



5 March 2008

MEDIA RELEASE

**HIGHER RETURNS FOR BABY BONUS ACCOUNTS
AND CHOICE OF TWO BANKS FROM AUGUST 2008**

**PARENTS TO GET BABY BONUS NETS CARD FOR ADDED
CONVENIENCE IN USE OF FUNDS FOR PAYMENT**

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With effect from 1 August 2008, parents can expect higher interest rates for their Baby Bonus Children Development Accounts (CDAs) and a choice of two banks instead of one to manage their accounts. A Baby Bonus CDA-NETS card will also be issued to make it more convenient for parents to use the Baby Bonus funds.

2 The Ministry of Community Development, Youth and Sports (MCYS) has appointed the Oversea-Chinese Banking Corporation Limited (OCBC Bank) and the Standard Chartered Bank (Standard Chartered) to manage the Baby Bonus CDAs from 1 August 2008. With effect from the same date, DBS Bank Limited (DBS) will cease to provide CDA services.

3 In addition to the benefits of higher interest rates and choice of two banks, all CDA holders will each be issued a Baby Bonus CDA-NETS card to allow them the convenience of drawing on the funds in their child's CDA when they make payment at Approved Institutions.

4 Approved Institutions include child care centres, kindergartens and special education schools registered with the Ministry of Education (MOE),

early intervention programmes registered with the National Council Social Service (NCSS) and healthcare institutions licensed under the Private Hospitals and Medical Clinics (PHMC) Act. CDA savings can also be used for MediShield or Medisave-approved private integrated plans.

5 More details will be announced in May 2008.

Enquiries

For enquiries on the Baby Bonus Scheme:

- Website : <http://www.babybonus.gov.sg>
- Baby Bonus hotline (Toll-free): 1800-2537707 during office hours (Monday till Friday: 8.30am – 5.45pm, Saturday, 8.30am-12.45pm).

Annexes:

A – Baby Bonus Scheme

ISSUED BY

MINISTRY OF COMMUNITY DEVELOPMENT, YOUTH AND SPORTS

For media enquiries, please contact:

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BABY BONUS SCHEME

The Baby Bonus scheme was first implemented in April 2001 for the second and third child. In August 2004, the scheme was enhanced and extended to the first and fourth child.

The first child receives a cash gift, while the second to fourth child receives both a cash gift and a co-savings matching contribution in the Children Development Account (CDA) from the Government. The cash gift is given in 4 equal instalments over 18 months. The co-savings matching contribution from the Government is credited into the CDA in the following month after the savings are made.

Table 1: Total Baby Bonus Benefits

Birth Order	Cash Gift from Government	Maximum Matching Government Contribution	Total
First	\$3,000	-	\$3,000
Second	\$3,000	\$6,000	Up to \$9,000
Third	\$6,000	\$12,000	Up to \$18,000
Fourth	\$6,000	\$12,000	Up to \$18,000