Social Security – The Singapore Experience

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CPF's Central Role in Social Security

- CPF is designed as a fully funded, defined contribution scheme

- Mandatory monthly contribution of 36%
  - 20% from self
  - 16% from employers

- Help Singaporeans save to meet a basic/modest level of needs in retirement



Retirement Income



Healthcare Financing



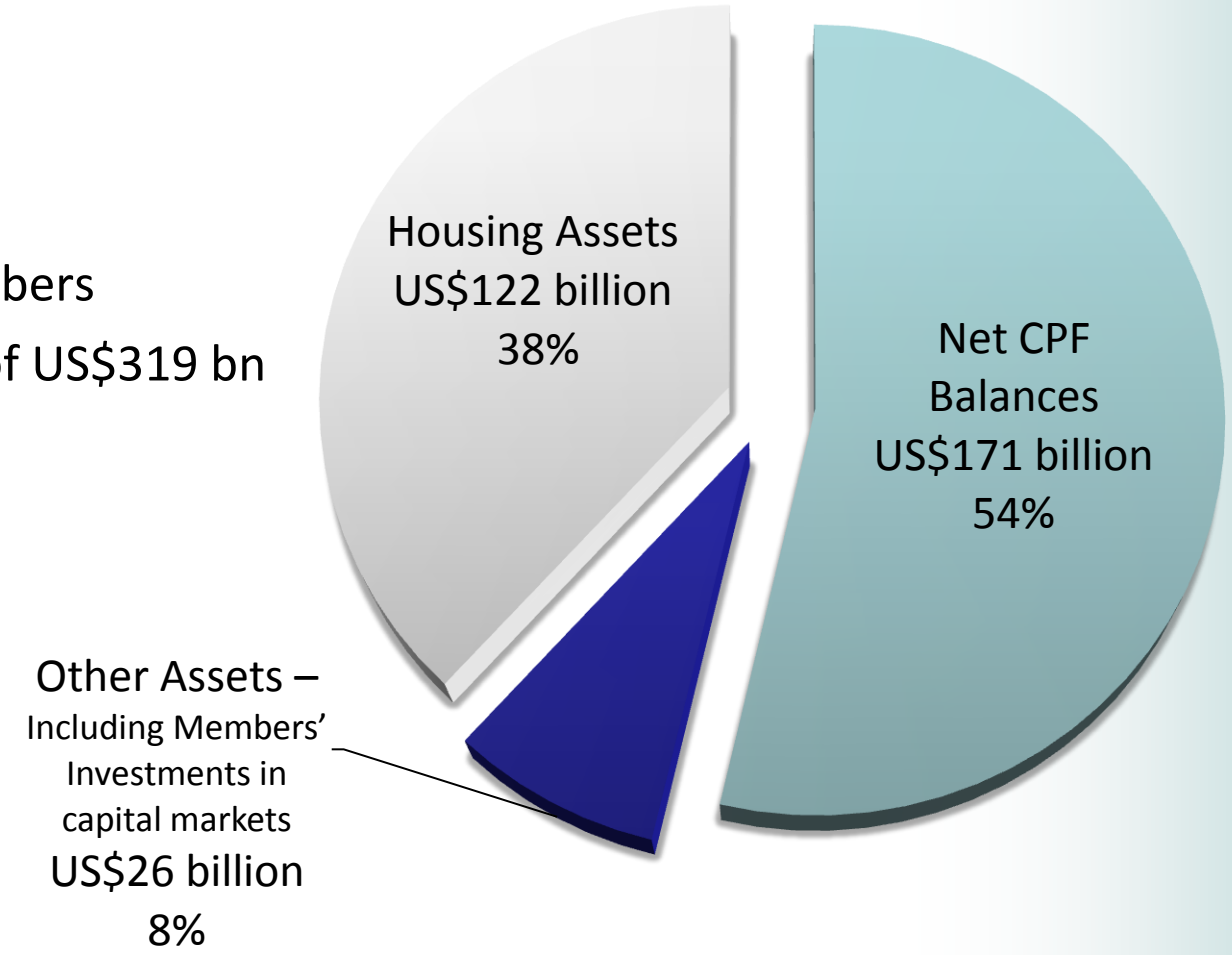
Home Ownership

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Key CPF Information

As at 31 March 2012

- 3.39 million members
- Total net assets of US$319 bn



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Returns on CPF's Investments

- Members' monies currently invested in Special Singapore Government Securities (SSGS)



