



**CENTRAL PROVIDENT FUND BOARD**  
ANNUAL REPORT 2018

# Contents



	PAGE
<b>MISSION, VISION AND VALUES</b> .....	<b>2</b>
<b>CORPORATE</b>	
Chairman's Statement .....	6
Board Members .....	10
Chief Executive Officer's Statement .....	12
Corporate Governance .....	16
Core Management .....	22
Organisation Structure .....	24
<b>REVIEW OF OPERATIONS</b>	
Overview .....	28
Retirement .....	32
Healthcare .....	36
Home Ownership .....	40
CPF Services .....	43
<b>FINANCIAL STATEMENTS</b> .....	<b>54</b>
<b>ANNEXES</b> .....	<b>146</b>

# Mission



To enable Singaporeans to have a secure retirement, through lifelong income, healthcare financing and home financing

# Vision



A trusted and respected social security organisation, committed to enable Singaporeans to have a secure retirement

# Values



## Focus On Customers



I deepen the trust and respect customers have in the Board's service in all my interactions.



## Take Charge And Innovate



I initiate and am receptive to big and small innovations that help the Board to 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.



# Corporate

...





# Chairman's Statement

...



Mr Chiang Chie Foo

I would also like to extend my appreciation to former Board members Mr John Ng, Mr Lau Wing Tat and Mr Sarjit Singh Gill for their valued service to the Board. We welcome on-board Mr Aje Kumar Saigal, Ms Rachel Eng and Mr Tan Hee Teck as Board members, as well as our new Chief Executive Officer, Mr Augustin Lee. We look forward to their contributions to the Board."

## UPDATE ON THE CENTRAL PROVIDENT FUND AND INSURANCE FUNDS

1. In 2018, the number of CPF members increased by 2% to 3.9 million, and total CPF balances grew by 9% to \$391.1 billion. This excludes the net amount withdrawn for housing and investments, which stood at \$242.2 billion as at end 2018. Members continued to earn an interest rate of up to 5% per annum on their savings in the Special, MediSave, and Retirement Accounts, and up to 3.5% per annum on Ordinary Account (OA) balances. These interest rates included an extra 1% interest paid on the first \$60,000 of a member's combined balances. CPF members aged 55 and above also earned an additional 1% extra interest on the first \$30,000 of their combined balances, allowing them to earn up to 6% interest per year on their retirement balances.
2. As at end 2018, about 610,000 members were insured under the Home Protection Scheme (HPS), and the Home Protection Fund stood at **\$1.2 billion**. About 1,017 HPS claims amounting to \$91.9 million were approved in the course of the year. The MediShield Life Fund stood at about **\$1.9 billion** at end 2018. About 603,000 MediShield Life claims were approved, amounting to \$928.9 million, in 2018.

## MAJOR ENHANCEMENTS IN 2018

### Helping Members to Strengthen Retirement Adequacy

3. To address concerns with the rising cost of living in retirement, the CPF LIFE Escalating Plan was introduced in January 2018. Members joining CPF LIFE now have the option of receiving payouts that escalate at 2% per year, by starting with a lower initial payout. All existing CPF LIFE members were also given the choice to switch to the CPF LIFE Escalating Plan between January and December 2018.

4. The CPF Investment Scheme (CPFIS) was enhanced to better cater to members prepared to take investment risk for higher expected returns, and who have the knowledge and time to invest. First, to provide members with feedback on their level of basic financial knowledge and to help them decide whether the CPFIS is suitable for them, a Self-Awareness Questionnaire was introduced as part of the process of opening a CPFIS account from 1 October 2018. Second, to reduce the cost of investing for members, the cap on sales charges and annual wrap fees were lowered.

### Providing Greater Flexibility for Members to Save More

5. We lowered the threshold for children to transfer CPF savings to their parents and grandparents in October 2018, by allowing them to transfer their CPF savings above the Basic Retirement Sum, instead of the Full Retirement Sum, if they own a property. This provides members with more options to build up their parents' or grandparents' retirement savings.
6. From August 2018, members taking up HDB housing loans could choose to retain up to \$20,000 each in their OA. Previously, these members had to fully utilise their OA savings before they took up a housing loan. The funds retained can be used for mortgage instalments in times of need and will improve retirement adequacy if left unutilised.

### Helping Members with Their Housing and Healthcare Needs

7. The Proximity Housing Grant (PHG) was increased to \$30,000 in February 2018, for families buying a resale flat to live with their parents or married children. The PHG was also increased for singles who buy a resale flat to live with or near their parents. In addition, the criterion for determining what is considered 'near' was simplified. Together with the CPF Housing Grant and the Additional CPF Housing Grant, a first-timer applicant can now receive up to \$120,000 in housing grants.

8. To better protect Singaporeans against large medical bills, from July 2018, MediShield Life coverage was extended to cover patients directly admitted from the emergency department of public hospitals into community hospitals. Previously, MediShield Life covered community hospital stays only for patients transferred from an acute hospital after an acute inpatient stay. Members can claim up to \$350 per day from MediShield Life, which is the prevailing inpatient limit for community hospitals.
9. With effect from June 2018, the annual withdrawal limit for the MediSave400 scheme was raised from \$400 to \$500. The minimum age for members to use Flexi-MediSave was also lowered from 65 to 60. These changes will help more members defray part of their out-of-pocket expenses, while still ensuring that members have sufficient MediSave savings for future needs.

### Improving Members' and Employers' Service Experience

10. As part of the CPF Board's efforts to enhance our services to members, we introduced an additional option for eligible members aged 55 and above to withdraw their savings via PayNow in March 2018. PayNow QR (Quick Response) code was introduced to make it easier for members to top up their Special and Retirement Accounts from August 2018.
11. PayNow QR payment was also offered to employers from November 2018, providing greater convenience and shortening the payment time required to make CPF contributions.
12. The myCPF mobile app was also redesigned, offering members easy access to their personal CPF information, a quick way to calculate their CPF contributions, and a convenient platform to perform transactions such as top-ups.





## FURTHER ENHANCEMENTS IN 2019 AND BEYOND

### Introduction of CareShield Life

13. CareShield Life will be introduced in 2020 to better support the basic long-term care needs of Singapore residents with severe disability. Compared to ElderShield, CareShield Life will provide lifetime payouts that last as long as policyholders are severely disabled. Starting payouts will also be significantly higher, and will increase over time. To ensure that nobody will lose their CareShield Life coverage because of an inability to pay, the Government will provide permanent means-tested premium subsidies

of up to 30% for Singapore Residents and additional premium support for Singapore Citizens in financial need. Transitional Subsidies will also be provided for eligible Singapore Citizens for the first five years of scheme implementation, from 2020 to 2024.

### Supporting Members' Retirement and Healthcare Needs

14. From January 2019, the Lease Buyback Scheme was extended from 4-room or smaller flat types to all HDB flat types, to allow more members to monetise their flats to receive a stream of income in their retirement years.

15. Currently, self-employed persons (SEPs) are required to contribute to their MediSave accounts on an annual basis. In 2018, the Government agreed to study how to implement the Tripartite Workgroup's recommendation for a Contribute-As-You-Earn (CAYE) scheme for SEPs' MediSave contributions. Under the CAYE scheme, a MediSave contribution will be required as and when a service fee is earned. A service buyer or intermediary who contracts with the SEP will deduct and transmit the MediSave contribution to the SEP's MediSave account whenever they pay the SEP. The Government, as a service buyer, is on track to pilot CAYE from Q1 2020.

16. The Tripartite Workgroup on Older Workers was formed in May 2018 to review, amongst other things, CPF contribution rates for older workers, to balance the need to improve retirement adequacy and sustain employability for these workers. The Workgroup will deliver their final recommendations later this year.

### Enhancements to Workfare Income Supplement (WIS)

17. At Budget 2019, the Government announced a series of enhancements to the WIS Scheme, to better support lower-wage workers. From January 2020, the qualifying income cap will be raised from the current \$2,000 to \$2,300 per month, allowing more workers to receive WIS. The maximum annual payouts will also be increased by up to \$400, with older workers seeing a higher increase in payouts.

## CONCLUSION AND APPRECIATION

18. Amidst changing workforce demographics, the CPF Board remains committed to serve Singaporeans by supporting their retirement, housing and healthcare needs. I would like to take this opportunity to express my gratitude and thanks to all Board members for the contribution and support, as well as to the CPF Board staff for their unwavering dedication and commitment. They have all made valuable contributions in the pursuit of CPF Board's mission.

19. Mr Ng Chee Peng stepped down as Chief Executive Officer of the CPF Board on 31 March 2019. Over his 4 years at the CPF Board, Mr Ng contributed to implementing and enhancing several major CPF policies, such as the Silver Support Scheme, MediShield Life and the recommendations from the CPF Advisory Panel. I would like to express my heartfelt appreciation to Mr Ng for his leadership and contributions to the CPF Board.

20. I would also like to extend my appreciation to former Board Members Mr John Ng, Mr Lau Wing Tat and Mr Sarjit Singh Gill for their valued service to the Board. We welcome on-board Mr Aje Kumar Saigal, Ms Rachel Eng and Mr Tan Hee Teck as Board members, as well as our new Chief Executive Officer, Mr Augustin Lee. We look forward to their contributions to the Board.



# Board Members

...



## CHAIRMAN

**Mr Chiang Chie Foo**

Central Provident Fund Board



**Mr Augustin Lee**

Chief Executive Officer  
Central Provident Fund Board



**Ms Rachel Eng**

Managing Partner  
Eng and Co. LLC



**Ms Ho Hern Shin**

Assistant Managing Director  
(Banking & Insurance Group)  
Monetary Authority of Singapore



**Professor Annie Koh**

Vice President, Office of  
Business Development  
Professor of Finance (Practice)  
Singapore Management University



**Mr Chan Heng Kee**

Permanent Secretary  
Ministry of Health  
(Government Representative)



**Mr Lim Zhi Jian**

Director of Reserves and Investment  
Ministry of Finance  
(Government Representative)



**Mr Tan Hee Teck**

Chairman &  
Chief Executive Officer  
Resorts World at Sentosa Pte Ltd  
(Employer Representative)



**Mr Aje Kumar Saigal**

Chief Executive Officer &  
Chief Investment Officer  
Nuvest Capital Singapore



**Mr Tan Teck Huat**

Finance Director  
QAF Limited



**Mr Tung Siew Hoong**

Managing Director, Fixed Income  
GIC Private Limited



**Mr Zahidi Abdul Rahman**

Principal Architect,  
Zahidi AR Arkitek  
(Employer Representative)



**Ms Mary Liew**

President, National Trades Union Congress  
General Secretary, Singapore Maritime  
Officers' Union  
(Employee Representative)



**Ms Cham Hui Fong**

Assistant Secretary-General  
National Trades Union Congress  
(Employee Representative)

## BOARD MEMBER(S) WHO COMPLETED THEIR TERMS DURING THE YEAR:

- ▶ **Mr Ng Chee Peng**  
Chief Executive Officer  
Central Provident Fund Board
- ▶ **Mr John Ng**  
Chief Executive Officer  
YTL PowerSeraya Pte. Limited.  
(Employer Representative)
- ▶ **Mr Sarjit Singh Gill**  
Senior Partner  
Shook Lin & Bok LLP
- ▶ **Mr Lau Wing Tat**

# Chief Executive Officer's Statement

...



Mr Augustin Lee

“On behalf of the Management, I would like to express my deepest gratitude to all staff of the CPF Board for their commitment to provide excellent service to our members, and enabling them to have a secure retirement. I would also like to thank our Chairman and Board Members for their strong stewardship and support of management initiatives. I look forward to the journey ahead to better-serve our members.”

## ENHANCEMENTS TO CPF POLICIES AND SCHEMES

- 2018 saw the enhancement of various CPF schemes to help members strengthen their retirement adequacy and finance their housing and healthcare needs. This includes:
  - ▶ Launching the CPF LIFE Escalating Plan.
  - ▶ Allowing members to transfer their CPF savings above the Basic Retirement Sum to their parents and grandparents.
  - ▶ Lowering Home Protection Scheme premiums to allow members to enjoy affordable home protection insurance for their HDB flats.
  - ▶ Providing members the option to keep up to \$20,000 in their CPF Ordinary Account, instead of being required to deplete it to reduce the quantum of the HDB loan taken for their flats.
  - ▶ Lowering the age criterion for Flexi-MediSave from 65 to 60 years old and extending MediShield Life coverage to patients directly admitted from emergency departments of public hospitals into community hospitals.

## QUALITY SERVICE AND MEMBER ENGAGEMENT

### Leveraging on Technology to Improve Service Experience

#### Faster CPF Payments via PayNow

- The CPF Board was the first government agency to implement the PayNow service. Through PayNow, eligible members aged 55 and above are able to receive their CPF withdrawals within the same day of their application.

