

ANNEX B

PROGRESS REPORT OF MINISTERIAL COMMITTEE ON LOW WAGE WORKERS

7 JUNE 2009

EXECUTIVE SUMMARY

Introduction

1. The Ministerial Committee on Low Wage Workers was set up in 2005 to recommend measures to improve employability and income security for low wage workers and to help families break out of the poverty cycle. The committee released its report in January 2006, recommending a holistic package of strategies founded on the principles of Workfare, with the desired outcome being for all who can work to find meaningful jobs and earn adequate wages to support themselves and their children.
2. Since 2006, low wage workers¹ have made significant progress in their incomes and availed themselves to job opportunities. The wages of the 20th percentile full-time employed resident increased from \$1,200 a month in 2006 to \$1,310 in 2008. Correspondingly, the number earning \$1,200 or less has fallen from 360,000 in 2006 to below 300,000 in 2008. More people were working, especially from households living in smaller flat types. The monthly household income of those living in 3-room HDB flats or smaller also grew by over \$300 from \$1,910 to \$2,220. Even after factoring for inflation, this translated to a 3.5% per annum increase in real terms.
3. In addition, Singapore's income inequality has reduced, as reflected by the drop in Singapore's Gini coefficient from 0.489 in 2007 to 0.481 in 2008, the first decline since 1998. After adjusting for government benefits and taxes, the Gini coefficient drops even further, to 0.462.

Progress of Key Initiatives under the Workfare Framework

4. The progress of the various initiatives which were grouped under six broad spokes are summarised below:

¹ Low wage workers are defined as those falling below the 20th income percentile, i.e. who earn \$1,200 or less in gross monthly income.

5. Spoke 1 – Rewarding Work: This encourages economically inactive low skilled Singaporeans to enter and stay in the workforce by making work financially worthwhile.
- The **Workfare Bonus Scheme (WBS)** was introduced in 2006, with the **Workfare Income Supplement (WIS)** scheme replacing WBS and institutionalised as part of Singapore’s social security system in 2007. The WIS provides cash and CPF incentives to encourage older low wage workers to work and to prepare for long term retirement needs. Nearly \$840 million of Workfare Bonus and WIS has been disbursed for work done in 2006 to 2008.
 - **The Additional CPF Housing Grant (AHG)** provides an additional subsidy for lower-income families to offset the purchase price of a HDB flat, thereby further reducing the loan a flat buyer needs to take. From 2006 to 2008, 10,320 families received \$144.3 million of AHG.
6. Spoke 2 – Social Support to Enable Work: This provides social support to help low wage families gain self-sufficiency through work.
- The **Work Support Programme** helps low wage workers or jobseekers upgrade their skills and find better-paying jobs, by providing them with temporary financial, medical and educational assistance. From 2006 to 2008, a total of \$33.4 million was spent on Work Support to help, on average, over 3,600 families each year.
7. Spoke 3 – Higher Skills for Better Jobs: This makes skills upgrading opportunities more accessible and relevant for low wage workers.
- The **Singapore Workforce Skills Qualification (WSQ)** system was developed by the WDA for workers to upskill to remain employable and competitive. As of end-2008, 22 WSQ frameworks had been rolled out in various skill areas/industries.

Between 2006 and 2008, 130,800 low-skilled workers underwent WSQ training, with more than 66,000 in 2008 alone.

- The **Singapore Employability Skills System (ESS)** comprises a set of generic employability skills that are portable across all industries, thereby helping workers to adapt better to new job demands, work challenges and changing work environments. From 2006 to 2008, nearly 58,000 low skilled workers improved their employability skills through ESS training, with 24,000 in 2008 alone.

8. Spoke 4 – Expand Job Opportunities: This helps enhance the productivity, employability and job prospects of low wage workers.

- The **Job Re-creation Programme (JRP)** helps unemployed workers, especially those who are vulnerable and in the low wage group, take on higher value and better-paying jobs. From 2006 to 2008, JRP helped more than 47,000 workers. JRP has made significant inroads in sectors such as security, landscape, environment and conservancy.

9. Spoke 5 – Hope for the Future: This provides support to low wage families so that they are not trapped in the vicious cycle of lower income.

- MOE's **Financial Assistance Scheme (FAS)** provides needy students school fee waivers, free textbooks and school attire at primary and secondary levels, and bursaries at Junior Colleges or Centralised Institutes. From 2006 to 2008, a total of \$25.1 million was disbursed to assist, on average, about 40,730 students per year.
- The **Kindergarten Financial Assistance Scheme (KiFAS)** and **Centre-based Financial Assistance Scheme for Child Care (CFAC)** provide fee subsidies to low-income Singaporean families to support their children's pre-school and childcare

education. From 2006 to 2008, a total of \$41.6 million was provided to an average of over 11,200 children per year.

- The **School Social Work to Empower Pupils to Utilise their Potential (STEP-UP)** Scheme provides support to Voluntary Welfare Organisations in their delivery of social work services/programmes to schools. STEP-UP was launched as a 5-year pilot programme in 2004, costing \$3.4 million. As of end-2008, there were 165 schools on STEP-UP.
- The **NorthLight School (NLS)** set up in 2007 and the **Assumption Pathway School (APS)** run vocational education programmes to equip youths with practical skills that prepare them for ITE, or for future employment in technical and service industries. APS and NLS also run programmes to help enhance the students' self esteem and strengthen their character.
- The **Home Ownership Plus Education (HOPE)** Scheme provides assistance to young, low-income families, with the condition that the couples do their part to upgrade their skills, and keep their families small so as to concentrate their limited resources on providing for and educating their children. From 2006 to 2008, a total of \$44.8 million was spent under HOPE, and an additional 1,200 families were approved for assistance under the HOPE scheme, bringing the total number of families approved on HOPE to about 1,700 at end-2008.

10. Spoke 6 – Sharing in the Nation's Progress: This benefits all Singaporeans through surplus sharing exercises, with more given to the lower income.

- The Government rolled out the \$2.5 billion **Progress Package** in 2006 for all Singaporeans, with greater weight given to lower-income groups, as well as other groups such as older citizens, and NSmen.
- In 2008, the Government continued to share the surplus from good growth with citizens through a \$2 billion package of Growth

Dividends and other household benefits, on top of the \$4 billion GST offset package introduced in 2007 that citizens would receive over five years to defray the cost of GST.

Conclusion

11. The Government has spent over \$1.1 billion from 2006 to 2008 helping low wage Singaporeans.² The Government will continue to provide targeted assistance to this group. The WIS scheme will be reviewed in 2010 to ensure that it remains effective in encouraging work and providing financial assistance.

12. Workfare is Singapore's unique way of helping Singaporeans move forward together, through good times and difficult times. It reinforces our strong work ethic by giving workers who are self-reliant, hardworking and willing to upgrade, the opportunity to achieve a better life for their families and themselves. With our collective efforts - individuals, families, employers, unions, community-based organisations and the Government, Workfare will enable our low wage workers and families to share in the success of our nation and progress together.

² This does not include the cost of one-off surplus sharing measures such as the Progress Package, as well as the WSQ and JRP which benefited other workers besides just low-wage workers.

PROGRESS REPORT OF MINISTERIAL COMMITTEE ON LOW WAGE WORKERS

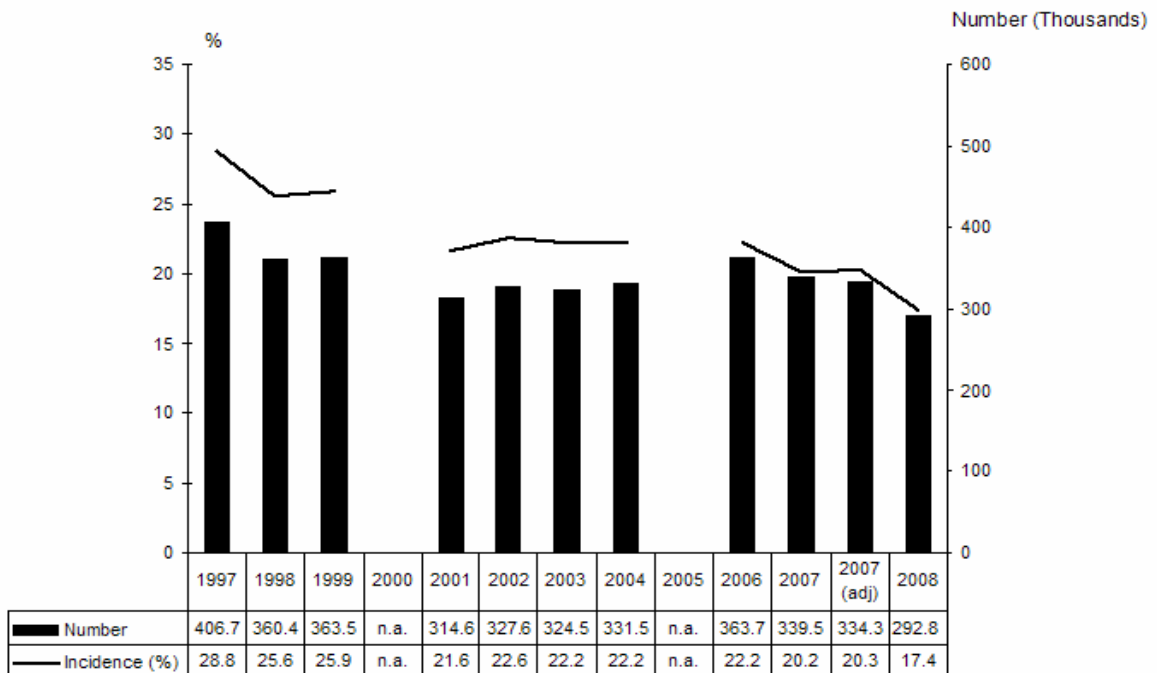
I. INTRODUCTION

1. The Ministerial Committee on Low Wage Workers, set up to look at ways to improve employability and income security for low wage workers and to help their families break out of the poverty cycle, released its report in January 2006, recommending a holistic package of sustainable strategies, based on **Workfare**.
2. Workfare has now been established as a key pillar of Singapore's social compact and played a key role in the current economic downturn, in helping low wage workers and low-income families cope with the downturn and strengthening our nation's resilience.

II. SUBSTANTIAL PROGRESS FOR LOW WAGE WORKERS

3. The wages of the 20th percentile full-time employed resident has increased from \$1,200 a month in 2006 to \$1,310 in 2008. On top of this, a low wage worker received a Workfare Income Supplement of \$1,000 a year on average. The number of low-wage workers who earn \$1,200 or less, has dropped from 360,000 in 2006 to below 300,000 in 2008 (Chart 1).

