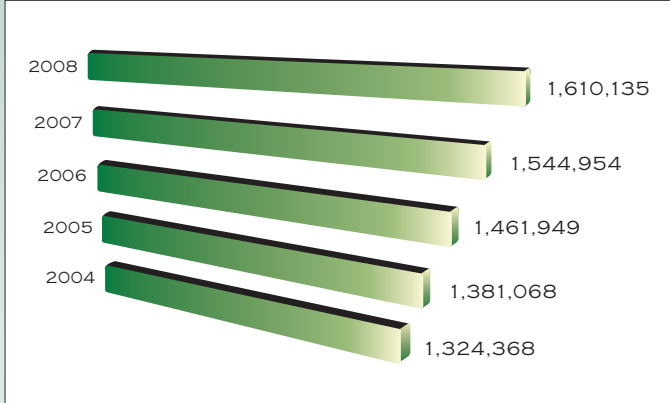




REVIEW OF OPERATIONS

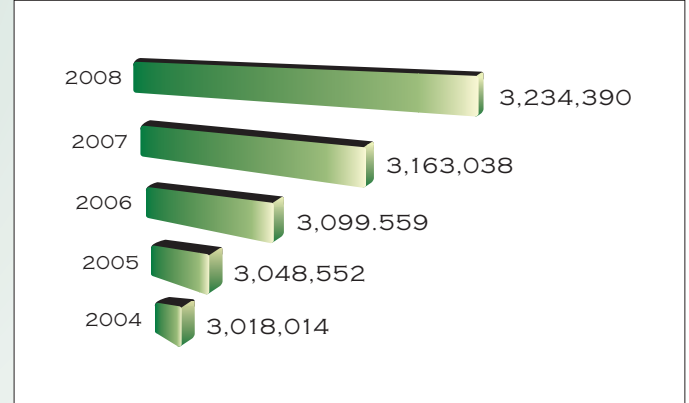
OVERVIEW

Active* Membership as at 31 December



* 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.

Membership as at 31 December



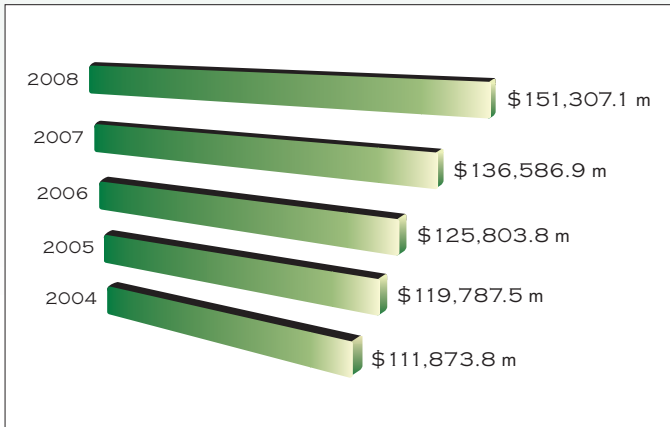
MEMBERSHIP

In 2008, CPF membership rose by 2.3% to 3,234,390 as at 31 December 2008. The number of active members increased by 4.2% to 1,610,135.

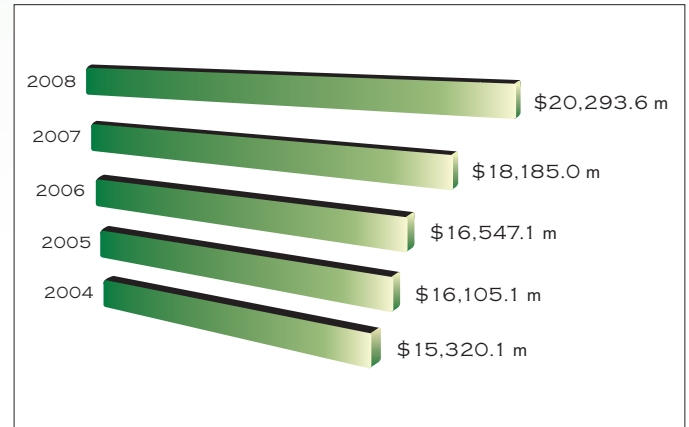
MEMBERS' BALANCE

Total members' balance grew by 10.8% from \$136,586.9 million in 2007 to \$151,307.1 million in 2008.