- The PayNow QR (Quick Response) code was also introduced to allow members to top up their CPF accounts more conveniently. Since its launch, more than 4,200 top-ups, which totalled to close to \$20 million, were made through this new service. The PayNow QR service was subsequently extended to employers, making it easier for them to make CPF contributions for their employees. This is especially helpful to the smaller employers. More than 1,900 employer submissions were made through PayNow QR, amounting to more than \$3 million in employer contributions.

#### Digital Initiatives to Help Members Learn about the CPF System

- The CPF Board launched a re-designed *my cpf* Profile where members can view visual representation of their personalised CPF information, such as account balances, transactions and contributions.
- We have also upgraded the myCPF mobile app for members to easily access their personal CPF information and perform transactions such as top-ups. As at end 2018, about 250,000 CPF members were using the myCPF mobile app.
- A new video feature, in beta version, was introduced with the CPF Yearly Statement of Account to help members learn how they could make the most of their CPF savings.
- Building on the CPF Retirement Planning Service (CRPS) launch in 2017 to provide members aged 54 with face-to-face guidance on CPF matters, CRPS Online, featuring personalised infographics, was introduced in April 2018 to allow members to access the service online anytime and anywhere.
- The above efforts to enhance members' experience through the use of technology helped the CPF Board clinch the Commonwealth Association for Public Administration and Management International Innovation Award in 2018.

### Engaging the Public on the Importance of Financial Planning and Retirement

- The CPF Board engages members to help them better understand the CPF system, so that they can make informed decisions on the use of their CPF savings. As part of our service enhancement efforts, the CPF Bishan Service Centre was redesigned in 2018 by adopting human-centred design to deliver an easy, effective and empathetic service experience.
- The CPF Board also piloted CRPS for members approaching their payout eligibility age (CRPS@65). Participants of this pilot found it useful and would recommend CRPS@65 to their family and friends. With such promising results, we have since expanded CRPS@65 to cater to all members turning 65 from January 2019.

#### Retirement Planning Campaign

- To encourage members to be better prepared for their retirement and to help them understand how they can grow their CPF savings in small ways, the CPF Board rolled out its annual retirement planning campaign with the theme “*The Future is Closer than You Think. Be Ready with CPF*” in 2018. The campaign featured a series of light-hearted videos featuring relatable moments of adulting and ageing, to nudge Singaporeans into realising that retirement planning should start today, and that they can use their CPF to be ready for their future. These videos received over 6.3 million views. We also organised a series of retirement planning roadshows island-wide, with over 170,000 visitors who learnt how CPF supports them through various phases of their lives.



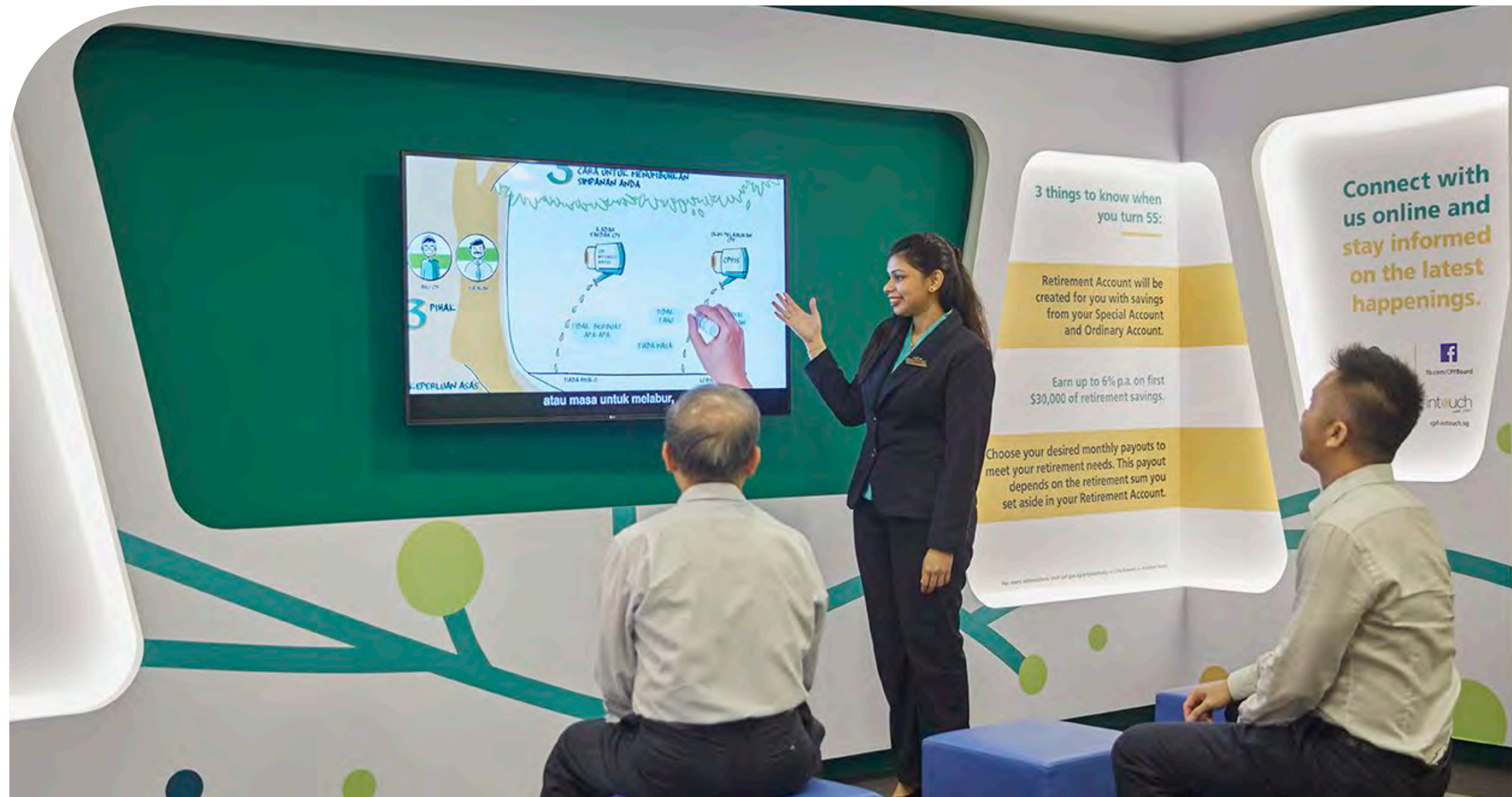
## Online Engagement

12. In 2018, our CPF Facebook fan base grew by 12% to over 156,000 fans, while our “Are You Ready” outreach website attracted more than 2.3 million page views. This is complemented by our Instagram page for younger CPF members which was launched in 2017 and has over 9,000 followers.

## OPERATIONS

### Enforcement and Deterrence

13. The CPF Board protects the rights of our members using the three-pronged approach of education, deterrence and enforcement. Through this approach, we conducted pro-active audits and acted on complaints received. These enforcement efforts resulted in a total recovery of \$595.9 million in owed and late CPF contributions in 2018.



### Agency Projects – Disbursements Made in 2018

14. The CPF Board made the following disbursements on behalf of the Government in 2018:

- ▶ GST Voucher Scheme: \$402 million in cash was disbursed to 1.4 million Singapore citizens and \$136.6 million was disbursed into the MediSave accounts of 466,000 Singapore citizens.
- ▶ MediSave top-ups: \$158.1 million in MediSave top-ups and \$187.1 million of MediShield Life premium subsidies were disbursed to eligible Pioneers under the Pioneer Generation Package. A further \$91 million in MediSave top-ups was disbursed to 503,000 Singapore citizens to help those citizens aged 55 and above who were not eligible for the Pioneer Generation benefits.

- ▶ SG Bonus: \$655 million in cash was disbursed to 2.7 million Singapore citizens.
- ▶ Workfare Income Supplement (WIS) Scheme: \$655.6 million of WIS payments was disbursed to around 411,000 Singaporean employees and self-employed persons for working in 2017. Another \$583.6 million of WIS payments was made to about 357,000 Singaporean employees for working in 2018.
- ▶ Silver Support Scheme: \$335.1 million of payouts was disbursed to more than 153,000 seniors.

## APPRECIATION

15. On behalf of the Management, I would like to express my deepest gratitude to all staff of the CPF Board for their commitment to provide excellent service to our members, and enabling them to have a secure retirement. I would also like to thank our Chairman and Board Members for their strong stewardship and support of management initiatives. I look forward to the journey ahead to better-serve our members.



# Corporate Governance



## BOARD'S CONDUCT OF AFFAIRS

The Board is the trustee of the Central Provident Fund and oversees the management of the Fund as prescribed under the Central Provident Fund Act (CPF Act). It is also responsible for reviewing and approving the annual budget and financial statements. The Board monitors organisational performance, ensures the adequacy of risk management policies and systems, and provides advice to Management to ensure that the CPF Board functions efficiently and effectively. The Board's approval is required for material transactions and decisions, including but not limited to the sale of property.

### Board composition and membership

The CPF Act provides for the appointment of 15 Board Members, comprising the Chairman, Deputy Chairman, Chief Executive Officer, two Government representatives, two Employer and Employee representatives respectively, and up to six other individuals. The Minister for Manpower, with the President's concurrence under Article 22A(1)(b) of the Constitution of the Republic of Singapore, appoints all the Board Members. Board Members, including the Chairman and Deputy Chairman, are appointed for a term of up to two years. The Board comprised 15 members as at 31 December 2018.

All Board Members, with the exception of the Chief Executive Officer ("CEO"), are non-executive members. The Board's composition takes into account relevant expertise and experience required for effective decision making and leadership. The Board consists of members with core competencies in areas such as accounting, insurance and investment.

The CPF Board's management provides comprehensive briefing and orientation sessions for new Board Members. Besides general briefings on the CPF Board and the Board's powers and obligations, Board Members also receive customised briefings tied to their specialised roles within the Board.

### Board meetings

Board meetings are scheduled quarterly for the purpose of, among other things, approving the annual budget, the audited financial statements, CPF Rules amendments and major projects. The by-laws of the Board allow Board Members to take part in meetings in person or via any means provided that all the members who wish to participate at the meeting have access to the technology needed to participate in the meeting, and a quorum of Board Members can simultaneously communicate with each other throughout the meeting. Urgent matters requiring decisions are circulated via e-mail by the Board Secretariat. The Board met four times in 2018.

Board Members are provided with the necessary information for them to effectively discharge their responsibilities at each Board meeting. This includes regular reports on CPF contributions and developments on CPF schemes. Significant operational highlights and financial statements are provided on a regular basis for the Board's information. Board Members may request additional information where necessary. Minutes of Board meetings are documented for record, with Matters Arising promptly followed up and reported back at the following Board meeting.

### Board Committees

In discharging its responsibilities, the Board is supported by six Board Committees, namely the Audit Committee, Investment Committee, MediShield Life and Insurance Schemes Committee, Public Engagement Committee, Risk Management Committee and Staff Committee, each commissioned with the respective Terms of Reference approved by the Board.

#### Audit Committee

The Audit Committee comprises non-executive and independent Board Members nominated based on their expertise and experience with regard to discharging the responsibilities of the Committee. The Audit Committee was chaired by Mr Tan Teck Huat in 2018. Four other members served on the Audit Committee in 2018 – Professor Annie Koh, Ms Mary Liew, Mr Sarjit Singh Gill and

Mr Zahidi Bin Abdul Rahman. Mr Sarjit Singh Gill left the Audit Committee when he completed his service as Board Member on 30 June 2018. Professor Annie Koh and Mr Zahidi Bin Abdul Rahman were appointed as members of the Audit Committee with effect from 1 July 2018.

The Audit Committee assists the Board in overseeing activities carried out by Management, independent auditors and internal auditors relating to internal controls, financial reporting, compliance with rules, regulations, corporate policies and procedures, as well as risk management. It also oversees the Board's whistle-blowing programme.

The Audit Committee met thrice in 2018 and urgent matters were approved by circulation.

#### Investment Committee

The Investment Committee was chaired by Mr Tung Siew Hoong in 2018. Seven other members served on the Investment Committee in 2018 – Ms Marilyn Ang, Mr Lau Wing Tat, Mr Lim Zhi Jian, Mr Ng Chee Peng, Mr Aje Kumar Saigal, Mr Wong Ban Suan and Mr Alan Yeo. Ms Ang, Mr Wong and Mr Yeo were co-opted to augment the investment expertise of the Committee. Mr Lau and Mr Yeo relinquished their Investment Committee membership following the completion of their terms on 30 June 2018 and 7 February 2018 respectively, and were replaced by Mr Aje Kumar Saigal and Ms Marilyn Ang.

