

3 August 2016



MINISTER
MINISTRY OF MANPOWER
SINGAPORE

Professor Tan Chorh Chuan
Chairman, CPF Advisory Panel
President of National University of Singapore

Dear *Chorh Chuan*.

The CPF system plays an important role in supporting the retirement of Singaporeans. Therefore, it matters greatly to all Singaporeans that the system is designed to make the best use of CPF savings to enable it to meet retirement needs and aspirations, now and in the future.

The CPF Advisory Panel was given a complex task, and the Panel's recommendations offer proposals for how we can further improve the CPF system that are both elegant in their simplicity and far-sighted. I note the Panel has made its recommendations after having engaged and heard the views from both fellow Singaporeans as well as financial experts from the industry.

I am pleased to accept the recommendations within Part Two of the Panel's report on behalf of the Government. The Government agrees with the Panel's views that we should introduce escalating payouts as an additional CPF LIFE plan, review the CPFIS and introduce a CPF Lifetime Retirement Investment Scheme as an additional investment scheme. These additional options will help address the concerns some Singaporeans may have with regards to the rising cost of living in retirement, and the desire for higher expected investment returns for those prepared to take on some investment risk.

The Government will work to implement the Panel's recommendations and will proactively promote awareness and understanding of these new CPF options so that members can make informed decisions to better meet their retirement needs.

On behalf of the Government, I would like to thank you and the Panel members for the unwavering effort to help enhance the CPF system for the benefit of Singaporeans.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Lim Swee Say'.

LIM SWEE SAY