



**SINGAPORE ACTUARIAL CONFERENCE 2024**  
26 - 29 August 2024

# **Meeting Basic Needs in Uncertain Times: Lessons from Minimum Income Standards (MIS) Research in Singapore**

Ng Kok Hoe, PhD  
Senior Research Fellow  
National University of Singapore



# How much do we need for a basic standard of living?

## What older people need in Singapore: A household budgets study

MAY 2019

Asst Prof Ng Kok Hoe  
Lee Kuan Yew School of Public Policy, NUS  
Assoc Prof Teo You Yenn  
Sociology, School of Social Sciences, NTU  
Dr Neo Yu Wei  
Social Service Research Centre, FASS, NUS  
Dr Ad Maulod  
Centre for Ageing Research and Education, Duke-NUS Medical School  
Ting Yi Ting  
Social Service Research Centre, FASS, NUS

## What people need in Singapore: *A household budgets study*



## Minimum Income Standard 2023: Household Budgets in a Time of Rising Costs

Ng Kok Hoe  
Wong Yee Lok  
Teo You Yenn  
Neo Yu Wei  
Ad Maulod  
Stephanie Chok



A basic standard of living in Singapore is about, but more than just, **housing, food, and clothing**. It is about having opportunities to **education, employment, and work-life balance**, as well as access to **healthcare**. It enables a sense of **belonging, respect, security, and independence**. It also includes **choices to participate** in social activities, and the **freedom to engage** in one's cultural and religious practices.

## Context: Pandemic, inflation, cost of living anxieties



Older people

2018

MIS1

2020

Inflation  
uprating

2022

Inflation uprating



Families with  
children

MIS2

- 1 **Establish MIS baselines:** How much income do people need to meet basic standards of living?
- 2 **Comparison to incomes:** How do wages in Singapore today fare relative to MIS budgets?
- 3 **Juxtaposition against policies:** How do public policy measures fare relative to MIS budgets?

# Uprating using CPI and price data

## Most retail items



Match every individual item to relevant category in 2022 CPI

## Public services



Update based on precise price changes, or rate of new services and subsidies

## Housing



Revise housing costs based on

- Actual prices in latest launches of new BTO flats
- Resale flat transaction data
- Rental statistics
- HDB loan calculator

# Latest MIS budgets

2020 → 2022

MIS  
budgets

↑ 4%–5%

Inflation



↑ 8.6%



Single parent,  
1 child (2–6)



Couple, 2 children  
(7–12, 13–18)



