

MEDIA RELEASE

20 Aug 2008

GOVERNMENT DOUBLES BUDGET TO PROVIDE MORE SUPPORT FOR MARRIAGE AND PARENTHOOD

Deputy Prime Minister Wong Kan Seng, Minister-In-Charge of Population Issues and Chairman of the National Population Committee (NPC), announced the details of the enhanced 2008 Marriage and Parenthood (M&P) Package today.

2. According to Mr Wong, "The enhanced Marriage and Parenthood Package seeks to foster an overall pro-family environment in Singapore through a broader range of measures that offers greater support in both financial and non-financial areas. The revised package will also extend the relevant benefits to beyond the fourth child. The budget for the enhanced Package is expected to increase to \$1.6 billion when fully implemented. This is double that of the current M&P package of \$800 million."

3. Emphasising the importance of raising the total fertility rate, Mr Wong said, "We must treat the problem of low fertility seriously, and try to raise our total fertility rate. Although getting married and having children is a personal choice, the Government is committed to fostering an overall family-friendly environment so that Singaporeans can have more support in getting married and having and raising children. We are also mindful that for all that we do, Singaporeans must desire to get married and have children in the first place. Societal attitude towards this needs to change, and we hope to facilitate the change with the enhanced Package."

ENHANCED TAX BENEFITS

4. The existing tax benefits will be substantially enhanced to provide greater financial support to parents in raising children.

- a) **Qualifying Child Relief/Handicapped Child Relief (QCR/HCR):** For parents with qualifying children (existing or newborn), the QCR will increase from \$2000 to \$4,000 per child, and the HCR from \$3,500 to \$5,500 per child.
- b) **Working Mother's Child Relief (WMCR):** Working mothers with qualifying Singaporean children (existing or newborn) will enjoy higher WMCR. Currently, the WMCR for the first, second, third and fourth child are 5%, 15%, 20% and 25% of the mother's earned income respectively. The WMCR will now be 15% and 20% of the mother's earned income for the first and second child respectively, and 25% per child for the third and subsequent child. The WMCR will be subject to an overall cap of 100% of the mother's earned income for all her qualifying children.

- c) **Combined QCR/HCR and WMCR:** The total amount of QCR/HCR and WMCR claimable will be capped at \$50,000 per child, twice the current cap of \$25,000. Parents will be able to claim the enhanced QCR/HCR and WMCR from Year of Assessment 2009.
- d) **Parenthood Tax Rebate (PTR):** Currently, PTR is only available for the second to fourth qualifying Singaporean child in a family. Going forward, PTR will be extended to the first child and beyond the fourth child. The PTR will be \$5,000 for the first child, \$10,000 for the second, and \$20,000 for each subsequent child. Both the father and the mother may use the PTR to offset their income tax payable. Parents of children born or legally adopted on or after 1 Jan 2008 will be able to claim the enhanced PTR from Year of Assessment 2009.

ENHANCED BABY BONUS

5. Both elements of the Baby Bonus, i.e. cash gift and dollar-for-dollar government matching contribution for the Children Development Account (CDA), will be enhanced. With the enhancements, the Baby Bonus will be up to \$10,000 for each of the first two children and up to \$18,000 for each subsequent child. The enhanced Baby Bonus applies to Singaporean babies born on or after 1 Jan 2009.

- a) **Cash gift:** The cash gift for the first and second child will be raised from \$3,000 to \$4,000. The cash gift for the third and fourth child remains at the current level of \$6,000.
- b) **CDA:** The government matching contribution will be extended to the first child at up to \$6,000. The matching contribution for the CDA for the second, third and fourth child will remain at the current levels. For the fifth child and beyond, a dollar-for-dollar matching for the CDA of up to \$18,000 per child will be introduced.

ENHANCED CENTRE-BASED CARE

6. The quality, affordability and accessibility of centre-based care will be enhanced to provide more viable childcare options for working parents.

- a) **Quality:** The quality of childcare services will be raised through higher educational and qualification requirements for pre-school teachers by the Ministry of Community Development, Youth and Sports, including providing scholarships and bursaries for the professional upgrading of deserving teachers in childcare centres. Childcare centres will also adopt an integrated curriculum framework and introduce a teacher-child ratio to ensure that there are adequate trained teachers in childcare centres. The Ministry of Community Development, Youth and Sports will provide recurrent grants for eligible not-for-profit childcare centre operators to set the benchmark for quality and affordability. The total recurrent grant to be provided is expected to reach up to \$21 million per year in five years' time.

