Executive Summary

DEMOGRAPHICS, CHALLENGES AND OPPORTUNITIES
1. Singapore’s population will age rapidly over the next 30 years. We have about 235,000 elderly aged 65 and above (or 7% of the population) in 1999, and this will increase to 796,000 (or 19% of the population) by the year 2030.

2. The rapid increase in the proportion of elderly in the population is due to three main factors. First, the post-war baby-boomers will be 65 years or older by 2030. Second, Singaporeans are living longer than before because of improvements in health and nutrition. Third, our birth rates are declining.

3. There are other important trends. The elderly of the future will be better educated, more independent and a significant number of them will never have married. The nuclearisation of families will probably continue to rise and the trend towards families with fewer children is unlikely to change.

4. One key challenge presented by these trends is the stress that it will place on families as the primary form of care for our senior citizens and on eldercare services. Hence, older Singaporeans will have to take on more personal responsibility, particularly in living healthy lifestyles, and ensuring their continued employability and financial security. For the Government, a key challenge will be to pursue forward-looking yet sustainable solutions.

5. Forming 25% of the electoral population in 2030, older Singaporeans could be a significant lobby group. The challenge will be to ensure leadership renewal while maintaining the older person’s continued involvement in society. Maintaining intergenerational cohesion is also critical.

6. Another challenge will be to maximise the potential contributions of senior citizens. About 93% of the elderly are healthy and will be increasingly better educated - they must be valued as contributing and integral members of society.

7. An ageing population will also bring new opportunities. Our senior citizens represent a valuable resource for both families and the community, and could strengthen family ties and intergenerational bonding. Many services and programmes targeted at older persons will become more cost-effective to implement. There will be greater awareness of the necessity to put in place policies and programmes that are sensitive to the needs of older citizens.
8. There is no one-off recommendation that will tackle this issue once and for all. The issues are multi-faceted and require a holistic and coordinated approach. The policies we put in place for senior citizens will also have an impact on the younger Singaporeans' rootedness and commitment to Singapore, as they too will be senior citizens one day. We should therefore use the current window of opportunity to put in place proactive policies, programmes and structures in anticipation of Singapore's ageing population.

VISION AND DESIRED OUTCOMES
9. Our vision is to achieve "Successful Ageing for Singapore", that is, to ensure that all levels of society are well prepared for the challenges and opportunities of an ageing Singapore. At the individual level, older Singaporeans should be healthy, active and secure. They should be able to age with respect and dignity, and lead independent and fulfilling lives as integral members of their families and communities.

10. At the family level, we would like to see strong, extended, caring families. Family relationships of interdependence should complement the older person's independence. For the frail or ill, the family should continue to be the first line of support.

11. At the community level, we would like to see a strong network of community services, opportunities for engagement and integrated communities. We want to foster a deep sense of community ownership and high degree of participation in securing the well-being of the older person and the family.

12. At the national level, we want a high level of national preparedness, a competitive and vibrant economy as well as social cohesion and rootedness. We would like the State to provide the leadership necessary to drive a coordinated national approach to the challenges of an ageing population.

SOCIAL INTEGRATION
13. We need to ensure that our senior citizens remain an integral part of a society in which they are valued as active and contributing members. At the same time, our community infrastructure must enable the family to care for their frail and ill elderly members at home, and our physical environment should be as barrier-free as possible. To achieve the integration of older persons in our society, we require the holistic development of the right "heartware", "software" and "hardware".
14. "Heartware" refers to the individual’s and society’s values, attitudes and perceptions of ageing and the older person. We must adopt a positive orientation that will help us maximise the vast potential and resource that senior citizens represent.

15. To change mindsets, there should be a systematic year-round public education (PE) programme, driven by a citizen-led committee, to infuse a culture of personal responsibility and lifelong planning for old age. The programme should dispel negative attitudes about ageing, promote active lifestyles and community involvement among older Singaporeans, and strengthen intergenerational bonds.

16. Partnerships should be forged with key “influencers” such as policy makers, employers, schools, the media, film-makers and writers, who can promote positive, but realistic, images of older persons. We should also strengthen the PE capabilities of eldercare Voluntary Welfare Organisations (VWOs).

17. “Software” refers to the policies, programmes and services that constitute the community infrastructure. We should create more opportunities for older persons to share their time, talent and wisdom. For example, more resources should be devoted to developmental programmes, such as mutual help schemes and volunteer programmes for older people.

18. Services should also be effectively distributed to those who need them. There should be coordinated service planning and development across Government agencies. To integrate service delivery, social services for all age groups should also be co-located in Multi-Service Centres at the local level.

19. Care management, which coordinates the needs of older persons, should be reviewed to determine the most appropriate model to introduce in Singapore. To raise service standards, a regulatory framework should be developed for community-based services for senior citizens.

20. Current services target mainly the lower-income group. Our policies should be reviewed to ensure that carers and senior citizens who need eldercare services can afford them by paying according to their means.

21. "Hardware" refers to the built environment, which is critical in determining how well older people are integrated into the community. In the short term, existing transport resources can be pooled to provide affordable elder-friendly transport services to senior citizens. Taxi operators should also bring in more wheelchair-friendly vehicles.
22. The public transport system should be made elder-friendly over the long term. Bus operators should be encouraged to introduce elder-friendly buses. Bus and MRT operators should also introduce full-day concessionary travel for senior citizens.

HEALTH CARE

23. Most elderly persons are healthy and independent. Hence, health care services cater to a minority of senior citizens. Our emphasis should be on health promotion and disease prevention. When services are needed, it should reinforce and support the family in its role of caring for its elderly members at home. Institutionalisation should remain a last resort.

24. VWOs should continue to focus on the poor and low-income, but they should be given the flexibility to provide services to fee-paying clients to optimise the use of service capacities.

25. The private sector and co-operatives can play a larger role in providing affordable services to the paying market. Government could give them more support. For example, it could facilitate the development of private nursing homes by zoning land, extending the tenancy of Government rental properties and providing information for business planning.

26. To allow VWOs the flexibility to strengthen their delivery standards, regulatory authorities should set minimum outcome-based performance targets instead of stipulating fixed input measures. VWOs should also pool their resources, develop better costing, accounting and management systems, and achieve greater cost efficiency through options like outsourcing non-core services.

27. To support care-givers in their work, we should increase support services (e.g. home care), and provide training and information. To recognise this important care-giving role, the tax relief for those who live with their elderly parents could be increased. Eldercare staff should be trained in multiple skills, and medical professionals should be encouraged to pursue geriatric and eldercare training. VWOs could cluster to share their training programmes and experienced staff. Volunteers should also be developed through training and given assistance in incidental expenses.

28. The IMC supports the IMC on Healthcare for the Elderly’s (IMCHE’s) finding that the 3Ms\(^1\) are adequate to meet the acute care needs of senior citizens. It also supports the IMCHE’s recommendations concerning Government funding.

\(^1\)Viz. Medisave, MediShield and Medifund.
for VWO-run step-down care facilities, and establishing an insurance against severe disabilities. The IMC also recommends that Government consider extending its subsidies at a lower rate to households with income of $2,000 to $3,000, to help this group cope with the costs of step-down care.

29. There is currently insufficient research and data on health care needs to plan future services. The IMC recommends that the National University of Singapore’s Gerontological Research Programme undertake research on the future trends and needs of senior citizens.

FINANCIAL SECURITY
30. Surveys show that many Singaporeans have not prepared for their financial needs in old age. Many rely on family support, but this may not be sustainable given the trend towards smaller families and greater life expectancy. Singaporeans should take more personal responsibility for financial planning and their financial security.

31. Financial security should include at least three elements – living expenses, medical expenses and housing. These can be achieved through a "basic needs Central Provident Fund (CPF) model", complementary private sector financial investment, and a comprehensive public education programme to “Take Charge” and “Start Early”.

32. To re-emphasise the need to provide for old age, the IMC recommends adopting a “basic needs CPF model” which pegs old age expenses at a subsistence level. Beyond this basic level, every individual should ascertain his or her desired standard of living and make independent provisions.

33. To facilitate the building up of the Minimum Sum cash component in CPF, the IMC recommends increasing Special Account (SA) contribution rates with age as well as the cash component of the Minimum Sum\(^2\) to generate an annuity corresponding to the prescribed subsistence level. SA savings should also be considered long-term investments and be pegged to the rate of return of long-term instruments. To yield better returns, the IMC proposes to allow the use of SA funds in excess of the Minimum Sum to be invested in “safe” private retirement instruments.

34. The IMC also recommends allowing flexibility in the withdrawal of annuities in the Retirement Account when the retirement age is raised to help those who cannot continue to work or face severe financial difficulties. The coverage of SA contributions should also be expanded to cover as many Singaporeans as possible, including the self-employed, contract workers and the non-employed.

\(^2\) The cash component of the Minimum sum should be raised beyond the $40,000 planned for 2003, when the Minimum Sum is reviewed then.
35. The IMC does not recommend changing the current rate of return for the Ordinary Account and Medisave Account, the current withdrawal age at 55 for CPF savings in excess of the Minimum Sum, or the half-half withdrawal rule.

36. We should also promote a role by the private financial sector to complement the CPF system and encourage Singaporeans to contribute voluntarily to private funds. This could be done, for example, by giving tax incentives to retirement-related products such as annuities. A conducive regulatory framework also needs to be put in place to safeguard these savings while at the same time promote such investments.

EMPLOYMENT AND EMPLOYABILITY

37. Studies show that working elders are healthier mentally and physically, and are better integrated with the rest of society. As our workforce ages, we will also need to tap older workers to meet our manpower needs. Our labour force participation rate for older workers today is lower than that of many other countries. A special concern is the continued employability of less educated older workers, as employment is crucial to their financial security.

38. The IMC proposes establishing “Golden Manpower Centres” (GMCs) at Community Development Councils (CDCs) with governmental financial assistance. GMCs will provide information, training, and job placement of older workers, and will work with employers to create jobs for senior citizens, particularly those who are less educated. Government could also provide training subsidies via GMCs as surrogate employers.

39. To promote continuous training for older workers, work experience could be considered in lieu of academic qualifications for entry to training courses. For greater effectiveness, the training programmes should be focused on jobs in the community and service sectors. Older workers should also be encouraged to take responsibility for lifelong training.

40. To encourage companies to employ older workers, we should recognise companies with progressive human resource practices that emphasise skills upgrading and elder-friendly work arrangements. Government guidelines for issuing business licences should also be reviewed to cater to the elderly entrepreneur. Government should also encourage the offer and take up of portable medical insurance to reduce the costs of employing older workers.

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3 When there is more than $5,000 but less than the Minimum Sum in the Ordinary and Special accounts, half the total amount can be withdrawn. If there is less than $5,000, the total amount can be withdrawn.
HOUSING AND LAND USE POLICIES

41. An elder-friendly built environment is a key determinant of the extent to which older people have access to services, and are integrated into the wider community. With the increasing trend towards nuclearisation, family care and support for senior citizens as well as their social integration could be affected. Community-based services should be made easily available to enable older people to stay in their communities, and not in enclaves of older people.

42. The IMC recommends “ageing in place” as the key principle in housing and land use policies where older people can live a lifetime in their own homes. Specifically, we need to raise the awareness of architects, developers and homeowners of the need to create safe home environments for older persons. Building codes and standards should also be reviewed to ensure new homes are elder-friendly. The curriculum of courses in our tertiary institutions should also include planning and building for an ageing population.

43. For public housing, the Government should retrofit Housing & Development Board (HDB) flats and multi-storey car parks progressively with lift landings on every floor, where feasible. Elder-friendly features should be provided for households in older HDB blocks. HDB should also consult para-medical professionals in designing and modifying flats to understand and meet the needs of senior citizens better.

44. For senior citizens to continue to live actively in their existing communities, there must be a network of easily-accessible social services to support them and their care-givers. Hence, the IMC recommends planning the land-use for social services in the towns upfront. Organisations at the local level should be involved to tailor services to the unique needs of particular communities.

45. Housing policies to facilitate extended family living should be reviewed regularly. Specifically, the IMC recommends that the CPF Housing Grant be reviewed to widen the gap in the grants between that for those staying near one’s parents and that for those who do not.

46. Senior citizens of the future may aspire to have a wider range of housing options. To address this, Government should allow the private sector to provide housing for senior citizens on HDB terms, through “Design-and-Build” schemes and the development of Studio Apartments. Housing for senior citizens should be integrated into existing housing estates to allow senior citizens to down grade to smaller flats in familiar surroundings.

47. The IMC does not recommend setting aside land for the development of retirement villages as it is inconsistent with the principle of ensuring that older persons are integrated into their families and community. However, planning
rules should be reviewed to ensure that there are no regulatory obstacles to such developments when there is sufficient demand to make them commercially viable.

48. To provide Singaporeans with options to cash out on their housing assets, we should introduce a reverse mortgage scheme supported by reverse mortgage insurance or adequate security backing. HDB should also allow for reverse mortgages of HDB flats and increase the availability of HDB flats for rental at market rates to senior citizens.

COHESION AND CONFLICT IN AN AGEING SOCIETY
49. As a nation, we want to ensure that larger national interests prevail over the interests of any one group in society. We also need to ensure a good balance in the allocation of resources between the young and the old, and maintain intergenerational cohesion.

50. In allocating resources, we should emphasise personal responsibility in our policies. Families should serve as the primary means of support for senior citizens, with community help as the next line of support. The State should help families and the community play their role, not supplant them.

51. Intergenerational cohesion is best fostered in the context of the family. Hence, the IMC proposes that Government review and extend its policies and programmes that cater to the two-generation family to the three-generation family. Intergenerational transfers should also only take place within the family. This will help diffuse tensions between the old and the young and ensure that social services remain financially sustainable.

52. The IMC recommends promoting the interaction and communication between the old and the young, particularly within the extended family. The young should also be taught the importance of the extended family.

53. The IMC proposes to give elderly persons CPF top-ups during years of budget surplus, which can be used for activities that promote lifelong planning and healthy lifestyle. Alternatively, these grants could be given through the CDCs or Residents’ Committees. This proposal is intended to give our senior citizens a stake in the long-term health of the economy.

54. The leadership renewal process could create potential conflicts between the young and the old. Hence, the Government should promote a culture of rejuvenation in organisational leadership. Younger people should be actively encouraged to serve organisations in leadership roles, while elderly leaders should be able to step down gracefully and honourably, and given opportunities to continue to contribute.
55. The IMC considered proposals to change the electoral system to give the economically active in the population or those with family responsibilities a higher weightage in their votes. The IMC does not support these changes. However, we should monitor the situation and raise this issue for public discussion periodically.

56. There were also some suggestions to nurture an umbrella body for elder issues, so that senior citizens can have an avenue to raise their concerns. The IMC believes that the current arrangement, where the various interested parties are involved in the decision-making process, is a better arrangement.

IMPLEMENTATION AND BEYOND
57. The IMC will continue as a standing committee to oversee the implementation of its recommendations. It will be supported by the Ministry of Community Development as the Secretariat and the lead agency in driving and monitoring the implementation. The IMC will work with the implementing agencies to prioritise and implement as many of the recommendations as possible over time. The recommendations to be implemented must be pragmatic and sustainable in the long term. In particular, the IMC will work out the financial implications with the implementing agencies and the Ministry of Finance, and prioritise the recommendations based on their cost-effectiveness and financial sustainability.

58. The next ten years before 2010 present a window of opportunity for us to introduce policies, plans, services and infrastructure to meet the needs of an ageing population. The implementation of the IMC’s recommendations will require a coordinated national effort on the part of all sectors and levels of society. We must continue to monitor changing trends and ensure that our policies remain relevant so that we can ensure “Successful Ageing for Singapore”. The framework that we put in place will have a significant impact on our society and on all of us, the elderly of tomorrow.
### SUMMARY OF RECOMMENDATIONS OF THE INTER-MINISTERIAL COMMITTEE ON THE AGEING POPULATION

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<th>Strategies</th>
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<td><strong>Social Integration of the Elderly</strong></td>
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<tr>
<td><strong>Developing “Heartware”</strong></td>
<td>1. Expand the current week-long senior citizens campaign to a systematic year-round public education (PE) effort.</td>
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<td>2. Explore establishing a national committee led by the People Sector to drive the PE effort.</td>
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<td>3. Strengthen PE capabilities of eldercare Voluntary Welfare Organisation (VWOs) through co-funding selected PE programmes.</td>
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<td>4. Develop partnerships with key “influencers”.</td>
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<td>5. Incorporate positive images of older people and engage older people in interacting with students in the schools’ formal and informal curricula.</td>
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<td>6. Encourage a culture of lifelong planning and learning for old age through PE programmes.</td>
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<td><strong>Developing “Software”</strong></td>
<td>7. Promote more developmental programmes for older people at the community level.</td>
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<td>8. Review the Ministry of Community Development’s (MCD’s) and Ministry of Health’s (MOH’s) division in responsibilities for health and social care services to facilitate holistic care and service providers wanting to provide community-based services.</td>
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<td>9. Jointly develop Multi-Service Centres where social services for all age groups can be co-located.</td>
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<td>10. Jointly review the outcome of care management pilots and work out a cost-effective model to introduce in Singapore.</td>
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<td>11. Develop a regulatory framework for community-based services for senior citizens.</td>
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<td>12. Encourage and coordinate the development of a broad base of support and services for care-givers at the local level.</td>
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<td>13. Develop measures to support care-givers, including tax relief for dependants living with their elderly parents.</td>
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<td>14. Review policies to ensure that those who need eldercare services can afford them.</td>
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<td>15. Examine how to incentivise commercial operators to cater to the paying market at affordable rates.</td>
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<td><strong>Developing “Hardware”</strong></td>
<td>16. Encourage the bus system to be elder-friendly in the long term. Introduce elder-friendly buses as older buses are being phased out.</td>
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<td>17. Introduce full-day concessionary travel for senior citizens.</td>
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<td>18. Examine how existing transport resources can be pooled and arrangements modified to provide affordable elder-friendly transport services to eldercare services and facilities.</td>
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<td>19. Encourage taxi-operators to bring in more wheelchair-friendly taxis.</td>
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<td><strong>Health Care</strong></td>
<td><strong>Studying Health Care Needs</strong> 20. NUS’ Gerontological Research Programme to undertake research on future trends and needs of senior citizens.</td>
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<td><strong>Reviewing Standards for Service Delivery</strong></td>
<td>21. MCD, in concert with other agencies, to coordinate policy planning and service provision.</td>
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<td>22. Coordinate publicity of the different eldercare programmes.</td>
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<td>23. Regulatory authorities to set minimum outcome-based performance targets, rather than fixed measures for inputs, processes or methods, as measures of standards of care.</td>
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<td>24. Give service providers the flexibility in varying types of facilities and space areas in institutions based on “cost per bed” funding, and in the types and scope of services they provide.</td>
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<td><strong>Strengthening Service Providers</strong></td>
<td>25. Give Voluntary Welfare Organisation (VWO) operators the flexibility to provide services to more fee-paying patients.</td>
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<td>26. Encourage VWOs to strengthen their capabilities through pooling their resources, developing better costing, accounting and management systems, and achieving greater cost efficiency, through alternatives like outsourcing.</td>
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<td>27. Government to examine areas where support can be given to co-operatives to provide services for senior citizens.</td>
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<td>28. Facilitate macro planning, reservation and zoning of land for the development of private nursing homes, with specifications of the conditional use of the land.</td>
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<td>29. Extend the tenancy length of Government rental properties for private operators of step-down facilities.</td>
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<td>30. Provide information and assistance to private operators for their business planning use.</td>
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| **Developing Manpower** | 31. Develop "multi-task" care staff.  
32. Cluster VWOs to allow experienced and capable staff to assume supervisory or larger roles.  
33. Encourage more primary health care doctors to pursue geriatric training and work out roles of hospital geriatricians as supervisors of community geriatricians.  
34. Develop part-time modular courses for eldercare nurses.  
35. Subsidise the training of health personnel through the Skills Development Fund and Skills Redevelopment Programme.  
36. Provide incentives for volunteers through publicity and education, training, personnel development and welfare, assistance in out-of-pocket costs, insurance and medical benefits. |
| **Financing Health Care for Senior Citizens** | 37. Support the Inter-Ministerial Committee on Health Care for the Elderly’s recommendations concerning government funding for VWO-run step-down care facilities and for MOH and the Central Provident Fund (CPF) Board to establish an insurance against severe disabilities.  
38. Accompany the launch of the insurance scheme against severe disabilities with a robust public education and communications programme and conduct on-going research to facilitate regular evaluation.  
39. Consider extending subsidies at a lower rate to households with income of $2,000 to $3,000. |
| **Fine-tuning the CPF System** | 40. Adopt a "basic needs CPF model" where old age expenses is pegged at a subsistence level which is to be worked out.  
41. Step up contribution rates for the Special Account (SA) with age.  
42. Increase the cash component of the Minimum Sum gradually beyond the $40,000 planned for Year 2003 to generate an annuity corresponding to the prescribed subsistence level.  
43. Peg the SA rate of return to long-term instruments (e.g. government bonds).  
44. Liberalise the use of SA funds in excess of the Minimum Sum to be invested in "safe" retirement-related instruments. |
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<tr>
<td>Fine-tuning the CPF System (Con’d)</td>
<td>45. Allow flexibility for the withdrawal of the Retirement Account from age 62 to allow employees, who cannot continue to work and/or face financial difficulties, to withdraw earlier when the retirement age is raised.</td>
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<td>46. Extend the coverage of SA contribution to as many Singaporeans as possible (e.g. the self-employed); extend the coverage to the non-employed through incentives for family members to make voluntary contributions on their behalf.</td>
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<tr>
<td>Encouraging a Complementary Private Sector System</td>
<td>47. Give tax incentives for private sector retirement-related products (e.g. tax exemption of payments from immediate (life) annuities purchased outside of CPF).</td>
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<td>48. Provide a conducive regulatory framework - CPF Board, in consultation with the Monetary Authority of Singapore (MAS), to draw up guidelines for the investment of surplus SA funds in private sector retirement instruments, and the MAS to review the potential for such investments using private savings.</td>
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<tr>
<td>Encouraging Public Education (PE) on Financial Planning</td>
<td>49. Drive PE through the Government, service providers and the community; MCD to take charge of PE programmes and MAS to develop a pool of independent financial planners.</td>
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<th>Employment and Employability</th>
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<tr>
<td>Developing &quot;Golden Manpower Centres&quot;</td>
<td>50. Establish &quot;Golden Manpower Centres&quot; (GMCs), linked to Ministry of Manpower’s (MOM’s) Career Centres, at the local level with Government financial assistance to provide one-stop training, counselling and job placement. GMCs will work with employers to create more jobs for the senior citizens.</td>
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<td>Increasing Training Opportunities</td>
<td>51. Provide training subsidies via GMCs as surrogate employers for job specific pre-employment training for retirees and retrenched workers who have potential employers.</td>
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<td>52. Reduce academic barriers to training courses and raise the literacy and numeracy skills of less educated senior citizens.</td>
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<td>53. Focus training programmes for jobs in the community and service sectors.</td>
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<td>54. Encourage older workers to take responsibility for lifelong training.</td>
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<td><strong>Increasing Employment Opportunities</strong></td>
<td>55. Recognise companies with progressive human resource practices that emphasise skills upgrading and elder-friendly work arrangements.</td>
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<td>56. Review Government guidelines for the issue of business licences to cater to the elderly entrepreneur.</td>
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<td>57. Review existing legislation and guidelines to promote flexi-time and part-time work.</td>
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<td>58. Encourage the offer and take-up of portable medical insurance to reduce the medical costs of employing older workers.</td>
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<tr>
<td><strong>Housing and Land Use Policies</strong></td>
<td>59. Raise the awareness of architects, developers and homeowners of the need to create safe home environments for older persons.</td>
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<tr>
<td><strong>Making Our Homes and Environment Elder-Friendly</strong></td>
<td>60. Review building codes and standards on elder-friendly homes.</td>
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<td>61. Focus education in our tertiary institutions on town planning, architecture and building for an ageing population.</td>
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<td>62. Retrofit Housing &amp; Development Board (HDB) flats and multi-storey carparks with lift landings on every floor as far as technically and financially feasible.</td>
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<td>63. Provide elder-friendly features in HDB upgrading programmes for older HDB blocks, where feasible and cost-effective.</td>
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<td>64. Consult para-medical professionals in designing and modifying flats to meet the needs of the senior citizens better.</td>
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<td>65. Pilot the “White-block” concept to allow flexibility to owners to modify their flat layout to cater to changing needs as they age.</td>
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<td><strong>Integrated Community Planning</strong></td>
<td>66. Upfront land-use planning for social service network in the community to support the senior citizens and their care-givers.</td>
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<td>67. Bring land-use planning for social services to the local level. MCD to work with People's Association, Community Development Councils (CDCs) and VWOs to establish the type of community facilities and land requirements to be provided within the local planning area.</td>
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<tr>
<td><strong>Supporting Extended Family Living</strong></td>
<td>68. Review the CPF Housing Grant Scheme to widen the gap for those choosing to live near their parents and those who do not.</td>
</tr>
</tbody>
</table>
### SUMMARY OF RECOMMENDATIONS OF THE INTER-MINISTERIAL COMMITTEE ON THE AGEING POPULATION

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Proposals</th>
</tr>
</thead>
</table>
| **Creating More Choice in Housing Arrangements** | 69. Allow the private sector to provide housing for senior citizens by releasing land earmarked for HDB to private developers on HDB terms. MCD to provide guidelines for the provision of appropriate facilities and services in these types of housing.  
70. Integrate housing for senior citizens into existing housing estates.  
71. Remove regulatory obstacles to the development of retirement villages on commercial terms. |
| **Providing Alternative Financing Arrangements** | 72. Allow a reverse mortgage scheme supported by reverse mortgage insurance or adequate security backing. Allow for reverse mortgages for HDB flats.  
73. Increase the availability of HDB rental flats at market rates to senior citizens. |
| **Cohesion and Conflict in an Ageing Society** | 74. Government to review and extend its policies and programmes that cater to the two-generation family to the three-generation family.  
75. Promote interaction and communication between the old and the young, particularly within the extended family. |
| **Providing a Grant for Learning and Development** | 76. Give elderly persons CPF top-ups, or grant via CDCs or Residents' Committees, during years of budget surplus for lifelong learning and healthy lifestyle activities. |
| **Moderating the Renewal Process of Organisational Relationship** | 77. Promote a culture of rejuvenation in organisational leadership.  
78. Encourage the young to step forward and serve in active roles, while recognising outgoing elderly leaders and giving them roles to play and opportunities to contribute. |
CHAPTER 1
Demographics, Challenges and Opportunities

ANTICIPATING THE AGEING POPULATION
1. Singapore has one of the fastest ageing populations in the world. Sweden took more than 85 years to double the number of elderly aged over 65 from 7% to 14% of its population; Singapore will take a mere 24 years to do so. If our efforts to attract foreign talent and to boost our fertility rate are successful, this may slow down the rate of population ageing, but we would still have to address the growth in absolute numbers of senior citizens. These trends represent both challenges and opportunities for Singapore. What is important is that we take a coordinated national approach and address these issues early, so that we are well-prepared to meet the challenges and maximise the opportunities that an ageing population will bring.

SINGAPORE’S FAST AGEING POPULATION
2. Singapore’s population is still relatively young today, but this will change remarkably over the next 20-30 years (see Table 1-1). We have about 235,000 elderly (or 7% of the population) in 1999. This will increase more than three-fold to 796,000 (or 19% of the population) by the year 2030.

<table>
<thead>
<tr>
<th>Table 1-1: Number and Proportion of Elderly</th>
</tr>
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<tbody>
<tr>
<td></td>
</tr>
<tr>
<td>Number of Elderly Aged 65+ (in thousands)</td>
</tr>
<tr>
<td>Proportion of Elderly Aged 65+*</td>
</tr>
<tr>
<td>Median Age** (years)</td>
</tr>
<tr>
<td>Dependency Ratio**</td>
</tr>
<tr>
<td>Young (0-14 years)</td>
</tr>
<tr>
<td>Old (65+ years)</td>
</tr>
</tbody>
</table>

*As a percentage of total population.
** Of Citizens/Permanent Residents.
***Citizens/Permanent Residents aged 0-14 and 65 and above, per 100 of those aged between 15 and 64.
Source: Singapore Department of Statistics

3. That our population is ageing rapidly can be clearly seen in the population pyramid (see Chart 1-1 and Chart 1-2). The pyramid is becoming a population rectangle as the post-war baby-boom generation ages over time.

3 The terms we use to describe older people in our society are important because names carry symbolic meanings. For statistical analysis and for implementing national policies, this report will use the word "elderly" when we specifically refer to those aged 65 and above. Most developed countries now use age 65 as the cut-off for their statistics. However, we shall use the term "older persons" or "senior citizens", when we do not need such a clear-cut definition. The latter terms are more inclusive.
4. The dependency ratio (see Table 1-1 and Chart 1-3), which is the ratio of dependents to the working-age population, is currently 42 per 100. This will remain relatively steady till 2010, and then rise significantly to about 56 per 100 in 2030.
5. There are also several other important trends. The elderly of the future will be more educated, more independent and have different needs and aspirations. The group aged 65-74 with at least a secondary education is projected to increase from a mere 11% in 1995 to 62% in 2030 (see Table 1-2).

<table>
<thead>
<tr>
<th>Educational Qualification</th>
<th>1995</th>
<th>2010</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>130,482</td>
<td>100.0</td>
<td>196,000</td>
</tr>
<tr>
<td>Primary &amp; Below</td>
<td>116,403</td>
<td>89.2</td>
<td>139,600</td>
</tr>
<tr>
<td>Secondary</td>
<td>8,989</td>
<td>6.9</td>
<td>32,100</td>
</tr>
<tr>
<td>Upper Secondary*</td>
<td>3,314</td>
<td>2.5</td>
<td>16,700</td>
</tr>
<tr>
<td>University</td>
<td>1,776</td>
<td>1.4</td>
<td>7,600</td>
</tr>
</tbody>
</table>

*Includes polytechnic graduates
Source: Singapore Department of Statistics

6. The nuclearisation of families will probably continue to rise (see Table 1-3). Between 1990 and 1997, the fastest growing type of living arrangement for older persons was that of the older person living alone or with their spouse only - away from their children. In 1997, such households formed 15% of all households with older persons aged 60 and above, compared with 9% in 1990. However, it is important to note that a high percentage of older Singaporeans still live with their children, in some 78% of the households with older persons.

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>1997</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resident Households with Older Persons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aged 60 years and Above (in thousands)</td>
<td>193 (100%)</td>
<td>240 (100%)</td>
</tr>
<tr>
<td>Living Alone with Spouse Only</td>
<td>18 (9%)</td>
<td>37 (15%)</td>
</tr>
<tr>
<td>Living Alone with Children (With or Without Spouse)</td>
<td>156 (81%)</td>
<td>187 (78%)</td>
</tr>
<tr>
<td>Living with Other Relatives</td>
<td>13 (7%)</td>
<td>13 (5%)</td>
</tr>
<tr>
<td>Living in All Elderly Household</td>
<td>2 (1%)</td>
<td>2 (1%)</td>
</tr>
<tr>
<td>Living with Other Non-Related Persons</td>
<td>4 (2%)</td>
<td>1 (1%)</td>
</tr>
</tbody>
</table>

Source: Singapore Department of Statistics

* In its revisions to the Concept Plan, the Population and Housing Sub-Committee chaired by URA has adopted MOH's assumption that 25% of older persons aged 60 and above would be living on their own in the long term.
7. There will also be a higher proportion of elderly aged 65-74 who would have never married. In 1995, it was 3%; by 2020, it is likely to be 10%. These elderly of tomorrow will have no children to care for them and will have to rely on support from other relatives or the community.

8. The rapid increase in the proportion of older persons is due to three main factors. First, the present post-war baby-boomers are in the 35-54 age range (see Chart 1-1). By 2030, this bulge will have moved on to the age range of 65 and over.

9. Second, Singaporeans are living longer than before because of improvements in health and nutrition. Life expectancy has been increasing over time - in 1980, life expectancy at birth was 70 years for males and 75 years for females (see Chart 1-4). Today, it is 75 years for males and almost 80 years for females, and this is expected to rise further.

![Chart 1-4 - Rising Life Expectancy in Singapore](image)

Source: Singapore Department of Statistics

10. Third, our birth rates are declining. Our Total Fertility Rate (TFR) has declined from 1.87 live births per woman in 1990 to about 1.50 in 1998\(^2\). This is partly caused by more young people not marrying or marrying but having fewer or no children. This is an upstream problem, which if successfully addressed, could help slow the rapidity of population ageing. Unfortunately, experience elsewhere has shown that the higher the social and economic advancements of the country, the lower the TFR. Low fertility has been a persistent problem since the late 70s in industrialised countries.

\(^2\) A population needs a TFR of about 2.1 to replace itself.
CHALLENGES AND OPPORTUNITIES

11. The issues of an ageing population are complex and cut across all sectors of society. One key concern is that the sheer rise in the numbers and proportion of older persons could potentially put stress on families and eldercare services. Given the move towards smaller, dual income and nuclear families, the rising numbers of young people who live and work abroad, and more single elderly, it will be a challenge to sustain family care as the primary form of eldercare in Singapore.

12. Given these trends, older Singaporeans will have to take on more personal financial responsibility and rely less on their families for financial support, even though family support is commonly expected among the current cohorts of senior citizens. The fiscal burden of population ageing could also increase as the Government spends more to prepare the infrastructure to deal with an ageing population. Here, a key challenge will be to pursue forward-looking yet sustainable solutions.

13. The median age of the local workforce will rise as a result of the ageing process. The national initiatives to bring in foreign talent, promote lifelong learning and a performance-based wage system will minimise any potentially negative impact on workforce productivity and competitiveness. However, the employability and hence the financial security of older workers, particularly those who are less educated, will remain a concern.4

14. We must not ignore the potential pressures of an ageing society. Forming 25% of the electoral population in 2030, articulate and used to high living standards, older Singaporeans could be a significant lobby group. Unless we actively promote succession planning, the leadership structures in all sectors and institutions in our society will naturally grey with time. In some countries, a conservative and ageing establishment has robbed society of the political will to enact tough policies necessary for the future. One challenge will be to ensure leadership renewal and orderly succession, while ensuring that older people have a role to play. Maintaining intergenerational cohesion is a further challenge.5

15. The young of today must also have a quiet confidence that Singapore will be a good place to grow old in. They will be the old of tomorrow. Hence, any policies we put in place for senior citizens, will also have an impact on the younger Singaporean’s own rootedness in and commitment to Singapore.

4 Among those aged 40-49 years, 50-59 years, and 60+ years, the proportion with below Secondary 2 education are 46%, 62% and 67% respectively. These poorly educated older workers are likely to face the problem of employability in the next 20 years.

5 However, studies in Europe have shown that in general, the elderly do not have distinctive political inclinations different from the rest of society.
16. Another challenge will be to harness the potential contribution of senior citizens, the vast majority\(^6\) of whom are healthy and will be increasingly better educated over time. We must promote a paradigm where older Singaporeans are valued as contributing and integral members of society. Consequently, the larger physical, social and economic environment must support this desired paradigm.

17. An ageing population will also bring new opportunities. There will be greater diversity and more potential for interaction between younger and older persons. The result could be a more balanced and enriched society, with more fertile ideas and an appreciation of different views. The young will contribute with their vibrancy and creativity, while older persons will bring wisdom and experience.

18. Our senior citizens represent a valuable resource both for families and the community. They could, in post-retirement, become active grandparents, help busy young families balance work-family commitments and transmit values from generation to generation. This could strengthen family ties and intergenerational bonding. The older person could also develop a meaningful second career in community service.

19. The growing number of older persons also means that we will increasingly have a critical mass of senior citizens to make many services and programmes more cost-effective to implement and new products more profitable to market. Hence, for example, the demand for elder-friendly features and gadgets could grow and improve the physical environment and consequently the quality of life for the older Singaporeans. As the number of older Singaporeans rises, there will also be greater awareness of the necessity to put in place policies and programmes that are sensitive to the needs of older citizens.

20. The senior citizens of the future will clearly be different from their counterparts of today - they will have different values, aspirations and needs. Hence, we must continue to monitor changing trends and ensure that our policies remain relevant. There are no one-off solutions.

\(^6\) In the 1995 National Survey of Senior Citizens, 92.8\% of those above 65 years were healthy and physically independent, another 5.8\% required some supervision and assistance, whilst the last 1.4\% are bedridden or needed total physical assistance.
CHAPTER 2
Rethinking Our National Policies for Older Persons

FORMATION OF IMC
1. The issues of an ageing population are complex and dynamic and must be kept on the policy agenda to ensure that our solutions remain relevant and sustainable. We also need to develop holistic solutions that tackle the multi-faceted challenges.

2. Fortunately, we have had a headstart in managing the implications of an ageing population. There was Howe Yoon Chong’s "Committee on the Problems of the Aged" from 1982 and 1984 and the "Advisory Council on the Aged" chaired by Minister Jayakumar from 1988 to 1989. From 1989 to 1998, there was also the "National Advisory Council on the Family and the Aged" chaired by Mr Abdullah Tarmugi, Minister for Community Development, and from 1997 to 1999, the "Inter-Ministerial Committee on Health Care for the Elderly" chaired by Mr Yeo Cheow Tong, the former Minister for Health.

3. The Inter-Ministerial Committee on the Ageing Population (IMC) was set up in October 1998 to build on the work done by these national committees. Minister Mah Bow Tan chairs the IMC, with Mr Lim Hng Kiang, Minister for Health and Mr Abdullah Tarmugi, Minister for Community Development as Deputy Chairmen. The IMC was tasked with anticipating and driving a coordinated national approach to deal with the challenges of our ageing population. (The composition of the IMC and its Terms of Reference are at Appendix A.)

4. The IMC is a multi-sectoral committee, comprising representatives from the public, private and people sectors. In April 1999, the IMC formed six workgroups to review and make recommendations on specific areas, viz. Social Integration of the Elderly, Health Care, Financial Security, Employment and Employability, Housing and Land Use Policies, and Cohesion and Conflict in an Ageing Society. (See the Workgroups’ composition at Appendix A.) The Workgroups comprise more than 80 members from a wide range of backgrounds.

5. After extensive discussions and public consultations, the Workgroups have submitted their final reports. They surfaced more than 100 proposals for the IMC to consider. (The Workgroup Reports are at Appendices B1-B6.) Public feedback was received through numerous focus group discussions, releases of the preliminary ideas to the media in July and August 1999 and a policy conference organised jointly with the Institute of Policy Studies on 24-25 September 1999. The IMC has studied the proposals and its final recommendations are elaborated in this report.
DESIRED OUTCOMES

6. As a starting point, it is important to articulate the vision and desired outcomes for Singapore as our population ages. These will serve as reference points to align the national effort to meet the challenges ahead.