Single elderly  
person, 65+

2022

\$3,369

\$6,693

\$1,492

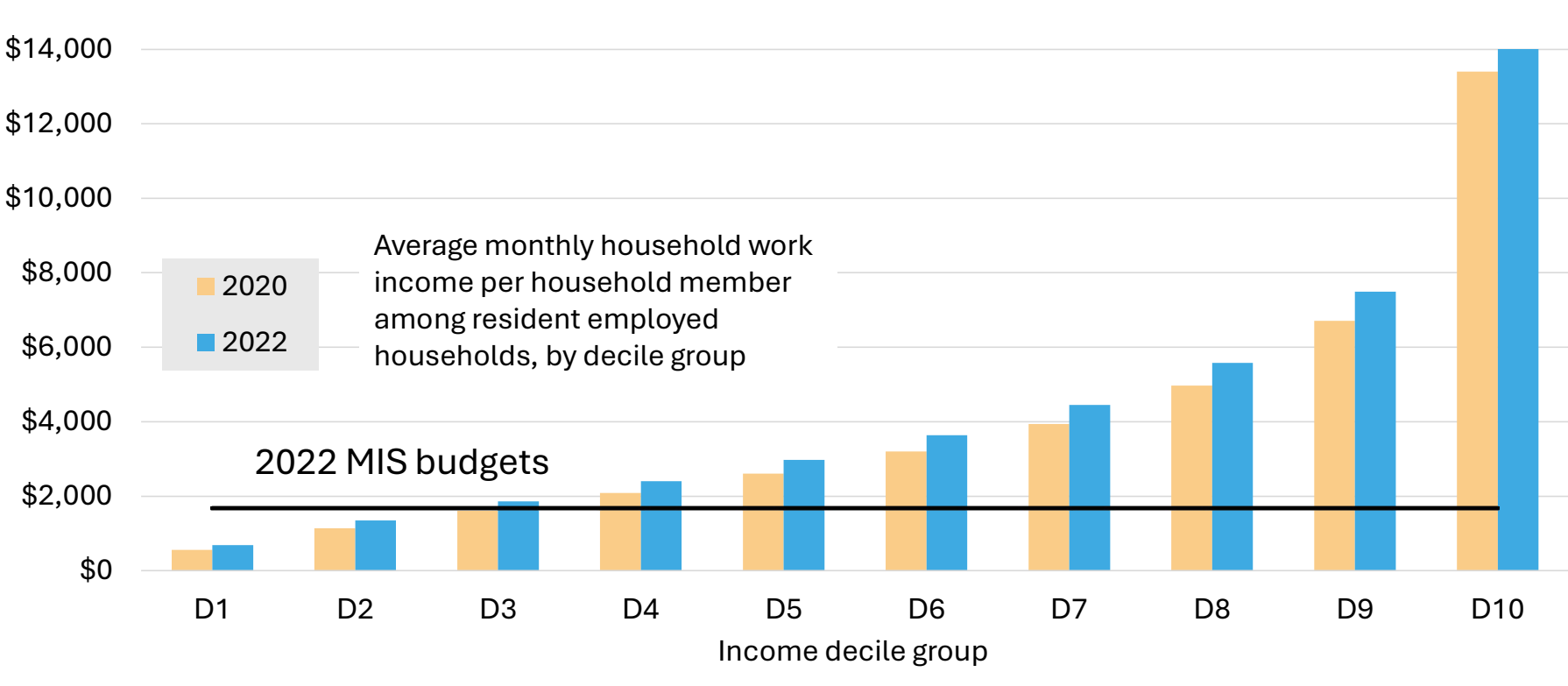
2020

\$3,218

\$6,426

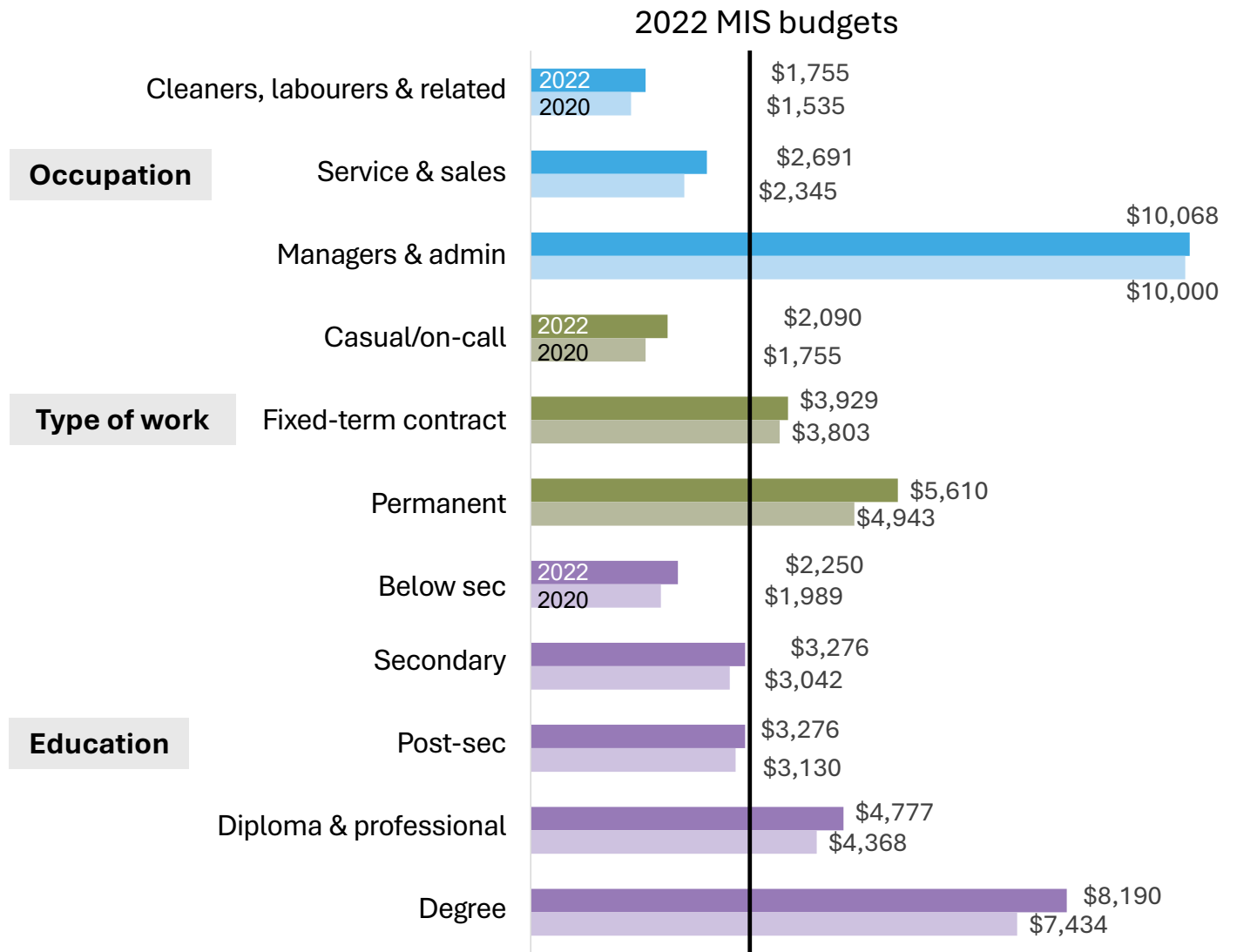
\$1,421

# Similar to 2020; around 30% of working households earn less than MIS budgets



Workers in lowest-paid occupations, casual employment, with lower education still fall below MIS

Median gross monthly work income of FT employed residents aged 15yo+





# Progressive Wage Model adequate for single elderly person, but significantly short for working-age parents with children

Progressive Wage Model & Workfare Income Supplement			Ratio to MIS budget for		
	Monthly amount, \$	2020→2022	Single parent	Partnered parents	Single elderly person
<b>Cleaning</b>	1,417-1,790	↑47-51	0.5	0.5	0.9 - 1.1
<i>with WIS payment*</i>			0.5 - 0.6	0.5 - 0.6	1.2 - 1.3
<b>Security</b>	1,557-1,687	↑49-52	0.5	0.5	1.1
<i>with WIS payment*</i>			0.6	0.6	1.3
<b>Landscape</b>	1,782-1,931	↑116-117	0.6	0.6	1.2
<i>with WIS payment*</i>			0.6	0.6	1.4
<b>Lift &amp; escalator</b>	1,998-2,165	new	0.6	0.6	1.3
<i>with WIS payment*</i>			0.7	0.7	1.5
<b>Retail</b>	1,998-2,165	new	0.6	0.6	1.3
<i>with WIS payment*</i>			0.7	0.7	1.5

\*Employer CPF contributions, and both cash and CPF components for WIS are included.