- b) **Affordability:** From 1 Jan 2009, the subsidy for working mothers sending their Singaporean children to centre-based childcare will increase from \$150 to a maximum of \$300 per month per child and the subsidy for centre-based infant care will increase from \$400 to a maximum of \$600 per month per child.
- c) **Accessibility:** The Ministry of Community Development, Youth and Sports will also facilitate the development of 200 new childcare centres over the next five years to increase the number of childcare places.

ENHANCED QUALITY OF KINDERGARTEN EDUCATION

7. In order to further improve teacher quality and enhance teacher-pupil interactions in kindergartens, the Ministry of Education will **increase recurrent funding for eligible kindergarten operators**. The total recurrent grant to be provided is expected to reach up to \$62.5 million per year in five years' time, compared to the current \$17 million a year. The additional grant will allow the operators to recruit better qualified teachers and principals, engage more teachers to improve teacher-pupil interactions and provide more support to children who are weak in English. The Ministry of Education will also provide **bursaries and scholarships for existing kindergarten teachers** to upgrade their professional qualifications in approved institutions.

ENHANCED LEAVE MEASURES

8. Leave measures for working fathers and mothers will be enhanced to give parents more time to spend with their children.

- a) **Extended government-paid maternity leave:** Maternity leave will be extended from 12 weeks to 16 weeks for mothers with Singaporean children born on or after 1 Jan 2009. The last eight weeks can be taken flexibly over 12 months from the birth of the child, subject to mutual agreement between the employer and employee. For the first two confinements, the first eight weeks of maternity leave will continue to be employer-paid, with the last eight weeks to be funded by the Government (capped at \$20,000 per confinement, inclusive of CPF contributions). For the third and subsequent confinements, the full 16 weeks will be funded by the Government (capped at \$40,000 per confinement, inclusive of CPF contributions).
- b) **More leave for childcare:** From 1 Jan 2009, paid childcare leave will be increased from two days to six days per year per parent if one has a Singaporean child below the age of seven. The first three days will be employer-paid while the last three days will be Government-paid (capped at \$500 per day, inclusive of CPF contributions).
- c) **New unpaid infant care leave:** A new unpaid infant care leave of six days per year per parent if one has a Singaporean child below the age of two will be introduced to give parent additional time to spend with their child.

Parents with a child under the age of two are entitled to both paid childcare leave and unpaid infant care leave.

9. ***The qualifying period for maternity leave will be halved.*** Pregnant women will have to work for at least 90 days before confinement to qualify for maternity leave. In order to further ***enhance the protection for pregnant employees***, employers will be required from 1 Jan 2009 to pay employees their maternity leave benefits if the employees are dismissed without sufficient cause within the last six months of pregnancy or retrenched within the last three months.

SUPPORT FOR COUPLES WITH DIFFICULTIES CONCEIVING

10. For couples who have difficulties conceiving, the Government will ***co-fund Assisted Reproduction Technology (ART) treatments received at the public hospitals***. Singaporean couples can receive 50% co-funding (up to \$3,000) for each ART treatment cycle for a maximum of three cycles. This will be introduced from 1 Sep 2008.

MERGING SDU & SdS

11. ***The Social Development Unit (SDU), which currently caters to graduate singles, and the Social Development Service (SdS), which currently caters to non-graduate singles, will be merged to deliver enhanced dating and matchmaking services for all singles.*** The enlarged database would provide more opportunities for matches among members of SDU and SdS. The merged entity will also help to set standards for the dating/matchmaking industry in terms of quality and affordability. The merged entity will continue the SDU's current efforts in developing and accrediting suitable private agencies to offer singles more choices and a wider range of services.

12. As part of the merger, the network of Social Development Officers (SDO) will be set up to facilitate opportunities for social interaction among singles. The SDOs will be deployed at public sector organisations and community clubs, and will work with interested private firms to enhance opportunities for social interaction across organisations. The merged entity will also provide funding for other programmes that encourage social interaction among singles, and introduce relationship modules and programmes to educational institutions such as junior colleges and Institutes of Technical Education.

CONCLUSION

13. The enhanced 2008 M&P Package aims to address the key challenges that Singaporeans face in getting married and starting and raising families through: (a) facilitating better work-life balance, especially for working couples; (b) providing quality, affordable and accessible centre-based childcare options; and, (c) providing financial support for parents to raise and care for their children.

