

ANNEX C

Computation of CPF RA Interest Rate for 1 January 2020 to 31 December 2020

RA monies credited in 2020 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 rate floor of 4% per annum, whichever is higher.

The average yield of the 10YSGS plus 1% from November 2018 to October 2019 is 3.05% per annum. As this is below the current rate floor of 4% per annum, new SSGS issued in the year of 2020 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.