**SAGE Interview Transcript Part 2.5**

(Minutes 0:00 to 35:45 of Part 2)

ZY: Does Singapore have enough social security schemes for the elderly?

MP: Social security scheme…ya. Now…this is quite…quite complicating ya because if I tell you (faces WN) if I tell them we are not a welfare state I’ve got to go in into explaining what is a welfare state (faces us) do you know what is a welfare state and welfare society the difference uh?

JY: State and society?

MP: Ya, is there a difference?

CL: Um….Does state refer to, like um…, is like the country or…

MP: Hm…Clarence no, both…both definitions, welfare state and welfare society, they are concepts of how a country provides. Ya…examples of welfare state, like Europe, Australia, even Japan, where everything the state pays. So that’s a welfare state. And that’s why today the EU countries are having such a huge debt problem. Ok? Then a welfare society means (the concept itself) is everybody contributes. You and I we contribute. Ok? Contribute in the sense we take care of our own. We take care of ourselves, together with our families, and then the community… (right?) then the government. So together, have you heard of this term “many helping hands”? I think you must have…I hope you have heard. That means all these come together (right?) to form a welfare society. In other words, it’s everybody’s responsibility to take care of the disadvantaged, the poor, (hm?) and of course our senior citizens. Those who cannot afford. In the case of welfare state, the entire burden is on the shoulders of the government. And the government doesn’t have all this money to give, particularly worldwide. The older population, world population of older people, keep on increasing. Where to get the money? Hm?

JY: Like the people that um… all the working class, money they get …GST…

MP: Ya, how. That means…it means…It means higher and higher taxes right? Instead of 7% probably increase the GST to 10%.

JY: Uh so there’ll be a problem where… where everybody will be unhappy…

MP: You’re happy? Will you be happy?

JY: Uh..no

MP: Exactly!

JY: Especially in Singapore…

MP: Ya. No, well…So this is a collective thing. In other words the entire society comes together. Many helping hands. We help out those that require the help (assistance).Ya? Now, so coming… we’re…we’re still at Question 1 uh… Well, what is…Singapore’s social security scheme?

ZY:

MP: Very good. Yes. Now tell me…tell us… what is your understanding of CPF? How does it work?

CL: It takes a certain amount from your pay…

MP: From?

CL: Your pay.

MP: Okay…

CL: Then… it will give it out at retirement age.

MP: Only…from…our pay? There’s one more party that contributes to a person’s (a worker’s) CPF. One more party. Party has to pay. And which is that party? \*Silence for 3 seconds\* The employers. Right? You understand? So in a CPF scheme, the employer contributes X% out of monthly salary. Employer contributes X% add together it becomes the CPF contribution for a particular employee and this is put into an employee’s personal account. So it can be withdrawn after age…at age 55 (looks at WN) is it?

WN: Ya.

MP: Ya at age 55 you can make your first withdraw but you must set aside a minimum sum to cater for old age. What the Singapore government does is through the CPF board, it invests the money, (ok?) and then the CPF board gives…pays out…gives interest to a individ…to everybody, CPF account holder and interest, whether it is 6-monthly or yearly basis. Then it becomes a CPF account for everyone. OK? So it is a contributory social security system. Now…

\*Change camera man\*

Zhi Yi you understand or not? CPF. How it works. Ok? So, come back to the question, is it adequate? The answer is no. Ok? It’s not adequate because there is inflation, every year. Now, your CPF doesn’t take into consideration the inflation. And of course individuals Mr Wan Noor and myself, we have different requirements or expectations in how we want to spend our money. Mr Wan Noor wants to go for holidays once every 6 months. Ok? Now, when he reaches 55 years he takes the money after setting aside a minimum sum. Then he’s got to make sure (obviously his pay was very high, then more CPF, then he finds that he can afford,(right) then he can go for holidays twice a year, after…because by then 55 he will paid up his HDB flat. Right? He’s got enough money to buy essential items for daily use, and…and daily expenses. Now, why not enough? Inflation is one factor that needs to be taken into consideration. Because if a person starts working say at 21, 22 years old (assuming), and collects the first instalment pay of CPF (55 years old), so we are talking about a person contributing during the working career of 32 years. Ok? Now over these 32 years, every month contribute. He contributes, his employer contributes, so it is build up. But then, people live longer. Right? Now, the average age people live in Singapore is (for men) supposed to be 79 years old and for women is 82 ya (looks at WN)

