

CPF LIFE SECOND AUTO-INCLUSION POINT

1. Why do we need to have a second auto-inclusion point at DDA?

Members who did not participate in LIFE at 55 due to insufficient RA balances might have significant RA inflows between 55 and DDA. To help members participate in LIFE and enjoy an income for as long as they live, we will auto-include members with at least \$60,000 at DDA.

2. Why is the cut-off for auto-inclusion set at \$40,000 at age 55 but \$60,000 at DDA?

The second auto-inclusion point at DDA is an extension of the auto-inclusion point at age 55. \$60,000 at DDA is equivalent in value to \$40,000 at age 55, compounded by an interest of 4%¹ over ten years. Those who were not auto-included due to lower RA balances can still join the scheme, if they wish to do so.

¹ 4% is the interest currently earned on monies in the RA.