybody invests in each other's success. If you have a good idea, you will be supported," Mr Tan said.

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.

“

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."

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