

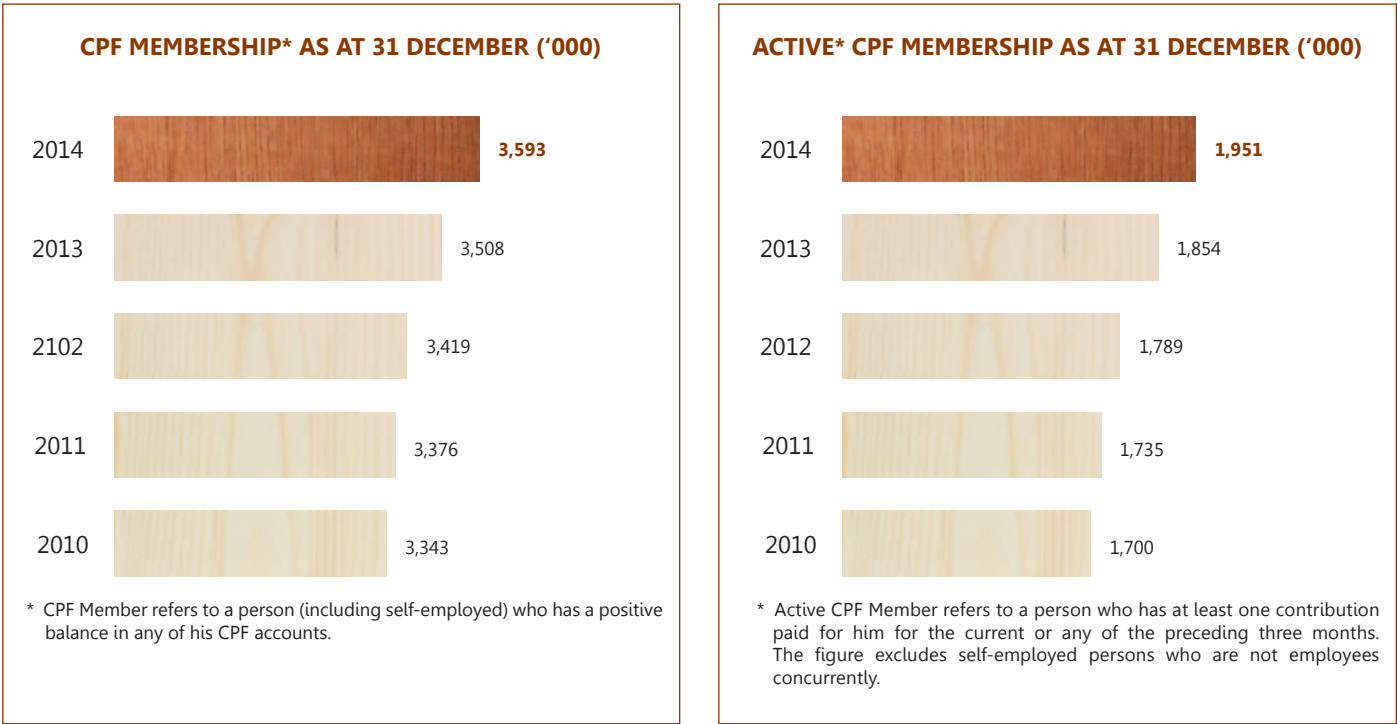
REVIEW OF OPERATIONS



OVERVIEW

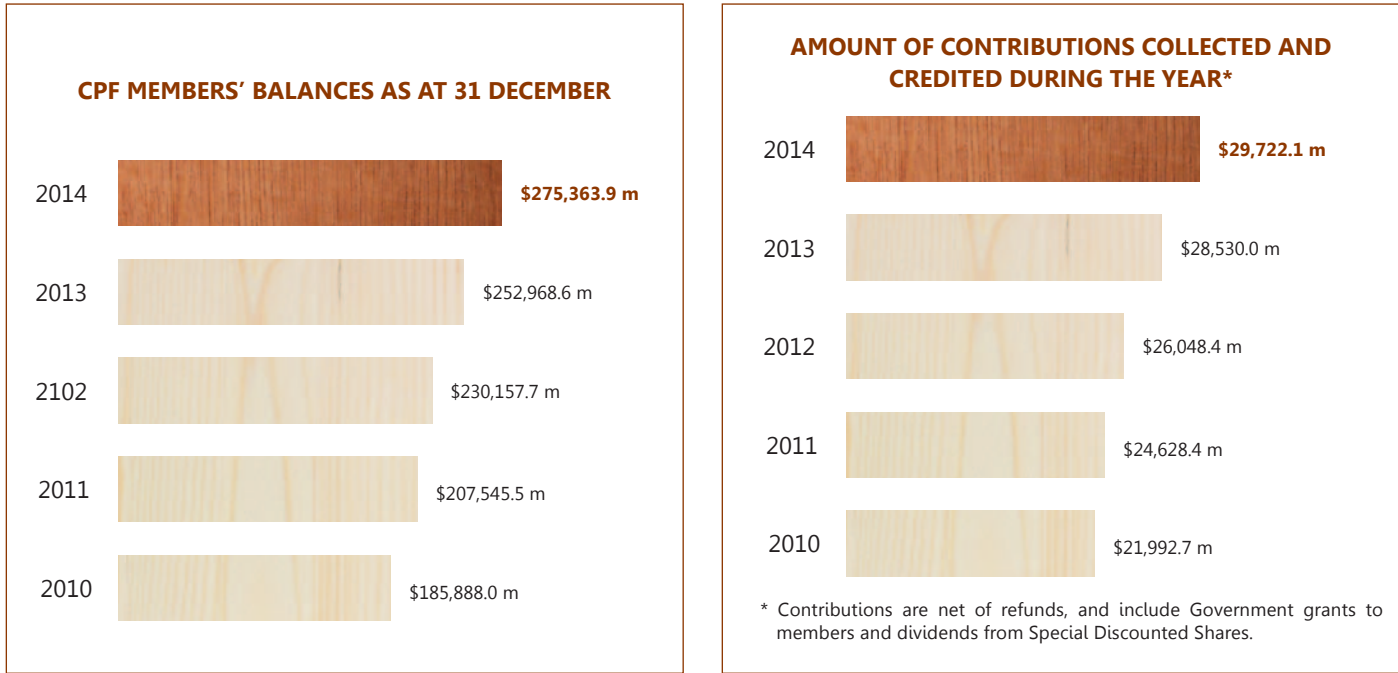
CPF MEMBERSHIP

As at 31 December 2014, CPF membership rose by 2.4% to 3.6 million. The number of active CPF members increased by 5.2% to 2.0 million.



CPF MEMBERS’ BALANCES

In 2014, the total CPF members’ balances grew by 8.9% to \$275,363.9 million.



CPF CONTRIBUTIONS

Mandatory contributions to the CPF are made monthly by employers and their employees. As at end 2014, 162,062 employers made CPF contributions for their employees.

To better reflect the default situation of employers, the methodology for the employer default indicator had been revised. The old employer default rate tracked the timeliness of employer’s CPF submissions for employees at the end of the month following the payment-due month. The new indicator, introduced in January 2014, measures the proportion of employers who had failed to pay mandatory CPF contributions one month after the grace period. On average, 3% of employers had defaulted. Employers who failed to pay up will be issued notice to

attend court. Besides the fine imposed by the Court, a court order would be obtained for the CPF arrears. Directors of companies would also be prosecuted for failing to ensure their companies pay CPF promptly and correctly for employees.

The amount of contributions collected and credited into CPF members’ accounts during the year amounted to \$29,722.1 million, an increase of 4.2% as compared to \$28,530.0 million in 2013.

ENFORCEMENT

As part of CPF Board’s continuous efforts to improve employers’ compliance with the CPF Act, new penalties under the CPF Act which include a jail term were implemented since January 2014 to ensure that penalties have a stronger deterrent effect on recalcitrant employers.

Under the CPF Board’s three-pronged approach of education, deterrence and enforcement, CPF Board conducted pro-active audits and acted on complaints received. The heightened enforcement efforts and timely detection of late payment by CPF Board in 2014 resulted in a total recovery of \$378.2 million in owed and late CPF contributions, benefitting more than 288,000 employees.

Since September 2012, through a joint initiative, “WorkRight”, the Ministry of Manpower and the CPF Board have been working together to educate employees and employers on their employment rights and obligations respectively. The number of on-site inspections increased from more than 500 to 5,000 per year.

CPF MEMBERS’ ACCOUNTS

A CPF member has three accounts with the CPF Board before he turns 55 – the Ordinary, Special and Medisave Accounts. The allocation of CPF contributions to a CPF member’s accounts is as follows:

CPF Contribution and Allocation Rates from 1 January 2014 to 31 December 2014 *

Age group	Contribution Rate (% of wage)			Credited Into (% of wage)		
	By Employer	By Employee	Total	Ordinary Account	Special Account	Medisave Account
35 years & below	16	20	36	23	6	7
Above 35-45 years	16	20	36	21	7	8
Above 45-50 years	16	20	36	19	8	9
Above 50-55 years	14	18.5	32.5	13.5	9.5	9.5
Above 55-60 years	10.5	13	23.5	12	2	9.5
Above 60-65 years	7	7.5	14.5	3.5	1.5	9.5
Above 65 years	6.5	5	11.5	1	1	9.5

* For employees with monthly wages of \$750 and above. For employees with monthly wages of less than \$750, please refer to Annex D.

