

## **ANNEX C**

### **Computation of CPF RA Interest Rate for 1 January 2015 to 31 December 2015**

RA monies credited in 2015 will be invested in newly-issued Special Singapore Government Securities (SSGS) which will earn a fixed coupon rate equal to either the 12-month average yield of the 10YSGS plus 1% computed for the year, or the current floor rate of 4% per annum, whichever is higher.

The average yield of the 10YSGS plus 1% from November 2013 to October 2014 is 3.40% per annum. As this is below the current floor rate of 4% per annum, new SSGS issued in the year of 2015 will pay a fixed coupon of 4%.

The interest rate earned by RA monies is the weighted average interest rate of the entire portfolio of these SSGS, which is adjusted in January each year to take into account the coupon rates payable by the new SSGS issuance.

\*This includes the additional 1% interest paid on the first \$60,000 of a member's combined balances, of which up to \$20,000 comes from the Ordinary Account (OA). The additional interest earned on OA monies will go to the member's Special Account or Retirement Account, to enhance their retirement adequacy. If a member is above 55 years old and participates in the CPF LIFE scheme, the additional 1% interest will still be earned on his combined balances, which includes the savings used for CPF LIFE.