## Background: How the CPF system works today to provide retirement payouts

1. Today when a CPF member reaches the age of 55, a Retirement Account (RA) is created, and savings from his Special Account (SA) and Ordinary Account (OA) are transferred to his RA up to the Minimum Sum (MS). The amount set aside in the RA is streamed out in monthly payouts to meet basic living expenses in retirement. The monthly payouts will commence from the Payout Eligibility Age[1].

2. The MS is fixed for a CPF member when he turns 55 and does not change for the member thereafter. The MS is typically announced in May each year for the cohort of members turning 55 from July in that year to June in the subsequent year. The announcement of the new MS is timed to allow for inflation in the previous year to be factored into adjustments to be made to the MS.

3. CPF members who are not able to attain their MS will still receive monthly payouts from their Payout Eligibility Age. The amount of payouts that they receive will depend on the amount of savings that they set aside in their RA. There is no "penalty" for not reaching the MS.

4. Figure 2.1 illustrates what a CPF member who turns 55 in 2016 would receive in monthly payouts from age 65 via the CPF LIFE annuity scheme, based on illustrative balances in the RA. CPF LIFE monthly payouts continue for as long as the member lives, but for the purposes of illustration, the total payouts shown in the table are estimated until age 84 for men and age 87 for women. This reflects the average life expectancy for men and women at age 65 in 2013.

Figure 2.1 – Illustration of Cumulative Payouts from CPF LIFE (based on the CPF LIFE Standard Plan) for Members Turning 55 in 2016 (*see footnotes*[2])

| Savings in RA in 2016 at age 55 | Estimated monthly payout from CPF LIFE starting from 2026, at age 65 | | Total payouts received by member by the time he or she reaches age 84 and 87 years respectively | |
|---|---|---|---|---|
| | Male | Female | Male | Female |
| **$161,000** | $1,300 | $1,200 | $296,000 | $ 317,000 |
| **$ 80,500** | $700 | $650 | $160,000 | $ 171,000 |
| **$40,000** | $400 | $350 | $91,000 | $ 106,000 |

[1] Also known as the Draw Down Age, which will be 65 from 2018 onwards.

[2] (a) Assumes no further transfers made to the RA and no withdrawals made from the RA from 55 to 65;

(b) All figures are rounded and CPF LIFE payouts are based on Standard Plan parameters today. The payouts continue for as long as the member lives, but for the purposes of illustration, the numbers shown here are based on life expectancy at age 65 for males and females, which is age 84 and 87 respectively in year 2013.

## Considerations

5. ***Providing for a basic level of retirement support.*** The Panel re-affirms that the special focus of the CPF should be to provide for a stable, lifelong income stream that can help support a basic level of retirement expenses. Although the Panel recognises the need to establish a threshold for a basic level of CPF payouts, we also observed from our focus group discussions that the needs of households and individuals vary widely. Hence, some flexibility for households to tailor their retirement payouts based on their needs is important.

6. ***Providing clarity for members.*** Through our focus group discussions, we observed that many Singaporeans do not have a good understanding of how the MS set aside at 55 translates to monthly payouts from the Payout Eligibility Age. Going forward, it is important for clear and specific information to be provided to members to facilitate their understanding of this, so that they can make well-informed choices from the available options.

7. ***Greater assurance for members.*** The Panel recognises that uncertainty about future adjustments to the MS causes anxiety and makes it difficult for CPF members to plan for retirement. Greater certainty and assurance about the amount of CPF savings that members should set aside to provide for a basic level of CPF payouts, is therefore necessary.

## Recommendations: Framing the Minimum Sum to Focus on Payouts, with Greater Assurance and Certainty

**<u>Recommendation 1</u>**

- It would be prudent for a member who retires in 10 years' time to set aside CPF savings to provide for a payout of about $650 to $700 per month. This assumes that the retiree owns a home and does not need to pay rent[3]. This level of payout should be named the "Basic Payout".
- The amount to be set aside at age 55 to provide this Basic Payout for life from age 65 should be named the "Basic Retirement Sum".
- For members who wish to withdraw savings in excess of the Basic Retirement Sum, the property pledge should not be required for those who already have a sufficient CPF charge on their property.

[3] More than 90% of resident households own a home (Source: Department of Statistics).

