

BENEFITS FOR INDIVIDUALS AND HOUSEHOLDS

(A) SURPLUS SHARING 2008

2007 was a good year for Singapore. As the fiscal position is strong, the Government can afford to share some of the nation's surplus through a comprehensive set of measures that will benefit all Singaporeans.

(A1) Growth Dividends (GD)

The Government will give Growth Dividends (GD) to share surpluses from over the past year.

- For all adult Singaporeans aged 21 and above in 2008, with particular focus on lower and middle-income groups and older Singaporeans (see Table 1).
- Additional \$100 GD will be given to NSmen, ex-NSmen and NSF's.
- GD will be paid out in two instalments in April and October this year.
- Those who have signed up for the GST Credits do not need to sign up again for the GD. They will automatically receive their GD via the same means (bank account or cheque).
- GD will cost the Government \$865 million*.

Table 1: Growth Dividends*

		Annual Value of Home in 2007		
		\$5,000 or less (1-3R HDB flats)	More than \$5,000 and up to \$10,000 (4R, 5R HDB flats, exec flats and some less expensive private properties)	More than \$10,000 (more expensive private properties)
Annual Assessable Income in 2007	\$24,000 or less	\$400 (+\$100*) For those 60 years old and above: +\$200 (+\$50*)	\$300 (+\$75*) For those 60 years old and above: +\$150 (+\$37*)	\$150 (+\$37*) For those 60 years old and above: +\$75 (+\$19*)
	More than \$24,000 and up to \$100,000			
	More than \$100,000		\$100 (+\$25*)	
NSmen, ex-NSmen and NSF's			\$100 (+\$100)	

AV criteria for GD are based on the 2007 AVs.

***Afternote:** As announced by the Prime Minister on 17 August 2008, Singaporeans will receive a one-off 50% enhancement to the second installment of Growth Dividends (GD). Figures in brackets show the increment announced at National Day Rally 2008. This will raise the cost of

the Growth Dividends to \$1.06 billion.

(A2) Top-ups to Post-Secondary Education Accounts (PSEA)

The Government will provide a one-off Post-Secondary Education Account (PSEA) top-up to reinforce our commitment to investing in our young. These top-ups are over and above those announced in Budget 2007.

- For Singaporean children aged 7 to 20 in 2008.
- Top-ups will be given out in the second half of 2008.
- This will cost the Government \$300 million.

Table 2: Additional PSEA Top-ups in 2008

Age of Child	AV up to \$10,000 (1-5R HDB flats, exec flats and some less expensive private properties)	AV above \$10,000 (more expensive private properties)
7 to 12	\$300	\$150
13 to 20	\$600	\$300

AV criteria for PSEA Top-ups are based on the 2007 AVs.

(A3) Top-ups to CPF Medisave Accounts

The Government will provide a one-off top-up to Medisave Accounts to help older Singaporeans pay for their medical bills and increased MediShield premiums.

- For Singaporeans aged 51 and above in 2008.
- Top-ups will be given out in the second half of 2008.
- This will cost the Government \$220 million.

Table 3: CPF Medisave Top-up

Age	Medisave Top-up Amount
51 to 60	\$150
61 to 70	\$250
71 to 75	\$350
76 to 80	\$450
81 and above **	\$550

** **Afternote:** As announced by the Minister for Health on 17 April 2008, the top-up for those above the age of 80 will be raised to \$550. This will raise the cost of the Medisave Top-ups to \$226 million.

(A4) Personal Income Tax (PIT) Rebates

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The Government will provide a one-off PIT rebate of 20% for the Year of Assessment (YA) 2008, up to a maximum cap of \$2,000.

This will cost the Government \$380 million.

(A5) Assistance through Citizens' Consultative Committees (CCCs), Self-Help Groups and Voluntary Welfare Organisations (VWOs)

The Government will provide \$10 million over the next four years to help needy Singaporeans through the following channels:

- \$5 million top-up to the CCC ComCare Fund for the grassroots organisations to provide flexible assistance to low-income families.
- \$3 million for Government-funded VWO programmes.
- \$2 million to Self-Help Groups (CDAC, Yayasan MENDAKI, SINDA and the Eurasian Association).

(B) OTHER MEASURES THAT BENEFIT HOUSEHOLDS AND INDIVIDUALS

(B1) LIFE Bonus (L-Bonus)

The CPF LIFE scheme will be introduced as a major new plank to assure Singaporeans of a stream of income for as long as they live. Singaporeans who turn age 55 in or after 2013 and who have at least \$40,000 in their CPF Minimum Sum will be automatically included in the scheme. Older Singaporeans and those with less in their Minimum Sum can opt in.

The Government will provide a Bonus, called the LIFE Bonus (L-Bonus), to encourage Singaporeans to enrol in the LIFE scheme.

- L-Bonus will be provided for the first five cohorts of Singaporeans who join the LIFE scheme i.e. those aged 46 to 50 in 2008, with up to \$54,000 Assessable Income (AI) and live in a property of up to \$11,000 Annual Value (AV) at the time of enrolment.
- Members in the oldest cohort, those aged 50 in 2008, can expect to receive between \$2,200 and \$4,000 (Table 4). The youngest cohort, those aged 46 today, will get 30 percent of what the 50 year-old receives.
- L-Bonus will also be extended to those aged above 50 in 2008 who opt in.
- For members with less than \$40,000 in their Minimum Sum, but want to participate in the LIFE scheme, the Government will help them to do so and give them the L-Bonus as long as they are willing to make a reasonable contribution to their balances and accept lower monthly payouts.
- L-Bonus will be given to members at the point of enrolment in the CPF LIFE Scheme.

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- This will cost the Government \$770 million, which will be built up in a trust fund over three years, starting with a transfer of \$260 million in 2008.

Table 4: L-Bonus for those aged 55 and older in 2013

Assessable Income (AI)	Annual Value (AV)	
	Up to \$6,000	More than \$6,000 and up to \$11,000
\$24,000 or less	\$4,000	\$3,200
More than \$24,000 and up to \$54,000	\$3,200	\$2,200

Based on AV and AI cut-offs in 2008. Actual AV and AI cut-offs for the year of enrolment may vary.

(B2) Increase in Singapore Allowance (SA)

The Government will increase the Singapore Allowance (SA) for pensioners with low pension income.

- SA will be raised by \$20 to \$220 per month.
- Gross pension ceiling will be raised by \$20 to \$1,170.
- This will cost the Government an additional \$3 million per year.

(B3) Encouraging Voluntary Savings

The Government will broaden the tax reliefs and make it easier for Singaporeans to top up their own CPF accounts and that of their family members. This will encourage Singaporeans to voluntarily put aside more savings for retirement whenever they can. The Government will also allow employers to top up their employees' Minimum Sums.

- Individuals can claim tax relief up to \$7,000 per year for top-ups that they or their employers make to their own Minimum Sum.
- Individuals can claim tax relief up to another \$7,000 per year for top-ups that they make to the Minimum Sum of their spouse, siblings, parents or grandparents.
- Both tax reliefs will apply regardless of the recipients' age when the top-ups are made.
- Employers will enjoy a full tax deduction for the top-ups they make to their employees' Minimum Sum.

The Government will make refinements to the Supplementary Retirement Scheme (SRS) to remove the age limit on contributions and allow employers to contribute on behalf of their employees.

(B4) Estate Duty

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The Government will remove estate duty on deaths occurring on or after 15 February 2008.