Govt sending out 2.5m ‘bonus’ letters

BY CAI HAOXIANG

THE first of 2.5 million Singaporeans began receiving letters yesterday informing them of the amount they will receive under Budget 2011.

Most of those eligible will get the letters by the end of this week, the Finance Ministry said in a statement yesterday.

The letter details what each eligible individual will get in growth dividends, Medisave top-ups, personal income tax rebates and Workfare payments this year.

The ministry said that $2 billion worth of growth dividends and Medisave top-ups will be paid out on May 1.

The distribution of benefits is under the “Grow and Share” package of measures announced in February and was made possible by last year’s exceptional economic growth of 14.5 per cent.

The ministry said the various measures for individuals and families will help Singaporeans cope with higher costs of living this year.

Details in the letter will include information such as a 20 per cent personal income tax rebate of up to $2,000; Workfare bonus payouts to older low-wage workers; utilities rebates; the removal of radio and TV licence fees; and subsidies for families with young children.

The ministry said most lower- and middle-income Singaporean households will receive benefits that are “much larger” than the average increase in their household expenses due to inflation.

It pointed out that a typical lower-income two-generation household living in a three-room HDB flat, for example, will receive benefits of about $3,500.

This is significantly more than the estimated $750 increase this year in household expenses due to inflation.

A typical middle-income three-generation household in a five-room HDB flat will get benefits of about $4,000. This is also more than the $1,750 estimated increase in household expenses.

More information on the Budget 2011 package is available at www.growandshare.gov.sg or at 1800-2222-888.

Most Singaporeans do not need to do anything to get the payouts.

The ministry said 97 cent of Singaporeans who earlier signed up for GST credits will automatically get the growth dividends and Medisave top-ups. Those who have not signed up have two options in order to get the payout on May 1:

- Sign up online before April 19 on www.growandshare.gov.sg
- Fill in a “Grow and Share” form available at any community club, community development council or Central Provident Fund (CPF) Service Centre before April 13.

Those signing up after these dates will get the payouts after May 1. Singaporeans have until Dec 31 to sign up.

Those wishing to donate their growth dividends to a charity can also do so via the website.

While the timing of the letters and payouts could fuel speculation of a May election, analysts noted that Singaporeans receive similar letters every year informing them of Budget goodies such as the ongoing GST Offset Package.

Said Singapore Management University law lecturer Eugene Tan: “The timing of the payouts will certainly not do any disfavours to the PAP Government. But Singapore voters are discerning enough and will not let goodies alone determine how they will vote.”