From age 55, another account is created for the CPF member - the Retirement Account. This account, comprising monies transferred from his Special and/or Ordinary Accounts, is used to provide monthly payments for the member during retirement.

CPF WITHDRAWALS

Withdrawals from CPF members’ balances increased by 16.4% to reach \$17,297.8 million in 2014.



INTEREST EARNED BY CPF MEMBERS

CPF members currently earn interest rates of up to 3.5% per annum on their Ordinary Account (OA) monies, and up to 5% per annum on their Special and Medisave Account (SMA) monies. Retirement Account (RA) monies currently earn up to 5% per annum.

The interest rates include an additional 1% interest paid on the first \$60,000 of a member’s combined balances (with up to \$20,000 from the OA), which is part of the Government’s efforts to enhance the retirement savings of CPF members.

The OA interest rate is calculated based on a weightage of 80% of the 12-month fixed deposit rates and 20% of the savings rates of the major local banks, subject to a minimum of 2.5% per annum. It is reviewed quarterly to keep up with prevailing market interest rates. In 2014, the interest rate was 2.5% per annum for the OA.

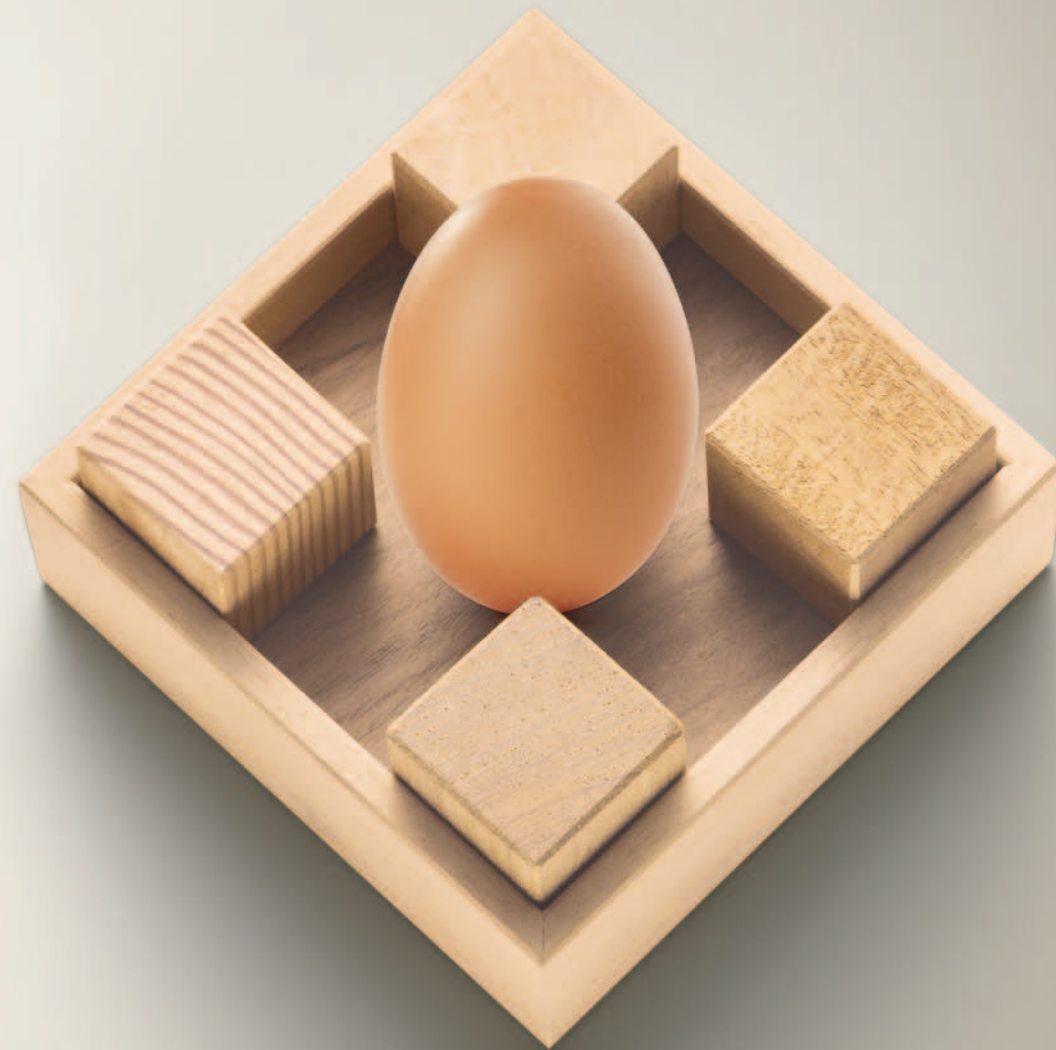
Savings in the SMA are invested in Special Singapore Government Securities (SSGS) which earn an interest rate pegged to either the 12-month average yield of 10-year Singapore Government Securities (10YSGS) plus 1%, or 4%, whichever is higher, adjusted quarterly. In 2014, the interest credited to the SMA was 4% per annum.

RA savings are invested in SSGS which earn a fixed coupon equal to the 12-month average yield of the 10YSGS plus 1% at the point of issuance, subject to a minimum rate of 4% per annum, adjusted yearly. The interest rate credited to the RA is the weighted average interest rate of the entire portfolio of these SSGS, adjusted yearly in January. In 2014, the interest credited to the RA was 4% per annum.

The 4% per annum interest rate floor for Special, Medisave and Retirement Accounts was extended to 31 December 2015, in view of the continuing low interest rate environment.

The total interest credited into CPF members’ accounts in 2014 amounted to \$9,971.9 million, including \$1,157.9 million in extra interest.

RETIREMENT



RETIREMENT

RETIREMENT SUM SCHEME

The Full Retirement Sum for CPF members who turned 55 years old between 1 July 2014 and 30 June 2015 was \$155,000. Of this amount, at least \$77,500 which is known as the Basic Retirement Sum, is to be in cash while the remaining \$77,500 can be pledged against a property. The cash is transferred from members' savings in the Ordinary and Special Accounts.

In 2014, 38,516 active CPF members turned 55, of which 49.7% were able to set aside their Full Retirement Sum, either fully in cash, or partly in cash and partly via a property pledge.

CPF LIFE

Singapore has one of the highest life expectancies in the world. About half of Singaporeans who are aged 65 today are expected to live beyond 85 years old, and one-third of them beyond 90 years old. To address the challenges of increasing life expectancy and an ageing population, CPF LIFE, a national annuity scheme providing CPF members with a lifelong income from the payout eligibility age, was introduced in 2009.

CPF members turning 55 years old from 1 January 2013 are automatically-included in CPF LIFE if they have at least \$40,000 in their Retirement Accounts (RA) at 55, or \$60,000 at their payout eligibility age (65). CPF members who are not automatically included can apply to join CPF LIFE any time between age 55 and age 80.

Under CPF LIFE, members have a choice of plans to choose from to suit their circumstances. The LIFE Standard Plan has a higher monthly payout with a lower bequest, while the LIFE Basic Plan has a lower monthly payout with a higher bequest. Automatically included CPF members will be assigned the LIFE Standard Plan as a default if they do not choose a plan¹.

Since the introduction of CPF LIFE, more than 140,000 CPF members have participated in the scheme.

To enhance the payouts of less well-off Singaporeans who join CPF LIFE, the Government provided a bonus of up to \$4,000, called the LIFE Bonus (L-Bonus). As at 31 December 2014, more than \$267.9 million of L-Bonus have been given to 66% of CPF LIFE participants.

As at 31 December 2014, more than 42,000 CPF members who have reached their payout eligibility age started receiving their CPF LIFE

monthly payouts. A total of \$509.5 million has been paid to the CPF LIFE participants in the form of monthly payouts, since the scheme was initiated in September 2009.

DEFERMENT BONUS

In light of increasing life expectancy in Singapore, the payout eligibility age was raised from age 62 to 63 years in 2012 and will be further raised to 64 in 2015 and 65 in 2018. To help CPF members aged between 57 and 64 in 2014 who were affected by the change in payout eligibility age, a one-off Deferment Bonus (D-Bonus) was given. As at 31 December 2014, a total of \$347.9 million of D-Bonus was credited to the RAs of 454,945 CPF members.

CPF members who voluntarily defer monthly payments from their payout eligibility age till 65 will receive a Voluntary Deferment Bonus (V-Bonus) for each year of deferment. As at 31 December 2014, a total of \$148.3 million worth of V-Bonus was credited to the RAs of 451,140 CPF members.



¹ From 1 January 2016, CPF members will only need to choose their CPF LIFE plans from age 65 to age 70, at the point when they wish to start payouts from CPF LIFE.