Chart 1: Proportion and Number of Full-Time Employed Residents with Monthly Income from Work of \$1,200 or Less (1997-2008)



Source: Labour Force Survey, Ministry of Manpower

4. The household income of those living in smaller housing types also increased. From 2006 to 2008, the median monthly income from work of resident households living in 3-room HDB flats or smaller grew by over \$300 from \$1,910 to \$2,220. Even after factoring for inflation, this translated to a 3.5% per annum increase in real terms. More people were working, especially from households living in smaller flat types.
5. Higher assistance was given to lower income households through surplus sharing and household assistance. These measures have helped to reduce Singapore's income inequality. In 2008, these packages transferred a total of \$1,670 per household member to resident households in 1- and 2-room HDB flats, and \$1,320 for those in 3-room HDB flats, significantly higher than the average of \$1,030 for all housing types.

Table 2: Average Annual Surplus Disbursement to Resident Household (in dollars, on per household member basis) by House Type, 2008

Among all Resident Household (Per Household Member)	Total	HDB 1- and 2-room	HDB 3-room	HDB 4-room or larger	Private flats, condominium or private houses
Surplus Sharing Package	1,030	1,670	1,320	980	720
Annual Household Income from Work per Household Member	26,130	6,290	16,950	22,290	55,460
As % of Annual Household Income from Work per Household Member	3.9	26.5	7.8	4.4	1.3

Source: Department of Statistics

6. Singapore's Gini coefficient, a measure of income inequality, dropped from 0.489 in 2007 to 0.481 in 2008, the first ever decline since 1998. After adjusting for government benefits and taxes, the Gini coefficient in 2008 fell further to 0.462.

III. PROGRESS OF KEY INITIATIVES UNDER THE WORKFARE FRAMEWORK

7. The Committee's recommendations were clustered under six broad spokes within the Workfare framework, each of which provided specific assistance to different groups of workers and their families. The six spokes are based on the following principles:
 - a. **Continued economic growth and job creation** is the best assurance that low wage workers have for a better future. At the same time, we should not erode our workforce's competitiveness and flexibility to respond to unexpected challenges.
 - b. **Preservation of our work ethic.** Singapore has achieved prosperity over the years through our emphasis on self-reliance and a strong work ethic. These values should be adhered to even in our efforts to help the low wage workers.
 - c. **Equity and assistance for low wage workers.** Singapore has an open economy heavily reliant on external trade. Artificially

raising wages without improvements in productivity will cause companies in Singapore to lose their competitiveness and relocate to other countries, resulting in more job losses. To help low wage workers improve their income, we must provide adequate opportunities and rewards for them to move up.

- d. **Focus on Children.** Children from low income households sometimes face multiple challenges, in addition to financial difficulties. To ensure that these children can maximise their potential, adequate support must be provided to help them complete their education and gain skills to remain employable.

8. This section describes the progress of the key initiatives under each of the six spokes of Workfare, namely:
 - a. Rewarding Work;
 - b. Social Support to Enable Work;
 - c. Higher Skills for Better Jobs;
 - d. Expand Job Opportunities;
 - e. Creating Hope for the Future; and
 - f. Sharing in the Nation's Progress.

A. Rewarding Work

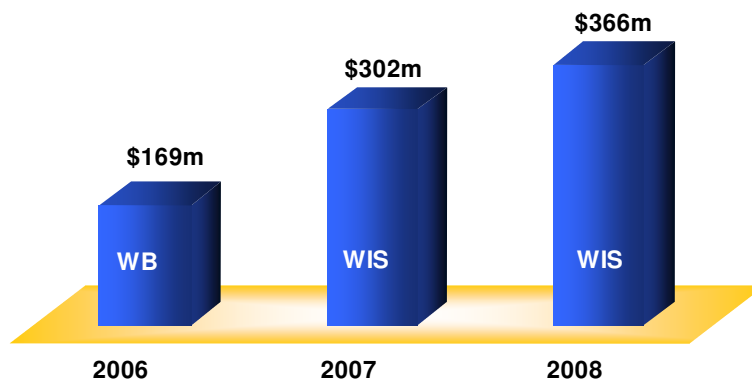
9. Workfare encourages economically inactive low skilled Singaporeans to enter and stay in the workforce by making work financially worthwhile. The Workfare Bonus, the Workfare Income Supplement and the Additional Housing Grant have provided strong encouragement for low wage workers to enter the workforce and continue working.

Workfare Bonus Scheme (WBS) / Workfare Income Supplement (WIS) – nearly \$840 million disbursed for work done in 2006 to 2008

10. Following the well-received Workfare Bonus Scheme (WBS) in 2006, the Government introduced the Workfare Income Supplement (WIS) scheme in 2007 as a permanent feature of Singapore's social security system. The WIS provides cash and CPF incentives to encourage

older low wage workers to work and to prepare for long term retirement needs. These WIS payouts more than made up for the reductions in CPF contributions of low wage workers to enhance their employability and increase their take-home pay. The help provided by WIS has been substantial – over 300,000 low wage workers receive \$300 million in WIS each year. In total, nearly \$840 million of Workfare Bonus and WIS has been disbursed for work done in 2006 to 2008 (Chart 2).³

Chart 2: Annual Disbursement of WBS and WIS, 2006-2008



11. As part of the Resilience package introduced at Budget 2009, low wage workers now also receive a cash top-up in the form of the Workfare Special Payment. Over \$50 million in Special Payment has been paid out so far to WIS recipients, over and above the WIS payment which they received.
12. To enable more low-wage self-employed and informal workers to benefit from WIS and the Workfare Special Payment, and to encourage regular Medisave contributions, the Government also introduced the Medisave Contribution Draw (MCD). This offers a grand prize of \$5,000 cash. Together with tripartite partners and grassroots partners, MOM reached out to low wage workers through road shows and went door-to-door to explain the benefits of WIS and encourage them to sign up for WIS.

³ An additional \$157 million of Workfare Bonus was disbursed for work done in 2005. Payments to self employed persons for work done in 2007 and 2008 are still ongoing as WIS is paid to them only after they have made the requisite Medisave contributions.

13. The WIS scheme will be reviewed in 2010.

Additional CPF Housing Grant (AHG) – \$144.3 million for 10,320 families

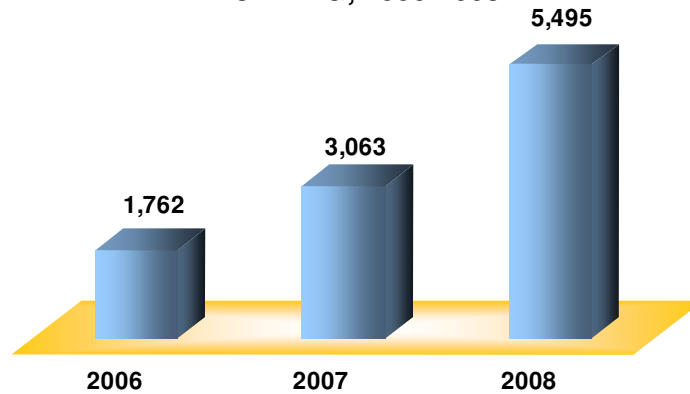
14. The AHG provides an additional subsidy for lower-income families, over and above the regular market subsidy and CPF Housing Grant that new and resale flat buyers enjoy respectively. It offsets the purchase price of a new or resale HDB flat, thereby further reducing the loan a flat buyer needs to take. The AHG is tiered by household income, thus giving more help to those with lower income. In line with Workfare, the flat buyer needs to be in continuous employment to qualify for the AHG.

Table 3: Details of changes in AHG quantum for various income groups

Average gross monthly household income over last 2 years/1year	Feb 09	Aug 07	Mar 06
\$1,500 or less	\$40,000	\$30,000	\$20,000
\$1,501 - \$2,000	\$35,000	\$25,000	\$15,000
\$2,001 - \$2,500	\$30,000	\$20,000	\$10,000
\$2,501 - \$3,000	\$25,000	\$15,000	\$5,000
\$3,001 - \$3,500	\$20,000	\$10,000	
\$3,501 - \$4,000	\$15,000	\$5,000	
\$4,001 - \$4,500	\$10,000		
\$4,501 - \$5,000	\$5,000		

15. Since its introduction in March 2006, the AHG has been enhanced twice (Table 3) to provide greater assistance and help more families buy a flat. In the first enhancement in August 2007, the household income ceiling was raised from \$3,000 to \$4,000 and the maximum grant was raised to \$30,000 from \$20,000. In the latest enhancement in February 2009, the income ceiling and maximum grant were further raised to \$5,000 and \$40,000 respectively. The condition of continuous employment was also reduced from 2 years to a year.
16. As at end-2008, some 10,320 families had received \$144.3 million of AHG (Chart 3)

Chart 3: No. of Families which have benefited from AHG, 2006-2008



B. Social Support to Enable Work

17. To address the difficulties faced by some low-income families in keeping a job and taking care of their dependents, more social support should be provided to help low wage families gain self-sufficiency through work.

Work Support Programme – \$33.4 million from 2006 to 2008 for more than 3,600 families per year, on average

18. The Work Support Programme helps those who need to find employment, as well as workers with low household income upgrade their skills and find better-paying jobs. In the interim, beneficiaries receive temporary financial, medical and educational assistance and vouchers to pay for rental, utilities and service and conservancy charges. The programme started in July 2006 and was streamlined in July 2008 to only support beneficiaries who are able to work. Those who are temporarily unable to work are now assisted under the new ComCare Transitions scheme. In 2008, 2,496 families were on Work Support, a drop from 3,915 families in 2007 as some families qualified under ComCare Transitions. From 2006 to 2008, a total of \$33.4 million was spent on the Work Support Programme to help, on average, over 3,600 families a year.

19. MCYS tracks the progress of participants under the programme and after they graduate from it. Among those who had completed the programme between October and December 2008, 65% of them have been placed in a job. Over the same period, 54% of households under the programme became better able to manage their expenditure vis-à-vis their income.
20. In 2009, MCYS extended the length of assistance rendered under Work Support from 6 months to up to 12 months for those who need a longer period of help while they upgrade their skills and find a job.

Box Story 1:

WORK SUPPORT BENEFICIARY

Mdm Hayati Bte Tokijan is married with 2 children, age 20 and 18. She was working as a production operator, earning a gross monthly wage of \$1,000 before being retrenched in 2008. At that time, her children were still schooling and her husband worked as a cleaner earning \$900 per month.

In December 2008, Mdm Hayati's household came under the Work Support Programme and received assistance in cash, as well as subsidies for Service & Conservancy charges and Utility bills. With the assistance rendered, Mdm Hayati was not only able to pay for her bills but also provide some school allowance for her children. During the period of assistance (December 2008 – May 2009), Mdm Hayati continued to attend training courses organised by Learning Hub and was also very responsive to the job referrals provided by the CDC. While none of the job interviews were successful so far, Mdm Hayati is far from giving up. She hopes to get a job in the retail industry.

With the enhancements to the Work Support Programme in 2009, Mdm Hayati was able to have an extension of assistance (beyond 6 months) while she continued looking for a job during the economic recession period.

C. Higher Skills for Better Jobs

21. Skills upgrading is essential for low wage workers to take on higher value added jobs, make them more employable and improve their wages over time. Training should be accessible and relevant for low wage workers. The Government has invested significantly in the expansion of the national Continuing Education and Training (CET) system. With greater access to more courses, enhanced funding and better career centre services, low wage workers can have better support to upgrade their skills for better jobs.

