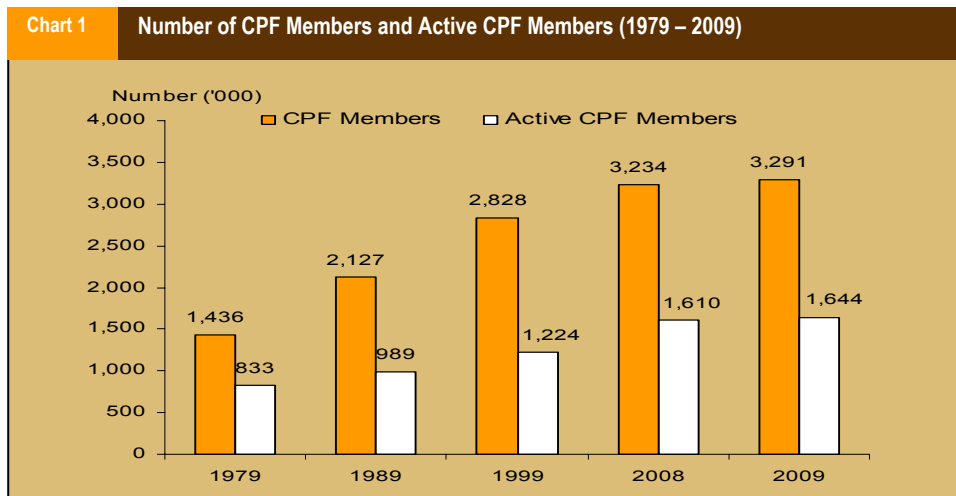


CPF membership has risen in tandem with the Singapore population over the years. This article provides an update on the age structure of CPF members¹ in 2009, in comparison with past years through the use of population pyramids.

Slower Growth in CPF Membership

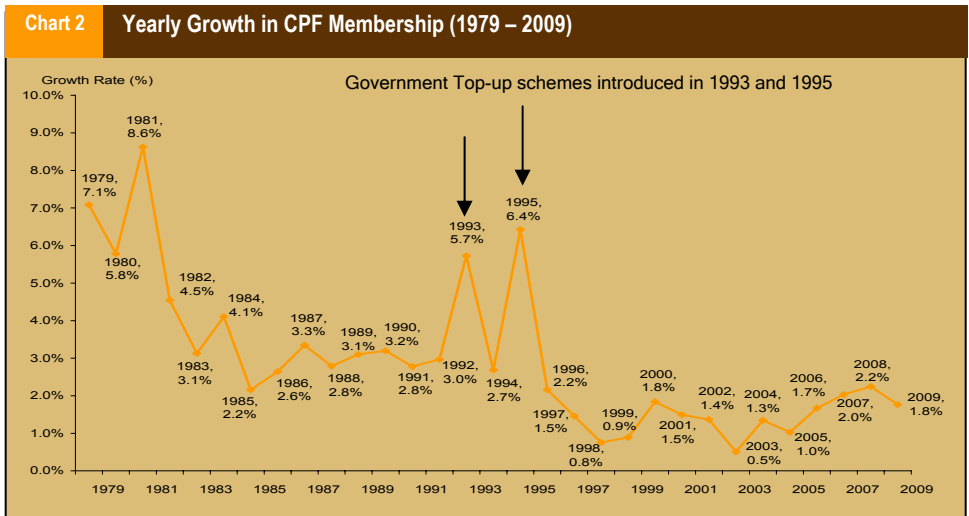
CPF membership stood at 3.29 million in 2009. This was a 1.8% increase over the 3.23 million members in 2008 (**Chart 1**). Similarly, the number of active members² rose from 1.61 million in 2008 to 1.64 million in 2009. Compared to thirty years ago, the overall and active memberships had increased by about 2 times.

Slight increase in CPF membership in 2009 over 2008



The growth in CPF membership has shown a downward trend

Over the years, the rate of growth in CPF membership has generally shown a downward trend (**Chart 2**). Spikes in 1993 and 1995 can be attributed to the government top-up schemes³ (such as Share Ownership Top-up Scheme, CPF Top-up and Pre-Medisave Top-up Scheme) introduced in these years.



