

CPF CHANGES 2010: WORKFARE INCOME SUPPLEMENT (WIS) SCHEME

1. How has the current WIS scheme performed?

About 300,000 older low-wage workers receive about \$300m in WIS payments each year. On average, each WIS recipient receives up to \$1,000 a year, which represents about 10% of the average annual income of each recipient. This provides low-wage workers with assistance to meet their immediate needs, while also rewarding work and helping them build up their CPF savings.

2. How much more WIS can I expect to receive under the enhanced WIS scheme?

Peak payouts for the WIS will be raised by between \$150 and \$400 per year. Older workers will receive the highest increase. Please see the table below:

Table: Maximum WIS Payouts for different age groups

Age Group	Max WIS (Employees)	Max WIS (Self-employed and Informal Workers)
35 – 44	\$1,050 (+\$150)	\$700 (+\$100)
45 – 54	\$1,400 (+\$200)	\$933 (+\$133)
55 – 59	\$2,100 (+\$300)	\$1,400 (+\$200)
60 & above	\$2,800 (+\$400)	\$1,867 (+\$267)

3. How do I sign up for the enhanced WIS scheme?

For employees whose employers contribute CPF, WIS will be assessed and paid automatically. Self-employed persons must have declared their net trade income for work done in 2010 and made the relevant Medisave contributions.

- To receive WIS in the mid-year assessment by 1 September 2010, self-employed persons must declare their January-June 2010 income and make the relevant Medisave contributions by 31 July 2010.
- To receive WIS in the year-end assessment by 1 May 2011, self-employed persons must declare their income for work done in 2010 and make the relevant Medisave contributions by 31 March 2011.
- If mid-year income declaration is not made, full-year WIS may still be

received as long as the income declaration and Medisave contribution for the full year are made.

Self-employed may declare their income at any CPF Service Centre. They can make their Medisave contributions via cheque at any CPF service centre, through GIRO or at any AXS station.

For employees without CPF contributions, they may register as a self-employed person. They can also receive WIS if they fulfill the criteria for self-employed persons.

4. Where can I get more information on the enhanced WIS scheme?

For more information on the enhanced WIS scheme, please visit our website at www.wis.sg. Queries can also be addressed to CPF Board via the WIS hotline at 1800-2222-888 (Mon-Fri: 8am – 6pm), or email at wis@cpf.gov.sg.

5. How many additional workers can qualify for WIS as a result of the enhancements?

We estimate between 80-100,000 more workers to benefit from the enhancements.

6. What are the efforts to reach out to potential Workfare recipients who may not be aware of the scheme?

To raise awareness of the scheme, we publicise WIS through the mass media, including in the vernacular press (e.g. newspapers and radio), as well as advertisements on media such as buses and MRT trains. MOM and CPF Board also collaborate with tripartite partners and grassroots leaders to organise workplace talks and door-to-door house visits to inform potential recipients of the WIS scheme.

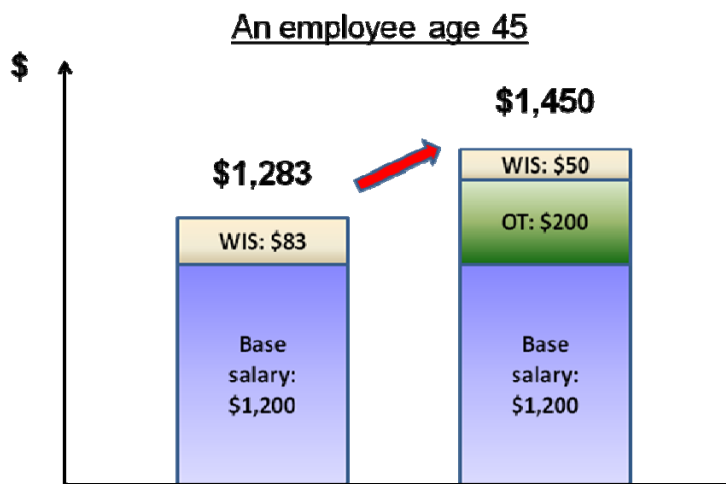
7. Why is the new income threshold set at \$1,700 a month? Can it be further extended to cover more workers?

The income threshold has been increased so that WIS benefits phase out more gradually. This means that as workers upgrade their skills and earn more, their WIS benefits do not decrease too quickly.

8. Can overtime pay be excluded from WIS?

Whether a worker's pay is in the form of basic salary, over-time pay or bonus, they are all income that helps to support the worker and his family. Given that the aim of WIS is to help low-wage workers by supplementing their incomes, it is fair to consider all forms of income earned by the worker.

WIS is also designed such that the total benefits received by a worker will always increase the more the worker earns. For example, as shown in the chart below, a 45 year-old worker who earns \$1,200 a month will have a total average income of \$1,283 per month after adding WIS. If he earns \$200 in overtime, his WIS drops to \$50 a month, but his total income of \$1,450 will still be higher than before.



9. **Can WIS be paid more frequently?**

WIS aims to encourage regular and consistent work. If we make payments more frequently, say every quarter, we would be making payments for shorter stretches of work, which is not what we aim to encourage.

Nevertheless, we want to ensure that eligible workers receive their WIS payments as timely as possible. We will be bringing forward the mid-year payment by one month from October to September each year.