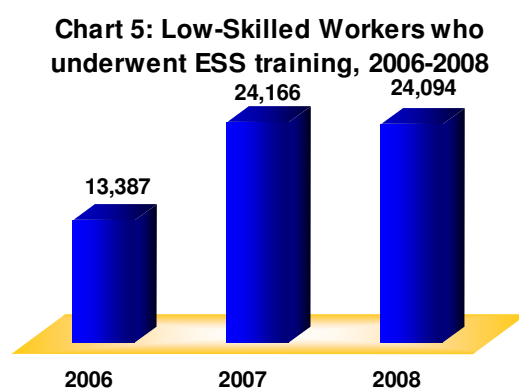
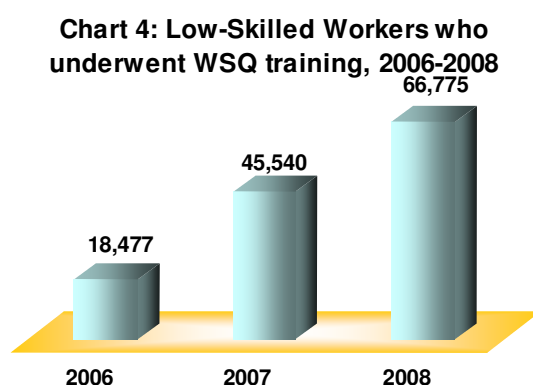
Workfare Skills Qualifications (WSQ) – 130,800 low-skilled workers trained

22. The WSQ system is developed by the Singapore Workforce Development Agency (WDA) for workers to upskill to remain employable and competitive. Founded on best international practices and validated by industries and employers, it spells out the training and certification pathways for workers to enhance their skills and capabilities in specific sectors and occupations, and how companies and industries can upgrade their workers' skills standards.
23. WSQ recognises existing skills, relevant working experience and does not impose academic pre-requisites for those who intend to go for WSQ training. For low wage workers, many of whom do not have much formal educational qualification, this makes skills upgrading accessible to them. As of end-2008, 22 WSQ frameworks had been completed and rolled out in various skill areas/industries such as Service Excellence, Landscaping, Generic Manufacturing, Human Resource and Creative Industries. From 2006 to 2008, 130,800 low-skilled workers underwent WSQ training, with more than 66,000 in 2008, nearly 50% more than the previous year (Chart 4).⁴

⁴ Total figure does not tally with sum of figures in Chart 4 as there are low-skilled workers who attended more than one WSQ course over the 3 years.

Employability Skills System (ESS) – 58,000 low-skilled workers trained

24. The Singapore Employability Skills System (ESS) comprises a set of generic employability skills (such as workplace literacy, numeracy, information and communication technologies, etc) which underpin a worker's effectiveness and improve his work abilities. These foundational skills, portable across all industries, enable workers of all levels to be more employable by helping them adapt better to new job demands, work challenges and changing work environments.
25. The workplace literacy and numeracy credentials under the ESS are increasingly recognised as alternatives to existing 'O' and 'N' level qualifications. From 2006 to 2008, nearly 58,000 low skilled workers improved their employability skills through ESS training, with 24,000 in 2008 alone (Chart 5).⁵ A WDA survey conducted in 2008 showed that almost 1 in 4 of surveyed companies recognised ESS and WSQ. Employers which recognised ESS credentials include the Singapore Public Service, Wing Tai Retail Pte Ltd and Koufu Gourmet Pte Ltd.



CET Masterplan and SPUR

26. The CET Masterplan was launched in February 2008 as a comprehensive plan to prepare Singaporean workers for the future and develop a source of competitive advantage for Singapore. The Masterplan includes expansion of CET capacity through developing

⁵ Total figure does not tally with sum of figures in Chart 5 as there are low-skilled workers who attended more than one ESS course over the 3 years.

new CET centres and expanding existing ones, as well as tripartite partnership to reach out to workers.

27. In addition, the Skills Programme for Upgrading and Resilience (SPUR) was launched in December 2008 as part of the national response to help employers and workers cope with the economic downturn. Leveraging on the CET infrastructure, SPUR makes use of training and skills upgrading to help companies to save jobs, workers to find jobs and industries to build capabilities for the future.
28. With the significant ramping up of training capacity under the CET masterplan and SPUR, more low-wage workers will be able to tap on the expanded training infrastructure and enhanced funding support to upgrade their skills.

D. Expand Job Opportunities

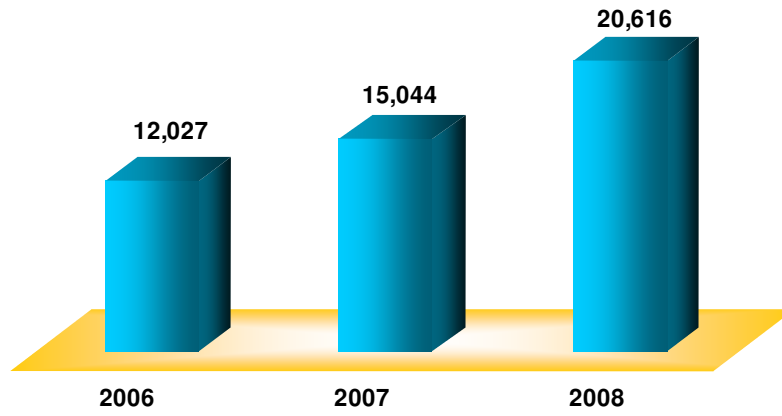
29. Workfare succeeds best when there are sufficient job opportunities for workers. Job re-creation and other efforts to expand job opportunities for workers are thus important to enhance the productivity, employability and job prospects of low wage workers.

Job Re-creation Programme (JRP) – benefited more than 47,000 workers

30. Funded by WDA and spearheaded by NTUC and the tripartite partners, JRP aims to help unemployed workers, especially those who are vulnerable and in the low wage group, take on better jobs and earn better pay. The programme involves re-designing and re-creating jobs through initiatives such as best-sourcing, to increase the jobs' skills content and job worth. It also prepares workers to take on re-created jobs via skills upgrading leading to certifiable and recognised skills qualifications, thereby enhancing their employability,
31. From 2006 to 2008, JRP has helped more than 47,000 workers acquire better skills, better job and better pay (Chart 6). Some key sectors where the programme has made significant inroads include security,

landscape, environment and conservancy, which employ significant number of low wage and low skilled workers.

Chart 6: JRP Beneficiaries, 2006-2008



Box Story 2: RE-CREATING THE SECURITY JOB

Before 2005, the jobs of security guards were typically lowly paid (gross pay of \$800 - 900/mth) with poor career prospects and little formal or certifiable training opportunities. The Job Re-creation Programme reached out to the security sector in 2005 and together with the Security Industry Regulatory Department (SIRD), Singapore Workforce Development Agency (WDA), Ministry of Manpower (MOM) and the unions, engineered some significant transformations to the Security industry:

- Training and certification were made mandatory for all security officers. The mandatory training meant that security guards can now competently perform on the job, raising their professionalism and skills standards, thereby resulting in higher salaries and enhanced opportunities for upgrading and promotions.
- Rebranding efforts helped to attract more Singaporeans to consider employment as security officers as the industry and job image were revamped via changes in the job title to 'security officers', smarter uniforms and mandatory training.
- More stringent regulations and control measures imposed by SIRD such as the grading of security agencies provided more transparency and assurance for service buyers in comparing quality of security services. Security officers are screened for criminal records before they are deployed. Mandatory training also meant that security agencies are now better managed.
- Buyers of security services were also encouraged to move towards best-sourcing via performance based contracts to put into place a responsible and performance management mindset and processes. Hence, while there may be an increase in cost, this is well commensurate with value-added security services.

Today, JRP has had an impact on 60% of the Security Industry. Security Officers earn a higher pay (gross salary of \$1,300 - \$1,800) and are properly trained and capable of delivering wider security services in a professional and quality manner.

E. Hope for the Future

32. Lower-income workers may have less resources to provide their children with proper education and as such, these children may face more challenges in becoming school ready or may leave school prematurely, putting them at risk of becoming low wage workers in future. The provision of financial assistance for students at all levels of education, and other programmes such as the School Social Work to Empower Pupils to Utilise their Potential (STEP-UP) Scheme to support “at-risk” youths, the Home Ownership Plus Education (HOPE) scheme to assist low income families in planning their resources as well as the set-up of schools to provide vocational training, are crucial to help prevent families from being trapped in the vicious cycle of lower income.

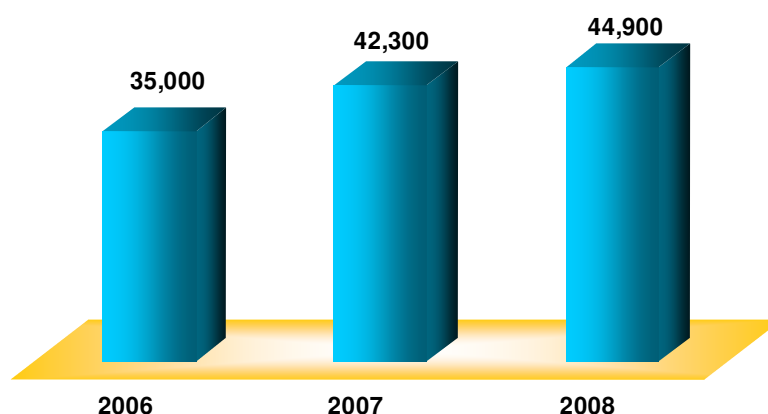
Ensure Education and Pre-school Education remain affordable

MOE’s Financial Assistance Scheme (FAS) – \$25.1 million from 2006 to 2008, assisting about 40,730 students per year, on average

33. Under MOE’s FAS, needy students are granted waiver of school fees as well as the standard miscellaneous fees. They also receive free textbooks and school attire at primary and secondary levels, and bursary at Junior Colleges or Centralised Institutes. The scheme was enhanced in March 2006, with an increase in the income ceiling to allow the lowest 20% of households to qualify and the benefits expanded. As a result of the revised income limits, the number of FAS recipients increased from 15,000 in 2005 to approximately 45,000 in 2008 (Chart 7). The total amount disbursed from 2006 to 2008 was \$25.1 million.
34. The scheme was further enhanced in 2009 to provide greater assistance to students from lower income families. As at end-April 2009, there are 45,700 FAS recipients. To complement the FAS, MOE

also provided a one-time grant to schools to support discretionary school-based financial assistance during the economic downturn.

Chart 7: No. of MOE FAS' Recipients, 2006-2008



35. For tertiary institutions, needy students have access to bursaries and Tuition Fee Loans and Study Loans. In 2009, a new short-term study assistance scheme was introduced for undergraduate, polytechnic and ITE students whose household incomes fall within the bottom two-thirds of the population. Repayment of Tuition Fee Loans and Study Loans has also been suspended for a year for all university and polytechnic graduates, from 1 April 2009 to 31 March 2010.

