CPF TRENDS

CPF Membership

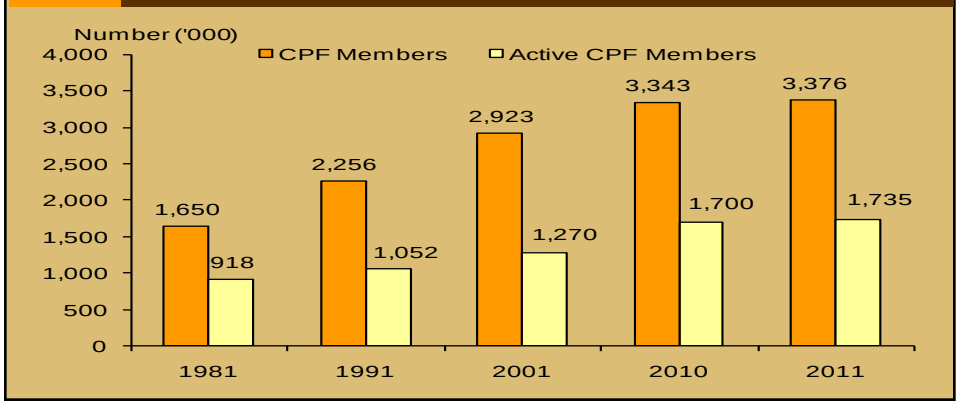
CPF membership[1] has risen in tandem with the growth in the Singapore population over the years. This article examines the growth of active CPF members[2] over the last decade.

Steady Growth in CPF Membership

CPF membership has increased steadily over the years

CPF membership reached a total of 3.38 million in 2011, an increase of 1% over 2010 **(Chart 1)**. The number of active members has also risen, from 1.7 million in 2010 to 1.74 million in 2011. Compared to thirty years ago in 1981, the number of total and active CPF members has approximately doubled.

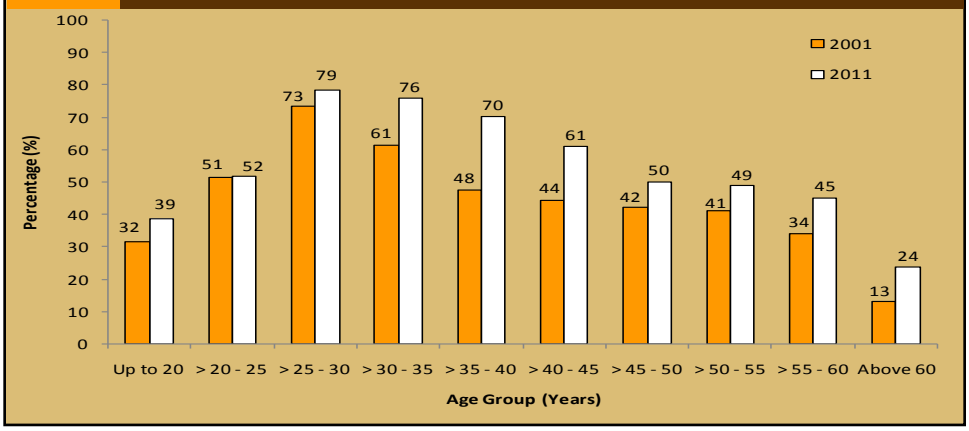
Chart 1 Number of CPF Members and Active Members (1981 – 2011)



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

Compared to a decade ago, the proportion of active members for all age groups has increased **(Chart 2)**. This increase is most prominent within the ages of 30 to 45 where increases of at least fifteen percentage points have been observed. For those above 55, similar increases of more than 10 percentage points were also registered. This might be attributed to the raising of the statutory retirement age from 60 to 62 in 1999. This trend of active members representing a larger proportion of their age cohorts is likely to continue with the implementation of the Retirement and Re-employment Act[3] (RRA) in January 2012, under which employers will be required to re-employ those who have reached the statutory retirement age but are willing and able to continue to work, up to age 65.

