

Why is the increase in CPF LIFE Escalating Plan payouts fixed at 2% per year and not matched to actual inflation rate?

CPF LIFE Escalating Plan payouts are not specifically matched to actual inflation in each year so that the increase in payouts is predictable and stable. By fixing the increase at 2% per year, CPF LIFE can provide some protection against inflation while keeping premiums at a more affordable level. Additionally, the 2% increase is meant to be a conservative estimate of the average inflation rate over time, which can vary from year to year.