

CPF membership has risen in tandem with the Singapore population over the years. This article highlights the changing age structure of CPF members¹ in the last decade through the use of population pyramids.

Slower Growth in CPF Membership

CPF membership more than doubled from 1.34 million in 1978 to 3.23 million members in 2008. Over the same period, the number of active CPF members² also registered a two-fold increase from 779,000 in 1978 to 1.61 million in 2008 (Chart 1). From 1998 to 2008, the number of CPF members grew at only 1.4%, a much slower rate compared to that during 1988 to 1998 (3.1%) and 1978 to 1988 (4.4%). Comparatively, the number of active CPF members grew at an increasing rate, from 2.1 % in the period 1978 to 1988 to 3.0% from 1998 to 2008 (Table 1).

CPF membership is growing at a slower pace from 1998 to 2008

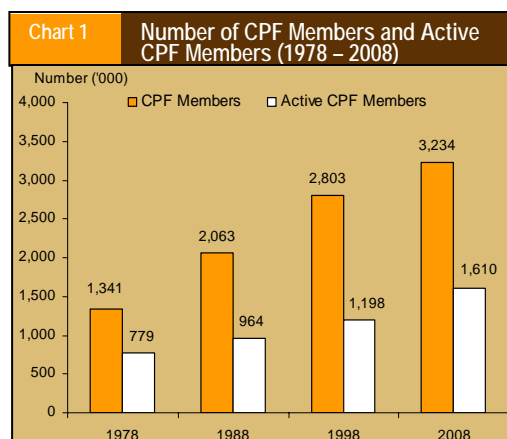
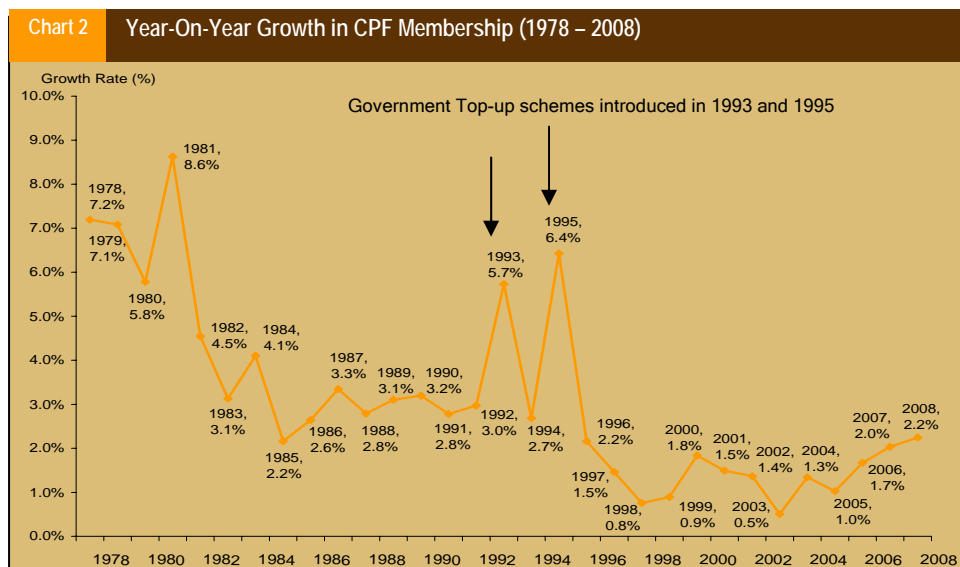


Table 1 Average Annual Growth (1978 – 2008)

Year	Average Annual Growth (%)	
	CPF Members	Active CPF Members
1968 - 1978	10.3	na ³
1978 - 1988	4.4	2.1
1988 - 1998	3.1	2.2
1998 - 2008	1.4	3.0

The growth in CPF membership has shown a downward trend

On a year-on-year basis, the rate of growth in CPF membership has shown a downward trend from 1978 to 2008. However, a surge in CPF membership was observed in 1981, 1993 and 1995. The spike in 1993 and 1995 can be attributed to the government top-up schemes (such as Share Ownership Top-up Scheme, CPF Top-up, Pre-Medisave Top-up Scheme) introduced in these years (Chart 2).



