

## FACTSHEET - WORKFARE INCOME SUPPLEMENT

### **BACKGROUND**

The Workfare Income Supplement Scheme (WIS) was first announced during the 2007 Budget Speech. It was targeted at older low wage workers who were vulnerable to wage stagnation. The objective of WIS is to supplement the wages and CPF savings of older low-wage workers and to encourage them to stay employed.

Since its inception in 2007, over 300,000 workers receive WIS benefits each year. The amount of WIS paid annually exceeds \$300 million, which works out to an average of more than \$1,000 per worker. For FY2009, a total of \$343 million was disbursed to 320,000 workers, or an average of \$1,072 per worker.

### **ENHANCEMENTS**

At the 2010 budget, the Government announced enhancements to the WIS scheme. The WIS has both provided an income supplement to low-wage workers and preserved our work ethic through its emphasis on rewarding work. Its design is fundamentally sound and the enhancements are meant to further refine and strengthen the scheme.

The enhancements to the scheme are as follows:

**Extend the income threshold from \$1,500/mth to \$1,700/mth.** WIS is designed such that the total that a worker receives from pay and WIS will always increase the more a worker earns. With this enhancement, the phase-out rate of WIS benefits is reduced further so that as workers upgrade their skills and earn more, their WIS benefits decrease gradually.

**Increase WIS payouts.** Payouts for each age tier will be increased such that the maximum will go up by between \$150 and \$400 (see Table 1 below).

**Table 1: Maximum WIS Payout for different age groups**

<b>Age Group</b>	<b>Max WIS (Employees)</b>	<b>Max WIS (Self Employed)</b>
<b>35 – 44</b>	<b>\$1,050</b> (+\$150)	<b>\$700</b> (+\$100)
<b>45 – 54</b>	<b>\$1,400</b> (+\$200)	<b>\$933</b> (+\$133)
<b>55 – 59</b>	<b>\$2,100</b> (+\$300)	<b>\$1,400</b> (+\$200)
<b>60 &amp; above</b>	<b>\$2,800</b> (+\$400)	<b>\$1,867</b> (+\$267)

**Adjust Payment Assessment.** WIS eligibility is assessed based on income and work done for the full year. With the enhancements, the first six-month period will now be assessed independently of the full-year period. Should a worker be assessed to be eligible for a mid-year WIS payment, that assessment is final. This will allow recipients to keep the mid-year WIS payment they receive.

The enhancements will apply to work done from 1 January 2010 onwards. These enhancements will cost the Government about \$440 million per year, and is expected to benefit about 400,000 workers.

## **ELIGIBILITY CRITERIA**

To qualify for WIS from 2010 onwards, a worker must meet the following criteria:

- a. Be a Singapore citizen;
- b. Be aged 35 years and above as at 31 December of the work year;
- c. Earn an average income of up to \$1,700/month during the period worked;
- d. Be staying in a property with annual value not exceeding \$11,000, as assessed on 31 December of the year preceding the work year;
- e. For Employees, work at least three months out of any six months in the work year to receive half WIS, or work any six months in the year to receive full WIS. WIS will be paid in cash and CPF in the ratio of 1:2.5;

- f. Self-employed persons will need to declare their net trade income and make their Medisave contributions to receive WIS. They will receive WIS entirely in Medisave.
- To receive WIS in the mid-year assessment (paid by September), declare income and make Medisave contribution by 31 July of the work year;
  - To receive WIS in the year-end assessment (paid by May of the following year), declare income and make Medisave contribution by 31 March of the following year;
  - The mid-year income declaration is optional. The worker will still be eligible to receive WIS for the full year, provided that he makes his income declaration and Medisave contribution.

Members of the public may contact CPF Board for more information.

In person: visit any CPF Service Centre  
Phone: 1800-2222-888 (hotline)  
Website: <http://www.workfare.sg>  
Email: wis@cpf.gov.sg

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