

Govt working on ensuring basic retirement needs met, boosting skills: DPM Wong

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SINGAPORE - Singaporeans should be able to meet their basic retirement needs as long as they work and make regular Central Provident Fund (CPF) contributions, even as it becomes more difficult to consistently build up their retirement savings amid disruptions and volatility in the economy and their lives, said Deputy Prime Minister Lawrence Wong on Monday.

For those unable to work, or who do not have the runway to work and save through the CPF system, the Government will find ways to take care of them, added Mr Wong, who is also Finance Minister.

He was speaking on the last day of the Singapore Perspectives conference organised by the Institute of Policy Studies on the theme of work, held at the Sands Expo and Convention Centre.

Mr Wong noted the challenges that Singapore's workforce and labour market are facing, such as technological advancements that are disrupting industries everywhere, leading to a change in the nature of jobs, as well as new jobs.

Not everyone will benefit equally from these changes. Those with the right skills will be able to seize emerging opportunities while others may be unable to adapt, he said, and this will naturally create anxieties, especially among older, mid-career workers who have a very real fear of being made obsolete.

Mr Wong noted that the CPF system, premised on self-reliance and work, has evolved over the years, with the Government playing an increasingly larger role in recent years to help Singaporeans earn and save more for retirement.

For example, it provides more interest for those with lower CPF balances, while lower-wage workers have had increased incomes through Workfare and the Progressive Wage Model.

Yet, some still struggle, such as those in their 50s and early 60s who have had limited runway to work, save and benefit from the CPF system.

Mr Wong said the Government will study how best to help them meet their basic retirement needs.

The authorities will also continue to look after more vulnerable segments, such as platform workers, people with disabilities and caregivers.

For new entrants to the labour force and younger workers, he said that with a longer runway before retirement, they should aim to consistently work and upskill.

Investing in skills and human capital is another area the Government will look into, to ensure that work remains a central way for Singaporeans to thrive.

Noting that most workers today will have multiple careers, or see their work evolve even in the same company, Mr Wong said workers must be able to access substantive skills training to update themselves and stay relevant.

Unfortunately, it is not easy for many workers to do so, as some employers may not support the training programmes, or may not pay salaries during the period of training, while mid-career workers with caregiving responsibilities may find it difficult to commit.

Mr Wong said: “We will therefore need to consider how we strengthen our skills and training ecosystem – to provide more support for workers, give them a fresh injection of skills, and help them be better prepared for the transition to jobs in new growth areas.

“We have to be careful that whatever we do does not erode the incentive to work.”

Employers must also step up their investment in training that leads to recognised, verifiable credentials, as well as more innovative training programmes, including work-based learning options that lead to better employment and earnings outcomes.

There is also a need to improve labour market information and strengthen labour market intermediaries, so that there can be better matching of jobs and workers.

Mr Wong added: “We also want to provide workers with access to their own data on their skills and competencies, as well as the areas of future industry demand and growth, so that workers can be empowered and take greater responsibility to plan their own careers.”