7. The vision is to achieve "Successful Ageing for Singapore", i.e. to ensure that all levels of society - the individual, the family, the community and the nation - are well-prepared for the challenges and opportunities of an ageing Singapore. We want Singaporeans to age with dignity and security in the context of an economically vibrant and socially cohesive nation. To realise this vision, we have spelt out a set of desired outcomes at each level of society.

8. At the individual level, older Singaporeans should be able to age with respect and dignity, and should lead independent and fulfilling lives as integral members of their families and communities. In particular, we want:
   a. **Healthy senior citizens**, because health is fundamental to a good quality of life.
   b. **Active senior citizens**, who continue to contribute either as employed persons, volunteers in the community or active family members.
   c. **Secure senior citizens**, who see it as their personal responsibility to plan for old age, particularly to ensure financial independence.

9. At the family level, family relationships of interdependence should complement the older person's independence. For the frail or ill elderly, the family should continue to be the first line of support. Hence, we would like to see:
   a. **Strong families**, to provide a secure base for the young and old to meet the challenges of life in the 21st Century.
   b. **Extended families**, to provide mutual support, intergenerational interaction and transmission of values.
   c. **Caring families**, to provide physical care as well as social and emotional support to older people.

10. At the community level, we want to foster a deep sense of community ownership and high degree of participation in securing the well-being of the older person and the family. Our desired outcomes are:
    a. **A strong network of community services**, to support the family in its care-giving role and to enable the older person to live with his or her family and in the community for as long as possible.
    b. **Opportunities for engagement**, to maximise the potential of older Singaporeans and to create avenues for senior citizens to remain economically active and to contribute to the community.
    c. **Integrated communities**, which enable senior citizens to live as integrated members of the wider community.
11. At the **national** level, we would like the State to provide the leadership necessary to drive a coordinated national approach to the challenges of an ageing population. We want:

   a. **A high level of national preparedness**, to minimise the problems and maximise the opportunities presented by an ageing population.

   b. **A competitive and vibrant economy**, to generate more employment opportunities and improve the standard of living for all Singaporeans, including senior citizens.

   c. **Social cohesion and rootedness**, where the national interests continue to take precedence over the interests of any one interest group.

**GUIDING PRINCIPLES**

12. Apart from the desired outcomes above, our measures to tackle ageing issues in the next millennium should be underpinned by certain fundamental principles. These can be summarised by the three Cs:

   a. **Contributions from Senior Citizens.** Older people should be valued as contributing and participating members of society, and should be enabled to remain physically, mentally and socially active for as long as possible. Our national policies must cater to the elderly who are well and healthy (93% of the elderly population today) and not just the 7% frail and ill.

   b. **Care-Giving Primarily from Families.** We believe that the family is the primary care-giving unit and the bedrock of support for the older person. The family must be supported and strengthened in its ability to care for its older members to ensure that institutionalisation remains a measure of last resort.

   c. **Collective Responsibility from All Sectors.** We should uphold the “Many Helping Hands” approach of involving the community, the family and the senior citizens themselves in ensuring the holistic well-being of older people. The starting point, however, must be individual responsibility to plan and prepare for old age. The family is the first line of care. The community is the second line of support to enable families in their care-giving role. The role of the State is to provide a framework that enables the individual, the family and the community to play their part.
STRATEGIC FRAMEWORK

13. Anticipating and preparing for an ageing population requires the integrated development of the right "heartware", that is attitudes, mindsets and values, "software", that is intergenerational relationships and community and social infrastructure, and "hardware" or the built environment. Using this framework, the following five strategic thrusts summarise the basic themes running through the IMC recommendations.

Heartware

a. Public Education to Change Attitudes and Promote Lifelong Planning. Public education is vital to promote personal responsibility, lifelong planning and early preparation to meet the challenges of ageing. To achieve this, a number of mindset changes have to be addressed. Ageist attitudes must be dispelled and older persons encouraged to be active and fully integrated into society. We must change the mindset that older people only receive service and consume resources; they must also be seen to give service.

b. Ensuring Personal Security in Old Age. A "basic needs CPF model" is proposed to encourage personal responsibility to plan and prepare early for financial security in old age. This model emphasises personal responsibility as the CPF only caters for basic living expenses in old age. Ensuring the employability of older persons and creating employment opportunities is another important pillar of ensuring financial independence and security, particularly for the less educated. It also allows older persons to maintain their self-esteem and remain valued members of the community even as they advance in age.

Software

c. Supporting Intergenerational Cohesion and Family Care. Family cohesion and support is critical to the well-being of senior citizens, particularly those who are frail and need care. Community-based social services should be strengthened to support family care. Government policies and programmes should be targeted at the three-generation family and not just the nuclear family. We should also promote more interaction and mutual support between the young and the old.
d. *Integrated and Proactive Service Planning and Delivery.* Services must be efficiently and effectively distributed to those who need them. There is scope for greater coordination and proactive planning among the various service planners and providers. Multi-Service Centres, which provide a range of services for senior citizens and other age groups, can be developed at the local level. Eldercare service provision can also be more actively promoted and upgraded, particularly through getting the private sector to play a greater role and setting minimum standards for service delivery. The first line of support should be from older persons themselves, through mutual support, and the family. However, where this fails, a ready corps of volunteers and eldercare workers must be at hand to fill in the gaps. Care-givers, both informal and professional, should be provided with adequate training and support.

**Hardware**

e. *A Built Environment that Fully Integrates the Older Person into the Community.* Our housing infrastructure and public transport system should be made elder-friendly over time. This will be critical in determining the extent to which older people can be integrated into the wider community and can lead active lives. Ageing in place, as a strategy for housing senior citizens, can help promote the desired integration. For this to be successful, the built environment and transportation system must be elder-friendly, and have barrier free features which facilitate safe access to services.
CHAPTER 3
Social Integration of the Elderly
A Singapore for All Ages

INTRODUCTION
1. Our culture is youth oriented. Advertisements and media programmes almost exclusively feature young faces. Our homes and social amenities commonly cater to young families. In a more mature society, the landscape will change. As spending power is more concentrated in the hands of older persons, there will, for example, be an increase in the development of products and services marketed at older persons.

2. But the most crucial uncertainty is whether our senior citizens will remain an integral part of a society in which they are valued as active and contributing members. Our challenge is to carve out a significant role for older persons, rather than merely focusing on providing care and welfare.

3. In seeking more active roles for older people, we must recognise that the role of the older person in society is shaped by the individual’s and society’s attitudes. The common portrayal of older persons as frail and dependent is not an accurate reflection of the fact that the vast majority of older Singaporeans are well and healthy. Such stereotypes are an obstacle to a more active and vibrant senior citizenry. Efforts to inculcate desirable values and attitudes and to combat ageism (i.e. negative attitudes towards ageing and older persons) must be enhanced if we want our senior citizens to age with dignity and grace.

4. However, as most individuals would at some point in their lives need some form of care, a wide network of community-based services should become part of an overall community infrastructure to help the family care for their elderly members at home. It is important to upgrade social care provisions for senior citizens and propose new programmes that would not just serve their care needs, but also enable them to lead productive and meaningful lives within the community.

5. At the same time, barriers in our physical infrastructure should be removed so as to facilitate the integration of senior citizens. It is important that our housing and transport infrastructure be planned such that the mobility of older people and their access to services are enhanced, not restricted.
PROPOSALS

6. To achieve the integration of older persons in our society, we require the holistic development of the right “heartware”, “software” and “hardware”.

**Developing “Heartware”**

7. “Heartware” refers to the individual’s and society’s values, attitudes and perceptions of ageing and the older person. We cannot hope to influence behaviour if we do not have the right mindsets. We must adopt a positive orientation that will help us exploit the vast potential and resource that senior citizens represent, while remaining realistic about the challenges of age. Central to developing “heartware” is the principle of age-neutrality, or the idea that age should not be a barrier that precludes older people from doing the things they are capable of doing.

8. **Strengthening Public Education.** The IMC recommends that a key instrument for developing “heartware” is a strong public education programme, which should pursue the following key directions:

   a. **Infuse a culture of lifelong planning, learning and preparation for old age**, including equipping citizens with information on ageing-related issues and support services available. Singaporeans should exercise personal responsibility and start early to plan for old age.

   b. **Challenge and dispel ageist attitudes** among all Singaporeans, young and old. We need to change the mindset that older people only “receive service” and consume resources. They should be seen to “give service”. Although over 93% of the elderly today are healthy and ambulant, they are mostly portrayed as frail and in need of care.

   c. **Promote active lifestyles and community involvement among older Singaporeans.** Older persons must want to and believe that they can be actively engaged in society, while younger Singaporeans must accept and welcome older people as equal contributing members of society.

   d. **Strengthen intergenerational bonds**, particularly within the family. The family will be the main pillar and support for older persons.

9. **Public Education by the People Sector.** The IMC recommends that the current week-long senior citizens campaign be expanded to a systematic year-round public education effort. A citizen-led national committee could be formed to coordinate and drive public education on ageing with Government co-funding. Leveraging on the people sector is essential, particularly in reaching out to the less educated. The IMC also recommends strengthening the public
education capabilities of eldercare Voluntary Welfare Organisations (VWOs) that have the ability, reach and interest to carry out public education programmes by co-funding selected programmes.

10. Forging Partnerships. Equally important is the need to develop partnerships with key “influencers” such as policy makers, employers, schools, the media, film-makers and writers, who play impactful roles in shaping societal attitudes. In particular, the Ministry of Education can promote positive, but realistic, images of older persons and engage older people in interacting with students in the schools’ formal and informal curricula.

11. Encouraging Lifelong Planning. The IMC recommends that the public education programme should also encourage a culture of lifelong planning and learning for the different transitions in life, not just old age. Lifelong preparation and planning applies not only to the traditional areas of financial planning and healthy lifestyles, but also to important family-life decisions like getting married, when and how many children to have, as well as cultivating interests and roles that would keep one meaningfully occupied in old age.

Developing “Software”

12. “Software” refers to the policies, programmes and services that constitute the community infrastructure. We must re-orientate our community infrastructure to create opportunities for older persons to share their time, talent and wisdom. For those less well, our community-based services\(^1\) and programmes should be designed to support families and our senior citizens to help them continue living in their homes and communities for as long as possible. These services must be effectively distributed to those who need them - not just the poor and indigent elderly - and there must be integrated and proactive planning and delivery of these services. It is therefore imperative that organisations serving senior citizens share a common vision and develop a coordinated approach for meeting our collective challenges.

13. Promoting Developmental Programmes. Government-funded programmes for senior citizens should shift their focus from a primarily care and welfare nature to a more developmental orientation. The IMC recommends that more resources be devoted to the promotion of developmental programmes for older people at the community level, such as volunteerism, enrichment courses and mutual help schemes.

14. Integrating Service Planning and Development. The IMC recommends that Ministry of Community Development (MCD) and Ministry of Health (MOH) review the present division in responsibilities for health and social care services to ensure that the planning and development of services facilitate service providers wanting to provide community-based services and the development of holistic models of eldercare.

\(^1\) Community-based services include both developmental programmes for older people (i.e. programmes that tap on older people as a resource), and preventive, rehabilitative and care programmes for the frail older person.
15. **Developing Multi-Service Centres.** Services also need to be delivered in a seamless and integrated manner. To prevent fragmented and uneven service delivery, the IMC recommends co-locating social services for all age groups in Multi-Service Centres at the local level. The idea is to devolve the administration of community-based social services to Community Development Councils (CDCs) and to co-locate social services at “super Community Centres” which will also be focal points for volunteerism in the local community. This makes better use of land, provides one-stop service, and involves the community in service delivery for senior citizens.

16. **Pioneering Care Management.** Care management involves assessing the older person’s needs to determine the services required, coordinating a package of services to meet those needs and evaluating the delivery of the services. This can help ensure holistic care and proper evaluation so that there will not be over-consumption of services by those who do not need them. This approach has been piloted by National Council of Social Service (NCSS) with two VWOs. The IMC recommends that MCD, MOH and NCSS jointly review the outcome of these case management pilots to determine the most cost-effective model to introduce in Singapore and to work out the funding mechanisms for such services.

17. **Regulating Community-Based Services.** To overcome the problem of variations in service standards, the IMC recommends that a regulatory framework be developed for community-based services for senior citizens.

18. **Supporting Care-Givers.** Family care-givers need assistance to play their role as the primary source of eldercare and support. The IMC recommends that MCD, MOH and NCSS encourage and coordinate the development of a broad base of support and services for care-givers at the local level - e.g. home medical and home care services, care management, training, information services and mutual support networks - and identify other appropriate measures to support care-givers. In particular, the IMC recommends that the tax relief for dependants, especially those who live with their elderly parents, be increased.

19. **Targeting Needs, Not Just Income.** Currently, Government-funded VWOs provide services focused at the lower-income group. While VWOs should continue to focus on this group, the IMC recommends that MCD and MOH review current policies to ensure that all carers and senior citizens who need services, regardless of their financial status, can afford eldercare services. Some form of means-testing may be required to ensure that clients pay according to their means. MCD, MOH and NCSS should also examine how to incentivise commercial operators to provide services at affordable rates.
Developing “Hardware”

20. “Hardware” refers to the built environment - the housing infrastructure and transport system. Both are critical in determining the extent to which older people are integrated into the wider community.

21. Meeting the Transport Needs of Older Persons. In the longer term, the public transport system should be made elder-friendly as part of on-going improvement and upgrading programmes. This should be implemented in a realistic, practical and cost-effective way. The IMC welcomes Land Transport Authority’s (LTA’s) decision for future MRT and LRT stations to comply with the Code on Barrier-Free Accessibility in Buildings (1995) as well as LTA’s plan to retrofit existing MRT stations with ramps and lifts.

22. The IMC would strongly encourage bus operators to make the bus system more elder-friendly in the long term. To do this, it recommends that elder-friendly buses be introduced as older buses are phased out. The IMC also supports the proposal that bus and MRT operators extend the existing concessionary travel for senior citizens to the whole day, so as to encourage them to be more actively engaged in society.

23. Enhancing Accessibility to Services. Feedback from VWOs indicates that some older people, particularly the semi-ambulant and non-ambulant, do not have access to services and programmes because their transport requirements are not met. Hence, the IMC recommends that, in the short term, MCD, MOH, NCSS, CDCs, LTA and transport operators should examine how existing transport resources can be pooled and arrangements modified to provide affordable elder-friendly transport services to eldercare services and facilities. LTA should also encourage taxi operators to bring in more wheelchair-friendly vehicles.

24. Enhancing the mobility of older persons and their access to services also involves making the housing and built environment elder-friendly. This will be examined in Chapter Seven.

CONCLUSION

25. A concerted effort across agencies is necessary to ensure the integrated development of the "heartware", "software" and "hardware" of society and to achieve the social integration of our senior citizens.
INTRODUCTION
1. Health is always a key concern for older people. A rapidly ageing population is also a challenge to health care planners to provide adequate health care facilities, services and support systems. According to a National University of Singapore (NUS) study, the National Health Expenditure is expected to increase from 3% of Gross Domestic Product today to 7% in 2030.

2. The 1995 National Survey on Senior Citizens showed that 95% of the elderly population aged 65 years and above were able to perform essential activities of daily living, such as bathing and eating, independently. Hence, health and step-down care services are only required for a small minority, albeit an increasing number, of senior citizens at any one time. Our emphasis should be on health promotion and disease prevention, to promote personal responsibility and to enable our senior citizens to remain healthy and active in the community for as long as possible.

3. However, there might come a point where elderly individuals, despite their best efforts, still fall ill and need medical attention and care. There should be services to help the family and community care for the elderly sick for as long as possible and admitting them to institutions should be a last resort.

4. Catering to the health care needs of senior citizens would therefore require a good network of community-based services and institutional care. In particular, community-based step-down services should be strengthened to support the family in its role of caring for their elderly members, so that older persons can continue living with their families for as long as possible.

5. Health care for older persons includes the following spectrum of care:
   a. Step-down care:
      i. Community-based care, provided by day rehabilitation centres, day centres for dementia and home care services.
      ii. Institutional care, provided by nursing homes, and community hospitals; and
   b. Acute care, at polyclinics, general practitioner clinics, hospitals and speciality centres.
PROPOSALS

Studying Health Care Needs
6. Improving Information Gathering and Dissemination. There is now insufficient epidemiological research and data on health care needs, which are required to plan future services. Hence, the IMC recommends that NUS’ Gerontological Research Programme undertake research on future trends and needs of senior citizens in Singapore. With future senior citizens being better educated, using information technology to disseminate information on illness and services should also be encouraged.

Reviewing Service Delivery and Standards
7. Integrating Policy Planning and Service Provision. Given resource constraints, the wide spectrum of needs of senior citizens and the multiple agencies involved in providing services to meet those needs, it is important to put in place a seamless continuum of planning, service provision and care. The IMC recommends that policy planning and service provision be coordinated through the Ministry of Community Development (MCD), working in concert with other agencies [e.g. the Ministry of Health (MOH)].

8. Coordinating Publicity. The IMC also recommends that MCD coordinate the publicity of the different eldercare programmes by different Ministries to reduce duplicating and confusing messages.

9. Reviewing Delivery Standards. The present guidelines for nursing homes and day rehabilitation facilities specify the space norms, standard facilities, equipment, and the staff requirements. The IMC recommends that regulatory authorities set minimum outcome-based performance targets as measures of standards of care instead of stipulating fixed measures for inputs, processes or methods to deliver the services. Service providers should be given the flexibility to achieve higher efficiency, by varying the types of facilities and space areas in institutions based on "cost per bed" funding and the types and scope of services they provide, as long as they comply with minimum standards.
**Strengthening Service Providers**

10. **Strengthening the Voluntary Sector.** Government’s primary role is to provide the policy framework, financial assistance and advice to facilitate the delivery of services by the Voluntary Welfare Organisations (VWOs). VWOs should continue to focus on the poor and low-income. However, the IMC recommends that VWOs be given the flexibility to provide services to more fee-paying clients. This will allow greater flexibility for VWOs to better utilise their facilities which will ultimately benefit the low-income clients.

11. Currently, many VWOs provide a wide range of services for older persons. However, individually, they tend to be small, operate limited services, rely on foreign staff and could be better managed. The IMC encourages VWOs to strengthen their capabilities through pooling their resources where feasible to achieve economies of scale, develop better costing, accounting and management systems, and achieve greater cost efficiency through options like outsourcing non-core services such as cooking.

12. **Encouraging the Private Sector.** The private sector is now only providing 32% of the institutional step-down care facilities. It has a role to play in providing services to users who can afford to pay, and should be encouraged to set up more nursing homes and provide medical, nursing and other support services.

13. **The IMC recommends that Government:**

   a. **Facilitate the macro planning, reservation and zoning of land** for the development of private nursing homes, with specifications for the conditional use of the land;

   b. **Extend the tenancy length of Government rental properties** to incentivise the operators to make longer-term capital investments for the benefit of service users; and

   c. **Provide information** (e.g. epidemiological and financial data) and **assistance to operators** (e.g. a one-stop centre to assist operators to set up homes) for their business planning use.

14. **Supporting Co-operatives.** Co-operatives (e.g. the NTUC Eldercare Co-operative) can also be encouraged to provide services targeted at the middle-income group. They can help tap the self-help spirit in the community and provide affordable services. The IMC recommends that Government examine the support that can be given to co-operatives to provide these services.
**Developing Manpower**

15. **Harnessing Scarce Manpower Resources.** Manpower cost represents a substantial portion of costs for service providers as caring for older people is labour intensive. The quality of care also largely depends on the quality of the manpower. WVOs now face difficulties in recruiting and retaining staff, and coping with the high costs of training, upgrading and maintaining staff standards. Care-givers must be equipped with the relevant skills, knowledge and support services to be able to take on their role adequately.

16. To improve the development of manpower, the IMC recommends the following:

   a. Develop multi-task care staff trained in nursing, rehabilitation and care management to cater to the multiple needs of older persons;

   b. Cluster WVOs to allow experienced and capable staff to assume supervisory or larger roles, and to share scarce manpower resources and training programmes;

   c. Encourage more primary health care doctors to pursue geriatric training and work out the roles and responsibilities of hospital geriatricians supervising community geriatricians;

   d. Develop part-time modular courses for nurses working in eldercare institutions;

   e. Subsidise the training of health personnel through the Skills Development Fund and Skills Redevelopment Programme; and

   f. Provide incentives for volunteers through publicity, training, personnel development and welfare, assistance in out-of-pocket expenses, insurance and medical benefits. Volunteers can help in a whole range of services, from home-based to residential care.

**Financing Health Care for Senior Citizens**

17. The IMC endorses the IMC on Healthcare for the Elderly's (IMCHE's) finding that the financing schemes in place - Medisave, MediShield and Medifund - are adequate to meet the acute care needs of senior citizens. With heavy Government subsidies\(^1\), pre-Medisave top-ups for elderly Singaporeans, family support\(^2\) and Medifund as a safety net of last resort for indigent Singaporeans, it is assessed that all elderly Singaporeans have access to affordable acute health care. As the population ages, the IMC expects the coverage of Medisave and MediShield to expand correspondingly.

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\(^1\) From 20% to 80% of the cost of service in public hospitals, and 75% for senior citizens in polyclinics.

\(^2\) Particularly through the use of family members' Medisave accounts and the purchase of MediShield cover for senior citizens by immediate family members.
18. **Expanding Step-Down Care Financing.** It is estimated that 8% of senior citizens require step-down care - 3% in institutions and 5% in the community. The financing of step-down care should be based on the principles of individual responsibility, community assistance and Government funding. In this respect, the IMC supports the IMCHE’s recommendations concerning Government funding for VWO-run step-down care facilities\(^3\).

19. Currently, patients with household incomes of less than $2,000 per month may qualify for 50% Government subsidy. To assist patients with immediate family income of between 30\(^{th}\) to 50\(^{th}\) percentile to pay for step-down care, the IMC recommends that Government consider extending its subsidies at a lower rate to households with income of $2000 to $3000.

20. **The IMC supports the IMCHE’s recommendations that MOH and the Central Provident Fund Board establish an insurance against severe disabilities**\(^4\). Such a scheme promotes individual responsibility and does not result in excessive precautionary individual savings and the burdening of the tax system and future generations of Singaporeans. The IMC also endorses the approach that premiums be payable using Medisave, that it be an opt-out scheme to ensure a high degree of coverage, and that the premiums be made affordable. **The IMC further recommends that the insurance scheme be proactively introduced to the public via a robust public education and communications programme and that on-going research be conducted on elderly Singaporeans to facilitate regular evaluation of the scheme.**

**CONCLUSION**

21. Care by the family is still the best avenue of care for older persons as it meets not only their physical needs but also their emotional and social needs. It is also in keeping with our shared value of filial piety. The recommendations of the IMC aim to provide families with the support necessary to play this role more effectively.

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\(^3\) This includes, inter alia, provision of capital funding up to 90% of the “cost per bed” for VWOs building their own institutions, implementing means-testing to provide subsidies on a sliding scale to low- to middle-income patients, and extending Government subventions and recurrent funding (on a piece rate basis) to cover home care services and all step-down care services respectively.

\(^4\) Benefits will be paid to defray the costs of step-down care required by insured individuals who acquire severe disabilities, but the scheme will have deductible and patient co-payment features.
CHAPTER 5
Financial Security
Lifelong Financial Planning

INTRODUCTION
1. Financial security is one of the key concerns in old age. With increasing life expectancy, the number of years of living expenses and the contingencies we have to save up for will also increase. Consequently, the amount needed for retirement would be quite substantial.

2. The 1995 National Survey on Senior Citizens showed that the majority of citizens aged 55 and above (88%) did not make any financial provisions for old age. Other surveys also showed that many Singaporeans think that the cash savings in their Central Provident Fund (CPF) accounts will be sufficient for their retirement needs\(^1\). This appears to be based more on faith than on fact or planning. In 1998, only about 24% of active CPF members (National Registration Identify Card holders) who reached 55 years of age that year could meet the Minimum Sum cash component of $16,000. Relying on family for informal support in old age is probably not sustainable, given the trend towards smaller families and greater life expectancy.

3. Ensuring financial security in old age is therefore a vital challenge of an ageing population. Our social security system should be structured to put the onus for financial planning on the individual. It should encourage individuals to decide on the standard of living they can realistically sustain after retirement, and work towards that goal. Individuals should also contribute actively towards their family members’ financial security. Government’s responsibility is to ensure that the individual understands and has the means to evaluate his or her situation (through public education) and that as many people as possible stay above a minimum level of subsistence.

PROPOSALS
4. Financial security means different things to different people as people’s aspirations and resources vary greatly. However, any definition of financial security should at least include three elements - living, medical and housing expenses - which the IMC recommends can be achieved through four pillars:

   a. A “basic needs CPF model”;
   b. Opportunities to remain employed (discussed in the next chapter);
   c. Complementary private sector financial investment; and
   d. A strong public education programme.

\(^1\) In the 1995 National Survey of Senior Citizens, of those senior citizens aged 55 and above who had CPF savings, 44% felt that their CPF savings were sufficient to meet their old age and medical expenses.
Fine-tuning the CPF System
5. While the current CPF system has evolved into a comprehensive social security savings scheme, many members today may suffer from the “asset rich, cash poor” phenomenon. The CPF should be repositioned to the original intent of providing for old age.

6. Hence, the IMC recommends adopting a “basic needs CPF model”. This model is to cater for basic living expenses, medical and housing needs in old age, while emphasising personal responsibility and the widest possible coverage. At the basic level2, the IMC recommends that old age expenses be pegged at a subsistence level3, which can be worked out taking into account the current provisions under the Minimum Sum Scheme. Beyond this basic level, every individual should ascertain and make independent provision for his or her own desired retirement lifestyle. This is a more practical approach than one that caters to the unique needs of each person at every income level.

7. Since only 24% of CPF members reaching 55 years today can meet the Minimum Sum cash component in CPF, the IMC recommends the following measures to facilitate the building up of the minimum savings in CPF for old age:

Putting Aside More for Old Age
a. Stepping Up Contribution Rates for the Special Account (SA) with age. The current policy is for all CPF members to have the same SA contribution rate. The IMC recommends contribution rates that increase with age4 as they cater to the needs of young members who need to buy property to start a family, but at the same time, enable members to build up their Minimum Sum when they are a little older.

b. Increasing the Cash Component of the Minimum Sum. The present plan is to raise the Minimum Sum to reach $80,000 by 2003 with at least half, or $40,000, in cash and up to $40,000 in the form of a pledged property. The IMC recommends increasing the cash component gradually beyond the $40,000 after 2003 so that it can generate an annuity corresponding to the prescribed subsistence level.

2 The IMC also notes that the Medisave Minimum Sum will be gradually raised to $25,000 by Year 2003 and that an insurance scheme against serious disabilities can help to ensure financial security. These health care financing issues are dealt with in Chapter Four.

3 One recommendation was to peg this to the 12th percentile household expenditure level, but the exact level for the Minimum Sum should be reviewed by the Ministry of Manpower.

4 An example of this is a 4% contribution rate for those 35 years and below, 6% for those between 35-45 years and 8% for those between 45-55 years.
Improving Returns on CPF Savings

c. Pegging the SA Rate of Return to Long-term Instruments. Currently, the SA return is pegged at 1.5% above that for the Ordinary Account (OA). SA savings should be considered long-term investments and should be pegged to the rate of return of government bonds or comparable fixed income instruments, i.e. the cost of Government’s borrowing from the open market.

d. Liberalising the Use of Funds in the SA. The IMC proposes to liberalise the use of SA funds in excess of the Minimum Sum to be invested in "safe" instruments, such as private pension funds and deferred annuities, which can potentially offer better yields.

Fine-tuning Withdrawal and Coverage

e. Allowing Flexibility for Withdrawal of the Retirement Account (RA). The withdrawal age for the RA is pegged to the Retirement Age (now at 62 years old). The IMC recommends allowing flexibility in the withdrawal of annuities in the RA, when the Retirement Age is raised beyond 62 years old, to allow members, who cannot continue to work or face severe financial difficulties, to start withdrawing their annuities earlier.

f. Extending the Coverage of SA Contributions to As Many Singaporeans As Possible: Self-employed persons are now only required to make compulsory contributions to their Medisave Account (MA). SA contributions should be made compulsory for the self-employed, as well as contract workers. The Government could also consider extending the coverage to the non-employed (e.g. homemakers) through incentives for family members to make voluntary contributions.

In addition to the above, the IMC is not recommending any changes to the current rate of return for the OA and MA, the current withdrawal age of 55 for CPF savings in excess of the Minimum Sum, and the half-half withdrawal rule.

8. The modifications to fine-tune the CPF system should be phased in cautiously, taking into consideration the adequacy of the cash savings in existing members’ CPF accounts and their plans to use their CPF savings when they reach the withdrawal age of 55.

Encouraging a Complementary Private Sector System

9. The IMC also recommends measures to develop a role for the private financial sector to complement the CPF system and to encourage Singaporeans to supplement their CPF savings by contributing voluntarily to private funds. These contributions promote personal responsibility and potentially yield better returns in the longer term. CPF funds in excess of the Minimum Sum should

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8 The IMC notes that market benchmarking will not offer downside protection as compared to the current system where a floor of 4% is in force for the SA.

8 The half-half rule allows CPF members with less than $5,000 cash in their OA and SA to withdraw all their CPF savings at age 55, and those with more than $5,000 to withdraw at least $5,000 or half of the balances in their OA and SA, whichever is larger.
also be allowed for the purchase of such products, but gains from investments using SA funds should be retained until retirement.

10. The local market for retirement-related products that offer deferred benefits when members retire needs to be further developed. To create a critical mass of investors to make such products viable and to allow such products to flourish, the IMC recommends tax incentives for these products. For annuity products, there should be tax exemption for payments from immediate (life) annuities purchased outside of CPF. New personal pension products for employees and the self-employed with income above the CPF ceiling of $6,000 per month should be tax deductible, and implicit tax disincentives for private deferred annuity products should be removed. To safeguard the savings, the IMC also proposes to provide a conducive regulatory framework to ensure sufficient regulation and supervision of financial companies offering such investment opportunities.

11. To implement this, the IMC recommends that the CPF Board, in consultation with the Monetary Authority of Singapore (MAS), draws up broad guidelines for the investment of surplus SA funds in private sector retirement instruments, and for MAS to review the potential for such investments using private savings.

Encouraging Public Education on Financial Planning

12. Financial planning is a lifelong process and financial security cannot be achieved overnight. Hence, Singaporeans need to be educated on the importance and benefits of early planning for financial security in old age. In this regard, the IMC recommends a comprehensive public education effort with the messages to "Take Charge" and "Start Early". The IMC also recommends the collaboration of three sectors to drive public education and awareness:

   a. The Government, with the Ministry of Community Development taking charge of coordinating public education programmes and MAS developing a pool of independent financial planners;

   b. Service Providers, e.g. banks and insurance companies; and

   c. The Community, e.g. grassroots organisations.

CONCLUSION

13. With these recommendations in place, Singaporeans will have a better framework to plan for their own financial needs in old age. If we "take charge" and "start early", we will be able to age with confidence of a secure future. Financial security can also be enhanced through continued employment, which will be discussed in Chapter Six.
INTRODUCTION
1. Studies show that older people who continue working are healthier both mentally and physically, have greater self-esteem, and are better integrated with the rest of society. Keeping older persons employable also enhances financial security since one can work if one needs to. It reinforces the positive image that older persons are valued members of the community.

2. About 93% of the elderly are healthy and they should therefore be allowed to remain active in society. If they do not wish to continue working, they can be involved in other activities, such as actively taking care of their families or becoming more involved in community service.

3. Older workers are an increasingly important human resource as our workforce ages. We need to tap older workers to meet our manpower needs and sustain economic development. Consequently, we need to help older Singaporeans remain employable and have job opportunities open to them, particularly in a knowledge-based economy that requires new skills.

4. The labour force participation rate now among older Singaporeans (in the 55-64 age group) at 43% is low compared with older persons in other newly-industrialised economies and developed countries. (See Table 6-1 below.) In particular, the participation rates for the female labour force are relatively low.

Table 6-1: Labour Force Participation Rates of Older Persons Aged 55-64, 1997

<table>
<thead>
<tr>
<th>Country</th>
<th>Total (%)</th>
<th>Males (%)</th>
<th>Females (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Singapore</td>
<td>43</td>
<td>65</td>
<td>22</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>52</td>
<td>64</td>
<td>37</td>
</tr>
<tr>
<td>Korea</td>
<td>64</td>
<td>80</td>
<td>50</td>
</tr>
<tr>
<td>Japan</td>
<td>67</td>
<td>85</td>
<td>50</td>
</tr>
<tr>
<td>United States</td>
<td>59</td>
<td>68</td>
<td>51</td>
</tr>
</tbody>
</table>


5. Chart 6-1 below shows that although the labour force participation rate for those in the 55-59 age group is increasing, the labour force participation rates for the older age groups are not. In particular, the labour force participation rate of elderly persons aged 65 and above is just above 10%.
6. One reason for the low employment rate of our present senior citizens is their generally low level of education. Fortunately, the educational level of older workers, and hence their employability, will rise significantly in future. However, there are also existing mindsets that need to be addressed. For example, many older workers have unrealistic pay expectations and do not see the need to upgrade their skills. On the other hand, employers are commonly concerned about the productivity levels of older workers and the higher costs (e.g. medical costs) of employing them. However, these concerns appear to be unfounded - employers who employ older workers have found that they are experienced, motivated and loyal, have low absenteeism rates, and are able to mentor younger workers.

PROPOSALS

Developing "Golden Manpower Centres"

7. The IMC recommends that Government work with employers to facilitate employment and increase training and employment opportunities for older Singaporeans. Specifically, the IMC proposes establishing "Golden Manpower Centres" (GMCs) at Community Development Councils (CDCs) with some governmental financial assistance. GMCs will work with the Ministry of Manpower's proposed Career Centres and provide information, training and job placement of older workers, particularly the lower-educated ones. The GMCs will source for jobs as well as voluntary work in the community. GMCs will also proactively work with employers to create more jobs for senior citizens through job-redesign and more elder-friendly arrangements, particularly in sectors such as retail, which can employ a higher percentage of older workers.
Increasing Training Opportunities
8. Continuous training will boost the employability of older persons. Training should be focused, job specific and, where possible, lead directly to jobs. To enhance the training opportunities for older persons, the IMC proposes that Government:
   a. **Provide training subsidies** via GMCS as surrogate employers, for job specific pre-employment training for retirees and retrenched workers who have employers ready to employ them;
   b. **Reduce academic barriers** to training courses and consider work experience instead, and **raise the literacy and numeracy skills** of less educated senior citizens;
   c. **Focus training programmes for jobs in the community and service sectors**; and
   d. **Encourage older workers to take responsibility for lifelong training**.

Increasing Employment Opportunities
9. To encourage companies to undertake more progressive human resource practices and employ older workers, the IMC recommends that Government:
   a. **Recognise companies with progressive human resource practices** that emphasise skills upgrading and elder-friendly work arrangements;
   b. **Review Government guidelines for issuing business licences** to cater to the elderly entrepreneur;
   c. **Review existing legislation and guidelines to promote flexi-time and part-time work**; and
   d. **Encourage the offer and take-up of portable medical insurance** to reduce medical costs of employing older workers.

CONCLUSION
10. Older workers can be valuable assets in our economy now and in the future. However, to maximise this resource, employers and older workers need to make some adjustments to existing mindsets, expectations and work practices. Government’s role is to put in place measures to promote continuing employability and to facilitate the creation of employment opportunities for the older worker.
CHAPTER 7
Housing and Land Use Policies
Ageing in Place

INTRODUCTION
1. An elder-friendly built environment is important if we want older people to have access to services, and be integrated into the wider community. It is more than a bricks and mortar issue.

2. The housing and living arrangements of older people depend as much on our housing policies as on changing socio-demographic trends. With the trend towards nuclearisation (see Table 7-1 below), families are also getting smaller in size. This and the desire for greater privacy and independence mean that the senior citizens may increasingly live on their own in future. This could affect family care and support for the senior citizens as well as their social integration.

<table>
<thead>
<tr>
<th>Types of Family Unit</th>
<th>1973</th>
<th>1993</th>
<th>1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nuclear Family</td>
<td>72%</td>
<td>82%</td>
<td>83%</td>
</tr>
<tr>
<td>Multi-Tier Family</td>
<td>26%</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Non-Nuclear Family*</td>
<td>2%</td>
<td>3%</td>
<td>5%</td>
</tr>
</tbody>
</table>

*E.g. Singles, unmarried mothers and orphans
Source: HDB Sample Household Surveys

3. The availability of community-based services also affects people’s choice of housing arrangements. If community-based services are easily available to allow older people to stay in their communities, they are less likely to want to stay in special housing or other institutions for senior citizens, which may inadvertently become “ghettos” of older people.

4. The challenge is to provide the best range of viable housing solutions to meet the different needs of older people, as well as adequate support services. Housing policies should help integrate our senior citizens in society, such that they are valued as contributing members of the community.

PROPOSALS
5. The IMC recommends “ageing in place” as the key principle in housing and land use policies. Ageing in place means growing old in the home and community that one is familiar with, amidst family and community support. It promotes the desired social integration. For this to be successful, our physical environment must be elder-friendly and provide easy access to services and programmes.
Elder-Friendly Homes and Environment

6. Our homes should be designed so that people can stay in them for a lifetime if they wish, even when they are old and frail. Our environment should also be easy for Singaporeans to move about. Specifically, the IMC recommends that Government:

   a. Raise the awareness of architects, developers and homeowners of the need to create safe home environments for older persons. Elder-friendly features and gadgets for the home should be more actively marketed.

   b. Review building codes and standards. The Building Control Authority should develop building codes and standards for developers to ensure new homes are elder-friendly.

   c. Re-focus the curriculum of courses on town planning, architecture and building in our tertiary institutions to include planning and building for an ageing population.

7. Since 86% of our population are housed in Housing & Development Board (HDB) flats, we should focus on how our current and future HDB housing can be adapted to meet the needs of an ageing population. In addition to the steps already undertaken by HDB, the IMC recommends that Government:

   a. Retrofit HDB Flats and multi-storey car parks progressively with lift landings on every floor as part of the HDB upgrading programmes and as far as it is technically and financially feasible.

   b. Provide elder-friendly features in HDB upgrading programmes for older HDB blocks, where feasible and cost-effective. HDB could consider offering individual households the option of selecting and customising features to meet the household’s needs.

   c. Consult para-medical professionals in designing and modifying flats to understand and meet the needs of senior citizens better.

   d. Pilot the "White-block" concept. These are flats that come without partitions so that homebuyers can reconfigure the internal layout to cater to changing needs as they age.