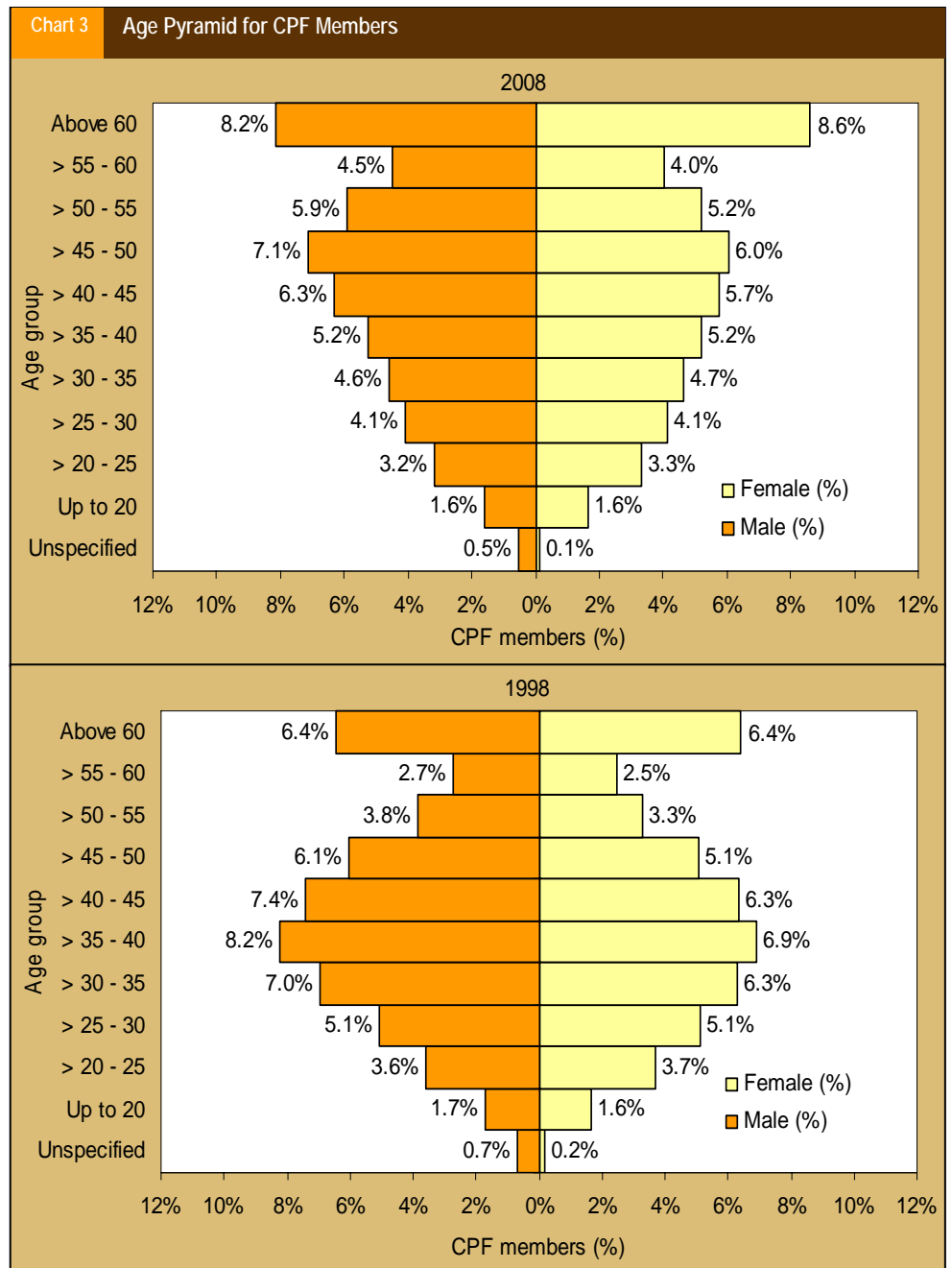
1. CPF Members refer to persons with positive balances in any of their CPF accounts.
2. Active members refer to persons who have at least one CPF employment contribution paid for them for the current or for any of the preceding three months.
3. The rate of growth in the number of active members between 1968 and 1978 is not available, as data on active members is only available from 1971 onwards.

Older Age Structure of CPF Members

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

The growth in CPF membership over the last decade was accompanied by some changes in the age structure (Chart 3). CPF members have grown older in the last decade with a noticeable increase in the proportion of members aged above 55 years old. Members in this age group increased from 18% in 1998 to 25.3% in 2008. In contrast, members aged older than 25 to 55 years old fell from 70.6% in 1998 to 64.1% in 2008. The proportion of those aged 25 and below also dropped slightly from 10.6% to 9.7%.

In 2008, 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 1998.



Note: 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 changes such as the ageing Singapore population, decline in fertility rates and the increase in life expectancy.

An ageing population puts greater pressure on a country's health and social security systems. As a result, there is an increasing need to enhance the adequacy of CPF savings to help members ensure that they are financially secure in their old age. One scheme introduced by the Board to achieve this objective is the Minimum Sum Scheme⁴. The required Minimum Sum is currently \$117,000 and will be adjusted for inflation each year until it reaches \$120,000 (in 2003 dollars) in 2013. Other reforms and changes⁵ included the introduction of the CPF Minimum Sum Topping-Up Scheme⁴. This scheme allows members to top-up the CPF accounts for themselves, spouse, parents, grandparents and siblings using either cash or CPF savings, subject to rules which have been liberalised over the years. Another change introduced in 2009 is CPF LIFE⁵, a national longevity insurance scheme designed to provide CPF members with a monthly income for as long as they live.

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 reforms and other changes, please refer to CPF Reforms and Other Changes - (<http://mycpf.cpf.gov.sg/Members/Gen-Info/CPFChanges/CPFChanges.htm>)