Kindergarten Financial Assistance Scheme (KiFAS) / Centre-based Financial Assistance Scheme for Child Care (CFAC) – \$41.6 million from 2006 to 2008, for over 11,200 children per year, on average

36. The KiFAS and CFAC provide fee subsidies for low-income Singaporean families to help them pay for their children's kindergarten education and also childcare centre fee (for working mothers). Both programmes were reviewed and enhanced annually. Under the KiFAS, the subsidy rate was raised from 75% to 90% in July 2007, and its support was extended to cover nursery programmes at eligible non-profit kindergartens in July 2008. For CFAC, the subsidies for each income range were raised, with the maximum subsidy per child increasing from \$300 per month to \$320 in July 2007, then \$340 in July 2008. The eligibility criteria for both schemes were also expanded in

2008, with a new tier created for families earning between \$1,501 and \$1,800 a month.

37. Further enhancements will be made to these schemes from July 2009 to raise the level of subsidies and benefit more low income families. As at end-2008, 11,440 children were benefiting from either KiFAS or CFAC, at a total cost of \$14.5 million in 2008.

Table 4: Subsidy Rates for CFAC

Monthly Household Income	Maximum CFAC subsidy per month for each child	
	From July 2009	Current
≤\$500	Up to \$340	Up to \$340
\$501 - \$1,000		Up to \$300
\$1,001 - \$1,500	Up to \$300	Up to \$250
\$1,501 - \$1,800	Up to \$200	Up to \$200
>\$1,800	Families will be considered on a case-by-case basis	

Table 5: Subsidy Rates for KiFAS

Monthly Household income	From July 09		Current	
	% Fee Subsidy	Dollar Cap	% Fee Subsidy	Dollar Cap
≤ \$1,000	98%	\$98 (k)	90%	\$82 (k)
		\$75 (n)		\$65 (n)
\$1,001 - \$1,500	95%	\$95 (k)	70%	\$65 (k)
		\$75 (n)		\$51 (n)
\$1,501 - \$1,800	70% - 90%	\$90 (k)	70%	\$65 (k)
		\$70 (n)		\$51 (n)
> \$1,800	70%	Case-by-case basis.		

Note: (k) denotes rate for Kindergarten
(n) denotes rate for Nursery

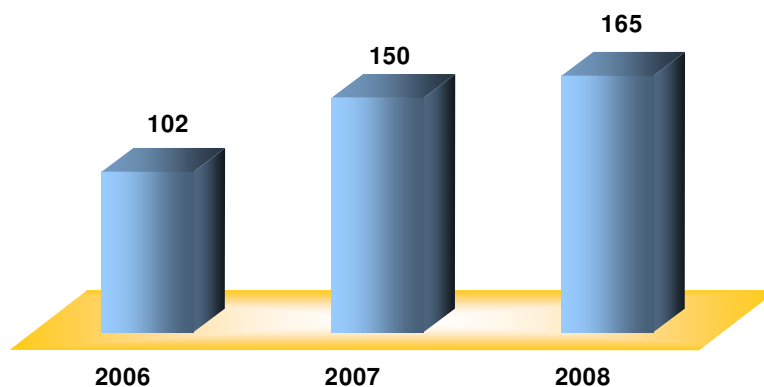
Engage and Support "At-Risk" Students and Out-of-School Youths

School Social Work to Empower Pupils to Utilise their Potential (STEP-UP) Scheme – \$3.4million to support programmes in 165 Participating Schools

38. The STEP-UP initiative was launched in 2004, as a 5-year pilot programme, to support Voluntary Welfare Organisations (VWOs) in their delivery of school social work services/programmes to schools. It complements the school system with programmes to build and

strengthen the social and emotional resilience of students, in particular at-risk students.⁶

Chart 8: No. of Schools under STEP-UP, 2006-2008



39. As at end December 2008, there were 165 schools on STEP-UP (Chart 8). The 5-year programme cost \$3.4million in all. With the end of the pilot programme in 2008, MCYS is reviewing the programme and will be rolling out an enhanced version of the programme in 2010.

Help the Young Acquire Employable Skills

Northlight School / Assumption Pathway School

40. NorthLight School (NLS), which offers an enhanced vocational programme, commenced operations in January 2007 by admitting students who have failed PSLE twice or thrice as well as premature secondary school leavers. In 2008, NLS also admitted students who have failed PSLE once.
41. Given the positive response from stakeholders and the encouraging results from students, MOE re-modelled the remaining Vocational Training Centre, Assumption Vocational Institute (AVI), which was renamed Assumption Pathway School (APS) from January 2009.

⁶ “At-risk students” were defined by Inter-Ministry Committee on Youth Crime (IMYC) as “those who have been subject to a combination of interrelated biological, psychological, and social factors that result in a greater likelihood for the development of delinquency, substance abuse, or other related anti-social and self-destructive behaviors”.

42. Both schools adopt an experiential and hands-on approach towards teaching and learning. Their vocational programmes equip students with practical skills that prepare them for ITE, or for future employment in technical and service industries. In addition, APS and NLS have programmes targeted at addressing the social-emotional needs of these students, to help enhance their self esteem and strengthen their character.

Box Story 3:

THE NORTHLIGHT WAY

At NorthLight School, the school makes use of different curriculum, pedagogy and assessment to better suit the learning styles and different attention spans of students.

The curriculum is taught through meaningful tasks and set in the real-world context, to help prepare youths for lifelong learning and employability. For example, arithmetic is taught using McDonald's menu items and discount vouchers, and students are asked to calculate when it would be worthwhile to buy or upsize a Value Meal. This not only enhances their understanding of mathematical concepts, but also provides the relevant background if they were to join the F&B industry.

Diagnostic tests in Mathematics, English and ICT allow the school to group students together based on their ability in different subjects. In terms of assessment, all these subjects have a practical or coursework component, which makes up to 70% of the total grades. This could include reading or key word recognition for English, project work for ICT, or measuring and weighing objects for Mathematics.

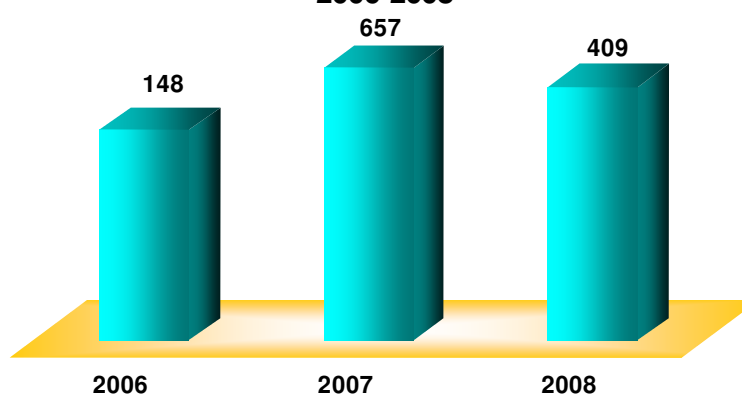
At the end of each semester, each student is given an achievement file which contains photographs or pieces of the student's work, records of his or her involvement in community projects and school activities, as well as certificates and awards the student has received, on top of the academic results for the semester.

Encourage Low Income Families to Optimise Resources for their Children

Home Ownership Plus Education (HOPE) Scheme – \$44.8 million for more than 1,200 new families

43. The HOPE scheme helps young, low-income families improve themselves by providing them with comprehensive forms of assistance, with the condition that the couples do their part to upgrade their skills, and keep their families small so as to concentrate their limited resources on providing for and educating their children. Enhancements to the scheme to allow divorced mothers with no more than two children to stay and come onto the scheme, came into effect on 1 April 2009.
44. To further promote the programme, HOPE Outreach Agencies, including Family Service Centres (FSCs) and Self-Help Groups (SHGs), commenced active outreach in August 2006 and have reached out to over 24,600 families as of end-December 2008. From 2006 to 2008, a total of \$44.8 million was spent under HOPE, and an additional 1,200 families were approved for assistance under the HOPE scheme, bringing the total number of families approved on HOPE to about 1,700 at end-2008 (Chart 9).

Chart 9: No. of Families newly approved for HOPE, 2006-2008



F. Sharing in the Nation's Progress

45. In good times, the Government has shared its budget surpluses with Singaporeans, and in difficult times, it has cushioned the impact on lower-income Singaporeans through assistance measures.

Progress Package – \$2.5 billion for all Singaporeans

46. In 2006, the Government rolled out the \$2.5 billion Progress Package, a surplus sharing package for all Singaporeans but weighted towards the lower-income. In 2008, the Government continued to share the surplus from good growth with citizens through a \$2.0 billion package of Growth Dividends and other household benefits. This was on top of the \$4 billion GST Offset Package introduced in 2007 that citizens would receive over 5 years to defray the cost of GST. As part of the Resilience Package announced in Budget 2009, an additional payout of GST Credits amounting to \$580 million has been given to help Singaporeans in this economic downturn.
47. These benefits have been weighted in favour of low income families. For example, resident households in 1- and 2-room HDB flats are estimated to have received an average of 27% of their annual household incomes in benefits in 2008.

G. Other Initiatives

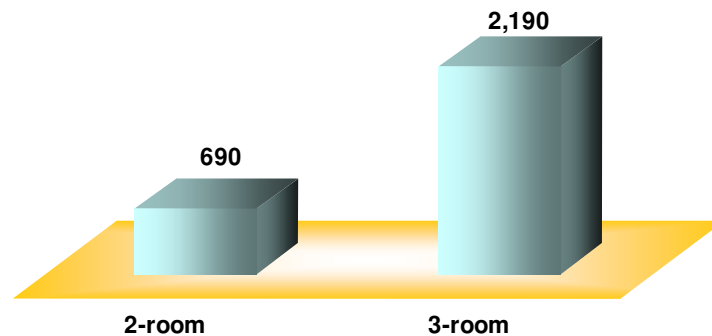
48. In addition to the initiatives under the six spokes of Workfare, the Committee also made other recommendations on housing for low wage workers. The objectives were to provide them with affordable housing options and also help families facing financial difficulties to realise the value of their homes through appropriate measures to monetise them.

Expand Housing Options for Low Wage Workers

49. HDB resumed building new 3-room flats in 2004, and 2-room flats in 2006 as part of a move to provide more affordable housing options for

the lower income. The income ceilings for new 3-room and 2-room flats are set at \$3,000 and \$2,000 respectively, to safeguard them for the lower income. HDB will continue to build more small flats if there is demand.

Chart 10: No. of 2-rooms and 3-rooms Flats offered for sale under the Build-To-Order System from 2004-2008



Make Available Options to Downgrade/Monetise HDB Flat

50. For home owners facing financial hardship, HDB facilitates their downgrading to help right-size their home loan. For example, HDB may consider them for an additional HDB Loan to purchase a smaller flat, even though the second HDB loan is generally provided only for HDB upgraders.
51. As for the elderly, over the years, HDB has put in place various housing options to facilitate flat monetisation, thereby providing elderly Singaporeans with a stream of income to support their retirement. For example, they can sell their flat on the resale market and move to a smaller flat. Under HDB's liberalised subletting rules, they can also sublet a room or the whole flat.
52. In March 2009, the Lease Buyback Scheme (LBS) was launched to help elderly households in 3-room or smaller flats unlock their flats' equity. Under LBS, elderly households can sell the tail end of their lease back to HDB in return for an upfront payout and monthly allowance under a CPF annuity for as long as they live.