8. When planning for retirement, the key is to focus first on the estimated monthly income required. This income stream should be lifelong to avoid the risk of outliving one's savings. CPF LIFE provides lifelong monthly payouts that help support a basic level of retirement expenses. Through CPF LIFE, the sum of money to be set aside as a premium is then actuarially determined[4]. Singaporeans who wish to maintain monthly expenditure levels above the basic level supported by CPF would need to have additional savings, investments or other income sources.

9. Therefore, a major consideration underpinning our recommendations is to **reframe the Minimum Sum to first focus on the appropriate level of payout in retirement,** and consequently, the amount to be set aside to achieve this payout for life (i.e. the annuity premium required).

10. The Panel deliberated on what should be considered an appropriate basic level of payout in retirement. The Panel recognised the need to establish a threshold for a basic level of CPF payouts, but also observed from focus group discussions that the needs of households and individuals vary widely. Some may have additional sources of income outside the CPF system, including support from family members. Others may require higher payouts to also support their dependents. We reviewed data from the Household Expenditure Survey by the Department of Statistics, and took reference from the lower-middle[5] retiree household expenditure per person (see Annex 2-A). As part of this work, the Panel also looked at the level of subsistence support provided by the Government under the Public Assistance scheme[6], as well as basic pension schemes in other countries.

11. **The Panel assessed that a retiree in the lower-middle retiree household spends about $500 to $550 per month today or about $650 to $700 in 10 years' time.** This takes into account the fact that most retirees own their homes and hence do not need to pay rent. **The Panel proposes to name this basic level of payout: the "Basic Payout"**. **It would be prudent for a member who retires in 10 years' time to provide for the Basic Payout by setting aside enough CPF savings.** The Panel proposes to name the savings that need to be set aside for this purpose as the "**Basic Retirement Sum**". The Panel noted that CPF members who reach the age of 55 in 2016, can receive the Basic Payout of $650 to $700 per month for life from age 65, if they set aside the Basic Retirement Sum of $80,500 as a premium for CPF LIFE.

[4] CPF Board employs external actuaries to determine the payouts that can be distributed to members while ensuring the long-term sustainability of the CPF LIFE system.
[5] As proxied by the average of the 2$^{nd}$ quintile (i.e. 21$^{st}$ - 40$^{th}$ percentile) retiree household expenditure per person.
[6] A one and two member household that qualifies for Public Assistance receives $450 and $790 respectively.

12. Those who wish to withdraw savings in excess of the Basic Retirement Sum can do so, subject to making a property pledge. This recognises the fact that members who own properties do not need to pay rent and can also derive additional income from the value of their property if they need or choose to. Bearing this in mind, it is necessary to ensure that should a member sell his property, there will be enough sale proceeds returned to his CPF to supplement his basic payouts, particularly if the retiree now needs to rent accommodation.

13. Today, this assurance is provided via the property pledge rules. However, for the large majority of members who use their CPF to purchase housing, there is already a CPF charge on the property that can serve this purpose and provide this assurance. The Panel recommends that **such members not be required to make a property pledge if they wish to withdraw savings in excess of the Basic Retirement Sum, as this would simplify the process for them**. For others who have no or an insufficient CPF charge on their property, they would still need to make a property pledge, as per the current practice.

**<u>Recommendation 2</u>**

- The Basic Retirement Sum would apply to members who own a property and should continue to be subject to a charge/pledge[7] on the value of the property. At age 55, such members would be able to withdraw their CPF savings in excess of the Basic Retirement Sum.
- Members who do not own their homes or do not wish to pledge it, should set aside a retirement sum that is double the Basic Retirement Sum. This sum should be named the "Full Retirement Sum".

14. The Panel notes **that among the cohort of CPF members turning 55 in 2020, it is expected that about 7 in 10 active members will be able to accumulate enough CPF savings to meet their Basic Retirement Sum**.

15. The Panel is mindful that in addition to providing for themselves, many CPF members will have to provide for their spouses as well. Among CPF members approaching age 55 today, there is still a high proportion of households where there is only a single breadwinner and the CPF savings of the other spouse are likely to be

[7] A CPF property charge/pledge does not affect ownership of the property. A charge is created when a member withdraws savings from his Ordinary Account to finance the purchase of his property and pay his housing loan instalments. A pledge is created when a member withdraw sums in excess of the Basic Retirement Sum under the property pledge withdrawal rules. When the property is sold, the amount of the charge/pledge will be returned to the member's CPF account from the proceeds of the sale. It can then be re-used for subsequent housing purchases or drawn down if a member has entered into retirement.

significantly lower. Those who have savings in excess of the Basic Retirement Sum should keep in mind that alternative plans will be needed for their spouses, if they choose to withdraw savings in excess of the Basic Retirement Sum.

