



29 April 2011

**MEDIA RELEASE**

**220,000 CHILDREN TO BENEFIT WITH DISBURSEMENT OF CHILD  
DEVELOPMENT CREDITS FROM MID-MAY 2011**

In this year's Budget Statement, the Minister for Finance had announced the introduction of a new Child Development Credit scheme to help families with young children meet their expenses. About 220,000 Singaporean children aged six years and below in 2011 (i.e. born from 1 January 2005 to 31 December 2011) will benefit from the Credits, which will be paid into their Child Development Accounts (CDA) starting middle of May this year. Eligible children who do not have an existing CDA will be able to open one to receive the Credit.

***Disbursement of Credits***

2 More information on the Child Development Credit scheme is provided at the enclosed Annex. The Ministry of Community Development, Youth and Sports (MCYS) will be disbursing the Credits in the following phases:

a. **Parents whose eligible children have existing CDAs**

**The Credits will be paid into their children's CDAs from mid-May to June 2011.** Parents do not need to take any action and will be notified when the Credits are credited to the CDAs.

b. **Parents whose eligible children do not have existing CDAs**

They will **receive a letter from MCYS in June 2011, informing them to open a CDA** to receive the Credits. Parents can open a CDA at either one of the two banks engaged by MCYS – the OCBC Bank or the Standard Chartered Bank. **They will receive the Credits in the month after the CDA has been opened.** For example, if a parent opens a CDA in August 2011 for the child, the Credit will be paid into the CDA in September 2011.

3 **For new births between 29 April 2011 and 31 December 2011**, instructions to open the CDA will be given to parents in the Baby Bonus kit provided at the hospitals. **The Credits will be paid into the CDA in the month after the CDA has been opened.**

4 MCYS will send a notification of payment to all eligible parents, indicating the

amount of Credits paid, within two weeks after the Credits have been transferred into the CDA.

***Deadline for Opening of CDA***

5 Parents of eligible children who do not have an existing CDA are advised to open the CDA as soon as possible and before 30 June 2012 so as to receive the Credits.

6 The CDA will be closed on 31 December of the year the child turns six years of age. Hence, parents of children born in 2005 are advised to open the CDAs for their children before December 2011 to receive the Credits, as these CDAs will be closed on 31 December 2011.

***Where to Get More Information***

7 For more information on the Child Development Credit scheme, parents may call the Baby Bonus hotline at **1800 253 7707** or **+65 62537707**. They may also visit the Baby Bonus website at: <http://www.babybonus.gov.sg>.

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Issued by:

MINISTRY OF COMMUNITY DEVELOPMENT, YOUTH AND SPORTS

Enclosed: Annex – Information on the Child Development Credit Scheme

**Information on the Child Development Credit Scheme**

The Child Development Credit scheme was first announced on 18 February 2011 in the Budget Statement. The Credits will be given to all **Singapore Citizen children aged six and below (born from 1 January 2005 to 31 December 2011)** and are meant to help families with young children meet their expenses.

2 The Child Development Credits are tiered by the Annual Value (AV) of the trustee's home as at 31 December 2010<sup>1</sup>.

	Annual Value of home	
	≤ \$13,000	> \$13,000
Amount of Child Development Credits received	\$400	\$300

3 The Child Development Credits will be paid into the Child Development Account (CDA) and can be used to pay for the following items for a child's or his/her siblings':

- Fees at Approved Institutions which have registered with MCYS under the Baby Bonus Scheme:
  - a. Child care centres;
  - b. Kindergartens and special education schools registered with the Ministry of Education (MOE) or the Council for Private Education;
  - c. Early intervention programmes registered with the National Council of Social Service (NCSS) or the Centre for Enabled Living (CEL); and
  - d. Healthcare institutions licensed under the Private Hospitals and Medical Clinics (PHMC) Act.
  
- Medishield or Medisave-approved private integrated plans.

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<sup>1</sup> MCYS will inform eligible parents of the amount of Credits their children are eligible for, based on the Annual Value computed by the Inland Revenue Authority of Singapore. Parents do not need to take any action.