WN: 83

MP: 83 years old. RIght. So after a person retires at 62, ok, and then he… on average a person is expected to live until 78, so he has 62 years minus (by) 78 years is another how many years? Is it 16 years. Then for ladies, 83 minus 62, another 21 years, right? Now, all these years, after retirement, we need the money to spend. Agree? Yes? Is CPF enough? Hm? Then where is the next source of income, in addition to CPF?

JY: Uh, we got \_\_\_ that most of the…most of them depend on savings ya (looks at CL)

CL: Ya

JY: Savings (their own savings) because their CPF escalate. Uh…we took a uh…

HZ: Social survey.

JY: …social survey in front of the elderly and they all agreed that the CPF is insufficient and thus have to depend on their saving as well, not just the CPF. So…ya. I suppose that…suppose that that is the second… uh… source…

MP: Source of income.

JY: Ya

MP: Correct. (Looks at WN) Ok, continue.

WN: \_\_\_

MP: \_\_\_. So, you had second source of income. Any other source also (of income) in your research?

CL: SRS.

MP: Sorry?

CL: SRS.

MP: S…

JY: …RS

MP: What is SRS?

CL: It is something….

JY: Something to supplement the…

MP: Where do you get the money from?

CL: Er…something like the insurance, an insurance sum.

MP: Ok. Clarence, next time you have to use acronym to show what it means. Ok. Another source of income which Clarence touch on, is in fact, is the individual buys insurance. He buys insurance, in other words whether you…you…you…buy your insurance (any insurance), then it \_\_\_upon your retirement age. And of course there are also varying sources of other types of income. But the point here is there must be\_\_\_. There must be conscious effort to plan financial \_\_\_. Now, how you save, how you spend, right, is entirely up to you in your retirement age. Whether you want to eat $3 lunch or $10 lunch, it’s up to you! Right, Clarence? Lunch, how much do you spend one day?

ZY: $2

MP: SO the school la. What do you eat, $2?

ZY: Mixed Rice.

MP: Sorry?

ZY: Mixed Rice.

MP: Uh, and then, for the drinks?

ZY: I drink plain water.

MP: You drink plain water? You bring water from home? That’s good. And don’t go and drink all these can drinks. It’s not good for your health. And it cost a lot of money, don’t you think so? Plain water. How many of you drink coffee?

CL: We don’t drink.

MP: You don’t drink. So what else, apart from water, what else do you drink?

WN: Drink red bull?

JY: Supposing you are referring to all those drinks that need...that are needed for uh, for everyday life. Like especially adults nowadays they take a lot of coffee and are used to it that they need to take coffee. Are you saying that?

MP: No I’m not saying that. I’m not saying anything. I’m asking you do you take coffee, that’s all.

JY: Uh no, neither do we take energy drinks. Uh I don’t take some sports drinks if I am... ‘Cuz I’m…my CCA…

HZ: Ya CCA…

JY: Ya…

MP: Sports drinks like what? 100 plus?

JY: Uh… H20…

MP: H20…But it’s still is isotonic drinks la…

JY: Ya…Uh…So is there anything that you want to imply about or say about the elderly…or how the elderly chose to \_\_\_defers from other people?

