ANNEX B-1: MARRIAGE & PARENTHOOD SUPPORT MEASURES

IN BUDGET 2016

The Government will provide more support to Singaporean parents in the year before and after their child’s birth. This builds on the enhanced support provided through the Jubilee Marriage & Parenthood Package announced in 2015.  

$3,000 Child Development Account (CDA) First Step Grant

The Baby Bonus Child Development Account (CDA) is a co-savings scheme for children, where savings deposited by parents into the CDA are matched dollar-for-dollar by the Government, up to a specified cap depending on the child’s birth order.

To help more parents benefit from support provided by the CDA, we will introduce a new CDA First Step grant for eligible Singaporean children. Parents will automatically receive $3,000 in their child’s CDA, without requiring parents to first save into the account. This can be used for the healthcare and educational needs of a child and/or his siblings.

The CDA First Step grant will form part of the existing overall Government contribution cap. Beyond this grant, parents who save into the CDA will continue to receive dollar-for-dollar matching from the Government, and the total Government contributions will be up to the existing Government contribution cap (Table 1).

Table 1: CDA First Step Grant and Total Government Contribution

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1 Measures included:
   a) The $2,000 Baby Bonus Plus to provide more sustained support during the child’s infancy. This brings the total Baby Bonus Cash Gift to $8,000 each for the 1st and 2nd child, and $10,000 each for the 3rd and subsequent child.
   b) The extension of the Baby Bonus Cash Gift to the 5th child and beyond to support larger families.
   c) An increased Medisave Grant for Newborns of $4,000, up from $3,000 previously.
   d) An additional week of Government-paid Paternity Leave, on a voluntary basis
   e) More support for couples to buy their homes (e.g. the Proximity Housing Grant to encourage more Singaporean families to live with or near their parents, higher qualifying income ceilings to buy a subsidised HDB flat, and higher housing grants for first-timer purchasers of new flats in non-mature estates).

2 Up to $6,000 each for the 1st and 2nd child, $12,000 each for the 3rd and 4th child, $18,000 each for the 5th and subsequent child.

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<table>
<thead>
<tr>
<th>Birth Order</th>
<th>Existing</th>
<th>New (For children born on or after 24 March 2016)</th>
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<tbody>
<tr>
<td></td>
<td>Co-savings caps (A)</td>
<td>CDA First Step grant – NEW (Deposited by the Government) (B)</td>
</tr>
<tr>
<td>1\textsuperscript{st} and 2\textsuperscript{nd}</td>
<td>$6,000</td>
<td>$3,000</td>
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<tr>
<td>3\textsuperscript{rd} and 4\textsuperscript{th}</td>
<td>$12,000</td>
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<td>5\textsuperscript{th} and higher</td>
<td>$18,000</td>
<td>$3,000</td>
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**Eligibility criteria**

The grant will be deposited into CDAs from 1\textsuperscript{st} July 2016, when necessary updates to systems are completed. To allow even more babies to benefit, eligible children\textsuperscript{3} born on or after Budget Day on 24 March 2016 can receive

\textsuperscript{3} Similar to existing criteria, the child must be a Singapore citizen whose parents are lawfully married.

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the CDA First Step grant. To enjoy the new grant, parents may start saving into their CDAs after 1 July 2016.

a) Parents with eligible children born between 24 March 2016 and 30 June 2016 (both dates inclusive)

Parents should do the following in order to receive the CDA First Step grant:

i) Join the Baby Bonus Scheme\(^4\) to (1) open a CDA, and (2) receive the first instalment of the Baby Bonus Cash Gift.

ii) To receive the CDA First Step grant, parents should wait until 1 July 2016 before saving into the CDA.

iii) The grant will be automatically credited from 1 July 2016.

iv) They can start saving in to the CDA from 1 July 2016 to receive dollar-for-dollar matching from the Government, up to the current Government contribution caps.

Parents who prefer to save into the CDA before 1 July 2016 may do so under the previous CDA scheme of $1: $1 co-matching, up to the child's existing cap. While they will not receive the $3,000 CDA First Step grant, these parents will still be eligible for the same total Government contribution as those who choose to save after 1 July 2016.

i) For example, if parents saved $6,000 in their first child’s CDA before 1 July 2016, they will continue to receive $6,000 in Government co-matching.

b) Parents with eligible children born from 1 July 2016 will receive the CDA First Step grant automatically after opening a CDA.

\(^4\) Parents can sign up at [www.babybonus.gov.sg](http://www.babybonus.gov.sg) up to 2 months before their estimated delivery date.
There is no change in the application process for the Baby Bonus Cash Gift, which all eligible parents can receive after the birth of their Singaporean child.

Medisave Withdrawal Limit for Pre-delivery Expenses

The Medisave withdrawal limit for pre-delivery expenses will be doubled from $450 to $900 for mothers who have delivered on or after 24 March 2016.

Parents can make Medisave claims for pre-delivery expenses such as pre-natal consultations, ultrasound scans, tests and medications incurred at both public and private healthcare institutions.

To claim for pre-delivery charges from Medisave, parents need to present the bills incurred for pre-delivery medical care to the hospital where their baby is delivered. The hospital will help the parents submit these bills, together with the delivery expenses, for Medisave claims under the Medisave Maternity Package.
More information

CDA First Step grant: Members of public may visit www.babybonus.gov.sg or contact the Ministry of Social and Family Development at msf_babybonus@msf.gov.sg or 1800-253-7707 for more information.

Medisave withdrawal limits: Members of the public may visit http://heybaby.sg/havingchildren/maternity_package.html or contact the Central Provident Fund Board at member@cpf.gov.sg or 1800-227-1188 for more information.