Sub-account useable for Housing



Sub-account for Retirement



Sub-account for Healthcare

Pegged to local bank savings rate
Legislated floor rate of 2.5%

Pegged to yield of 10-year SGS + 1%
Current floor rate of 4%

Extra interest of 1% on first US$ 48,000 balance

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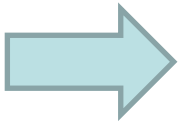
Approved Products under CPF Investment Scheme (CPFIS)

- Stocks and Shares
- Property Funds
- Gold
- Unit Trusts
- Insurance
- Bonds and Treasury Bills
- Exchange Traded Funds
- Fixed Deposits

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Minimising Investment Risks to Members

- Improve investment product quality
- Keep investment costs low



Tighten Fund Admission Criteria

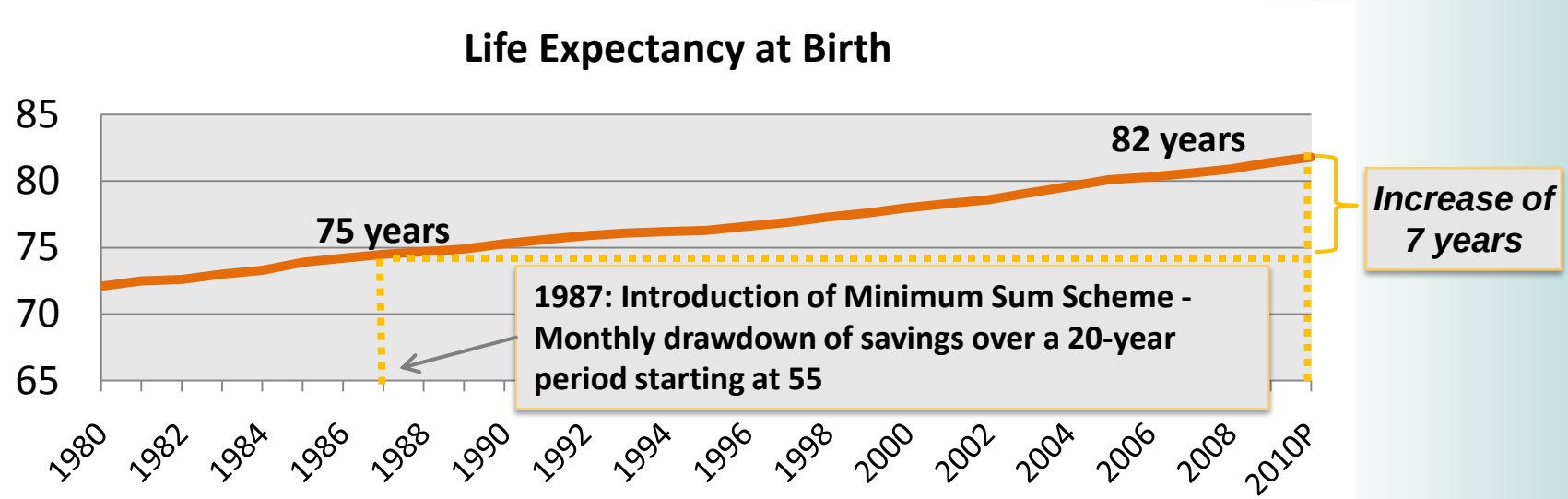
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Minimising Investment Risks to Members

Qualitative Measures	Quantitative Measures
• Manager's history of success • Organisational strength • Investment process consistency: Portfolio composition and concentration • Asset size and asset growth	• Top quartile of global peer group • 3 years track record • Cap sales charges and Total Expense Ratios

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Increasing Longevity in Singapore



Source: *Department of Statistics Singapore*



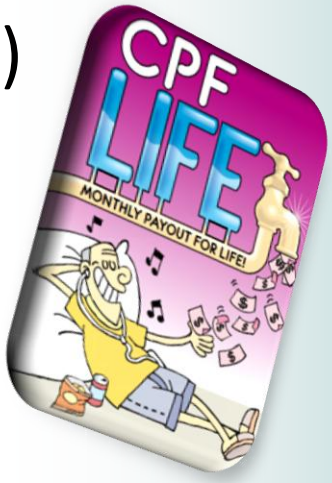
Age

90

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Overcoming Longevity Risk with CPF LIFE

CPF LIFE (**L**ifelong **I**ncome **F**or The **E**lderly)



- Introduced in 2009 after public consultation
  - National annuity scheme
  - More than 73,000 participants to date