IV. CONCLUSION

53. Since 2006, low wage workers have made significant progress in their incomes and availed themselves to the job opportunities. There has also been substantial support from the Government through Workfare – over \$1.1 billion from 2006 to 2008, higher than the original estimate of \$0.8 - \$1 billion.

54. Workfare is Singapore's unique way of helping Singaporeans move forward together, through good times and difficult times. It reinforces our strong work ethic by giving workers who are self-reliant, hardworking and willing to upgrade, the opportunity to achieve a better life for their families and themselves. It maintains our competitive edge for economic growth, which is fundamental for Singapore's resilience. With our collective efforts - individuals, families, employers, unions, community-based organisations and the Government, Workfare will enable our low wage workers and families to share in the success of our nation and progress together.

WORKFARE INCOME SUPPLEMENT SCHEME FACTSHEET

Background

The Workfare Income Supplement (WIS) Scheme was announced in February 2007 during the Budget Speech to replace its predecessor, the Workfare Bonus Scheme. The policy objective is to encourage older low wage workers to stay employed and to improve their retirement adequacy. Workfare is tied to the CPF system. While contribution rates for older low wage workers were lowered in 2007 to increase their take-home pay and enhance their employability, the payments they stood to receive from Workfare would more than make up for the lower contribution rates.

Eligibility Criteria

2. To qualify for WIS, a worker must:
 - a. Be a Singapore citizen;
 - b. Be 35 years old and above as at 31 December of the work year;
 - c. Have worked at least three months in any six-month period in the year for half the payout, or at least six months in the calendar year for the full payout;
 - d. Have earned an average monthly income of less than \$1,500 during the period worked; and
 - e. Be staying in a property with an Annual Value of not more than \$11,000 assessed as at 31 Dec preceding the work year⁷.

3. Self-employed persons and informal workers will also have to make Medisave contributions in order to qualify for WIS.

Workfare Quantum

4. The WIS payment amount is based on the worker's:
 - a. **Age.** Older workers get more Workfare than younger workers.
 - b. **Earnings.** Workfare will rise with earnings, reaching a maximum at a monthly income of between \$500 and \$1,000. Between \$1,000 and \$1,500 per month, Workfare is reduced gradually to zero.

⁷ For work done in 2008 and prior, the Annual Value was \$10,000.

- c. **Occupational status.** Self-employed persons (SEPs) will receive two-thirds of what an employee would receive. WIS for SEPs will be made into their CPF Medisave Account. WIS for employees will be divided between cash and CPF in the ratio of 1:2.5.

Payment Dates.

5. WIS will be paid twice a year. For work done in any year, employees will be paid in October and March of the following year. SEPs and informal workers will be paid in October of the work year and May of the following year.

Workfare Special Payment

6. The Workfare Special Payment, announced as part of the 2009 Resilience Package, is a temporary top-up to WIS to provide additional assistance to older low wage workers during the current economic downturn. The Special Payment pays up to a total of \$1,200, to be paid entirely in cash, and will be assessed based on work done in 2008 and 2009.

7. For work done in 2009, to also help those with less regular employment, workers who only worked for 2 months within a 6-month period will also qualify for the Special Payment.

8. Details on the WIS and Special Payment amounts and the required Medisave contribution amounts for SEPs and informal workers can be found in Appendix B1 – I.

Table B1 – 1: Employees' Workfare

Average monthly wage for the work	Age in the work year											
	35 – 44			45 – 54			55 – 59			60 & above		
	WIS Benefits:											
	Total	Cash	CPF	Total	Cash	CPF	Total	Cash	CPF	Total	Cash	CPF
\$200	\$360	\$103	\$257	\$480	\$138	\$342	\$580	\$166	\$414	\$580	\$166	\$414
\$400	\$720	\$206	\$514	\$960	\$275	\$685	\$1,193	\$341	\$852	\$1,193	\$341	\$852
\$600	\$900	\$258	\$642	\$1,200	\$343	\$857	\$1,560	\$446	\$1,114	\$1,680	\$480	\$1,200
\$800	\$900	\$258	\$642	\$1,200	\$343	\$857	\$1,680	\$480	\$1,200	\$2,040	\$583	\$1,457
\$1,000	\$900	\$258	\$642	\$1,200	\$343	\$857	\$1,800	\$515	\$1,285	\$2,400	\$686	\$1,714
\$1,200	\$540	\$155	\$385	\$720	\$206	\$514	\$1,080	\$309	\$771	\$1,440	\$412	\$1,028
\$1,400	\$180	\$52	\$128	\$240	\$69	\$171	\$360	\$103	\$257	\$480	\$138	\$342

Table B1 – 2: Self-Employed Medisave Contributions to Receive Full Workfare Payment for the Whole Work Year

Average monthly income for the work year		Age in the work year					
		35	36- 44	45	46 - 54	55 - 59	60 & above
		Contribute by 31 Mar of the following year:					
\$200	Contribute	\$52	\$60	\$60	\$67	\$67	\$67
	Receive	\$240	\$240	\$320	\$320	\$387	\$387
\$400	Contribute	\$104	\$120	\$120	\$135	\$135	\$135
	Receive	\$480	\$480	\$640	\$640	\$796	\$796
\$600	Contribute	\$156	\$180	\$180	\$203	\$203	\$203
	Receive	\$600	\$600	\$800	\$800	\$1040	\$1120
\$800	Contribute	\$208	\$240	\$240	\$271	\$271	\$271
	Receive	\$600	\$600	\$800	\$800	\$1120	\$1360
\$1,000	Contribute	\$260	\$300	\$300	\$339	\$339	\$339
	Receive	\$600	\$600	\$800	\$800	\$1200	\$1600
\$1,200	Contribute	\$624	\$720	\$720	\$815	\$815	\$815
	Receive	\$360	\$360	\$480	\$480	\$720	\$960
\$1,400	Contribute	\$988	\$1,140	\$1,140	\$1,291	\$1,291	\$1,291
	Receive	\$120	\$120	\$160	\$160	\$240	\$320

The amounts shown are inclusive of the first Workfare payment, as well as Medisave contributions made to qualify for the first Workfare payment in October of the work year. You will receive the full Workfare for the work year only after you have paid up your Medisave contributions for your income earned in the work year. Workfare will be credited to your Medisave account.

Table B1 – 3: Workfare Special Payment Amounts for Employees in 2009 (paid in CASH)

Average Monthly Income	Age in 2009			
	35 - 44	45 - 54	55 - 59	60 & above
\$200	\$120	\$160	\$194	\$194
\$400	\$240	\$320	\$398	\$398
\$600	\$300	\$400	\$520	\$560
\$800	\$300	\$400	\$560	\$680
\$1,000	\$300	\$400	\$600	\$800
\$1,200	\$180	\$240	\$360	\$480
\$1,400	\$60	\$80	\$120	\$160

For 2008, employees will receive 50% of the amount stated.

For 2009, employees who worked at least 3 out of 6 months will receive 50% of the amount stated. Employees who worked only 2 out of 6 months will receive 25% of the amount stated.

Table B1 – 4: Workfare Special Payment Amounts for Self-Employed/ Informal Workers in 2009 (paid in CASH)

Average Monthly Income	Age in 2009			
	35 - 44	45 - 54	55 - 59	60 & above
\$200	\$80	\$107	\$129	\$129
\$400	\$160	\$214	\$266	\$266
\$600	\$200	\$267	\$347	\$374
\$800	\$200	\$267	\$374	\$454
\$1,000	\$200	\$267	\$400	\$534
\$1,200	\$120	\$160	\$240	\$320
\$1,400	\$40	\$54	\$80	\$107

For 2008, SEPs will receive 50% of the amount stated.

For 2009, SEPs who worked at least 3 out of 6 months will receive 50% of the amount stated. SEPs who worked only 2 out of 6 months will receive 25% of the amount stated.

Example: Mdm Teo, a 40-year-old self-employed person.

First Workfare payment in October 2008

She earned an average of \$400 per month in the first 6 months of 2008. To receive Workfare, she:

- Contributed \$60 into her Medisave by 31 August 2008; and
- Received her first Workfare payment of \$240 in October 2008.

Second Workfare payment in May 2009

Mdm Teo finds that her average income for 2008 is actually \$600 per month.

- She declares her income to CPF Board and contributes a total of \$180 into her Medisave for the year.
- As she has already contributed \$60, she only needs to contribute an additional \$120 into her Medisave by 31 March 2009.
- She will receive her second Workfare payment of \$360 in May 2009.
- All in all, she will receive a total Workfare payment of \$600 (\$240 + \$360) for the work year in 2 payments.
- She will also receive an extra \$100 in cash for the 2008 Workfare Special Payment.

If she continues to work in 2009, earns the same income and contributes to her Medisave, she will receive \$600 of Workfare paid into her Medisave Account and \$200 of Special Payment in cash.

ADDITIONAL CPF HOUSING GRANT (AHG)

Background and Features

To help lower-income families become homeowners, the Government implemented the Additional CPF Housing Grant (AHG) Scheme on 3 Mar 2006 to assist them in their first HDB flat purchase (either new HDB flat or resale flat).

2 It is an additional subsidy over and above the regular market subsidy and CPF Housing Grant that new and resale flat buyers enjoy respectively. It offsets the purchase price of a new or resale HDB flat, thereby further reducing the loan a flat buyer needs to take.

3 The AHG Scheme was revised twice in Aug 07 and Feb 09 to provide more help and extend its reach. The features of the latest enhancements in Feb 09 are:

- Increase in the income ceiling from \$4,000 to \$5,000. This will increase the coverage of the AHG from 50% to 60% of resident households.
- Increase in maximum grant quantum from \$30,000 to \$40,000.
- Reduction of the 2-year continuous employment condition to one year.

4 The changes in the AHG over the years are detailed in Appendix B2 – I.

Benefits of AHG

5 The enhanced AHG will make owning a HDB flat within easier reach, especially for the lower-income. For instance, a family with a monthly household income of \$1,500 can comfortably own a new 2-room HDB flat priced at \$90,000⁸. With the help of the maximum AHG quantum of \$40,000, they only have a monthly mortgage instalment of about \$200. This is about 13% of monthly income and can be serviced entirely from monthly CPF contributions.

6 This revision is expected to benefit an additional 2,700 first-timer homebuyers each year bringing the total benefiting households to about 8,000 per year. Overall, it will almost double the estimated cost of the AHG scheme to Government to about \$150 million per year.

⁸ Average selling price.