16. **Members who do not own their homes or do not wish to pledge it, should set aside a retirement sum that is double the Basic Retirement Sum. We propose to name this sum, the "Full Retirement Sum".** At age 55, such members would only be able to withdraw CPF savings in excess of this sum. This takes into account the fact that members without a property do not have the option to derive additional income from property and may also need to pay rent. For the member with a property who does not have a charge on the property nor choose to pledge it, should he sell the property, none of the proceeds will return to his CPF to supplement his basic payouts, hence affecting his retirement adequacy.

***Members with CPF Balances below the Basic Retirement Sum***

17. The Panel recognises that a significant number of Singaporeans approaching the age of 55 will still fall short of having enough CPF savings to meet the Basic Retirement Sum at 55. There are several reasons for this. Wages were generally lower in the past so the amounts set aside via the CPF were correspondingly less. Older members also had a shorter runway to benefit from the 1% Extra Interest on the first $60,000 of balances which was introduced in 2008 and the Workfare Income Supplement Scheme which was introduced in 2007 and tops up the CPF accounts of lower income members. Labour force participation rates of women were also lower in the past; some may have been caregivers of the elderly or young children and may not have been able to engage in either full-time or part-time work. The use of CPF savings to pay for housing will also result in lower CPF balances, although the home is an asset that can be tapped on to supplement retirement savings if necessary.

18. Nevertheless, the Panel notes that the balances of each successive cohort of CPF members are improving. For example, 55% of active members who turned 55 in 2013 had accumulated enough CPF savings to meet their Basic Retirement Sum. It is expected that among the cohort of CPF members turning 55 in 2020, about 7 in 10 active members will be able to accumulate enough CPF savings to meet their Basic Retirement Sum.

19. While members with CPF balances below the Basic Retirement Sum will still receive monthly CPF payouts from their Payout Eligibility Age[8], the level of payouts will be correspondingly lower.

20. The Panel has several suggestions on how to mitigate the transitional problem of older CPF members with low balances, but notes that the Government may need to consider mechanisms outside of the CPF system to fully address this issue. In particular, the proposed Silver Support Scheme[9] will play a key role in providing support to lower-income households in retirement.

**Recommendation 3:**
- Encourage each CPF member to have his/her own CPF LIFE plan, with incentives to top up the CPF accounts of lower-balance or non-working family members.

21. The Panel is of the view that we should encourage and incentivise every CPF member to have his/her own CPF LIFE plan. This will ensure that every member would have an assured source of post-retirement payouts for life.

22. The Panel felt that it was important for households where there is a spouse who is not working or with insufficient CPF savings, to ensure that the latter's retirement needs are taken care of. Such spouses may not have been able to engage in either full-time or part-time work because they had to look after young children or were the main care-givers of elderly parents. The couple may also have limited additional sources of post-retirement support. If the main breadwinner in such situations has CPF savings above the Basic Retirement Sum, he should consider annuitising the full amount rather than just the Basic Retirement Sum, so as to secure the higher level of payouts needed. Alternatively, as further proposed by the Panel, he should be allowed to use the excess savings above his Basic Retirement Sum to top up his spouse's CPF account. **The Panel recommends that members in such situations be offered appropriate and timely information, and financial counselling on their retirement needs as a couple, prior to opting to set aside the Basic Retirement Sum.**

23. The Panel has several reasons for recommending that we should encourage and incentivise each member in the household to have his own retirement savings and CPF LIFE plan. CPF LIFE plans are individual plans which will provide monthly

[8] Also known as the Draw Down Age, which will be 65 from 2018 onwards.
[9] The Silver Support Scheme, announced by Prime Minister Lee Hsien Loong at the National Day Rally in 2014, will provide low-income elderly with a cash bonus to supplement their payouts from their own CPF savings.

payouts for as long as the member lives. However, should a member on the CPF LIFE Standard Plan pass on at around or beyond age 80, there would be no bequest available to his surviving spouse. This is especially important for women whose average life expectancy at age 65 is 3 years longer than men[10]. In addition, among married couples in resident households where both spouses are aged 60 and above, the wife is typically the younger spouse, with a median age difference of 3 years[11]. Given that women tend to outlive their husbands, if they are completely reliant on their husbands' CPF LIFE payout, they would be left without a sustained income should their husbands pass on before them and their CPF LIFE payouts cease.