Integrated Community Planning

8. For senior citizens to continue to live in and be active within existing communities, there must be a network of easily-accessible social services to support senior citizens and their care-givers. Hence, the IMC recommends planning the land-use for social services in the towns upfront.

9. The Ministry of Community Development (MCD) could be the central coordinator to establish the type of community facilities and land requirements to be provided at the national level. At the local level, the People’s Association,
Community Development Councils and Voluntary Welfare Organisations should also be involved in the town planning process to tailor services to meet the unique needs of particular communities and to ensure facilities are placed where they are needed.

Supporting Extended Family Living
10. The trend towards nuclearisation appears to be a global one affecting urban cities. In Singapore, this trend does not necessarily mean eroding family ties since Singapore is a compact city-state. Nonetheless, we should be careful not to worsen the trend and should continue to facilitate extended family living. The IMC recommends that the Central Provident Fund Housing Grant be reviewed to widen the gap in the grants between that for those staying near their parents and those who do not.

Creating More Choices in Housing Arrangements
11. The IMC notes that senior citizens of the future may want to have a wider range of housing options due to their different preferences and circumstances. To address this issue, the IMC proposes that Government:

a. Allow the private sector to provide housing for senior citizens by releasing land earmarked by HDB to private developers on HDB terms, i.e. allow private sector participation in "Design-and-Build" schemes and the development of Studio Apartments. MCD should also provide guidelines for the provision of appropriate facilities and services in these types of housing.

b. Integrate housing for senior citizens into existing housing estates. This could allow senior citizens to downgrade to smaller flats in familiar surroundings that would meet their needs. In new HDB estates, space in between existing HDB blocks could also be set aside to cater for housing for senior citizens in the future.

c. Remove obstacles to the development of retirement villages on commercial terms. The Urban Redevelopment Authority should review planning rules to ensure that there are no regulatory obstacles to such developments when there is sufficient demand to make them commercially viable.

12. The IMC considered but does not recommend setting aside land for the development of retirement villages as it is inconsistent with the principle of ensuring that older persons are integrated into their families and community. Should there be demand for such housing form, private developers can build them on commercial terms.
Providing Alternative Financing Arrangements
13. Many Singaporeans have a large proportion of their wealth in their housing assets. Providing them with options to cash out on these assets can allow them to raise money and remain financially independent in their old age. Reverse mortgages\(^1\) allow Singaporeans to obtain funds whilst remaining in their existing homes and is now available for private housing. However, elderly homeowners fear they will be forced to sell their homes if they outlive the reverse mortgages, and financiers are concerned that they might not recover their loans if property prices fall. Hence the IMC recommends allowing a reverse mortgage scheme supported by reverse mortgage insurance or adequate security backing. HDB should also allow for reverse mortgages for HDB flats.

14. **HDB should also increase the availability of HDB flats for rental at market rates to senior citizens.** As a variation of the reverse mortgage, HDB could look into the feasibility of allowing flat owners to sell their flat to HDB and to rent back the same flat or another flat from HDB.

CONCLUSION
15. Senior citizens can continue to play an active and meaningful role in society in their retirement years. Making our homes and physical environment elder-friendly, together with improving the availability and accessibility of support services, will go a long way to enhance their integration into society.

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\(^1\) Reverse mortgage allows the homeowner to borrow against the equity in his home, while repayment is made to the lender when the flat is sold.
CHAPTER 8
Cohesion and Conflict in an Ageing Society
Reinforcing Intergenerational Cohesion

INTRODUCTION
1. One of the uncertainties of an ageing population is its impact on the tone of society - its collective will, the political orientation and values of its people, its drive and dynamism, and its social cohesion.

2. Forming 25% of the electoral population in 2030, senior citizens could be a powerful lobby group. (See Chart 8-1.) Studies from overseas indicate that they can come together to lobby on specific issues of interest to them.

Chart 8-1: Ageing Profile of Electoral Population

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Elderly (Aged 65+) as % of Electoral Population (Aged 21+)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>10%</td>
</tr>
<tr>
<td>2010</td>
<td>12%</td>
</tr>
<tr>
<td>2030</td>
<td>25%</td>
</tr>
</tbody>
</table>

Source: Singapore Department of Statistics

3. As a nation, we want to ensure that the larger national interests prevail over the interests of any one group in society. We also need to ensure a good balance in the allocation of resources between the young and the old, and ensure intergenerational cohesion. To a certain extent, resource allocation may not be an issue if we are able to anticipate and address the challenges of an ageing population. But, social cohesion should not be left to chance. We should proactively foster understanding and cohesion between the generations.

PROPOSALS
4. In the allocation of resources, personal responsibility should be emphasised in our policies. Families should serve as the primary means of support for senior citizens, with community help as the next line of support. The State should help families and the community play their role, not supplant them. The State should only be directly involved when the needs of the senior citizens cannot be met by other means.
**Promoting Extended Family Ties**

5. Intergenerational cohesion is best fostered within the family. Government policies and programmes should be targeted at the extended family. Intergenerational transfers should not take place at the societal level, but within the family. This will help diffuse intergenerational tensions between the old and the young over the allocation of national resources and ensure that the funding of social services remains sustainable.

6. The idea of the three-generation family - grandparents, parents and their children - should be promoted. The IMC proposes that Government reviews and extends its policies and programmes that cater to the two-generation family to the three-generation family as well. For example, housing policies can be reviewed to encourage families to stay close to their parents, or their grandparents. Another example is to allow CPF top-up for grandparents in addition to one’s parents.

7. The IMC also recommends promoting interaction and communication between the old and the young, particularly within the extended family. Social activities allow closer interaction - family-based concessions at recreational facilities, for example, can be based on the extended family. The young should also be taught the importance of the extended family. However, this should not result in grandparents taking over the role of the parents in the family.

**Providing a Grant for Learning and Development**

8. The IMC also proposes to give elderly persons CPF top-ups during years of budget surplus, which can be used for activities that promote lifelong planning and healthy lifestyle. Alternatively, these grants could be given through the Community Development Councils or Residents’ Committees. This proposal will give our senior citizens a stake in the long-term health of the economy, and at the same time, allow our senior citizens to participate in meaningful activities. However, such CPF top-up or grants should not be seen as entitlements.

**Moderating the Renewal Process of Organisational Leadership**

9. The leadership renewal process could create potential conflicts between the young and the old. This may become an issue of greater concern as the average age of the leaders in national bodies and organisations will naturally increase.

10. Hence, the IMC recommends that the Government promote a culture of rejuvenation in organisational leadership. Leaders should see it as their role to ensure smooth succession. They should encourage younger people to step forward and serve organisations in more active roles, including leadership positions. However, outgoing elderly leaders should also be given meaningful roles to play and opportunities to contribute (e.g. in advisory positions). When they pass the baton, they should be able to do so gracefully and honourably.
We should implement this renewal concept in a respectful and non-threatening manner. The public sector has taken the lead in this process by systematically looking for successors to top jobs.

**OBSERVATIONS**

11. There were concerns that in the longer term, there may emerge a grey lobby which will pressure the government to allocate a higher proportion of national resources to our senior citizens. Several proposals were raised, including changes to the electoral system to give the economically active in the population or those with family responsibilities a higher weightage in their votes. The IMC is of the view that at this point in time, there is no indication that such a grey lobby is in place and hence, does not support any such changes. However, the IMC feels that it is important to monitor the situation and raise this issue from time to time for public discussion, and to de-sensitise and ensure a rationale examination of the issues.

12. There were also some suggestions to nurture an umbrella body for elder issues so that the elderly can have an avenue to raise their concerns. The IMC believes that the current arrangement, where the various interested parties are involved in the decision-making process, is a better arrangement. The IMC or a body similar to the IMC would continue to be an avenue for concerns to be heard.

**CONCLUSION**

13. We can build a more cohesive society by anticipating and addressing any underlying intergenerational tensions instead of ignoring them. Strong intergenerational cohesion is best fostered in the context of the family.
CHAPTER 9
Implementation and Beyond

1. The Inter-Ministerial Committee on the Ageing Population (IMC) will continue as a standing committee to oversee the implementation of its recommendations. It will be supported by the Ministry of Community Development as the Secretariat and the lead agency in driving and monitoring the implementation. The IMC will work with the implementing agencies to prioritise and implement as many of the recommendations as possible over time. The recommendations to be implemented must be pragmatic and sustainable in the long term. Effective implementation of the IMC’s recommendations will require a concerted effort by many agencies and all sectors of society.

LEGAL IMPLICATIONS
2. To implement the various Workgroup recommendations, some legislative amendments may be needed. Specifically, the following might need to be reviewed: the Insurance Act, the Central Provident Fund Act, the Income Tax Act, the Employment Act, and the Building Control Regulations and Building Codes. New legislation would also be needed to put in place a regulatory framework for various community-based services for older persons.

FINANCIAL IMPLICATIONS
3. The IMC recognises that many of the proposals have financial implications - some direct, others indirect - and that details have to be worked out. The long-term financial impact can be severe, particularly in 10-30 years when the dependency ratio will start to rise rapidly. The IMC will work out the financial implications with the implementing agencies and the Ministry of Finance, and prioritise the recommendations based on their cost-effectiveness and financial sustainability in the light of other national priorities.

CONCLUSION
4. The demographic trends sketched in Chapter One indicate that the next ten years before 2010 present a window of opportunity for us to introduce policies, plans and services to meet future needs, and put in place the physical infrastructure to be in time for the future and to avoid more expensive retrofitting later. The ageing issue will indeed become more urgent and complex over time. The implementation of the IMC’s recommendations will require a coordinated national effort on the part of all sectors and levels of society. We must monitor changing trends and ensure that our policies remain relevant so that we can ensure "Successful Ageing for Singapore". The framework that we put in place will have a significant impact on our society and on all of us, the elderly of tomorrow.
Appendices
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TERMS OF REFERENCE OF THE INTER-MINISTERIAL COMMITTEE ON THE AGEING POPULATION

1. Identify the challenges of an ageing society in the next millennium.

2. Determine the policy directions for Government and non-Government agencies in addressing the needs of an ageing society.

3. Steer and guide the comprehensive, holistic and coordinated development of policies and programmes for the elderly.

4. Review periodically the effectiveness and adequacy of such policies and programmes.

5. Make recommendations to prepare Singapore society for the effects of an ageing population.
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Ministry of Community Development

**TERMS OF REFERENCE OF THE IMC WORKGROUP ON SOCIAL INTEGRATION OF THE ELDERLY**

1. Establish the basic policy framework and desired outcomes that should underpin efforts to integrate the elderly in the mainstream of society.

2. Propose a broad strategy for public education as well as measures to effect a mindset change in both elder and younger Singaporeans.

3. Identify the current barriers to the mobility of senior citizens and active senior citizenship, propose structures to tap senior citizens as a community resource and suggest how existing barriers can be removed.

4. Review existing social care provisions for senior citizens and propose new programmes that would serve both their care needs and enable them to lead independent and active lives within the community.

5. Lead a joint review with the IMC Workgroup on Health Care to ensure that there is a holistic and comprehensive continuum of services to support families in their care-giving role and to enable the elderly to remain in the family and community for as long as possible.
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TERMS OF REFERENCE OF THE IMC WORKGROUP ON HEALTH CARE

1. Examine the issues the IMC on Health Care for the Elderly has identified for further review and assess the longer-term impact of the IMC’s recommendations on the Government’s health care expenditure.

2. Review the present VWO-driven structure of eldercare services to assess its adequacy and effectiveness.

3. Propose measures to engage the private sector in the delivery of eldercare services.

4. Review the present funding system for VWOs serving senior citizens.

5. Examine the financial needs of individuals requiring step-down care.

6. Work with the Workgroup on Social Integration of the Elderly to ensure that there is a holistic and comprehensive continuum of services to support families in their care-giving role and to enable senior citizens to remain in the family and community for as long as possible.

7. Examine and plan for the needs of care-givers.
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Assistant Secretary General & Director  
Legal Services  
National Trades Union Congress &  
Director of Sales  
Singapore Institute of Labour Studies

Mr Quah Soon Tong  
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Research & Analysis Unit  
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Mr Tan Beng Lee  
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Chief Executive Officer  
Media Corporation of Singapore

Resource Person  
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Faculty of Business Administration  
National University of Singapore

TERM OF REFERENCE OF THE IMC WORKGROUP ON FINANCIAL SECURITY

1. Establish the basic policy framework and desired outcomes that should underpin our financial security policies, including CPF and other measures to bolster old age security.

2. Make recommendations for the role and functions of the CPF and other instruments in the context of a comprehensive framework to provide financial security in old age.

3. Examine the adequacy of public education in this area and propose a broad strategy on public education for financial planning for old age.
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Directorate
Ministry of Defence

LTC Nicholas Koh Kian Chiang
Deputy Head
Naval Logistics, Ship System
Ministry of Defence

TERMS OF REFERENCE OF THE IMC WORKGROUP ON EMPLOYMENT
AND EMPLOYABILITY

1. Establish the basic policy framework and desired outcomes that should underpin
Government policy in the area of elderly employment and employability.

2. Assess the effectiveness of existing programmes in facilitating employment
for older workers, enhancing their employability as well as examine how
these programmes can be made more effective.

3. Propose measures that would encourage employers to engage elderly workers
and/or to implement elderly-friendly work arrangements.

4. Propose measures to reduce age discrimination at the workplace.
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Representation Constituency

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Deputy Secretary, Development
Public Service Division
Prime Minister’s Office

TERMS OF REFERENCE OF THE IMC WORKGROUP ON HOUSING AND LAND USE POLICIES

1. Establish the basic policy framework and desired outcomes that should underpin Government’s housing for senior citizens and land use policies.

2. Propose socially desirable housing options to accomodate senior citizens within the larger community.

3. Propose refinements to existing schemes to promote extended family living.

4. Rationalise financial security so that expenditure on housing for senior citizens would not become an exorbitant expense.
Members of the IMC Workgroup on Cohesion and Conflict in Ageing Society

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Television Corporation of Singapore

Secretary
Mr Soh Wai Wah
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Singapore Police Force

TERMS OF REFERENCE OF THE IMC WORKGROUP ON COHESION AND CONFLICT IN AN AGEING SOCIETY

1. Anticipate the socio-political implementations of an ageing society.

2. Determine the principles for allocating national resources to senior citizens.

3. Propose policy measures to strengthen our social fabric and intergenerational cohesion.
INTRODUCTION
1. The acute demographic changes in Singapore will lead to the rapid ageing of our population. Population projections into the next century reveal a dramatic increase in the proportion of Singaporeans aged 65 and above – from 7% now to almost 19% or about one in every five persons in the year 2030.

2. At the same time, rising educational levels suggest that the post-retirement lifestyles of the future will be radically different from that today. The proportion of those aged 65 and above with at least secondary school education is projected to increase from 11% in 1998 to 62% in 2030. Increasingly, our challenge must be to carve out a meaningful role for independent and healthy older people so that they continue to contribute to society even after they have left formal employment. At the same time, we must recognise that there will remain a sizeable group of older people who are less educated and skilled.

3. In promoting more active roles for older people, we must recognise that the role of the older person in society is shaped by individual and societal attitudes. The common perception of older people as sickly, dependent and decrepit is an obstacle to a more active and vibrant senior citizenry. Efforts to inculcate desirable values and attitudes and to combat ageism (i.e. negative attitudes towards ageing and the aged) must be enhanced if we want to see senior citizens age with dignity and grace. Traditional assumptions of senior citizens as dependent consumers of services will prove a burden to society if we allow them to become self-fulfilling prophecies. Government and society should re-orientate its focus from the provision of care and welfare to enabling older people to lead productive and meaningful lives.

TERMS OF REFERENCE
4. The Terms of Reference of the Inter-Ministerial Committee (IMC) Workgroup on Social Integration of the Elderly were to:
   a. Establish the basic policy framework and desired outcomes that should underpin Government efforts to integrate senior citizens in the mainstream of society.
   b. Propose a broad strategy for public education as well as measures to effect a mindset change in both older and younger Singaporeans.
   c. Identify the current barriers to the mobility of senior citizens and active senior citizenship, propose structures to tap senior citizens as a community resource and suggest how existing barriers can be removed.
   d. Review existing social care provisions for senior citizens and propose new programmes that would serve both their care needs and enable them to lead independent and active lives within the community.
   e. To lead a joint review with the IMC Workgroup on Health Care to ensure that there is a holistic and comprehensive continuum of services to support families in their care-giving role and to enable senior citizens to remain in the family and community for as long as possible.
DESIRED OUTCOMES
5. The social integration of senior citizens can be examined from several perspectives. On one level, it depends on the extent to which there are shared interests, values and attitudes between older people and society at large. On another level, it is a function of the social interactions, practices, roles and relationships which enable the participation of older people in family and community life. The issue can also be examined from the perspective of policies as well as the social and physical infrastructure which facilitate or hinder the social integration of senior citizens.

6. In line with the desired outcomes of the IMC on the Ageing Population, the Workgroup established four desired outcomes for the social integration of older people. These desired outcomes provided clear focus and direction in the Workgroup’s deliberations on the myriad issues, concerns and opinions that surround this topic and also provided a basis for evaluating the merits of particular recommendations and ideas.

7. In essence, we want to foster a society where older people are:
   a. Valued as contributing members so that they can age with dignity;
   b. Actively engaged in society;
   c. Integral members of strong and caring families; and
   d. Supported by a strong network of services that enables them to live with their families and in the community for as long as possible.

POLICY FRAMEWORK AND RECOMMENDATIONS
8. The Workgroup then established a conceptual framework for approaching the issues and concerns and for making its recommendations for the social integration of senior citizens. This framework stresses the integrated development of the "heartware", "software" and "hardware" of our ageing society as critical for achieving our desired outcomes.

Developing “Heartware”
9. "Heartware" refers to the individual’s and society’s values, attitudes and perceptions of ageing and senior citizens. While we should not ignore the potential challenges of an ageing population and must be realistic about the challenges of age, society must adopt a positive orientation that will enable us to harness the potential and resources of the older population. This is particularly so for Singapore as succeeding cohorts of older people become better educated, more financially independent and better equipped to contribute to society.

10. Central to the "heartware” that should be developed is the principle of age-neutrality, or the idea that age should not be a barrier that precludes older people
from doing the things they are capable of doing. To make this a reality, older people must believe that they can and want to be actively engaged in society, while younger Singaporeans must accept and welcome older people as equal contributing members of society. Society must be structured to provide the roles and opportunities for older persons to continue contributing, even as they make way for new blood. Another aspect of developing our "heartware" is the need to strengthen the senior citizen's relationship with the family. Singapore stands by the basic philosophy that the family will be the pillar of support for senior citizens. To strengthen family ties, intergenerational bonding and understanding should continue to be actively encouraged. These mindset changes must be applied comprehensively across all societal sectors and institutions, and in all policy matters.

11. A key instrument for developing "heartware" is an effective public education programme. The details of the key directions and specific recommendations in public education are in the paper on "Key Directions in Public Education on Ageing" at Annex A. In summary, the Workgroup proposes that future public education programmes on ageing pursue the following key directions:
   a. Articulate and build broad public support for our basic philosophy;
   b. Promote active lifestyles and community involvement among older Singaporeans;
   c. Challenge and dispel ageist attitudes among Singaporeans, key "influencers", and senior citizens themselves;
   d. Strengthen intergenerational bonds; and
   e. Equip Singaporeans with the skills and information on ageing and ageing-related issues, and on the support services available, to enable them to cope better with ageing.

Public education programmes should, however, recognise the diversity in mindsets and attitudes, as well as the qualitative differences among the various cohorts of older persons with varying social and economic backgrounds.

12. In line with the key directions, the Workgroup recommends four specific proposals as follows.

**Government to Review its Public Education Campaign**

13. It is proposed that the Ministry of Community Development (MCD) review its annual Senior Citizens' Week campaign to see whether it has been effective in meeting its intended objectives. MCD should align the campaign with the key directions on public education and make it a sustained round-the-year effort, rather than a one-week-per-year exercise. It should also explore the formation of a national committee led by the People Sector, similar to the Healthy Lifestyle Committee, to drive the year-long campaign. This is likely to be effective for two main reasons: public education might have greater buy-in if it is less closely identified with the Government leading the effort, and it is easier to mobilise the contributions of the private sector and Voluntary Welfare Organisations (VWOs) via a Committee led by volunteers.

**Strengthen Public Education Capabilities of VWOs**

14. The Workgroup agreed that the public education capabilities of eldercare VWOs
should be strengthened and developed. In particular, it is proposed that Government identify elderly WOs that have the ability, reach and interest to carry out public education programmes and to fund these programmes as a core function of the selected WOs. In the long run, we want each of these selected WOs to develop its own niche areas of expertise in public education.

Develop Partnerships with Key "Influencers"
15. Besides strengthening the public education capabilities and strategies of Government and civic organisations, we also need to develop partnerships with key "influencers" – policy makers, employers, schools, the media, filmmakers, writers, etc. Probably more effective than any Government campaign, these influencers play an important role in shaping the values, attitudes and lifestyles of Singaporeans.

16. Schools are a key "influencer" of the attitudes and perceptions of students towards older people and ageing. The Workgroup welcomes and supports the Ministry of Education’s (MOE’s) initiatives to incorporate positive and realistic images of older people and to engage older people in interacting with the students in the schools’ formal and informal curricula. These initiatives include, inter alia, engaging senior citizens through the Community Involvement Programme, where every student contributes at least six hours per school year to community service, and through the Pastoral Care and Career Guidance programmes. The Workgroup also agrees with the proposal for MCD, the National Council of Social Service (NCSS) and MOE to share information and to develop suitable programmes for schools. These programmes should be well-structured, implemented and sustained. There should also be mutual benefits for both the students and the older persons, i.e., both should be givers and takers.

Encourage a Culture of Lifelong Planning and Learning
17. Our public education programme should also convey the importance of lifelong planning. This concept cuts across the areas being examined by other IMC Workgroups. The concept of lifelong preparation applies to financial planning, leading healthy lifestyles, marriage and planning a family, career planning, lifelong learning and developing interests and hobbies that would keep oneself meaningfully occupied in old age.

Developing "Software"
18. Equally important for the social integration of older people is the development of "software" – the policies, programmes and services that constitute the community infrastructure. In recognition of the potential contributions and the changing aspirations of a more educated senior population in the future, we must re-orientate our community infrastructure to create opportunities for senior citizens to contribute their time, talent and effort. There should be more developmental and enrichment programmes to keep senior citizens meaningfully occupied. We should harness the experience of senior citizens as they themselves carry a substantial part of our heritage. The Workgroup feels that there is scope for more to be done to engage senior citizens in three key developmental areas – silver industries, volunteerism and lifelong learning.
19. Our society will always have older people who are frail. To the extent possible, we want the less-well senior citizens to remain a part of the family and community. Our eldercare programmes should be designed to support families in their care-giving roles and to integrate frail senior citizens in their communities. Besides augmenting our present community infrastructure, it is equally important that we strengthen partnerships among organisations serving senior citizens for optimal utilisation of national and community resources. It is imperative that grassroots organisations, Community Development Councils (CDCs), VWOs, MCD, the Ministry of Health (MOH) and NCSS share a common vision, and develop a coordinated approach for meeting our collective challenges.

20. The Workgroup endorsed five key directions to guide the development of community-based services and programmes, i.e., the "software" or the "social infrastructure" of our ageing society. Community-based services refer to both developmental programmes for older people (i.e. programmes that tap on older people as a resource) as well as prevention/rehabilitation/care programmes that enable frail senior citizens to continue living in their own homes within the community. A paper detailing the Workgroup's recommendations in the area of Community-Based Services is at Annex B. In line with the desired outcomes for the social integration of older persons, our community-based programmes must engage older people in society and ensure that they have access to a comprehensive network of health and social care services that enables them to live in their homes for as long as possible.

21. The Workgroup's proposals for the development of community-based services/programmes under the five key directions are summarised below:

Initiate and Support More Developmental Programmes for Older People
22. Currently, Government-funded programmes for older people are primarily of a care and welfare nature. A large proportion of older people in the future will not be the frail and sickly who require such programmes. We should not forget that the majority of older people who will be healthy, well-educated and able to contribute. There is scope to promote more developmental programmes that harness the skills, talents and resources of older people.

23. The Workgroup recommends that Government devote more resources to the promotion of developmental programmes for older people at the community level (e.g. volunteerism, enrichment courses, mutual help schemes, training for new careers, grandparenting skills etc.). The Workgroup proposes that MCD, the People's Association (PA), CDCs, NCSS and the National Volunteer Centre (NVC) explore how these programmes can be best promoted and to determine the structures and resources needed to develop these programmes as a complement to our eldercare infrastructure. NVC could also explore ways to incentivise older persons to serve as volunteers, e.g. through a payment of a small allowance or honorarium.
Bridge the Health and Social Care Divide: Integration in Service Planning and Development

24. The present administrative divide between social care and health care hinders the development of holistic models of care for senior citizens. It also discourages service providers from expanding their scope of services and limits the scope of joint planning and development of health and social services. To bridge this divide, the Workgroup recommends that MCD and MOH review the present health and social care divide and study the need for a central agency to formulate eldercare policies, plan and develop services, and ensure service standards.

Ensure Integrated Service Delivery at the Local Level

25. Besides integration at the planning and development stage, services should also be delivered in a seamless and integrated manner. Currently, various factors militate against this ideal, e.g. uneven distribution of services, fragmentation in service delivery as each agency was set up as a "stand alone" service centre, inefficient use of resources, variations in service standards, etc. To ensure integrated service delivery, the Workgroup recommends that MCD and MOH should also review their administrative procedures to ensure that there are minimal bureaucratic obstacles placed in the way of operators wanting to expand to provide more community-based services.

26. To deliver a continuum of services in an integrated manner to older people and their families, MCD, MOH, PA, NCSS, the Housing and Development Board (HDB) and Urban Redevelopment Authority (URA) should look into developing Multi-Service Centres where a sufficiently comprehensive range (as determined by local needs) of eldercare services would be co-located. This would provide the physical convenience for clients who need a range of services. Co-location also helps to ensure a more efficient use of resources through the sharing of common facilities (such as kitchens, transport services and service personnel). MCD, MOH, PA, NCSS, HDB and URA should also examine the co-location of eldercare services with developmental programmes, services for other age groups as well as recreational facilities in super community centres or clusters of community services. This provides one-stop service points for older people and their families.

27. We should ensure that consumers are able to make informed decisions when choosing services and that there is proper gate-keeping to guard against over-consumption of services by those who do not need them. In this respect, MCD, MOH and NCSS should jointly review the outcome of case management pilots to determine cost-effective and viable models that can be introduced in Singapore. The case management approach will help to ensure that older people and their families receive services that can meet their needs and that the transition from one level of service to another, e.g. from home to institutional care, is seamless. MCD, MOH and NCSS should also work out the funding mechanisms for such services.

28. To overcome the problem of variations in service standards, the Workgroup proposes that MOH, MCD and NCSS develop a regulatory framework for the support and delivery of various community-based services for senior citizens.
Strengthen Support for Family Care-givers and Enable Senior Citizens to Live in their Own Homes

29. The majority of older people live with and are cared for by their families. Care-givers, especially those in the "sandwiched" generation, face difficulties in discharging their care-giving responsibilities. The community and the Government can and should do more to recognise the role of care-givers and to alleviate the stresses faced by care-givers of older persons. One recommendation would be to promote flexi-hours, part-time work, leave to care for aged sick parents and telecommuting for care-givers. The approval of permits to employ domestic maids to look after aged sick parents should be granted quickly. The Workgroup recommends that support for carers be accorded high policy priority in MCD, MOH, MOM and NCSS.

30. A broad base of support and services for carers – comprising domiciliary care services, training, information services, and mutual support networks – should be developed and coordinated at the local level. MCD, MOH and NCSS should encourage and coordinate the development of support services and identify other appropriate measures and incentives to assist home-based care-givers in playing their role, so as to support the family as the primary pillar of eldercare in Singapore. One option is to introduce a foreign maid levy tax relief for carers who are taking care of elderly parents at home. Another is to increase the current tax relief for dependants.

Target Services on the Basis of Need, not Income

31. Currently, Government provides VWOs capital and recurrent funding to set up approved community-based services. While this "Many Helping Hands" approach has led to the emergence of a vibrant social service sector, it has also created a situation where a disproportionate level of service is delivered to the lower-income group. This is because for most VWOs, their raison d'être is to serve the poor. The current eligibility criteria for subsidised services are strict and those eligible for such services tend to be from the lower-income group. Those in the lower-middle income group would not be able to obtain subsidised services based on the present criteria. As a result, the lower-middle income group is left with few alternatives as they cannot afford unsubsidised services and yet do not qualify for public assistance or assistance from the VWOs. Yet, community-based services are important in helping the family and community support their members to continue living as part of their families and community, and in preventing conditions that require expensive long-term care.

32. The Workgroup recognises that Government-funded services and financial schemes should still be focused on helping the lower-income group. However, to ensure that all carers and senior citizens who need services receive them regardless of their income levels, the Workgroup recommends that MCD and MOH review current subsidy policies to ensure that those who need services can afford them. Some form of means-testing might be required to ensure that clients pay within their means so that such services can be financially sustainable. MCD, MOH and NCSS should also examine how to incentivise commercial service providers to provide services at affordable rates.

33. Service providers should be encouraged to review their services and tailor them according to the diverse needs of older persons. Although user participation is also
critical to the programmes’ assessment and design, there is currently little engagement of older persons in the process. In addition, services should be targeted not only at the physical but also the emotional needs of senior citizens as emotional neglect is often an issue for many older persons.

34. MCD’s Elderly Development Division has formed a Services Review Committee which will, among other things, review the adequacy, reach and delivery of existing social care services and develop a five-year services masterplan (from FY 2001 to FY 2005). Concurrently, MCD also runs a stakeholder consultation programme to hear the views and learn from the experience of service providers. The key directions and proposals, if endorsed by the IMC, will be studied by the Services Review Committee for implementation.

Developing “Hardware”
35. No less important is the “hardware” that provides the scaffold on which the “hardware” and “software” can develop. “Hardware” refers to the built environment - the housing infrastructure and the transport system - both of which are critical in determining the extent to which older people have access to and are integrated into the wider community.

36. Housing installed with elderly-friendly features, for instance, means that frail senior citizens need not move to eldercare residential institutions and can remain in their own homes for a longer period of time. Senior citizens should also be housed within existing communities so that geographical distance does not become an obstacle to their participation and integration in the community.

37. Poor accessibility to services and programmes can also prevent older people from engaging in activities. Hence, a transport system that caters to the needs of both the frail as well as the fit and strong is essential for bringing older persons closer to the opportunities created for them.

38. The Workgroup’s recommendations for the development of “hardware” are in the following paragraphs:

Meeting the Transport Needs of Older People
39. The public transport system today is unable to meet the special needs of the minority group of non-ambulant elderly commuters. Their transport needs are met by private arrangements, taxi services or through subsidised transport provided by VWOs. Currently, there is a problem of high demand for transport provided by VWOs during the morning peak hour when older people are brought to the VWOs for eldercare services and in the evening peak hour when they are fetched home. Feedback from VWOs indicate that some older people cannot access eldercare services as the VWOs are unable to cater to their transport needs.

40. Two short-term measures are proposed to address the transport needs of this group of older people. The Workgroup recommends that MCD, MOH, NCSS and the Land Transport Authority (LTA) examine how existing transport resources can be pooled
and how current transport arrangements can be modified to ensure that there are affordable and elderly-friendly transport services to eldercare facilities for older people. The Workgroup also agrees with the other proposed measure for LTA to encourage taxi operators to bring in more wheelchair-friendly vehicles such as CityCab's Maxi Cab service, by reducing the vehicle taxes (such as customs duties and Additional Registration Fees) in return for lower taxi fares for the target users. LTA will also study and make improvements to other transport infrastructure as part of the ongoing improvement and upgrading programmes.

41. To meet the transport needs of ambulant senior citizens, the Workgroup recommends that concessionary travel for senior citizens be extended from just off-peak periods to a full-day concession. These concessions would encourage greater participation in employment or community activities among older persons. The increased mobility of older people would help achieve the desired outcome of fostering a society where older people are actively engaged. This measure is not likely to impact much on the profitability of transport companies. Instead, the increase in revenue from larger numbers of senior passengers and the goodwill from them should make this gesture worthwhile.

42. LTA recognises that by 2030, the elderly population will no longer be a minority and that an effective transport system in the future must be one that can cater to the transport needs of older people. Improving the accessibility of our public transport system will have to be done in a realistic, practical and cost-effective manner, balancing the need for efficiency and viability against the transport needs of the older people. The Workgroup notes and welcomes LTA's decision for future MRT and LRT stations to comply with the Code on Barrier-Free Accessibility in Buildings (1995) as well as LTA's plan to retrofit existing MRT stations with ramps and lifts to make them accessible to older people.

43. The Workgroup also feels that the accessibility of buses should be improved progressively to cater to the transport needs of older people and non-ambulant members of the public. While there are concerns that elderly-friendly buses, in particular those that are wheelchair-accessible, will result in lower efficiency due to delays in boarding and alighting, the experiences of other countries indicate that introducing wheelchair-accessible buses does not seem to impact significantly on bus operations and scheduling. However, it should be stressed that these findings were derived from social and operating environments that may be different from Singapore’s. A pilot project to test the efficiency of wheelchair-accessible buses would therefore be useful to evaluate the impact of such buses on efficiency. The Workgroup agrees with LTA's plan to make the bus system wheelchair-accessible in the long term. It further recommends that wheelchair-accessible buses be introduced as older buses are being phased out.

44. The transport needs of older people must be taken into consideration in future developments of and improvements to our transport system. The Workgroup further recommends that LTA undertakes a proactive and continuous effort to meet the transport needs of older people.
Enhance Mobility of Older People and Accessibility to Services
45. Developing “hardware” involves enabling older people to age in their own homes, enhancing their mobility and improving their accessibility to services that support them. To enable older people to live in their own homes for as long as possible, their homes need to be equipped with elder-friendly features and the interface between their homes and the external environment should be smooth. The Workgroup notes HDB’s efforts in installing elderly-friendly features in housing for older people such as Studio Apartments and one-room rental flats. For older people who live in public housing, the Workgroup recommends upgrading and retrofitting HDB flats, where possible, with lifts that stop on every floor to enhance their mobility and to provide a smooth interface between their homes and the surrounding environment. HDB should also look into retrofitting multi-storey carparks with lifts to provide easy access for older people.

46. For older people to age in place and remain in the wider community, they should have easy access to a network of support services at the local level. In this respect, the Workgroup recommends that eldercare facilities should be sited conveniently in residential areas and, as far as possible, co-located with other social services to facilitate the involvement of family members as well as intergenerational interaction. The Workgroup agrees with the IMC Workgroup on Housing and Land Use Policies that mechanisms must be developed to ensure that planning and siting of social services should be an integral part of town planning and not an afterthought. To facilitate this, the Workgroup further recommends that HDB undertakes a proactive and continuous effort to provide elderly-friendly homes and environments for older people.

CONCLUSION
47. A concerted effort across agencies is necessary to ensure the integrated development of the "heartware", "software" and "hardware" of society and to achieve the social integration of senior citizens.
KEY DIRECTIONS IN PUBLIC EDUCATION ON AGEING

KEY DIRECTIONS

1. The following key directions are proposed for our public education programmes:

   a. Articulate and build broad public support for our basic philosophy. We need to constantly articulate and build consensus for our basic philosophy of collective responsibility in meeting the needs of senior citizens. This basic philosophy has served us well and enjoys wide community consensus. Preserving and strengthening this basic philosophy is a key element of our national policy response to the ageing population.

   b. Promote active lifestyles and community involvement among older Singaporeans. For older Singaporeans, this means staying healthy and keeping oneself meaningfully and productively occupied – whether in the family as active grandparents, at the community as volunteers or being engaged in lifelong learning or through continued employment.

   c. Challenge and dispel ageist attitudes among younger Singaporeans, key “influencers”, and senior citizens themselves. This requires us to engage younger Singaporeans in a way that brings them to question common prejudices about ageing and older people. Shaping societal mindsets and values in desired directions also requires that key “opinion-makers” (policy-makers, the media, filmmakers, writers, etc.) share our concerns, interests and desired outcomes and incorporate these into their policies and programmes. Older people too constitute an important target audience since societal attitudes towards ageing and older people are also shaped by the attitudes, activities and self-perception of older people themselves.

   d. Strengthen intergenerational bonds. As society ages, families and communities will be placed under increasing stress. At the national level, we may also have to manage competing claims between the young and the old for resources. Unless there is a concerted effort to bond the generations and to promote an identity and coincidence of interests between senior citizens and society at large, intergenerational conflict and the emergence of age-interest politics could pose a real threat to our social fabric and cohesion.

   e. Equip Singaporeans with the skills and information on ageing and ageing-related issues, and on the support services available, so as to enable them to cope better with ageing. Individuals ought to take personal responsibility for their old age needs through healthy lifestyles, early financial planning and other forms of preparation. As family care-givers, they may also have the responsibility to look after aged parents. However, individuals and families may lack the skills and information to prepare adequately for old age or to care for their aged parents (e.g. they may not be aware of the support services available for senior citizens). Public education – both by the Government and the community – should therefore serve a public interest by “plugging” information gaps in the areas of elderly services, health education, care-giver skills, caring for the emotional and spiritual needs of senior citizens, grandparenting skills, and retirement planning, etc.
RECOMMENDATIONS

2. To strengthen existing public education efforts in the area of ageing, four specific recommendations are put forward:

**Recommendation 1: MCD to work with key partners to ensure that its Senior Citizens’ Week campaign is extended to a coordinated year-long effort.**

3. Currently, MCD’s campaign is limited to a one-week effort, although MCD also supports the public education efforts of non-Government agencies that occur throughout the year. A coordinated approach is needed to increase the effectiveness of public education activities which are currently conducted on an ad hoc basis. One way of doing this is to make the Senior Citizens’ Week campaign a year-long effort. MCD will review the structures and resources and work with its key partners, such as MOH and eldercare WVOs, to ensure that our campaign achieves its intended objectives.

4. The five recommended pillars of public education strategies that MCD and its key partners will focus on are: instilling a culture of lifelong planning, providing care-giver education, strengthening intergenerational ties, health education and targeting key influencers.

5. The setting up of a National Committee on Public Education to promote public awareness and to build ownership of ageing issues at a national level is also recommended. The committee will be responsible for providing direction and driving public education efforts on active ageing. The composition of the committee could be similar to that of the National Healthy Lifestyle Campaign committee.

6. For the immediate future, we will continue with the thrust of promoting active images of ageing in the Senior Citizens’ campaign. We should use the campaign to put across the message that we should challenge existing ageist mindsets and attitudes and raise public awareness and disapprobation towards ageism.

