



**MINISTER FOR MANPOWER  
SINGAPORE**

11 February 2008

**Professor Lim Pin**

Chairman, National Longevity Insurance Committee

Dear *Prof Lim Pin,*

Thank you for your letter of 4 February 2008 submitting the Report of the National Longevity Insurance Committee.

This is a landmark report that will significantly strengthen our CPF system. Your Committee has provided practical recommendations for the design and operation of the Lifelong Income (LI) scheme. I am particularly pleased that wide public feedback was sought and taken into account. Your recommendations would have adequately addressed the concerns and needs of a wide spectrum of Singaporeans.

The LI scheme that you have proposed will greatly enhance CPF savings for members. Under the old system, many would have depleted their savings after 20 years, with many more years to live. With the LI scheme, participants need not worry that they will outlive their CPF savings. They will receive an income for as long as they live.

The Committee is to be commended for achieving all its terms of reference. You have designed a scheme which is basic and affordable, fair and flexible. It is also correctly built on the foundations of self-provision and self-reliance which underpin our CPF system. This is crucial to ensure the long term sustainability of this scheme. I am therefore confident that your recommendations will be well accepted by the public.

The National Lifelong Income Scheme will become an integral piece of our CPF system. By providing an income for life, it will complement the other major CPF reforms announced by the Government in 2007 to enhance the retirement security of Singaporeans.

The Government has studied your key recommendations carefully and has accepted them. In particular, I note the strong recommendation of the Committee for the CPF Board to operate the LI scheme. To give Singaporeans confidence that the scheme will be properly administered and viable, the Government accepts this recommendation. This undertaking by the CPF Board must be done carefully, as it will be taking on significant risks and responsibilities as the scheme operator. As life expectancy can change further, and interest rates vary over the long term, CPF Board must ensure the financial sustainability of the LI scheme over the long term. This will give confidence to successive generations of Singaporeans who will depend on the LI scheme to provide for their retirement needs for life.



On behalf of the Government, I would like to thank you and the members of your Committee for your important work. You have made a significant contribution to strengthen our CPF system and to help Singaporeans retire with peace of mind.

Yours sincerely,



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*Dr Ng Eng Hen*