24. The Panel is aware that today there are tax-based incentive schemes to encourage family members to top up the CPF accounts of their loved ones. The Panel proposes that the Government further encourage the topping-up of the CPF accounts of lower-balance or non-working family members so that they can each have their own CPF LIFE plan. For example, CPF rules could be relaxed to **allow members to transfer their CPF savings above what they require for the Basic Retirement Sum, to their spouses' SA or RA**. This will allow both husband and wife to take full advantage of the Extra Interest on lower balances and enjoy a higher effective interest rate overall.

**Recommendation 4:**

- Allow members the option to defer their payout start age, up to age 70, for permanently higher monthly payouts.

25. We have also heard views that the CPF should offer more choices for members who would like higher payouts in their retirement years. CPF LIFE payouts do not necessarily have to start at the same time for all members. About 40% of Singapore Residents between the ages of 65 and 70 continue to receive an income from work[12]. Some may not need their payouts to start at their Payout Eligibility Age[13]. The Panel also notes that some countries[14] allow voluntary deferment of the pension start age in return for higher pension payouts. The Panel therefore recommends **providing CPF members with the option to defer their payout start age, up to age 70**, **so as to permanently enjoy higher monthly payouts for the rest of their retirement**

[10] Source: Department of Statistics, Complete Life Tables 2008 – 2013 for Singapore Resident Population.
[11] Source: Department of Statistics, 2010 Census of Population.
[12] Source: Ministry of Manpower's Labour Force Survey, 2014.
[13] Also known as the Draw Down Age, which will be 65 from 2018 onwards.
[14] Examples of countries that allow voluntary deferment of pension start age include the United States of America, the United Kingdom, Switzerland and Denmark.

**years**. Members can choose to exercise this option if they do not need the payouts from their Payout Eligibility Age (e.g. if they are still working or have other sources of income), so that they can enjoy higher payouts in the future.

26. The Panel notes that with increasing life expectancy, the Payout Eligibility Age may have to be raised in the long term just as the pension start ages in other countries have been rising.

27. For clarity, the Panel also proposes to **rename the "Draw Down Age"**, which is the earliest age at which payouts can commence, to the "Payout Eligibility Age". This will distinguish it from the payout start age, which is the age that members choose to commence their payouts.

28. **For every year that the payout start age is deferred, monthly payouts permanently increase by approximately 6% to 7%**. This will help more members with low CPF balance to receive the Basic Payout. An illustrative example of the impact on payouts for members who choose to defer their payout start age is shown below.

Figure 2.2: Impact of Deferring Payout Start Age on CPF LIFE Payouts (based on the CPF LIFE Standard Plan) for Members Turning 55 in 2016

| Retirement Balances at Age 55 | Age at which Retirement Payouts Start (*see footnotes*[15]) | | | | | |
|---|---|---|---|---|---|---|
| | **65** | **66** | **67** | **68** | **69** | **70** |
| **$80,500** | $680 | $720 | $760 | $800 | $850 | $900 |
| **$40,000** | $360 | $390 | $410 | $440 | $460 | $490 |
| **$20,000** | $180 | $190 | $200 | $220 | $230 | $250 |

29. To help members with low balances further, the Panel also strongly supports the Government's commitment to **raise the CPF contribution rates for older workers** and notes that the Government has committed to equalising the contribution rates for those aged above 50 to 55, to the rates for those aged 50 and below. This will also boost CPF savings and retirement payouts.

[15] Monthly payouts for life are estimates for male members based on the CPF LIFE Standard Plan parameters today. Annuitisation of premiums is assumed to occur at the respective age of commencement of payout.

***Members with higher CPF balances (above the Basic Retirement Sum)***

**Recommendation 5:**

- Allow members who desire higher payouts to top up their CPF LIFE premiums with their CPF savings or cash, subject to a cap.

30. The Panel noted that some members may wish to receive a CPF payout which is higher than the Basic Payout. To cater to these members, **the Panel recommends providing the option for members to commit higher amounts to CPF LIFE, up to an "Enhanced Retirement Sum", set at three times the Basic Retirement Sum**, either through their CPF savings or through cash. A cap should still be set on the amounts that can be annuitised via CPF LIFE as the focus of the CPF should remain on catering to the needs of the majority. With this new cap, about 8 in 10 active members turning 55 today will be able to commit all their CPF savings accumulated in their working lives to receive CPF LIFE payouts, should they opt to do so.