Table B2 – 1: Highlights of the different AHG phases

	Feb 09	Aug 07	Mar 06
Usage of AHG	For First-Timer households buying a new HDB or resale flat		
Eligibility conditions	- 1 yr continuous employment - Income ceiling of \$5,000	- 2 yrs continuous employment - Income ceiling of \$4,000	- 2 yrs continuous employment - Income ceiling of \$3,000
Maximum AHG quantum	\$40,000	\$30,000	\$20,000

Table B2 – 2: Details of changes in AHG quantum for various income groups

Average gross monthly household income over last 2 years/1year*	Feb 09	Aug 07	Mar 06
\$1,500 or less	\$40,000	\$30,000	\$20,000
\$1,501 - \$2,000	\$35,000	\$25,000	\$15,000
\$2,001 - \$2,500	\$30,000	\$20,000	\$10,000
\$2,501 - \$3,000	\$25,000	\$15,000	\$5,000
\$3,001 - \$3,500	\$20,000	\$10,000	
\$3,501 - \$4,000	\$15,000	\$5,000	
\$4,001 - \$4,500	\$10,000		
\$4,501 - \$5,000	\$5,000		

* 2 years work requirement is for AHG in 2006 and 2007. 1 year work requirement is for the 2009 enhancements.

WORK SUPPORT PROGRAMME FACTSHEET

Overview of the Work Support Programme

Work Support is a programme under the ComCare Self-Reliance pillar. It provides assistance to needy households with no or insufficient income. Work Support is administered by the Community Development Councils (CDCs).

2. Work Support has two tracks: a short-term track - Work Support Employment (WSE), and a longer-term track - Work Support Self-Reliance (WSSR). The maximum period of assistance will be up to 24 months, depending on the household situation.

3. All Work Support participants are given subsistence and other assistance, in order to help them obtain employment and achieve self-reliance. Work Support households with children below the age of 18 are entitled to the following additional assistance:

- a. WSE:
 - i. Employment-focused case management
- b. WSSR:
 - i. Self-reliance-focused case management; and
 - ii. Training grant of \$2,000 per year.

Programme Details

Table B3 – 1: Programme Details on WS

	Work Support Employment (WSE)	Work Support Self-Reliance (WSSR)
Overall objective	Help needy families find work or to upgrade their skills, with the aim of achieving self-reliance	
Specific Goals	Help unemployed main breadwinner in household to obtain employment.	Help household achieve self-reliance within 24 months
Length of assistance	Short-Term → Provides assistance for up to 3 months in the first instance, and <u>up to a maximum of 12 months in the downturn (recent enhancement for the downturn).</u>	Longer-Term → Provides assistance for up to 24 months

	Work Support Employment (WSE)	Work Support Self-Reliance (WSSR)
Eligibility criteria	No working member in the household	At least 1 working member in the household
	1) Monthly Household income of \$1500 or less 2) Satisfy needs test 3) Have little or no savings 4) Have little or no family and community support 5) Demonstrate the willingness to take steps to become self-reliant	

Benefits/Assistance Under Work Support

4. Depending on the household situation, one or more of the following types of assistance can be provided to help the WS recipients obtain employment and achieve self-reliance:

Table B3 – 2: Types of assistance for WS

Work Support Programme	Description
Both Work Support Employment (WSE) and Work Support Self-Reliance (WSSR)	Monthly cash grant to meet basic needs
	Educational Assistance
	Rental Assistance
	Utilities Grant
	Service & Conservancy Charges Grant
	Medical Assistance
WSSR Case-managed clients only (families with children <18 years)	Training Grant

Enhancements to Work Support (2009)

5. To help families whose breadwinners may have been retrenched, MCYS enhanced the flexibility of Work Support. The length of assistance rendered under the Work Support scheme has been extended from six months to up to 12 months for those who need a longer period of help while they upgrade their skills and find a job.

6. Families who currently fall just outside the eligibility criteria for Work Support will also be helped if they have genuine problems coping with basic living expenses. The financial assistance under the Work Support Programme will be calibrated according to the needs of the family.

SINGAPORE WORKFORCE SKILLS QUALIFICATIONS (WSQ) SYSTEM **FACTSHEET**

What is WSQ?

The Singapore Workforce Skills Qualifications (WSQ) system is developed by the Singapore Workforce Development Agency (WDA) for workers to skill up to remain employable and competitive.

2 The WSQ is a robust system benchmarked against world standards which WDA has developed in close consultation with various sectors' Industry Skills and Training Councils. The system spells out the training and certification pathways for workers to enhance their skills and capabilities, and how companies and industries can upgrade their workers' skills standards.

3 The system demonstrates how training can be translated into better jobs and career progression – making training count for workers and employers. The WSQ offers employers and workers quality assurance in training, in that WDA monitors the quality of training providers and their courses to ensure that training imparts the right knowledge and skills to meet learning needs.

Foundations of WSQ

4 The WSQ is underpinned by four principles:

- **Authority** to give workers assurance that the qualifications are nationally-endorsed, employer-recognised and industry-validated.
- **Accessibility** to ensure that workers have clear training pathways and can choose learning routes that best suit them. Instead of academic pre-requisites for entry, the WSQ recognises existing skills, relevant working experience and credentials.
- **Relevance** to workers and businesses, as training is competency-based and meets industry- and job-specific needs.
- **Progression** for workers as the training enhances workers' employability and competitiveness. Workers have definite paths to skill up as they progress in their career and achieve excellence in their respective fields.

Benefits of WSQ

5 WSQ benefits everyone, including individuals without academic credentials. Individuals can remain employable, businesses can continue to survive competition and Singapore can remain competitive internationally.

- Job Seekers/Employees. WSQ enhances employability of jobs seekers and employees through training in skills which they lack. WSQ also facilitates career advancement through clear progression pathways. This helps workers to advance in the current field or switch to a different industry of choice.
- Employers. Better skilled employees help to raise the companies' efficiency and productivity. WSQ helps to make HR recruitment and development more effective as companies are able to recruit people with the right skills and can easily plan their employees' training and career pathways to meet the companies' needs.
- Training Providers. WSQ helps to improve the quality of training through the accreditation of the training curriculum and training materials.

Rollout of WSQ

6 WDA has developed WSQ systems to enhance employability across industries through the ESS as well as for specific industries. Priority is placed on sectors with high employment growth and rising skill requirements. WSQ frameworks which have been rolled out are:

WSQ Frameworks	
1. Employability Skills System	12. Finance
2. Process	13. Community & Social Services
3. Service Excellence	14. Training
4. Food & Beverage	15. Trade Specific Work Safety & Health for Marine WSQ
5. Retail	16. Work Safety & Health Professional
6. Tourism	17. Floristry
7. Aerospace	18. Healthcare & Support
8. Generic Manufacturing	19. Leadership & Personnel Management
9. Precision Engineering	20. Human Resource
10. Landscape	21. Information Communications & Technology
11. Security	22. Creative Industries

7 More information can be found at <http://wsq.wda.gov.sg/>.

EMPLOYABILITY SKILLS SYSTEM (ESS) FACTSHEET

The Singapore Workforce Development Agency launched the Singapore Employability Skills System (ESS) in September 2004 to equip our workforce with generic and portable skills. These skills will better prepare workers for new job demands, work challenges and the changing work environment.

The 10 Employability Skills

2. Employability skills are foundation skills that workers can apply across industries and occupations. The 10 employability skills under ESS are:

- a. Workplace Literacy and Numeracy
- b. Information Communication Technologies
- c. Problem-Solving and Decision-Making
- d. Initiative and Enterprise
- e. Communication and Relationship Management
- f. Lifelong Learning
- g. Global Mindset
- h. Self-management
- i. Workplace-Related Life Skills
- j. Health and Workplace Safety

Training Series under ESS

3. The 10 employability skills and have been arranged in three series.

a. The Workplace Literacy (WPL) Series

WPL is aimed at upgrading the English language proficiency of our workforce. It includes the skills of Listening, Speaking, Reading and Writing in the English language. Training modules are available in Beginner, Intermediate and Advanced levels.

b. The Workplace Numeracy (WPN) Series

WPN covers the individuals' ability to use mathematics in a real-life context. Training modules are available in Beginner, Intermediate and Advanced levels.

Prior to training under WPL and WPN series, a Computer Adaptive Test (CAT) is compulsory for interested participants to pre-determine their training needs for placement into the relevant training modules at the specific level.

c) The Workplace Skills (WPS) Series

WPS covers a range of specific workplace skills which are focused on generic workplace processes and skills.

(Available in three occupational levels - Operations, Supervisory and Managerial)

4. The modules and their corresponding relationship to the 10 Employability Skills are set out in the table below.

Employability Skills	Related Training Modules
1. Workplace Literacy and Numeracy	<ul style="list-style-type: none"> • Workplace Literacy and Numeracy Series
2. Information Communication Technologies	<ul style="list-style-type: none"> • Basic ICT Skills • Workplace ICT Applications
3. Self-Management	<ul style="list-style-type: none"> • Personal Effectiveness
4. Workplace-Related Life Skills	
5. Initiative and Enterprise	<ul style="list-style-type: none"> • Initiative and Enterprise
6. Communication and Relationship Management	<ul style="list-style-type: none"> • Communication and Relationship Management
7. Problem Solving and Decision Making	<ul style="list-style-type: none"> • Problem Solving and Decision Making
8. Health and Workplace Safety	<ul style="list-style-type: none"> • Workplace Safety & Health
9. Lifelong learning	<ul style="list-style-type: none"> • Learning and Personal Development
10. Global Mindset	

How Are Our Workers Recognised After Attending Each Training?

5. A Statement of Attainment (SOA) would be awarded to trainee who has completed the programme and meet the following requirements.

- a. SOA for Workplace Literacy and Numeracy Module**
 - Attain at least 75% attendance during the training module
 - Successfully complete and attain the next specified competency level recommended.
- b. SOA for Workplace Skills Modules**
 - Attain at least 75% attendance during the training module

- Assessed as “Competent” for the training module

How long is the course and how much do Trainees have to pay?

6. Workers can enjoy higher course fee subsidy for WSQ or nationally certifiable courses at the CET Centres. They can enroll in the CET Centres directly or through the Career Centres at the Community Development Councils (CDCs) or the Employment and Employability Institute (e2i), without having to go through an employer. Course fee subsidy will be increased from 80-90% currently to 90% for courses for Rank-&-File level courses, and from 80% currently to 90% for Professionals, Managerial, Executives and Technicians (PMET) level courses.

Higher Course Fee Subsidy

Courses at CET centres



Rank-&-File
level courses

90%

↑

80% / 90%



PMET
level courses

90%

↑

80%

7. The course fees and duration for the ESS series are listed in the table below:

ESS Series	Duration	Course Fee Payable by Trainee
Workplace Literacy & Numeracy	90 hours	\$50 plus GST
Workplace Skills	16 or 24 hours	\$20 plus GST

CET Centres

8. WDA has established CET centres that are standard bearers for adult training. They undergo a rigorous accreditation and Continuous Improvement Review process to maintain the standards and quality of training delivery. These Centres cover a wide range of industries, specialising in areas such as retail, tourism, hospitality, aerospace, security, finance, digital animation, process engineering, culinary skills, basic literacy, numeracy and service skills. Spread throughout the island, our CET Centres are close to workers and provide them direct access to skills upgrading opportunities. There are currently four CET Centres providing training in ESS courses and they are as follows:

Kaplan Professional

StarHub Centre
51 Cuppage Road
#02-01 StarHub Centre
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JOB RE-CREATION PROGRAMME (JRP) FACTSHEET

Background

Funded by WDA and spearheaded by NTUC and the tripartite partners, the Job Re-creation Programme (JRP) aims to help workers, especially those who are vulnerable and in the low-wage group, take on better jobs and earn better pay.

