



The [Growth Dividends](#) scheme, announced in Budget 2008, was part of the Government's move to share the nation's surpluses with Singaporeans. Lower-income Singaporeans received more. Together with the *additional* Growth Dividends announced in the 2008 National Day Rally Speech, the Growth Dividends scheme will cost the Government \$1.06 billion.

Growth Dividends Overview

All adult Singaporeans aged 21 and above received Growth Dividends as part of the Government's move to share the nation's surpluses with Singaporeans. Lower- and middle- income groups received more. Older Singaporeans received additional Growth Dividends. NSmen, ex-NSmen and NSF's (including those below the age of 21) also received an additional \$100 of Growth Dividends to recognise their contributions to national security.

Prime Minister Lee Hsien Loong, in his National Day Rally Speech 2008, announced that Singaporeans would receive a 50% increase to the second installment of Growth Dividends in October 2008 to help them cope with the increased cost of living.

The increase in Growth Dividends benefited about 2.4 million Singaporeans and cost the Government an additional \$190 million. This brought the total Growth Dividends that Singaporeans received in 2008 to \$1.06 billion.

Who were eligible for the Growth Dividends?

Individuals who met the following criteria were eligible for the Growth Dividends:

- A living Singapore citizen; **and**
- Aged 21 or above in 2008; **and**
- Had signed up to receive your GST Credits.

How was the amount of Growth Dividends I received determined?

The amount of Growth Dividends that you received depended on the following:

- The Annual Value of your home in 2007 as assessed by IRAS (based on your NRIC address as of 31 December 2007); and
- Your Assessable Income for the Year of Assessment 2007 (i.e. income earned in calendar year 2006 as assessed by IRAS); and
- Your age as of 31 December 2008; and
- Your NS status in 2008.

Structure of Enhanced Growth Dividends for 2008

		Annual Value of Home as at 31 December 2007		
		\$5,000 or less (1R, 2R, and 3R HDB flats)	\$5,001 to \$10,000 (4R, 5R, exec flats and some private properties)	More than \$10,000 (Most private properties)
Income in Year of Assessment 2007	\$24,000 or less	\$500 (\$200/\$300) For those 60 and above: \$750 (\$300/\$450)	\$375 (\$150/\$225) For those 60 and above: \$562 (\$225/\$337)	\$187 (\$75/\$112) For those 60 and above: \$281 (\$113/\$168)
	\$24,001 to \$100,000			
	More than \$100,000		\$125 (\$50/\$75)	
NS men, Ex-NS men and NSF's			\$100 (\$50/\$50)	

Figures in brackets show the first installment of the Growth Dividends and enhanced second installment of the Growth Dividends announced at National Day Rally respectively.

What was the final deadline to sign up to receive my Growth Dividends?

The final deadline to sign up to receive your Growth Dividends and your 2008 GST Credits was 31 December 2008.

Who can I contact for further information?

For further queries on the Growth Dividends, you can call CPF Board at 1800-2222-888 or email growthdividends@cpf.gov.sg.

Frequently Asked Questions

Growth Dividends

1. Purpose
2. Eligibility
3. Amount of Growth Dividends
4. Annual Value
5. Assessable Income
6. Additional Allotment of Growth Dividends for NSmen
7. Others

Growth Dividends

1. Purpose

1.1 Why did the Government give out Growth Dividends?

The Growth Dividends were given out to share the nation's surpluses over the past year with Singaporeans. Older Singaporeans and National Servicemen were given additional Growth Dividends to recognize their contributions towards nation building and national security respectively.

In view of the inflationary climate, Prime Minister Lee Hsien Loong, in his 2008 National Day Rally Speech, announced that Singaporeans would receive a 50% increase to the second installment of Growth Dividends in October 2008 to help them cope with the increased cost of living.

The Growth Dividends benefited about 2.4 million Singaporeans and cost the Government \$1.06 billion.

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2. Eligibility

2.1 Who were eligible to receive the Growth Dividends?

Individuals who met the following criteria were eligible for the Growth Dividends:

- Living Singapore citizen;
- Aged 21 or above in 2008; and
- Had signed up by 31 December 2008 if one had not signed up for GST Credits in 2007.

2.2 Were Permanent Residents (PRs) eligible to receive the Growth Dividends?

No. Growth Dividends were given only to citizens. This is a privilege of Singapore citizenship.

2.3 Could dual citizens get the Growth Dividends?

No. Singapore does not recognise dual citizenship.

2.4 How many Singaporeans benefited from the Growth Dividends?

About 2.4 million Singaporeans were eligible for Growth Dividends. About 500,000 Singaporeans aged 60 and above and 750,000 NSFs, NSmen and ex-NSmen received additional Growth Dividends.

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3. Amount Of Growth Dividends

3.1 How was the amount of Growth Dividends determined?

The amount of Growth Dividends allotted to individuals was determined based on:

- (i) The Annual Value (AV) of your home in 2007 as assessed by IRAS (based on your NRIC address on 31 December 2007); and
- (ii) Your Assessable Income (AI) for the Year of Assessment 2007; and
- (iii) Your Age in 2008; and
- (iv) Your NS status in 2008.

Structure of Enhanced Growth Dividends for 2008

		Annual Value of Home as at 31 December 2007		
		\$5,000 or less (1R, 2R, and 3R HDB flats)	\$5,001 to \$10,000 (4R, 5R, exec flats and some private properties)	More than \$10,000 (Most private properties)
Income in Year of Assessment 2007	\$24,000 or less	\$500 (\$200/\$300) For those 60 and above: \$750 (\$300/\$450)	\$375 (\$150/\$225) For those 60 and above: \$562 (\$225/\$337)	\$187 (\$75/\$112) For those 60 and above: \$281 (\$113/\$168)
	\$24,001 to \$100,000			
	More than \$100,000		\$125 (\$50/\$75)	
NS men, Ex-NS men and NSF5			\$100 (\$50/\$50)	

Figures in brackets show the first installment of the Growth Dividends and enhanced second installment of the Growth Dividends announced at National Day Rally respectively.