MP: Nope …I’m not implying anything, I’m not saying anything. Because, all this is just\_\_\_, isn’t it. Ya? So, A, the knowledge that we see on financial planning needs to be improved by individuals and the reasons being, Singaporeans live longer, so they need more money to cater for old age. So your first question: does Singapore have adequate social security for retirement? If you take only the CPF, ya, that’s a official retirement social security scheme, then the answer is no. But, it is up to the individual to plan… how you…how you spend your money how you spend your income, how much can you save. Like your parents. All your parents’ .They have to cater for you and your sibling’s education. Clothing. Daily expenses. That’s for you. Then, on top of that, you’ve got to think in terms of if there are 5 of you. After your A-levels you’ve to go for higher studies. Go to university. Your parents will have to cater funds (money) to send you to university. If you want to do medicine, you got to take 6 years. You want to do Arts, including honours, 4 years. So, this is all part of financial planning. How to cater. Of course nowadays insurance companies do sell policies like education policies. So Clarence can buy education policies. But every month or every year he still has to pay a premium to the insurance companies. Right? Another unknown factor which in my opinion…in our opinion is very important. And that is (and it’s one of the questions and that is in the event any member of the family falls sick.

JY: Uh…

MP: So you have healthcare expenses you’ve got to think of isn’t it. All right, no, no, carry on, please. (Gestures to Joshua)

JY: Uh…ya, uh…I understand what you’re trying to say I uh…that we…uh…how people spend their money is very important, like, uh…if you’re talking about the savings of the elderly. So how do you think we can like help the elderly, or maybe even before the elderly age, to…uh…care for their financial uh…future. Maybe you like teach them how to plan financially, save more, spend less. Do you think it will work? Or do you have any suggestions?

MP: No, no. I’m not going to give you any suggestions. Have you got any ideas?

JY: Uh….well… not yet at least but what do you suggest?

MP: I’m not going to suggest without you guys thinking about it.

JY: Uh…

MP: So you jolly well think! Think! So how would you suggest? Any ideas? No, no, it’s important, that you think through, and you think amongst yourself, what ideas, how you can go about helping the elderly. All of you…how many of you…how many of your grandparents are still alive? How many of you?

JY: Uh…more than\_\_\_.

MP: But you still have grandparents la? Your grandma and…your grand… (Gestures to Hazim) your grandparents are still alive?

HZ: Ya

MP: (Gestures to JJ) Your grandparents still alive?

JJ: Ya

MP: Clarence you?

CL: Ya

ZY: Only one grandparent…

MP: That’s fine. That’s still a grandparent. Right? Ok? So any ideas? How you teach them?

ZY:\_\_\_.

MP: Teach them how to save?

ZY: Ya.

MP: How are you going to teach them how to save?

CL: Uh…maybe we can put it in the education system.

MP: Who’s education system? Your education system?

HZ: It’s like primary school they have some course teach you how to save properly by the teacher…

MP: Hazim…Hazim…I’m told that you guys are pretty stressful with the current curriculum. If you add some more in, right, can you cope?

JY: Uh…well…maybe something we could do is like at the age of 40 to 50, around that age and getting to the elderly stage , the people would uh…feel the urgency if they do not save at first. So that will be a more effective way. But then again nowadays I’m not that sure if everybody can go…I mean or people who need to go for it, maybe they just think that ???. Any suggestions? Because in the case of the retirement village we are looking to help the financial problems of the elderly.

MP: I think you should separate the financial planning from retirement village. Separate the two. As concepts you need to separate the two. They are quite different. Even though they are closer \_\_\_financially speaking. But they are two different topics. Now, how do we get more people aware of um… the necessity to plan financially. That’s an issue. Have you read in the Straits Times (I can’t remember which day of the week) but generally speaking, they have a topic on “Money Sense”. “S” “E” “N” “S” “E” .Have you heard of that? A topic called “Money Sense”? Have you heard of that? Have you read it?

JY: Sorry, no.

MP: Ok.

WN: On the Sunday papers

MP: (Gestures to WN) Go ahead.

JY: \_\_\_

MP: No, no, ask Mr Wan Noor to explain.

WN:???. It teach you how to save money, how to maximize your money, how to make your money grow and when to start saving. So there are many, many ways and means that you can actually maximize your savings, not only on CPF, if you want to convert to CPF, you have to…like a insurance…??? You must bank your savings and ??? So that paper, it’s on the Sunday paper, on a Sunday also, on the last page. ????????

JY: Sorry what is forr…

WN: Oh sorry that is a kind of…

ZY: Forrex.