The Investment Committee assists the Board with investment matters relating to funds managed by the Board. It advises the Board in setting the overall investment policy and strategic asset allocation, and has decision making authority over the investment management strategy and structure, appointment of investment consultant, custodian, external fund managers and other third parties, overall approach to risk management, rebalancing guidelines, the implementation of tactical asset allocation and performance reporting framework.

The Investment Committee met four times in 2018 and urgent matters were approved by circulation.





### MediShield Life and Insurance Schemes Committee

The MediShield Life and Insurance Schemes Committee was chaired by Mr Chan Heng Kee in 2018. Seven other members served on the MediShield Life and Insurance Schemes Committee in 2018 – Mr Cham Dao Song, Ms Cham Hui Fong, Mr Chi Cheng Hock, Ms Ho Hern Shin, Professor Annie Koh, Mr Ng Chee Peng and Mr Sarjit Singh Gill.

Professor Annie Koh and Mr Sarjit Singh Gill completed their service as MediShield Life and Insurance Schemes Committee members on 30 June 2018. Mr Cham was appointed as a representative of the Ministry of Health, while Mr Chi was co-opted for his actuarial expertise.

The MediShield Life and Insurance Schemes Committee oversees the management of the Home Protection, MediShield Life and CPF LIFE Schemes. It reviews the annual valuation and actuarial studies of the various schemes, and recommends or approves adjustments to the premiums and benefits of the Home Protection and CPF LIFE Schemes. The Committee also manages the solvency and liquidity of the insurance funds based on the return objectives, risk tolerance levels and risk management framework established for each fund and in accordance to the guidelines set by the Minister overseeing the relevant scheme.

The MediShield Life and Insurance Schemes Committee met thrice in 2018.

### Public Engagement Committee

The Public Engagement Committee was chaired by Mr Augustin Lee in 2018. Five other members served on the Public Engagement Committee in 2018 – Ms Cham Hui Fong, Mr Janadas Devan, Professor Annie Koh, Mr Ng Chee Peng and Mr Zahidi Bin Abdul Rahman. Mr Devan, who is the Chief of Government Communications at the Ministry of Communications and Information, was co-opted to augment the expertise of the Committee.

The Public Engagement Committee advises the Board on public communications strategies. It also provides strategic guidance on stakeholder engagement with the People, Public and Private sectors.

The Public Engagement Committee was dissolved in July 2018.

### Risk Management Committee

The Risk Management Committee was chaired by Mr John Ng from 1 January 2018 to 30 June 2018, and Mr Augustin Lee from 1 July 2018. Six other members served on the Risk Management Committee in 2018 – Ms Cham Hui Fong, Ms Rachel Eng, Mr Lau Wing Tat, Mr Ng Chee Peng, Mr Tan Hee Teck and Mr Zahidi Bin Abdul Rahman. Mr Lau and Mr Zahidi completed their services as Risk Management Committee members on 30 June 2018 and Ms Eng joined the Committee on 1 September 2018.

The Risk Management Committee assists the Board in overseeing CPF Board's enterprise risk management framework. It ensures that Management has fully identified and assessed the key risks that CPF Board faces and has established a risk management infrastructure capable of addressing those risks. The Committee supports the Board in overseeing Board-level risks in conjunction with other Board Committees.

The Risk Management Committee met twice in 2018.

### Staff Committee

The Staff Committee was chaired by Mr Chiang Chie Foo. Five other members served on the Staff Committee in 2018 – Mr Augustin Lee, Mr John Ng, Mr Ng Chee Peng, Mr Tan Teck Huat and Mr Tung Siew Hoong. Mr John Ng completed his service as a Staff Committee member on 30 June 2018.

The Committee is the approving authority for key human resource and remuneration policies as well as the appointment and promotion of senior executives.

The Staff Committee met once in 2018 and urgent matters were approved by circulation.

### Attendance at meetings

Board Members' attendance at Board and Board Committee meetings in 2018 is set out in the following table:

	Board		Board Committees											
	No. of Meetings		Audit Committee		MediShield Life and Insurance Schemes Committee		Investment Committee		Risk Management Committee		Staff Committee		Public Engagement Committee <sup>1</sup>	
Board Members <sup>2</sup>	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Chiang Chie Foo (Chairman) <i>First Appointed in 2013</i>	4	4									1	1		
Mr Augustin Lee (Deputy Chairman) <i>First Appointed in 2011</i>	4	3							1	1	1	1		
Mr Ng Chee Peng <i>First Appointed in 2015</i>	4	4			3	3	4	4	2	2	1	1		
Mr Chan Heng Kee <i>First Appointed in 2016</i>	4	2			3	3								
Mr Lim Zhi Jian <i>First Appointed in 2016</i>	4	4					4	4						
Mr Tan Hee Teck <i>First Appointed in 2018</i>	2	1							1	1				
Mr Zahidi Bin Abdul Rahman <i>First Appointed in 2015</i>	4	4	2	2					1	-				
Ms Cham Hui Fong <i>First Appointed in 2015</i>	4	3			3	1			1	1				
Ms Mary Liew <i>First Appointed in 2014</i>	4	1	3	3										
Ms Rachel Eng <i>First Appointed in 2018</i>	2	2							1	1				
Ms Ho Hern Shin <i>First Appointed in 2017</i>	4	3			3	2								
Professor Annie Koh <i>First Appointed in 2014</i>	4	2	2	2	1	1								
Mr Aje Kumar Saigal <i>First Appointed in 2018</i>	2	2					2	2						
Mr Tan Teck Huat <i>First Appointed in 2014</i>	4	4	3	3							1	1		
Mr Tung Siew Hoong <i>First Appointed in 2010</i>	4	4					4	4			1	1		

<sup>1</sup> The Public Engagement Committee was dissolved in July 2018.

<sup>2</sup> Ms Rachel Eng, Mr Aje Kumar Saigal and Mr Tan Hee Teck were appointed to CPF Board as Board Members with effect from 1 July 2018.

Board Members whose terms ended in 2018:

	Board		Board Committees											
	No. of Meetings		Audit Committee		MediShield Life and Insurance Schemes Committee		Investment Committee		Risk Management Committee		Staff Committee		Public Engagement Committee	
Board Members <sup>3</sup>	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Mr Lau Wing Tat <i>First Appointed in 2012</i>	2	2					2	2	1	1				
Mr John Ng <i>First Appointed in 2012</i>	2	2							1	1				
Mr Sarjit Singh Gill <i>First Appointed in 2012</i>	2	2	1	1	1	-								

### Remuneration matters

Under the CPF Act, allowances of Board Members are determined by the Minister and paid in line with the Public Service Division's guidelines on the payment of allowances by Statutory Boards to its Board Members.

<sup>3</sup> Mr Lau Wing Tat, Mr John Ng and Mr Sarjit Singh Gill were Board Members from 1 July 2012 to 30 June 2018.

## RISK MANAGEMENT AND INTERNAL CONTROLS

### Risk management

The CPF Board has established a structured Board-wide risk management framework to assess the soundness of its financial reporting, and the efficiency and effectiveness of its risk management, internal controls and compliance systems.

The framework is based on the ISO 31000 standard, and entails a rigorous and systematic process of identifying, evaluating, controlling and reporting risks. Annual Department Risk Assessment (DRA) exercises are carried out by the business and corporate departments, with the more important Board Key Risks reviewed and monitored on a quarterly basis by Management and the Risk Management Committee. The Risk Management Department reviews the compliance by Management and officers in accordance to the risk management processes established, and provides an independent view to the Risk

Management Committee and Management on the risk management framework, where required.

The Board has sought assurances from Management and is satisfied that internal controls relating to the financial, operational, IT and risk management systems are adequate and effective.

### Whistle-blowing policy

The CPF Board has in place a whistle-blowing programme that encourages the reporting of suspected wrongdoing. The programme is regularly communicated to all staff.

Both staff and vendors may disclose concerns through various secured and protected channels provided by an independent external party to preserve anonymity. Information provided will be treated with the strictest confidentiality and all cases reported will be surfaced to the Audit Committee and the Chief Audit Executive. All cases are thoroughly investigated, with appropriate remedial measures taken where warranted.

### Internal audit

The Internal Audit Group reports to the Audit Committee and operates independently from the other Groups of the CPF Board to provide objective audit assurance to the Management and Audit Committee that sound and adequate internal controls exist in the CPF Board. It adheres to the Institute of Internal Auditors' Code of Ethics and strives to meet or exceed the International Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The Internal Audit Group evaluates and contributes to the improvement of governance, risk management and control processes. The Group's activities include reviewing and evaluating the adequacy, effectiveness and efficiency of internal controls, ascertaining compliance with applicable Laws & Regulations, Policies & Guidelines and Standards & Procedures. In addition, the Internal Audit Group performs any special audit or investigation requested by the Audit Committee or Management.

### External audit

Under the Public Sector (Governance) Act 2018, the accounts of the CPF Board are required to be audited at least once annually by the Auditor-General or any other auditor appointed by the Minister in consultation with the Auditor-General. For Financial Year 2018, KPMG LLP was appointed as the CPF Board's external auditor.

The appointed external auditor expresses an opinion on the financial statements based on its audit, including the assessment of the risks of material misstatement, whether due to fraud or error. In making the risk assessment, the external auditor considers relevant internal controls and evaluates the appropriateness of accounting policies used and the overall presentation of the financial statements. In addition, the external auditor expresses an opinion on whether the CPF Board's receipts, expenditure, investment of monies and the acquisition and disposal of assets were in accordance with the provisions of the CPF Act.

The appointed external auditor would also report its findings on significant audit, accounting and internal control issues, and make recommendations to the Audit Committee and the Board on ways to strengthen the CPF Board's internal control systems as well as accounting and financial reporting procedures.

## ACCOUNTABILITY

The CPF Board is a Statutory Board specified in Part I of the Fifth Schedule of the Singapore Constitution. Under Article 22B(1)(a) and (b) of the Singapore Constitution, the Board is required to present its annual budget, including any supplementary budget, to the President for approval, together with a declaration as to whether the budget is likely to draw on past reserves. Likewise, under Article 22B(6) of the Singapore Constitution, the Board must inform the President if any other proposed transaction by the Board is likely to draw on past reserves.

The budget, when approved by the President, is published in the Government Gazette. Under Article 22B(1)(c) of the Singapore Constitution, the Board is required to present to the President, within six months after the close of each financial year, the audited financial statements and a declaration as to whether the statements show any draw on past reserves.

Separately, under Clause 6 of the Second Schedule of the CPF Act, the Board is required to present the audited financial statements to the Minister for Manpower, before presenting these to Parliament. The full year financial results of the CPF Board are made available to CPF members and the general public via the CPF website.

## PROFESSIONAL AND ETHICAL CONDUCT

Staff of the CPF Board are obliged to comply with practices that reflect the highest standards of behaviour and professionalism. This includes safeguarding official information under Section 59(1) of the CPF Act, the Statutory Bodies and Government Companies (Protection of Secrecy) Act (Chapter 319) and the Official Secrets Act (Chapter 213). Staff of the CPF Board must abide by the CPF Board's Code of Conduct, which includes guidelines on receiving gifts and entertainment from vendors and any member of the public with whom staff are in contact with during the course of official duties, and the avoidance of situations where a conflict of interest may arise. Under the CPF Board's whistle-blowing programme, staff and vendors are encouraged to report any suspected wrongdoing.



# Core Management

...