**Recommendation 2: Strengthen and develop the public education capabilities of eldercare WVOs**

7. Resource constraints prevent many eldercare WVOs from doing anything more than organising public education programmes on an ad hoc basis, rather than engaging in public education as a core function.

8. We should develop the public education capabilities of eldercare WVOs because firstly, their involvement in public education reflects wider community participation and support for messages and values that may otherwise be perceived as Government propaganda. Secondly, WVOs have the necessary expertise — and therefore credibility — in particular areas, e.g. care-giver knowledge. Thirdly, WVOs have the necessary reach at the community level.

9. MCD will identify eldercare WVOs that have the ability, reach and interest to carry out public education programmes and to fund these programmes as a core function of the selected WVOs. In the long run, we want each WVO to develop its own niche areas of expertise in public education. This proposal is also in line with Government's
long-term objective of encouraging a more proactive approach to complement the traditional rehabilitative approach to tackling social problems and challenges. To ensure that messages are effectively conveyed to the present generation of older persons who may not be conversant in the four official languages, it is also recommended that dialects be used in public communication messages directed at this group of target audience.

Recommendation 3: Instill a Culture of Lifelong Planning
10. Our public education programme should also convey the importance of lifelong planning for old age. This concept encompasses financial planning for one’s old age needs, leading healthy lifestyles, building family bonds early, and lifelong learning (developing new hobbies, interests and skills) to keep oneself meaningfully engaged in old age.

11. To encourage this culture of lifelong planning would require a multi-pronged effort from Government, employers and society. The Government can lead by emphasising the message of lifelong planning as part of its Senior Citizens’ campaign. Employers too should view the preparation of their employees for old age as an integral part of staff well-being. They can also do more to ease their employees’ transition from work to retirement. The wider community can also play a role by running courses to inculcate in younger Singaporeans what they need to do to age with security and dignity and how they can remain active and contributing members of their families and communities.

Recommendation 4: Target Key Influencers
12. There is a need to develop partnerships with key influencers – policy makers, employers, schools, the media, filmmakers, writers, etc. Probably more so than any Government campaign, these “opinion makers” play an important role in shaping values, attitudes and lifestyles of Singaporeans.

13. MCD has made a modest start in this direction. The “Learning Journey Programme” was launched this year to expose upper secondary and junior college students to ageing policies and programmes and to build ownership for ageing issues. The school curriculum is another instrument that can and should be harnessed to transmit these values. MCD should work with MOE to explore and implement the ways in which awareness of ageing issues can be raised within the school curriculum.

14. MCD plans to develop a module on ageing issues for policy makers and urban planners. Again, the purpose is to ensure that the ageing dimension is factored in the formulation of mainstream policies and programmes.
15. The people sector, which includes voluntary welfare organisations, non-Government organisations, People’s Association, grassroots organisations, clans, temples and religious organisations, can take on a larger role to engage older people as a resource, instead of meeting only their social and recreational needs. The Community Development Councils possess a special position in this respect as they can provide an ideal mechanism to facilitate collaboration between people sector agencies.

16. Finally, the “intelligentsia” – the media, drama groups, filmmakers, advertisers, etc. – is another important target audience. Drama serials, documentaries and lifestyle programmes can be effective conduits by which positive images of ageing can be reinforced and disseminated to a wide audience. The challenge here is a practical one of engaging the intelligentsia as a partner in shaping societal values in the desired directions.
KEY DIRECTIONS IN COMMUNITY-BASED SERVICES FOR SENIOR CITIZENS

1. The desired outcomes for the social integration of older persons form the basis of our two-pronged strategy for community-based services for senior citizens. The first prong is to ensure sufficient opportunities for healthy senior citizens to remain socially, physically and mentally active – as integral and fully participating members of the community. These include opportunities for continued employment, volunteering, lifelong learning and access to a whole range of social and recreational activities. The second prong is to ensure that frail senior citizens have access to a seamless continuum of affordable community-based services that strengthen the family’s care-giving role, rather than supplant it. At the same time, these services should be delivered in an efficient and cost-effective way.

2. To achieve our desired outcomes, the Workgroup has proposed five key directions for community-based services. These are elaborated in the following sections.

INITIATING AND SUPPORTING MORE DEVELOPMENTAL PROGRAMMES FOR OLDER PEOPLE

3. Currently, Government-funded programmes for senior citizens are primarily of a care and welfare nature. There is scope to promote more developmental programmes for the well senior citizens to harness the skills, talents and resources of older people. Currently, the PA’s Senior Citizens’ Movement, MCD’s Seniors Activity Centres at one-room HDB rental blocks and the recently formed Retired and Senior Volunteer Programme are examples of developmental programmes aimed at the well senior citizens. The Government can devote more resources to the development of such programmes at the local level (e.g. at community centres and clubs). The justification for this is that such programmes help the well senior citizens to stay healthy through lifelong engagement; they also provide opportunities for senior citizens to contribute to their wider communities.

4. The Singapore 21 Sub-Committee on the Needs of the Elderly vs Aspirations of the Young also recommended that CDCs form neighbourhood-based co-operatives to provide mutual support and help for senior citizens and their families. Conceivably, these co-operatives can be another avenue for active senior citizens to contribute their time and effort.

5. The Workgroup proposes that MCD, PA, CDCs, NCSS and NVC explore how these programmes can be best promoted and determine the structures and resources needed to develop these programmes as a complement to our eldercare infrastructure.

BRIDGING THE HEALTH AND SOCIAL CARE DIVIDE: INTEGRATION IN SERVICE PLANNING AND DEVELOPMENT

6. Currently, both MCD and MOH have planning, development and regulatory responsibilities for eldercare services. Generally, services which are primarily health-oriented come under the purview of MOH, whilst services that emphasise social care fall under MCD’s charge.
7. Such an administrative divide is unsatisfactory for a number of reasons. First, and most importantly, such a division is artificial and hinders the development of holistic models of care for senior citizens. Care for senior citizens should be a continuum of services that meets the changing needs of the older person. More often than not, an older person with health care needs also requires social care. Secondly, the present administrative divide may discourage service providers from expanding their scope of services in the future\(^1\), or from pioneering new programmes that include both health and social care components as they would have to overcome bureaucratic obstacles, such as having to apply to two Ministries for premises, Government funding, etc. Thirdly, this divide results in administrative slack since it limits the scope for joint planning and development of services.

8. To ensure that Government is structured in a way that facilitates integrated planning and development of eldercare services, it is proposed that MCD and MOH jointly review the existing health and social care divide. MCD and MOH should study the feasibility of a central agency to formulate eldercare policies, plan and develop services, and ensure service standards. As far as possible there should be a single point of contact or a one-stop centre for service providers.

ENSURING INTEGRATED SERVICE DELIVERY AT THE LOCAL LEVEL.

9. Services should also be delivered in an integrated and seamless way at the local level. However, various factors have militated against this ideal. These include:
   a. Uneven distribution of services resulting in some areas having more and/or a wider range of services;
   b. Fragmentation in service delivery as services were often set up as "stand alone" facilities, with each agency having its own eligibility requirements and service delivery models; and
   c. Variations in service standards as each agency has its own expertise and resources (although minimum standards are set through administrative requirements, community-based services are currently not regulated).

10. To deliver seamless services and physical convenience to older people and their families, MCD, MOH, PA, NCSS, HDB and URA should look into developing Multi-Service Centres where a sufficiently comprehensive range (as determined by local needs) of eldercare services would be co-located. These Multi-Service Centres would function as one-stop centres for senior citizens who require care and their families. They can be developed in purpose-built buildings or at community centres and clubs, and would be run either by a single VWO providing the full range of services or by a group of VWOs, each providing its own service. Co-location allows an efficient use of scarce lands and the sharing of common facilities (such as kitchens, transport services and service personnel). Where feasible, such Multi-Service Centres should be co-located with other social services – family service centres, student care centres, child care centres – to promote intergenerational contact and to further optimise land use. MCD, MOH, PA, NCSS, HDB and URA should also examine the co-location of eldercare services with developmental programmes, services for other age groups as well as recreational facilities in super community centres or clusters of community services.

\(^1\) While this is not yet a problem, it may become one as service providers continue to develop expertise and their range of services.
11. Existing institutional facilities for senior citizens – for example, nursing homes – can also be encouraged to provide certain types of community-based services such as day care for dementia patients and domiciliary services. Such facilities already possess the resources (e.g. vans, ambulances, kitchen facilities, administrative staff, etc.) that can be better utilised if their scope of services is expanded. To encourage VWOs to reap economies of scale, MCD and MOH should review their administrative procedures to ensure that there are minimal bureaucratic obstacles placed in the way of operators wanting to expand to provide more community-based services.

12. Another way of mitigating the problems of uneven distribution of services and fragmentation in service delivery is to promote and develop viable models of case management. Under most case management models, a service provider – the case manager – would assess the older person’s needs to determine the services required, coordinate (possibly among various other service providers) a package of services that meets those needs, and monitor and evaluate the effectiveness of the delivery of these services. Given that awareness levels of services are relatively low (as evident from the 1995 National Survey of Senior Citizens) coupled with the fact that services are often dispersed and fragmented, the case management concept is attractive in Singapore’s context. However, case management services tend to be costly and there is clearly a need to target this service only to those who need it most, e.g., the poorly-educated senior citizens without families or the frail senior citizens with multiple needs and problems. There is a need to validate assessment instruments and procedures to ensure proper gate-keeping to guard against over-consumption of services by those who do not need them.

13. NCSS has piloted a case management service through the Tsao Foundation and Singapore Action Group of Elders (SAGE), while Marine Parade CDC has launched its own experiment under its Community Outreach Programme for the Elderly (COPE). MCD, MOH and NCSS should jointly review the outcome of these pilots to determine cost-effective and viable models of case management that can be introduced in Singapore. The case management approach will help to ensure that older people and their families receive services that can meet their needs and that the transition from one level of service to another is seamless. MCD, MOH and NCSS should also work out the funding mechanisms for such services.

14. While the proposed Multi-Service Centres and case management services would address the concerns over the uneven distribution of services and fragmentation in service delivery, they do not – on their own – overcome the problem of variations in service standards. To address this, it is proposed that MOH, MCD and NCSS develop a regulatory framework for the various community-based services for senior citizens.

STRENGTHENING SUPPORT FOR FAMILY CARE-GIVERS AND ENABLE SENIOR CITIZENS TO LIVE IN THEIR OWN HOMES

15. The 1995 National Survey of Senior Citizens showed that 86% of senior citizens above 65 lived with their children and that most were receiving support from their children. On the other hand, 31% of the principal carers of senior citizens indicated that their social life suffered as a result of their care-giving roles and 23% said that their health was affected. While recognising that many social trends are complex and have multiple causes, the fact that suicide rates of older persons in Singapore are
among the highest in the world\(^2\), could also be an indicator that families are not coping well with the demands of eldercare and unable to provide sufficient support for their elderly members. Other trends have an impact on the ability of the family to perform its traditional care-giving role:

a. More "sandwiched families": As couples marry and form families later and as life expectancy of older people increases, we should expect more families having to support aged parents and young children at the same time. The care burden of these "sandwiched families" will be considerable. Furthermore, care-giving roles within the family tend to fall disproportionately on women. The situation is exacerbated if the woman is expected to fulfil multiple roles of providing care as well as contribute to the household income.

b. Smaller family sizes: Declining family sizes since the 1970s will mean that there are fewer siblings and smaller extended family networks to share the burden of caring for senior citizens.

c. Widowhood: Because women tend to outlive men, widowhood for women is a greater possibility. In the short to medium term, the challenge would be to meet the needs of the current cohort of older women (those above 40), many of whom have received little formal education and have limited resources for old age because they have not worked.

d. Increasing incidence of senior citizens living apart from their children: With the increasing number of financially-independent older persons many would also reach old age owning their own homes. We can therefore expect an increasing incidence of senior citizens living apart from their children. Indeed, between 1990 and 1997, the number of such households doubled. Such a trend may not be desirable, particularly when the older person becomes frail. If the family has not lived with the older person for a long time, it is unlikely that it will make the drastic adjustments needed to bring the frail senior citizen home. Institutionalisation becomes an increasingly likely option.

16. While some of the trends are irreversible, we can and should do more to alleviate the stress faced by care-givers of older persons and to recognise the role of care-givers. Currently, services are mainly targeted at senior citizens and support for care-givers is inadequate. Still, tax incentives are provided for care-givers of senior citizens, with children who live with their elderly dependents being eligible for a higher quantum of tax relief than those who live away from their elderly dependents. The S21 Sub-Committee has also proposed that more generous tax relief be given to care-givers of senior citizens who require constant care. However, given that the majority of the Singaporean working population do not pay taxes, other forms of incentives – whether tangible or intangible – ought to be considered.

17. Carers also need respite from their care-giving roles. To be meaningful and effective, respite care must be accessible, flexible and appropriate to the particular circumstances of the family. Equally important is the carers’ need for information about the support services available as well as practical guidance in care-giving to help them cope with caring for senior citizens. This access to training and information of support services is a key direction for MCD’s Public Education programmes on ageing (please see Annex A).

\(^2\) According to WHO statistics, in 1994, Singapore had the highest elderly suicide rate in the world after rural China. The South China Morning Post of 11 May 98 reported that Singapore had the highest elderly suicide rate in the world.
18. It is therefore proposed that support for carers be accorded high policy priority in MCD, MOH, MOM and NCSS. A broad base of support and services for carers – comprising domiciliary care services, training, information services and mutual support networks – should be developed at the local level. It is also recommended that the introduction of flexi-hours, part-time work and telecommuting for care-givers be encouraged so that they are able to work and care for older persons in their families at the same time. Sick leave to bring parents to get medical attention should also be encouraged. MCD, MOH and NCSS should also identify appropriate measures and incentives to support care-givers.
APPENDIX B2

Report of the IMC Workgroup on Health Care

INTRODUCTION
1. The proportion of Singaporean senior citizens who are aged 65 and above is projected to increase from the current 7% to 8% in 2010, 13% in 2020 and 19% in 2030. More than 90% of the senior citizens in Singapore at any one time are found to be independent and able to perform basic activities of daily living (ADL).

2. Nevertheless, the rapid ageing of the population beyond the turn of the century will pose a challenge to health care planners to provide adequate health care facilities, services and support systems. According to an NUS study, the National Health Expenditure is also expected to increase from the current level of 3% to 7% of Gross Domestic Product (GDP) in 2030.

3. Health care for senior citizens can be divided into two broad categories. One, acute care, which is available at private and public clinics, hospitals and speciality centres. Two, step-down care which is provided mainly by Voluntary Welfare Organisations (VWOs) and supported by the Government. This includes care provided by community hospitals, nursing homes, day rehabilitation and day care centres, and home care services. In Singapore, it is estimated that 8% of the elderly population will require step-down care of differing levels of intensity at any one time, of which 2.7% will require institutional step-down care and 5.3% will require community-based step-down care.

4. The elderly sick should be cared for by the family and community for as long as possible, and institutionalisation should only be a last resort. Home care and other support services should be further developed to enable the families to look after their senior citizens at home.

TERMS OF REFERENCE
5. The Terms of Reference of the IMC Workgroup are as follows:
   a. Examine the issues the IMC on Health Care for the Elderly has identified for further review and assess the longer-term impact of the IMC’s recommendations on the Government’s health care expenditure;
   b. Review the present VWO-driven structure of eldercare services to assess its adequacy and effectiveness;
   c. Propose measures to engage the private sector in the delivery of eldercare services;
   d. Review the present funding system for VWOs serving senior citizens;
   e. Examine the financial needs of individuals requiring step-down care;
   f. Work with the Workgroup on Social Integration of the Elderly to ensure that there is a holistic and comprehensive continuum of services to support families in their care-giving role and to enable senior citizens to remain in the family and community for as long as possible; and
   g. Examine and plan for the needs of care-givers.
NEEDS OF SENIOR CITIZENS

Profile of Senior Citizens
6. The 1983 and 1995 national surveys of senior citizens in Singapore indicated a growing number of people 75 years and above (old-old) and a consistently higher proportion of women than men. The survey, however, showed that the majority of senior citizens (91.5%) were not frail and were able to manage or perform the essential ADL, e.g., walking, washing, dressing, feeding, bathing and toileting. Only 8.5% of the elderly population were in poor health and needed daily care. (Table 1)

7. As the senior citizens of the future will also be more educated and financially independent, they should be viewed as a valuable resource - an asset that can benefit the wider community. It is therefore necessary to change the mindset that all senior citizens are frail and dependent. Volunteering their services is one way the elderly-fit can continue to contribute to society.

8. From the 1995 national survey (Table 2), it is estimated that among the senior citizens aged 65 and above, there would be 12,000 senior citizens with poor ADL in the year 2000 and this number could rise to 37,000 in the year 2030. Nonetheless, if preventive measures and healthy lifestyle are promoted, the disability rate could fall and the total number with poor ADL will decrease.

Table 1 : 1983 and 1995 National Surveys of Senior Citizens

<table>
<thead>
<tr>
<th></th>
<th>1983 (n = 5530)</th>
<th>1995 (n = 4750)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>48.6</td>
<td>47.4</td>
</tr>
<tr>
<td>Female</td>
<td>51.4</td>
<td>52.6</td>
</tr>
<tr>
<td>Age Group</td>
<td></td>
<td></td>
</tr>
<tr>
<td>65 and above</td>
<td>48.0</td>
<td>47.3</td>
</tr>
<tr>
<td>75 and above</td>
<td>13.8</td>
<td>17.2</td>
</tr>
<tr>
<td>Katz Index</td>
<td></td>
<td></td>
</tr>
<tr>
<td>(75 years and above)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 3</td>
<td>95.5</td>
<td>91.5</td>
</tr>
<tr>
<td>4 - 6</td>
<td>4.5</td>
<td>8.5</td>
</tr>
</tbody>
</table>

References:
Table 2: Number of Frail Elderly

<table>
<thead>
<tr>
<th>Year</th>
<th>Poor ADL (65 years and above)</th>
<th>Poor ADL and Social Support (75 years and above)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2000</td>
<td>12,000</td>
<td>1,400</td>
</tr>
<tr>
<td>2010</td>
<td>18,000</td>
<td>1,900</td>
</tr>
<tr>
<td>2020</td>
<td>30,000</td>
<td>2,600</td>
</tr>
<tr>
<td>2030</td>
<td>37,000</td>
<td>4,900</td>
</tr>
</tbody>
</table>

Health Care Needs of Senior Citizens

9. The health of the senior citizen is linked to their economic and social needs such as housing, employment, and community and home support. Health care services for the senior citizens in the future will have to address the needs of a rapidly ageing population, which will be better educated, more articulate and demanding in their health care needs.

10. The future senior citizens will be better educated and public education from talks, books and mass media on prevention is important to decrease morbidity. Using Information Technology for information on illness and services should be encouraged.

11. Health care services will also have to focus on a growing number of the old-old, especially those with stroke, dementia and cancer.

12. The rapid ageing of the population beyond the turn of the century will have an impact on the family unit and health care system. The challenge of health care planners is to provide adequate services in the future for the growing proportion of frail senior citizens.

13. To cater to this increased demand, eldercare facilities, including family and community support services, and trained manpower would have to be expanded. A key feature in the provision of health care for senior citizens will be the involvement of the community and community-based organisations. The family and the community will need to be given the necessary support, resources and knowledge to care for senior citizens. This is in line with the Asian tradition that the family has the primary responsibility to support and care for their elderly family members who have previously provided for the family.

14. As life expectancy increases, there will be a greater proportion of young-old (65 to 74 years) who are healthier and who can provide befriender services to the more frail senior citizens. This could be organised within a housing estate or precinct. Eventually, it is hoped that it will grow into the ethos or community spirit of the housing estate.

15. Presently, there is a dearth of data on the prevalence of debilitating illnesses among senior citizens, the needs of family care-givers, quality of services and provision of future services. Without basic research data we cannot plan future services. The Workgroup recommends that the National University of Singapore’s Gerontology Research Programme undertake research on future trends and needs of senior citizens in Singapore.
16. To meet the needs of future senior citizens, the provision of health care facilities and services, and support system would need to be constantly reviewed and upgraded. The challenge is to provide affordable and appropriate services for the frail senior citizens with poor family or social support.

SERVICE DELIVERY

Organisations Involved in Senior Citizens Care Services
17. Various Ministries and organisations are involved in the care of senior citizens. These include the Ministry of Community Development (MCD), Ministry of Health (MOH), National Council of Social Service (NCSS), Ministry of National Development, Ministry of Manpower, Ministry of Finance, Ministry of Communications and Information Technology and the People's Association (PA). MCD, MOH, NCSS and PA have specific departments for the care of senior citizens.

Care Services for Senior Citizens
18. MOH, MCD and NCSS have close links in the administration of service provisions for senior citizens. PA's main concern is in recreational activities for senior citizens. In 1998, the main services under the purview of MOH, MCD and NCSS are shown in Table 3. The roles and projected requirement for step-down care services are in Annexes A and B respectively.

Integration and Coordination of Services for Senior Citizens
19. The needs of senior citizens will centre mainly on health and social services. However, with the rapidly increasing number and proportion of senior citizens, policies in other areas like housing, transportation, employment and financing will also have significant impact on them.

20. Given the wide spectrum of needs of senior citizens, the multiple agencies involved in providing services to meet those needs, and constraints, coordination and integration in the area of care to put in place a seamless continuum of planning, service provision and care be put in place.

21. The main areas for coordination and integration are:
   a. Policy planning,
   b. Service provision, and
   c. Publicity
Table 3: Elderly Care Services In 1998

<table>
<thead>
<tr>
<th>Health Care Services</th>
<th>Acute Hospital Services</th>
<th>National Speciality Centres</th>
<th>Geriatric Hospital Services</th>
<th>Geriatric Day Hospitals</th>
<th>Community Hospitals</th>
<th>5 hospitals</th>
<th>3 VWOs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Nursing Homes</td>
<td>23 VWO Homes</td>
<td>Homes</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>24 Private Homes</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Day Rehabilitation Centres</td>
<td>20 centres</td>
<td>1 centre</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Day Care Centres for Dementia</td>
<td>3 centres</td>
<td>2 centres</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Home Medical Services</td>
<td>3 VWOs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Home Nursing Services</td>
<td>2 VWOs</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Home Help Services ¹</td>
<td>2 VWOs</td>
<td>3 VWOs</td>
</tr>
<tr>
<td>Social Services</td>
<td>Sheltered Homes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>19 homes</td>
<td>2 homes</td>
</tr>
<tr>
<td></td>
<td>Seniors Activity Centres²</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25 centres</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Social Day Centre</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>11 centres</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Befriender Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 VWO</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Meals on Wheels</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 VWO</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Counselling</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Care Management</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Recreational - Senior Citizens' Clubs (SCCs)</td>
<td>384 SCCs under the People's Association</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Coordination of Policy Planning

22. Various options of a central coordinating body to coordinate policy planning were considered:

   a. A Ministry of Senior Citizens - The considerations of such a Ministry may be too narrow. In some areas like health, it may not be wise to take out a certain age group from the continuum of planning and care.

   b. A Ministry of Health and Social Services - The concerns of such a Ministry may be too wide and diversified. Issues pertaining to senior citizens may not get the attention and resources they need.

   c. A National Umbrella Body - There is no need to set up another structure for eldercare organisations as Singapore does not have a large pool of organisations which warrants coordination from another national umbrella body. With the existing structures and mechanisms mentioned above, especially with the formation of the IMC on the Ageing Population to look into all encompassing issues relating to ageing and senior citizens, the mechanisms to address all ageing issues are already put in place.

   d. A Central Coordinating Committee - There are adequate networking channels amongst Ministries and agencies. No extra barriers should be created between the service providers and the administering Ministries as these would lead to delays and inefficiencies.

¹ Home Help Service under MOH includes meal delivery, escort and respite care services, assistance with home management, personal hygiene and household chores and caters to both the sick and the frail elderly at home.

² A MCD-HDB project for one room HDB rental flat dwellers.
Recommendations for the Integration and Coordination of Services for Senior Citizens

23. The Workgroup recommends that the IMC take on the role as the Central Coordinating Committee with the Elderly Development Division of MCD as its operational arm to coordinate policy planning, implementation and monitoring of programmes for the ageing population.

Coordination and Integration of Service Provision

24. In the area of service provision, appropriate services could be integrated in Multi-Service Centres to facilitate both the users and the service providers. The placement needs of senior citizens with multiple problems could be coordinated by care management services.

Multi-Service Centre

25. The IMC on Health Care for the Elderly recommends that MOH and MCD look into "Multi-Service Centres" for senior citizens, integrating health, social and other services under one roof. Two models are suggested:
   a. Co-location of services targeted at different clientele groups e.g., senior citizens, children, disabled; and
   b. Co-location of eldercare services e.g., day care, day rehabilitation, home care.

26. The IMC Workgroup on Health Care endorses this recommendation and supports the setting up of Multi-Services Centres.

Care Management Service

27. Senior citizens with multiple problems require different services. These senior citizens and their families are faced with a bewildering array of choices and decisions, but lack the knowledge to make informed choices. Care management, defined as the coordination of the care and service needs of individual elderly patients in the community has a role here to prevent fragmentation of care and to enhance interdisciplinary collaboration and cost-effectiveness of care. Care management allows the patient and his or her family to make informed choices in the planning and determination of the type of care needed. Care management is especially effective and necessary for patients who require costly services or repeated admissions, who have complicated socio-economic situations, and who are cared for by multiple agencies for long periods.

28. Today in Singapore, acute hospitals practise care management of the patient’s medical condition (e.g., stroke, hip fracture and discharge planning).

29. At the community level, there are two pilot care management projects undertaken by Tsao Foundation’s Hua Mei Care Management Services (co-funded by NCSS and MOH), and Singapore Action Group of Elders (SAGE) via its Counselling Centre’s Case Management Services (sponsored by NCSS).
30. The Workgroup projected the requirements for care managers to be 38 for year 2000 and 128 for year 2030. (Table 4)

Table 4: Projected Requirements for Care Managers

<table>
<thead>
<tr>
<th></th>
<th>Year 2000</th>
<th>Year 2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Projected elderly population</td>
<td>234,500 (7.2% of resident population)</td>
<td>798,700 (18.4% of resident population)</td>
</tr>
<tr>
<td>65 years and above</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Estimated number needing step-down care (8%)</td>
<td>18,760</td>
<td>63,896</td>
</tr>
<tr>
<td>Estimated number needing care management (20%)</td>
<td>3,752</td>
<td>12,779</td>
</tr>
<tr>
<td>Number of care managers needed (100 cases each)</td>
<td>38</td>
<td>128</td>
</tr>
</tbody>
</table>

Gaps and Problems

31. As care management is a new service in Singapore, patients and families need to be introduced to the concept and learn to use the service effectively.

32. Trained personnel with a health background have to be trained in counselling and negotiation skills and be equipped with an intimate knowledge of services in order to run the care management service.

33. There are no standardised practice, assessment protocol, common placement and monitoring patterns for use by all service providers and agencies.

34. A good system set-up with automation of patient records and a comprehensive database of services will enhance and allow effective care management.

35. The Workgroup recommends that:
   a. Care management be introduced as a placement and monitoring service for the care of frail senior citizens in the community, targeted at those who require multiple service providers and have complicated socio-economic situations.
   b. Care management services be centralised at key services for economies of scale. Care management can also be set up as part of the service provision and discharge planning in acute and community hospitals.

Coordination of Publicity

36. In addressing senior citizens’ issues, various Ministries have different publicity programmes. This has led to a flood of information, some of which is confusing and others duplicating.

37. The Workgroup recommends that there be coordination of publicity. This will reduce information overload and confusion resulting from different messages by different organisations.
Standards for Service Delivery
38. Currently, residential senior citizen health care facilities are legislated under the Private Hospitals and Medical Clinics (PHMC) Act. The “Guide to the setting up of Nursing Homes” and the “Guide to setting up a Day Care Centre for the Aged” set out the guidelines for establishing a nursing home and a day rehabilitation centre respectively. The Guidelines include space requirements, standard facilities, furnishings and equipment, and staffing.
   a. Space requirements -
      i. For facilities which are built by VWOs and funded by the Government, the space requirements are indicated below:
         Nursing home: 30 to 34 m² per resident
         Day rehabilitation centre: 400 to 595 m² for 30 to 50 users
      ii. For nursing homes run by private operators, the gross floor area is about 12 m² to 16 m² per resident. This space provision caters mainly for the dormitory and basic sanitary amenities. Most private nursing homes do not have designated facilities such as physiotherapy (PT) rooms, medical consultation and treatment rooms, dining halls etc.
   b. Standard facilities - A list of standard items to be provided by the facility e.g. dormitories, toilets and bathrooms, PT rooms, medical consultation rooms is specified.
   c. Furnishings/Equipment - The standard list of furnishings and equipment for health care facilities is provided.
   d. Finishes - The finishes are of the same standard as those of subsidised wards of public hospitals.
   e. Staffing - The care staff requirements for step-down facilities, including those run by private operators, are as follows in Table 5:

Table 5: Requirements for Care Staff for Step-Down Facilities

<table>
<thead>
<tr>
<th>Type of Facilities</th>
<th>Care Staff: Patient Ratio</th>
<th>Registered Nurse (RN) requirement (PHMC Act)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nursing home</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Cat I</td>
<td>1:30</td>
<td>At least 1 RN</td>
</tr>
<tr>
<td>- Cat II</td>
<td>1:8</td>
<td></td>
</tr>
<tr>
<td>- Cat III</td>
<td>1:4</td>
<td></td>
</tr>
<tr>
<td>- Cat IV</td>
<td>1:2</td>
<td></td>
</tr>
<tr>
<td>Convalescent hospital</td>
<td>1:4</td>
<td>At least 40 % RNs</td>
</tr>
<tr>
<td>Day rehabilitation centre</td>
<td>1:6</td>
<td>At least 1 RN</td>
</tr>
</tbody>
</table>

39. While it is still necessary to specify the minimum staff-to-patient ratio that emphasises the minimum number of care staff deemed necessary to ensure safety and acceptable quality of care with the least resources available, it is also equally important to emphasise the deliverables e.g., the quality of care.

*Based on the Guide to Setting Up of Nursing Homes (May 1993)
* Requirement for Government financial assistance
* Care staff ratio requirement under PHMC Act
Recommendations for Service Delivery Standards
40. The Workgroup recommends that Ministries as regulatory authorities set minimum output or outcome-based performance targets as measures of standards of care rather than stipulate fixed measures for inputs, processes or methods to deliver the services or programmes:

a. The roles of VWOs and private sector in the provision of health care services for senior citizens should be defined such that the VWOs provide services for the poor and lower-income groups and private operators provide services for the middle- and high-income groups. However, the VWOs can continue to provide services to the high-income groups but without Government subsidy.

b. Service providers should be given flexibility in varying the types of facilities and space areas within the institution based on “cost per bed” funding. Minimum space provision for essential facilities, e.g., dormitory, bathrooms/toilets, could be specified but some flexibility should be given.

c. Service providers should be granted some operational flexibility in the types and scope of services to be provided, subject to compliance with minimum standards.

d. Service providers should be encouraged to explore alternative options in achieving greater cost-efficiency by outsourcing services, such as cooking and laundry.

e. Service providers should be given incentives and be encouraged to vary inputs, processes and methods of delivery so as to achieve greater cost-efficiency and service quality.

SERVICE PROVIDERS
41. Currently, health care services for senior citizens are provided by the Government, the voluntary sector, which comprises charitable civic, community and religious groups, and the private sector.

Government
42. The impact of our ageing population will result in increased calls for the Government to take on the basic care responsibility for senior citizens.

43. The responsibility of care for senior citizens should not just lie with the Government. It should rest with the individual, the family and the community (VWOs and grassroots organisations) as well. In other words, every Singaporean should be responsible for his or her old age, including planning and ensuring adequate financial provision for himself or herself.

44. The Government’s primary role is that of a provider and catalyst. Its role as a provider of health care services, resources, financial assistance and advice to civic and community groups will in turn propel and empower the voluntary sector to continue their service delivery without having to channel too much of their time and energy into fund-raising. The Government will also ensure that various policies, measures and provisions to meet the varied needs of our senior citizens are well coordinated and effectively implemented.
Voluntary Sector
45. Singapore has an active and vibrant voluntary social service sector that provides a wide range of services and programmes for senior citizens in partnership with Government agencies. There are currently over 200 VWOs affiliated to NCSS, which is the umbrella body for VWOs in Singapore.

46. Most of the VWOs providing health care services are small. They tend to operate single and limited services mainly for the poor. Owing to difficulty in recruiting and retaining local staff, there is a tendency for many to rely on foreign staff. The lack of economies of scale, together with weaknesses in the areas of administration and management, is one of the reasons for the relatively high cost of service delivery. Due to the structures of the VWOs, there also appears to be a lack of sharing of common services.

47. VWOs should be encouraged to strengthen their capacities in providing health care for senior citizens through the following:
   a. Pooling of resources for common needs where feasible to achieve economies of scale;
   b. Better costing, accounting and management information systems; and
   c. Co-location of common services for sharing and optimal use of resources.

Private Sector
48. With 68% of the institutional step-down care services being provided by the VWOs, there is scope for greater participation of private sector groups. As the VWOs are more focused in catering to the needs of the needy or destitute senior citizens, the private sector has a niche role to perform vis-à-vis the group of service users who can afford to pay. This includes the so-called "sandwiched" or middle-income groups. The private sector should be encouraged to provide eldercare services either directly, through the setting up of nursing homes, or indirectly through the provision of medical, nursing and other support services.

49. Concomitant to the measures of involving the VWOs to change their philosophy or mission in service delivery, the needs of the private sector should also be re-looked in order to tap their potential in service delivery. During the discussions with the private operators running nursing homes, the following problems encountered by the private operators were identified:
   a. Private nursing home operators have to utilise private land which often necessitates an application for "change of use" to re-zone the land for nursing home development. In those instances when the applications are considered favourably, it often entails a high development charge imposed by the land authorities. Likewise, alternative developments like condominiums and hospitals are often more economically viable (mainly, the rate of return would be higher) and as such, may inhibit interest and potential for nursing home development.
   b. Open tender for sites to develop nursing homes by the private sector may lead to high tender prices for the land. VWOs, on the other hand do not need to tender for the land and in addition, they are given 100% rental subsidy for the land by MOH or MCD.
c. Private nursing homes that are located in reverted properties or vacated premises are given Temporary Occupation Licences up to a maximum of nine years. Thus, the private nursing homes suffer from lack of security in terms of tenure arrangements and are hesitant to “invest” to improve the facilities.

d. Due to the need to impute the cost of land, depreciation of capital or equipment and other related development costs e.g., the payment of interest and the principal on the loan used for the capital or development costs, the private operators are placed at a considerable disadvantage as the fees they charge their residents would have to be marked up to cover these costs.

50. More players in the market will help create competition and enforce commercial discipline. This should result in an overall improvement in the quality of care and a reduction of cost for the users. Some of the measures and alternatives that should be implemented to encourage the private sector to play a greater role in the provision of health care services include:

a. Macro planning, reserving and zoning land for the development of private nursing homes, with necessary specifications on the conditional use of the land.

b. Pre-qualifying private operators in the bidding of land set aside for private nursing homes based on the accreditation of bona fide operators. This will better ensure sustainable competition in this market.

c. Extending tenancy length with assurance of reasonable rental rate and lease terms to remove uncertainty to the private operators of nursing homes and incentivise them to make longer term capital investment for the benefit of the service users.

d. Providing the training of health personnel of VWOs and private operators under the Skills Development Fund and Skills Redevelopment Programme.

e. Providing information and assistance to private operators for their business planning. For example, epidemiological and financial data necessary to make sound business investment decisions and a one-stop centre to provide the necessary assistance to private operators to set up nursing homes.

Co-operatives

51. Co-operatives like the NTUC Eldercare Co-operative have a role to play in meeting the needs of our ageing population. They could target their services at the middle-income group and provide them with affordable services.

52. Co-operatives, as basically non-profit organisations, can tap the self-help spirit in the community and thus provide a moderating influence on the pricing of services. Co-operatives can also undertake training courses for family carers of senior citizens as well as cater to their other needs.

53. To nurture the growth of co-operatives to undertake service delivery to senior citizens, the Government should examine the areas where support can be given to them.
MANPOWER
54. Like all other health care services, the provision of care services for senior citizens is labour intensive. Manpower cost contributes a significant portion of the cost of service provision. Thus, an effective use of manpower will make a significant impact on the bottom line. The quality of care provided by a service provider depends largely on its manpower, which includes professional manpower, volunteers and informal care-givers.

Professional Manpower
55. Most VWOs providing care services for senior citizens are small and they tend to provide all services, even "non-core" ones such as laundry, catering and transport, in-house. This results in the need for additional manpower to provide for these services. Currently, more than 50% of staff requirement are foreign staff comprising mainly two groups:
   a. Care staff workers who include State Registered nurses, State Enrolled nurses, nursing aides and health attendants, and
   b. Support staff workers who include general workers, cooks and cleaners.

Gaps and Problems
56. The gaps and problems are as follows:
   a. Difficulty in recruiting and retaining staff due to unattractive salaries, lack of career path, lack of opportunities for training and upgrading of skills and competing demand by other more attractive jobs.
   b. The relatively high cost of service provision due mainly to the lack of economies of scale and weaknesses in administration and management.
   c. Difficulty in improving and maintaining standards due to lack of training opportunities and lack of senior and experienced staff.
   d. Difficulty in attracting professional staff, e.g., doctors, therapists and administrators due to the VWOs’ inability to compete and attract these staff from institutions and the commercial sector.
   e. High cost of training and lack of formal training courses for health workers working with senior citizens.
   f. The additional costs and administrative work linked with the employment of foreign workers e.g. recruitment, training and housing.

Recommendations for Professional Manpower

Development of "Multi-Task" Care Staff
57. This means re-training current staff to carry out multi-tasks, including nursing, physiotherapy and care management, similar to "care therapists" in Japan. This would also cater better to senior citizens’ needs, which are often multiple, thus allowing a single staff to provide all these services instead of using different staff.
58. Similarly, a "multi-task" aide to assist the therapist can also be looked into together with the Institute of Technical Education. At the same time, part-time training courses for entry-level staff and informal care-givers should be formulated. Formulating these courses would help to increase the pool of these workers.

"Clustering" of VWOs
59. VWOs can be "clustered" to allow experienced and capable staff to assume supervisory or larger roles similar to the "cluster schools" programme under the Ministry of Education. This includes:
   a. Listing and circulation of information on manpower and resources together with spare resources, which would aid VWOs to work together and optimise their scarce manpower;
   b. Sharing of training programmes by bigger VWOs and institutions e.g., hospitals; and
   c. Pooling of resources by VWOs for common needs, e.g., in the recruitment of foreign staff, training, housing and transport.