14. The NPC, through the National Population Secretariat (NPS) in the Prime Minister's Office, led a whole-of-government review of existing M&P measures to come up with the new and enhanced measures. The review took into account

learning points from existing programmes and overseas study trips, analyses of local and international fertility outcomes, and the views of the public obtained through surveys, public consultation sessions and other feedback channels. In all, about 7,000 Singaporeans were consulted, polled and/or provided feedback and suggestions.

MORE INFORMATION

15. For more details of the measures, the public can visit the M&P website www.family.gov.sg/MnP or call the M&P Hotline at **1800-233-2229**. More information on the leave measures will also be available at www.profamilyleave.gov.sg from 1 Jan 2009.

SUMMARY OF ENHANCED M&P PACKAGE

Measure	What it means	Effective date
GETTING MARRIED		
Finding a Partner	SDU and SdS will merge to deliver enhanced services, while continuing to develop the private dating industry	1 Jan 2009
CPF Housing Top-Up Grant	Singles Grant recipients who subsequently marry can enjoy a top-up grant to the prevailing CPF Housing Grant for Family	Existing
HAVING CHILDREN		
Medisave Maternity Package	Medisave can be used to help pay for delivery and pre-delivery expenses	Existing
Government Co-Funding for Assisted Reproduction Technology (ART) Treatment	Government will co-fund 50% of ART treatment received at the public hospitals, up to \$3,000 per treatment cycle, for a maximum of three cycles per Singaporean couple	1 Sep 2008
Medisave for Assisted Conception Procedures	Up to \$6,000, \$5,000 and \$4,000 can be used from Medisave for the 1st, 2nd and 3rd time respectively that Medisave is used for ACP	Existing
RAISING AND CARING FOR CHILDREN		
Parenthood Tax Rebate (PTR)	Working parents can claim the PTR of \$5,000 for the 1st child, \$10,000 for the 2nd child, and \$20,000 per child for all subsequent children	Year of Assessment 2009
Qualifying Child Relief (QCR) and Handicapped Child Relief (HCR)	Working parents can claim \$4,000 per child under the QCR or \$5,500 per child under the HCR	Year of Assessment 2009
Working Mother's Child relief (WMCR)	Working mothers can claim the WMCR at 15% of their earned income for the 1st child, 20% for the 2nd and 25% per child for all subsequent children	Year of Assessment 2009
Grandparent Caregiver Relief (GCR)	Working mothers whose children aged 12 and below are cared for by their grandparents can claim the GCR of \$3,000	Existing
Enhanced Baby Bonus	Parents can get a cash gift of \$4,000 for the 1st and 2nd child, and \$6,000 for the 3rd and 4th child Savings to the child's Children Development Account will be matched dollar for dollar up to \$6,000 for the 1st and 2nd child, up to \$12,000 for the 3rd and 4th child, and up to \$18,000 per child from the 5th child onwards	1 Jan 2009
Subsidies for centre-based infant care and childcare	Working mothers will enjoy a monthly subsidy of up to \$600 and up to \$300 for infant care and childcare respectively	1 Jan 2009
Enhanced quality of kindergarten education	Recurrent funding for eligible kindergarten operators will be increased Scholarships and bursaries will be awarded to help teachers to upgrade their professional qualifications	1 Jan 2009 (for funding & scholarship) Existing (for bursaries)

Measure	What it means	Effective date
Foreign Domestic Worker Levy Concession	Employers with a young child age below 12 or an elderly aged 65 and above staying in the same household can enjoy a \$95 levy concession	Existing
WORK-LIFE SUPPORT		
Extended maternity leave	Working mothers can enjoy longer maternity leave of 16 weeks	1 Jan 2009
Paid childcare leave	Working parents will get six days of paid childcare leave per year per parent if one has a child aged below seven years old	1 Jan 2009
Unpaid infant care leave	Working parents will get six days of unpaid infant care leave per year per parent if one has a child aged below two years old	1 Jan 2009
Enhanced protection for pregnant employees	Employees will still receive maternity leave benefits if they are dismissed without sufficient cause within the last six months of pregnancy or retrenched within the last three months of pregnancy	1 Jan 2009
Work-Life Works! (WOW!) Fund	Organisations can tap into the WOW! Fund to subsidise costs of consultancy and training leading to implementation of better work-life strategies	Existing