**Mr Augustin Lee**  
Chief Executive Officer



**Mr Lim Boon Chye**  
Chief Audit Executive



**Mr Low Pat Chin**  
Group Director  
(Member Accounts and Investment)



**Ms Naina D. Parwani**  
General Counsel  
(Legal Services)



**Mr Lo Tak Wah**  
Deputy Chief Executive Officer  
(Employers and Finance)  
Chief Investment Officer  
Chief Financial Officer



**Mr Soh Chin Heng**  
Deputy Chief Executive Officer  
(Services)  
CEO Healthcare Financing Agency



**Mr Ng Hock Keong**  
Chief Information Officer



**Mrs Pauline Lim**  
Group Director  
(Business Application Systems)



**Mrs Tan Chui Leng**  
Group Director  
(Retirement Income)



**Mr Tang Lee Huat**  
Group Director  
(Finance and Planning)  
Chief Procurement Officer  
Chief Records Officer



**Mr Eng Soon Khai**  
Assistant Chief Executive Officer  
(Policy and Corporate Development)  
Chief Data Officer



**Ms Belinda Teoh**  
Group Director  
(Employer Collections and Enforcement)



**Mr Chong Quey Lim**  
Chief Technology Officer  
(Technology Systems & Operations)



**Mr Tan Kok Heng**  
Chief Human Resource Officer



**Mr Teoh See Leong**  
Group Director  
(Agency and Self-Employed)



**Mr Tey Chee Keong**  
Group Director  
(Healthcare)



**Mr Desmond Chew**  
Group Director  
(Housing)



**Mr Gregory Chia**  
Group Director  
(Policy, Statistics and Research)



**Ms Irene Kang**  
Group Director  
(Communications)



**Mr Winston Yean**  
Group Director  
(Corporate Strategy and Risk)



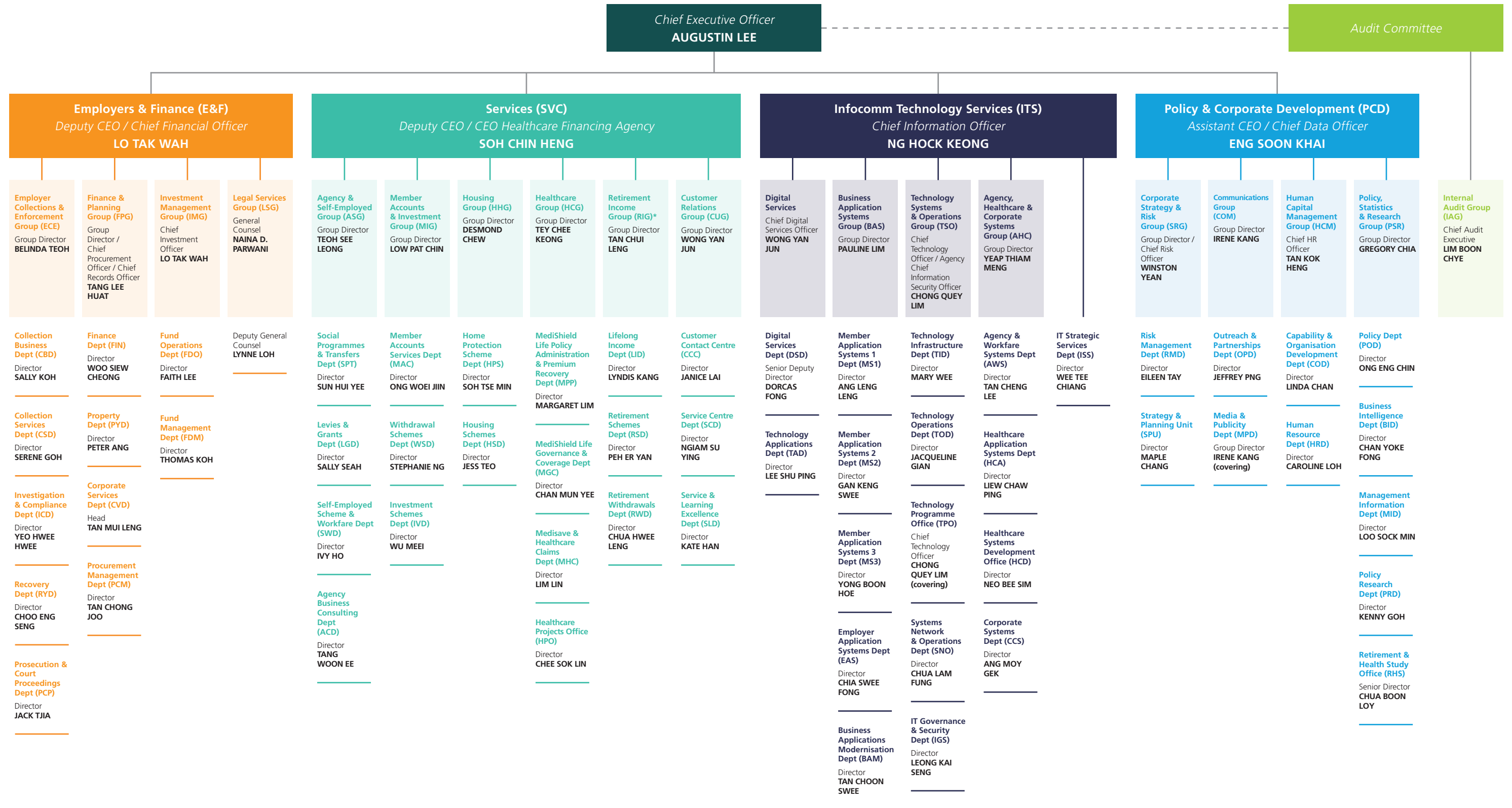
**Mr Wong Yan Jun**  
Group Director  
(Customer Relations)  
Chief Digital Services Officer



**Mr Yeap Thiam Meng**  
Group Director  
(Agency, Healthcare and Corporate Systems)

# Organisation Structure

effective 1 April 2019



\* The Retirement Management Office (RMO) under RIG (not pictured above) reports directly to GD(RI).



# Review of Operations ...







...  
**Overview**



**CPF MEMBERSHIP**

As at 31 December 2018, CPF membership rose by 1.9% to 3.9 million. The number of active CPF members increased by 1.2% to 2 million.

**CPF membership\* as at 31 December ('000)**

2018	3,908
2017	3,835
2016	3,761
2015	3,686
2014	3,593

**Active\* CPF membership as at 31 December ('000)**

2018	2,014
2017	1,990
2016	1,974
2015	1,959
2014	1,951

\* CPF member refers to a person (including self-employed) who has a positive balance in any of his CPF accounts.

\* Active CPF member refers to a person who has at least one contribution paid for him for the current or any of the preceding three months. The figure excludes self-employed persons who are not employees concurrently.



**CPF MEMBERS' BALANCES**

In 2018, the total CPF members' balances grew by 8.8% to \$391,117.5 million.

**CPF members' balances as at 31 December**

2018	\$391,117.5 m
2017	\$359,514.6 m
2016	\$328,895.3 m
2015	\$299,522.4 m
2014	\$275,363.9 m

**Amount of contributions collected and credited during the year\***

2018	\$38,369.0 m
2017	\$37,284.7 m
2016	\$35,851.7 m
2015	\$32,049.1 m
2014	\$29,722.1 m

\* Contributions are net of refunds, and include Government grants to members and dividends from Special Discounted Shares.



### CPF CONTRIBUTIONS

Mandatory contributions to the CPF are made monthly by employers and their employees. As at end 2018, 148,991 employers made CPF contributions for their employees.

The amount of contributions collected and credited into members' accounts during the year amounted to \$38,369.0 million, an increase of 2.9% from \$37,284.7 million in 2017.

The average default rate for employers who failed to pay CPF contributions on time in 2018 was 1.4%. This was higher than the average default rate of 1.3% in 2017.

### CPF MEMBERS' ACCOUNTS

A CPF member who is below 55 years old has three CPF accounts – 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 2016\*

Age group	Contribution Rate (% of wage)			Credited Into (% of wage)		
	By Employer	By Employee	Total	Ordinary Account	Special Account	MediSave Account
35 years & below	17	20	37	23	6	8
Above 35 – 45 years	17	20	37	21	7	9
Above 45 – 50 years	17	20	37	19	8	10
Above 50 – 55 years	17	20	37	15	11.5	10.5
Above 55 – 60 years	13	13	26	12	3.5	10.5
Above 60 – 65 years	9	7.5	16.5	3.5	2.5	10.5
Above 65 years	7.5	5	12.5	1	1	10.5

\* For employees with monthly wages of \$750 or more. For employees with monthly wages of less than \$750, please refer to Annex D for the CPF contribution rates.

At age 55, a Retirement Account (RA) will be created for the member using savings from the member's Special and/or Ordinary accounts to form the retirement sum. The retirement sum will provide members with monthly payouts when they reach their payout eligibility age. Under CPF LIFE, members can receive monthly payouts for as long as they live. They can also choose to defer their payout start age up to 70 years old for higher monthly payouts.

### ENFORCEMENT

Under the CPF Board's three-pronged approach of education, deterrence and enforcement, the Board conducted pro-active audits and acted on complaints received. The enforcement efforts and timely detection of late payment by the Board in 2018 resulted in a total recovery of \$595.9 million in owed and late CPF contributions.

Since September 2012, the Ministry of Manpower and the CPF Board have been working together through the 'WorkRight' initiative to educate employees and employers on their employment rights and obligations under the Employment Act and CPF Act. As part of this initiative, about 5,000 inspections were conducted in 2018.



### CPF WITHDRAWALS

Withdrawals from CPF members' balances increased by 6.3% to reach \$21,112.8 million in 2018.

#### Annual withdrawals\*



\* Includes withdrawals under Section 15 and 25 of CPF Act and CPF Schemes

### INTEREST EARNED BY CPF MEMBERS

In 2018, CPF members earned interest rates of up to 3.5% per annum on their Ordinary Account (OA) monies and up to 5% per annum on their Special, MediSave and Retirement account (SMRA) monies. These interest rates included an extra 1% interest paid on the first \$60,000 of a member's combined balances (with up to \$20,000 from the OA).

As part of the Government's effort to enhance the retirement savings of CPF members, members aged 55 and above also earned an additional 1% extra interest on the first \$30,000 of their combined balances (with up to \$20,000 from the OA). This is earned over and above the current extra 1% interest that is earned on the first \$60,000 of their combined balances. As a result, CPF members aged 55 and above earned up to 6% interest per year on their retirement balances in 2018.

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 2018, the interest rate was 2.5% per annum for the OA.

Savings in the Special and MediSave accounts (SMA) are invested in special issues of 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 2018, the interest credited to the SMA was 4% per annum.

RA monies credited in 2018 are invested in SSGS which earn a fixed coupon rate equal to either the 12-month average yield of the 10YSGS plus 1% computed for 2018, or the current floor rate of 4% per annum, whichever is higher. The interest rate earned by RA monies is the weighted average interest rate of the entire portfolio of these SSGS, which is adjusted in January each year to take into account the coupon rates payable by the new SSGS issuance. In 2018, the interest credited to the RA was 4% per annum.

The 4% per annum interest rate floor for the SMRA was extended to 31 December 2019, in view of the continuing low interest rate environment.

The total interest credited into CPF members' accounts in 2018 amounted to \$14,350.2 million, including \$1,351.7 million and \$263.8 million in extra interest and additional extra interest respectively.





# Retirement

## RETIREMENT SUM

When members turn 55 years old, the savings in their Special and Ordinary accounts will be transferred to a new Retirement Account (RA) to form the Retirement Sum. The retirement sum will provide them with monthly payouts from their payout eligibility age (PEA) under CPF LIFE or the Retirement Sum Scheme.

For members who turned 55 years old in 2018, their Full Retirement Sum (FRS) was \$171,000. Members who wish to withdraw more savings in a lump sum could choose to set aside the Basic Retirement Sum (BRS) of \$85,500 if they owned a property<sup>1</sup>. They will consequently receive lower payouts. As for members who wish to withdraw higher monthly payouts, they can top up their RA up to the current Enhanced Retirement Sum (ERS). The ERS in 2018 was \$256,500.

In 2018, 40,394 active CPF members turned 55, of which 59.2% were able to set aside their FRS fully in cash<sup>2</sup>, or set aside at least their BRS in cash and owned at least one local residential property. This is higher than the 57.4% seen in 2017.

## 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 are expected to live 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 their PEA, was introduced in 2009.

For members reaching the age of 55 from 1 May 2016<sup>3</sup>, CPF LIFE is automatically extended to them if they have at least \$60,000 in their RA six months before their PEA. With this change, members will choose their CPF LIFE plan only when they wish to start receiving payouts. This can take place any time between their PEA and age 70. CPF members who are not automatically included in CPF LIFE can apply to join the annuity scheme before age 80.

Arising from the CPF Advisory Panel's recommendation, from 1 January 2018, members can choose a newly introduced CPF LIFE Escalating Plan, which has lower initial payouts that will subsequently increase by 2% each year. With this new option, eligible members can choose to receive level payouts under the CPF LIFE Standard or Basic

Plan, or payouts that increase every year under the CPF LIFE Escalating Plan. Existing CPF LIFE members have the option to switch to the CPF LIFE Escalating Plan between 1 January and 31 December 2018 to enjoy the benefits of the new plan.

Since the introduction of CPF LIFE, more than 174,000 CPF members have joined the scheme. As at 31 December 2018, more than 58,000 CPF members have started receiving their monthly payouts from CPF LIFE. A total of about \$1.5 billion had been paid to them since the scheme started.

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), to eligible Singaporeans. As at 31 December 2018, more than \$360 million of L-Bonus were given to about 87% of CPF LIFE participants.

## DEFERMENT BONUS

In light of increasing life expectancy in Singapore, the PEA was raised from age 62 to 63 years in 2012 and to 64 years in 2015. It was raised to 65 years in 2018. The plan to raise the PEA was announced in 2007. To help CPF members who were affected by the change in PEA, a one-off Deferment Bonus (D-Bonus) was given. As at 31 December 2018, a total of \$362.4 million of D-Bonus had been credited to the RA of eligible members.

