

A decade of

# Workfare

Introduced in 2007, the Workfare Income Supplement Scheme is a broad-based measure that tops up the salaries of our lower-income workers and helps them save for retirement.

About 830,000 Singaporeans have benefitted from \$5.5 billion of Workfare payouts in the last decade<sup>1</sup>.

Annual Government spending on Workfare will grow to almost \$1 billion in 2020.

Real gross monthly incomes of workers at the 20<sup>th</sup> percentile kept pace with the median income over the past decade<sup>2</sup>.

Employment rate for residents rose from 76.5% in 2007 to 80.7% in 2017.

For Singaporean households at the 20<sup>th</sup> percentile, real incomes grew by about 40% cumulatively. In comparison, key Organisation for Economic Cooperation and Development countries<sup>3</sup> experienced low or negative income growth.

[1] Between 2007 and 2017.

[2] Incomes of full-time employed citizens (before Government transfers) at both the 20<sup>th</sup> percentile and median grew at about 30% cumulatively.

[3] Real household income growth at the 20<sup>th</sup> percentile (cumulative): Finland (16% from 2003 to 2013), UK (3% from 2003 to 2013), US (-8% from 2003 to 2013), Hong Kong (-2% from 2001 to 2011). Source: MOF Occasional Paper "Income Growth, Inequality and Mobility Trends in Singapore", Aug 2015.



# Holistic support

given to Workfare recipients



OVER 90%

Over 90% receive Utilities-Save (U-Save) rebates and GST vouchers.



4 in 10

4 in 10 receive medical and dental subsidies under the Community Health Assist Scheme (CHAS).



75%

75% of Workfare recipients own their homes.

## 64-year-old Mdm Goh Geok Kee (Auntie Geok), her husband and 24-year-old son

Auntie Geok lives with her husband and 24-year-old undergraduate son in a 3-room flat.



**60%** Under the **Progressive Wage Model**, Auntie Geok's salary has increased cumulatively by 60% since 2012.

Both Auntie Geok and her husband receive **Workfare** in their jobs, which helps with household expenses. From 2020, Workfare enhancements will give Auntie Geok

**25% MORE ALLOWANCE** → Total of \$333 per month (\$200 into CPF and \$133 as cash)

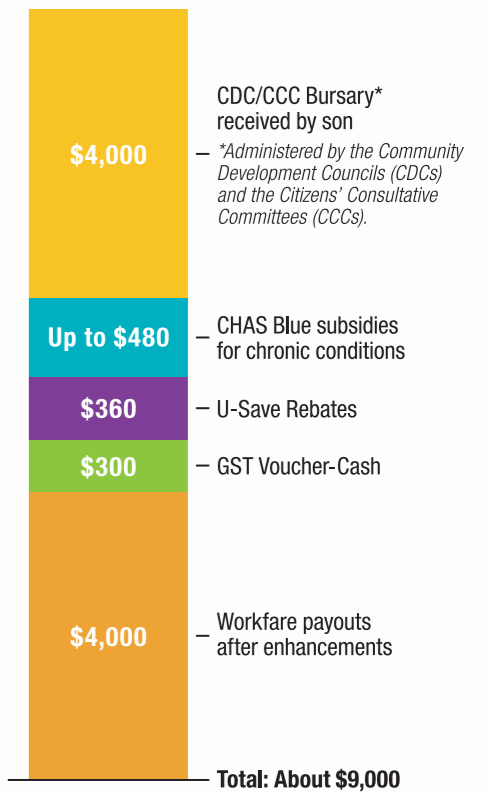


Auntie Geok, her husband, and her son, each has the **CHAS Blue card**. They receive highly subsidised medical and dental services at CHAS clinics.



Auntie Geok's household expenses are helped by **GST Vouchers** and **U-Save rebates**.

## What Auntie Geok and her family receives in benefits in a year



## 49-year-old Mr Gunasegaran s/o Sellayya (Mr Guna), his wife, 3 young children and his elderly mother

Mr Guna works as a supervisor, managing eight other cleaners. He and his wife live in a 3-room flat with their three young children. Mr Guna also has an elderly mother.



Mr Guna receives **Workfare** monthly to top up his salary and build up his retirement savings.



Mr Guna's two daughters in primary school are on the **Ministry of Education Financial Assistance (MOE FAS) Scheme**. The scheme waives the standard miscellaneous fees, covers the costs of textbooks and school attire, and provides them with \$120 of public transport credits per year.



Mr Guna's son receives **Kindergarten Financial Assistance Scheme (KiFAS)** subsidies. With KiFAS, Mr Guna enjoys 99% of monthly kindergarten fee assistance, paying only \$1 per month.

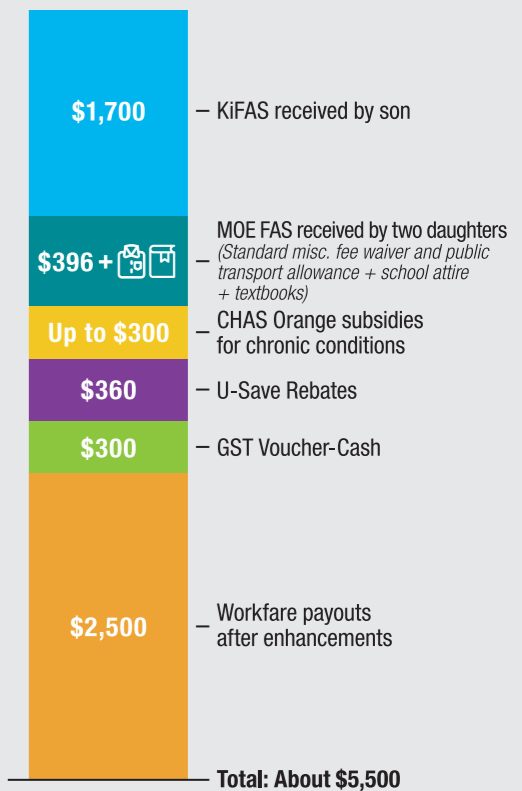


Mr Guna's retired mother has a **CHAS Orange card** and receives subsidised care at CHAS clinics.



Mr Guna's household expenses are also helped by **GST Vouchers** and **U-Save rebates**.

## What Mr Guna and his family receives in benefits in a year



# Workfare works

“

Workfare works better than a minimum wage because it helps Singaporean workers stay employed and have a chance to upgrade to better-skilled jobs with higher pay rather than compete with foreign workers.

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Dr Chew Soon Beng,  
Senior Fellow at S.Rajaratnam School of International Studies  
at Nanyang Technological University

“

The Workfare cash supplement helps with my daily costs of living, and the CPF contribution helps me save for my healthcare and retirement needs.

”



Mdm Norjahan,  
Workfare Recipient

“

Workfare encourages me to continue working and helps me with my family's expenses.

”



Mr Tony Seet,  
Workfare Recipient

“

Workfare motivates me to work and tops up my income. I can buy more ingredients and cook a better meal for my family!

Workfare encourages my workers to work hard. It gives my older workers extra reason to continue working as the Government tops up their income through Workfare.

Mr Jason Lee (Auntie Geok's employer),  
Operations Manager of NAFA System Services Pte Ltd

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Mdm Goh Geok Kee (Auntie Geok),  
Workfare Recipient