Members' Balance as at 31 December



Amount of Contributions Collected and Credited



* Include withdrawals under Section 15 & CPF Schemes

CPF CONTRIBUTIONS

Every month, employees and their employers make contributions to the CPF. As at end 2008, 108,279 employers paid CPF contributions for their employees. The amount of contributions collected and credited into members' accounts during the year amounted to \$20,293.6 million which was 11.6% higher than the amount of \$18,185.0 million collected in 2007.

The default rate for employers who failed to pay CPF monthly contributions on time increased marginally from 0.54% in 2007 to 0.55% in 2008.

MEMBERS' ACCOUNTS

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

CPF Contribution and Allocation Rates from 1 July 2007*

Age group	Contribution by Employer (% of Wage)	Contribution by Employee (% of Wage)	Total Contribution (% of Wage)	Ordinary Account (Ratio of Contribution)	Special Account (Ratio of Contribution)	Medisave Account (Ratio of Contribution)
35 years & below	14.5	20	34.5	0.6667	0.1449	0.1884
Above 35 – 45 years	14.5	20	34.5	0.6088	0.1739	0.2173
Above 45 – 50 years	14.5	20	34.5	0.5509	0.2028	0.2463
Above 50 – 55 years	10.5	18	28.5	0.4562	0.2456	0.2982
Above 55 – 60 years	7.5	12.5	20	0.575	0	0.425
Above 60 – 65 years	5	7.5	12.5	0.28	0	0.72
Above 65 years	5	5	10	0.1	0	0.9

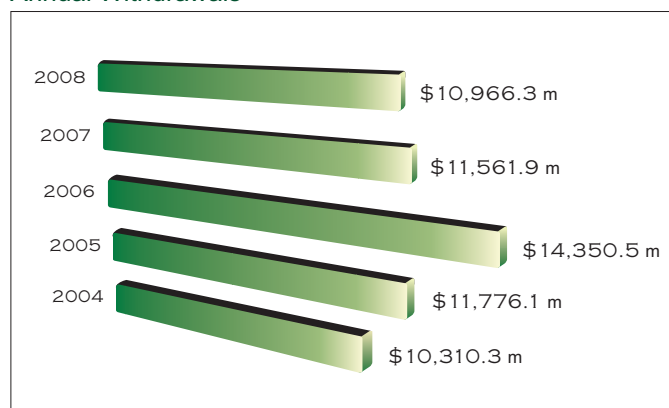
* For employees with monthly wages exceeding \$1,500. For employees with monthly wages not exceeding \$1,500, please refer to Annex D.

From age 55, the member has another account - the Retirement Account. The Retirement Account is used to set aside the member's Minimum Sum, taken from his Special and/or Ordinary Account balances.

CPF WITHDRAWALS

Withdrawals from members' balances totalled \$10,966.3 million in 2008, compared to \$11,561.9 million in the previous year.

Annual Withdrawals*



* Include withdrawals under Section 15 & CPF Schemes

INTEREST EARNED BY MEMBERS

The Ordinary Account (OA) interest rate is calculated based on a weightage of 80% on the 12-month fixed deposit rates and 20% on the savings rates of the major local banks. It is reviewed quarterly to keep up with prevailing market interest rates. In 2008, the interest rate was 2.5% per annum for the OA.

With effect from 1 January 2008, an extra 1% interest has been paid on the first \$60,000 of a member's combined balances, with up to \$20,000 from the OA.

On 1 January 2008, savings in the Special, Medisave, and Retirement Accounts (SMRA) were pegged to the 12-month average yield of the 10-year Singapore Government Security (10YSGS) plus 1%. To help CPF members adjust to the floating SMRA rate, the Government will maintain the 4% floor rate till 31 December 2009. The 2.5% floor rate legislated in the CPF Act will continue to apply for all CPF accounts.

The total interest credited into members' accounts in 2008 amounted to \$5,455.1 million.