CPF members who voluntarily defer monthly payouts from their PEA till age 65 will receive a Voluntary Deferment Bonus (V-Bonus) for each year of deferment. As at 31 December 2018, \$215.5 million worth of V-Bonus had been credited to the RA of eligible members.

## 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) or 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.

In 2018, there were a total of 195,301 cash and CPF top-ups, amounting to \$1.99 billion. This represented an increase of 9.3% in the number of top-ups and a decrease of 3.7% in top-up amount, compared to 2017.

<sup>1</sup> Members would need to have sufficient refunds to their CPF to make up the FRS if they sell their property.

<sup>2</sup> For those who do not own property.

<sup>3</sup> Prior to 1 May 2016, CPF members who turned 55 years old between 1 January 2013 and 30 April 2016 and have at least \$40,000 in their RA at age 55, or at least \$60,000 in their RA near their PEA, would be automatically included in CPF LIFE.



From 2016, members aged 55 and above who desire higher payouts can choose to receive cash top-ups or CPF transfers to their RA up to the ERS, which is set at three times the BRS. In addition, to encourage both husband and wife to have their own CPF LIFE payouts, members can also transfer their CPF savings above the BRS to their spouse. This will enable both husband and wife to enjoy the benefits of the extra interest paid on the first \$60,000 of combined CPF savings. Of the top-ups made, 17,130 were top-ups above the current Full Retirement Sum in the recipients' RA and 4,561 were CPF transfers to spouses.

Since October 2018, members can also transfer their CPF savings above the BRS to their parents or grandparents if they own a property. Of the top-ups made, 3,920 were CPF transfers to parents or grandparents.

### WITHDRAWAL FROM AGE 55

In 2018, members who have reached the age of 55 can withdraw their Special and Ordinary Accounts savings after setting aside the FRS in their RA. Members who are unable to set aside the FRS or at least BRS with a property, can still withdraw up to \$5,000 of their savings.

Members who own a property and have more than the BRS in their RA may withdraw the savings above the BRS. Those who are receiving lifelong monthly income from their annuities or pension may also withdraw their RA savings.

In 2018, \$5,544.6 million was withdrawn compared to \$4,076.5 million withdrawn in 2017.

### WITHDRAWALS UPON DEATH, PERMANENT DISABILITY AND OTHER GROUNDS

Upon a 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 to his family members in accordance with intestacy laws (for non-Muslims) or the inheritance certificate (for Muslims).

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, \$1,072.4 million were withdrawn on death and medical grounds.

In 2018, CPF withdrawals amounting to \$887.8 million were made by CPF members who had left Singapore and West Malaysia permanently, and Malaysians who left Singapore to reside in West Malaysia.



### SILVER SUPPORT SCHEME

The Silver Support Scheme was introduced in 2016 to provide additional retirement support to the bottom 20% of elderly Singaporeans aged 65 and above. Coverage may extend to include up to the next 10% of elderly. The Scheme is targeted at elderly who had low income through life and who currently have little or no family support.

About \$335.1 million was disbursed to over 153,000 seniors in 2018.

### WORKFARE INCOME SUPPLEMENT SCHEME

Workfare Income Supplement (WIS) is paid to eligible Singaporean workers to top up their salaries and help them save for retirement. WIS payouts are targeted at lower-income workers with poor household support, with more going to older workers.

As at 28 February 2019, WIS payments totalling \$655.6 million was made to around 411,000 Singaporean employees and self-employed persons for working in 2017. Another \$583.6 million were paid to about 357,000 Singaporean employees for working in 2018. Self-employed persons who worked in 2018 will receive their 2018 WIS payment from April 2019, upon declaration of income and payment of the required MediSave contribution.

### CPF INVESTMENT SCHEME (CPFIS)

Under the CPFIS, members can invest eligible balances from their OA and SA. After setting aside \$20,000 and \$40,000 in their OA and SA respectively, 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, 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 2018, there were 940,760 members who invested under the CPFIS-OA Scheme, an increase of 1.2% from 929,714 members as at 31 December 2017. The total amount of OA savings invested increased by 0.6% to \$17,429.0 million as at 31 December 2018, from \$17,323.3 million as at 31 December 2017.

There were 310,823 members who invested under the CPFIS-Special Account (CPFIS-SA) Scheme as at 31 December 2018, a decrease of 4.1% from the 324,032 members as at 31 December 2017. The total amount of SA savings invested increased by 6.4% to \$5,376.6 million as at 31 December 2018, from \$5,051.0 million as at 31 December 2017.





# ... Healthcare

## MEDISAVE

MediSave is a savings scheme to help Singaporeans build up sufficient funds for their co-payment of healthcare bills. Members may use their MediSave to pay for their personal, immediate family or approved dependants' hospitalisation, day surgery, and certain outpatient expenses, including expenses for the treatment of approved chronic diseases, screenings and vaccinations.

The Basic Healthcare Sum (BHS) is the estimated savings required for basic subsidised healthcare needs in old age. The BHS is adjusted annually for members below age 65, to keep pace with the growth in MediSave withdrawals. From 1 January 2019, the BHS has been set at \$57,200 for all CPF members aged 65 and below in 2019. For members above age 65, their BHS was fixed when they turned age 65, and this amount will not change for the rest of their lives.

In 2018, the following enhancements were made to the MediSave scheme:

1. From 1 June 2018, the MediSave400 scheme was enhanced to MediSave500, where members can use up to \$500 per year for approved chronic illness treatments, vaccinations and health screenings. The coverage of MediSave use for the Chronic Disease Management Programme under MediSave500 was also expanded to include pre-diabetes and ischaemic heart disease.
2. From 1 June 2018, the eligibility age of Flexi-MediSave was lowered from 65 to 60 years old. A member who is 60 years old and above will be able to use his or his spouse's (aged 60 years old and above) MediSave, up to \$200 per year, for outpatient medical treatments at Specialist Outpatient Clinics and polyclinics in the public sector and general practitioners under the Community Health Assist Scheme.
3. From 1 November 2018, the use of MediSave was extended to cover Parenteral nutrition (PN) bags and consumables for patients on long-term PN due to chronic intestinal failure, with a monthly withdrawal limit of \$200 per patient.

Annual MediSave withdrawals for direct medical expenses increased by 7.3% from \$963.5 million in 2017 to \$1,033.8 million in 2018.

## Annual withdrawals under MediSave scheme for approved medical expenses



## CPF TRANSFERS TO MEDISAVE ACCOUNT

Since 1 April 2016, CPF members aged 55 and above who have set aside their Full Retirement Sum or at least Basic Retirement Sum with a property, may apply to transfer their Ordinary and Special accounts (OSA) savings directly to their own MediSave Account (MA), up to their Basic Healthcare Sum (BHS).

From 1 January 2017, these members may also transfer their OSA savings to the MA of their loved ones who are aged 55 and above, up to the BHS. Loved ones include siblings, spouses, parents, parents-in-law, grandparents and grandparents-in-law.

In 2018, about 1,300 transfers amounting to \$7.4 million were made.

## MEDISAVE GRANT FOR NEWBORNS

Singapore Citizens born on or after 1 January 2015 qualify for the \$4,000 MediSave Grant for Newborns. A CPF MediSave account will be opened for each newborn and the grant will be credited automatically. The MediSave Grant will support parents with their children's healthcare needs such as MediShield Life premiums, recommended childhood vaccinations, hospitalisations and approved outpatient treatments. In 2018, \$138.1 million was paid out to newborns.





## MEDISAVE FOR THE SELF-EMPLOYED

Self-employed persons are required to contribute to MediSave based on their annual net trade income. In 2018, self-employed persons contributed a total of \$698.7 million to their CPF accounts. Of this amount, \$557.5 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 LIFE

The MediShield Life scheme is a basic health insurance plan administered by the CPF Board on behalf of the Ministry of Health (MOH). MediShield Life helps to pay for large hospital bills and selected costly outpatient treatments such as dialysis and chemotherapy for cancer. It provides lifetime coverage to all Singapore Citizens and Permanent Residents.

To help Singaporeans with their MediShield Life premiums, the Government provided \$724 million in premium subsidies and other forms of support in 2018 including:

- ▶ Subsidising majority of the cost of extending MediShield Life coverage to those with pre-existing conditions;
- ▶ Premium Subsidies for lower- to middle-income Singapore Residents;
- ▶ Pioneer Generation Subsidies for the Pioneer Generation;
- ▶ Transitional Subsidies to ease the shift to MediShield Life for all Singapore Citizens for the first four years of implementation; and
- ▶ Additional Premium Support for the needy who are unable to afford their premiums even after subsidies, MediSave and family support.

No Singaporean will lose their MediShield Life coverage due to the inability to pay premiums. In 2018, \$929 million was approved to meet 603,000 claims under MediShield Life compared to \$845 million to meet about 555,000 claims in 2017.

In 2018, MediShield Life coverage was also extended in the following areas:

- ▶ Direct admissions from emergency departments of public hospitals to community hospitals, from 15 July 2018;

- ▶ Parenteral nutrition (PN) bags and consumables for patients on long-term PN due to chronic intestinal failure, with a monthly claim limit of \$1,700 per patient, from 1 November 2018; and
- ▶ Surgical interventions for two rare congenital conditions, Trisomy 18 and Alobar Holoprosencephaly, from 1 November 2018.

To keep premiums affordable, MediShield Life benefits are sized for subsidised treatment in public hospitals. Singaporeans who wish to have additional insurance coverage for unsubsidised treatment or treatment in private hospitals can buy Integrated Shield Plans (IPs) from private insurers. IPs comprise two components – the MediShield Life component administered by the CPF Board and the additional private insurance coverage component administered by the private insurer.

MediShield Life premiums may be fully paid using MediSave. Additional Withdrawal Limits (AWLs) are applicable for the payment of premiums for the additional private insurance coverage. The AWLs applicable per insured per policy year are as follows:

<b>\$300</b>	<b>\$600</b>	<b>\$900</b>
<b>annually for insured aged 40 and below;</b>	<b>annually for insured aged 41 to 70; or</b>	<b>annually for insured aged 71 and above</b>

## PIONEER GENERATION PACKAGE

The Pioneer Generation Package (PGP) was introduced in 2014 to honour and thank our Pioneers for their hard work and dedication, in contributing to Singapore's nation-building in the early years. The Package provides eligible Pioneers with assurance for their healthcare costs for life, through four key components: outpatient care subsidies, annual MediSave top-ups, subsidies for MediShield Life premiums, and cash payments for Pioneers with moderate to severe functional disabilities under the Pioneer Generation Disability Assistance Scheme (PioneerDAS).

The CPF Board administers two of the four components of the Package namely, the MediSave top-ups and MediShield Life premium subsidies. In 2018, a total of \$345.2 million was disbursed by the CPF Board to Pioneers, comprising \$158.1 million for MediSave top-ups and \$187.1 million for MediShield Life premium subsidies.





...  
**Home Ownership**

**PUBLIC HOUSING**

CPF members can use their CPF savings to buy HDB flats financed with HDB loans or bank loans.

Limits on the usage of CPF savings 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 savings 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 and Ordinary accounts combined if they are below 55 years old or in their Retirement Account if they are 55 years old and above before they can continue to use their CPF savings for their flats up to the WL.

For HDB flats with a remaining lease of less than 60 years, CPF members may use their CPF savings only if the remaining lease of these flats is at least 30 years and can last them until they are at least 80 years old. The total amount of CPF savings that can be used is capped at a lower limit computed based on the age of the youngest owner and the remaining lease at the time of purchase<sup>1</sup>.

In 2018, \$8,787.5 million was withdrawn by 520,637 CPF members to pay for their flats financed with HDB loans while \$3,239.3 million was withdrawn by 234,437 CPF members to pay for their flats financed with bank loans.