2. The JRP involves re-designing and re-creating jobs through initiatives such as best-sourcing to increase the jobs' skills content and job worth. The programme also prepares workers to take on re-created jobs via skills upgrading leading to certifiable and recognised skills qualifications, thereby enhancing their employability.

3. JRP initiatives included place and train, skills conversion, and in-employment upgrading; and helped not just low wage workers but mature Professionals, Managers, Executives and Technicians, back-to-work women, ex-inmates, long term unemployed and older workers. JRP also launched the Employment and Employability Institute in 2008, to build and consolidate capability in organising large scale job fairs, screening candidates, providing career advice to workers, channelling them to relevant training programmes.

JRP Achievements

4. From 2006 to 2008, JRP has helped more than 47,000 workers to get better skills, better job and better pay. Some key sectors where the programme has made significant inroads include security, landscape, environment and conservancy which employ significant numbers of low wage and low skilled workers.

MOE FINANCIAL ASSISTANCE SCHEME (FAS) FACTSHEET

The MOE Financial Assistance Scheme (FAS) provides financial support to needy Singapore Citizen pupils in Government and Government-Aided schools⁹.

2. In 2006, the MOE FAS was enhanced to reach out to more low-income families, and reduce their burden in meeting essential school expenses. First, the income ceiling was raised to allow the lowest 20% of households to qualify. The income limits (Gross Monthly Household Income) was increased from \$900 to the current \$1,500 for families with 1 or 2 children, and from \$1,050 to \$1,800 for families with 3 or more children. Second, the benefits granted to FAS recipients were expanded to include a full waiver of standard miscellaneous fees and 75% subsidy on national examination fees. As a result of the revised income limits, the number of MOE FAS recipients increased from 15,000 in 2005 to 45,000 in 2008.

3. In light of the recent economic downturn, the benefits under the MOE FAS were further enhanced in 2009. On top of free textbooks, a basic set of school attire is now provided to primary and secondary school students to help defray education expenses from the lower-income families. At the pre-university level, students now receive a bursary of \$750 from MOE, an increase of \$250, to help them cover textbooks, stationery and other schooling expenses. Benefits of the enhanced FAS are shown in Appendix B7 - I.

4. In the current economic conditions, MOE has also provided a one-time \$10,000 grant to all schools via their School Advisory Committees / School Management Committees, with an additional \$10,000 top-up to schools with more than 10 per cent of students under the MOE FAS, to help schools provide discretionary assistance (e.g. transport allowance, meal coupons) to students who need more help, including those who do not qualify for the MOE FAS.

5. There were 45,700 MOE FAS recipients as at end Apr 09. Feedback from schools showed that parents appreciated the additional help given by the Government.

⁹ Singapore Citizen pupils attending Independent Schools also receive support in the form of the Independent Schools Bursary. However, these exclude Singapore Sports School, School of the Arts, NorthLight School, Assumption Pathway School which have their own schemes to provide financial assistance to their pupils.

MOE Financial Assistance Scheme**Eligibility Criteria**

To qualify, the Singaporean student must meet the following income criteria:

Family Size	Gross Monthly Household Income
1 or 2 children	\$1,500
3 or more children	\$1.800

Benefits under the MOE FAS

Item	Academic Level		
	Primary	Secondary	Pre-University
School Fees	N.A.	Waiver of \$5 per month	Waiver of \$6 per month
Standard Miscellaneous Fees	Full waiver of \$5.50 per month	Full waiver of \$8.00 per month	Full waiver of \$11.00 per month
Exam Fee	75% waiver of National Examination Fees (100% waiver for students under MCYS Public Assistance Scheme)		
Textbooks	Free textbooks	Free textbooks	N.A.
School Attire	Free school attire	Free school attire	N.A.
Bursary	N.A.	N.A.	\$750

ASSISTANCE FOR POST-SECONDARY STUDENTS FACTSHEET

Singaporean students in post-secondary educational institutions who face financial difficulty can also apply for assistance through MOE's new Short-Term Study Assistance Scheme (SSAS) from Academic Year (AY) 2009. This is to help students whose families might face temporary financial difficulties, e.g. as a result of breadwinners losing their jobs. The SSAS will provide up to \$2,060 worth of additional assistance per year to Singaporean students pursuing subsidised degree, diploma and ITE programmes at NUS, NTU, SMU, the five polytechnics and ITE. The actual quantum given out will depend on the level of study and the help needed by individual students. To qualify, the applicant's gross monthly household per capita income should be \$1,700 and below, and the student should be already receiving existing financial assistance such as loans and bursaries. Students can approach the institution at which they are studying for details on the SSAS.

2. The SSAS will be implemented for an initial duration of 2 years, starting from AY2009. Following that, MOE will review the provision of the SSAS depending on the economic outlook at that time. Appendix B8 – I shows the government financial assistance schemes that are available to post-secondary students.

3. In addition, MOE will also suspend the repayment of Tuition Fee Loans (TFL) and Study Loans (SL) for all university and polytechnic graduates for the period 1 Apr 2009 to 31 Mar 2010. During this period, students will not have to repay their loans and no interest will be levied on any outstanding loan. All graduates who have taken loans under the TFL and SL schemes will have their repayments suspended automatically. This includes graduates who are already servicing their loans as well as those who will start their repayments before 31 Mar 2010.

4. The enhancements to the various financial assistance schemes are part of the Government's continual efforts to ensure that the schemes stay relevant and responsive to the needs of Singaporeans. The Government will ensure that no Singaporean student is denied an education due to financial difficulties.

**Government Financial Assistance Schemes Available
to Post-Secondary Students**

For University Students

Monthly Per Capita Household Income	Government Financial Assistance Schemes*						
	Tuition Fee Loan	Study Loan	CDC/CCC Bursary	MOE Bursary	MOE SSAS		
\$500 Up to the 20th percentile	80% of tuition fees	20% of tuition fees plus living allowance of \$3,600 a year	\$1,600 per annum	\$1200 per annum	Up to \$1,100 per annum, depending on household income and individual needs of student		
\$1,200 Up to the 50th percentile	90% of tuition fees	10% of tuition fees plus living allowance of \$3,600 a year					
\$1,700 Up to the 66th percentile				\$800 per annum			
\$2,400 Up to the 80th percentile							
Beyond 80 th percentile							

* Eligible students may not receive both the CDC/CCC and MOE Bursary at the same time.

For Diploma Students

Monthly Per Capita Household Income	Government Financial Assistance Schemes*				
	Tuition Fee Loan	Study Loan	CDC/CCC Bursary	MOE Bursary	MOE SSAS
\$500 Up to the 20th percentile	75% of tuition fees	25% of tuition fees plus living allowance of \$2,000 a year	\$1,200 per annum	\$800 per annum	Up to \$1,440 per annum, depending on household income and individual needs of student
\$1,200 Up to the 50th percentile					
\$1,700 Up to the 66th percentile					
\$2,400 Up to the 80th percentile					
Beyond 80 th percentile					

* Eligible students may not receive both the CDC/CCC and MOE Bursary at the same time.

For Higher Nitec Students

Monthly Per Capita Household Income	Government Financial Assistance Schemes	
	CDC/CCC Bursary	MOE SSAS
\$300 Up to the 15th percentile	\$800 per annum	Up to \$2,060 per annum, depending on household income and individual needs of students
\$500 Up to the 20th percentile	\$600 per annum	
\$1,700 Up to the 66th percentile		

For Nitec Students

Monthly Per Capita Household Income	Government Financial Assistance Schemes	
	CDC/CCC Bursary	MOE SSAS
\$300 Up to the 15th percentile	\$800 per annum	Up to \$1,824 per annum, depending on household income and individual needs of students
\$500 Up to the 20th percentile	\$600 per annum	
\$1,700 Up to the 66th percentile		

ALLIED EDUCATORS FACTSHEET

Allied Educators (AEDs) are important members of the school team. They, together with our Education Officers and Executive and Administrative Staff, work closely to ensure the holistic development of our students. The Allied Educators Scheme (AES) was introduced in Jan 2009 to strengthen the professionalism of the AEDs and to attract, motivate and retain good officers. Today, the AEDs working in our schools include:

- **Allied Educators (Counselling) [AED (Counselling)]**
Previously known as Full-Time School Counsellor
- **Allied Educators (Learning and Behavioural Support) [AED (LBS)]**
Previously known as Special Needs Officer
- **Allied Educators (Teaching and Learning) [AED (TL)]**
Previously known as Education Associates

2. AED (Counselling) work closely with school management in the planning and implementation of school-wide counselling programmes that include provision of counselling services for students, case consultations to school personnel and parents, and delivering training to teachers in the areas of social and emotional development of students. In particular, AED (Counselling) play the important role of engaging and supporting under-privileged and at-risk students.

3. Today, every school has been provided with an AED (Counselling). By 2011, MOE will be providing an additional AED (Counselling) to 70 selected high needs schools to meet their counselling needs. Moving forward, MOE will continue to review the effectiveness and provision of AED (Counselling) to the schools.

FOCUSED LANGUAGE ASSISTANCE IN READING (FLAIR) PROJECT
FACTSHEET

Children from lower income families tend to lack reading material, writing experiences, and opportunities for speaking and listening to the English language at home. To help children from such home environments level up, MOE started a project called FLAiR (Focused Language Assistance in Reading) in 10 heartland kindergartens in 2006 to provide focused language support for selected second year kindergarten or K2 children.

2. Under the FLAiR project, trained personnel, called Pro-FLAiRs, spend time reading and conversing with K2 children who have problems with English, as identified by their teachers, on a one-to-one basis or in small groups of 4 to 6 children for about 30 weeks. All Pro-FLAiRs are specially trained in teaching English and early literacy to help children read better. They are also trained to observe children closely so as to ascertain how best to help children improve their language and literacy abilities.

3. In 2009, all FLAiR children also received a Home Learning Pack to enhance language learning at home. In addition, MOE also collaborates with the National Library Board to provide 10,000 used story books for use in the FLAiR project.

4. Feedback from participating kindergartens on the project has shown that FLAiR children have become more confident in the use of the English Language, enjoy reading and are able to express themselves more clearly in English.

5. In 2009, 86 heartland kindergartens and a total of about 950 children are participating in FLAiR. MOE is looking into how the project can be extended to more kindergartens.

**CENTRE-BASED FINANCIAL ASSISTANCE SCHEME FOR CHILDCARE
(CFAC) FACT SHEET**

Overview of CFAC

The scheme provides a monthly fee subsidy, over and above the \$300 Government child care subsidy given to working mothers, for low-income Singaporean families who place their children in child care centres. This allows the mothers to take on full-time employment.

