

ANNEX E-2: SUPPORT FOR MARRIAGE & PARENTHOOD

The Government will enhance its support for Marriage & Parenthood (M&P) by (i) providing more financial support for parents (especially lower- to middle-income parents) with young children, (ii) increasing support for managing work and family commitments, and (iii) encouraging greater shared parental responsibility in caregiving.

The changes in support for M&P are:

- (A) Change in Working Mother's Child Relief (WMCR) from a Percentage of an Eligible Working Mother's Earned income to a Fixed Dollar Tax Relief for Those with a Qualifying Child who is a Singapore Citizen Born or Adopted On or After 1 January 2024;
- (B) Lapse the Foreign Domestic Worker Levy Tax Relief (FDWLR);
- (C) Increase the Baby Bonus Cash Gift (BBCG) by \$3,000 for All Birth Orders;
- (D) Increase Government Contributions to the Child Development Account (CDA) by Increasing the First Step Grant (FSG) and Raising the Co-matching Cap;
- (E) Extend the Baby Support Grant (BSG) of \$3,000 to Eligible Singaporean Children Born between 1 Oct 2022 and 13 Feb 2023;
- (F) Double Government-Paid Paternity Leave (GPPL) from Two Weeks to Four Weeks, on a Voluntary Basis; and
- (G) Extend Unpaid Infant Care Leave (UICL) by Six Days Per Parent Per Year for Those with Children Aged Under Two.

These are part of the Government's efforts to strengthen support for Singaporeans who wish to have children and raise a family.

(A) Change in Working Mother's Child Relief from a Percentage of an Eligible Working Mother's Earned Income to a Fixed Dollar Tax Relief for Those with a Qualifying Child who is a Singapore Citizen Born or Adopted on or after 1 January 2024

The WMCR is a tax relief to encourage women to continue working after they are married and have given birth to qualifying Singaporean children.

The WMCR will be changed to a fixed dollar tax relief for eligible working mothers in respect of qualifying children who are Singapore citizens born or adopted on or after 1 January 2024.¹ This change will take effect from Year of Assessment (YA) 2025 (i.e. income earned in 2024).

With this change, all eligible working mothers will benefit from the same amount of tax relief on a qualifying Singaporean child in the same child order. This will provide more Government support for lower- to middle-income working mothers.

For qualifying Singaporean children born or adopted before 1 January 2024, there is no change to the WMCR that their eligible working mothers can claim. Eligible working mothers of these

¹ For a child born to a working mother before she is married to her spouse/ex-spouse, the date of marriage would be used to determine the type of WMCR the working mother is eligible for. For a child who is not a Singapore citizen at birth, the date of approval of Singapore citizenship would be used to determine the type of WMCR the working mother is eligible for.

children can continue to claim the WMCR in respect of these children based on the existing design and quantum, i.e. a percentage of their earned income.

The WMCR amount for eligible working mothers with qualifying Singaporean children is in Table 1.

Table 1: WMCR Amount

Child Order	WMCR Amount For a Singapore citizen child born or adopted <u>before</u> 1 January 2024	WMCR Amount For a Singapore citizen child born or adopted <u>on or after</u> 1 January 2024
1st	15% of mother's earned income	\$8,000
2nd	20% of mother's earned income	\$10,000
3rd and beyond	25% of mother's earned income	\$12,000

The total WMCR amount that an eligible working mother can claim for all her qualifying children will remain capped at 100% of the mother's earned income for the YA. The existing cap of \$50,000 per child (i.e. WMCR plus Qualifying Child Relief (QCR)/Handicapped Child Relief (HCR)) will also remain unchanged. QCR/HCR claims will continue to be allowed first (this can be claimed by either the working mother or her spouse or both), before WMCR.

Illustration of the WMCR Changes

An eligible working mother has two qualifying Singaporean children, the first born in 2021 and the second born in 2024. For her YA2025 income, the mother can claim WMCR of 15% of her earned income in respect of her first child, and WMCR of \$10,000 in respect of her second child (see Table 2). The total WMCR amount that the eligible working mother can claim for all her qualifying children is capped at 100% of the mother's earned income for the YA. The amount of WMCR will be subject to the total cap of \$50,000 per child (WMCR + QCR/HCR).

Table 2: Example of an Eligible Working Mother with Two Qualifying Children, One Born Before and One Born After 1 January 2024

Birth Year of Child	Child Order	WMCR Amount in YA2025
2021	1st	15% of mother's earned income
2024	2nd	\$10,000

(B) Lapse the Foreign Domestic Worker Levy Tax Relief

The FDWLR was a tax relief introduced in 1989 to support working married women who needed the help of a migrant domestic worker. The amount of FDWLR is twice the total migrant domestic worker levy paid in the year immediately preceding the YA of claim on one migrant domestic worker.

Since then, the Government has introduced a number of schemes that directly support those caring for dependants, including working mothers. In particular, those living with children below 16 years old, elderly, or persons with disabilities who require the help of a migrant

domestic worker enjoy a concessionary levy of \$60 per month, instead of a levy of \$300 or \$450 per month for the first and subsequent helper respectively. This concessionary levy directly benefits all families who need help with caring for their dependants, including those who do not pay income tax.

The FDWLR will be lapsed for all taxpayers with effect from YA2025.

(C) Increase the Baby Bonus Cash Gift by \$3,000 for All Birth Orders for Eligible Singaporean Children Born On or After 14 February 2023

Currently, the Government provides a BBCG of up to \$10,000 to parents of eligible children, to support them in raising their child. The **BBCG will be increased by \$3,000** for eligible Singaporean children in all birth orders and disbursed on a regular basis every six months until the child is six-and-a-half.

