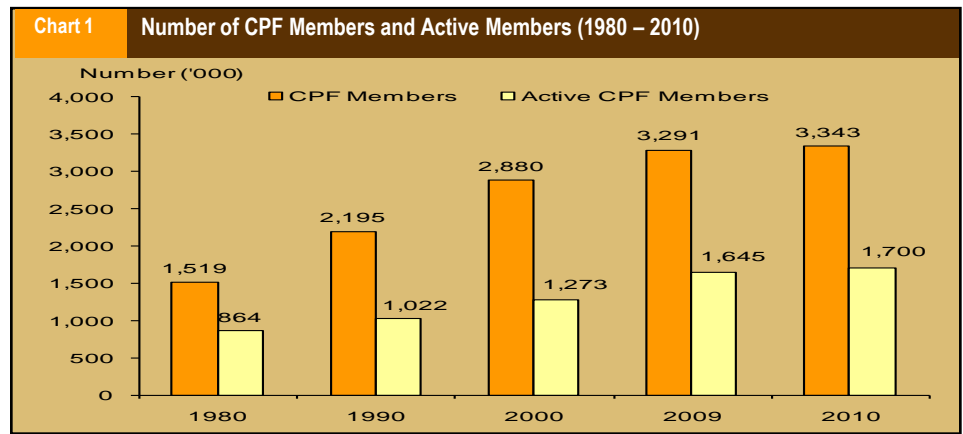


CPF membership has risen in tandem with the Singapore population over the years. This article compares the distribution of active CPF members¹ in 2010 with that of 2000.

Slight increase in CPF membership in 2010 over 2009

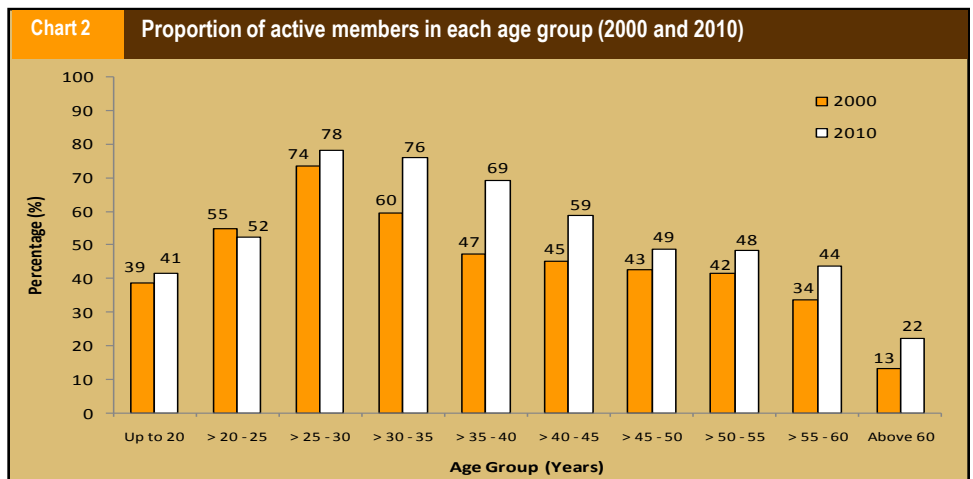
Growth in Active CPF Membership

CPF membership stood at 3.34 million in 2010. This is an increase of 1.6% over the 3.29 million members in 2009 (Chart 1). Likewise, the number of active members² rose from 1.65 million in 2009 to 1.7 million in 2010. Compared to thirty years ago, the total and active memberships have increased by about 2 times.



Growth in CPF membership among active members has shown an upward trend

Over the last decade, the proportion of active members within each age group has generally increased, except for those in the >20 to 25 group (Chart 2). The increase is most prominent within the ages of 30 to 45 where increases greater than ten percentage points have been registered. A nine percentage point increase in active members was also observed for those above 60. This might be due to the raising of retirement age from 60 to 62 in 1999. This trend is expected to continue with the passing of the Retirement and Re-employment Act³ (RRA), which will be implemented on 1 January 2012. Under the RRA, employers will be required to re-employ those who have reached retirement age but are willing and able to continue to work, up to age 65.