Chart 2 Proportion of active members in each age group (2001 and 2011)



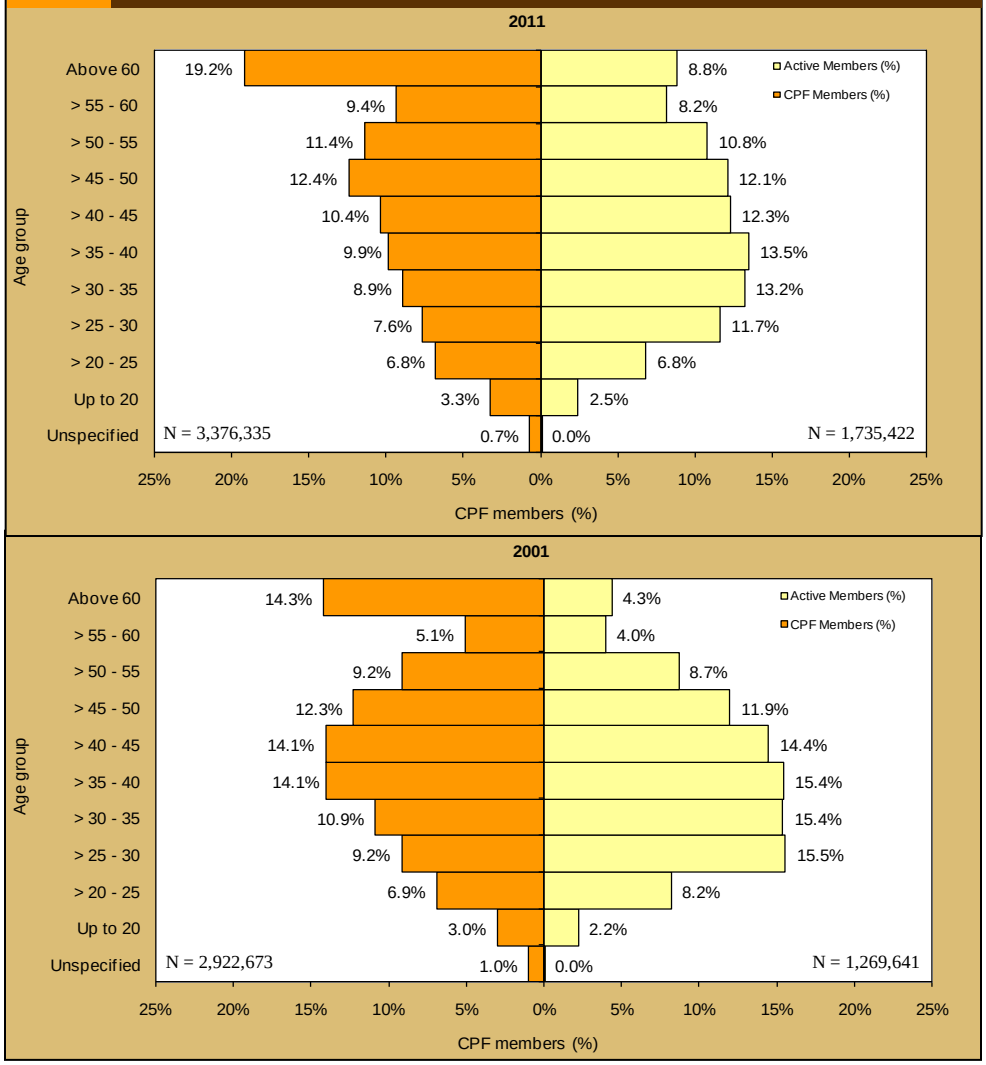
1. CPF members refer to persons with positive balances in any of their CPF accounts.
2. Active members refer to persons with employment contributions in the current or any of the preceding three months (data as at end of each year).
3. For more information on Retirement and Re-employment Act (RRA), please 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 2011 has changed significantly from 2001. 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 28.9% in 2001 to 39.9% in 2011. Correspondingly, active members aged 45 years and below fell from 71.1% in 2001 to 60% in 2011. This implies that the majority of the workforce may be getting older and this trend is expected to continue due to the increase in the statutory retirement age.

Chart 3 Distribution of active members across age groups (2001 and 2011)



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

Conclusion

In line with the demographic trends such as increasing life expectancy and declining fertility rates, CPF membership has also aged. However, the positive trend is that the number of active members, both at the aggregate level and within each age group, has increased compared to a decade ago. This bodes well for retirement adequacy, as active members are likely to be in a stronger position to accumulate retirement savings.

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.