The enhancements to the BBCG will apply to eligible Singaporean children born on or after 14 February 2023, and will be disbursed from early 2024. The child will be eligible for the BBCG if (i) he or she is a Singapore Citizen, and (ii) the parents are lawfully married.

The enhancements will be implemented from early 2024. Eligible Singaporean children who are born on or after 14 February 2023 will continue to enjoy the current BBCG benefits until the date the changes are implemented.

The changes to the quantum and disbursement schedule are in Table 3.

Table 3: Changes to the BBCG for Children Born On or After 14 Feb 2023

	Current Disbursement Schedule and Quantum		New Disbursement Schedule and Quantum	
	Children in the 1 st and 2 nd birth order	Children in the 3 rd and subsequent birth order	Children in the 1 st and 2 nd birth order	Children in the 3 rd and subsequent birth order
At birth	\$3,000	\$4,000	\$3,000	\$4,000
6 months	\$1,500	\$2,000	\$1,500	\$2,000
12 months	\$1,500	\$2,000	\$1,500	\$2,000
15 months	\$1,000	\$1,000	-	-
18 months	\$1,000	\$1,000	\$1,000	\$1,000
2 years until 6.5 years	-	-	+\$400 every six months	+\$400 every six months
Total	\$8,000	\$10,000	\$11,000 (+\$3,000)	\$13,000 (+\$3,000)

Note:

1. The figures in bold reflect post-enhancement amounts, with changes from current quantum indicated in parentheses.

(D) Increase Government Contributions to the Child Development Account by Increasing the First Step Grant and Raising the Co-matching Cap for Eligible Singaporean Children Born On or After 14 February 2023

The CDA is a special savings account for the child, which can be used for approved areas of child-raising expenditure, including healthcare and pre-school fees. The FSG is automatically deposited after the CDA is opened, and subsequent savings will be co-matched by the Government, up to a cap.

The Government will enhance the CDA by increasing: (i) the FSG by \$2,000 for children in all birth orders from \$3,000 to \$5,000, and (ii) the co-matching cap for children in the first and second birth orders by \$1,000 from \$3,000 to \$4,000 for the first child, and \$6,000 to \$7,000 for the second child. The enhancements to the CDA FSG and CDA co-matching cap will apply to eligible Singaporean children born on or after 14 February 2023, and will be implemented from early 2024. Parents will be notified when they can make the additional deposits into their child’s CDA to enjoy the enhanced Government co-matching.

The enhancements will be implemented from early 2024. Eligible Singaporean children who are born on or after 14 February 2023 will continue to enjoy the current CDA benefits until the date the changes are implemented.

The changes to the CDA are in Table 4.

Table 4: Changes to the CDA for Children Born On or After 14 February 2023

Birth Order	CDA			
	CDA First Step Grant (A)	Maximum Government Co-matching (B)	Total Government Contributions (A+B)	Total Amount in CDA, including Parents' Contributions to Maximise Co-matching
1 st	\$5,000 (+\$2,000)	\$4,000 (+\$1,000)	\$9,000 (+\$3,000)	\$13,000 (+\$4,000)
2 nd		\$7,000 (+\$1,000)	\$12,000 (+\$3,000)	\$19,000 (+\$4,000)
3 rd and 4 th		\$9,000	\$14,000 (+\$2,000)	\$23,000 (+\$2,000)
5 th and higher		\$15,000	\$20,000 (+\$2,000)	\$35,000 (+\$2,000)

Note:

1. The figures in bold reflect post-enhancement amounts, with changes from current quantum indicated in parentheses.

(E) Extend the Baby Support Grant of \$3,000 to Eligible Singaporean Children Born from 1 October 2022 to 13 February 2023

The **Baby Support Grant (BSG)** was a one-off cash payout of \$3,000 given to eligible Singaporean children born from 1 October 2020 to 30 September 2022, to ease couples' financial concerns about raising a child during the COVID-19 pandemic.

The Government will extend the BSG to eligible children born from 1 October 2022 to 13 February 2023. The Grant will be disbursed from the second half of 2023.

(F) Double Government-paid Paternity Leave from Two Weeks to Four Weeks, on a Voluntary Basis for Eligible Working Fathers with Singaporean Children Born On or After 1 January 2024

Currently, eligible working fathers of Singaporean children are entitled to two weeks of Government-Paid Paternity Leave (GPPL). To encourage fathers to be more involved in child-raising and play a greater role by taking on more parental responsibilities, **the Government will double GPPL from two weeks to four weeks on a voluntary basis**, where employers who are ready to grant up to two weeks of additional GPPL to their employees will be reimbursed by the Government. Self-employed persons who have been engaged in a particular business, trade, profession, or vocation for a continuous period of at least three months before their Singaporean child is born are also eligible.

The enhancements to the GPPL will be applicable to Singaporean children born on or after 1 January 2024.

(G) Extend Unpaid Infant Care Leave by Six Days Per Parent Per Year from 1 January 2024 for Eligible Parents with Singaporean Children Aged Under Two

Currently, each parent can take six days of **Unpaid Infant Care Leave (UICL)** per year in the child's first two years. **UICL will be extended by six days per parent per year**, such that each parent can take a total of 12 days per year in the child's first two years. Employers will have to grant all eligible parents of Singaporean children this additional time off if they have worked for their employers for a continuous period of at least three months.

This will apply from 1 January 2024 onwards for eligible working parents with Singaporean children aged under two.

More Information

Measure	Contact Details
Adjustments to M&P tax benefits	On Working Mother's Child Relief, please visit www.go.gov.sg/wmcr . On Foreign Domestic Worker Levy Tax Relief, please visit www.go.gov.sg/fdwlr .
Enhancements to the Baby Bonus Scheme and Parental Leave Provisions, and Extension of Baby Support Grant	Please visit www.madeforfamilies.gov.sg .