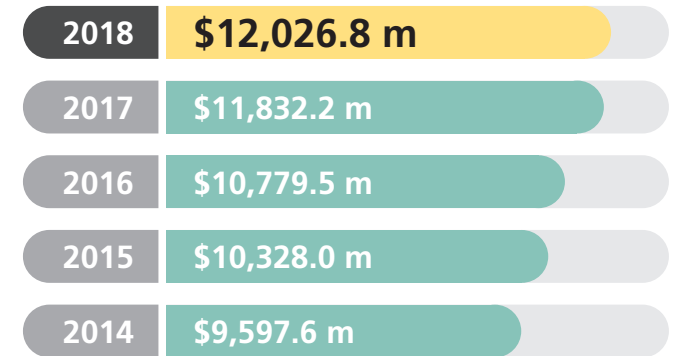
**PRIVATE HOUSING**

CPF members can use their CPF savings to buy private properties and executive condominiums (ECs) and to pay their housing loans. The usage of CPF savings for private properties and ECs is also subject to the Valuation Limit and Withdrawal Limit. Similar to HDB flats, the total amount of CPF savings that can be used for private properties and ECs, with remaining leases of less than 60 years but at least 30 years, is capped at a lower limit. The limit is

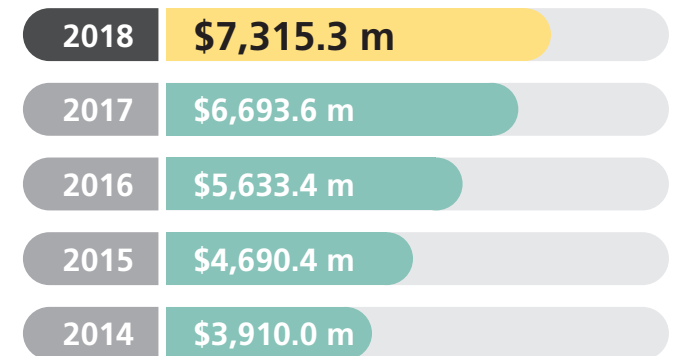
computed based on the age of the youngest owner and the remaining lease at the time of purchase<sup>1</sup>.

In 2018, \$7,315.3 million was withdrawn by 228,191 CPF members to pay for their private properties and ECs.

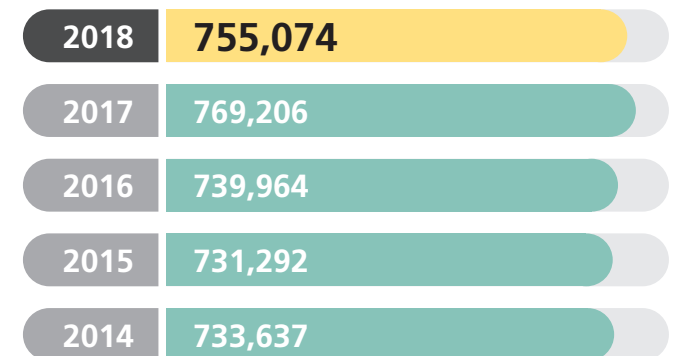
**Annual withdrawal (gross) for public housing**



**Annual withdrawal (gross) for private housing**



**Number of CPF members who have withdrawn CPF savings for public housing within the year\***



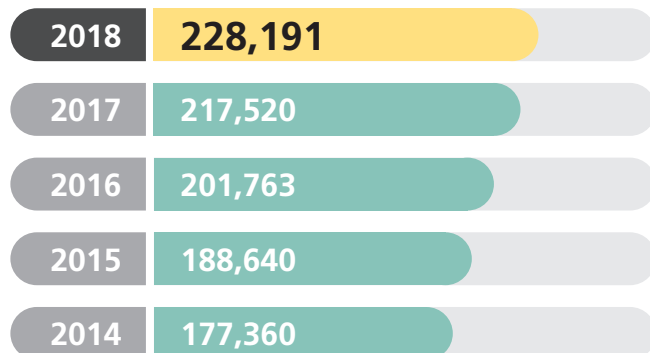
<sup>1</sup> The use of CPF for property purchase has been updated from 10 May 2019.

\* With effect from 2019 Annual Report, the CPF Board have replaced the statistics with number of CPF members who has withdrawn under the respective housing schemes to better reflect the usage of CPF savings on housing.





**Number of CPF members who have withdrawn CPF savings for private housing within the year\***



**FAMILY PROTECTION**

**DEPENDANTS' PROTECTION SCHEME**

The Dependants' Protection Scheme (DPS) is an opt-out term insurance scheme that provides members and their families with some financial help in the event of the insured member's death, terminal illness<sup>2</sup> or total permanent disability<sup>3</sup> 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. 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 2018, 1,892,959 members were covered for a total sum assured of \$93,062 million. The membership increased by 0.85% compared to 2017. In 2018, a total of 2,636 claims amounting to \$134.9 million were approved. This comprised 1,756 death cases and 880 terminal illness and total permanent disability cases.

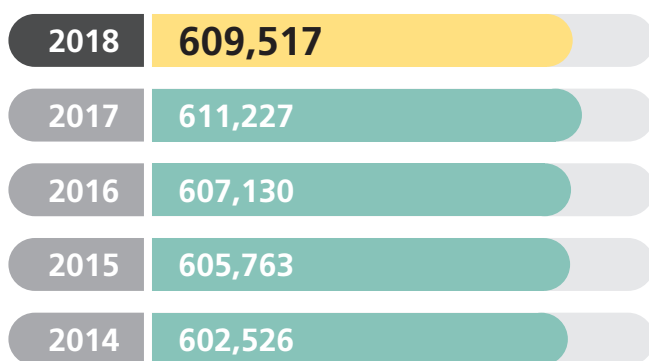
**HOME PROTECTION SCHEME**

The Home Protection Scheme (HPS) is a compulsory mortgage-reducing insurance scheme that protects families of members who are using CPF savings to service their housing loans for HDB flats. HPS provides financial protection for members and their families against losing their homes in the event of the insured members' death, terminal illness<sup>4</sup> or total permanent disability<sup>5</sup>.

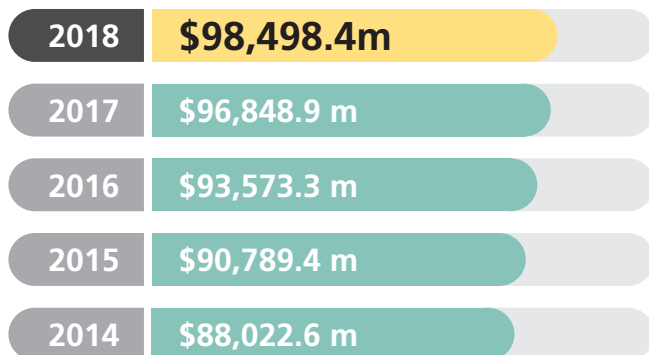
As at 31 December 2018, 609,517 members were covered for a total sum assured of \$98,498.4 million. The membership decreased by 0.28% compared to 2017. In 2018, a total of 1,017 claims amounting to \$91.9 million were approved. This comprised 637 claims for death cases and 380 claims for terminal illness and total permanent disability cases.



**Cumulative number of members covered under HPS as at 31 December 2018**



**Remaining sum assured**



HPS annual premiums were lowered from 1 July 2018. Members who join the HPS on or after 1 July 2018 will enjoy the new rates, while existing members paying annual premiums will pay the reduced premiums when they next renew or adjust their HPS coverage. About 510,000 or 95% of existing HPS members paying annual premiums will enjoy a reduction on their annual premium. Three in four of these members will see reductions of 10% or more. The remaining 5% of HPS members will continue to enjoy the same low annual premiums that they have been paying.

\* With effect from 2019 Annual Report, the CPF Board have replaced the statistics with number of CPF members who has withdrawn under the respective housing schemes to better reflect the usage of CPF savings on housing.  
<sup>2</sup> Terminal illness refers to an illness that is likely to result in death within 12 months. A claim can be made only if the terminal illness occurred on or after 1 May 2016.  
<sup>3</sup> Total Permanent Disability refers to (i) the inability to take part in any employment permanently or (ii) the total permanent loss of physical function or both eyes, two limbs or one eye and one limb. A claim under (ii) can only be made from the total permanent loss of physical function that occurred on or after 1 May 2016.  
<sup>4</sup> Refer to footnote 2.  
<sup>5</sup> Refer to footnote 3.



...  
**CPF Service**



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

The CPF Board strives to leverage technology to deliver a customer experience that is Easy, Effective, Empathetic and Expeditious to our members.

Through the *my cpf* portal, CPF members can check their CPF account balances and statements as well as other online services such as submitting applications through My Requests. The CPF website homepages for members and employers received over 22.5 million hits in 2018. Over 53.7 million online transactions were performed via the CPF website.

The *my cpf* Profile was introduced on the website in January 2018 to provide members with an enhanced digital experience through concise, graphical illustrations of personalised information such as contributions, transactions and yearly balances. The *my cpf* Profile has been viewed over 13.3 million times in 2018.

In March 2018, the CPF Board became the first government agency to offer the PayNow service to eligible members aged 55 and above who apply to withdraw their savings. This initiative transformed a peer-to-peer service to a government-to-citizen payment. It also reduced payment time significantly from 5 days to 5 seconds. Close to \$220 million was disbursed through PayNow as at end December 2018.

The Board also made it easier for members to top up to their Special and Retirement accounts by introducing the PayNow QR (Quick Response) code in August 2018. Through this service, members could top up their CPF accounts conveniently by scanning the QR code. More than 4,200 top-ups totalling close to \$20 million were made through this new service.

## ELECTRONIC SERVICES FOR EMPLOYERS

Employers can conveniently submit their employees' CPF contribution details through the CPF website, mobile phones or AXS stations located islandwide.

To make it even more convenient for members and shorten payment time for employer CPF contributions, the PayNow QR payment mode was rolled out in November 2018.

As at 31 December 2018, 88.6% of all employers submitted their employees' CPF contributions electronically. In terms of employee count, 97.9% of all employees have their CPF contributions submitted electronically.

## CPF MOBILE SERVICES

In March 2018, the CPF Board launched the redesigned myCPF mobile app. This new app offered members easy access to their personal CPF information, a quick way to calculate the amount of CPF contributions payable, and a convenient platform to perform transactions such as topping-up their CPF accounts. As at end 2018, there were close to 250,000 members using the improved myCPF mobile app.

## CPF SERVICES ON ISLANDWIDE SELF-SERVICE KIOSKS

The availability of self-service kiosks islandwide had made it easier for CPF members to carry out their transactions. In 2018, more than 356,000 transactions were performed via AXS stations and close to 27,000 CPF payment transactions were performed via Self-Service Automated Machines (SAM).

## SERVICE CENTRES

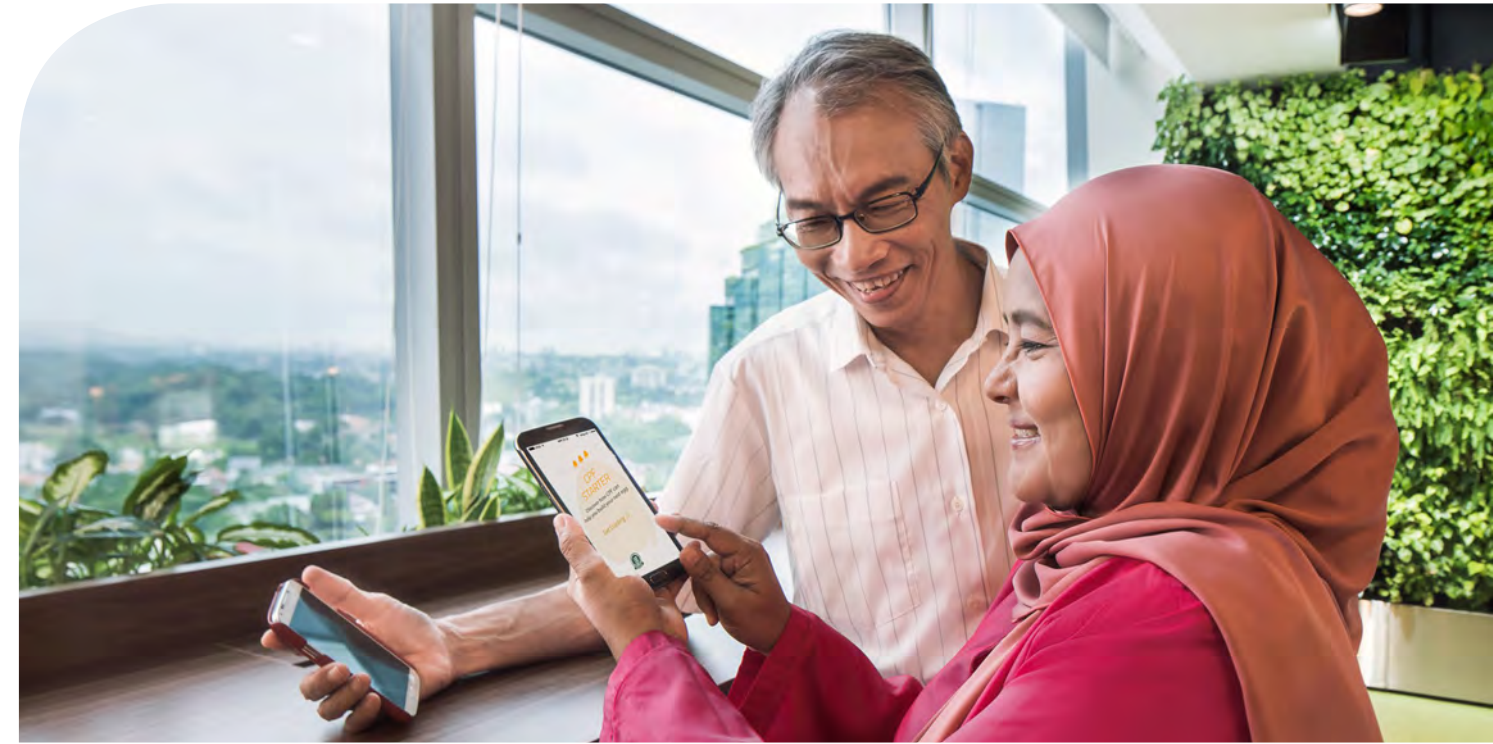
In 2018, the five CPF service centres served about 1 million CPF members and employers. Of these, about 666,000 CPF members and employers were served over the counters while the rest did simple transactions at the Self-Help Lobbies at service centres, such as viewing and printing of CPF statements, submitting online requests and making payments.

