

1 February 2015

Mr Tan Chuan-Jin  
Minister for Manpower

Dear *Minister*,

On behalf of the CPF Advisory Panel, it is my pleasure to submit Part One of our report which covers the Panel's first two Terms of Reference.

Prime Minister Lee Hsien Loong announced at the National Day Rally last year the Government's intention to build more flexibility into the CPF system to better meet the needs of Singaporeans. Our Panel was appointed shortly after in September 2014 to study how improvements can be made to specific areas of the CPF system.

Over the past four months, the Panel met with more than 400 Singaporeans of various ages and from different walks of life at our Focus Group Discussions. We benefited from hearing the participants' perspectives about their varied circumstances and needs in retirement. We noted the desire for more assurance over future adjustments to the Minimum Sum, and for there to be more choices in the CPF system for members. The Panel also received over 150 pieces of written feedback and comments from individuals, industry associations and professional bodies such as the Investment Management Association of Singapore and the Singapore Actuarial Society, and from the National Trades Union Congress.

We are grateful to everyone who has taken the time to share their experiences, views and suggestions with the Panel. Their perspectives were invaluable in helping us better understand the diverse needs and aspirations of Singaporeans in retirement. Many of these views have contributed to the shaping of our eventual recommendations.

Briefings and data provided by the Central Provident Fund Board and the Ministry of Manpower, as well as discussions with academics and pension consultants helped us gain a detailed understanding of the CPF system and informed our views on how it could be further improved.

The Panel had to weigh the benefits of various ideas and suggestions against their potential downsides, and balance our recommendations for greater flexibility and choice with the need for simplicity in the CPF system.

In considering the issue of lump sum withdrawals, we took into account the desire expressed by many Singaporeans to have access to a portion of their savings for various uses, but were also mindful about keeping to the primary intent of the CPF system to help provide retirement adequacy for the majority of Singaporeans.

We are honoured to have been entrusted with this task, and would like to thank the Government for your strong support for our work. We hope that our recommendations will provide useful insights in helping the Government to improve the CPF system and ensure that our fellow Singaporeans are adequately supported in retirement, with sufficient flexibilities to meet their varied needs, for today and the future.

The Panel has already begun its work on the two remaining Terms of Reference on providing an option for CPF payouts that rise over time to help with increases in the cost of living and greater flexibility in investment and annuity plans, and will submit our recommendations in Part Two of our report later this year.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Tan Chorh Chuan', with a stylized flourish at the end.

Professor Tan Chorh Chuan  
Chairman, CPF Advisory Panel

CPF Advisory Panel Members:



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Professor Joseph Cherian  
Practice Professor of Finance,  
NUS Business School



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Ms Sylvia Choo  
Director,  
NTUC Women's Development  
Secretariat



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Ms Malathi Das  
President,  
Singapore Council of Women's  
Organisations



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Mrs Hauw Soo Hoon  
Operating Partner,  
iGlobe Partners



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Professor Benedict Koh  
Associate Dean,  
SMU Lee Kong Chian School of  
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Mr Terry Lee  
President,  
Singapore Insurance Employees' Union



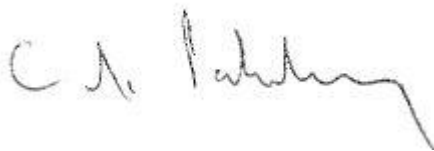
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Mr Muhammad Faizal bin Othman  
Vice-Chairman,  
Taman Jurong Citizens' Consultative  
Committee



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Mr Ng Cher Yan  
Chairman,  
Braddell Heights Citizens' Consultative  
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Mr Colin Pakshong  
Independent Actuarial Consultant



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Mr Saktiandi Supaat  
Head of FX Research, Global Markets,  
Maybank



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Dr Tan Bee Wan  
Executive Chairman,  
Integrative Learning Corporation and  
ACE (Active, Contributive and  
Engaged) Seniors



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Mr Christopher Tan  
Chief Executive Officer,  
Providend