Review the Professional Qualifications of Core Staff
60. Medical undergraduates. Geriatric medicine training for all final year medical students has started in 1999. This would expose all future doctors to geriatric medicine.

61. Community geriatricians. Primary health care doctors and general practitioners should be encouraged to pursue training on geriatric care such as the Diploma of Geriatric Medicine, which commenced in 1997.

62. Hospital geriatricians. There is already a training programme for this. However, it is necessary to work out the roles and responsibilities of hospital geriatricians who are supervising community geriatricians at the various community health services.

63. Nursing manpower. Geriatric training is already included in basic nursing training. Post basic training in geriatric nursing is also provided in Singapore. As it is a full-time course, service providers find it difficult to send their staff for such courses due to their already limited staff strength and the funding needed for such training. It is recommended that help be given to VWOs to enable their nursing staff to go for such training. Nanyang Polytechnic could be encouraged to develop part-time modular courses for these nurses.

64. Training of local health care personnel of VWOs and private operators should be provided under the Skills Development Fund and Skills Redevelopment Programme.
Volunteers

65. Singapore has a volunteer participation rate of about 5% to 10%. Compared to the rate of volunteer participation of 39% in the US and 25% in Japan, the rate could be increased further in the following areas:
   a. Community-based support programmes like senior citizens clubs (social, recreational activities), social day centres and day rehabilitation centres for senior citizens;
   b. Home-based care programmes like meal delivery services, home help services like laundry services, home maintenance, escorting services, as well as domiciliary medical and nursing services; and
   c. Residential care programmes like sheltered homes and nursing homes.

66. There are several potential sources of volunteers:
   a. PA’s senior citizens clubs, youth groups, women’s executive committees etc;
   b. WWOs;
   c. Schools;
   d. Religious organisations;
   e. Retired and Senior Volunteer Programme (RSVP) Singapore; and
   f. Family members and care-givers of elderly service-users.

Key Areas and Recommendations

National Volunteer Centre

67. Currently, there is a wide variety of volunteer user-groups as well as volunteer contributing sources. Hence, there is a need for a more centralised system, in the form of a National Volunteer Centre or Council (NVC). The NVC is currently being set up for collection and dissemination of data and information on volunteer resources and the promotion of volunteerism in Singapore, and to coordinate and streamline the various sources of volunteer use and contribution.

Incentives for Volunteers

68. To maintain the interest and motivation of volunteers to ensure their continued service, the NVC should look into the following areas:
   a. Publicity on volunteer recruitment and public education and awareness efforts on volunteer contributions;
   b. Appropriate training, personal development and welfare, as well as guidance, motivation, support and supervision;
   c. Assistance in meals and transportation costs, and other out-of-pocket expenses; and
   d. Insurance coverage and medical benefits for volunteers.

Informal Care-givers

69. The IMC on Health Care for the Elderly (IMCHCE) encouraged care of senior citizens in the community. The role of informal care-givers will be enlarged and become more important. Besides providing physical care, informal care-givers would also need training in the psycho-social and non-physical aspects of care-giving.
70. The National Survey of Senior Citizens (1995) showed that most care-givers are family members (spouse 23%, children 34%, relatives 14%) and domestic helpers (25%). Of these, 97% of them live with the senior citizens and 56% are not working. Hence, informal care-givers will need the relevant information, skills, knowledge, besides the availability of affordable services, for care-giving.

71. Currently, there is no structured or systematic way of inducting family care-givers into providing care for senior citizens. Family members just do what is necessary. While most acute and community hospitals do provide some form of care-giver training while the senior citizen is in hospital, it is usually a domestic helper who is sent for the practical training in the care of the patient.

72. Tsao Foundation, SAGE Counselling Centre, Lions Befrienders and other organisations organise courses and seminars for care-givers. There is a need for more of these courses to be organised at the grassroots level.

73. There are insufficient services to support the care of senior citizens in the community. Although there is a fairly wide range of community services (e.g., day rehabilitation and day care, home medical and home nursing, home help services like meal delivery, laundry services, befriending and escort services), they only cater for a very small number of clients and serve selected areas in Singapore.

74. There is also a need to change the mindset of the public. Home care is less acceptable as an alternative compared to institutional care.

75. Transport for frail senior citizens is also a major problem. Few service providers are able to satisfy the need for the transportation of senior citizens with mobility problems.

**Recommendations**

76. The Workgroup recommends developing services to support care-givers by:
   a. Increasing the availability of support services such as:
      i. Home Nursing,
      ii. Home Medical,
      iii. Home Help, and
      iv. Day Rehabilitation and Day Care;
   b. Setting up a new service such as:
      i. Care Management;
   c. Enhancing services such as:
      i. Transportation,
      ii. Help line,
      iii. Home modification and equipment loan, and
      iv. Counselling.
77. The Workgroup recommends training and equipping informal care-givers through:
   a. Web-pages, "How to" manual/guidebooks, dedicated magazines and media coverage on senior citizens' issues;
   b. Training courses and seminars co-ordination of training needs, and appropriate scheduling of courses with widespread publicity; and
   c. Practical training in all areas.

78. Incentives for care-givers (e.g. public recognition of the care-giving role).

FINANCING HEALTH CARE FOR SENIOR CITIZENS
79. Health care for senior citizens comprises acute care and step-down care. The Workgroup endorses the IMCHE's finding that the financing schemes in place are adequate to meet the acute care needs of senior citizens. The Workgroup also endorses the step-down care financing measures proposed by the IMCHE, and makes recommendations on the enhancement of those measures.

80. The IMCHE had reported that the existing acute care financing structure is adequate in meeting the needs of senior citizens. Medisave, MediShield and Medifund (the 3Ms), coupled with heavy Government subsidies, ensure that every Singaporean, young or old, has access to affordable acute health care. The Workgroup endorses this finding.

81. In Singapore, acute health care services for senior citizens are financed through:
   a. The individual
      i. Medisave is a compulsory medical savings scheme. 6-8% of an individual's income is put aside in a personal Medisave account, which may be used to pay for hospitalisation and approved out-patient expenses. A person must leave a Medisave Minimum Sum (MMS) in his or her Medisave account upon his or her retirement. On 1 July 1999, the MMS stood at $17,000. It will be raised progressively to reach $25,000 by the year 2003. The MMS as well as Medisave contribution rates are calculated to ensure that most B2 and C class in-patients are able to pay for their hospitalisation using Medisave, with little or no out of-pocket payment.
      ii. MediShield is a catastrophic illness insurance scheme, with premiums payable from Medisave.
      iii. Out-of-pocket payment at the point of consumption.
   b. The community. Financial and other forms of assistance are provided to individuals by community organisations such as VWOs and Community Development Councils.
   c. The Government
      i. Government subvention for public sector health services.
      ii. Medifund. This is a medical endowment fund. The interest earned is disbursed to help needy Singaporean patients.

82. There are some concerns that, because Medisave and MediShield coverage among senior citizens is not as high as that among younger people, the current acute health care financing system is therefore inadequate for the needs of senior citizens. The Workgroup is of the view that these concerns are not well-founded.
83. Medisave and MediShield are relatively new schemes. Medisave was introduced in 1984 and MediShield in 1990. Because there are fewer active Central Provident Fund (CPF) members among the senior citizens, it is only to be expected that a smaller proportion of the senior citizens have Medisave accounts, and for the senior citizens to have relatively lower balances in their Medisave accounts. Similarly, because MediShield was introduced on an opt-out basis for active CPF members, it is not surprising to find relatively fewer senior citizens covered by MediShield. Nevertheless, the Workgroup feels that the current acute health care financing system remains adequate for the needs of senior citizens, for the following reasons:

a. Government subsidies. In Government polyclinics, senior citizens enjoy 75% subsidy (e.g. senior citizen patients pay only $4 for consultation). In public hospitals, the subsidies range from 20% to 80% of the cost of service, depending on the patient’s choice of ward class. Therefore, the current system of subsidies ensures that, given a prudent choice of ward class, senior citizens from low- and middle-income families can have access to affordable acute health care.

b. Other Government assistance. In recognition of the fact that elderly Singaporeans have had less time in which to build up their Medisave savings, the Government has introduced pre-Medisave top-ups for those aged 61 and above since 1995. To qualify for a pre-Medisave top-up ranging between $100 and $350 per person, account-holders must first co-pay a small amount into their Medisave accounts. Senior citizens have also benefited from the Medisave Top-up scheme, which is available to all adults. By building up individual Medisave accounts, both Top-up schemes enhance the ability of individuals to pay for acute health care expenses on their own. In all, the two Top-up schemes amounted to some $900m. (Details are given in Annex C.) The average Medisave balance for those aged 65 and above as at 31 Dec 1998 was $3,000. The average Medisave balance for all age groups was $7,100.

c. Family support

i. Elderly patients may draw on immediate family members’ Medisave accounts when paying for hospitalisation expenses. In FY 1998, our public hospitals saw 60,000 acute hospitalisation episodes involving subsidised elderly Singaporeans and Permanent Resident, patients. In 44% of these cases, the patients used their own Medisave funds. Another 52% used the Medisave funds of their immediate family members. Therefore, 96% of senior citizen subsidised patients had access to Medisave accounts, whether their own or their family members’, for the purpose of paying for acute hospitalisation expenses.

ii. Singaporeans are also encouraged to purchase MediShield cover for their immediate family members, especially parents who are senior citizens. At present, approximately 30% of those aged above 65 are covered by MediShield or MediShield Plus. Apart from issuing automatic MediShield cover (with an opt-out option) to new entrants to the workforce, the CPF Board has been conducting direct market communications programmes targeted at school children and Housing & Development Board households, to encourage householders to purchase MediShield on behalf of their

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4 i.e. admissions of patients aged over 65 into B2 and C class wards.
immediate family members, including elderly parents. The response rate has been very favourable. The Workgroup is of the opinion that such efforts are effective in increasing insurance coverage among the population and should be sustained.

d. Medifund as safety net of last resort. Figures on Medifund assistance allow us to estimate the number of patients who, despite Government subsidies, Medisave and MediShield, remain unable to meet their medical expenses. Medifund is the safety net of last resort for needy and indigent Singaporeans. Applications are considered by Hospital Medifund Committees, and approval rates have always been higher than 97%. In FY 1998, out of the 59,000 acute hospitalisation episodes involving subsidised elderly Singaporean patients, 2,200 or 3.8% were given Medifund assistance amounting to a total of $2m.

84. As the population ages, the Workgroup expects the extent of Medisave and MediShield coverage to increase correspondingly. In the year 2030, all those aged 65 years and above would have first joined the workforce at approximately the same time as when Medisave was introduced. As the average Medisave account balance will have risen, the ability of senior citizens to pay for acute health care needs from their personal Medisave accounts would be further strengthened.

85. Many of the senior citizens today were already middle-aged when Medisave was first introduced in 1984. Given that they have had less time than younger Singaporeans to accumulate Medisave, the Workgroup feels that it is not surprising that they have lower-than-average Medisave balances. However, with family support as well as a prudent choice of ward class, acute health care is nevertheless affordable to elderly patients from low- and middle-income households. Medifund help is also available for senior citizens in genuine financial difficulty. There is therefore no necessity to raise the Medisave contribution rate for this group of older Singaporeans. The Workgroup therefore endorses the view that the current acute health care financing measures, based on the 3Ms and Government subsidies, are adequate for the needs of the senior citizen.

Step-Down Care Financing for Senior Citizens

86. Step-down care consists of different levels of care provided in a variety of settings. Apart from being administered in different settings, step-down care varies in terms of complexity and cost. The hierarchy of care types in descending order of complexity and cost is shown below:

Hierarchy of step-down care types

<table>
<thead>
<tr>
<th>Acute Hospital</th>
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<tbody>
<tr>
<td>Community Hospital</td>
</tr>
<tr>
<td>Nursing Home</td>
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</table>

7 The response rate, defined as number of new applicants over the number of application forms distributed, is approximately 38% for the programme targeted at school children.
87. In Singapore, at any one time, it is estimated that 2.7% of senior citizens will require institutional care, while another 5.3% will require community-based care. In other words, some 8% of senior citizens would require step-down care of differing levels of intensity.

88. Annex D contains details on the projections of recurrent national expenditure on selected types of step-down care services.

Financing Step-Down Care
89. As with the current acute care financing structure, step-down care is financed based on the principles of individual responsibility, community assistance and Government funding.

Current Government Funding for Step-Down Care
90. Currently, for WVOs that provide step-down care facilities, the funding assistance for specific facilities is pegged at 90% of approved WVO project cost.

91. Funding assistance towards the recurrent expenditures of the above approved services is on a piece-rate basis (50 % for a non-Public Assistance (PA) case and 75 % for a PA case). The funding rate, which is based on MOH’s norm cost derived from the manpower and operating costs, is adjusted annually by the GDP deflator.

Recommendations of IMCHE
92. In anticipation of the growing need for step-down care due to the rapidly ageing population, the IMCHE had made a number of recommendations concerning Government funding for WVO-run step-down care services. These are as follows:
   a. MOH to provide capital funding up to a maximum of 90% of the "cost per bed" for WVOs building their own institutions, but with the number of "private beds" receiving MOH capital funding limited to 10% of the total number of beds in each institution.
   b. MOH and MCD to review the existing 50% recurrent funding for WVOs to allow them to focus on service delivery and reduce their need to raise funds for their operating expenditure.
   c. MOH to implement a means test to ensure that the Government subsidy for step-down care patients is provided to those really in need. The means test should enable the Government to provide subsidies on a sliding scale to low-income to middle- income patients commensurate with their income.
   d. MOH to extend Government subvention to cover home medical care and home nursing services.
   e. MOH to extend Government recurrent funding on a piece-rate basis for all existing and new step-down care services.
   f. MOH and the Ministry of Finance to review the formula used for the annual adjustment of Government norm costs for step-down care services, taking into account the increase in manpower cost of health care professionals.
Workgroup’s Views and Recommendations on Government Funding
93. The Workgroup endorses the recommendations of the IMCHE which ensure that low-income patients needing step-down care will continue to benefit from substantial assistance in the form of Government subsidies and community donations.

94. Currently, means-testing for eligibility for Government subsidy is being done only in WVO nursing homes. Patients with household incomes of less than $2,000 per month may qualify for 50% Government subsidy. Based on feedback from WVO nursing homes and step-down care professionals, the Workgroup notes that some households which do not qualify for the subsidy currently, may nevertheless experience great difficulty in paying for step-down care at non-subsidised rates. Therefore, the Workgroup recommends that MOH consider extending subsidies at a lower rate to households with income of between $2,000 and $3,000.

Individual Funding for Step-Down Care
95. The Workgroup notes the IMCHE’s observation that the 3Ms were set up primarily to finance acute hospital care. Over the years, Medisave has been extended to provide limited coverage for selected non-acute hospital services including in-patient care in community hospitals and hospices, and Home Nursing Foundation’s rehabilitation services. However, as the IMCHE had pointed out, there is, as yet, no comprehensive financing scheme in place to help individuals finance step-down care.

96. The IMCHE had therefore identified the need to put in place an individual financing framework, to help individuals pay their share of step-down care costs. This is because Government subsidies on the whole would ultimately be constrained by the amount of tax revenue that can be generated in a maturing economy with a relatively smaller working population supporting an increasingly aged population. Similarly, the ability of WVOs to raise funds from the community will be constrained by the decreasing proportion of working adults in the population. Furthermore, it would be appropriate for the WVOs to concentrate their energies primarily on providing and maintaining quality care for senior citizens rather than fund raising. The Workgroup concurs with this recommendation.

97. The IMCHE had recommended that the Government set up an insurance scheme to help defray the high costs of care should individuals acquire severe disabilities and require step-down care on a long-term basis. The Workgroup endorses this recommendation over other options for the following reasons:

a. Individual savings. The probability of acquiring severe disabilities and therefore requiring step-down care on a long-term basis is low while the costs are high. If step-down care is to be financed through individual savings, this would result in considerable over-savings in many cases. Furthermore, those from low-income groups who are unable to save enough on their own would still depend on the State and ultimately the taxpayers.

b. Comprehensive financing scheme supported by general taxation. Such a measure would be similar to Medicare and Medicaid in the United States. It is very costly and is unlikely to be sustainable in the long run, as tax revenue from a relatively smaller workforce would not be able to support an increasingly aged population.
c. **Endowment fund to finance step-down care.** An endowment fund along the lines of Medifund for acute care would have to be built up over several years, and then only during years where there are budget surpluses. Thus, the amount is likely to be sufficient to help only the indigent senior citizens.

98. MOH and CPF Board are working out the details for the severe disability insurance scheme. Benefits will be paid to defray the costs of step-down care required by insured individuals who acquire such severe disabilities that they are no longer able to go about their daily lives and perform activities (e.g., bathing, dressing, eating, moving about etc) without considerable help from others and nursing care. Such disabilities may or may not be caused by the onset of chronic illnesses. However, in general, the insurance is not meant to cover medical expenses.

99. The insurance scheme will share the following similarities with MediShield:
   a. It is a voluntary insurance scheme, based on an opt-out approach;
   b. Medisave can be used to pay for the premiums;
   c. Individuals will be encouraged to purchase insurance cover on behalf of their immediate family members;
   d. There will be an element of patient co-payment; and
   e. Finally, as with MediShield, there will also be a deductible feature.

**Workgroup’s Views and Recommendations**

100. The Workgroup has deliberated on the following key features of the severe disability insurance being developed by MOH, and endorses the approach taken:
   a. **Premiums of the insurance payable using Medisave.** The severe disability insurance is intended to supplement individual savings in the form of cash and Medisave, and strengthen the individual’s ability to pay for his or her share of long-term step-down care costs. As such, the Workgroup agrees that it is appropriate to allow individuals to pay for the insurance using Medisave.
   b. **Voluntary participation on an opt-out basis.** The Workgroup upholds the importance of ensuring that most people in Singapore are insured against step-down care expenses. At the extreme, it is possible to make the insurance scheme compulsory. However, the Workgroup is of the view that this would not be necessary. Since the opt-out approach has worked well in ensuring a high degree of MediShield coverage among the population, the Workgroup is of the opinion that the insurance should be introduced on a compulsory basis only if there is no better way of making step down care financing available to most people. At present, however, those who require step-down care and yet are financially needy are eligible for Government subsidies as well as community assistance. This will continue to be the case. Therefore, the Workgroup agrees that it is more appropriate to ensure widespread insurance coverage by introducing the insurance scheme on an opt-out basis.
   c. **Affordability of premiums.** The Workgroup is of the view that premiums for the insurance should be affordable for most Singaporeans so that most people in Singapore may be covered by this insurance.
101. Having endorsed the approach being taken by MOH in developing the insurance, the Workgroup proposes the following measures in enhancing the current approach:

a. Importance of public education and public communications. The Workgroup feels that severe disability insurance, being a relatively new concept in Singapore, needs to be proactively introduced to the public via a robust public education and communications programme. Such a programme should be aimed at raising the public’s awareness of what step-down care is and the need for people to insure themselves against it while young and healthy. In particular, it should be aimed at discouraging people from opting out of the scheme due to ignorance.

b. Ongoing research. The Workgroup also supports the collection of refined data on the aged population in Singapore, covering such areas as incidence of disability, utilisation rates of step-down care facilities and services and length of stay in step-down care facilities. Ongoing research on the experience of our ageing population would not only facilitate regular evaluation of the severe disability insurance scheme but enhance inter-sectoral collaboration between the public, private and people sectors, in planning for and providing step-down care facilities and services.

102. In summary, the Workgroup endorses the proposals concerning measures to finance step-down care made by the IMCHE. It further recommends the following enhancements to the IMCHE’s measures:

a. To consider extending subsidies at a lower rate to households with income of between $2,000 and $3,000;

b. To accompany the launch of the severe disability insurance scheme with a comprehensive public communications strategy; and

c. To conduct ongoing research on the aged population.

CONCLUSION

103. The rapid ageing of Singapore’s population poses a challenge for our society in the next millennium. The senior citizens of the future would be better educated and financially independent. This will require policies and programmes on health care for senior citizens to be able to meet their needs and higher expectations. Families and care-givers will need more support to help them cope with taking care of elderly members when one in five persons in the population is aged 65 years and above in the year 2030, and when more senior citizens become frail.

104. To meet the needs of the future senior citizens, the Government will need to review the existing programmes and services for senior citizens to ensure that they are relevant, adequate and cost-effective. Service delivery standards would have to be regularly reviewed and if need be, upgraded to ensure that quality care is made available yet affordable and that the service standards meet the changing expectations of the community.

105. The Government in partnership with all agencies concerned will work closely to ensure a holistic and comprehensive continuum of services to support families in their care-giving role. This will enable the senior citizen to remain as an integral member of the family and the community for as long as possible.
EXISTING STEP-DOWN CARE SERVICES FOR THE ELDERLY

I INSTITUTIONAL STEP-DOWN CARE

a. Community hospital
   Community hospitals provide in-patient rehabilitation after an acute illness for the sick elderly who do not require high technology care, or for respite care.

b. Nursing home
   Nursing homes provide nursing care for the sick elderly who require regular nursing care and are not able to be cared for at home.

II COMMUNITY-BASED STEP-DOWN CARE SERVICES

a. Day rehabilitation centres (including day care centres for dementia)
   Day rehabilitation centres provide active rehabilitation (to recover functional capacity after illness) and maintenance rehabilitation (to prevent functional capacity from deteriorating) to the elderly, and respite care.

b. Home care services
   Provide care for senior citizens in their own homes. There are three types:
   i. Home medical service
      In home medical service the doctor visits the homebound senior citizen at home to provide medical consultation and treatment. The doctor works with other team members who look into other aspects of the senior citizen’s care needs.
   ii. Home nursing service
      In home nursing service, the nurse visits the homebound senior citizen to provide nursing care.
   iii. Home help service
      Home help service supports the frail and the sick elderly in their homes through visits by a home-helper to provide services such as meal delivery, respite care, personal hygiene, home management, laundry, and escort to medical appointments.
### PROJECTED NEED FOR STEP-DOWN CARE SERVICES, 2000–2030

<table>
<thead>
<tr>
<th>Type of Service</th>
<th>Planning Ratio</th>
<th>Year 2000</th>
<th>2010</th>
<th>2020</th>
<th>2030</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Hospital Beds</td>
<td>5 beds per 1,000 elderly</td>
<td>1,172</td>
<td>1,570</td>
<td>2,655</td>
<td>4,000</td>
</tr>
<tr>
<td>Nursing Home Beds (Including beds for dementia patients)</td>
<td>28 beds per 1,000 elderly</td>
<td>6,566</td>
<td>8,800</td>
<td>14,900</td>
<td>22,400</td>
</tr>
<tr>
<td>Day Rehabilitation &amp; Day Care Places (Including places for dementia patients)</td>
<td>3.5 places per 1,000 elderly</td>
<td>821</td>
<td>1,100</td>
<td>1,900</td>
<td>2,800</td>
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<tr>
<td>Home Medical Care Service (Projection unit: home medical care visits per month)</td>
<td>5 elderly needing 1 visit per month per 1,000 elderly</td>
<td>1,173</td>
<td>1,600</td>
<td>2,700</td>
<td>4,000</td>
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<tr>
<td>Home Nursing Service (Projection unit: home nursing visits per month)</td>
<td>15 elderly needing 2 visits per month per 1,000 elderly</td>
<td>7,035</td>
<td>9,400</td>
<td>15,900</td>
<td>24,000</td>
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<tr>
<td>Home Help Service (Projection unit: number of home help visits per day)</td>
<td>4 elderly needing daily visits per 1,000 elderly</td>
<td>938</td>
<td>1,250</td>
<td>2,120</td>
<td>3,200</td>
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### MEDISAVE TOP-UP AND PRE-MEDISAVE SCHEMES

#### Medisave Top-up Scheme

<table>
<thead>
<tr>
<th>Year</th>
<th>Age</th>
<th>Amount per Member</th>
<th>No. who benefitted</th>
<th>Amount given</th>
</tr>
</thead>
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<tr>
<td>1996</td>
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<td>Nil</td>
<td>1.9m</td>
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<tr>
<td></td>
<td>60 &amp; above</td>
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<td>Nil</td>
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#### Pre-Medisave Top-up Scheme

<table>
<thead>
<tr>
<th>Year</th>
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<th>No. who benefitted</th>
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<td></td>
<td>65</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>66 &amp; above</td>
<td>$350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1996</td>
<td>62</td>
<td>$100</td>
<td>$50</td>
<td>175,000</td>
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<td>66</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>67 &amp; above</td>
<td>$350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1997</td>
<td>63</td>
<td>$100</td>
<td>$20</td>
<td>183,500</td>
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<td>67</td>
<td>$300</td>
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<td></td>
</tr>
<tr>
<td></td>
<td>68 &amp; above</td>
<td>$350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>64</td>
<td>$100</td>
<td>$20</td>
<td>177,500</td>
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<td></td>
<td>68</td>
<td>$300</td>
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<tr>
<td></td>
<td>69 &amp; above</td>
<td>$350</td>
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### PROJECTED NATIONAL RECURRENT EXPENDITURE FOR ELDERLY HEALTH SERVICES, YEAR 2000 – YEAR 2030

<table>
<thead>
<tr>
<th></th>
<th>Projected Needs for Beds/Places</th>
<th>Unit of Norm Cost</th>
<th>Norm Cost ($) after lost</th>
<th>Recurrent Expenditure ($)</th>
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</thead>
<tbody>
<tr>
<td>Nursing Homes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>6,566</td>
<td>8,800</td>
<td>14,900</td>
<td>22,400</td>
</tr>
<tr>
<td>Community Hospitals</td>
<td>1,172</td>
<td>1,570</td>
<td>2,655</td>
<td>4,000</td>
</tr>
<tr>
<td>Day Rehabilitation/Day Care Centres(^<em>)(^</em>)</td>
<td>821</td>
<td>1,100</td>
<td>1,900</td>
<td>2,800</td>
</tr>
<tr>
<td>(Including places dementia patients)</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Grand Total</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

\(^*\) Recurrent Expenditure here includes Rental & GST subvention, and is computed based on norm costs of VWOs.

\(^*\) Norm cost for Day Rehabilitation/Day Care Centres is based on estimated cost.

**Assumptions:**
(i) The capacities are fully utilised throughout the year.

**Notes:**
(i) Home help, home medical and home nursing services are not included in the above projections.
(ii) Services for hospices, care for mentally ill, kidney dialysis, and diabetes are not included in the above projections.
INTRODUCTION
1. As life expectancy increases, the number of years a senior citizen spends in retirement is also likely to increase. Coupled with Singapore’s ageing demographic profile, the issue of how Singaporeans can remain financially secure when they become less economically active in later life becomes more important. Ensuring financial security in old age is a vital aspect of meeting the challenges of an ageing population.

2. What are the key elements of financial security? What is an adequate level of retirement income? What should be the key objectives of the Central Provident Fund (CPF) system given our ageing population? Will the CPF system provide sufficient savings in old age? What should be the priority of use of CPF funds? Are there other instruments that can complement the CPF? Are many Singaporeans finding themselves “house-rich cash-poor” when they retire? In order to address the issue of financial security, the above questions and more must be answered.

TERMS OF REFERENCE
3. The Workgroup on Financial Security was set up in March 1999 by the Inter-Ministerial Committee (IMC) on the Ageing Population with the following terms of reference:

   a. Establish the basic policy framework and desired outcomes that should underpin our financial security policies, including CPF and other measures to bolster old age security;
   b. Make recommendations for the role and functions of the CPF and other instruments in the context of a comprehensive framework to provide financial security in old age; and
   c. Examine the adequacy of public education in this area and propose a broad strategy on public education for financial planning for old age.

WHAT IS FINANCIAL SECURITY?
4. The Workgroup arranged focus group discussions for the general public, comprising people in their 30-40s, retirees and youths, to gather their views on financial planning for old age. A total of five discussion sessions were held involving 93 participants. It was clear from the discussions that financial security meant different things to different people. Nonetheless, there was some consensus that a state of financial security should include:

   a. Being able to maintain one’s standard of living. To most, this meant a simple lifestyle without luxuries such as holidays or cars. A few felt that a subsistence level where one was not destitute was sufficient.
   b. Having a place to stay. Most participants felt that this meant being able to continue living in one’s existing home, while some were prepared to move or downsize to a smaller place.
c. Having enough for medical expenses. This was the greatest worry for several participants.

5. Most participants felt that being financially secure meant being able to attain the above state independently. This included not depending on assistance from, or being a burden to, children, while others felt quite the opposite - that it was acceptable for and even expected that children should help. Many participants also felt that being able to continue working beyond the retirement age was an important way to remain financially secure. Another issue raised was that the average Singaporean seemed to be under the impression that his CPF savings would be sufficient to provide for old age, but this may not be the reality.

6. Financial security clearly means different things to different people. This is not surprising, given that people's aspirations and resources vary greatly. The Workgroup feels that each individual should ascertain and be responsible for his own preferred retirement lifestyle and level of financial security. Indeed, it is neither desirable nor realistic for Government to set these levels.

7. Nevertheless, it is clear from the focus group participants that three elements of financial security stand out - living expenses, medical expenses and housing. Any framework for financial security should therefore provide for these three basic needs. The Workgroup agreed that while children and old age employment could be potential sources of support, and should be encouraged, true security cannot be attained if individuals had to depend on these sources. Instead, a more conservative, proactive approach should be taken to plan for and build up one's financial security independently before retirement.

8. In summary, financial security at old age should provide for at least three basic components - living expenses, medical expenses and housing, without being a burden to the family, society and the State. The exact levels for each of these three components will vary from person to person. Every individual should ascertain and be responsible for his own desired retirement lifestyle and level of financial security. Provisions for financial security should be made as early as possible. They include, inter alia, earned income for as long as possible, CPF and other savings, and investments.

**DESIRED OUTCOMES FOR FINANCIAL SECURITY**

9. In line with the basic philosophy on "Successful Ageing for Singapore" adopted by the IMC on the Ageing Population, the Workgroup recommends the following desired outcomes in the area of financial security:

   a. At the individual level, the Workgroup wants older Singaporeans to be secure senior citizens. Each individual will take primary responsibility for planning and preparing for old age so that he will have sufficient resources to meet his desired lifestyle and standard of living.
b. At the family level, the Workgroup wants individuals not just to plan and prepare for their own financial security but also to contribute actively towards their family members' financial security. This will help establish strong, extended and caring families.

c. At the community level, the Workgroup wants communities to actively promote family ties and mutual responsibility, and educate their constituents on how to achieve financial security. This role of communities will form part of the strong network of community services for "successful ageing".

d. At the national level, the Workgroup wants to establish a national framework to achieve the various desired outcomes of financial security. This framework should comprise the following four pillars:

i. A CPF scheme, suitably modified where necessary, that provides basic financial security for as many individuals as possible;

ii. Ample opportunities for individuals to remain employed so as to help them lead active and fulfilling lives and to bolster their financial independence and self-esteem;

iii. A responsible and well-supervised panel of private sector financial service providers, which would help individuals achieve their desired standard of living upon retirement; and

iv. A comprehensive Public Education programme on planning for financial security that generates greater awareness and provides guidance and assistance in financial security at the employment and post-employment stages.

10. The rest of this report will address specific proposals for each of these key pillars (except for the second pillar of employment opportunities, which is covered by the Workgroup on Employment and Employability).

PROPOSED MODEL & MODIFICATIONS TO THE PRESENT CPF SYSTEM

Evolving Role of the CPF System

11. Established in 1955, the CPF provides financial security for workers in their retirement or when they are no longer able to work. Over the years, it has evolved into a comprehensive social security savings scheme that not only takes care of members' retirement, home ownership and health care needs, but also provides financial security for them and their families through various insurance and asset enhancement schemes. As at end 1998, CPF membership totalled 2.8 million, which included some 219,659 persons who were self-employed. Total members' balances stood at $85,277 million.¹

12. The Workgroup recognises that the CPF is a useful instrument that supports a number of key national policies. For instance, the CPF helps finance the provision of affordable housing by the Housing and Development Board (HDB) while its Public Housing Scheme enables Singaporeans to purchase and own these flats. The CPF has also proven to be an effective macro-economic tool to address economic situations. Cuts in employers' CPF contribution rates effected in 1986 and 1999 expeditiously reduced wage costs to help improve Singapore's competitiveness and contributed to the economy's rapid recovery.

¹ Source: CPF Board
Some Observations

Perception that CPF is Adequate
13. While acknowledging the strengths of the CPF, the Workgroup noted that there is a gap between what the public perceives the CPF system as delivering and what it actually does deliver. Some Singaporeans have little private savings and rely mainly on the CPF for old age needs. They generally do not plan for old age and are not well-prepared for it.

14. Currently, members may pledge their property towards the Minimum Sum (MS) and satisfy the MS threshold in the process. However, in reality, they may not have sufficient CPF savings in cash to yield a meaningful annuity. This gives rise to the “asset rich, cash poor” phenomenon among retirees. In 1998, about 24% of active CPF members (National Registration Identity Card holders) reaching age 55 in 1998 had Ordinary Account (OA) and Special Account (SA) cash balances of less than the MS cash component of $16,000.3

15. Such a situation becomes critical if a member has no other sources of income to support himself in retirement. It becomes even more critical if he is not prepared to liquidate or downsize to a smaller property. The Workgroup is concerned that this group of retirees may not have enough provision for living expenses in their old age.

Coverage of CPF
16. The Workgroup observed that the CPF system effectively covers the employed, with the Medisave system adequately covering the self-employed who are subject to licensing requirements. As Singapore moves towards a knowledge-based economy, more of our workforce will be engaged in flexible or contract work. The group of self-employed who are not subject to licensing requirements is likely to grow in proportion. We have to find a way to bring them within the CPF system.

Low Rate of Return
17. At present, interest on CPF members’ OA and Medisave Account (MA) balances is calculated according to a formula – a weighted average of the fixed deposit (80%) and savings (20%) rates of the four major local banks. The guaranteed minimum is a generous 2.5% per annum. The SA interest rate, in turn, is pegged at 1.5%-points above the OA/MA rate. Hence, by definition, the minimum rate payable for the SA is 4.0%.

18. The Workgroup noted that currently, the HDB subsidised mortgage loan rate is linked to the OA/MA rate – it is fixed at 0.1%-point above the OA/MA rate. The affordable rate is aimed at helping Singaporeans own HDB flats, in line with the Government’s home-ownership policy. The Workgroup further observed that the (low) rate of return on CPF funds could have been a factor behind members’ inclination to use their CPF savings for investment, particularly in housing, where capital gains can potentially be substantial. As long as returns on CPF funds are deemed low, there will be continuing pressure to widen the scope for using CPF. To address this, the Workgroup feels that there is some justification for raising the rate of return, at least for the SA, to be consistent with that of longer-term instruments.

2 The Business Times reported on 23rd April that in a survey commissioned by Citibank, more than half of 500 Singaporeans surveyed (aged 21 and above, earning at least $2,000 per month) believed that their CPF would be able to provide enough cash for retirement.

3 Source: CPF Board
19. The wide range of uses of CPF has, somewhat ironically, undermined the ability of the system to provide for old age needs. The competing draw-downs on CPF have effectively reduced the retirement nest egg. The Workgroup took the approach of repositioning the CPF back to the original intent of providing for old age.

The CPF Basic Model

Operating Principles

20. The present CPF system works through the involuntary savings mechanism to help ensure that members have retirement income and housing, commensurate with their level of pre-retirement standards. Towards this end, the Workgroup sets out three fundamental principles for the CPF Basic Model:

a. Self-reliance and self-financing. Individuals should contribute to providing for old age and not rely on subsequent generations. The CPF should continue to operate as a self-financing, fully-funded scheme.

b. Personal responsibility. The CPF system should only enforce provision for a basic level of needs. Beyond this level, individuals have to plan and provide for themselves in order to satisfy their retirement lifestyle and standard of living preferences.

c. Widest possible coverage. CPF coverage should be broad-based and include the self-employed, contract workers and the non-employed.

Design Parameters

21. The “basic needs” model will provide only a basic level of financial security in old age. In this context, every individual should ascertain and make additional provision for his desired retirement lifestyle. The challenge is in determining the level that would correspond to basic needs. Too high a level would mean that more members would be forced to save for a higher target which they might not achieve. Too low a level may leave people with below a subsistence level of living. The Workgroup considers basic needs as comprising three components: living expenses, medical expenses and housing. Basic housing would refer to entry-level HDB housing, such as a 3-room flat. The bottom 12% of income earners would not be able to afford even this entry-level housing. This group of people would have problems meeting current needs and are unlikely to be able to make adequate provision for old age. Those above the 12th percentile level are likely to be able to afford at least entry-level housing and have the capacity to provide for their retirement.

Living Expenses

22. The current system requires individuals to set aside a MS for monthly retirement income. The announced target is for the MS to reach $80,000 by Year 2003, which will yield a monthly annuity of $613 for 20 years from retirement. The Workgroup felt that it is important to ensure that the cash component of the MS will eventually be sufficient to generate the desired stream of annuity income, corresponding to the typical household expenditure of the 12th percentile population (see preceding paragraph on why the 12th percentile is used).
23. Based on the Household Expenditure Survey 1997/98 by the Department of Statistics, the required amount to generate an annuity to meet expenditure at the 12th percentile income-level will be $65,000 for Year 2003, rising with inflation to $70,000 by Year 2010.

*Medical Expenses*

24. An individual should build up his Medisave account for his own medical needs upon retirement. The Medisave Minimum Sum is currently set at $17,000. The Ministry of Health (MOH) plans to raise this gradually to $25,000 by Year 2003. This is based on the projected hospitalisation needs, pegged at B2 ward levels, of a person and the spouse from age 55 until death. However, many felt that this quantum might not be sufficient for medical treatment, especially for catastrophic illnesses or disabilities. As such, insurance coverage might be appropriate. Where an insurance scheme for serious ailments can help to ensure meaningful coverage especially in old age, the required premiums should ideally be paid out of the MA.

*Housing*

25. The Workgroup noted that there is a propensity for Singaporeans to over-consume or over-invest in housing. While this may be financially prudent from the members’ perspective, over-expenditure on housing tends to come at the expense of provision for old age. The Workgroup refers to this syndrome as "asset rich, cash poor". The common sentiment expressed by retirees is an unwillingness to liquidate their housing or downsize so as to generate cash flow for retirement living expenses. One way of dealing with the "asset rich, cash poor" syndrome is to limit the use of CPF on housing to, say, entry-level HDB housing. This, however, would impact on the home-ownership policy. The Workgroup’s preference is to step-up the rate of contribution to the SA in order to build up the MS. This would indirectly reduce the amount of OA available for housing.