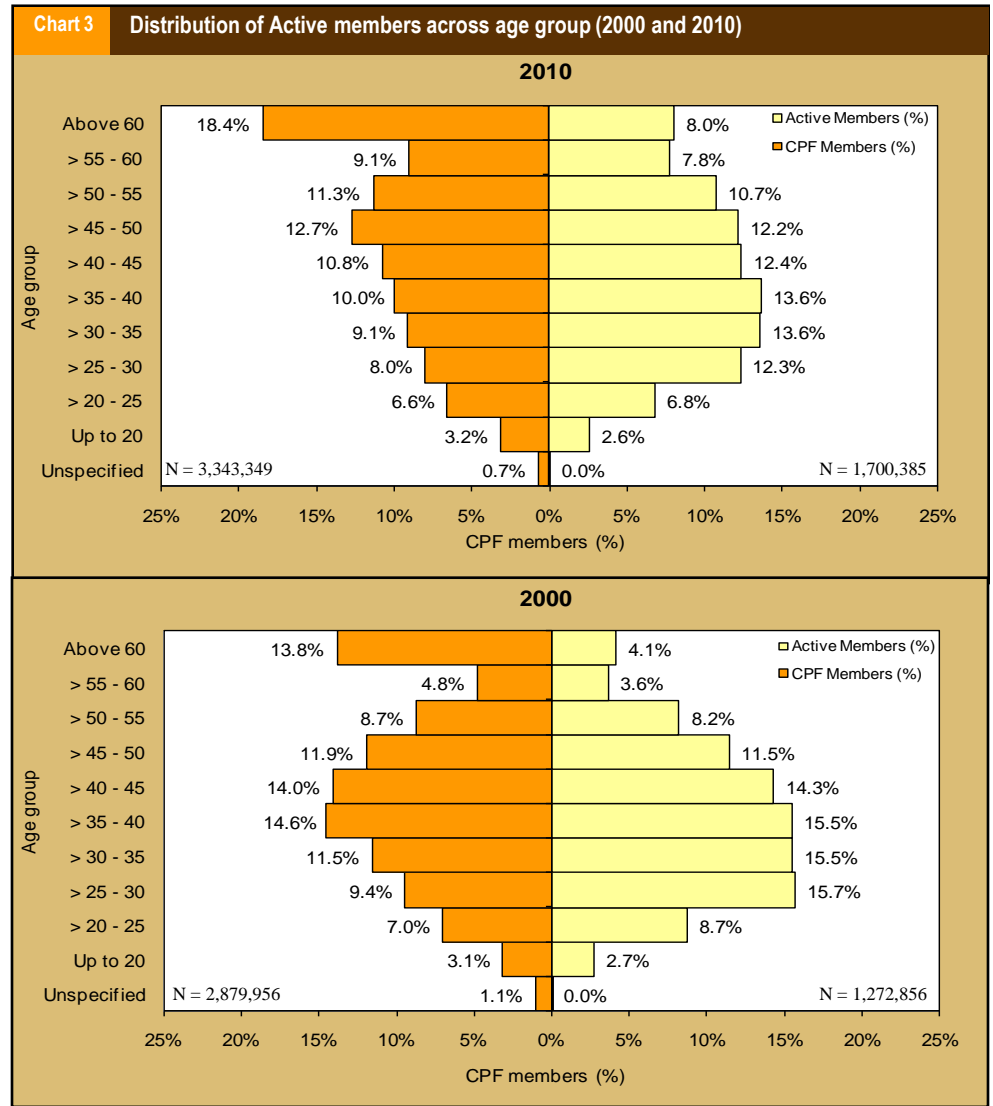


1. CPF members refer to persons with positive balances in any of their CPF accounts.
2. Active members refer to persons with employment contributions in the current or preceding three months (data as at end of each year).
3. For more information on Retirement and Re-employment Act (RRA), please refer to (<http://www.mom.gov.sg/newsroom/Pages/SpeechesDetail.aspx?listid=308>)

**Workforce getting older,
with increasing
concentration of active
members aged above 55**

Distribution of active members

The distribution of active members in 2010 has changed significantly from 2000. In particular, the age profile of active members has risen over the last decade. The proportion of active members aged above 45 years old increased from 27.4% in 2000 to 38.7% in 2010. Correspondingly, active members aged 45 years and below fell from 72.4% in 2000 to 61.3% in 2010. This implies that majority of the workforce may be getting older and the trend is expected to continue due to the increase in the retirement age.



- The proportion of active members is a subset of CPF members.
- Percentages may not add up to 100% due to rounding.

Conclusion

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. To achieve this objective, members are strongly encouraged to be prudent in their expenditure and to start early in growing their savings for retirement. They are also encouraged to take advantage of CPF voluntary contribution schemes such as the Minimum Sum Topping-Up Scheme (MSTU) to help enhance the savings of their loved ones with lower CPF account balances.

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.