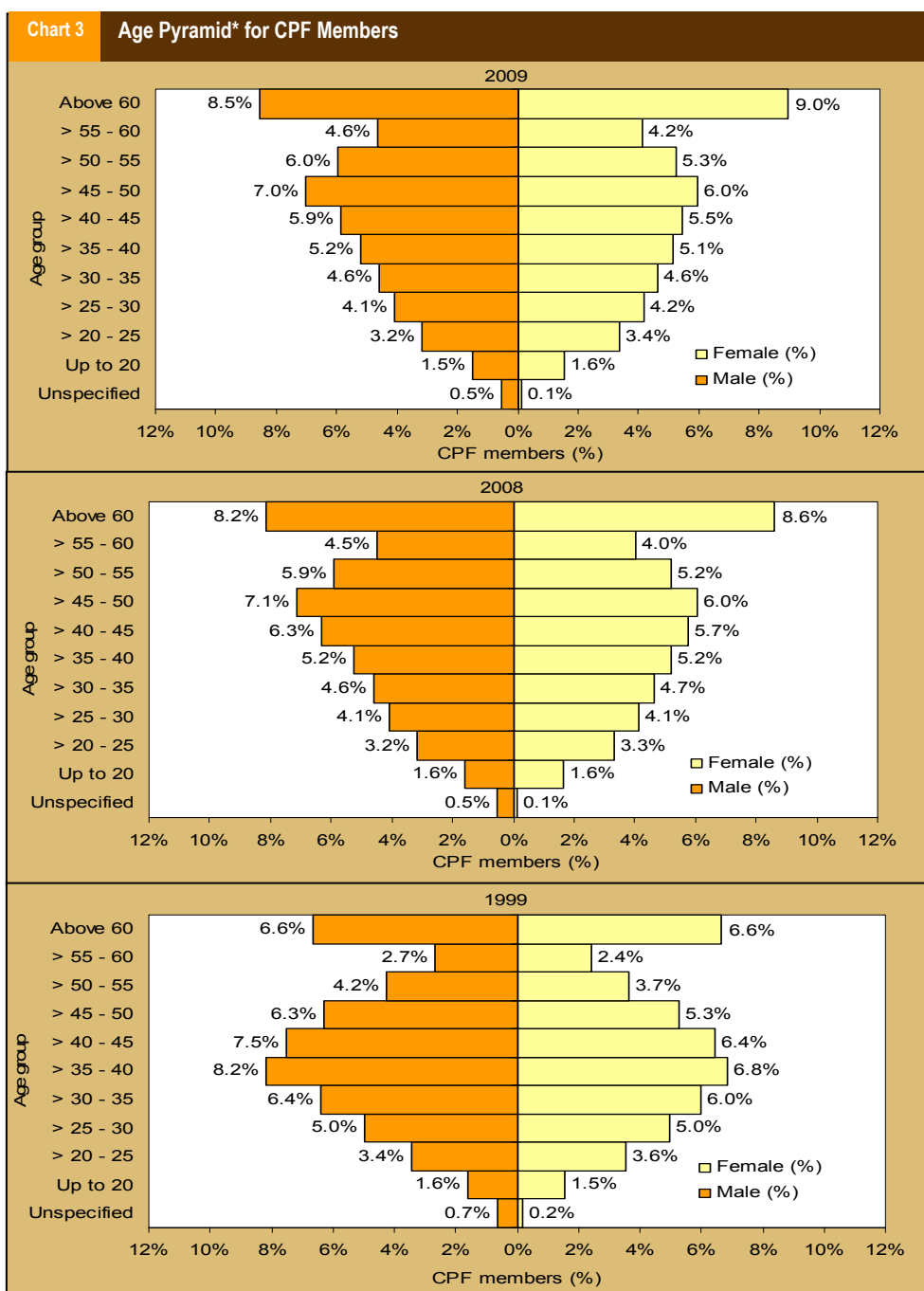
1. CPF Members refer to persons with positive balances in any of their CPF accounts.
2. Active members refer to persons with employment contributions in the current or preceding three months (data as at end of each year).
3. To be eligible for the government top-ups, members need to contribute an amount, depending on the respective top-up scheme, to their CPF accounts. Members who are unemployed and have no employment contribution would have to make a CPF contribution to qualify for the top-up. The CPF contributions from these members resulted in positive balances in their accounts. As CPF members are defined as persons with positive balances in their CPF accounts, persons with zero balances previously now become CPF members.

Older Age Structure of CPF Members

CPF members have grown older in the last decade, with proportionally more members aged above 55

The age structure of CPF members remained more or less the same in 2008 and 2009 (Chart 3). Slight increases in the proportion of members, ranging from 0.1% to 0.4%, were noted for older age groups (>50 years old) in 2009. Over the last decade, the average age profile of CPF members has risen with a noticeable increase in the proportion of members aged above 55 years old. Members in this age group increased from 18.3% in 1999 to 26.3% in 2009. In contrast, members in the age group older than 25 to 55 years old fell from 70.8% in 1999 to 63.5% in 2009. The proportion of those aged 25 and below also dropped slightly from 10.1% to 9.7%.

In 2009, the largest proportion of CPF members was in the age group above 60, while those aged above 35 to 40 constituted the largest proportion in 1999.



* Exclude those with unspecified gender. Percentages may not add up to 100% due to rounding.

Summary

The ageing CPF membership base is consistent with demographic trends such as the ageing Singapore population, decline in fertility rates and the increase in life expectancy.

As the Singapore population ages, there is an increasingly urgent need to enhance the adequacy of CPF savings to help members be financially secure in their old age. The Minimum Sum Scheme⁴ is one of the schemes introduced by the CPF Board to achieve this objective. The required Minimum Sum is currently \$123,000 and will be adjusted for inflation each year until it reaches \$120,000 (in 2003 dollars) in 2013. Other schemes⁵ include the CPF LIFE Scheme⁵ and CPF Minimum Sum Topping-Up Scheme⁴. To address the issue of increasing life expectancy and the risk of outliving one's savings, the CPF LIFE Scheme was introduced last year to provide lifelong income for CPF members when they retire. Through this scheme, members will receive a monthly income for as long as they live (the amount depending on the cash savings they have in their Retirement Account), unlike the current Minimum Sum Scheme where payouts only last about 20 years. The CPF Minimum Sum Topping-Up Scheme enhances the savings of members with lower balances. It allows members to make top-ups to their own, spouse, parents, grandparents or siblings' CPF accounts using either cash or CPF savings, subject to rules which have been liberalised over the years.

About *CPF Trends*

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

4. CPF Trend articles - Minimum Sum Scheme/ Liberalisation of the CPF Minimum Sum Topping-Up Scheme (<http://mycpf.cpf.gov.sg/CPF/About-Us/CPF+Trends.htm>)

5. For more information on CPF Schemes, please refer to Other CPF Schemes and Changes - (<http://mycpf.cpf.gov.sg/Members/Gen-Info/Sch-Svc/S-and-S>)