*Suggested Modifications to CPF*

26. The Workgroup seeks to fine-tune the CPF system so as to balance a number of goals, viz. putting aside sufficient balances upon retirement and during old age, starting early to reap the benefits of compounding, and meeting housing aspirations, especially of younger CPF members.

27. *Retain Rate of Return for OA and MA*

   a. Many participants at focus group discussions felt that interest rates for CPF funds should be increased. Many cited low returns as one of the reasons for pressure on greater liberalisation on the use of CPF savings.

   b. Given that both the OA and MA operate like current or savings accounts and can be withdrawn readily for specific uses, there is very little justification for an interest rate that is higher than that based on the current formula. Moreover, a generous 2.5% floor rate is already in place and accrued interest income is tax-exempt.
c. More importantly, with the HDB subsidised mortgage rate pegged at 0.1%-
point above the OA rate, any significant increase in OA rates would
correspondingly enlarge HDB mortgage instalments. This will in turn make
housing less affordable, particularly for single-income families. It would also
affect the cash flow of younger HDB homebuyers and hence, limit their ability
to start saving early for old age. A scenario analysis revealed that the effect
of higher HDB mortgage rates would more than overwhelm the benefit of
paying higher returns on the OA. The issue here is really the rationale for
linking the HDB mortgage rate to the OA interest rate. Given that home-
ownership is still an important goal in Singapore, de-linking would have serious
implications. A corollary is whether the embedded HDB subsidy can be given
in other forms than as subsidised mortgage loans.

28. Peg Returns on SA to Long Term Instruments
   a. The case for attempting to realise as good a rate of return as possible is, however,
      stronger for the SA. Higher interest for the SA would encourage CPF members
to put more funds into their SA for old age needs. SA savings can be considered
as long-term investments and should be pegged to the long-term rate of return
on, say, appropriate Government bonds or comparable fixed income instruments.
   b. As the Government and the HDB are already borrowing from the open market,
      SA funds should receive the same (market) yield for its loans to the Government.
      However, it should be noted that unlike the current formula, where a floor of 4%
is in force for the SA whenever interest rates fall below 2.5% for the OA, there is
      no downside protection from market-benchmarking, unless the floor rate is
      retained.

29. Step up SA Contributions with Age
   a. The Workgroup felt that the current CPF system could be fine-tuned to better
cater to the needs of members, while helping them to set aside sufficient savings
for old age. The need to start a family and buy property usually features
strongly during the early years of working life. Therefore, CPF should continue
to help young Singaporeans meet their housing needs. However, as they
progress in their working life, they would need to shift their emphasis to saving
for old age. The Workgroup therefore advocates that, in principle, the SA
contribution rate should increase with age, similar in spirit to that for the MA.
A possible schedule of contribution for SA is given in Table 1.
Table 1: Proposed Contribution Rates for SA, MA and OA

<table>
<thead>
<tr>
<th>Age (Years)</th>
<th>SA</th>
<th>MA</th>
<th>OA</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>35 and below</td>
<td>4%</td>
<td>6%</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>&gt;35 to 45</td>
<td>6%</td>
<td>7%</td>
<td>27%</td>
<td>40%</td>
</tr>
<tr>
<td>&gt;45 to 55</td>
<td>8%</td>
<td>8%</td>
<td>24%</td>
<td>40%</td>
</tr>
<tr>
<td>&gt;55 to 60</td>
<td>0%</td>
<td>8%</td>
<td>12%</td>
<td>20%</td>
</tr>
<tr>
<td>&gt;60 to 65</td>
<td>0%</td>
<td>8%</td>
<td>7%</td>
<td>15%</td>
</tr>
<tr>
<td>&gt;65</td>
<td>0%</td>
<td>8%</td>
<td>2%</td>
<td>10%</td>
</tr>
</tbody>
</table>

b. Increasing the allocation to the SA would mean a corresponding reduction in contribution to the OA. Such a reduction should result in people being more circumspect about their investment in property.

30. Liberalise Use of SA
   a. The Workgroup recommends that CPF members with SA funds in excess of the stipulated MS be allowed to invest this surplus in “safe” instruments, such as private pension funds and deferred annuities, which can offer potentially better yields. It is felt that members should be allowed to do so even before reaching age 55. The CPF Investment Scheme (CPFIS) could be extended to allow members to invest SA funds in excess of the MS in instruments described above.
   b. Besides giving members greater flexibility and control over their retirement funds, this liberalisation of SA savings would also enhance the development of the private pension fund industry in Singapore. This, in turn, would benefit CPF members as more products would become available.

31. Continue to Build up Cash Component of Minimum Sum
   a. Prior to 1995, CPF members could pledge their property fully against the MS. From 1 July 1995, the MS was raised by $5,000 a year, and would reach $80,000 by Year 2003. By then, half of that or $40,000 will have to be in cash and the other half can be in the form of a pledged property.
   b. The Workgroup felt that the building up of the cash component of the MS should continue beyond Year 2003 until it reaches the proposed basic level, i.e. the 12th percentile of household expenditure. Thereafter, adjustments for inflation should be made, as per current CPF Board practice. This would enable members to provide more adequately for their old age needs, especially when many members are still reluctant to liquidate or downsize their properties when they are old.
   c. At the 1998 dependency ratio of 1.10\(^4\), the inability to generate a meaningful annuity may not be critical as senior citizens could count on younger people, within the family circle, for support. This may not be ideal but is, nonetheless, acceptable. However, as the dependency ratio reaches 1.3 by Year 2030, it is imperative that senior citizens be self-reliant. The point of greatest change in the proportion of senior citizens aged 65 and above is projected to occur around Year 2010 and beyond. For this reason, the Workgroup felt that the cash component of the MS should be in place by around Year 2010. To satisfy the

\(^4\) Dependency ratio of senior citizens (aged 65 & above) to those aged 15 to 64. (Source: Singapore Department of Statistics)
12th percentile benchmark, the amount required by Year 2010 would be roughly $70,000. Once this minimum security is in place, CPF withdrawal at age 55 would no longer be an issue. The cash component of the MS should accordingly be raised from $40,000 in Year 2003 to around $70,000 by Year 2009/2010 (see Table 2).

Table 2: Proposed Composition of Minimum Sum

<table>
<thead>
<tr>
<th>Age 55 on or after</th>
<th>Minimum Sum</th>
<th>In cash (% of MS)</th>
<th>In property (% of MS)</th>
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<tbody>
<tr>
<td>1 Jul 1999</td>
<td>$60,000</td>
<td>$20,000 (33%)</td>
<td>$40,000 (67%)</td>
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<td>1 Jul 2000</td>
<td>$65,000</td>
<td>$25,000 (38%)</td>
<td>$40,000 (62%)</td>
</tr>
<tr>
<td>1 Jul 2001</td>
<td>$70,000</td>
<td>$30,000 (43%)</td>
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32. Maintain Withdrawal Age at 55
   a. Over the years, Singaporeans have grown used to withdrawing part of their CPF savings at age 55 although some members could end up having insufficient balances in their Retirement Account (RA) to meet old age needs after making this withdrawal. However, with the shift in emphasis to providing for basic needs through the cash component, the withdrawal age can remain at age 55. In fact, the withdrawal age should no longer become an issue as withdrawals will not be at the expense of the MS.
   b. In principle, longer life expectancy would support raising the withdrawal age in tandem. However, as many existing (older) members have already made plans for the use of funds to be withdrawn at age 55, any raising of the withdrawal age at this stage may pose cashflow problems or jeopardise their plans. The Workgroup therefore felt that, if there is any need at all, any deferral should be considered only for new members.
   c. There is also the related question of whether funds in excess of the MS can be withdrawn before age 55. Most Singaporeans would still want to rely on this involuntary savings mechanism which was conceived to provide specifically for old age. All CPF savings, not just the MS, are for members’ old age purposes. In any case, existing schemes for housing and Investments, coupled with the proposal to liberalise the use of SA, would already provide sufficient flexibility to those who so desire. All Singaporeans should participate in the CPF savings scheme as a matter of national policy.
33. **Allow Flexibility for Withdrawal of Retirement Account**
   a. Hitherto, the withdrawal age for the RA has been pegged at the official Retirement Age. While the Retirement Age "protects" workers who would like to continue working till 62 years of age, there is a sizeable number\(^4\) of individuals who stop working way before 62 years old. Even if they remain employed, older workers may earn less and need supplementary income from other sources, such as their CPF savings.
   b. If the Retirement Age is progressively raised to 67, those who stop work at say, age 55 would have to wait 12 years before they can draw down their RA. This could present financial difficulties to those who cannot continue to work. On the other hand, keeping the withdrawal age at 62 may be seen as inconsistent with encouraging people to continue working for as long as possible. It could be suggested that members be required to go through a means test for withdrawing their RA earlier than the Retirement Age. However, such a system could be impractical and difficult to administer as it would affect a sizeable proportion of members.
   c. Instead of moving the RA withdrawal age up with each subsequent revision of the Retirement Age, the Workgroup suggests allowing flexibility in the withdrawal of RA from age 62 so as to enable the older workers to supplement their income from the RA.

34. **Extend Coverage of SA Contribution**
   a. The CPF scheme is fairly comprehensive in its coverage. Self-employed persons earning a net trade income of more than $2,400 a year are required to make compulsory contributions to the MA.
   b. The Workgroup suggests that the CPF system be extended to provide coverage for as many Singaporeans as possible. Specifically, SA contributions should be made compulsory for the self-employed (as is the case for the MA) and contract workers through their licensing and Inland Revenue Authority of Singapore's mechanisms.
   c. The Workgroup also recommends that CPF coverage be extended to the non-employed (e.g. housewives) - the group most in need of financial security in old age. The proposed approach is to provide some form of incentive for family members to make voluntary contributions on their behalf. For instance, siblings could make voluntary contributions into their non-employed family members' SAs, which can be made tax-exempt, subject to a cap. Whenever there are budget surpluses, the Government should consider extending matching top-up grants, specifically for the SAs of all Singaporeans, including this group of non-employed citizens.

**Implementation Issues & Considerations**

35. Currently, the total CPF contribution stands at 30%. When the 10%-cut is to be partially or wholly restored, there is opportunity to bring about some of the changes proposed above. The priority of restoration should be the SA and then the OA.

\(^4\) The labour force participation rate (1998 figures) dropped rapidly from 69% in the 50-54 age group, to 53% in the 55-59 age group, to 31% in the 60-64 age group. (Source: Report on the Labour Force Survey of Singapore)
36. MOH is the custodian of the Medisave Account. In the same vein, we need to examine the need for a separate custodian, other than the CPF Board, for the SA, to ensure that operating policies are updated and reviewed regularly. Unlike the use of the MA, which is directly linked to the consumption of medical services and which falls under MOH's purview, administration of the SA can remain separate from policy formulation. As the SA is primarily for old age needs, it is appropriate for the Ministry of Community Development (MCD) to be actively involved in helping to draw up guidelines for the SA, with CPF Board remaining the administrator and custodian.

ROLE OF PRIVATE FINANCIAL SECTOR

The Power of Compounding

37. The amount of savings that would be accumulated for old age use depends on three main factors: duration over which the savings are accumulated, the amount set aside in each time frame, and the rate of return earned on the amount saved. Of significance is the rate of return earned on the accumulated savings.

38. Often referred to as the "power of compounding", the impact of a higher return earned on the eventual amount of savings accumulated is not linear but exponential. For example, to accumulate enough savings such that one would have $1,000 to spend each month over a 20-year period, one would need to set aside a monthly saving of $750 over 35 years if the rate of return on the accumulated savings was 3% p.a. However, if the rate of return earned was 5% p.a., then the amount that needs to be set aside would be reduced to $500 a month; or for a return of 7% p.a., an even smaller $250 a month.

39. Thus, if we could earn a higher rate of return on our savings, we would have more to spend on retirement for a given level of savings set aside each month. Conversely, we would need to set aside less each month to achieve a given level of retirement income if the rate of return earned on our savings was higher.

Rate of return on CPF Savings

40. Currently, the rate of return on our CPF savings is determined very much by the Government. Although the CPF Board pegs the rate of return on OA balances to bank deposit rates, the Government still decides on the formula for the pegging.6

41. Such a framework of relatilities imposes constraints on the ability of the CPF Board to adjust its rate of return on savings responsively to the market. For example, any increase in CPF interest would be perceived to be at the expense of the HDB flat owners. It is possible that the Government could be persuaded to give a higher rate of return on CPF savings. But the limit to what the Government might be prepared to pay would probably be what it pays on the long-term bonds that it issues. However, even this rate of return could be deemed too low for the accumulation of the nest-egg. This is because the high credit rating of the Singapore Government enables it to

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6 To recap, OA pays a weighted average of 80% 12-month fixed deposit and 20% savings rate; SA pays 1.5%-points above OA. The HDB subsidised mortgage rate is 0.1%-point above the OA rate.
price its bonds competitively. But it would not be realistic to ask the Government to pay CPF a higher rate for its funds than what it would pay on the open market. We may therefore have to look to the private financial sector for opportunities to earn a higher rate of return on CPF savings.

**Private Sector Investment**

42. Under current rules, CPF members can invest through the private sector under approved investment schemes, or CPFIS. However, such schemes are individual-based. As a result, not many members bother to go through the hassle of setting up investment accounts to invest the money. For those who do, they tend to lack an awareness of risk and portfolio diversification and frequently look to investments that appear to give a quick return. For example, most of their money is placed in the stock market, which can be very volatile.

43. To successfully tap the private sector financial markets, two important aspects have to be addressed. From the private sector’s point of view, there must be a critical mass of investors for the scheme to be viable. This is because the total sum invested must be sufficiently large for risk sharing to be meaningful before private sector firms can offer a significant range of options, for example pooled funds. Therefore, the existing customised, individual-based scheme that CPF has might not be ideal.

44. On the other hand, from CPF members’ perspective, they must be assured of the stability and integrity of the private sector financial markets if they were to be persuaded to put their money there. This is because investments in retirement instruments would typically be for the long haul. CPF members would want to be assured that the companies they invest in would be around when they retire. There should therefore be sufficient regulation or supervision of financial companies offering such investment opportunities.

45. Extrapolating from the above arguments, there would probably be a need for a mixed system - part of the savings to be held in CPF, within the SA, for meeting basic needs and the surplus can be invested in private sector instruments. However, the entire sum of retirement savings under SA cannot be withdrawn until retirement, i.e. the gains are retained.

46. The local market for annuities and insurance products that offer deferred benefits or returns when members retire is relatively underdeveloped. For the industry to grow and flourish, we need to free up CPF funds for such instruments and to provide some form of incentives (such as tax treatment which is dealt with in paras 48 and 49). In respect of insurance or annuity products, one major obstacle has been the high cost of distribution. There are two approaches to deal with this:

   a. **Reduce cost of distribution.** The insurance industry in Singapore has hitherto relied on retailing (one-to-one) in its marketing approach. Shifting towards wholesaling (one-to-many) will bring down distribution costs drastically. One proven means is to have large employers come in as sponsor and administrator for insurance or annuity schemes offered by appointed third-party preferred providers. Such a scheme should incorporate the element of portability, i.e.
an employee can move to another employer and continue with the scheme in a seamless way. The parallel of this is the US’ 401(k) scheme.

b. Generate higher returns for policyholders. Better returns will offset the high cost of distribution. More disclosure of sales, and fees and commission paid to agents will help consumers to make better choice and promote competition among service providers. The current commission structure in the industry has a bias towards life insurance products. There is less incentive to market annuity products. There is a need to review the commission structure. These moves will help ease growth on the supply end. Public education and healthier competition will help stimulate demand.

47. The development of a viable role for the private financial sector to complement the CPF system is a complex subject that would need to be studied in greater depth. The Workgroup therefore recommends that the CPF Board draw up broad guidelines for possible investment of surplus SA funds in private sector retirement instruments. The Monetary Authority of Singapore (MAS) should also review the potential for such a role beyond the CPF source of funds, including private savings.

Tax Incentives

48. Besides a conducive regulatory framework, there should also be tax incentives for private sector retirement-related products to flourish. The market for products that provide for deferred benefits or returns should be purposefully developed. Singapore currently offers very little preferential tax treatment for such products, e.g. annuities, in contrast to markets elsewhere. From the viewpoint of financial planning for old age, investments or products which are designed to enhance cash flow during retirement, defined say as from age 65, are preferred to other schemes, as they effectively reduce the risk of individuals "squandering" away their retirement savings. There is therefore a case for such products to be treated more favourably than other investment schemes from the taxation angle. Further, to encourage forward planning, tax incentives could be designed to favour contributions from early years, say from age 35 when SA contributions are stepped up.

49. Specifically for annuities and similar products, the recommendations for preferential tax treatment can be centred around encouraging (multiple) provisions by individuals in relation to mortality:
   a. Allow complete tax exemption of payments from immediate (life) annuities purchased outside of CPF, subject to the imposition of a minimum age, say 55 years;
   b. Allow a new personal pension product for employees and self-employed with income above the CPF ceiling of $6,000 per month, but with deductible contributions limited to 20% of income. Ideally, this product would receive the same tax treatment as private pension funds approved under Section 5(6) of the Income Tax Act, i.e. the premiums are tax deductible, accumulations during the deferred period are tax-exempt, but annuitisation proceeds are fully taxable; and
   c. Remove implicit tax disincentives for private deferred annuity products, e.g. eliminate existing premium-to-sum-assured ratios, remove or raise the $5,000 annual limitation to tax relief. Perhaps, a new qualifying category should be created to place emphasis on old age provisioning.
PUBLIC EDUCATION ON PLANNING FOR FINANCIAL SECURITY

Key Considerations

50. Financial planning for old age should be based on three pillars, namely social security (CPF), personal savings and private retirement instruments (e.g. insurance, pension plans). The Workgroup observed that in Singapore’s context, given the dominance of the CPF, the importance of the other two pillars is often glossed over and underestimated by many. Rightly or wrongly, this may have created the myth that CPF alone is sufficient for old age needs or that it represents the whole of financial planning. The Workgroup suggests that in this regard, any public communications efforts, be it by the Government or private sector, should not reinforce this myth, but must clarify and reiterate the importance of comprehensive financial planning, i.e. one which encompasses all the three pillars.

51. The dominant role played by the Government (via the CPF) in financial security may have inadvertently discouraged individuals from planning for their own old age financial security as the burden of responsibility is placed on the Government. In addition, given our cultural and values system, there is a tendency for the older generation to want to leave some form of inheritance to the younger generation or to allow the desires of the younger generation to take precedence over their own needs (which may actually be more critical). This is one reason for the lack of popularity of reverse mortgages even if they were more readily available.

52. Therefore, there is a need to foster personal responsibility among Singaporeans, especially the older generation, to plan proactively for their individual old age security and to achieve financial independence. It should be emphasised that financial independence is not equivalent to individualism and does not result in the fragmentation of family bonds. Achieving financial independence is in fact fulfilling a responsibility to themselves and the family, and aims at avoiding being a financial burden to their families. (For the growing number of unmarried people, the notion of financial independence is an even more important idea to communicate.)

53. Financial planning is a lifelong process and financial security, in most cases, cannot be achieved overnight. The importance of achieving financial security is often overridden by more desirable short-term needs (such as housing, cars, etc). The Workgroup recommends that Singaporeans be educated on the importance and benefits of early planning for financial security in old age. They should realise that the compounding effect of savings rewards individuals who start planning early.

54. Public education has to be a multi-tier effort. At the basic level, there is a need to educate Singaporeans of the need for comprehensive, proactive and early financial planning. At the practical level, there is a need to educate Singaporeans on how to plan and where to put their money. While the CPF Board, in partnership with relevant agencies, is well placed to perform the first role, it lacks the expertise and mandate to perform the second role. Neither is it desirable that it does. This area of public education should be filled by the private sector, and in particular, by credible and independent financial planners.

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2 It may well be the case that for some Singaporeans, the CPF is indeed sufficient for their needs. The key point to note is that this conclusion ought to be based on actual planning by individuals, and should not be grounded in the false illusion or misplaced faith that the CPF will meet all their expectations.
Messages
55. In view of the above, the Workgroup recommends two key messages to underpin our (Government and community) public education efforts in the area of financial security. Both messages are universal in that they apply to all age groups:

a. Message 1: Take Charge (of your own financial security in old age). This message stresses the importance of taking personal responsibility for one’s own old age financial needs. Operationalising this involves informing Singaporeans of the need to plan for their old age, equipping them with the skills and information to do so, encouraging them to plan at all stages of employment, and educating them how to manage their savings and expenditure in the post-employment stage.

b. Message 2: Start Early. This message emphasises that financial planning for old age should be a lifelong process. Operationalising it requires specific programmes targeted at the various age groups (who clearly have different needs at different stages of their lives).

Implementation
56. The Workgroup also recommends a three-pronged approach be adopted for the public education and awareness package to drive home the above messages. The three sectors are: Government (MCD, MAS and CPF Board), service providers (e.g. banks, insurance companies, financial planners) and the community (i.e. grassroots organisations, Community Development Councils, etc).

57. The Workgroup suggests that MCD, rather than CPF Board, be given the mandate and responsibility of driving a sustained public education programme, incorporating the above messages. Financial planning for old age encompasses not just the social security element but also private savings and private retirement instruments. Clearly, this is beyond the scope of the CPF Board, which is only responsible for the social security element. MCD, on the other hand, has the greatest interest in ensuring that our senior citizens have the means to take care of themselves, at least financially. Examples of effective and successful public education tools and programmes abound elsewhere and should be tapped on and reviewed for possible adaptation for use in Singapore.

58. The Workgroup also recommends that a pool of credible, independent financial planners (as opposed to product vendors of particular firms) be developed. Where necessary and useful, this could be facilitated by MAS, as part of their strategy to enhance the financial services sector in Singapore. If need be, licensing requirements should be modified to ensure viability of the provision of such services. Non-Government agencies such as the Financial Planners Association of Singapore (FPAS) should play an active role.

59. To be able to plan long term for old age security financial needs, Singaporeans need to be more investment-savvy and aware of risk management and diversification. Accelerating the development of the financial planning sector would help increase the financial knowledge and sophistication of Singaporeans.
APPENDIX B4

Report of the IMC Workgroup on Employment and Employability

BASIC PHILOSOPHY
1. As our population ages, enhancing employability and employment opportunities for our older citizens will be a key strategy in ensuring that Singapore continues to thrive socially and economically.

2. Social Imperative. Keeping a person employable and employed for as long as possible will demonstrate vividly to all Singaporeans the belief that every Singaporean matters, and that they remain valued members of the community even as they advance in age. At the same time, remaining actively engaged into one’s old age helps to sustain and enhance one’s health, well-being and quality of life.

3. Economic Imperative. Demographically, our birth rates will decline while life expectancy increases. Thus the pool of senior Singaporeans will become a rapidly expanding resource. In order to sustain our economic development, there will be a need to tap our older workers to meet manpower needs. Keeping older Singaporeans in active employment will also help to enhance their financial independence and security, a key concern as the dependency ratio increases.

4. This emphasis on the employability and employment of older Singaporeans must take place against the backdrop of Singapore’s evolution into a knowledge-based economy which demands new skills and know-how.

DESIRED OUTCOMES
5. We want older Singaporeans to remain employable and to have access to meaningful employment in the face of rapid technological changes and increased demand for new skills. The desired outcomes are as follows:
   a. Active engagement through continued employment and community activities; and
   b. A regular income for those who need to supplement their savings to maintain financial independence and security.

6. In examining the issues related to the older Singaporeans of today, the Workgroup has also taken into account those who are in their 40s and 50s, who will become senior citizens in 10-20 years’ time. The Workgroup has also taken into account on-going initiatives such as Manpower 21 and the Back-to-Work (BTW) programme.

ANALYSIS OF SITUATION
7. Demographics. Although there is a perception that employers discriminate against the older worker, this is not evident from the data the Workgroup gathered from various sources. The following are salient points regarding the demographics and employment of elderly Singaporeans:
   a. Our population is ageing quickly. The proportion of residents who are aged 65 and above is projected to grow from 7% today to 19% in 2030. In absolute terms, the number of senior citizens will grow from 235,000 to some 800,000.
b. The proportion of Singapore residents who are economically active declines steadily with age. The labour force participation rate for older residents is low in comparison to other newly industrialised economies and developed countries. In particular, the participation rates for the female labour force (e.g., 22% for those aged 55-64) are among the lowest. This is of concern in the context of an ageing population.

c. Among residents aged 40 and above, there is a high proportion with a low level of education (i.e. below Secondary 2 education). Among those aged 40-49, 50-59 and 60+ years, the proportion are 46%, 62% and 67% respectively. In the next 20 years, the educational level of our future older workers will increase quite significantly, and their employability will be better than the current cohort of senior citizens. However, there will still be a large group of poorly educated older workers who will face the problem of employability in the next 10-20 years.

d. Among those aged 40 and above who are unemployed or are economically inactive, the majority are those with low educational attainment.

e. Only 70% of the economically inactive persons aged 55-64 have working experience. The two most common reasons for stopping work are ‘housework’ and ‘retirement’. Nearly three out of five females cite ‘housework’ as the reason for leaving the workforce while one out of five cite ‘retirement’. For the males, ‘retirement’ is the chief reason (four out of five males cite this reason). There is thus a large pool of the ‘retired’ who can be tapped for continued employment and active engagement in community activities.

8. Impediments to Employment of Senior Citizens. The biggest impediment to the employment of senior citizens is the mindset of both the employer and the older worker. However, mindsets can change with time and education. As our workforce ages, employers will find themselves having to employ older workers. With realistic wage expectations, highly skilled older workers should remain employable with continual retraining. However, workers who are poorly educated (with educational level less than the Institute of Technical Education) would require some assistance to find employment. The following are some of the impediments often cited:

a. Obsolescence of skills and lack of upgrading opportunities for older workers. Compared to younger workers, many older workers see a lesser need for upgrading skills and retraining. Hence, they lack the necessary skills to take up new jobs.

b. Mismatch in pay expectations between older workers and employers.

c. Productivity level of older workers relative to the cost of employing them. In some vocations, the lower capacities caused by age often result in lower productivity. This is compounded by the concern over higher medical cost and illness-related absenteeism associated with hiring older workers versus that of younger persons. However, there is recognition that older workers are less likely to job-hop than younger ones.
d. Unwillingness to work. For senior citizens, working for a living at this stage of life often no longer takes top priority. Many are reluctant to work because of concern over inflexible work arrangements.

SILVER MANPOWER CENTRES
9. The education profile of Singapore's population will continue to improve. However, over the next 10-20 years, there will be a lingering group of older workers whose education levels are low, and who will find it difficult to remain employed or find employment without some measure of assistance. For many of them, their most likely source of employment will come from the services and community sector. The Workgroup thus proposes to set up Silver Manpower Centres (SMCs) to facilitate the continued participation of this group of people in the workforce.

10. Role of SMC. The SMC is conceived to be a one-stop training, counselling and job placement centre. It will provide advice, proactively solicit job opportunities, and facilitate placements for individuals who wish to work. To avoid unnecessary duplication, the SMC will work with other organisations to provide information, training and job placements where possible. The SMC's unique role will be in its community focus - it will be located in housing estates, with potential jobs expected to come from the local community or nearby areas. For those who do not need to work for a living, SMCs can also help them get more involved in community activities and volunteer work.

11. Feedback from focus group participants indicated that they were keen on the idea of SMCs as it is a proactive step towards facilitating employment and community involvement for senior citizens. Participants at the Ministry of Community Development-Institute of Policy Studies Conference on Ageing in Singapore were also supportive.

12. The following are options to operationalise the idea:
   a. Government could provide seed money to help private or voluntary organisations set up SMCs; or
   b. SMCs could operate not as stand-alone organisations, but as extensions of the Ministry of Manpower (MOM)'s Career Centres that are expected to work with the Community Development Councils (CDCs).

13. The Workgroup agreed that it is preferable for SMCs to operate as extensions of MOM's Career Centres working with the CDCs. This would avoid duplication of resources with the Career Centres and allow the SMCs to tap into the CDCs' good local knowledge and networks in the community. It is also a good way to give greater responsibility to the local community. In terms of funding, the SMC can be jointly funded by MOM and the CDCs.

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1 In this respect, the SMCs would also fit into the Ministry of Community Development (MCD)’s move to decentralise the delivery of social care to the community and neighbourhood level.

2 Under its Manpower 21 framework, MOM has proposed a network of one-stop career centres. These centres aim to provide workers of all levels with one-stop information and advice on labour market trends, skills demands, employment and training.
CREATING MORE JOBS FOR OLDER WORKERS
14. Establishing SMCs alone to facilitate older worker employment is not enough. The Workgroup noted that employers must also be willing to take on older workers. The Workgroup studied the possibility of increasing older worker employment in sectors that could accommodate a higher percentage of older workers, such as food preparation, childcare, community services, retail and cleaning services. The intention is for SMCs to link up with employers, source for older workers, and if necessary, help to provide training for older workers for these companies in the future.

15. Meetings were held with Metro, Robinson’s, Singapore Airport Terminal Services, Singapore Food Industries and McDonald’s. Most of the companies claimed to be positive about taking in older workers and were willing to link up with SMCs. However, in sectors where foreign workers are allowed, employers generally do not prefer older local workers even if they have the requisite skills. The presence of young foreign workers could potentially distort the demographics of the supply of labour. In order not to deprive older workers with the requisite skills of job opportunities unfairly, the supply of lower skilled foreign workers needs to be calibrated carefully and reviewed whenever possible.

TRAINING FOR OLDER WORKERS
16. Training and retraining are essential to ensure the employability of older workers. Workers felt very strongly that training should be focused and job-specific. For older workers, training should be tied to the promise of jobs or job opportunities as a result of their training. Current training infrastructure and incentives, such as training subsidies under the Skills Development Fund and Skills Redevelopment Programme, are available to encourage older workers to take up training. However, for the next decade, a large proportion of older workers is likely to be constrained by having a low education and be conversant only in the mother tongue. Hence, they would lack the basic skills and qualification needed to upgrade their skills. This would limit their ability to remain employable. It would be essential to explore means to expand their training opportunities. We would also need to address the mindsets of older workers, help them gain confidence, and change their perception to one that learning is a lifelong process. The following are recommended to enhance the training opportunities for older workers:

*Expand Training Opportunities*

a. To reduce academic barriers to training courses by taking into account other criteria, such as work experience;

b. To tailor more courses to meet the needs of older workers, such as conducting courses in modular form instead of long stretches to cater to the commitments of the older workers, and “taking training to older workers”, e.g., at their current workplaces (just before they retire and move on);

c. To focus training programmes for older workers for jobs in the service and community sectors e.g., retail and food preparation; and

d. To raise the education level of less educated older workers by improving their literacy and numeracy skills. If successful, this would open up significant opportunities for older workers.
Funding for Older Worker Training

- To allow the proposed SMCs to be surrogate employers to sponsor some training subsidies for the senior citizens;
- To develop measures to encourage older workers to take more responsibility for their own lifelong training; and
- To provide training subsidies for job-specific pre-employment training for retirees and retrenched workers who have potential employers.

MEASURES TO INCREASE EMPLOYMENT OPPORTUNITIES FOR OLDER WORKERS

17. The main concern that employers have when employing older workers is that of higher costs relative to the productivity of older workers. While formulating measures to upgrade the skill sets of older workers, it is necessary to address the cost concerns of employers and to encourage employers to undertake more progressive human resource practices like job redesign and flexible work arrangements. Obstacles to self-employment or entrepreneurship should be removed. The following are proposed measures to increase employment opportunities for older workers:

- a. Recognise companies with progressive human resource practices that emphasise skills upgrading and elder-friendly work arrangements. In this context, Government agencies and union co-operatives should be model employers in job and workplace redesign, flexible work arrangements and employment of older workers.
- b. Review Government guidelines for the issue of general business licenses and licenses to pursue specific businesses, to cater to the elderly entrepreneur.
- c. Review existing legislation and guidelines with a view to enhancing and facilitating part-time and flexible work arrangements.
- d. Encourage workers to work for as long as they can. This can be achieved through public education on the contributions older workers can continue to make and the benefits of working as a means to maintaining a healthy and independent lifestyle.
- e. Encourage the offer and take up of portable personal medical insurance to reduce medical costs of employing older workers.

CONCLUSION

18. With better health and better education, our senior citizens are productive and are capable of making positive contributions to the community. The current mindset of seeing older workers as unproductive and problematic has to change. Workers must also see the need for continual upgrading and training to remain employable. Access to continual skills upgrading needs to be provided for older workers. At the community level, there is scope to encourage our senior citizens to be engaged in the community, and to facilitate employment for those who need assistance.

RECOMMENDATIONS

19. The following are the Workgroup recommendations:

- a. To establish SMCs with Government funding support as highlighted in paras 9-13;
- b. To enhance the access of older workers to training opportunities as highlighted in para 16; and
- c. To increase the employment opportunities for older workers as highlighted in para 17.
INTRODUCTION

1. Demographic trends indicate that our society will age rapidly over the next three decades. In 2030, one out of every four Singaporeans would be over the age of 60 years, and one out of five would be over the age of 65 years. With increasing life expectancy, older Singaporeans can expect more than 15 years of life ahead of them after retirement.

2. While an ageing population will pose new challenges to our society, it will also present new opportunities. Traditional assumptions of senior citizens as dependent consumers in need of care may be less relevant in the future. With rising standards of health and increasing educational qualifications, the post-retirement lifestyle of the future would be radically different from that of today. Increasingly, our challenge is to provide a meaningful role for the independent and healthy senior citizens so that they can continue to contribute to society in their retirement years. Housing for senior citizens should thus not be seen as a mere bricks and mortar issue but a fundamental part of an overall initiative to maintain senior citizens as integrated members of the community and to promote an active and vibrant senior citizenry.

TERMS OF REFERENCE

3. The terms of reference of our study are as follows:
   a. To establish the basic policy framework and desired outcomes that should underpin Government’s housing for senior citizens and land use policies,
   b. To propose socially desirable housing options to accommodate senior citizens within the larger community,
   c. To propose refinements to existing schemes to promote extended family living, and
   d. To rationalise financial security so that expenditure on housing for senior citizens would not become an exorbitant expense.

TARGET GROUPS OF THIS STUDY

4. The senior citizens may be broadly classified into the three types as shown in Table 1. Our study would focus primarily on the housing needs of the socially active, healthy and ambulant (Type A; 93% in 2030) senior citizens as well as those seniors requiring low level of medical/nursing care (Type B; 5% in 2030). These are the senior citizens who can integrate with the larger community with suitable support and care from family and community. Together, the two groups form 98% of all senior citizens. The Population Planning Unit in 1988 projected that there would be 41,000 Type B senior citizens in 2030. If we develop the infrastructure and support services to allow them to remain at home, they would require less costly institutional medical care.

1 These figures are likely to remain high as senior Singaporeans are expected to have fewer illnesses and disabilities in future, especially if our Healthy Lifestyle programmes are successful. Nonetheless, these figures would be reviewed regularly and will be revised if there are changes in future trends.
Table 1: Classification of Senior Citizens

<table>
<thead>
<tr>
<th>Type</th>
<th>Classification</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Individuals who are healthy enough to look after themselves. They require minimal medical care and are ambulant.</td>
</tr>
<tr>
<td>B</td>
<td>Individuals who are restricted in their activities. They require personal care such as assistance in bathing, feeding or going to the toilet and/or low level of medical/nursing care.</td>
</tr>
<tr>
<td>C</td>
<td>Individuals who require high level of medical/nursing care such as tube feeding. They are mostly bedridden.</td>
</tr>
</tbody>
</table>

Note: The above classification was developed by Dr K C Lun of the Department of Social Medicine and Public Health, National University of Singapore (NUS)

PICTURE OF THE FUTURE SENIOR CITIZENS - DEMOGRAPHIC TRENDS

5. The demographic trends are seen in Table 2 as follows.

Table 2: Demographic Trends

<table>
<thead>
<tr>
<th>Features</th>
<th>Today</th>
<th>2030(^3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher proportion of senior citizens</td>
<td>1 in 14 aged 65 and above.</td>
<td>1 in 5 aged 65 and above.</td>
</tr>
<tr>
<td>Greater absolute number of senior citizens</td>
<td>225,900</td>
<td>795,900</td>
</tr>
<tr>
<td>Majority will be healthy and ambulant</td>
<td>92.8% (^2)</td>
<td>93%</td>
</tr>
<tr>
<td>More educated</td>
<td>10.8% with secondary education in 1995.</td>
<td>62.2% with secondary education.</td>
</tr>
<tr>
<td>More single senior citizens</td>
<td>3.3% in 1995</td>
<td>10.2% in 2020</td>
</tr>
</tbody>
</table>

\(^2\) The National Survey of Senior Citizens in Singapore, 1995;
\(^3\) Projections by the Department of Statistics

6. The rate of ageing, particularly from 2005, is a cause for concern. Singapore is actively recruiting young foreign talent, some of whom would sink roots and become part of Singapore. If our efforts to attract foreign talent are successful, we may be able to maintain the current population age profile, or at least slow down the rate of ageing. Nevertheless, even if foreign talent attraction is successful, there is still a need to address the larger absolute numbers of senior citizens. On the positive side, the higher education profile as well as the larger numbers suggest that the future senior citizens have the potential to be a valuable resource, capable of leading independent lives and actively contributing to the economy and society.
DRIVING FORCES
7. There are two sets of driving forces which have a bearing on the issues at hand:
   a. Those affecting decisions on housing and living arrangements for senior citizens; and
   b. Those pertaining to socio-economic developments in Singapore.

8. Driving Forces affecting housing and living arrangements are:
   a. Family cohesiveness and family ties: Today, family ties amongst
      Singaporeans are still strong. This may be put to test with greater female
      workforce participation, economic independence among senior citizens and
      more of the young working and living overseas.
   b. Dependency levels: The aged-dependency levels are projected to increase in
      future. As the burden on each family increases, it may be more difficult
      for smaller families to take care of more senior citizens. This could affect
      the level of family cohesiveness in future.
   c. More independent senior citizens: However, senior citizens themselves are
      also becoming more independent given rising economic affluence as reflected
      in the Singapore 21 survey.

9. These three driving forces affect the attitudes of senior citizens towards living on
    their own. With more independent seniors being less willing to rely on their
    family members, and with families themselves being less able to cope with taking
    care of senior citizens, it is likely that there will be more seniors living on their own in
    future. These seniors may live together with their spouse or within a community of
    senior citizens. Between 1990 and 1997, the fastest growing type of senior living
    arrangement was that of senior citizens living with the spouse only - away from their
    children. The number of such households has more than doubled during this
    seven-year period. In 1997, 15% of households comprised of senior citizens living
    alone or with spouse only, compared to 9% in 1990. In its revisions to the
    Concept Plan, the Population and Housing Sub-Committee chaired by the Urban
    Redevelopment Authority (URA) has adopted the Ministry of Health’s (MOH)
    assumption that 25% of seniors would be living on their own in the long term.

