

To:  
cc: (bcc: NHB NASReg/NHB/SINGOV)  
Subject: (Embargoed) Speech by Mr Abdullah Tarmugi, 26 Feb 2000, 2 pm

# *Singapore Government*

## **PRESS RELEASE**

Media Division, Ministry of Information and the Arts, #36-00 PSA Building, 460 Alexandra Road,  
Singapore 119963. Tel: 3757794/5

---

### **EMBARGO INSTRUCTIONS**

The attached press release/speech is **EMBARGOED UNTIL AFTER DELIVERY**.  
Please check against delivery.  
For assistance call 3757795

---

SPRInter 4.0, Singapore's Press Releases on the Internet, is located at:  
<http://www.gov.sg/sprinter/>

---

**Embargoed Till After Delivery**  
**Please Check Against Delivery**

**SPEECH BY ABDULLAH TARMUGI  
MINISTER FOR COMMUNITY DEVELOPMENT  
AT THE SEMINAR ON  
“ACHIEVING FINANCIAL SECURITY AND PERSONAL HAPPINESS”  
THE HARBOUR PARVILION, WORLD TRADE CENTRE  
SATURDAY, 26 FEB 2000, 2.00 PM**

# National Archives of Singapore

Good Afternoon

Ladies and Gentlemen

Helping our citizens to be financially secure in their old age becomes an increasingly important issue given the rapidly ageing population of Singapore. Unless the retirement age follows increases in life expectancy, the amount needed for retirement will correspondingly increase. However, a National Survey on Senior Citizens in 1995 showed that 88% of Singaporeans aged 55 years and above did not

make any financial provisions for old age.

2 Singapore had the foresight of putting in place the Central Provident Fund or CPF in the early years of our development, when the prevailing wisdom was for a tax-supported social security system. The CPF is a fully funded retirement savings scheme which will be sustainable in an ageing society. It has also proven to be instrumental in achieving many of our national policy goals, in the areas of housing and medical funding.

3 However, the CPF is not an automatic ticket to financial security. Many Singaporeans believe that the cash savings in their CPF accounts will be sufficient for their retirement needs. This may or may not be true, depending on the amounts in the CPF and on their preferred lifestyle in retirement. Going by statistics provided by CPF, less than a quarter of Singaporeans reaching the age of 55 years in 1998 have at least the minimum sum cash component of \$16,000. And even the entire \$80,000 minimum sum by 2003 would yield an annuity of only \$613 a month for 20 years from retirement. Obviously, this amount can only support a modest lifestyle. But what is enough for one, may not be so for another. What we want to emphasize is that the individual needs to make an objective and realistic appraisal of his own needs, as well as those of his family, and plan financially to ensure a secure old age. This is too important a matter to leave to chance.

4 Singaporeans will need to learn the basics of how to take care of themselves financially by being more aware of such issues as personal finance and making preparations early in life. Financial planning is a lifelong process and financial security cannot be achieved overnight. As such, they should take charge of their personal financial plans, set financial goals and start early.

5           The Ministry of Community Development is therefore glad to note that organisations such as the Financial Planning Association of Singapore (“FPAS”) and the Consumer Association of Singapore (“CASE”) have taken the initiative to promote awareness of the need for financial planning amongst Singaporeans. These non-profit organisations share the common goal of helping Singaporeans achieve financial and personal security. Today’s seminar is a good example of their collaboration to bring to you financial planning experts, who will speak on how to plan to ensure your financial security and strategies leading to financial independence and personal security in the golden years.

6           I hope you will take this seminar as a learning opportunity on the long road to achieving some of your goals and dreams. I would like to thank CASE and FPAS as well as all those involved in organising this public seminar and for their tireless effort to promote financial planning among as many as Singaporeans as possible.

7           It now leaves me to wish you all a fruitful seminar.

National Archives of Singapore