RETIREMENT SUM TOPPING-UP SCHEME

The Retirement Sum Topping-Up Scheme encourages CPF members to make cash top-ups or transfers from their CPF accounts to their own and their loved ones’ Special Account (SA) and Retirement Account (RA) so that the recipients can set aside more for their retirement. Recipients can draw down the top-up monies in the form of monthly payouts under the Retirement Sum Scheme or CPF LIFE.

There were 74,811 cash and CPF top-ups amounting to \$488.6 million to RA and SA in 2014. This represented an increase of 23.7% and 21.8% in the number of top-ups and amount topped up to the RA/SA respectively, compared to 2013.

TRANSFER OF ORDINARY ACCOUNT (OA) SAVINGS TO SPECIAL ACCOUNT (SA)

CPF members below 55 years old who want to set aside more cash for retirement can transfer their savings from the OA to the SA, up to the current Full Retirement Sum¹. In 2014, there were 23,402 transfers of \$257.7 million.

WITHDRAWAL AT AGE 55

Members who have reached the age of 55 may withdraw their CPF savings after setting aside the Full Retirement Sum and the latest Medisave Minimum Sum in their Retirement Account and Medisave Account respectively. For those who are unable to set aside these sums in full, they may still withdraw up to \$5,000 of their CPF savings².

Members who own a property and have more than the Basic Retirement Sum in their Retirement Account may withdraw the savings above the Basic Retirement Sum by pledging their property. Those who are in receipt of lifelong monthly income from their annuities or pension may also withdraw their Retirement Account savings.

In 2014, \$2,945.8 million was withdrawn, compared to \$2,819.6 million withdrawn in 2013.

CPF INVESTMENT SCHEME (CPFIS)

Under the CPFIS, CPF members can invest eligible balances from their Ordinary Account (OA) and Special Account (SA). After setting aside \$20,000 and \$40,000 in their OA and SA respectively, CPF members may invest their remaining OA and SA savings in fixed deposits, Singapore Government bonds and treasury bills, Statutory Board bonds, annuities, endowment insurance policies, investment-linked insurance policies, unit trusts and Exchange Traded Funds.

Under the CPFIS-Ordinary Account (CPFIS-OA) Scheme, CPF members can invest up to 35% of investible savings in shares, corporate bonds, and property funds, while up to 10% can be invested in gold and Gold Exchange Traded Funds. In addition, investible OA savings can be invested in fund management accounts.

As at 31 December 2014, there were 904,005 CPF members who invested under the CPFIS-OA Scheme, an increase of 0.5% from 899,454 CPF members as at 31 December 2013. However, the total amount of OA savings invested decreased by 5.4% to \$19,891.5 million as at 31 December 2014, from \$21,033.0 million as at 31 December 2013.

As at 31 December 2014, there were 391,148 CPF members who invested under the CPFIS-Special Account (CPFIS-SA) Scheme, a decrease of 5.8% from 415,172 CPF members as at 31 December 2013. The total amount of SA savings invested decreased by 5.4% to \$5,481.1 million as at 31 December 2014, from \$5,794.5 million as at 31 December 2013.

As part of CPF Board’s continuous efforts to lower the cost of investing for CPF members, the limits on the Total Expense Ratio (TER) for unit trusts and

investment-linked insurance products under the CPFIS was further reduced from 1 October 2014 for new funds. For existing funds, the new limits will take effect from 1 January 2016. TER refers to the ongoing costs of operating a fund, expressed as a percentage of the fund’s average net asset value. The costs include investment management fees, trustee fees, and audit fees.

WITHDRAWALS UPON DEATH, PERMANENT DISABILITY AND OTHER GROUNDS

Upon a CPF member’s death, his savings will be paid to his nominated beneficiaries. If no nomination is made, the savings will be distributed by the Public Trustee according to the intestacy laws. CPF members with certain medical conditions, such as permanent physical or mental incapacity for work, can apply to withdraw their CPF savings on medical grounds. During the year, \$654.2 million was withdrawn on these grounds. CPF members who left Singapore and West Malaysia permanently withdrew \$665.6 million from their CPF.

EDUCATION SCHEME

The CPF Education Scheme is a loan scheme which enables CPF members to use their Ordinary Account savings to pay for their children’s, spouses’ or their own tuition fees for approved full-time government-subsidised local tertiary education. The scheme was introduced to help lower-income families.

In 2014, a total of 10,951 applications were processed under the scheme, a decrease of 10.4% from 2013. The gross amount withdrawn decreased by 3.1% from \$101.6 million to \$98.4 million in 2014. The total amount repaid to lending members decreased by 6.5% from \$77.0 million to \$72.0 million in 2014.

HEALTHCARE



1 From 1 January 2016, CPF members aged 55 and above can transfer their savings from the OA and SA to the RA, up to the current Enhanced Retirement Sum, set at 3 times of the Basic Retirement Sum.
2 From 1 January 2016, CPF members will no longer be required to use their CPF savings to first top up their Medisave Account to the Medisave Minimum Sum when applying to withdraw CPF savings from the other accounts at age 55.



HEALTHCARE

MEDISAVE

Medisave is a savings scheme to help Singaporeans build up sufficient savings for their co-payment of healthcare bills. Members may use their Medisave to pay for their personal or immediate family's hospitalisation, day surgery, and certain outpatient expenses.

To ensure members have sufficient Medisave for their healthcare needs over a lifetime especially after retirement, those who withdraw their CPF savings at or after age 55 need to set aside the Medisave Minimum Sum (MMS) of \$43,500 or the

actual Medisave balance, whichever is lower, in their Medisave Accounts (MA)¹. At the same time, to prevent over-saving in Medisave, from 1 July 2014 to 30 June 2015, CPF members can keep up to \$48,500 in their MA, after which the contributions will go to their Special Account to boost their CPF LIFE.

CPF members who are government pensioners under the Fixed Amount on Ward Charges Scheme are not required to maintain any savings in the MAs. Government pensioners under the Co-Payment on Ward Charges Scheme can maintain up to \$14,550² in their MAs.

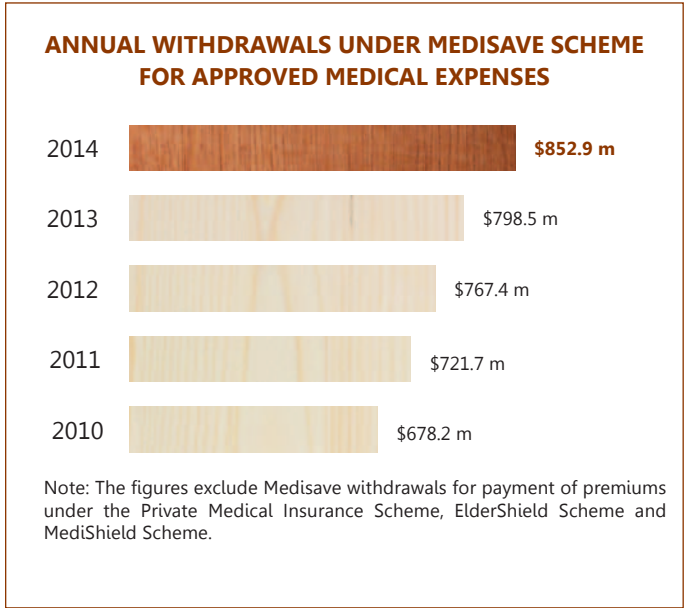
These government pensioners have to set aside \$13,050³ in their MAs when they withdraw their CPF savings at age 55.

CPF Members may use their or their family members' Medisave to pay for the treatment of approved chronic conditions under the Chronic Disease Management Programme (CDMP), screenings and vaccinations, up to \$400 per account per year.

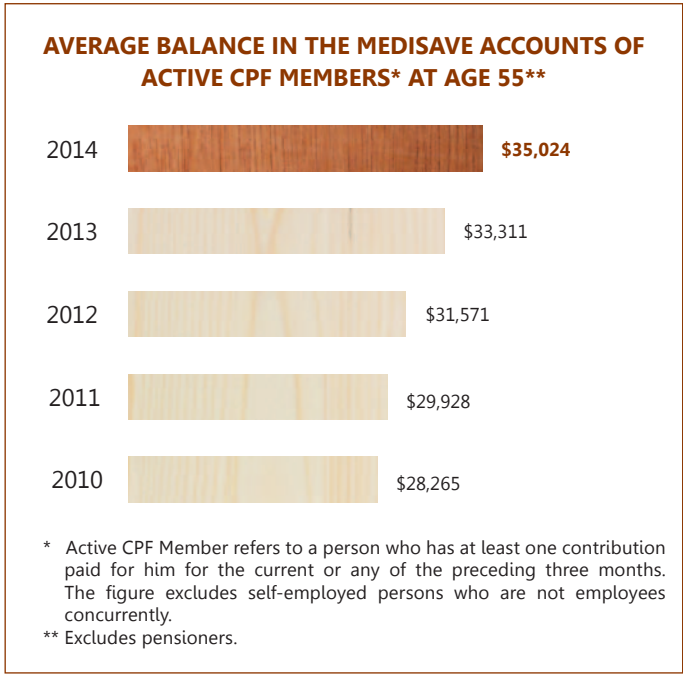
From 1 January 2014, Medisave use was extended for the outpatient treatment of five more chronic conditions, bringing the number of approved conditions to 15 under the Chronic Disease Management Programme (CDMP). Parents may also use Medisave to pay for selected outpatient screening tests for their newborns. In addition, persons in certain high-risk groups, such as the very young, the elderly, and persons with chronic medical conditions and those with poor immune function, can use Medisave to pay for flu and pneumococcal vaccinations.