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3.2 Why was Growth Dividends given out in two installments?

This was to encourage Singaporeans to smoothen out their expenditures and avoid impulsive spending.

3.3 Why were AI and AV used to determine how much Growth Dividends a person could receive?

The Government had received feedback from past surplus sharing exercises that both the income and wealth of a person should be taken into account when targeting higher levels of benefits at the more needy Singaporeans. The tiered structure of AI and AV presented a more targeted way of distributing Growth Dividends. The AI established an individual's income, while the AV of his property was a proxy for wealth.

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4. Annual Value

4.1 What is the Annual Value (AV)?

AV is the property value used to calculate the property tax of your home. The AV of your home can be found on the property tax bill that you receive each year.

4.2 Why is AV used instead of flat-type?

While AI establishes an individual's income, the AV of his property provides an indication of the value (or worth) of his property and serves as a proxy for his wealth.

4.3 If I own several properties, which AV will be used?

The AV would be based on the property reflected as your NRIC address as of 31 December 2007.

4.4 Why were AV cut-offs of \$5,000 and \$10,000 used?

Based on AV values as at 31 December 2007, an AV of \$5,000 or less covered those who stayed in 1-3 room HDB flats. An AV of between \$5,000 and \$10,000 covered those who stayed in 4, 5-room and executive HDB flats and less expensive private properties. An AV of more than \$10,000 covered the top 10% of the population who stayed in more expensive private properties.

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5. Assessable Income

5.1 What is Assessable Income (AI)?

Assessable Income is the full income you have in a calendar year (sum of your employment, dividends, interest and other income) less allowable expenses, applicable capital allowances, donations to IPCs and any loss incurred in trade and business. For more information on Assessable Income, please visit [IRAS' website](#).

5.2 Why was the AI of \$24,000 used?

The cut-off of \$24,000 roughly corresponded to the salary of a median worker (full-time and part-time resident workers).

5.3 Why was the AI of \$100,000 used?

The cut-off of \$100,000 roughly corresponded to the AI of the top 5% of income-earners in Singapore.

5.4 If I did not need to pay any taxes in Year of Assessment 2007, what was my AI?

You would be deemed to have an AI of less than or equal to \$24,000, so you would have received the highest amount of Growth Dividends for the AV category that you were in.

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6. Additional Allotment of Growth Dividends for NSmen

6.1 Did NSF/NSmen receive extra Growth Dividends?

NSmen, ex-NSmen (those who have exceeded statutory age) and NSF5s received additional \$100 in Growth Dividends.

To qualify for the additional NS component, you must be a living Singapore citizen and be serving or have served NS in the SAF, SPF and SCDF as at the point of assessment. In addition, NSF5s must have completed Basic Military Training (BMT) or served at least 7 weeks of full-time NS at the point of assessment to be eligible for the payout.

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7. Others

7.1 Were the Growth Dividends taxable?

No, the Growth Dividends were not taxable.

7.2 The beneficiary is bedridden/physically immobile or of unsound mind, and does not have a bank account. How can I help the beneficiary encash his Growth Dividends cheque?

If you are aged 21 and above, please proceed to the bank issuing the cheque (OCBC), with the following documents:

(a)(i) Original signed Letter of Authorisation* from beneficiary witnessed by any of the following: *Advocate & Solicitor of the Supreme Court, doctor, or Notary Public*; **or**

(a)(ii) Original documentary evidence stating beneficiary's medical condition (e.g. doctor's memorandum or medical report or court order) and original signed Letter of Authorisation from beneficiary (unless otherwise exempted by doctor's memorandum or medical report). The date of the documents should not be more than 1 year before the cheque encashment. (Note: a doctor's memorandum or medical report can be dated more than 1 year before the encashment date, if it specifically states that the patient's condition is permanent.);

(b) Both your original NRICs; and

(c) Beneficiary's Growth Dividends cheque.

You will be required to sign a Letter of Indemnity at the bank.

An administrative fee of \$4 is payable at the bank for exchanging Growth Dividends cheques for cash. The fee will be waived for beneficiaries who are aged 62 and above.

*[Click here](#) to download the Letter of Authorisation template. The Letter of Authorisation is also available at CPF or issuing bank branches.

If you are unable to fulfill any of the above conditions, please contact our hotline at 1800-2222888 for further assistance.

7.3 How can I help a beneficiary who is overseas encash his Growth Dividends cheque?

If you are aged 21 and above, please proceed to the bank issuing the cheque (OCBC), with the following documents:

(a)(i) Original signed Letter of Authorisation* from beneficiary (unless you have a doctor's memorandum to certify that you are unable to do so) witnessed by overseas Consular Officer **or**

(a)(ii) Original signed Letter of Authorisation* from beneficiary (unless you have a doctor's memorandum to certify that you are unable to do so) and photocopies of beneficiary's valid passport (personal particulars page);

(b) Your original NRIC;

(c) Beneficiary's Growth Dividends cheque.

You will be required to sign a Letter of Indemnity at the bank.

An administrative fee of \$4 is payable at the bank for exchanging Growth Dividends for cash. The fee will be waived for beneficiaries who are aged 62 and above.

*[Click here](#) to download the Letter of Authorisation template. The Letter of Authorisation is also available at CPF or issuing bank branches.

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