10. The driving forces pertaining to socio-economic developments in Singapore are:
    a. Development of the people sector: It is not certain how fast the people
        sector will develop, and what shape it will take. The growth and participation
        of Voluntary Welfare Organisations (VWOs) in providing services and care for
        senior citizens is a critical uncertainty.
    b. Knowledge-based society and economic growth: Singapore’s ability to
        become a knowledge-based society and our ability to sustain our
        competitiveness and economic growth will have an impact on our ability to
        fund programmes for senior citizens and the seniors’ own ability to support
        themselves. Provided the future senior citizens acquire the relevant skills and
        remain adaptable, they can remain economically active well beyond the
        retirement age.
    c. Grey activism: The increasing numbers of senior citizens can be the source of
        volunteers for many important community and VWO services. This could also result
        in a more vocal senior population, which could become a possible political lobby group.
d. Other needs of senior citizens: Senior citizens have other needs besides housing. The more important needs are expenses for daily activities and health care. Whilst the daily expenses remain more or less constant, the health care need of the individual senior citizen, and how to finance this need, remains a critical uncertainty for them. Whilst senior citizens are able to live longer lives, their health care may be deferred but cannot be avoided.

11. In the light of the above driving forces, four possible scenarios have been drawn up.

More cohesive families

<table>
<thead>
<tr>
<th>Filial Piety</th>
<th>Golden Years</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Strong and dynamic close-knit Asian family structure.</td>
<td></td>
</tr>
<tr>
<td>- Senior citizens unable to respond to knowledge-based economy and lack financial independence.</td>
<td></td>
</tr>
<tr>
<td>- Senior citizens stay with and are cared for by children.</td>
<td></td>
</tr>
<tr>
<td>- Family supported by strong network of volunteers and VWOs providing specialised services e.g. homecare.</td>
<td></td>
</tr>
<tr>
<td>- Senior citizens remain in close contact with their families, staying near or with their children.</td>
<td></td>
</tr>
<tr>
<td>- Senior citizens self-sufficient/self-reliant, working part-time after retirement.</td>
<td></td>
</tr>
<tr>
<td>- Senior citizens only call on their children’s assistance when needed and vice-versa.</td>
<td></td>
</tr>
<tr>
<td>- Strong community spirit and volunteerism amongst seniors.</td>
<td></td>
</tr>
</tbody>
</table>

Less independent senior

<table>
<thead>
<tr>
<th>Empty Nest</th>
<th>Silver Power</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Slow and steady decay of the family structure.</td>
<td></td>
</tr>
<tr>
<td>- Children move out, leaving their parents alone.</td>
<td></td>
</tr>
<tr>
<td>- Senior citizens unable to cope with the pace of change - dare not venture far from home, unable to find employment.</td>
<td></td>
</tr>
<tr>
<td>- Weak support services from VWOs.</td>
<td></td>
</tr>
<tr>
<td>- Lack of financial resources, little family support, leading to lonely lives for senior citizens.</td>
<td></td>
</tr>
<tr>
<td>- Less cohesive families.</td>
<td></td>
</tr>
<tr>
<td>- Economically active and independent, but not by choice.</td>
<td></td>
</tr>
<tr>
<td>- More seniors live alone, spending less time with their children/grandchildren.</td>
<td></td>
</tr>
<tr>
<td>- Volunteerism among seniors to satisfy their social needs, providing boost to support services for other senior citizens.</td>
<td></td>
</tr>
</tbody>
</table>

12. In many ways, "Golden Years" represents the "ideal" vision we have for our future senior citizens. The other scenarios represent the different ways the future could develop. Policies for housing the seniors and related strategies would therefore need to be robust across these scenarios.
DESIRED OUTCOMES AND KEY PRINCIPLES

13. Given the above scenarios, our desired outcomes for housing for the senior citizens are as follows:
   a. Best possible range of viable housing solutions for individual senior citizens backed by adequate support care services: This recognises that each person is different, in terms of family circumstances and relationship with other members of the family, as well as their financial situation and individual needs, preferences and requirements. Hence, it is necessary to provide the widest choice and flexibility in terms of housing types, living arrangements and financing schemes, while making the best use of our scarce land resources.
   b. A vibrant society where the senior citizens are integral, actively contributing and valued members of a wholesome community. This is the heart of Singapore 21 - that every Singaporean matters, and that there are opportunities for all to continue contributing to society. A vibrant society is crucial for our continued economic and social dynamism. At the same time, this emphasises that senior citizens are part of strong families, integrated into the mainstream of society, not as a separate group in need of special assistance just because of their age.

14. The desired outcomes are founded on the following key principles:
   a. Uphold basic tenets of Singapore society: Housing policies should support the basic tenets of our society, in particular, the strengthening of family as the foundation for fulfilling lives and wholesome, racially integrated communities.
   b. Support stakeholdership in Singapore: While home ownership and asset enhancement has been a cornerstone of building stakeholdership in Singapore, we are now moving towards stakeholdership built on shared values, common purpose and strong ties. Housing policies should take this into account.
   c. Seniors as integral, actively contributing and valued members of the community: The better-educated and more independent senior citizens of the future will be better able to contribute to the society and economy. The paradigm is not one of seeing senior citizens as dependent consumers but one that recognises them as valuable and contributing members of society. Consequently, housing and the larger physical, social and economic environment must support this desired paradigm. We plan for the community as a whole, of which senior citizens are members. While wanting to address issues relating specifically to senior citizens, this should not result in segmenting them as a distinct group or having negative perceptions of senior citizens.
   d. Best Use of Land Resource: Our scarce land resources must cater to an increasing population, the demands of a knowledge-based economy and aspirations for a higher quality of life. While the needs of senior citizens must be balanced with other competing land needs, housing for senior citizens or retirement villages should not be deterred from emerging because of inappropriate planning guidelines.
   e. Sustainability: The cost of providing housing options which meet the needs and aspirations of senior citizens must be sustainable.
   f. Financial Viability: Housing should not form a disproportionately large part of the overall financing of the needs of senior citizens, which would include, among others, medical and living expenses.
g. More Choices and Flexibility: There should be more choice in types of housing to cater to a range of income, health conditions and desired living arrangements.

KEY STRATEGIC THRUST - AGEING IN PLACE IN THE COMMUNITY

15. To achieve the desired outcomes, we propose the key strategic thrust of facilitating "ageing in place" within the community. "Ageing in place" refers to enabling people to continue living in the community they are familiar and comfortable with well into old age, amidst family and community support. Ageing in place entails provisions which make it possible for senior citizens to stay put in the homes which they possess at the point of retirement, or to move if they so wish, within their own community. Ageing in place is in line with the expressed desire of the future senior citizens. This is borne out by the 1998 Housing and Development Board (HDB) sample household survey (see Annex A) as well as a straw poll conducted by the Workgroup secretariat, in which the majority of respondents stated that they wished to continue living in their present familiar surroundings. In the HDB survey, 80% of the senior population indicated that their current and ideal housing arrangement would be to stay with their spouse and married/unmarried children and 90% of them felt a sense of belonging to the estate in which they were currently residing. The National Council of Social Service has also reported that senior citizens would prefer to remain in their existing homes and communities if given a choice, provided that essential support facilities are easily accessible.

16. Ageing in place addresses the important principle that the senior citizens should be integrated into the community with strong family values, and, where possible live with their families, as opposed to being segregated in distinct enclaves. With the senior citizens constituting one in five of the population, having such congregations would exacerbate the "grey lobby" mentality and create possible "grey ghettos" at the margins of society.

17. To facilitate ageing in place, the following strategies are recommended:
   a. Elderly-friendly homes and environment, i.e., the hardware.
   b. Integrated community planning, i.e., the software - a co-ordinated effort on housing, town-planning and provision of social services. In particular, local agencies such as the Community Development Councils (CDCs) should be more actively involved in estate and community planning, with increased participation by the local stakeholders.
   c. Schemes which support family togetherness i.e. enabling the senior citizens to stay with or close to the family.
   d. Other strategies to address the aspirations and financial viability of the more educated and exposed senior citizens of the future include the provision of more choices in housing options, including specialised senior citizen housing which are integrated within the community.
STRATEGIES

Elderly-Friendly Homes and Environment

*Develop Building Codes or Standards on Elderly-Friendly Homes*

18. Homes should be designed so that people can stay in them for a lifetime if they wish, even when they are old and frail. For example, level flooring, at least one large toilet which can accommodate a wheelchair-bound person, and doors which are wide enough for a wheelchair to pass through, are all important structural design features which would be difficult or expensive to modify after the erection of the building. We would recommend that the Building Control Authority (BCA) review building codes to ensure that new homes will be structurally appropriate for occupants of all ages and those who are wheelchair-bound. BCA should also develop standards for developers who wish to incorporate further elderly-friendly design features in their buildings, e.g. non-slip flooring and stronger lighting to help prevent falls, and fixtures to enable the frail senior citizens to move around more easily.

*Raise Awareness of Developers and Consumers*

19. Currently, there is little public awareness on how to create safe home environments for senior persons. BCA, the Singapore Institute of Architects and the Real Estate Developers’ Association of Singapore should raise the awareness of architects and developers and make available information to homebuyers or homeowners who wish to renovate their homes to be elderly-friendly. HDB could also sub-let space to a commercial operator at the HDB centre to set up an outlet marketing elderly-friendly features and gadgets for the home. The heavy traffic would significantly help to promote public awareness of the need for such features.

*Focus Education on Town Planning, Architecture and Building*

20. Educational institutions and bodies involved in town planning, architecture and building, such as the relevant faculties in the National University of Singapore, the National Technological University and Polytechnics, should re-focus their curriculum to include planning and building for a population where senior citizens form a large proportion.

*Barrier-Free Access*

21. For senior Singaporeans to be fully active and involved in the community, it must be easy for them to get about. There should be barrier-free access so that senior citizens can move about freely and safely. From clear sign posting to co-ordinated traffic crossings, simple design measures and adjustments can make a significant difference between an active and a withdrawn or confined elderly population. The Land Transport Authority should ensure that public transport, i.e. the bus and the Mass Rapid Transit systems, are designed and organised for a population with a sizeable number of senior citizens.

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2 BCA has agreed to review the codes together with developers, architects and other industry players. A pertinent question they have asked is whether these codes should be made compulsory in the design of homes in Singapore. The Workgroup’s preference is not to make it mandatory in the first instance and to develop the demand for elderly-friendly homes through public education.
Make Public Housing More Elderly-Friendly

22. With 86% of the population housed in HDB flats, it is appropriate to focus on how our current and future HDB housing can be adapted to meet the needs of an ageing population.

23. HDB has striven continually to improve and achieve balance in its housing design to meet the changing needs of the residents throughout their life-cycle. The internal layout of flats are designed to allow for future addition of elderly-friendly features. For example, hand rails can be designed to serve as towel hangers for the younger flat dwellers and grab bars for senior citizens. Majority of the new flats have three bedrooms which facilitate the life-course changes from a young married couple, to parenthood with children, and as grandparents with one married child staying on to form a multi-generation household in later years. New flats are already built with elderly-friendly features such as level flooring within the flat (except for a small curb for the wet areas in the kitchen and bathrooms), lever door handles and lever water taps. Within the block, there are also ramps and lifts stopping on every floor to facilitate mobility. The flat design can also support transgenerational housing needs as the internal non-structure partitions allow some re-configuration of internal layout to meet changing requirements. As further steps to improve public housing for senior citizens, the following could be considered.

Lifts on Every Floor

24. All HDB blocks built after 1989 have lifts that stop on every floor. We should seriously consider whether and how lift systems in flats built before 1989 can be upgraded or retrofitted to stop on every floor, in so far as it is technically feasible and cost-effective. It is technically possible to retrofit older blocks to provide access to lifts from every floor, simply by fixing lift landings to each floor. However, the trade-off is some loss of privacy for residents currently living on floors without lift landings. Retrofitting is also costly. It costs about $200,000 to upgrade an existing lift to provide landings to every floor and $450,000 to install a completely new lift and shaft.

25. The cost of retrofitting all 8,000 existing HDB blocks built before 1989 to provide lift access on every floor would amount to some $2-3 billion\(^3\). This desired long-term goal is currently being met through the Main Upgrading Programme/Interim Upgrading Programme (MUP/IUP). However, the phasing-in of lift improvements can be given greater priority in HDB upgrading programmes or if necessary through an independent “Lift Improvement Programme” with separate approval and capital funding from the Government.

26. Other than the upgrading of lifts at high costs to the existing housing blocks, senior residents may also consider the option of selling their existing flats to buy another unit in the neighbourhood which has housing blocks with lift landings on every floor. HDB can consider a scheme which offers some incentives for re-location of senior citizens for this purpose. Retrofitting would then only be needed for a proportion of the 8,000 existing blocks.

\(^3\) Computed based on 3,400 blocks with segmented corridors requiring a new lift shaft @ $450,000 and 4,600 blocks with non-segmented corridors requiring upgrade to existing lift @ $200,000.
Customisation of Elderly-Friendly Features in Upgrading Programmes
27. Older blocks with senior residents should be retrofitted with elderly-friendly features. In this respect, the HDB is already doing a good job through the on-going MUP/IUP. Elderly-friendly features such as grab bars in bathrooms, toilets, ramps, lift landings on every floor (where feasible) are provided for under the Standard Package which costs $500 per flat. Additional elderly-friendly features are offered under the Optional Package, which costs $1,600 per flat. Please see features under these packages at Annex B1. Under the "Project to Improve Living Conditions of Elderly Tenants" for HDB rental flats, more extensive elderly-friendly features are offered including modifications to kitchen facilities and an Alert Alarm System. (Please see Annex B2.) The total package costs $24,000 per flat including the upgrading of lifts and the setting up of a Seniors Activity Centre. The additional cost of improving the MUP packages to include modification to kitchen facilities and the Alert Alarm System would amount to about $3,800. Based on an estimate of steady-state MUP progress, the additional cost would amount to about $30 million per annum if the improved package is taken up for all upgrading flats on MUP. We recommend that HDB give individual households the option of selecting and customising features to the household’s needs.

Consultation with Para-Medical Professionals in Designing and Modifying Flats
28. In coming up with the menu of elderly-friendly features, HDB should also consult professionals of various disciplines such as occupational therapists, social workers and other para-medical professionals, in addition to its current consultative efforts through dialogue sessions with professional bodies and surveys. Customisation as well as consultation will ensure that what is provided actually meets the needs of the senior residents and hence would result in best value for money spent. Social workers and para-medical workers have highlighted instances of well-intentioned elderly-friendly features that did not really meet the requirements of the elderly user.

"White-Block" Concept
29. HDB will be implementing a pilot scheme called the "White Block" consisting of empty-shell units in the third quarter of 1999. The empty-shell units will come with floor areas of 90m² or 100m², with perimeter walls/windows, entrance door, and internal partitions for toilets and household shelters. The rest of the internal space will come without partitions and finishes. Homebuyers have the flexibility to decide on internal layout and finishes, which can vary over time. This flexibility will make it easier for people to stay in the same homes by modifying their flats from time to time to suit their changing needs instead of having to relocate to other flats. The cost savings to HDB would amount to about $10,000 for each flat but each flat owner is likely to have to come up with $30,000 to put in the partitions. Assuming all 20,000 - 24,000 new flats each year were to be built using the "White-Block" concept, the additional cost to flat owners would be $400-480 million.

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4 Assuming MUP upgrading completion rate of 8,000 flat each year based on FY97/98 progress.
5 This issue was raised during a dialogue session between the IMC Workgroup on Housing and Land Use Policies and an audience of largely social work professionals on 22 Apr 98.
Integrated Community Planning - A Network of Social Services
30. For senior citizens to continue to live in and be active within existing communities, there must be a network of easily accessible social services to support senior citizens and their care-givers. These services include home health care services and support services such as meal delivery, laundry, home modification, telephone hotline, befriender services and mutual help groups. In studying housing options for senior citizens, there is a need to look into how we can incorporate community planning and development into the process. We would need to provide resources, in particular land and space within the community, and facilitate VWOs and commercial providers to provide well-distributed social services for senior citizens and their families.

Up-Front Land Use Planning for Social Service Network
31. In land use planning, we should plan up-front for relevant social services, rather than as an afterthought. To facilitate land use planning, MCD should proactively reach out to the relevant social services to work out their needs and requirements early. MCD will liaise with URA and HDB to secure land and premises for the social services sector. In so doing, we may have to reassess the competing claims presented by economic and social needs. Where possible, we should seek creative solutions to resolve these conflicting demands, e.g. building more integrated developments which incorporate commercial, social and other uses, for all age groups.

32. Town planners should place greater emphasis on putting health care providers and social services in close proximity to housing clusters, accessible to elderly users as well as their families or care-givers. One suggestion is to have "Integrated Multi-Service Centres" which are major social service nodes within a network of 'service posts' sited in the community (e.g., void-decks). The 'service posts' could for instance be manned by local resident volunteers who keep tab on frail senior residents. (Please see illustration at Annex C.) VWOs, which operate other kinds of social services in addition to eldercare services, should consider co-locating some of their activities together rather than have them scattered at many different sites. This would enable the VWOs to optimise their resources through greater sharing of common facilities, in addition to making better use of valuable land. It may also be worthwhile considering the co-location of Multi-Service Centres with Community Centres or Clubs where it is strategic to do so. A ballpark cost estimate for a void-deck setup of about 300m² would amount to $300,000 in capital cost and $300,000 in recurrent cost every year.

33. Planners would need to bear in mind the different approaches required for the majority (93%) Type A senior citizens who are healthy and ambulant and the minority of (5%) Type B senior citizens who require low level nursing care within their own home. Type A seniors should be accessible to services which draw them out of their homes, while Type B seniors would need services to be brought into their homes.

Bring Land Use Planning for Social Services to the Local Level
34. In town planning, there is presently a consultation mechanism whereby URA and HDB consult MCD and the People's Association (PA) on the siting of social and community facilities. HDB in its planning process conducts frequent dialogues with providers of communal services and facilities. At the planning stage, HDB conducts six-monthly
Facilities Co-ordination Meeting with relevant parties such as MCD, PA, the Ministry of Education (MOE), MOH and Singapore Post. At the drafting stage, HDB even carries out joint site inspections with VWOs and service providers and their supervising Ministries on the suitability of locations before plans are finalised.

35. To be useful and effective, social and community services need to be tailored to the unique and specific needs of particular communities. To successfully translate macroplanning norms (e.g. the number of family service centres per 1,000 households) to decisions at the level of local delivery (e.g., siting, types of services), the process must involve the active input of the VWOs and local agencies such as CDCs, i.e. those who deliver the services and who know the local communities well. We need to ensure that the current system is responsive enough such that specific requirements and conditions at ground level are systematically, adequately and rapidly reflected to the planning authorities. More importantly, the focus is “community planning” as opposed to “hardware planning”. This being the case, it is logical to bring town planning and zoning processes as close to the local level as possible.

**MCD as Central Coordinator**

36. As a first step, MCD can be the coordinating body assisted by the PA, which brings together and garners the inputs of the local agencies such as the CDCs and VWOs, for the planning process. We recommend that MCD and MOH review their resource planning process to include, as a central component, consultation with all relevant stakeholders at the local level - CDCs, grassroots organisations and VWOs. For example, local level bodies like the CDCs should be involved in identifying the needs and requirements of each community and also give inputs on the siting of land parcels or units for service providers. The aim is to ensure a well-distributed network of services, which are appropriate for the local communities through the effective siting of facilities.

**Public Education**

37. Public education is needed to dispel the notion that seniors are a burden to be borne by the rest of society. With better health care and education, senior citizens can remain economically and socially active beyond their retirement age. At the same time, it is also important for senior citizens themselves to be aware of the implications and imperatives of ageing, including the need for early prudent financial planning. A draft public education plan is attached at Annex D with the following aims:

a. To educate the public to understand that senior citizens are an integral part of a wholesome vibrant society, to which they can actively contribute and that they should be valued.

b. To educate the individual member of society on the need to prepare for a future useful lifestyle, including financial planning and training of life skills.

c. To educate the current senior citizens or those about to join the ranks of senior citizens about the importance of being financially independent, and to inform them of their financial status, the various financial schemes and housing options available, and what constitutes elderly-friendly homes.
38. In the area of public education, the Government should take on the role of a facilitator and encourage the service providers (VWOs, healthcare agencies, etc) to take the lead in providing social and welfare care in addition to health care. The ultimate aim would be to get the people sector to drive this and not end up with another Government-initiated "campaign".

Central Coordinating Body
39. It is envisaged that the relevant Government ministries and agencies like MCD, MOH, HDB, Ministry of National Development (MND), URA, etc would need to work more closely together to bring the concept of integrated community living to fruition. It would be worthwhile to consider a one-stop coordinating body to make for easier and more efficient interfacing with the private sector and service providers, as well as the very constituents that it is supposed to serve, namely, senior citizens. It is envisaged that this body will pull together the lines of communication and interaction among the various Government agencies, private sector, service providers and the elderly community on issues pertaining to senior citizens. The IMC on the Ageing Population, with MCD as Secretariat, is recommended to take on this additional function.

Schemes to Support Extended Family Living and Support Care-Givers
40. The trend towards smaller household sizes and growing numbers of senior citizens who live apart from their children appears to be a global one affecting urban areas, brought about by higher incomes and a desire for privacy. In Singapore’s context, this trend does not necessarily signal eroding family ties. There could still be substantial cohesiveness, especially since Singapore is a compact city-state. Grandparents are often called upon to look after their grandchildren; working adults, too busy to cook, often return home to dine with their parents. Moreover, unlike other countries, Singapore has active social programmes and schemes to promote family togetherness. In the HDB survey, 80% of the senior population indicated that their current and ideal housing arrangement would be to stay with their spouse and married or unmarried children. While senior citizens want to be self-supporting and not be dependent on their children, this is not the same as saying they do not wish to stay with or close to them. Nonetheless, we should be careful not to downplay the forces of nuclearisation and thus unwittingly implement policies which exacerbate the trend. As a statement of the values we hold as a society, our policies should continue to facilitate the different generations within a family to live with or close to one another.

41. HDB has already introduced various schemes over the years to allow the families to live together or nearby and to support a greying population. (See Annex E.) These schemes such as the Joint Selection Scheme, the Multi-Tier Family Housing Scheme and Central Provident Fund (CPF) Housing Grant Scheme, have been effective and useful as they provide alternative living arrangements to suit the needs of the married children, their parents and grandparents. They are also popular with the multi-tier families, with high take-up rates of 80% for the flats set aside for the Multi-Tier Family Housing Scheme in the last four years, and 90% for those set aside under the Joint Selection Scheme. The following are further ways of encouraging or supporting families who live together or close by.
Refine CPF Housing Grant Scheme
42. Under the CPF Housing Grant Scheme, we can widen the differential between the higher grant for parents and children buying flats close to one another and the lower one for those not close to one another ($35,000).

43. Since 1 October 1999, the grants have been lowered from $45,000 and $35,000 to $40,000 and $30,000 respectively. It is recommended that should the grants increase again, the lower grant should be held down while the higher grant should be allowed to rise to increase the differential.

Increase Tax Incentives/Subsidies for Supporting Parents
44. Children can now claim income tax relief of $3,500 for supporting their parents not living with them or $4,500 for parents living with them. We propose that children who live with their parents should get an even higher relief than those who are supporting the parent(s) from a distance. As tax relief may not benefit the majority of the population, we should consider giving a means-tested subsidy in lieu of income tax relief for these families. Although children have the responsibility to look after their parents, this initiative would be stronger encouragement from Government in support of children living with and caring for their parents.

45. The maximum financial impact, if all children choose to live with parents they support, would amount to about $9-10 million if we increase the income tax relief by $1000 for those staying with their parents.

Allow Tax Incentives or Subsidies for Supporting Other Senior Family Members
46. On a case-by-case basis where strongly merited, income tax relief could also be open to claims by relatives other than the immediate family (e.g. a niece) staying with and supporting the senior person. For lower income families, we could allow a means-tested subsidy in lieu of income tax relief. This is a gesture to recognise and encourage persons who undertake to live with and care for their other senior relatives as part of their extended family, given that there is even less social pressure to do so compared to caring for one’s parents. This would help to facilitate the senior citizen being cared for at home, as opposed to being sent to an institution, especially in cases of elderly childless couples, singles, or senior persons who have outlived their children.

47. The financial impact, assuming that those who support elderly relatives is about 20% compared to those who are now supporting their own parents, the potential revenue loss would amount to about $20 million.

More Choices in Housing Arrangements
48. Within the broad framework of ageing in place, we should also address the aspirations of the more educated senior citizens of the future for more choices in housing options. It would be appropriate to offer a range of housing types to cater to different housing preferences and circumstances of senior citizens and their children. And for the individual, needs and aspirations may shift as he or she moves along the independent - dependent continuum as he or she ages. Regular surveys and research can be conducted to understand the needs of senior citizens and to map out
their changing demands and aspirations. In addition, clearer concepts and
typologies could be adopted to explain the various types of housing choices to the
seniors. The following recommendations address the issue of providing more options.

Alienate Land to Private Developers on HDB terms
49. The private sector could be assisted to play a greater role in providing housing
for the senior citizens by releasing land earmarked for HDB to the private sector,
which has to impose upon buyers similar terms and conditions as for HDB. The
private sector's participation can be co-opted through the "Design-and-Build" scheme
and the development of Studio Apartments (SAs) within housing estates. This
competition from the private sector will spur HDB to greater cost efficiency and
innovation, and give more options to homebuyers. MCD could provide guidelines
for provision of appropriate facilities and services in such specialised housing for
senior citizens.

Retirement Villages
50. In addition, some private developers may wish to develop retirement villages
to test the viability of the retirement village concept to give more choices to senior
citizens in future. Retirement villages can benefit those who wish to move into a
smaller housing unit in their old age and those who wish to benefit from the continuum
of services and superior facilities that retirement villages provide, as they become
increasingly frail and immobile. In the past, developers were not prepared to
undertake this type of development, as their market studies indicate that senior citizens
were not prepared to pay the same prices for private properties as younger families.

51. Private developers should be challenged to build retirement villages on market
terms when there is sufficient demand to make them viable. However, the relevant
authorities should review the planning rules to make it more conducive for these
villages or housing for senior citizens to be developed. Guidelines on Gross Floor
Area, for example, can be reviewed to remove barriers to building senior communal
facilities in residential projects.

Elderly-Friendly Housing to be Integrated into Existing Housing Estates
52. Based on the premise that senior citizens should be housed in the community
within existing HDB estates, and not in isolation, the space between existing HDB
blocks could be tendered out at HDB rates to allow for the development of high-
density, low-rise senior housing. This would provide another option of co-locating
the seniors close to where their children live or allowing senior citizens to move into
specialised housing close to where they are currently staying. Special provisions can
be put in place with regard to transferability and price to ensure affordability and to
prevent speculation. In addition, for new HDB estates developed, space can be left
between HDB blocks in each precinct to allow for possible future development of
housing for seniors to cater for the changing age profile of residents in the precinct
over time.
53. An alternative is to convert existing blocks of HDB flats or certain floors or segments of HDB flats into smaller specialised housing for senior citizens. This will allow senior citizens to downstage to a smaller flat in familiar surroundings that would meet their needs. This would achieve much closer integration of elderly households with other younger mainstream households, compared to separate enclaves or pockets of specialised elderly housing in between HDB blocks.

54. HDB has already started to implement some of these concepts through its present SA scheme, where the SA blocks are located within existing precincts. HDB is also considering interspersing SA units among conventional HDB flats in a housing block. The other possibility is to build some units of smaller flats in Selective En-Bloc Redevelopment Scheme (SERS) sites to accommodate senior citizens. Through SERS, more housing units would also be built in the mature estates. After accommodating the affected lessees, HDB can consider to allocate the balance units to married children to stay near their parents for mutual care and support according to priority.

55. Along this vein, one option being considered by HDB is to design new apartment blocks with two distinct wings where the wing consisting of studio apartments is separated from the other wing of larger flat types by a vertical staircase or lift core. The second storey of the studio apartment wing can also be safeguarded for future social amenities or services to care for the senior residents’ needs. This new block design can be implemented for residential projects under redevelopment.

56. Apart from measures to avail specialised senior housing, we could consider allowing seniors to apply for flats not as individuals but as groups. This will facilitate groups of seniors, particularly singles or widows, who wish to relocate and to stay together in a block of flats. This would meet their desire for individualised living (i.e. privacy) but with a "kampung spirit". This would allow them to move into the community they are most comfortable with and encourage mutual care and dependency among senior citizens. This may be increasingly important as the numbers of single and widowed seniors increase.

57. According to HDB, single elderly Singaporeans who are unmarried, widowed or divorced can already buy resale HDB flats as a group to stay together. They are not eligible to buy new flats from HDB, which are provided primarily for first-timer families to assist them to set up homes early. Elderly lessees of HDB flats who intend to buy SAs and would like to stay near to each other in the same SA block are also allowed to jointly select their SAs.

**Financing Arrangements - Housing Equity**

58. The last set of recommendations deals with allowing senior citizens to derive income from their housing assets. Singaporeans’ wealth is largely tied up in housing assets. We should therefore look into schemes, which enable them to tap into their housing assets to remain financially independent and to secure funds for other expenses. One such experiment is the Studio Housing Scheme by HDB. Other ideas to explore are as follows.
Reverse Mortgage Supported by Adequate Security

59. Reverse Mortgage (RM) is a financial scheme which allows the homeowner to borrow against the equity in his or her home, while repayment is made to the lender when the flat is sold. The RM option allows senior citizens to be financially independent while remaining in their existing homes, rather than having to sell the apartment to realise the asset. The assessment is that future generations of senior citizens, being more educated and financially savvy, would have a greater interest in the reverse mortgage scheme.

60. Currently, private property owners can approach NTUC Income for a reverse mortgage. However, this is not available to HDB owners. The concern is that homeowners may outlive the reverse mortgage and be forced to sell his or her flat to repay the lender. The financier of the reverse mortgage also faces the downside risk in that the eventual sale proceeds from the flat might not cover the amount borrowed. This could occur in a property slump, and for leasehold properties, the financial institution could end up holding a large stock of depreciating assets.

61. There are a few options to address these concerns. One is for the financier to guarantee that the reverse mortgage will continue for a number of years, for example up to age 80. Another option is to have reverse mortgage supported by adequate security e.g., a reverse mortgage insurance scheme. In the US, the downside risks of reverse mortgage are addressed by a Reverse Mortgage Insurance Scheme run by the Federal Housing Administration, a Government-housing agency. The insurance covers the private financiers against instances where the sale proceeds of an apartment are insufficient to pay for the amount owed to the lender. Funds are collected from insurance premiums charged to the borrowers, typically as an up-front payment followed by yearly collection. These amounts are usually paid by the financier and charged to the homeowner’s principal balance. The scheme therefore serves two key benefits:

   a. The senior homeowner cannot be forced to sell or vacate his or her apartment and is assured of a steady income until his or her death; and
   b. The financiers are able to offer less expensive RM schemes and are covered for their downside risks.

62. There are several insurance companies in Singapore that may be interested to provide this type of insured reverse mortgages for the HDB owners. We can let the insurance market design their insurance products to meet this need, provided that the HDB sets out the terms on which the reverse mortgages may be allowed on the HDB flats.

63. In principle, we should move towards a system where individuals are allowed to choose between the different types of schemes, both the uninsured and insured schemes. There are merits and disadvantages for both options, from the perspective of the owner and lender. As such, one option is for HDB to consider allowing uninsured reverse mortgages for larger flat sizes such as four/five-room flats, but allow only insured reverse mortgages for three-room flats. In any case, for these three-room flats, the assessment is that the monthly income from the reverse mortgage is not large.
64. RM presents an alternative option for senior citizens to draw on the asset value of their flats to sustain a regular living income without having to downgrade to a smaller and cheaper flat in order to liquidate part of their assets for their consumption. We recommend that a team of technical experts be brought in to advise on the development of the RM scheme, in particular issues such as pricing, security and viability. To facilitate the development of RM, we could consider changing the current rules which state that HDB has the first right to flats given up by lessees as well as giving incentives for the private sector to take up the RM initiative.

Rental Scheme
65. The idea of home ownership might not be relevant to some senior citizens who may want to have cash in hand instead. Hence, HDB should consider increasing the number of rental flats available to senior citizens of all income groups. The rental rates however, should be at market rates, except for the low-income group, who can continue to enjoy subsidised rates.

66. As a variation of RM for HDB flat owners, HDB should consider allowing flat owners to sell their flat to HDB and then rent back that same flat or another flat from HDB. To ensure that senior citizens will not be burdened with the anxiety of rent increase in subsequent years, or running out of money to pay rent should he or she live longer than expected, different methods of payments can be devised. Some examples are lump sum payment up-front, a combination of lump sum payment and monthly rent, and a single lifetime premium (i.e. senior citizens pay a single premium to an insurance company which in turn pays the rent). These options essentially transfer the risk, partially or fully, to HDB or an insurance company, which can pool the risks of the individuals.

Recommendations
67. The key strategic thrust of ageing in place and supporting recommendations such as elderly-friendly homes and environment and integrated community planning are robust across the four scenarios - Filial Piety, Golden Years, Empty Nest and Silver Power. (See paragraph 11 for the scenarios.) Recommendations which are especially important in particular scenarios are highlighted in Table 3 below.
Table 3

<table>
<thead>
<tr>
<th>Terms of Reference</th>
<th>Golden Years More cohesive, more independent</th>
<th>Silver Power Less cohesive, more independent</th>
<th>Empty Nest Less cohesive, less independent</th>
<th>Filial Piety More cohesive, less independent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Establishing the basic policy framework underpinning policies</td>
<td>Ageing in place strategic framework enables the independent senior citizens to remain active within family and community.</td>
<td>Integrated community planning to encourage VWOs (people sector) and commercial organisations (private sector) to provide services and support for senior citizens. This would include self-help organisations run by senior citizens.</td>
<td>With less independent seniors. It is less likely for seniors to purchase care and support services from private sector; services of VWOs would thus be more essential. Government may need to increase subsidies to VWOs.</td>
<td>VWOs services are still important to support the family. Eldercare subsidy is similar to the childcare subsidy.</td>
</tr>
<tr>
<td>Proposing socially desirable housing options</td>
<td>More choices in housing arrangements. Given independent seniors there is greater variety in housing types - retirement villages, studio apartments, but integrated with community.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Refining existing housing schemes</td>
<td>Divert housing subsidies from encouraging children to move out to encourage them to stay with their parents. Additional schemes to support extended family living e.g. changing HDB schemes to facilitate the transfer of ownership of homes to children who stay with their parents. Given less independent seniors, increasing subsidies will encourage children to look after their parents.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rationalising financial security</td>
<td>Financial support schemes for seniors.</td>
<td></td>
<td></td>
<td>Financial support schemes for seniors.</td>
</tr>
</tbody>
</table>

CONCLUSION

68. Senior citizens can continue to play a meaningful role in society in their retirement years. With the above recommendations, it is hoped that we are one step closer to promoting an active and vibrant senior citizenry.
PARTIAL 1998 HOUSING & DEVELOPMENT BOARD (HDB)
SAMPLE HOUSEHOLD SURVEY RESULTS

1. Based on the partial results of the Housing Development Board’s (HDB) 1998 Sample Household Survey, the majority of elderly population (aged 65 and above) in HDB estates are living mainly in 3-room (35%) and 4-room (32%) flats. Some findings on the living preference of the senior citizens are summarised below.
   a. 68% of the elderly population are generally contented to live in their current flat-types and 5.2% indicated that they would be contented even with a smaller flat-type;
   b. 80% of them indicated that their current and ideal housing arrangement would be to stay with their spouse and children; and
   c. 90% of the elderly population felt a sense of belonging to the estate they are now residing in.

2. The details of the survey are tabulated below:

Table 1: Elderly Population

<table>
<thead>
<tr>
<th>Demographic Characteristics</th>
<th>Year 1993</th>
<th>Year 1998</th>
</tr>
</thead>
<tbody>
<tr>
<td>HDB Resident Population ('000)</td>
<td>2,412</td>
<td>2,703</td>
</tr>
<tr>
<td>65 years &amp; Above ('000)</td>
<td>137</td>
<td>195</td>
</tr>
<tr>
<td>(%)</td>
<td>5.7</td>
<td>7.2</td>
</tr>
<tr>
<td>Mean Age (Yrs)</td>
<td>-</td>
<td>73.0</td>
</tr>
<tr>
<td>Mean Age (Yrs)</td>
<td>-</td>
<td>72.0</td>
</tr>
</tbody>
</table>

Table 2: Flat Type By Senior citizens

<table>
<thead>
<tr>
<th>Flat Type</th>
<th>Elderly</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Room</td>
<td>5.2%</td>
<td>1.8%</td>
</tr>
<tr>
<td>2-Room</td>
<td>6.8%</td>
<td>3.3%</td>
</tr>
<tr>
<td>3-Room</td>
<td>35.9%</td>
<td>27.8%</td>
</tr>
<tr>
<td>4-Room</td>
<td>32.0%</td>
<td>39.0%</td>
</tr>
<tr>
<td>5-Room</td>
<td>15.9%</td>
<td>20.4%</td>
</tr>
<tr>
<td>Executive</td>
<td>4.3%</td>
<td>7.7%</td>
</tr>
<tr>
<td>Total %</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
<tr>
<td>No.</td>
<td>194,791</td>
<td>2,703,109</td>
</tr>
</tbody>
</table>
### Table 3: Contentment With Current Flat Type

<table>
<thead>
<tr>
<th>Contentment With Current Flat Type</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes - with current</td>
<td>68.2%</td>
</tr>
<tr>
<td>- even with smaller flats</td>
<td>5.2%</td>
</tr>
<tr>
<td>No - 1 flat type larger</td>
<td>15.9%</td>
</tr>
<tr>
<td>- 1 flat type larger</td>
<td>10.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

| No. | 67,015 |

### Table 4: Current And Ideal Housing Arrangement

<table>
<thead>
<tr>
<th>Housing Arrangement</th>
<th>Current</th>
<th>Ideal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stay with spouse/unmarried children</td>
<td>71.5%</td>
<td>59.7%</td>
</tr>
<tr>
<td>Stay with married children</td>
<td>9.1%</td>
<td>21.5%</td>
</tr>
<tr>
<td>Stay with siblings/relatives</td>
<td>2.2%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Stay alone</td>
<td>14.7%</td>
<td>15.2%</td>
</tr>
<tr>
<td>Stay with unrelated persons</td>
<td>2.5%</td>
<td>1.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

| No. | 67,015 |

### Table 5: Sense of Belonging To Estates

<table>
<thead>
<tr>
<th>Sense of belonging</th>
<th>Percent</th>
<th>Overall</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>90.1%</td>
<td>82.3%</td>
</tr>
<tr>
<td>No</td>
<td>9.9%</td>
<td>17.7%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100.0%</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

| No. | 67,015 |

| No. | 728,815 |
HDB MAIN UPGRAADING PROGRAMME
LATEST SCOPE OF IMPROVEMENT WORKS FOR BATCH 12

STANDARD PACKAGE FOR ELDERLY RESIDENTS

In the Toilet:
- Stainless steel grab bar in toilet
- Provide ramp to existing floor level
- Pedestal with press button.

