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MEDIA RELEASE

TWO BANKS APPOINTED BY MCYS WILL OFFER HIGHER INTERESTS AND INVESTMENT FLEXIBILITY FOR BABY BONUS ACCOUNTS

Parents to choose OCBC Bank or Standard Chartered Bank by 30 June 2008

From 1 August 2008, parents will enjoy higher interest rates for their Baby Bonus savings when they choose between OCBC Bank and Standard Chartered Bank to host their Children Development Accounts (CDAs). They will receive a Baby Bonus Card, which allows them to use their CDA savings to pay for approved expenses for their children via NETS. They will also have the flexibility to invest their CDA savings in Singapore dollar fixed/time deposits offered by the two banks.

For Parents with Existing CDAs

2 Parents with existing CDAs with DBS can only access their funds up to 31 July 2008 and will have to transfer their CDAs to either OCBC Bank or Standard Chartered Bank. The Ministry of Community Development, Youth and Sports (MCYS) will inform parents with existing CDAs of the options and details of the transfer. From mid-May 08, these parents will receive a package from MCYS containing instructions and CDA application forms of OCBC Bank and Standard Chartered.

3 Parents only need to indicate their choice of either OCBC Bank or Standard Chartered Bank by completing and signing the MCYS option form and the chosen bank's form and returning it to MCYS by **30 June 2008**. This will effect the transfer of their CDA to the new managing agent.

4 MCYS will transfer the CDA funds from DBS Bank to the chosen bank by 7 August 2008. During the transition period from 1 August to 7 August 2008, parents will not be able to access their CDAs while the funds are being transferred. Approved Institutions registered with MCYS under the Baby Bonus Scheme will only commence GIRO deductions from the new CDAs on 15 August 2008 or earlier once they have informed their GIRO collection bank on the new CDA details. Parents can also start making NETS payments at these AIs once they receive the Baby Bonus Card from the banks by 15 August 2008.

For new births up to 31 May 2008

5 For new births up to 31 May 2008, parents can still open a new CDA with DBS Bank by submitting the "POSB Application for Children Development Account" form at the birth registration counters at the hospitals and ICA. They can use the money in this CDA to pay fees at AIs until 31 July 2008. However, these parents will be given the option forms and asked to indicate their option for either the OCBC Bank or Standard Chartered, so that the CDA can be transferred to the new bank in August 2008.

6 Alternatively, parents may wish to open their CDA with one of the new banks directly. MCYS will send them the new banks' application forms when the forms are ready from 1 June 2008.

For Parents with newborns from 1 June 2008

7 Parents of newborns from 1 June 2008 can open the new CDA with one of the two new banks directly. The Baby Bonus kits containing information and forms of the new managing agents will be made available to them at the various hospitals[1]. Parents can choose to open their CDAs with either OCBC Bank or Standard Chartered by completing the respective form and submitting it at the birth registration counters at hospitals, the Immigration & Checkpoints Authority (ICA) or MCYS. Their CDAs will be opened with their chosen bank from 1 August 2008.

8 More details on the Baby Bonus Scheme are available at Annex A. Parents who require more information on the Scheme can contact the hotline or visit the website. The details are below:

- 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).

ISSUED BY

MINISTRY OF COMMUNITY DEVELOPMENT, YOUTH AND SPORTS

[1] East Shore Hospital, Gleneagles Hospital, KK Women's and Children's Hospital, Mount Alvernia Hospital, Mount Elizabeth Hospital, National University Hospital, Raffles Hospital, Singapore General Hospital and Thomson Medical Centre

Annex A

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**