### CPF Bishan Service Centre Redesign and Expansion

In 2018, CPF Bishan Service Centre was redesigned and expanded to two levels to better manage the number of walk-ins as well as provide members with a more conducive environment when at the centre. Similar to CPF Jurong and Maxwell Service Centres, the CPF Bishan Service Centre adopted a colour-zoned design concept to facilitate members' navigation. Pod-like counters were also set up to provide privacy and comfort for Club 55 members.

### Appointment and 1-Question Fast Counter

For convenience, CPF members can make an appointment to meet a Customer Service Executive for CPF-related enquiries and transactions at a date and time of their choice at any of our Service Centres. In 2018, more than 37,000 members had made an appointment to visit the CPF Service Centres.



Among walk-in members, more than 263,000 members used the "1-Question Fast Counter" which shortened the waiting time and provided faster service to CPF members with simpler enquiries and transactions.

### Club 55 and CPF Retirement Planning Service

The Club 55 service at the CPF Service Centres caters to the needs of senior citizens. Under this service, a team of multi-lingual Customer Service Executives provide personalised guidance on CPF matters to senior citizens aged 54 and above. In 2018, more than 421,000 elderly members benefited from this service.

Members age 54 are invited to an one-on-one CPF Retirement Planning Service (CRPS) where they learn about the creation of their Retirement Account at age 55, and the options they have to enhance their retirement savings and payouts. In 2018, the scope of CRPS was expanded to cover housing monetisation. About 3,300 members attended CRPS in 2018 and 97% of these members said they would recommend the service to others.

## CUSTOMER CONTACT CENTRE

In 2018, the Customer Contact Centre handled about 660,000 calls from CPF members and employers. Of these, 165,000 calls were enquiries on national projects such as the Silver Support Scheme, MediShield Life Scheme, GST Voucher Scheme, Workfare Income Supplement

Scheme and Special Employment Credit. The Customer Contact 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 5,600 messages from members. Apart from calls, the Customer Contact Centre also handled 93,000 correspondences from CPF members and employers.

### Personalised Service with Call Authentication

The Call Authentication service enables CPF members to receive personal information over the phone after they have successfully authenticated their identity using their SingPass Two Factor Authentication (2FA). This includes an automated self-service option in its Interactive Voice System for members to request for their CPF statements. More than 78,000 members have used the service. The service has also resulted in a 15% reduction in calls as more members had their queries answered either over a single phone call or through the automated self-service option.

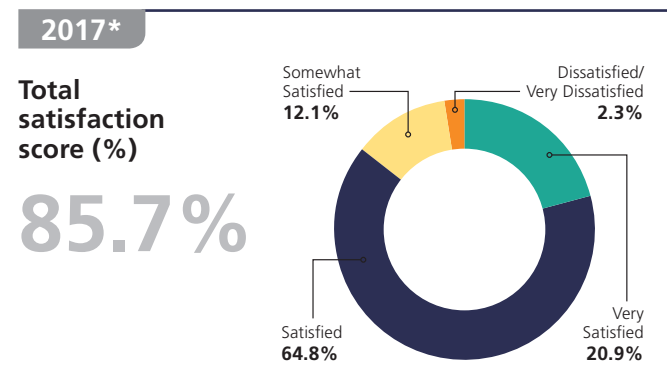
## SERVICE FEEDBACK

The CPF Board conducts annual surveys to gather feedback from CPF members and employers on our electronic service, counter, telephone and other services. In 2018, the survey results showed that 82.6% of CPF members and 94.1% of employers were satisfied or very satisfied with the overall services of the CPF Board.

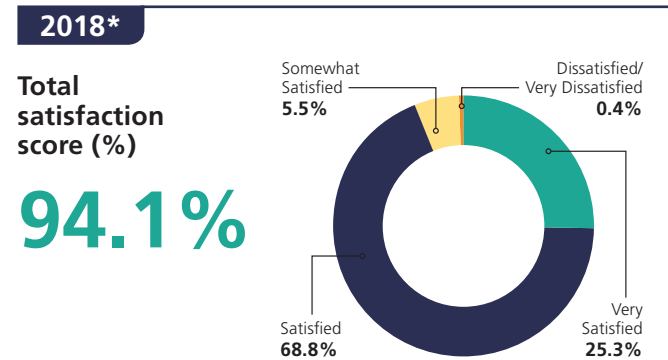
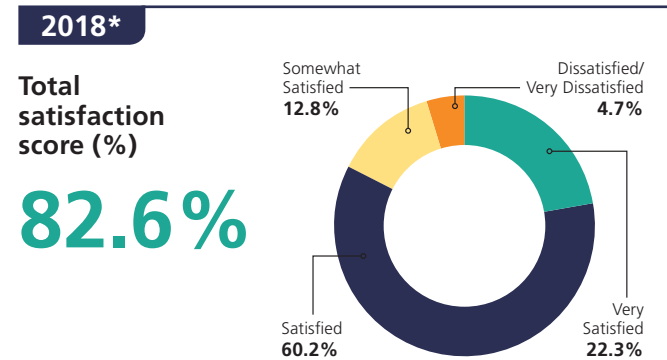
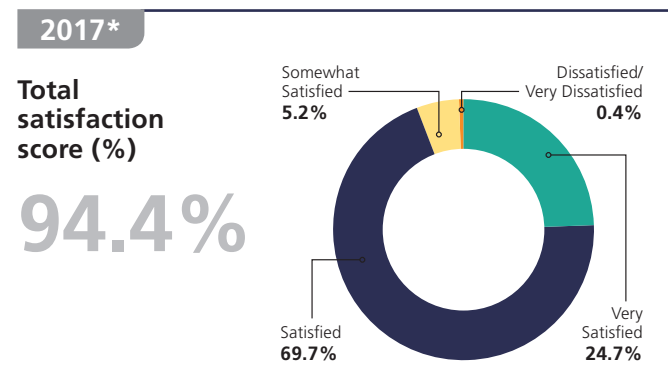




**Member services survey**



**Employer services survey**



\* Figures may not add up due to rounding.

**PUBLIC COMMUNICATIONS**

In 2018, the CPF Board increased efforts to deepen engagement with Singaporeans so as to enhance understanding of CPF schemes among members and employers.

**Publicity campaigns**

Following the success of the annual 'Big R Chat' campaign from 2015-2017, which reinforced the importance of retirement planning, the CPF Board continued with an integrated publicity campaign in 2018 to encourage members to be better prepared for their retirement. The idea, "The Future is Closer Than You Think. Be Ready with CPF", was communicated using a light-hearted approach across a myriad of communication channels. To establish greater relevance with different member segments, different types of content were tailored for them. The campaign was well received with over 6.3 million video views and over 510,000 sessions on the campaign website, [cpf.gov.sg/beready](http://cpf.gov.sg/beready).

As part of the campaign, the Board also organised a series of retirement planning roadshows islandwide. Featuring interactive activities and digital panels for visitors to learn how CPF supports them in their various life stages, the five roadshows attracted more than 170,000 visitors.

In 2018, the Ministry of Manpower and the CPF Board continued reaching out to low wage Singaporeans to heighten awareness of their employment rights and obligations under the CPF Act and the Employment Act. Through collaboration with the Community Development Councils (CDCs), five WorkRight roadshows were held at various locations between October and December 2018. At the first roadshow, Minister of State for Manpower – Zaqq Mohamad launched the next phase of the WorkRight movement with a new tagline – "Know it. Share it. Let's WorkRight!" to build on the awareness that has been generated over the past six years.



### Online engagement

Through visually-engaging branded content and informative articles, the CPF Board's Facebook fan base grew by 11.7% to more than 156,000 fans in 2018. Complementing the Facebook outreach, the *Are You Ready* website garnered more than 2.3 million page views in 2018.

Since the launch of the Board's Instagram account in 2017, the number of followers has grown by 72% year-on-year to more than 9,000. In 2018, the Board ran three mini-campaigns called "Budget Challenges" on Instagram to encourage millennials to exercise prudence in their everyday lives, and nudge them towards saving for their future. The three challenges had a total reach of more than 850,000, drawing positive sentiments and enthusiastic participation from our target audience.

The Board also stays connected with members and employers through electronic direct mailers (eDMs) which provide timely and targeted CPF information. As of December 2018, over 1.1 million CPF members have subscribed to the eDMs.

### Outreach and education

The CPF Board organised and participated in 151 talks and events, reaching out to more than 52,000 members and employers. In addition, the Board held 28 talks across various constituencies for more than 2,800 grassroots leaders and members.

The Board provided mobile customer service at five Community Centres and Clubs and the Toa Payoh Public Library in 2018. Over 11,100 members visited these CPF Mobile Service Centres to make enquiries on their CPF and perform a range of CPF-related transactions. More than 90% of the surveyed members appreciated the Board's efforts in making their service experience easy and convenient, and would highly recommend the mobile service to their friends and family members.

The CPF Board continued to support the Learning Journeys programme spearheaded by the Ministry of Education to help students understand the Board's role in nation building. In 2018, we reached out to more than 600 students through this national education programme. The Board also collaborated with various schools and institutions of higher learning to conduct talks and roadshows to engage more than 10,000 students to start planning financially for their future.

### 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 credits the Post-Secondary Education Account Funds for the Ministry of Education as well as the National Service HOME Award for the Ministry of Home Affairs and the Ministry of Defence. We also administer the Government-Paid Leave Schemes on behalf of the Ministry of Social and Family Development, as well as the Goods and Services Tax (GST) Voucher Scheme, 5-year MediSave Top-up and the SG Bonus on behalf of the Ministry of Finance.

### GST VOUCHER

Introduced in 2012, the GST Voucher Scheme is a permanent scheme to help lower-income households with their expenses, in particular what they pay in GST. The GST Voucher comprises three components – Cash, MediSave top-up and U-Save rebate. The CPF Board administers the GST Voucher – Cash and the GST Voucher – MediSave.

In 2018, 1.4 million Singapore citizens received \$402 million in cash, and 466,000 Singapore citizens received \$136.6 million in their MediSave Account.

### 5-YEAR MEDISAVE TOP-UP

The 5-year MediSave Top-up was announced in Budget 2014 to support the healthcare needs of citizens aged 55 and above in 2014 who do not receive benefits from the Pioneer Generation Package. In 2018, 503,000 Singapore citizens received \$91 million in their MediSave Account.

### SG BONUS

The SG Bonus was announced in Budget 2018 to share the fruits of Singapore's development with Singaporeans. In 2018, 2.7 million Singapore citizens received \$655 million in cash.

### GOVERNMENT-PAID LEAVE SCHEMES

Singapore's Marriage and Parenthood (M&P) Package was introduced in 2001 and enhanced in 2004, 2008, 2013, 2016 and 2017. The Government-Paid Leave Schemes under the M&P Package aim to foster an overall pro-family environment in Singapore, enabling Singaporeans to have more support in getting married, having and raising children.

The Government-Paid Leave Schemes comprise six schemes – Adoption Leave for Mothers, Government-Paid Childcare Leave, Government-Paid Maternity Benefit, Government-Paid Maternity Leave, Government-Paid Paternity Leave and Government-Paid Shared Parental Leave.

In 2018, a total of 242,000 applications were processed and \$345 million was reimbursed under the Government-Paid Leave Schemes.

### SPECIAL EMPLOYMENT CREDIT

The Special Employment Credit (SEC) was introduced as a 2011 Budget initiative to raise the employability of older Singaporeans and persons with disabilities. It is paid to employers hiring Singaporean workers earning up to \$4,000 who are either aged 55 and above or are persons with disabilities.