- Mandatory scheme from 2013
  - Applies to members with CPF balances above US$ 32,000 savings
  - About 30,000 members will be auto-included (70% of cohort)
  - Members with lower CPF balances have the option to participate

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National Insurance Schemes to Help Members Manage Risks



Dependant's Protection Scheme

Term life insurance to protect dependants from loss of income



MediShield

Catastrophic hospitalization insurance



Home Protection Scheme

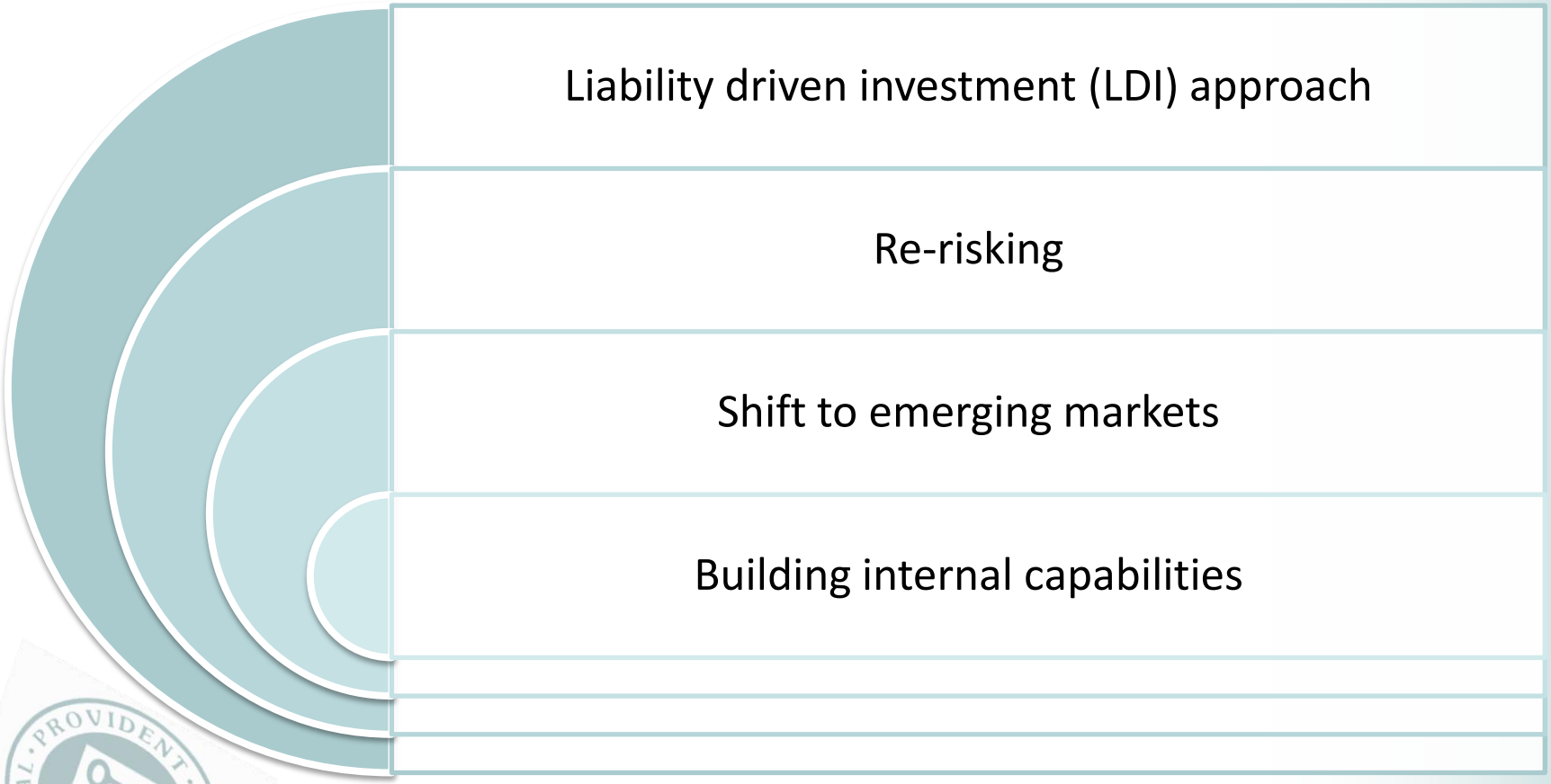
Mortgage reducing insurance

Total fund size managed by CPFB

About US$ 2.7 billion

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Investment Strategies For Insurance Schemes



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