From 1 July 2014, the first \$30 deductible that applies for CDMP was removed to help patients reduce their out-of-pocket cash payments for CDMP bills. The 15% co-payment remains.

Annual Medisave withdrawals for direct medical expenses increased by 6.8% from \$798.5 million in 2013 to \$852.9 million in 2014. The number of withdrawals increased by 21.0% to 1,756,246.



1 If the member has met his Full Retirement Sum, but has less than the Medisave Minimum Sum (MMS) in his Medisave Account, he will be required to set aside the MMS with part of his Ordinary Account/Special Account balances before withdrawal.
2 Equivalent to 30% of the prevailing Medisave Contribution Ceiling of \$48,500
3 Equivalent to 30% of the MMS at \$43,500



MEDISAVE GRANT FOR NEWBORNS

To support parents with their children's healthcare needs, eligible Singaporean newborns born on or after 26 August 2012 will receive a \$3,000 grant in two tranches in their Medisave accounts – the first \$1,500 after the registration of their birth, and the remaining \$1,500 in the subsequent year, provided that they remain enrolled in MediShield or an Integrated Shield Plan.

As of 31 December 2014, 72,803 newborns received \$109.2 million under the first tranche and 44,462 children received \$66.7 million under the second tranche.

MEDISAVE FOR THE SELF-EMPLOYED

Self-employed persons are required to contribute to Medisave based on their annual net trade income. In 2014, self-employed persons contributed a total of \$573.2 million to the CPF. Of this amount, \$447.5 million were contributions to the Medisave Account, while the remaining amount comprised voluntary contributions to the Ordinary and Special Accounts. These contributions will help self-employed persons save for their medical, retirement and housing needs.

MEDISHIELD

MediShield is a medical insurance scheme designed to provide coverage for patients in Class B2 and Class C wards, or receiving subsidised treatment in public hospitals. It provides CPF members and their dependants with financial protection against large medical expenses.

As an interim measure before the implementation of MediShield Life, the age limit for MediShield coverage was raised from 90 to 92 years old on 1 March 2014 to ensure that elderly insured members do not drop out of the scheme upon reaching 90 years

old. About 200 insured members who will reach 90 years old before the implementation of MediShield Life will benefit from this age extension.

CPF members who wish to have higher insurance coverage can buy Integrated Shield Plans from private insurers. The private insurers provide additional coverage on top of MediShield and act as a single point of contact to collect premiums and process claims for their policyholders.

Premiums for MediShield and Integrated Shield Plans can be paid using Medisave, subject to a maximum of \$1,400 per insured person per policy year, depending on the insured's age.

Better awareness among Singaporeans on the importance of medical insurance, coupled with ongoing exercises to promote MediShield to youths, parents with newborns and working adults, have led to an increase in the proportion of the population covered under this healthcare scheme.

As at 31 December 2014, there were 3,641,387 CPF members and dependants who were covered under MediShield and Integrated Shield Plans. During the year, \$389.9 million was approved to meet 314,929 claims.

MEDISHIELD LIFE

As announced during the 2013 National Day Rally, MediShield will be enhanced and re-named as MediShield Life in end 2015 to provide lifetime, universal medical insurance coverage for all Singapore Citizens and Permanent Residents, including those with pre-existing medical conditions. To reflect their higher risks, those with serious pre-existing medical conditions may need to pay a nominal 30% Additional Premiums over a period of 10 years.

MediShield Life will provide better coverage for large medical bills with enhanced benefits such as higher claim limits and lower co-insurance rates so that patients pay less.

To ensure that MediShield Life premiums remain affordable and to help ease the transition from MediShield to MediShield Life, the Government has committed close to \$4 billion over the next five years in subsidies and other forms of support:

- (i) The Government will bear the bulk of the cost of extending coverage to those with pre-existing conditions;
- (ii) Premium Subsidies for lower- to middle-income Singapore Residents;
- (iii) Pioneer Generation Subsidies for our Pioneer Generation;
- (iv) Transitional Subsidies for all Singapore Citizens; and
- (v) Additional Premium Support for those who are needy and unable to afford their premiums even after subsidies.

No one will lose their MediShield Life coverage due to the inability to afford their premiums.

HOME OWNERSHIP

HOME OWNERSHIP

PUBLIC HOUSING SCHEME

The Public Housing Scheme allows CPF members to use their CPF savings to buy HDB flats financed with HDB loans or bank loans, and to pay their housing loans.

Limits on the usage of CPF for housing are put in place to prevent overconsumption of CPF savings which may affect the retirement adequacy of CPF members. The exception is for new HDB flats financed with HDB loans, where there are no limits on the amount of CPF that can be used as these flats are sold at subsidised prices.

For resale HDB flats and Design, Build and Sell Scheme (DBSS) flats financed with HDB loans, the Valuation Limit (VL)

is applicable. The VL refers to the lower of the purchase price or market value of the flat at the time of purchase. For HDB flats and DBSS flats financed with bank loans, the VL and the Withdrawal Limit (WL) are applicable. The WL is 120% of the VL. Once the VL is reached, CPF members will have to set aside at least the Basic Retirement Sum in their Special/Ordinary Accounts (for those below 55 years old) or Retirement Account (for those aged 55 years old and above) before they can continue using their CPF for their flats, up to the WL.

During the year, \$6,932.2 million was withdrawn by 525,335 CPF members to pay for their flats financed with HDB loans, while \$2,665.3 million was withdrawn by