31. The Panel is also of the view that **it would be timely for the Government to consider raising the CPF contribution salary ceiling, to keep pace with wage growth and enable more CPF members to accumulate higher levels of savings for retirement**. The salary ceiling is intended to match the 80$^{th}$ wage percentile, but has lagged it in recent years.

32. In summary, the Panel observed that CPF members have different circumstances and needs in retirement, which would benefit from some additional flexibility to tailor CPF LIFE payouts. Through our recommendations, the possible options for CPF LIFE payouts for members turning 55 in 2016, are illustrated in the table below:

Figure 2.3: Illustration of CPF LIFE Payouts (based on the CPF LIFE Standard Plan) for Members Turning 55 in 2016

| CPF LIFE Monthly Payouts at 65 | Sums Required at 55 (*see footnotes*[16]) |
|---|---|
| **$650 - $700** | Basic Retirement Sum: $80,500 |
| **$1,200 - $1,300** | Full Retirement Sum: $161,000 |
| **$1,750 - $1,900** | Enhanced Retirement Sum: $241,500 |

[16] (a) Monthly payouts for life from age 65 are estimates based on the CPF LIFE Standard Plan parameters today. Payouts do not increase proportionately with the retirement sums required because of the greater impact of Extra Interest on lower balances. The Panel notes that the Extra Interest helps lower balance members grow their savings faster, and provides a higher payout per dollar set aside for lower balance members;
(b) The Basic Retirement Sum applies to members who own a property and have an adequate charge or pledge against it;
(c) The Full Retirement Sum applies to members who do not own a property or do not wish to pledge it.

***Providing Longer Notice to the Adjustment of the Retirement Sums***

**Recommendation 6:**
- Adjust the retirement sums after Calendar Year 2016 to account for both inflation and some increases in the standard of living.

33. As we continue to live longer and our society ages further, it is essential that financial planning for retirement is started early and revisited at key milestones. Knowledge of the payouts and the retirement sums can be a very useful starting point and target for members to work towards to ensure basic post-retirement financial adequacy.

34. The Panel notes that on top of inflation, retiree expenditure increases over time due to improvements in the standard of living. Based on the Department of Statistics Household Expenditure Survey in 2002/2003 and 2012/2013, lower-middle retiree household expenditure has risen at about 5% annually over the last decade[17], outpacing inflation. This reflects the higher income of each successive cohort of retirees and rising living standards. In view of this, to help ensure adequacy in basic retirement support, the payouts for each successive cohort should take into account inflation and some increase in the standard of living. This requires in turn, a corresponding increase in the premium for the CPF LIFE annuity, or the retirement sums.

**Recommendation 7:**
- From 2017 to 2020, each cohort of members turning 55 in a calendar year should have its Basic Retirement Sum increased by 3% from the cohort in the preceding year.

35. Today, the Minimum Sum is confirmed only a few months before it is due to take effect, to allow inflation in the previous year to be factored into the adjustments. This Minimum Sum is applied to members turning 55 in July of that year to June of the following year. The Panel notes that this is a cause of significant anxiety for members and makes it difficult to plan for retirement. To provide greater certainty to members on future adjustments, the Panel recommends that the Basic Retirement Sum be increased by a pre-determined rate up to 2020.

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[17] The average monthly retiree household expenditure per person at the 2nd expenditure quintile (i.e. 21st - 40th percentile) increased from $315 in 2002/2003 to $518 in 2012/2013.

36. On balance, the Panel recommends **that from 2017 to 2020, each cohort of members turning 55 in a calendar year should have its Basic Retirement Sum increased by 3% from the cohort in the preceding year**. It should be noted that the Basic Retirement Sum for a cohort will not change after it has been set for the cohort when it turns 55. The rate of adjustment recommended takes into account both long-term inflation, and some increase in expectations of each successive cohort of retirees for a higher standard of living.

37. The Panel felt that using a long-term inflation rate was more appropriate given the long duration over which the monthly payouts would be made. It would allow for the adjustments to the Basic Retirement Sum to be made known ahead of time and also avoid significant year-to-year variations to the Basic Retirement Sum which would be difficult to plan for.