WN: …a kind of trading currency

MP: Any more questions?

JY: So by mentioning that is it telling that um…there is already um… something that gives advice for financial things?

MP: One of the avenues open to learn about financial planning is this “Money Sense” article, which MR Wan Noor mentioned is on the Sunday Times on Sunday. But not many older Singaporeans are as educated as he is. Now what about those who have \_\_\_ education? In other words the lesser educated. How do we teach them? How do we educate them on financial planning? How? You see I only have Primary Education. The article which Mr Wan Noor said I cannot understand even 20 %. Then how?

JY: Well I’m sure most of the elderly can er they…sometimes they cannot read but they can understand spoken language.

MP: So what could you do?

JY: So we could have uh…translators…I mean er or people who can speak in different dialects or even uh…Malay or…

ZY: Make it a bit like a movie.

HZ: Ya

MP: Make it into a?

CL: A show.

MP: A short?

JY, CL, ZY: A show.

MP: A show…

HZ: On the radio

JY: But…perhaps not the radio or show because the elderly do not really watch TV or…

MP: So what do you do?

JY: Er…..

CL: Uh…I think you can make it as a show but for those who… like you know, those who watch television\_\_\_.

MP: So how do you reach out to them?

CL: Like maybe can uh…have a session when they come in and…we teach them…

MP: When they come to? To RI is it uh?

CL: No, when they come to like…a certain place…

MP: Ok…that’s a start…when you see me somebody talk right? Now you need somebody to talk. I don’t know…normally still one or… I have only Primary Education. I go to RI and listen to the talk. I cannot understand 20% of what the…the fellow say? Then how?

JY: I can see that that is a problem that may not be as easy to be…met.

MP: Ok. Having said that, what are the solutions? You’ve got to find solutions. You cannot say because this is a difficult problem, that’s it, you shift aside. The answer is no. That’s not how things are done. Problem, we acknowledge. Now, next step is, how… what solution can we find? Right? Our job is to find solution. So if we don’t find solution, then how? Then how do we reach out? Isn’t it? Now, what are the solutions? You see, you can make into a film, whether…don’t make it a docu-info film, people will be very bored. OK? You make it into a fun-film, whether it is comedy, with a ???… Or you can do it as…on TV though I accept, Clarence, not everybody watch TV but it’s a high percentage of Singaporeans do watch TV, except that whether they watch the right type of programme or not I don’t know la. But if a programme is interesting enough, well-known actors or actresses, then people will want to watch. Those actors and actresses that the older people are attracted to. Then they say “Oh! So and so is acting in this film right now…” Then older will watch. That’s the way to go. It’s either made into a film, or a television series. Now, don’t, don’t, please don’t, exclude radio programmes. During my time, during your parent’s time, the only entertainment was radio. And then you heard a lot of people telling stories on radio, right?

JJ, HZ: Ya.

MP: Isn’t it? Correct or not?

JY: Ya the soccer matches…

MP: Exactly! Right? So don’t exclude radio programmes. But it is how you get producers, scriptwriters to write interesting things and whoever is to do that must understand financial planning. So a lot of research has got to be done on what are the essential items to be included in this programme. Make them interesting. Make this information so compelling that they will practise it. Understand? Ok? Right? So we are done with question 1 uh. Any question?

JY: Uh I think question 2 and question 3 is…

MP: Almost answered

JY: Answered so…

MP: Ya.

JY: I think we could go to question 4

MP: Ya. Do we have healthcare resources to provide for our ageing population? Yup. Yes. (Gestures to Clarence) Carry on.

CL: Uh, \_\_\_can I just clarify that which type of \_\_\_ Is like …like very good for the elderly that Singapore has so far, do you think that…

MP: I don’t know. I don’t know. You guys have done the research, you tell us.

CL: Like…in your opinion…

MP: In my opinion? I have no opinion. No, what…what sort of research have you done? What have you… as a group, what have you come up with?

CL: We searched on some of the different schemes…uh… the Insurance scheme, CPF, Medisave and\_\_\_. So we can’t really decide on which one is the best for\_\_\_.