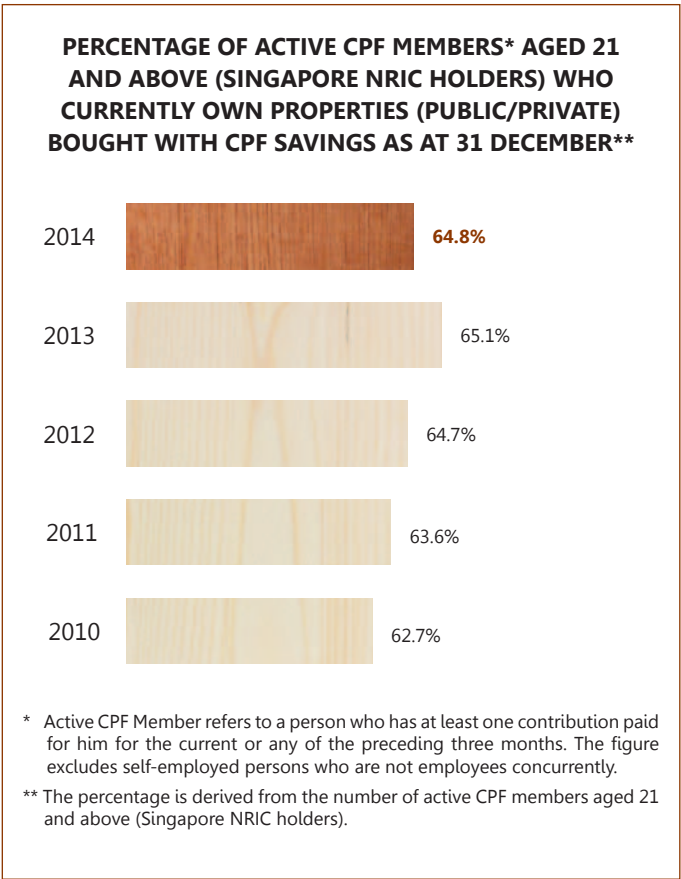
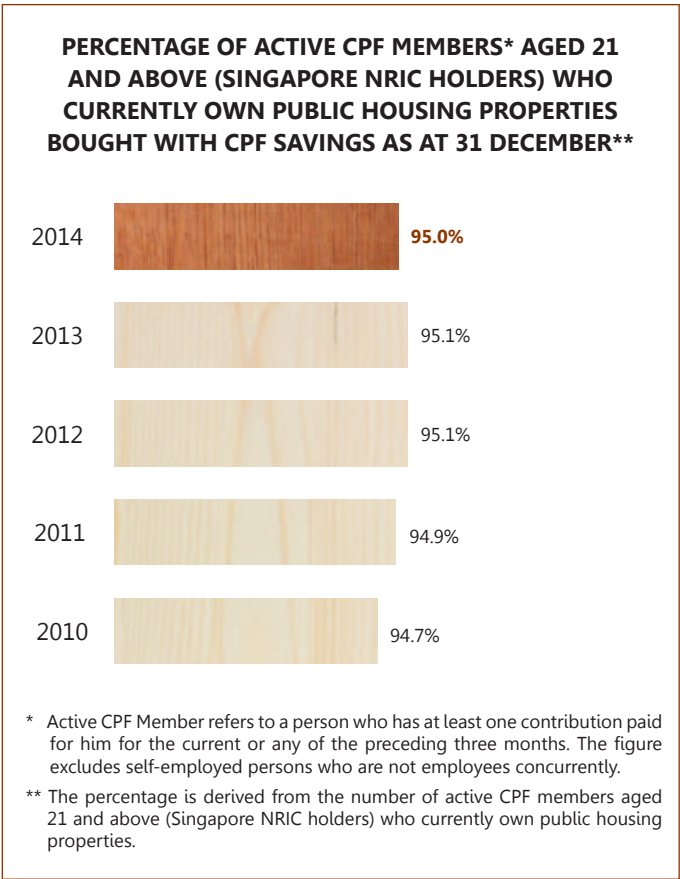
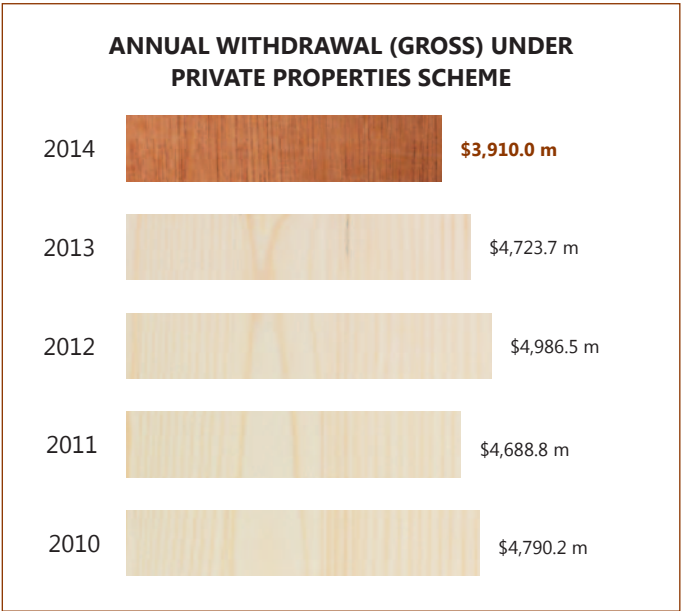
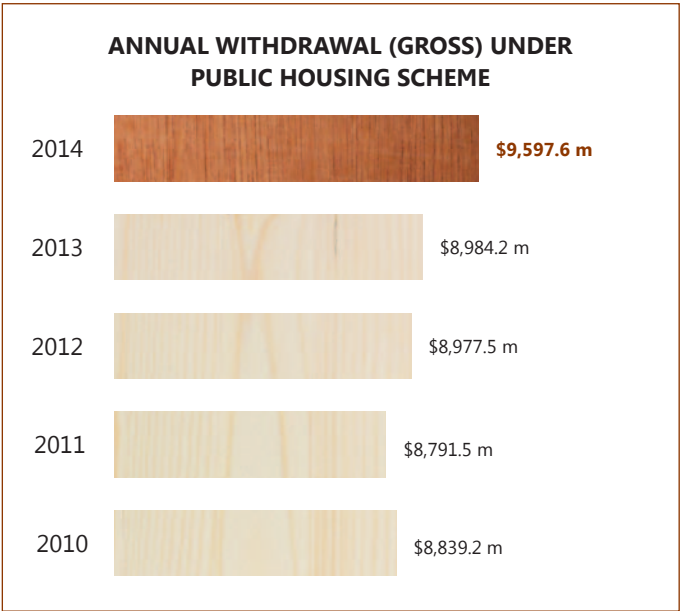
208,302 CPF members to pay for their flats financed with bank loans.

PRIVATE PROPERTIES SCHEME

Under the Private Properties Scheme, CPF members can use their CPF savings to buy private properties and HDB executive condominiums, and to pay their housing loans. The usage of CPF savings for private properties and HDB executive condominiums are also subject to VL and WL.

During the year, \$3,910.0 million was withdrawn by 177,360 CPF members to pay for their private properties and HDB executive condominiums.





USING CPF FOR MULTIPLE PROPERTIES

CPF members who own a property bought with their CPF savings and wish to buy another property with CPF will only be able to do so after setting aside the Basic Retirement Sum in their Special/Ordinary Accounts (for those below 55 years old) or Retirement Account (for those aged 55 years old and above). As at 31 December 2014, 52,234 CPF members set aside the Basic Retirement Sum before using their CPF savings to buy another property.

FAMILY PROTECTION

DEPENDANTS’ PROTECTION SCHEME

The Dependants’ Protection Scheme (DPS) is an opt-out term insurance scheme that provides CPF members and their families with some financial help should the insured CPF member become permanently incapacitated, or die before age 60.

DPS is administered by the Great Eastern Life Assurance Company Limited and NTUC INCOME Insurance Co-operative Limited. The sum assured for DPS is \$46,000. DPS members pay an annual premium of between \$36 and \$260, depending on their age, using their Ordinary and/or Special Account(s) savings.

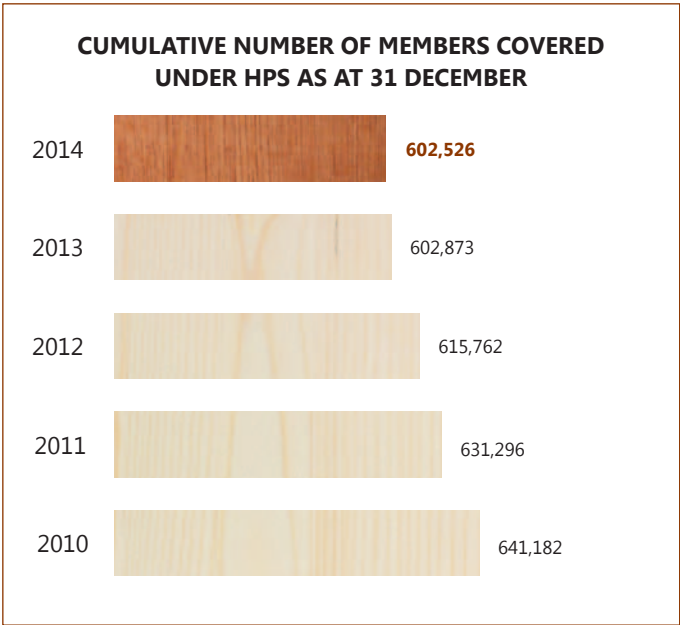
As at 31 December 2014, 1,897,994 CPF members were covered under the scheme, a decrease of 1.8% compared to 1,933,250 in 2013. The total sum assured decreased from \$96,175 million in 2013 to \$94,292 million in 2014.

During the year, a total of 2,667 claims were approved and paid. Of these, 1,891 were for death cases and 776 for permanent incapacity cases. The total claim amount paid was \$136.4 million, compared to \$141.8 million for 2,747 paid claims in 2013.

HOME PROTECTION SCHEME

The Home Protection Scheme (HPS) is a compulsory mortgage-reducing insurance scheme that protects families of CPF members who are using CPF savings to service their housing loans for HDB flats. HPS provides financial protection for CPF members and their families against losing their homes in the event of the insured members’ permanent incapacity or death.

As at December 2014, 602,526 CPF members were covered for a total assured sum of \$88,022.6 million. The membership decreased by 0.06% compared to 2013. A total of 968 claims amounting to \$85.4 million were approved. This comprised 613 claims for death cases and 355 for permanent incapacity cases.



WORKFARE

WORKFARE

WORKFARE INCOME SUPPLEMENT SCHEME

Workfare Income Supplement (WIS) is paid to Singaporeans to encourage them to work and improve their retirement adequacy. Workfare is calibrated to give a meaningful level of assistance while encouraging individual effort, and is targeted at those who need it most, for example those with limited access to household wealth.

