

SUPPORTING FAMILIES

The Resilience Package will provide additional support for families and the community during this downturn. The key benefit that Singaporeans will derive from the package will come from the effort to preserve jobs through the Jobs initiatives – the Jobs Credit, the Workfare Income Supplement Scheme (WIS) Special Payment and Skills Programme for Upgrading and Resilience (SPUR). The Government will also complement the Jobs initiatives with the following:

- Direct assistance to households
- Targeted help for the most vulnerable groups
- Support for charitable giving and the community

(A) Direct Assistance to Households

(A1) Goods and Services Tax (GST) Credits and Senior Citizens' Bonus

To help households cope with their cash-flow problems arising from unemployment or reduced incomes, the Government will double the GST Credits and Senior Citizens' Bonus that citizens will receive in 2009.

This additional tranche will be paid on 1 March 2009 and will be on top of what citizens will receive in July 2009 as part of the 2007 GST Offset Package. About 2.4 million Singaporeans are eligible for the GST Credits including about 734,000 elderly Singaporeans who will also benefit from the Senior Citizens' Bonus.

The amount of GST Credits and Senior Citizens' Bonus citizens can receive in 2009 will like the previous year depend on:

- (i) The Annual Value (AV) of their residence in 2008¹; and
- (ii) Their Assessable Income (AI) for Year of Assessment 2008; and
- (iii) Their age in the year of payout.

¹ This applies to Singaporeans whose NRIC address has changed in 2008, and newly eligible Singaporeans. For Singaporeans whose NRIC address has not changed, the amount of benefits will depend on the Annual Value (AV) of their residence in 2007.

Budget 2009 Key Budget Initiatives 4

Payout Structure:

AI \ AV	< \$6,000	\$6,001 to \$11,000	> \$11,000
Up to \$24,000	\$250 x2 Aged 55-59: \$400 x2 Aged 60 and above: \$500 x2	\$200 x2 Aged 55-59: \$300 x2 Aged 60 and above: \$400 x2	\$100 x2 Aged 55-59: \$150 x2 Aged 60 and above: \$200 x2
\$24,001 - \$100,000			
More than \$100,000	\$100*		
NSFs/NS men	\$100#		

*If an individual has already received a payout in previous years, he will not receive the \$100.

#NSFs/NSmen will receive the \$100 only in the year that they first qualify.

(A2) Service and Conservancy Charges (S&CC) Rebates

The Government will provide an additional one month of S&CC Rebates to those living in a one-room to three-room HDB flats, who will therefore receive a total of three to 4.5 months for this year. Those in four-room HDB to Executive apartments will receive an additional half-month, or a total of one to two months of rebates. The additional S&CC rebate will be paid in April 2009.

Altogether, about 800,000 eligible HDB households will benefit from the rebates.

Payout Quantum (Number of Months):

	1-R	2-R	3-R	4-R	5-R	HDB Executive
Mar 2009	1	0.5	0.5	0.5	-	-
Apr 2009	+1	+1	+1	+0.5	+0.5	+0.5
Jun 2009	1	0.5	0.5	0.5	0.5	0.5
Sep 2009	1	0.5	0.5	-	-	-
Dec 2009	0.5	0.5	0.5	0.5	0.5	-
Calendar Year Total	4.5	3	3	2	1.5	1.0

(A3) Rental Rebates

The Government will provide an additional month of rental rebates in 2009, to eligible households in public rental flats. The additional rebate, to be paid in March and December 2009, will supplement the existing rental rebates these low-income families are already receiving as part of the 2007 GST Offset Package.

In total, about 35,000 eligible households in public rental flats are expected to benefit from the rebates.

Payout Quantum (Number of Months):

	1-R	2-R
Mar 2009	0.5+0.5	0.5+0.5
Jun 2009	1	0.5
Sep 2009	1	0.5
Dec 2009	0.5+0.5	0.5+0.5
<i>Calendar Year Total</i>	4	3

(A4) Personal Income Tax Rebate

The Government will give a personal income tax rebate of 20% (capped at \$2,000) for tax-residents for Year of Assessment 2009. This will provide an immediate reduction in the tax payable for these individuals for last year's income.