To promote the voluntary re-employment of older workers, since 2015, an additional wage offset is given to employers hiring Singaporean workers who are aged 65 and above earning up to \$4,000. With the raising of the re-employment age from 65 to 67 on 1 July 2017, employers of Singaporean workers who turned 65 on or after 1 July 2017 would be given the additional wage offset when these workers reach age 67.

For 2018, a total of \$403 million of SEC was paid to 101,000 employers who hired 418,000 eligible employees.

### WAGE CREDIT SCHEME

The Wage Credit Scheme (WCS) was part of the 3-Year Transition Support Package introduced in Budget 2013. It was extended in Budget 2015 to give employers more time to adjust to the tight labour market, and 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. The Government co-funded 40% of wage increases from 2013 to 2015 and 20% of wage increases from 2016 to 2017 given to Singapore Citizen employees up to a gross monthly wage of \$4,000.

In Budget 2018, the Government announced the extension of WCS for three more years from 2018 to 2020 to support businesses embarking on transformation efforts and to encourage sharing of productivity gains with workers. Government co-funding will be maintained at 20% in 2018. Subsequently, the co-funding will be stepped down to 15% in 2019 and 10% in 2020.

As the supporting administrator, the CPF Board's role includes computing and transmitting Wage Credit allotment details to the main administrator, IRAS. For 2018, over \$600 million was paid to more than 90,000 employers who gave wage increases to over 600,000 employees.

### WORKFARE TRAINING SUPPORT SCHEME

The Workfare Training Support (WTS) Scheme complements the Workfare Income Supplement (WIS) Scheme by encouraging eligible lower-wage 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 individuals 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 Workforce Singapore (WSG). About 50,000 recipients received \$15.0 million in TCA payments in 2018.



## WORKFARE TRANSPORT CONCESSION SCHEME

The Workfare Transport Concession Scheme (WTCS) was announced in January 2014 by the Ministry of Transport to help Workfare Income Supplement (WIS) recipients reduce their transport costs when they travel on public transport for work or to pursue job and training opportunities further away from their homes. Under this scheme, WIS recipients enjoy a discount of 15% on adult fares. As at 31 December 2018, more than 261,000 WIS recipients had been issued with the WTCS card.

## IT INITIATIVES

The CPF Board uses Information Technology (IT) to deliver secured and resilient solutions for both the Board's business schemes and Whole-of-Government initiatives. In line with smart nation digital government initiatives, the CPF Board has planned for the adoption of cloud solutions to support the development of digital capabilities. This would deliver digital services that are easy, seamless and relevant for our citizens and businesses.

To promote greater agility and reusability, our systems have been continuously enhanced to simplify the design, optimise for greater processing efficiencies and develop common services. Following the successful migration of a pilot scheme, Retirement Sum Top-Up system, the Board is now progressively moving other systems onto the modernised platform.

### Loyalty and Engagement Awards and 2018 MARKies Awards

The Loyalty and Engagement Awards recognises excellence in customer loyalty and engagement for marketing campaigns in the Asia Pacific region, while the MARKies awards celebrates the most innovative, creative and effective campaigns in Singapore.

The success of the 2017 Big 'R' Chat campaign and the #ICanAdult digital campaign enabled the Board to win the following awards in 2018:

Name of awards	Awards
<b>Loyalty and Engagement Awards</b>	<ol style="list-style-type: none"> <li>1. Gold Award for Best Engagement Strategy by a Government/Community</li> <li>2. Bronze Award for Best Use of Integrated Media Campaign</li> </ol>
<b>2018 MARKies Awards</b>	<ol style="list-style-type: none"> <li>1. Silver Award for Best Idea of Government Sector Marketing to "#ICanAdult Digital Campaign"</li> <li>2. Silver Award for Best Idea of Content Marketing presented to "#ICanAdult Digital Campaign"</li> <li>3. Bronze Award for Best Use of TV/Video presented to "Big 'R' Chat campaign – Act Now For A Better Retirement"</li> </ol>

CPF members age 54 can now access CPF Retirement Planning Service (CRPS) and its personalised infographics anytime, anywhere with CRPS Online. Launched on the CPF website in April 2018, the CRPS Online contains built-in instructional design elements to help CPF members to self-serve with ease and adopts a Responsive Web Design so that CPF members could enjoy a consistent, user-centric digital experience regardless of the device used.

On the digital workplace transformation front, an Innovation Hub was launched to promote usability studies for superior customer experience. It also modernises the workplace with plans to pilot flexi-workplace and hot-desking initiatives which will allow staff to work from any office. The CPF Board will continue to ensure that its workforce stays current with the changing technology landscape through reskilling and development of new capabilities.

## ORGANISATIONAL EXCELLENCE

### 2018 Commonwealth Association for Public Administration and Management (CAPAM) International Innovation Awards

The Commonwealth Association for Public Administration and Management (CAPAM) recognises organisations that have made significant contributions to improve governance and services in the public sector through the spirit of innovation. The CPF Board's submission on "Helping Elderly Singaporeans Plan for Retirement in a Digital World, Singapore", clinched the first place under the Citizen-focused Innovation category in 2018.

### Marketing Events Award 2018

The Marketing Events Awards recognise excellence in events marketing across South Asia, Southeast Asia and the ANZ regions. As a testament to the Board's outreach efforts to better educate members on CPF schemes and policies, the CPF Retirement Planning Roadshow 2017 clinched the first place (Gold) for 'Best Event – Government Sector' in the Marketing Events Awards 2018.

### 2018 GovInsider Innovation Award (Asia Pacific) for Best User Interface (UI) and User Experience (UX) Design

The GovInsider Innovation Award for Best UI and UX Design recognises the best use of design to improve digital service for customers. CPF Board's redesigned myCPF mobile App submission, titled "Easy, Effective and Expedient Experience with mycpf", clinched the award in 2018.

### 2018 International Social Security Association (ISSA) Good Practice Award for Asia and the Pacific

The ISSA Good Practice Award recognises good practices in the administration of social security through the implementation of innovative solutions. The following projects won the ISSA in 2018:

Award	Project Team/Project Title
<b>Certificate of Merit with Special Mention</b>	Touching Hearts and Changing Lives with One-to-One Retirement Planning at the Heartland
<b>Certificate of Merit</b>	#ICanAdult – Connecting with Millennials on Retirement Planning

### 2018 CCAS International Contact Centre Awards

CPF Board's Director of Customer Contact Centre, Ms Janice Lai, was awarded the Contact Centre Association Singapore (CCAS) Gold Award for the Best In-house Contact Centre Manager of the Year (for the category of above 100 seats). This award recognises outstanding Contact Centre Managers who have made tremendous contributions towards the performance of their Contact Centre. In the same year, at the invitation from CCAS, Janice represented Singapore and emerged as the Gold winner for the Best of the Best Contact Centre Manager (Above 100 seats) at the Asia Pacific level.

The CPF Contact Centre also won the CCAS Bronze Award for the Most Innovative Productivity Solution category for its integrated suite of Lean Six Sigma, Gamification and Call Authentication. This award recognises outstanding Customer Contact Centres which demonstrated improved results in the Contact Centre metrics through a project or initiative that effectively improved the agent or contact centre productivity.

### Minister for Manpower Award

The Minister for Manpower Award recognises outstanding projects implemented by the agencies under the Ministry of Manpower. In 2018, the CPF Board received the Minister for Manpower Award for the following projects:

Award	Project Team/Project Title
<b>Stakeholder Communication and Engagement Category</b>	CPF's Engagement Strategy: Winning Hearts and Minds
<b>Service Delivery Category</b>	Changes to Workfare Income Supplement Scheme



### Public Service Transformation (PST) Awards

The PST Awards is given by the Public Service Division to recognise individuals and teams from the Public Service for their excellence in service delivery, innovation and best practices, and also recognise agencies for their organisational excellence. In 2018, the following CPF officers and project team were among the 400 awards given out to individuals and teams across the Public Service:

Category	Award Winner
<b>ExCEL Innovative Project</b>	Customer Relations Group (CUG) for “Inclusive by Design – Call Experience Transformation, Powered by Technology”.
<b>Distinguished Star Service Award</b>	Lim Hui Kiang, Senior Customer Service Executive (Service Centre Department)
<b>Star Service Award</b>	Ong Wan Er, Senior Executive (Home Protection Scheme)
<b>Star Manager Award</b>	Noor Afizah Mahfodz, Deputy Director (Service and Learning Excellence) Lena Teng, Deputy Director (Media & Publicity)

### 2018 Fire Safety Excellence Award

CPF Jurong, CPF Bishan and CPF Tampines buildings were awarded the Fire Safety Excellence Award 2018 from the National Fire and Civil Emergency Preparedness Council (NFEC).

The biennial award, organised by NFEC and supported by the Singapore Civil Defence Force (SCDF), aims at recognising buildings with high standard of fire safety and effort by building owners to inculcate awareness to ensure the premise is safe at all times. Similar awards were given to all CPF Buildings in 2016.

### STAFF RECOGNITION AND AWARDS

The CPF Board gives out individual and team awards to recognise and motivate staff who embody the Board’s core values.

The Best Service Star Award and Non-Counter Staff Quality Service Award commend staff who exemplify our core value of Focus on Customers. A total of 19 individuals were recognised in 2018.

The Staff Excellence Award, the pinnacle of individual staff awards, was given out to 28 officers in 2018 for their excellent overall performance in work and exemplification of the CPF values. Other individual awards include the Outstanding NSman Award to recognise and reward staff for their outstanding performance in National Service and support for Total Defence activities, and the Long Service Award to recognise staff for their long service. In 2018, the Board presented the Long Service Award to 361 officers.

The Team Excellence Awards were given to 8 teams in 2018 to recognise teams which have lived out the value of Team Up for Results, and displayed exceptional teamwork in delivering impactful projects. To promote innovation and productivity, the Top Savings Award was accorded to

five project teams which had helped the Board save more than \$1,235,100 in total.

### CONTRIBUTING TO THE COMMUNITY

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

### COMMUNITY CHEST

The CPF Board’s employees have been supporting the Community Chest through the SHARE programme for the last three decades. Over the years, the Board has continuously rallied and encouraged employees to contribute a portion of their monthly salary through SHARE, to support the various social service organisations under the Community Chest. In 2018, while the participation rate was maintained at around 96%, the overall SHARE donation of \$93,152 saw an increase of 2.5% from 2017.

The CPF Board was awarded the 2018 SHARE Platinum Award for the 25<sup>th</sup> consecutive year by the Community Chest in 2018. The award is given by the Community

Chest in recognition of the CPF Board’s efforts in raising funds for the needy.

### COMMUNITY SERVICE PROGRAMME

In 2018, the CPF Board’s Community Service Committee (CSC) focused on:

1. Building and sustaining a long-term relationship with its Beneficiaries (i.e. elderly, children and community with special needs);
2. Creating and diversifying fund-raising and volunteering opportunities; and
3. Leveraging on the Team CPF Spirit and collaborate events with internal committees.

### Adopted Home

The CPF Board continued its adoption of the St John’s Home for Elderly Persons. Two half-yearly visits were organised in 2018, providing employees the opportunity to interact with the Home’s residents and engage them with food, gifts, games and performances. A total of \$20,958 was raised to support the home.

### Staff Volunteerism

The CSC created a diversified range of volunteering opportunities, engaging with the seniors, disadvantaged families, adults and children with special needs. The activities included employee sponsored-visit to Universal Studio Singapore (USS) for Asian Women’s Welfare Association (AWWA)’s under-privileged families on CPF Board’s Family Day on 1 September 2018, visits to AWWA’s Special Students Care Center with interactive activities with the children and various educational visits to the museums.

### Fund Raising

Fund raising activities conducted by the Board in 2018 included the CSC’s regular Charity Sales and Valentine’s Day flower sales. Proceeds were donated to the St John’s Home for Elderly Persons, AWWA, Feiyue, Movement for the Intellectually Disabled of Singapore, Community Chest Fu Dai and ARC Children’s Centre. The CPF Board also adopted 205 wishes in collaboration with The Boys’ Brigade Share-A-Gift event. CPF Board staff contributed over \$67,000 through these activities in 2018.

**Champion For A Good Cause** is a meaningful community project jointly initiated by Olympic Gold Medallist Swimmer, Joseph Schooling and the Community Chest, to champion the spirit of giving in the community. Under this project, the

CPF Board was honoured to receive its inaugural “Dolphin Partner” Award from National Council of Social Service in September 2018, which recognised the Board’s strong contributions to the community.

### 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 20 social security institutions from 10 ASEAN countries, namely Brunei, Cambodia, Indonesia, Lao PDR, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam. The 35<sup>th</sup> ASSA Board Meeting was held in Nha Trang, Vietnam from 18 to 20 September 2018.

As part of our international engagement efforts, the CPF Board received 200 visitors from foreign social security organisations and government bodies in 2018.