Eligibility Criteria

2. The mother, and the child attending child care, must meet the following eligibility criteria:

- The child is a Singapore citizen. If the child is a permanent resident of Singapore (PR), at least one member of his immediate family must be a Singapore citizen;
- The child is below 7 years old and is attending a licensed child care centre;
- The child's family monthly income is \$1,800 and below; and
- The child's mother is working.

3. CFAC subsidies would vary depending on the family's income levels and the actual childcare fees charged.

Enhancements to CFAC (From 1 Jul 2009)

4. Subsidies were increased to make child care more affordable. The new subsidy rates are as follows:

Monthly Household Income	Maximum CFAC subsidy per month for each child
≤\$1,000	Up to \$340
\$1,001 - \$1,500	Up to \$300
\$1,501 - \$1,800	Up to \$200
>\$1,800	Families will be considered on a case-by-case basis

KINDERGARTEN FINANCIAL ASSISTANCE SCHEME (KIFAS) FACT SHEET

Overview of KiFAS

The scheme is meant to provide a monthly fee subsidy for low-income Singaporean families to help them pay for their children's kindergarten education.

Eligibility Criteria

2. The child attending pre-school, must meet the following eligibility criteria:
 - The child is a Singapore citizen or permanent resident of Singapore (PR). If the child is a PR, then at least one immediate family member of the child must be a Singapore citizen;
 - For kindergarten: The child is in a K1 or K2 programme, which is at least 3 hours long, and conducted in an eligible, non-profit kindergarten;
 - For nursery: The child is in a nursery programme, which is at least 2 hours long, and conducted in an eligible, non-profit kindergarten.; and
 - The family's monthly household income is \$1,800 or below.

Benefits/Assistance Under KiFAS

3. KiFAS subsidises up to 98% of the monthly fees, up to \$98 per month. The scheme was expanded in July 2008, to subsidise children from low income families who attend nursery programmes at eligible non-profit kindergartens. In addition, very needy nursery children from families earning \$1,000 a month or less, could also benefit from a grant of up to \$200, to help with their start-up costs like the registration fee, uniforms and insurance.

Enhancements to KiFAS (From 1 Jul 2009)

4. Subsidies were increased to make kindergarten more affordable. The new subsidy rates are as follows:

Household income	% Fee Subsidy	Dollar Cap
≤ \$1,000	98%	\$98 (kindergarten) \$75 (nursery)
\$1,001 - \$1,500	95%	\$95 (kindergarten) \$75 (nursery)
\$1,501 - \$1,800	70% - 90%	\$90 (kindergarten) \$70 (nursery)
> \$1,800	70%	Families will be considered on a case-by-case basis.

**SCHOOL SOCIAL WORK TO EMPOWER PUPILS TO UTILISE THEIR
POTENTIAL (STEP-UP) SCHEME FACTSHEET**

Introduction

Started in 2004, STEP-UP is a 5-year pilot programme with a holistic and systemic approach to school-based social work. STEP-UP funds Voluntary Welfare Organisations to provide social work services in schools, comprising different types of remedial, preventive and developmental programmes such as counselling, group-work and life-skills training. The scheme was administered by National Council of Social Services (NCSS).

Objectives

2. The scheme aims to:
 - Provide prevention and early intervention for students at-risk of dropping out of school, anti-social behaviours and delinquency;
 - Empower parents and primary caregivers of students at-risk to better support and manage their children; and
 - Empower teachers and school management to better support and manage their students at-risk.

Eligibility

3. The eligibility of participants in STEP-UP is determined by the schools. Schools can refer to MOE's List of Indicators to Identify Pupils At-Risk For Juvenile Delinquency.

Programme Components

4. The specific programme components are to be worked out between the schools and the VWOs, to ensure better customisation for schools. They should follow these STEP-UP Guiding Principles:
 - **Holistic:** Comprising a mix of preventive, developmental and remedial programmes
 - **Systemic Approach:** The programme will target the youths' family and school systems. 15% of the STEP-UP hours should be allocated to running programmes for parents

- **Customised:** VWOs are required to work with schools to identify/conduct needs assessments in order to customise the programme accordingly
- **Co-ownership and Sustainability:** VWOs must charge the schools for part of the programmes to ensure their commitment to STEP-UP

5. Though the 5-year pilot has ceased, STEP-UP funding was extended to all existing programmes in 2009 in view of the implementation of a more client-centric enhanced programme for at-risk youth in 2010.

HOME OWNERSHIP PLUS EDUCATION (HOPE) SCHEME FACTSHEET

Overview of HOPE

The Home Ownership Plus Education (HOPE) Scheme is a programme to help young, low-income families move out of the poverty trap by providing them with comprehensive forms of assistance. Launched in January 2004, the Scheme aims to encourage low-income couples to have fewer children so that they can concentrate their limited resources on providing for and educating their children. HOPE was enhanced in April 2006 to reach out to those vulnerable to unemployment and poverty but who were previously not eligible for HOPE. An Appeals Committee was also set up to consider families who marginally miss the HOPE criteria.

Benefits/Assistance under HOPE

2. Each HOPE family can receive the following benefits, if the couples do their part to upgrade their skills and keep their families small.

- **Educational Bursaries (per annum per child)**

Preschool level	\$250 (for mothers who do not work) \$2,000 (for mothers in full-time work)
Primary level	\$400
Secondary level	\$800
Junior college/polytechnic/ITE	\$1,200
University	\$2,000
Special education	\$600

- **Housing Grant**

A housing grant of \$50,000 will be disbursed in annual instalments of \$2,500 into the mother's CPF account for 20 years, or until she reaches 45 years old.

- **Training Grant**
A training grant of up to \$10,000 per family, divided equally between the couple, will be set aside for the couple to attend skills training programmes over a 10-year period.
- **One-off Grant**
A one-off grant of \$1,000 will be given to help the family offset utilities charges.
- **Mentoring and Family Support**
Families will be linked to other community resources and provided up with follow-up and support.
- **Cash Incentive**
Cash incentives of \$6,000 - \$20,000 will be given to help the couples with family planning.

Eligibility Criteria

3. HOPE applicants should fulfill the following criteria:
 - Be married or divorced with child custody;
 - Have 1 or 2 children
 - Either the husband or wife must be a Singapore citizen, and the spouse must either be a citizen or a permanent resident of Singapore
 - Have a monthly household¹⁰ income of \$1500 or below
 - Age of the wife is 35¹¹ years or below
 - Husband is employed.

Enhancements to HOPE (From 1 Apr 2009)

4. The following enhancements to HOPE took effect on 1 April 2009:
 - Divorced mothers can join and stay on the HOPE Scheme. Previously, only intact families qualified.
 - HOPE educational bursary for pre-schoolers was increased from \$250/yr to \$2,000/yr to encourage mothers under HOPE scheme who are working to continue to work, and those who are not working to find a job, so that they can help to support their families.

¹⁰ For families where at least one spouse has post-secondary education, neither spouse should earn more than \$1,000 per month each. This also applies to divorced mothers with post-secondary education.

¹¹ For families where at least one spouse has post-secondary qualification, the wife must be aged 30 - 35 years old. This also applies to divorced mothers with post-secondary education.

MONETISATION OPTIONS FOR THE ELDERLY

The HDB flat is a store of value for the Singapore household that can be unlocked during their latter years to supplement the retirement income. Depending on their needs and priorities, the elderly can choose from a range of monetisation options. This fact sheet summarises the options available to the elderly to unlock the equity in their flats. Please refer to the HDB website (<http://www.hdb.gov.sg>) for more information.

Downgrading to a smaller flat / Studio Apartment

2. The elderly can monetise their current flats by downgrading to a smaller flat or to a Studio Apartment, which comes with senior-friendly features and fittings. Over the next 2 years, about 2,000 units of Studio Apartments, 2- and 3-room flats will be launched each year to facilitate downgrading.

Subletting of room/whole flat

3. HDB lessees can consider renting out a room as a monetisation option. Eligible lessees can also sublet their whole flat if they have alternative housing arrangement, e.g. stay with family. From Mar 07, HDB has relaxed its subletting policy to allow lessees of subsidised and non-subsidised flats to sublet their flats if they have occupied them for 5 and 3 years respectively.

Lease Buyback Scheme

4. The Lease Buyback Scheme (LBS) was launched on 1 Mar 09. It is a new monetisation option to help elderly households in 3-room or smaller flats unlock their housing equity to meet their retirement needs. Under this scheme:

- HDB will buy back the tail-end of the lease of their flats, leaving them with a shorter 30-year lease
- In addition to the value of the housing equity unlocked from the shorter lease, there is a generous subsidy of \$10,000 from the Government
- Of the total value, \$5,000 will be given upfront as a lump sum. The remainder will be used to purchase an Immediate Annuity from CPF Board to provide a monthly stream of income for life.

See Appendix B15 – I for numerical example.

5. The payout under the Annuity is in addition to whatever source of income they already have, e.g. CPF savings, investments, insurance, rent from subletting of rooms etc. The shorter 30-year lease term is non-transferable in the open market. If it needs to be terminated prematurely, the lessee or his beneficiaries will receive a pro-rated refund on the residual lease.

6. LBS enables elderly residents to age in place comfortably. They can continue to stay in their flats, in the same familiar environment and community that they have grown accustomed to. Besides, they will have a steady source of monthly income for the rest of their life. This is particularly helpful to low-income elderly households of smaller flats who are unable to take advantage of other monetisation options, e.g. downgrading to a smaller flat elsewhere, or renting out the flat.

Eligibility criteria for LBS

7. LBS is available to Singapore citizens who own 3-room or smaller flats where the outstanding mortgage loan is \$5,000 or lower. They must also meet the following criteria:

- a. Age of youngest lessee is 62 years or older;
- b. Household income of \$3,000 or less;
- c. Have not previously owned a 4-room or larger flat or private property;

- d. Have only enjoyed one housing subsidy
- e. Have owned the existing flat for 5 years or more.

Numerical Example of How LBS Works

The amount of monthly income that an elderly household will receive from the LBS will depend on the market value of the flat, the amount of remaining lease, the age and gender of the lessee.

Take the example of a 3-room flat with a remaining lease of 70 years, and a market value of \$236,000. The lessees sell to HDB 40 years of the lease, and continue to stay in the same flat which is left with a 30-year lease.

HDB buys the 40 years of lease at about \$104,000, and provides a top-up of \$10,000 in Government subsidy, i.e. a total of \$114,000. Out of this \$114,000:

- a) The lessees will receive \$5,000 upfront
- b) The remaining \$109,000 will be used to purchase an Immediate Annuity from CPF Board that yields a monthly payout **for life**. The indicative monthly payout is:
 - \$530 if a male is the sole lessee who joins the LBS at age 62
 - \$490 if a female is the sole lessee who joins the LBS at age 62
 - A combined figure of \$510 if the flat is jointly owned by an elderly couple both aged 62