Optional Package For Elderly Residents – Additional To Standard Package

In the Toilet:
- Stainless steel seat in toilet
- Shower head with flexible host
- Level tap to basin/sink

Others:
- Lower and wide angle eye-viewer at main door
- Slower door closer for main door
- Larger rocket type switch
- Provide ramp between toilet/kitchen and kitchen/bedroom/living room
IMPROVEMENT WORKS TO IMPROVE THE LIVING CONDITIONS OF SENIOR CITIZENS

WITHIN THE FLAT

In the toilet
- Non-slip floor tiles including waterproofing
- Wall tiles (up to full height)
- Support handbar (38 mm diameter)
- PVC door with lever or other suitable handles
- Lift-up lever non-mixer tap
- Anodised aluminium/glass vents
- Pedestal WC with protruding push button

In the kitchen
- Wash basin with lift-up lever non-mixer tap (to be installed in the toilet if cannot be accommodated in the kitchen)
- Stainless steel single bowl single drainer with lift-up lever non-mixer tap (with corners nearest to user rounded)
- Level step between kitchen and living room
- Level step between kitchen and bathroom
- Self-locking aluminium refuse chute hopper
- Mild steel clothes drying rack
- Tiling to dapoh slab (top and sides) and walls adjoining dapoh slab and sink (up to full height)
- Aluminium storage door below dapoh slab (where originally existing)
- Paint and make good clothes drying tubes

Others
- Complete rewiring with service trunking, consumer unit, ELCB and 2-way switch for one lighting point
- New power points, lighting points, large rocker type light switches (including powerpoint/switch for water heater)
- PVC water pipes
- Soil and waste stacks/ pipes
- Replace external windows with anodised aluminium/ glass top hung/ casement window with coping or other alternative as appropriate
- Anodised aluminium window grilles
- Half-hour fire-rated main door (with wide angle door scope, lever handle, thumb turn internal locking device)
- Mild steel grille gate at front entrance
- Spalling concrete repair (where necessary)
- Ceramic floor tiles to flat
Within the Block

Alert Alarm System (AAS)
- Components of the AAS: pull cord, siren/strobe light, luminous reset button and control equipment
- Two-year free maintenance service
- Two-year warranty period on all works related to the installation of the AAS
- Facility for auto-paging and linking of alarm to security company
- Remote control AAS

Upgrading of Lifts
- All lifts in the block to stop at every floor (where possible)
- Support handbar in every lift
- Lower control panel for wheelchair-bound senior citizens
- Buttons of control panel with clearly visible numbers and letterings
- Floor/wall tiling to lift lobbies
- Safety light sensors
- Fireman switches

Outside Flats
- Upgraded public lighting in common corridor
- End-staircases at block with central corridor
- Ramps at suitable locations
- New switchrooms
- Support handbars along common corridor
- Unit indicators
- Painting to central corridor and lift lobbies, stairwells and stair-rails
- Replacement of letter boxes (where necessary)
- Fire riser mains

Seniors Activity Centre

If at Void Deck
- Area of 140 square metres

If in Converted Rental Flats
- Area equivalent to four converted units of one-room flats
Annex C

SCHEMATIC CONCEPT

HDB Estate

Main Transport Network

Transport Interchange

Town Centre

Family Social Service Station (SECONDARY)

Family Social Service Stations (PRIMARY)

INTERGENERATIONAL MULTI-SERVICE CENTRE

Linked to Community & Institutional Networks
PUBLIC EDUCATION PLAN

1. The Public Education Plan (PEP) with regard to housing and land use planning seeks to educate individual members of society, particularly the senior persons, about the importance of being financially independent, and to inform them of their financial status, the various financial schemes and housing options available, and what constitutes elderly-friendly homes.

Preparing for the Future
2. The PEP must impress on individual members that it is important that they plan and prepare for old age. Important messages to put across are:
   a. The financial costs of retirement, particularly health and housing costs, are substantial, and will need to be catered for whilst the individual is still economically active. CPF savings should not be over-invested in housing purchases unless the individual has made other financial provisions for his post-retirement needs.
   b. Life-skills, such as cooking and social interaction, should be taught to ensure that the individual would be relatively independent when they are in their later years.

Information for the Elderly
3. The PEP should inform senior citizens of the various financial options available to them, particularly at the point of retirement, and, in the longer term, to younger members of society as well. CCs, CDCs and VWOs will be the main information providers in the form of promotional programmes and courses. If possible, personalised consultation, where the individual may be advised on his or her particular financial status and options, should be provided as well. Important messages are:
   a. The importance of being financially independent, taking into account his or her post-retirement income and expected expenses. The senior person should be made aware of the various financial schemes he or she could utilise, such as annuities and reverse mortgages, to sustain a life-style he or she desires for his or her expected life-span.
   b. The various housing options available and their respective costs, benefits and disadvantages. Special fairs organised by CCs, CDCs or VWOs can be held. At these events, social agencies, housing providers (both public and private) and financial institutions can provide a one-stop session for senior citizens to explore the housing options available to them and seek personalised advice.
   c. What constitutes elderly-friendly homes - the features needed and the various means by which they can be installed. This could be achieved by a travelling road-show to all CCs and CDCs whenever there is a community function.

4. The Government agencies involved in supplying expert information and advice to the CCs, CDCs and VWOs on these aspects would be MOM and its agencies, such as the CPF Board, and MND, and its agencies such as HDB and BCA.
Annex E

HOUSING POLICIES FOR THE GREYING POPULATION

INTRODUCTION
1. Since the 1960s, HDB has implemented various housing schemes to encourage extended family living. These schemes were designed to uphold the basic tenets of Singapore, in particular, family as a basic unit and racial integration. However, with an imminent socio-economic evolution that comes with a fast-ageing population, it would be imperative and timely to reassess the effectiveness and relevance of our past housing policies in the context of a knowledge-based economy.

HDB Housing Schemes - A Chronological Perspective

Allocation at Lift-Landing or Ground Floor Policy
Joint-Selection Scheme
Flexibility on Income Ceiling Policy
Multi-Tier Family Housing Scheme
Mutual Exchange of Home Ownership Flat Scheme
Priority Allocation on Medical Grounds
Conversion of Flat Scheme

Allocation at Lift-Landing or Ground Floor Policy (For Elderly Tenants of Rental Flats)
2. HDB implemented this policy for the benefit of families with elderly members who were physically or medically incapacitated but did not require institutionalised care. It is intended to ease the family’s burden by allowing greater mobility out of the flat either by the handicapped person or with family members for medical care or recreation. Under the scheme, such families will be accorded priority allocation of rental flats.

Joint-Selection Scheme
3. This scheme is designed to allow families to select flats on priority so that the married children and parents can stay in separate HDB flats but in close proximity. This policy allows families to maintain close contacts despite living apart.

Flexibility on Income Ceiling Assessment Policy
4. In conjunction with the Joint-Selection Scheme, HDB initiated this policy which provides a higher monthly income ceiling for the extended family, currently set at $12,000 as compared to $8,000 for a nuclear family. This policy targets families who wish to live together in one HDB flat.

Mutual Exchange of Home Ownership Flat Scheme
5. Recognising the limited supply of new flats in developed estates, HDB implemented this scheme to facilitate parents or married child living in different estates to live near to each other through mutual exchange of flats with other lessees.
Priority Allocation on Medical Ground Policy
6. This scheme gives priority in the direct-purchase of flats on lift-landings or the ground floor to families with physically or medically incapacitated members. It assists families to care for the elderly members while reducing demand for institutionalised attention.

Multi-Tier Family Housing Scheme
7. To further promote extended family living under one roof, HDB instituted this scheme which accords priority allocation to extended-family applicants.

CPF Housing Grant Scheme
8. With an accelerated trend towards nuclearisation of the family units in the 1990s, HDB implemented the CPF Housing Grant Scheme to give more housing choices for first-timer families to buy resale flats, and to encourage them to stay near their parents. Under the scheme, a first-timer married applicant who buys a resale flat from the open market to stay near his or her parents or vice versa, will be given a housing grant.

Conversion of Flats Scheme
9. HDB also devised a scheme to allow a three-room or smaller flat lessee who needs a larger flat to buy the adjoining three-room or smaller flat to house their growing family without having to uproot from a familiar community. Where the parents own an existing three-room flat, this scheme also facilitates the married child to buy the adjoining unit to live near them.

Studio Apartments (SAs) Scheme
10. Studio Apartments (SAs) are targeted at elderly lessees, 55 years and above, who are looking for alternative housing following their retirement, with the twin objective of facilitating community and family self-help and financial cashing-in. The SAs are affordably priced such that elderly lessees can realise the appreciated value of their existing flats when they downgrade, which can be used to meet their retirement needs.

11. Elderly-friendly features, like lifts designed to stop at every floor, pull cords linked to the block’s alert alarm system, hand rails and lever taps, are also incorporated into the architecture of these SAs to facilitate independent living and mobility. The SAs are strategically located near MRT stations and neighbourhood centres to give convenient access to amenities. Ample space will be provided at the first and second storeys of the block for VWOs to provide community-based care and support services for the aged and the other amenities.  

6 In this regard, the Government will provide a grant of $200,000 per studio apartment block to be administered by the Ministry of Community Development.
INTRODUCTION
1. One of the imponderables of an ageing population is its impact on the intangible qualities of society - its collective will, the political orientation and values of its people, its drive and dynamism and its social cohesion. With an increasingly educated and probably more vocal senior citizens having plenty of time on their hands, what would be the impact of an ageing society on these intangibles? How do we ensure that senior citizens do not see their interests as separate from larger national interests? These questions relate to the issue of the politics of ageing.

2. In the study of ageing, there are various issues such as housing, health care, employability, financial stability and social integration to consider. There are other Workgroups dedicated to addressing these issues. This Workgroup exclusively addresses the issue of politics – how senior citizens will relate politically with the rest of society. It will not touch on these other issues, leaving them to the other Workgroups.

3. Obviously, how senior citizens relate politically to the rest of society will depend on the extent to which their needs are being met, in particular, needs relating to housing, health care, employability and financial stability. It will also be affected by their level of social integration with the rest of society. Thus, the success of the recommendations of the other Workgroups will be a factor in deciding whether the recommendations of this Workgroup are necessary.

TERMS OF REFERENCE
4. The terms of reference given to the Workgroup are as follows:
   a. To anticipate the socio-political implications of an ageing society;
   b. To determine the principles for allocating national resources to senior citizens; and
   c. To propose policy measures to strengthen our social fabric and intergenerational cohesion.

5. With regards to the first term of reference, the socio-political implications will focus on those social developments that have an impact on the political landscape, and not social development in general. It is also intended that the first term of reference should set the stage for the second and third terms. Thus, the socio-political implications to be highlighted will be those that are relevant to resource allocation decisions and tensions arising from resource allocation conflicts. The report will focus on how these three terms relate to one another in this way.

6. This paper will cover these terms by:
   a. Describing the methodology of the study;
   b. Projecting some plausible scenarios to anticipate the socio-political implications; and
   c. Detailing the recommendations on principles of allocation and policy measures.
METHODOLOGY
7. The Workgroup, primarily through the secretariat, conducted focus group discussions with various bodies, including societies for senior citizens, unions, women, racial groups and youth groups. A total of eight focus group discussions with 35 bodies involving 250 people were conducted. One feedback session attended by 60 people was also held during the months of May, June and July 1999. These discussions allowed ideas to be gleaned from various sectors of the population. They also provided feedback on various ideas suggested by the Workgroup. The Workgroup itself met four times to discuss these ideas and feedback. (A summary of the focus group discussions is at Annex A.)

8. For the purpose of definition, senior citizens are defined as those who are 65 years and above. As a common point of reference with the other Workgroups, the future is set at year 2030.

SOCIO-POLITICAL IMPLICATIONS
9. Demographics will have a profound impact on the social and political realities of the future. Over the next 30 years, as birth rates continue to decline and life expectancy increases, the population as a whole will also be older. The median age in Singapore society will rise from 33 years in 1999 to 41 years in 2030.

10. In particular, the proportion of senior citizens to the population will grow threefold. In 2030, senior citizens will make up about 19% of the population, compared to 7% today. There will be the following implications:
   a. The dependency ratio\(^1\) will change from the current 42 per 100 to 56 per 100 in 2030. Assuming that senior citizens will largely be economically inactive, the effect of this is that the burden on the working population to provide economic support to the senior citizens will grow.
   b. This burden is accentuated when considering that when a person ages, he or she consumes more resources in terms of health care and so on. At the national level, from the resource allocation point of view, there will be increasing potential for tension between a growing pool of economically inactive persons requiring more resources and a shrinking pool of working population having to support them.

11. The profile of senior citizens in 2030 will also be very different:
   a. 60% will have at least secondary school education, compared to 10% in 1995. 13% will be university graduates;
   b. 10% of them (in 2030) will be in the "never married" singles category compared to 3% today. 25% will either be widowed or divorced; and
   c. Older females, having a longer life expectancy, will outnumber older men.

\(^1\) The dependency ratio is the number of economically in active over the non-active. The former group consists of both the 0-14 age group as well as the over-65s.
12. Thus, senior citizens of the future will be more educated. Coupled with the promotion of active citizenry, we can expect them to be more vocal on issues that affect their interests, compared to the current generation of senior citizens. There will be a significant number who never had children and will go into old age relatively alone. This means that there will be many more senior citizens who will not have close family ties to bind them with the rest of society.

13. Forming 25% of the electoral population and being more vocal, they can also have a powerful political role. Whether senior citizens will be politically significant as a group will depend on whether they are politically homogenous with the rest of society or whether they form a distinct group. Studies in the United Kingdom and the rest of Europe have shown that in general, senior citizens do not have distinctive political inclinations that are different from the rest of society. However, there is evidence that their collective will can be garnered on specific issues that are of interest to them, e.g., pension payments. This also appears to be true in the United States where senior citizens form groups to lobby at Capitol Hill on specific issues relevant to them. In Japan, which is known to be a more consensus-driven society and where women are known to be relatively docile, elderly women groups have been formed to lobby the State for benefits for the older persons.

14. Thus, with larger numbers and better education, we can expect senior citizens to have a greater impact on society, both in terms of their potential contribution and their unique needs. We can expect them to contribute to the social life of the country. We can expect new industries to develop to meet their needs. Politically, they may possibly add to the stock of wisdom of the country and this should be tapped. But of relevance to the terms of reference is their potential to lobby collectively for allocation of resources to meet their unique needs, particularly economic ones. This is not implausible, considering the experience of other countries, from Japan to the United States. Thus, their needs can potentially be very significant in political considerations. Some of these needs may sometimes be incongruent with the overall needs of the country. There is thus the issue of how to ensure a balance in the allocation of resources to this group of people. There is an underlying intergenerational tension which is a threat to cohesion. For the purpose of the terms of reference, this is by far the most critical implication.

SCENARIO

15. To illustrate the above implication, the following scenario is painted:
   a. We can envisage a scenario where the society has weak social and family values and senior citizens are generally neglected by their families and society at large. Alienated, they withdraw from the rest of society and become less committed to the long-term dynamism of the country. Their shorter planning horizons stand in stark contrast to the longer-term concerns of the rest of society. Coupled with a weak economy, rising health care costs and low rates of return, the savings of senior citizens become too low to support their needs. Cash strapped and alienated, senior citizens band together to lobby for benefits. Suppose the country is also fragmented politically and
narrow interest groups hold the balance of power. Whatever the inclinations of the political parties, the collective voice of 25% of the electorate will be hard to resist. Precious resources needed to rejuvenate the economy might then be diverted towards the narrow interests of the sectarian senior citizens as they flex their political muscles.

b. It must be emphasised that the above scenario is by no means a certainty. For it to happen, there must be failure in the recommendations of the other Workgroups, e.g., social integration, health care and financial security. The scenario is a stark and extreme illustration. There can be other equally plausible (or implausible) scenarios where senior citizens are active, positive and responsible contributors to the political process. The usefulness of the extreme scenario is that it brings to attention the underlying intergenerational conflict, which may be less evident otherwise. But whatever the scenario, there will always be an underlying intergenerational tension between the working young and the economically inactive senior citizens that has the potential to surface if the social and economic conditions are not favourable.

**PRINCIPLES IN RECOMMENDATIONS**

16. In the light of the socio-political implications, the following principles will be relevant in guiding the recommendations:

   a. The recommendations should promote a structure of financial support for senior citizens so that they will not be reliant on the State.

   b. The recommendations should try to help senior citizens to relate to the long-term concerns of the rest of society for the sustained dynamism of the economy.

   c. The recommendations should seek to promote communication between senior citizens and the rest of society so that they can share each other’s concerns. The desired outcome is to have a more cohesive society.

   d. It is important to see the following recommendations not merely as defensive measures against a plausible, but by no means likely, unfavourable outcome. The recommendations can be seen positively as constantly promoting cohesion in a society by addressing the underlying intergenerational tension.

**RECOMMENDATIONS ON PRINCIPLES OF ALLOCATION**

17. The following principles are recommended to guide the allocation of national resources to senior citizens. They are not new and are currently being practised. The Workgroup thus affirms these existing principles:

   a. **Personal responsibility.** Individuals should be personally responsible for their personal needs, as a first principle. In their productive years, they should plan for their own future, for the time when they are not economically active. This principle is consistent with the general tenet of Singapore.

   b. **Family support.** Another tenet of Singapore is family as the basic unit of society. This is reinforced in Singapore 21’s vision of building strong families. Thus, beyond the individual, the family should play an important role in providing support for senior citizens.

   c. **Voluntary help.** In line with Singapore 21’s vision of active citizenship, we should encourage voluntary organisations to step in and provide the next level of
support where the needs cannot be met by the individual or his or her family. The State can be involved in subsidising the voluntary organisations, particularly if their help is directed towards the destitute and lower-income groups. As a condition for State subsidy, the voluntary organisations should be open to serve senior citizens of all races and religions.

d. State involvement. Direct State involvement can become necessary where the senior citizen’s needs cannot be met by other means. As a society, we will be inhumane if senior citizens are not cared for by anyone. However, to be in line with the other principles, the State’s involvement should be a last resort, and should not be above the minimal level in case it discourages personal responsibility, family support and volunteerism. It should generally be targeted at the destitute and lower-income groups, or in areas where massive organisation is required and it would be inefficient for any other body to operate, e.g. the provision of acute health care.

18. The parallel session discussing the Workgroup’s recommendations during the Ministry of Community Development-Institute of Policy Studies (MCD-IPS) Conference on Ageing in Singapore supported the Workgroup’s affirmation of these existing principles. It agreed that there should be intergenerational support within the family, instead of intergenerational financial transfers through the State (as is the case in a State pension model). In addition, the parallel session was of the view that there was a need to go beyond the financial aspects. The State should help develop trust between the generations in order to promote intergenerational solidarity.

RECOMMENDATIONS ON POLICY MEASURES

19. The following are recommendations on policy measures to strengthen the social fabric and address the conflict between senior citizens and the rest of society.

Promoting Extended Family Ties

20. In line with Singapore 21’s vision of building strong families, we should exploit the institution of the family as a critical mechanism for conflict resolution between senior citizens and the rest of society. Having intergenerational differences resolved within the family will be the least divisive politically. More cohesive extended families will imply stronger intergenerational bonds in society at large. Thus, the intention is to promote more interaction and communication between senior citizens and the younger members in their families and help rationalise intergenerational differences.

21. The concept of the extended family should be promoted to develop more interaction and communication between senior citizens and the young. This concept defines the family to include not just children and parents but also grandparents and even great-grandparents. Consideration should also be given to include other members of the extended family such as granduncles and grandaunts, especially those who are single or do not have children. The parallel session agreed with the view that granduncles and grandaunts as well as great-grandparents should be included in the concept of the extended family. It called for them to be included in a review of family policies in the first instance.
22. To operationalise the recommendation, the Government should review all its family policies and consider whether policies involving only two-tier families can be expanded to involve the extended family. In the first instance, to make the recommendation more focused and operationalisable, and to prevent abuse, the definition of the extended family to be used by Government should include only grandparents. Others, such as granduncles and grandaunts, may be considered for inclusion subsequently.

23. The young should be taught the importance of the extended family. For example, the teaching of family values in school textbooks should also include illustrations of grandparents as an integral part of the family structure.

24. Housing policies can be reviewed to encourage families to stay not merely close to their parents, but also their grandparents. This can be over and above the existing Central Provident Fund (CPF) Housing Grant to encourage applicants to stay near their parents. It can take the form of giving additional incentives when grandparents (besides parents) are also in close proximity to the desired Housing and Development Board (HDB) flat of an applicant.

25. Social activities provide good opportunities for closer interaction between the senior citizens and the young. The Ministry of Community Development (MCD) is already planning a Grandparents’ Day this year to promote family ties along the multi-tier approach. Family-based concessions at Government-controlled recreational facilities can be based on the concept of the extended family. For instance, entrance fees to the Singapore Discovery Centre or Sentosa can be discounted for visitors that visit in three-tier family groups.

26. Privileges are currently given to members of Residents’ Committees in their application for HDB apartments. We can give further priority among this group to those whose parents or grandparents are also concurrently rendering their services.

27. Tax incentives are now given to those staying with their parents. Additional incentives can be extended to those staying with their parents and grandparents. CPF top-ups for grandparents should also be allowed in the same way that CPF top-ups for parents are allowed.

28. There can be many other ways to promote interaction between senior citizens and their young via the extended family concept and it is suggested that each Government agency conduct a comprehensive review on how such a concept can be implemented. This will include exploring the use of existing resources such as Family Service Centres. Care, however, should be given to prevent undesirable consequences. For example, we must ensure that such policies should not lead to the displacement of the role of parents in the family by grandparents. In general, this multi-tier approach should also not lead to the expansion of the pool of people eligible for privileges.

29. Promoting extended family ties will not merely enhance intergenerational interaction or lessen intergenerational conflict. It will also help to reinforce the
role of the family in supporting senior citizens and expand the resource base of the family to do so. This will better help families support their older members and lessen the conflict between the rich and the poor.

**Moderating the Renewal Process of the Organisational Leadership**

30. One arena of conflict between senior citizens and the young is in the leadership renewal process. If not managed properly, the ageing outgoing leaders can feel bitter about not being allowed to continue to serve. It will also be a waste of their talent if ageing but still healthy leaders have to make room for the young.

31. One recommendation is that, in line with the rising retirement age, the average age of leaders of various national bodies and organisations can be higher than the current average age. The implication is that some ageing leaders will be able to stay longer in their jobs than before.

32. The need for rejuvenation, however, should not be forgotten. In fact, with an ageing society, it will be more natural to keep leaders longer in their positions and overlook the need for rejuvenation, to the detriment of youthful dynamism. To counter this, we should continue to emphasise the principle of rejuvenation in organisational leadership.

33. Thus, our Workgroup also recommends that the Government promote the culture of leadership rejuvenation. The public, private and people sectors should be encouraged to practise this concept of leadership rejuvenation, but at the same time they should ensure that ageing leaders are given opportunities to contribute and accorded due respect and recognition. Another important aspect of leadership renewal is getting the young to step forward and serve their organisations in more active roles, including in leadership positions. In general, MCD could facilitate the inculcation of this renewal culture through its public education efforts. However, the public sector must take the lead in setting the example, with representative organisations in the private and people sectors (e.g., Singapore National Employers Federation and National Council of Social Service respectively) cultivated to take the lead in their respective sectors. (At the parallel session, reservations were expressed on whether there is a need to cultivate the private sector on this matter.)

34. Individual groups can however, be left to decide how they wish to operationalise this process. For example, they could introduce term limits on leadership positions of say, three terms or 10 years. Organisations could also emphasise the responsibility of current leaders to identify and groom the next generation of leaders.

35. We feel that a possible arrangement is for an organisation to have both young and old leaders serving together. The senior leaders will be able to transfer their knowledge and experience to the younger generation, while the younger leaders can bring fresh ideas and approaches to the organisation.

36. By making renewal an accepted and normal practice in Singapore, this would help organisations inculcate a culture for rejuvenation more easily. For instance, in an organisation that embraces this culture, an older leader would have groomed a
suitable person to take over the leadership. He can be confident that the 
or organisation will be in good hands. Furthermore, he can also step down without 
having to explain why he is doing so, as everyone would understand that this is a 
responsible act, done with honour and foresight.

37. The method of implementing this renewal concept is very important. Care 
must be taken to practise it in a respectful and non-threatening manner. A major 
care concern and potential source of conflict, among outgoing leaders is how they are 
treated after they relinquish leadership. Some want to and are able to serve, but 
there are few roles for them. Others are disheartened by the lack of respect and 
recognition. The parallel session of the MCD-IPS Conference on Ageing in Singapore 
also commented that the process of renewal should not be seen as the mandatory 
stepping aside by the older leadership to make room for the young. It called for a 
partnership between the old and the young in the leadership of organisations.

38. Recognising the need to harness the experience of older leaders and concomitant 
with creating the awareness of the need for rejuvenation, we should promote a culture 
of respect and continued recognition for the contribution of former older leaders. 
When they leave, they should be able to do so gracefully and honourably. Organisations 
should be encouraged to tap on the talents of outgoing older leaders. They can be 
appointed into advisory positions in the organisation from which their wisdom can 
be tapped by the younger leaders. They can even be encouraged to continue to serve 
as ordinary members. We should also channel them into other leadership positions 
that are vacant. For instance, outgoing union leaders or Residents’ Committee 
Chairmen can be channelled to be leaders in recreational groupings of senior citizens 
(e.g. Senior Citizens’ Clubs).

Providing a Grant for Learning And Development (GLAD)

39. It is important for senior citizens to realise that they should continue to have an 
interest in ensuring that national resources are used to maintain the long-term health 
of the economy, even when they are no longer economically active. A direct way of 
bringing home to senior citizens the long-term concerns the rest of the country has 
over the health of the economy is to provide them with transfer benefits when the 
economy is healthy. While the amount need not be large, it can be a significant 
symbol, conveying to senior citizens that they have a stake in the long-term health of 
the economy as well.

40. One option for such a transfer to be administered is in the form of a grant, called 
Grant for Learning And Development (GLAD), to the Community Development Councils 
or Residents’ Committees. These organisations may be required to spend the grant 
only for senior citizens for the specific purpose of funding activities which promote a 
healthy lifestyle (e.g. exercise classes, health seminars) and lifelong learning (e.g. lessons 
on new technology, training for new job skills, hobbies). The benefits to senior citizens 
are twofold. First, the lives of senior citizens are enriched through participation in 
these programmes. Second, they provide assurance to senior citizens that they can 
continue to grow and develop as independent individuals and be active in meaningful 
activities.
41. To preserve the dignity of senior citizens, it is important that this grant is not seen as a welfare handout. It is also important to be clear that such a grant is a bonus when times are good and cannot be sustained when the economy is weak.

42. Another option is for the grant to be given to older individuals directly, via the Special Accounts in their CPF accounts. This is administratively more simple, although it suffers a higher risk of senior citizens taking it for granted.

43. There were mixed responses when this recommendation was discussed at the parallel session during the MCD-IPS Conference on Ageing in Singapore. Some participants felt that there was no need to give senior citizens a special stake in society, while others had no objection to the transfer benefits but only in the form of special programmes and discounts, not outright cash grants. Yet others showed preference for the option of giving the grant to individuals directly via their CPF accounts over the option of disbursing through programmes of Community Development Councils and Residents’ Committees.

OBSERVATIONS
44. Apart from the above recommendations, the Workgroup has also made the following observations which surfaced in the course of various discussions held.

Umbrella Body for Senior Citizens
45. There has been more and more autonomous societies for senior citizens (e.g. the Gerontological Society, the Retired and Senior Volunteer Programme) being formed and these can balloon in the coming years as Singapore ages. Senior citizens can increasingly be a potential fertile ground for political mobilisation. The experiences of the countries cited above indicate that senior citizens can be rallied into a cohesive voice if there are relevant issues galvanising the different groups of senior citizens together. With active citizenry, this cohesive voice may develop on its own as a formal or informal umbrella body of various groups for senior citizens.

46. Whether such an umbrella body, if it does come about, will be positive or negative to social and intergenerational cohesion will depend on the outlook of the leaders. On the negative side, it can function as a powerful lobby group pursuing its sectarian interests at the expense of the rest of society, as described in the scenario above. On the positive side, this body can collate and rationalise the concerns of senior citizens and function as the communication channel between senior citizens and the State. In this positive role, there will be some degree of internal rationalisation of the concerns of senior citizens. Also, the State may be alerted early of impending concerns of senior citizens before they are politicised. The State will also be better able to address these concerns since there is a clear line of communication via this body. All these can strengthen national cohesion.
47. The Workgroup has two views on what action should be taken to deal with these possibilities. Some in the Workgroup feel that the State should try to be involved in the set up and even running of such an umbrella group, to ensure that it will play a positive role. Others feel that it should be left to germinate on its own, because it is felt that any State intervention can be self-defeating. Even in this latter option, Government influence can still be exercised through the People’s Association, the Inter-Ministerial Committee on the Ageing Population or other such bodies.

48. This observation is included for attention and not a recommendation.

Concerns over the Electoral System

49. In the course of the various discussions, various possible changes to the electoral system were brought up. There was a suggestion to legislate a quota for senior citizens for the number of Members of Parliament or Nominated Members of Parliament. Another suggestion was to apply a quota for senior citizens to the Group Representation Constituency concept, similar to the race quota. These suggestions were directed to ensure minimum representation of senior citizens in the political process. However, these measures may not be necessary because with an ageing electorate, political parties will, on their own, naturally ensure sufficient representation of senior citizens in their wings without the prompting from these measures. On the other hand, these measures can result in the unintended consequence of highlighting the divide between senior citizens and the young and thus undermine cohesion.

50. Another possible change discussed was the possibility of giving the economically active in the population, or those with family responsibilities, a higher weightage in terms of their votes vis-à-vis the economically inactive senior citizens. The rationale is that those with “more stake” in the society should have a greater say in how the country takes shape. This change will help to limit the impact of any senior citizens lobby.

51. The general view, both among the focus groups and within the Workgroup, is that the electoral system need not be changed. The consensus is that the concern articulated does not justify the change, especially in view of the various measures of this and other Workgroups that will help address the concern.

CONCLUSION

52. The various recommendations will help to build a more cohesive society by addressing the underlying intergenerational tension. They can help to resolve the conflicts that can potentially arise with an ageing society. These recommendations need not be implemented at once or all together. They should be implemented in conjunction with the recommendations of the other Workgroups for maximum effect. With these recommendations, Singapore will be better able to manage the conflicts and promote cohesion in an ageing society.
SUMMARY OF FOCUS GROUP DISCUSSIONS

INTRODUCTION
1. A total of eight focus group discussions were held from May to June 1999. The focus groups comprised representatives from about 35 organisations including the different ethnic, senior citizens and religious groups, women and youth groups and also the media. In all, the Workgroup met more than 250 people. (A list of the various focus groups participating in the discussions can be found in Annex A1.)

2. The discussions were generally frank and open. The participants were quite enthusiastic and freely voiced their opinions about a range of issues concerning senior citizens. Some of the topics raised also covered issues that came under the purview of the other Workgroups. It was difficult to talk about matters concerning senior citizens without touching on issues relating to social integration, housing, financial security, health care and employability. However, the politics of ageing and the conflicts faced by society were equally important issues and the members of the focus groups were more than willing to share their views.

KEY CONCERNS
3. It was interesting to note the different key concerns of the various focus groups. For example, representatives from the Muslim and Malay groups were concerned with issues such as the role of State and family as well as the health care and financial security of women. The youth groups were relatively vocal about the need to be independent and to prepare oneself for old age. Issues on religion and senior citizens and the importance of religious education featured prominently in the discussions with the ethnic and religious groups.

4. The fact that different focus groups had different concerns and views was to be expected as issues concerning senior citizens affect all communities in different ways. It was important to be able to study the differences and similarities in views in order to grasp a more complete and better understanding of these issues.

SIMILARITIES IN VIEWS
5. Several groups shared similar views on issues such as religion and the political clout of senior citizens. A number of the racial and ethnic groups felt that people would tend to be more religious when they are older. A majority of the focus groups also felt that senior citizens in the future would be more active in grassroots activities and play a more significant role in the Government. The importance of the family and the need to promote strong family values also featured in a number of discussions. Educating the young on respecting senior citizens and teaching them the correct values must start early in schools.
DIFFERENCES IN VIEWS
6. There were separate views on the role of the Government with regard to supporting senior citizens. While all agreed that the Government had a part to play, views varied on whether the Government should intervene directly. The youth groups felt that the Government should provide an additional safety net for senior citizens to lessen the burden on the economically active group. Other groups emphasised the importance of individual responsibility, with the State providing the infrastructure.

7. The focus groups also had different views on changing the electoral system. While the majority of the focus groups felt that the current voting system was sacred and should never be changed, the youth focus group generally felt that the young should have more votes. In the case of the women focus group, most of the participants felt that the system should not change. However, there was a participant who, after further debate, changed her mind from being against any changes to being willing to consider the possibility of future alternatives.

8. The views were also mixed on the issue of setting up an umbrella body for senior citizens. The focus groups differed in their opinions on whether such a body should be evolved over time or whether the State should play a role. The Chinese Media group felt that an umbrella body would help to represent a collective voice for senior citizens. However, having a collective voice may not adequately address the differing needs of senior citizens such as those between the rich and the poor. The English Media group felt that the forming of the umbrella body should be evolved over time. However, some in the Union group felt that left on its own, such a body may not be formed and the Government should take the initiative.

FEEDBACK ON RECOMMENDATIONS
9. Promoting Extended Family Ties. Most groups agreed that the family was an important institution and that ties between members in the extended family can be further strengthened to develop closer intergenerational bonds. The group representing the Malay community commented that the "kampong" of the past provided space for different generations to conduct their own activities. The mosque remained the central institution for bringing senior citizens and the young together through activities such as religious classes. The groups from the Chinese and ethnic communities also felt that promoting the "kampong spirit" would also encourage social integration and neighbourliness. The Women’s group commented that stronger family ties could be promoted in the schools and through the media while the group representing the ethnic communities felt that religion taught at home or in places of worship would help to inculcate moral values in the younger generation. The group from the various religious organisations brought up an interesting point that the concept of the two-tier or three-tier family did not exist in the Chinese education system as the concept of family represented everyone from the family tree.
10. Moderating Renewal Process of the Organisational Leadership. The English Media group agreed with the idea that there should be a national norm for the renewal of leadership. However, the details of the renewal mechanisms should be left to individual organisations. The group representing the various religious organisations felt that leadership should be based on capability. There were organisations which had older leaders who were unwilling to step down but there were also organisations which had difficulty finding young leaders to take over the helm. The Registrar of Societies could be given the authority to limit the leadership of public organisations while the private organisations could then decide for themselves whether or not to follow.

11. Providing a Grant for Learning And Development. The Chinese Media group agreed with the concept of a fund to promote lifelong learning. However, the fund should not be viewed as handouts for the poor. Instead, it should be seen as a privilege given in recognition by the nation when a person reaches the age of 65. The English Media group felt that such a fund would allow senior citizens to have a stake in the continued well-being of the economy. At the same time, it also felt that senior citizens would be more appreciative of supermarket incentives rather than the proposed fund.

CONCLUSION
12. It was against this backdrop of open debate, frank discussions and repeated consultation with different focus groups that various ideas surfaced. Recommendations formulated during the Workgroup meetings were also presented to the focus groups for their views. The recommendations were further refined as a result of the focus groups discussions.
LIST OF FOCUS GROUPS

1. Malay Community
   - Majlis Ugama Islam Singapore
   - Berita Harian
   - Yayasan Mendaki
   - Association of Muslim Professionals
   - Representatives from the Mosques

2. Youth Groups
   - People’s Association Youth Movement
   - PAP Youth Wing

3. Ethnic Groups
   - Singapore Indian Development Association
   - Eurasian Association
   - Hindu Endowment Board

4. Chinese Community
   - Chinese Clans Associations
   - Chinese Development Assistance Council

5. Women’s Groups
   - Association of Women for Action and Research
   - PAP Women’s Wing
   - Women’s Society of Christian Service
   - Singapore Council of Women’s Organisation

6. Elder Groups
   - Gerontological Society
   - Singapore Action Group of Elders
   - People’s Association – Senior Citizens’ Club

7. Religious Organisations
   - Inter-Religious Organisation
   - Baha’i
   - Buddhism
   - Christianity
   - Hinduism
   - Islam
   - Sikh
   - Taoism
   - Zoroastrianism
8. Media Groups (English & Chinese)
   - Singapore Press Holdings (e.g., The Straits Times, The New Paper, Lianhe Zaobao, Lianhe Wanbao, etc.)
   - Television Corporation of Singapore
   - Radio Corporation of Singapore

9. Union Groups
   - Amalgamated Union of Public Employees
   - Changi International Airport Services Employees’ Union
   - The Development Bank of Singapore Staff Union
   - Food and Beverage Industrial Workers’ Union
   - Union of Telecoms Employees’ of Singapore
   - United Workers of Electronics and Electrical Industries
   - Metal Industries Workers Union
   - Natsteel Employees’ Union
   - Sembawang Shipyards Employees’ Union
   - Shipbuilding and Marine Engineering Employees’ Union
   - Singapore Bank Employees’ Union
ACKNOWLEDGEMENTS

The Inter-Ministerial Committee on the Ageing Population (IMC) would like to thank the many concerned individuals and organisations who have contributed to the work of the IMC. They provided valuable ideas and suggestions through participation in focus group discussions and the Ministry of Community Development-Institute of Policy Studies Conference on Ageing in Singapore on 24-25 September 1999. Useful feedback was also obtained from letters to the media’s forum pages, letters to the IMC Secretariat and via the IMC Website. We would like to thank members of the press and broadcast media for helping to publicise our findings so that we could reach a wider audience and solicit public feedback.

We would also like to thank the members and resource persons of the IMC Workgroups who contributed valuable experience and insights to the deliberations on issues under the purview of the respective Workgroups. We also thank the Secretariats of the six IMC Workgroups for their significant and substantial efforts in supporting the Workgroups and compiling the Workgroup reports.