38. In deciding on the annual adjustment to be made to the Basic Retirement Sum, the Panel looked at the historical long-term rates of several inflation indices. The Panel took reference from the 20-year rates for All Items (or headline) Inflation and Core Inflation of 1.9% and 1.7% respectively. The Panel notes that Core Inflation which excludes the costs of private road transportation and accommodation could be more relevant for retirees. On the other hand, All Items Inflation has the advantage of being more commonly used and understood. More importantly, the Panel found that that there was no major difference between Core Inflation, All Items Inflation and All Items less Imputed Rentals on Owner-Occupied Accommodation over a 20-year period. The Panel also noted that lower-middle retiree household expenditure grew at an average of about 5% annually over the past decade.

Figure 2.4: Different Inflation Measures over the Long Term

| | Core Inflation | All Items Inflation | All Items less Imputed Rentals on Owner-Occupied Accommodation |
|---|---|---|---|
| **10-Year Average** | 2.1% | 2.7% | 2.4% |
| **20-Year Average** | 1.7% | 1.9% | 1.8% |

39. The recommended fixed rate of increase in the Basic Retirement Sum is significantly lower than the average annual increase in the Minimum Sum of about 6% per year since 2003 when there was a structural adjustment to the Minimum Sum to raise it to a level that would meet basic needs. **It is expected that among the cohort of CPF**

**members turning 55 in 2020, about 7 in 10 active members will be able to accumulate enough CPF savings to meet their Basic Retirement Sum**.

40. For simplicity, the changes in the Basic Retirement Sum should apply to members turning 55 on a calendar year basis, starting from Calendar Year 2017.

41. The Panel recommends that the Basic Retirement Sum should also be announced ahead of time, to ensure that cohorts nearing 55 will have **longer advance notice of the retirement sums** applicable to them. There should also be a review of the rate of adjustment periodically to take into account more updated data on long-term inflation and retiree expenditures.

## ANNEX 2-A: DEPARTMENT OF STATISTICS'S HOUSEHOLD EXPENDITURE SURVEY (HES) 2012/2013

**Average Monthly Household Expenditure Per Household Member by Type of Goods and Services (Broad) and Expenditure Quintile [1/] Among Retiree Households [2/]**

Dollar

| Type of Goods and Services | Total | Expenditure Quintile [1/] | | | | |
|---|---|---|---|---|---|---|
| | | 1st - 20th | 21st - 40th | 41st - 60th | 61st - 80th | 81st - 100th |
| Total | 1,012.1 | 316.7 | 517.7 | 720.4 | 1,055.1 | 2,450.6 |
| Food and Beverages[3/] | 286.2 | 134.9 | 202.8 | 256.4 | 341.8 | 495.2 |
| Housing and Utilities[4/] | 169.2 | 86.5 | 108.0 | 128.3 | 165.3 | 358.0 |
| Furnishings, Household Equipment and Routine Household Maintenance | 71.0 | 6.6 | 36.9 | 73.8 | 77.9 | 160.0 |
| Health[5/] | 141.2 | 26.1 | 43.2 | 96.4 | 147.1 | 393.4 |
| Transport | 70.8 | 6.6 | 14.8 | 23.0 | 70.0 | 239.9 |
| Communication | 35.4 | 13.6 | 19.9 | 32.5 | 37.6 | 73.1 |
| Recreation and Culture | 86.2 | 3.7 | 23.8 | 29.8 | 64.9 | 308.9 |
| Miscellaneous Goods and Services [6/] | 151.9 | 38.8 | 68.2 | 80.1 | 150.5 | 421.9 |
| Total | 1,012.1 | 316.7 | 517.7 | 720.4 | 1,055.1 | 2,450.6 |
| Expenditure in 2026$ (Assuming 2% inflation) | 1309.3 | 409.7 | 669.7 | 931.9 | 1364.9 | 3170.1 |

[1/] Based on ranking of retiree households by their monthly household expenditure (excluding imputed rental of owner-occupied accommodation) per household member.
[2/] Retiree households are those comprising solely non-working persons aged 60 years and over.
[3/] This include meals bought from restaurants, hawker centres, food courts, etc.
[4/] Housing and utilities exclude owner-occupied accommodation.
[5/] Health expenditure includes expenditure incurred on (1) Medical Products, Appliances and Equipment, (2) Outpatient Services, (3) Hospital, Convalescent and Rehabilitation Services and (4) Other health products/services not elsewhere classified; net of expenses covered by Medishield or other health insurance Government subsidies and assistance.
[6/] Miscellaneous Goods and Services include personal care services such as hairdressing, social support services and insurance, clothing and footwear, educational services, accommodation services, alcoholic beverages and tobacco and non-assignable expenditure.