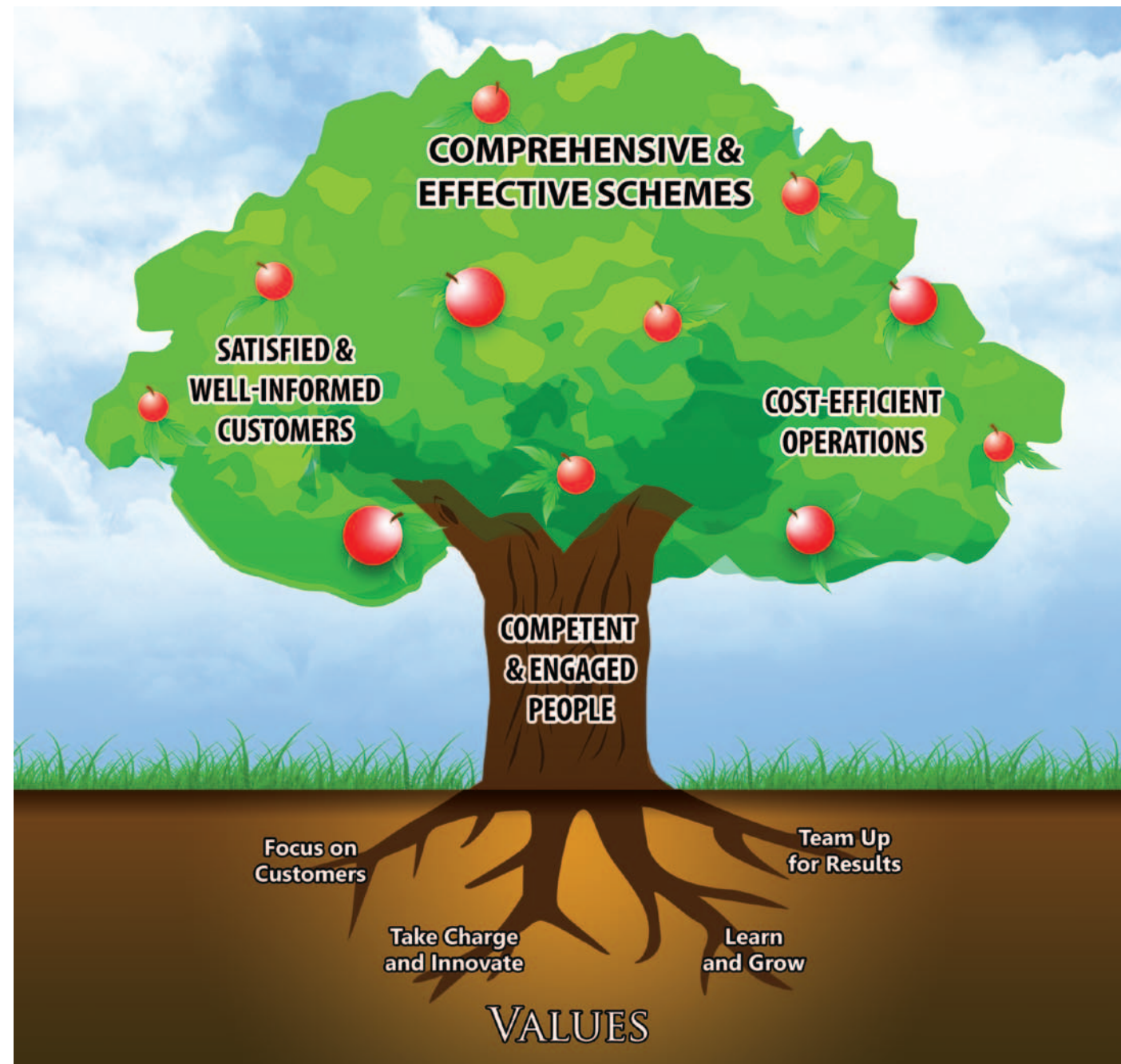
As at 31 December 2014, WIS payments totalling \$647.7 million were made to 426,329 Singaporean workers for working

in 2013. Another \$422.8 million were made to 372,245 workers for working between January and September 2014.

The Workfare Training Support (WTS) Scheme complements WIS by encouraging workers to upgrade their skills through training, so that they can improve their employability, upgrade to better jobs and earn more. Under the WTS Scheme, eligible WIS recipients can receive a Training Commitment Award (TCA) of up to \$400 a year when they complete the requisite training. The CPF Board administers the TCA payment on behalf of the Singapore Workforce

Development Agency. In total, about 33,000 WIS recipients received \$9.6 million in TCA payments in 2014.

The Workfare Transport Concession Scheme (WTCS) was announced in January 2014 by the Ministry of Transport (MOT) to help WIS recipients reduce their transport costs when they travel on public transport for work or to pursue better job and training opportunities further away from their homes. Under this scheme, which was implemented on 6 July 2014, WIS recipients enjoy 15% discount off adult fares. In total, about 200,000 WIS recipients were issued with the WTCS card in 2014.



Focus on Customers:

I treat our customers the way that I want to be treated.

Take Charge and Innovate

I initiate and am receptive to big and small innovations that help the Board save cost, improve productivity and/or provide better service.

Learn and Grow

I continuously learn and apply new skills and knowledge to meet the challenges of my work and environment.

Team Up for Results

We work together within and across departments to deliver results.

CPF SERVICES

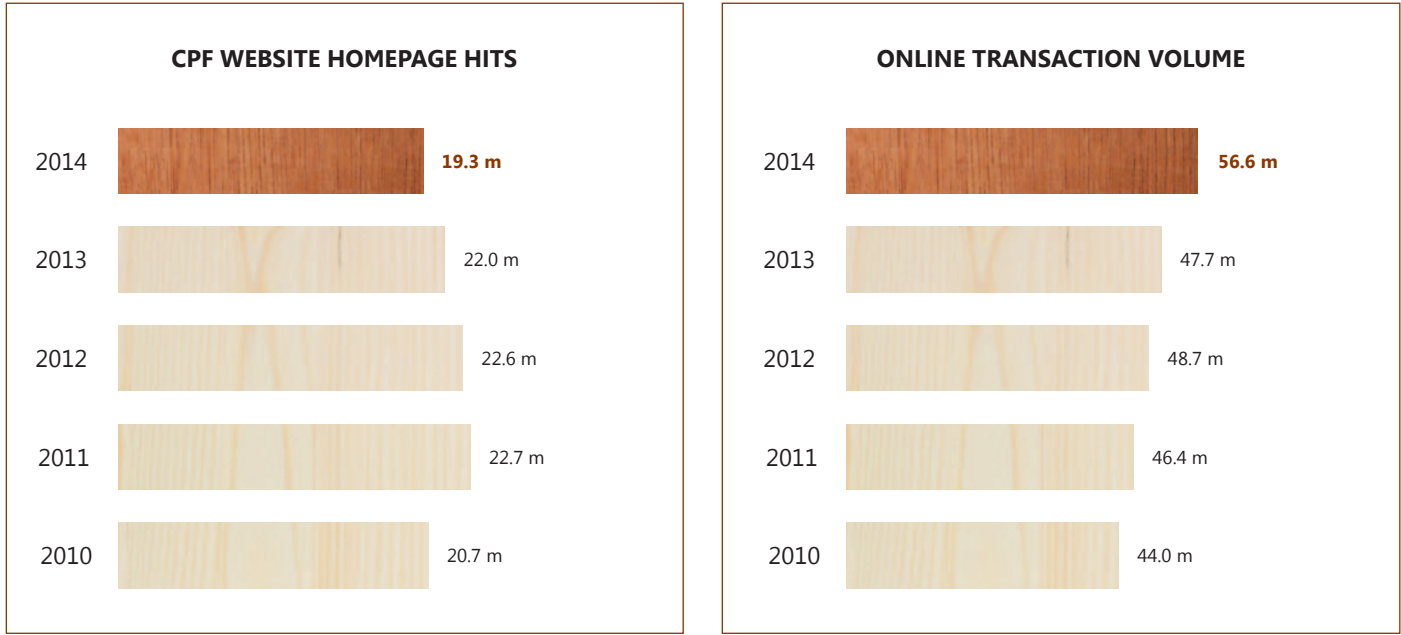


CPF SERVICES

CPF WEBSITE SERVICES (www.cpf.gov.sg)

The CPF homepage received over 19.3 million hits in 2014. Of the 56.6 million transactions performed last year on the CPF Board's electronic service platforms, 54.0 million were online transactions.

The *mycpf* portal, integrated with a customer relationship management system, allows the CPF Board to deliver more personalised services and targeted messages to CPF members. Under *mycpf* portal, CPF members can access their CPF account balances, and other online services, such as My Messages and My Statement.



ELECTRONIC SERVICES FOR EMPLOYERS

Employers can conveniently submit their employees' CPF contribution details using the electronic submission service via the CPF website. In addition to this e-submission channel, employers can electronically submit the contribution details via AXS stations across the island.

To enhance employers' e-submission experience, various enhancements were introduced in 2014. One of the key enhancements was to allow employers to specify their preferred deduction date at the point of their CPF submission.

As at 31 December 2014, 79.8% of all employers submitted their employees' CPF contribution details electronically. In terms of employee count, 95.4% of all employees have their CPF contribution details submitted electronically.

CPF MOBILE SERVICES

For greater convenience for CPF members, we offer CPF mobile services to provide accessibility to CPF e-services.

"CPF Tools", an iPhone app, allows CPF members with iPhones or iPads to view their account balances, contribution histories and important messages relating to the CPF schemes they are participating in, via their SingPass. More than 1.6 million transactions were performed via this app during the year.

CPF SERVICES ON ISLANDWIDE SELF-SERVICE KIOSKS

The availability of self-service kiosks islandwide has made it easier for CPF members to carry out their transactions. In 2014, close to 520,000 transactions were performed via AXS stations and more than

31,000 CPF payment transactions were performed via Self-Service Automated Machines (SAM).

SERVICE CENTRES

In 2014, the five CPF Service Centres served more than 890,000 CPF members and employers. Of these, about 525,000 CPF members and employers were served over the counters while the rest had self-help or were assisted at the e-lobbies in the Service Centres.

CLUB 55

The "Club 55" service at the CPF Board's five Service Centres caters to the needs of senior citizens. A team of dedicated and multi-lingual Customer Service Executives provide guidance to senior citizens aged 54 and above. In 2014, more than 153,000 elderly CPF members benefited from this priority service.