(A5) Instalment Option for Personal Income Tax Payment

To help tide taxpayers over the current difficult economic situation, the Government is allowing individual tax-residents who have lost their jobs in 2008 or lose their jobs in 2009 to pay their personal income taxes for year of assessment 2009 in monthly instalments of up to 24 months, up from the current 12 months allowed. Affected taxpayers can apply to IRAS for this extended instalment assistance.

(A6) Property Tax Rebate

The Government is providing a 40% property tax rebate for owner-occupied residential properties for 2009.

(A7) Removal of Tax on Net Annual Value of Property

Currently, taxpayers are required to pay income tax on the Net Annual Value of their dwelling or secondary residences. However, an exemption of up to \$150,000 of Net Annual Value for one owner-occupied residential property is granted.

The Government will remove this income tax on Net Annual Value of residential property with effect from Year of Assessment 2010.

(A8) Increase in Additional CPF Housing Grant

The Government will enhance the Additional CPF Housing Grant (AHG) for first time home-buyers. The maximum AHG quantum will be increased from \$30,000 to \$40,000. At the same time, the household income ceiling will be increased from \$4,000 to \$5,000.

(A9) Other measures

On top of the 2009 measures, households will also benefit from the following measures, which were announced as part of the 2007 GST Offset Package.

Utilities-Save (U-Save) Rebates: Eligible households will receive U-Save rebates of \$70 to \$210 in 2009. This will benefit around 800,000 HDB households.

Payout Quantum:

	1-R	2-R	3-R	4-R	5-R	HDB Executive
Jan 2009	\$110	\$110	\$100	\$95	\$60	\$40
Jul 2009	\$100	\$100	\$90	\$85	\$50	\$30
<i>Calendar Year Total</i>	<i>\$210</i>	<i>\$210</i>	<i>\$190</i>	<i>\$180</i>	<i>\$110</i>	<i>\$70</i>

Post-Secondary Education Account (PSEA) top-up: Young Singaporeans aged 7 to 20 will receive a top-up of \$100 to \$400 to their Post-Secondary Education Accounts (PSEA) in 2009. Those who are older and from less well-off families will get a higher top-up to their PSEA.

AV Age	Up to \$10,000	> \$10,000
7 to 12	\$200	\$100
13 to 20	\$400	\$200

(B) Targeted Help for the Most Vulnerable Groups

(B1) Public Transport Fund (PTF) Top-up

The Government will top-up the Public Transport Fund to \$10 million to provide public transport vouchers for all low-income households who need help.

(B2) Financial Assistance Schemes for Education

To provide every encouragement to students whose families face financial difficulties during the economic downturn, the Ministry of Education (MOE) will enhance the financial assistance schemes for students in our schools, and introduce a Short-Term Study Assistance Scheme (SSAS) for students in our ITEs, polytechnics and autonomous universities.

(B3) Public Assistance Rate

The Government will increase the Public Assistance Rate for single-person households by \$30 per month to \$360.

(B4) Singapore Allowance

For government pensioners, the Government has decided to increase the Singapore Allowance by \$20 per month to \$240.

(C) Support for Charitable Giving and the Community

(C1) Citizens' Consultative Committees (CCCs) ComCare Fund and Self-Help Groups (SHGs)

To enhance support for low-income households, the Government is increasing funding to the CCC ComCare Fund to \$7 million a year, for the next two years. It will also increase funding to SHGs to \$9 million a year, for the next two years.

(C2) Increased Tax Deduction and Additional Grant for Government Funded Voluntary Welfare Organisations (VWOs)

To encourage greater charitable giving this year, the Government will increase the tax deduction for donations made in 2009 to Institutions of Public Character (IPCs) and other approved institutions from 200% to 250%.

To support government-funded voluntary welfare organisations (VWOs), the Government will provide an additional \$15 million in funding to them for one year (2009).

(C3) Extending business measures to VWOs

As VWOs also employ workers, the Government is extending the Jobs Credit provided to companies to all VWOs.

(C4) Extending Start-up Exemption to Companies Limited by Guarantee (CLGs)

To support the growth of Companies Limited by Guarantee set up by social entrepreneurs, the Government is extending the start-up tax exemption to Companies Limited by Guarantee. Under this exemption, qualifying start-ups can enjoy full tax exemption on their first \$100,000 of chargeable income and 50% exemption for the

next \$200,000, for their first three Years of Assessment. This extension will take effect from Year of Assessment 2010.