ONE-ON-ONE CPF RETIREMENT PLANNING SERVICE

Turning 55 years old is an important milestone for CPF members as they need to understand the options they have at this juncture, so that they can make informed decisions and choose options which best suit their individual needs.

To facilitate member's understanding, the CPF Board conducted a one-on-one CPF retirement planning service trial over three months from 1 December 2014 to 3 March 2015. About 200 CPF members who were approaching 55 were invited to participate. During the trial, personalised information was used to explain what happens to members' CPF balances upon reaching 55, the implications on their existing CPF obligations such as housing loans, and the options they can consider to enhance their retirement savings and payouts. The trial was well received by members with over 90% indicating that they would recommend the service to others.

Following the successful trial, the CPF Board will pilot the service to more than 6,000 members who are approaching 55 in the second half of 2015, with priority given to those who have outstanding housing loans payable by CPF savings. Through this pilot, the CPF Board will fine-tune the initiative to better serve our members.

APPOINTMENT SYSTEM

The appointment system allows a CPF member to make an appointment with a Customer Service Executive for advice on complex CPF transactions based on a date and time of their choice. In 2014, more than 16,000 CPF members benefited from this service.

1-QUESTION FAST COUNTER

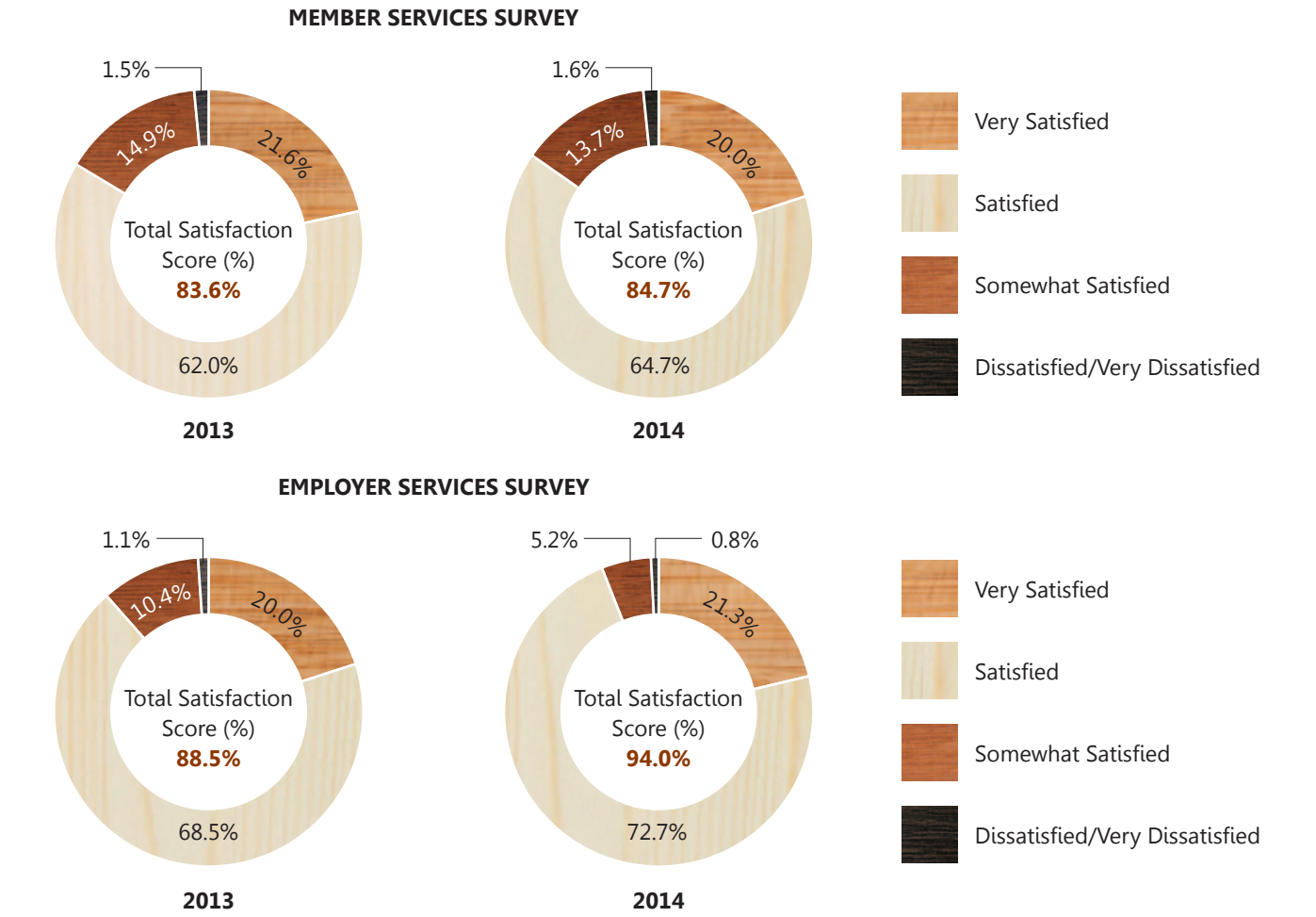
In 2014, more than 157,000 members used the "1-Question Fast Counter" which provides quicker response to CPF members who had a single enquiry.

CALL CENTRE

In 2014, the CPF Call Centre handled 720,000 calls from CPF members and employers. Of these, 119,000 calls were enquiries on national projects, such as the GST Voucher Scheme and Workfare Income Supplement Scheme. The CPF Call Centre has an SMS service for customers to leave messages for Customer Service Executives to call them back regarding CPF matters. The SMS service received about 18,000 responses from customers in 2014.

SERVICE FEEDBACK

The CPF Board conducts annual surveys to gather feedback from CPF members and employers on its electronic service, counter, telephone and other services. In 2014, the survey results showed that 84.7% of CPF members and 94.0% of employers were satisfied or very satisfied with the overall services of the CPF Board.



In addition, regular surveys to improve the service delivery to our customers, were conducted for the Call Centre, Service Centres, Correspondence Unit and website. Based on the surveys, 93.0% of the feedback respondents were satisfied or very satisfied with the services provided by our officers across all service channels.

PUBLIC COMMUNICATIONS

In 2014, the CPF Board ramped up its efforts to grow its own media and reach, so as to improve awareness and understanding of CPF schemes among members and employers.

Online Engagement

The CPF Board began consolidating its online educational Facebook and website platforms under its “Are You Ready by CPF Board” (AYR) brand from October 2014. The AYR Facebook page offers visually-engaging posts that provide simple explanations on various aspects of the CPF system, demystify jargons and correct misperceptions. Engagement on the Facebook platform has improved, averaging 1,400 engagements per month as of December 2014. To complement the Facebook page, an AYR website was launched in early 2015.

CPF Board’s quarterly online magazine “InTouch” was also enhanced. Its mobile-friendly format and lifestyle content featuring real-life profiles, CPF tips and expert advice on financial planning proved popular with readers. 99% of readers surveyed found the articles useful and informative, while 90% found the design attractive.

During the year, the CPF Board also continued to leverage on its email subscription database of more than 800,000 subscribers to share timely and targeted CPF information through its monthly email newsletter.

New Members Programme

In line with the life stages approach towards communications, CPF Board started development on a pilot programme for its new CPF members in 2015 to help them gain a better appreciation of how the CPF system works. The new members programme will provide CPF members who have just started work with an overview of the CPF system and insightful tips over a 12-month engagement period.

Outreach and Education

In 2014, CPF Board expanded its outreach to the heartlands. Outreach initiatives were conducted in collaboration with

partners such as the People’s Association and the National Library Board. In total, the CPF Board organised and participated in 147 events reaching out to more than 38,000 CPF members and employers. These include monthly talks to members turning 55 to help them understand the CPF retirement schemes, and employer classrooms to brief new employers on their roles and responsibilities relating to CPF contributions. 97% of the participants indicated that they found CPF Board’s outreach events useful, applicable and well presented. 75% were able to recollect accurately the key messages of the talks.

Together with the Ministry of Manpower (MOM), the CPF Board also embarked on publicity campaigns to raise awareness of the enhanced Workfare Income Supplement (WIS) Scheme amongst older lower wage workers. In addition, it continued to leverage on television, print and outdoor advertising to educate workers and employers on their rights and legal obligations under the Employment Act and CPF Act in the third year of the “WorkRight” initiative.

The CPF Board continued supporting the Learning Journey programme spearheaded by the Ministry of Education, to engage students in understanding CPF Board’s role in nation building. In 2014, we reached out to more than 1,400 students through this national education programme.

AGENCY SERVICES

The CPF Board provides key agency services to the government and other organisations, acting as the collecting agent for the Foreign Worker Levy, Skills Development Levy and the Community Chest’s Social Help and Assistance Raised by Employees donations. The CPF Board also collects contributions made to the Chinese Development Assistance Council Fund, Eurasian Community Fund, Mosque Building and MENDAKI Fund and Singapore Indian Development Association Fund.

In addition, the CPF Board conducts the annual Occupational Wages Survey for the Ministry of Manpower and administers the Edusave Pupils Fund and Post Secondary Education Account Funds for the Ministry of Education, and the National Service HOME Award for the Ministry of Home

Affairs and the Ministry of Defence. It also administers the Government-Paid Maternity Leave, Government-Paid Childcare Leave, Government-Paid Paternity Leave, Government-Paid Maternity Benefit, Government-Paid Shared Parental Leave and Government-Paid Adoption Leave Schemes on behalf of the Ministry of Social and Family Development.

In 2014, the CPF Board administered the Goods and Services Tax (GST) Voucher Scheme and the 5-year Medisave Top-Up for the Ministry of Finance.

GST VOUCHER

The GST Voucher Scheme, introduced in 2012, is a permanent scheme to help lower and middle-income households with their expenses, in particular, with what they pay in GST. The GST Voucher comprises three components – Cash, Medisave Top-up and U-Save Rebate. The CPF Board administers two components, namely the GST Voucher – Cash and the GST Voucher – Medisave. In Budget 2014, a one-off GST Voucher Special Payment, the GST Voucher – Cash: Seniors’ Bonus was introduced. The GST Voucher – Cash: Seniors’ Bonus was paid in addition to the regular GST Voucher payouts to eligible Singaporeans aged 55 and above.

As at 31 December 2014, 1.3 million Singapore citizens received \$491.4 million in cash, and 373,500 Singapore citizens received \$111.2 million in their Medisave.

5-YEAR MEDISAVE TOP-UP

The 5-year Medisave Top-Up was announced in Budget 2014 to help citizens aged 55 and above in 2014 who do not receive Pioneer Generation Benefits with their healthcare needs. As at 31 December 2014, 522,000 Singapore citizens received \$94.5 million in their Medisave.

GOVERNMENT-PAID LEAVE SCHEMES

Singapore’s Marriage and Parenthood Package was introduced in 2001, and enhanced in 2004, 2008 and 2013. Apart from the Government-Paid Maternity Leave and Government-Paid Childcare Leave Schemes, CPF Board administers the Government-Paid Paternity Leave, Government-Paid Maternity Benefit, Government-Paid Shared Parental Leave

and Government-Paid Adoption Leave Schemes with effect from 1 May 2013, under the Marriage and Parenthood Package 2013.

As at 31 December 2014, a total of 198,000 applications were processed and \$251.6 million was reimbursed under the Government-Paid Leave Schemes.

SPECIAL EMPLOYMENT CREDIT

The Special Employment Credit (SEC) was introduced in 2011 as a Budget Initiative to raise the employability of older-low wage Singaporeans. It was enhanced in 2012 to provide employers with continuing support to hire older Singaporean workers. Employers who employed Singaporeans aged above 50 and earning up to \$4,000 a month, and those who hired eligible persons with disabilities, were entitled to receive SEC.

A total of \$281.2 million of SEC was paid to 105,000 employers hiring 450,000 eligible employees on their payroll for the period January to June 2014. Payment of \$292.9 million for the period July to December 2014 was made to 119,000 employers in March 2015.

WAGE CREDIT SCHEME

The Wage Credit Scheme (WCS) is part of the 3-Year Transition Support Package introduced in Budget 2013 to flow back the additional foreign worker levies collected to businesses, to alleviate rising wage costs so that businesses can free up resources to invest in productivity improvements. It also encourages employers to share their productivity gains with their employees in the form of wage increases. As the supporting administrator, CPF Board’s role includes computing and transmitting Wage Credit allotment details to the main administrator (IRAS), processing and re-computing the allotment for appeals and generating data to facilitate MOF’s policy review and IRAS’s gaming checks. In March 2014, \$805.2 million of Wage Credit was paid to 74,000 employers who gave their employees qualifying wage increases in 2013.

PIONEER GENERATION PACKAGE

In 2014, the Government introduced the Pioneer Generation (PG) Package to honour and recognise the contributions

of Singapore’s pioneers in our nation building. The package will help pioneers with their healthcare costs for life. It comprises three components: special subsidies for Outpatient Care, annual Medisave Top-Ups and special premium subsidies for MediShield Life.

The CPF Board administers two of the three components of the package, Medisave Top-up and MediShield Life subsidies, while the Ministry of Health administers the Outpatient Care component.

As at 31 December 2014, a total of \$199.8 million was credited to the Medisave Accounts of 440,113 eligible pioneers.

IT INITIATIVES

Information Technology continues to be a key enabler that we leverage to deliver quality and innovative services to our members. To ensure sustainability, the CPF Board continues to modernise its IT systems and infrastructure, as well as to invest in new capabilities to keep pace with rapid advancement in technology. An example of such capabilities is the implementation of Data Analytics and Information Enterprise Laboratory (DANIEL), a strategic data warehouse to support more sophisticated data analysis and evidence-based CPF policy making. As one of the key public agencies, CPF Board also participates in government-wide IT initiatives to ensure inter-operability across agencies, such as the Whole Of Government (WOG)-ICT infrastructure programme in 2014.

ORGANISATIONAL EXCELLENCE

The CPF Board was awarded the National Security and Safety Watch Group (SSWG) Outstanding Cluster Award 2014. The Outstanding Cluster Award recognises the efforts and contributions of members of the Shenton SSWG Cluster for their efforts and contribution in crime fighting, countering of terrorism and implementation of various measures to raise the level of security in Singapore.

The CPF Board also received the Fire Excellence Award for CPF Robinson, Jurong and Bishan buildings and Fire Safety Award for CPF Tampines building. These awards are presented biennially by the National Fire And Civil Emergency Preparedness Council to give recognition

to efforts in maintaining very high standards of fire safety for our buildings.

INNOVATION PROGRAMMES

At the CPF Board, employees are actively encouraged to contribute ideas to improve work efficiency and effectiveness. In 2014, our officers contributed 1,701 ideas, of which 56% were implemented. The CPF Board’s Work Improvement Teams (WITs) programme has remained active for the past 34 years. In 2014, 155 WITs completed 42 projects.

In the CPF Board, the Smart Regulation Committee oversees the challenge to cut red-tape and simplify processes and rules affecting services to customers and productivity of staff. In 2014, 78 rules were reviewed, of which 50 were improved and six removed.

STAFF RECOGNITION AND AWARDS

The CPF Board gives out individual and team awards to staff who embody the CPF values as a form of recognition and encouragement to their efforts. Individual awards, like the Idea of the Month and Idea of the Year, and Best ROSE Award, STAR Ambassador Award and CARATS, celebrate staff who have lived out our values of *Take Charge and Innovate* and *Focus on Customers* respectively. The Staff Excellence Award, the pinnacle of individual staff awards, was given out to 19 officers in 2014 for their excellent overall performance in work and exemplification of the CPF values. We also gave out the inaugural Team Excellence Awards in 2014 to recognise teams which have lived out the value *Team Up for Results*. The awards acknowledge that the nature of work in the Board has become increasingly complex, and requires teams to work across the traditional partnership lines to deliver excellent results.

CONTRIBUTING TO THE COMMUNITY

The CPF Board plays an active role as a good corporate citizen, contributing to charities and participating in community projects to help enrich the lives of the less-privileged in our community.

COMMUNITY CHEST

Staff continued to give strong support to the Community Chest and participated

actively in the SHARE programme where they contribute a portion of their monthly income to the Community Chest. Staff participation rate was 95.8% in 2014. The SHARE donation from CPF staff amounted to \$81,724, an increase of 5.8% over 2013.

This strong staff support and commitment earned the CPF Board the SHARE Programme Platinum Award for the 21st consecutive year in 2014. The award is given by the Community Chest in recognition of the CPF Board's efforts in raising funds for people in need.

COMMUNITY SERVICE PROGRAMME

Adopted Home

As part of its community service efforts, CPF Board has adopted the St John's Home for Elderly Persons in 2014. In addition to fund-raising, quarterly visits to the Home were organised last year. This gave staff the opportunity to interact with

the residents, present gifts, and entertain them with karaoke sessions and games.

Fund Raising

Staff in the CPF Board played an active role in fund raising activities and events that contributed to charities and community causes to improve the lives of the less fortunate. In 2014, staff supported activities such as SANA's donation draw, AIN Society's donation drive, massage sessions by masseurs from the Singapore Association of the Visually Handicapped, ComChest Pledge Cards, and Wear the Pink Ribbon Campaign. A charity bazaar was organised and all proceeds were donated to St John's Home for Elderly Persons.

INTERNATIONAL RELATIONS

The CPF Board is one of the founding members of the ASEAN Social Security Association (ASSA), which seeks to promote the development of social

security in the region in consonance with the aspirations, laws and regulations of its member countries. ASSA provides a forum for member institutions to exchange views and experiences on social security issues. Its members comprise 18 social security institutions from nine ASEAN countries, namely, Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Philippines, Singapore, Thailand and Vietnam. The 31st ASSA Board Meeting was held in Kuala Lumpur, Malaysia, in September 2014.

As part of its international engagement efforts, the CPF Board received over 200 visitors from foreign national provident funds and government bodies, in the course of the year.