# Living wage

- Work should pay decent wage: Long history and broad social appeal
- Affords a decent standard of living, relative to contemporary norms in their society
- Focuses solely on meeting basic needs, different from minimum wage

**1** Define what standard of living the wage should enable and how much this costs

**2** Decide what types of households to consider and their working patterns

**3** Make decisions about what policies (i.e. taxes and benefits) to incorporate

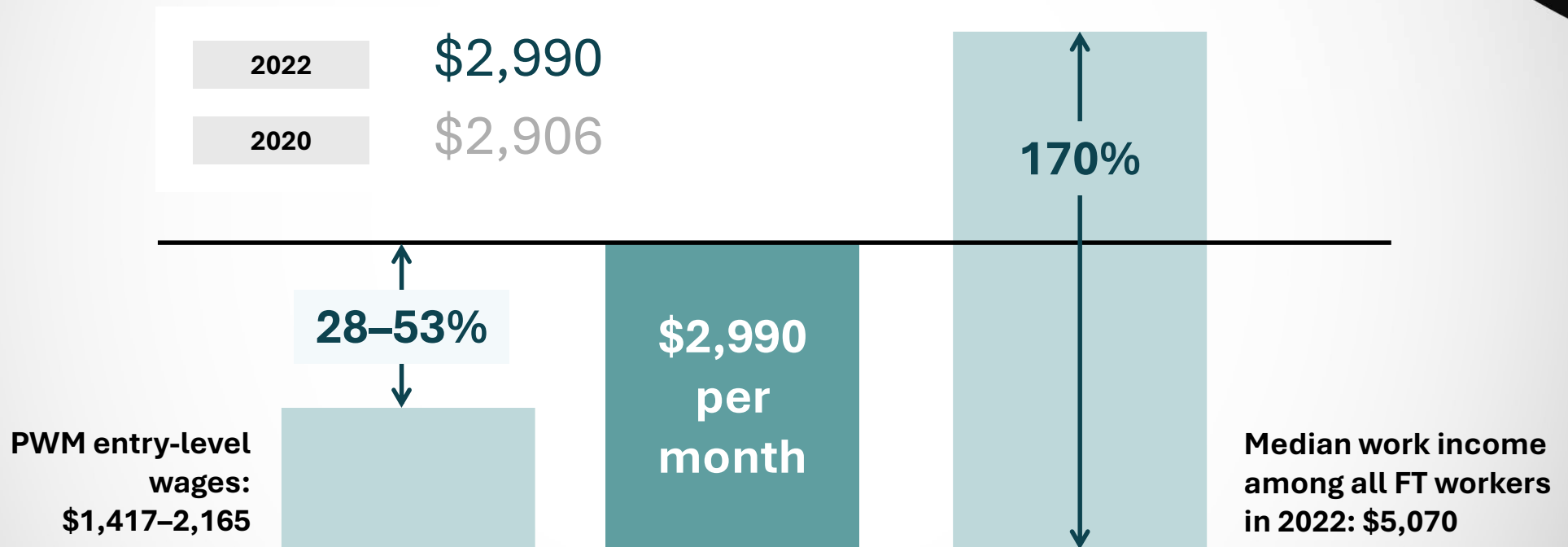
**MIS definition & budgets provide suitable basis for establishing a living wage**

**Partnered parents with 2 children**

- i) Below 2, 2–6
- ii) 2–6, 7–12
- iii) 7–12, 13–18

**Household income needed to reach MIS budget after taxes & transfers**

# Living wage increased by 3%



# Support for children tapers off with age, most schemes not updated amidst rising income needs

Transfers and subsidies for children	Monthly amount, \$	2020→2022	Ratio to MIS budget for	
			Single parent	Partnered parents
<b>Baby Bonus Cash Gift</b>	56-111	Unchanged	0.015	0.018
<b>Infant care subsidy</b>	150-1,310	Unchanged	0.04-0.35	0.02-0.21
Income limit	12,000	Unchanged	3.2	1.9
<b>Childcare subsidy</b>	150-767	Unchanged	0.04-0.23	0.02-0.12
Income limit	12,000	Unchanged	3.6	1.9
<b>Student care subsidy</b>	59-290	Unchanged	0.02-0.07	0.01-0.04
Income limit	4,500	Unchanged	1.1	0.7
<b>MOE Financial Assistance</b>	218-388	↑3-4	0.06	0.06
Income limit	2,750-2,760	Unchanged	0.7	0.41
<b>Higher Education Bursary</b>	113-517	Unchanged	0.02-0.10	0.01-0.06
Income limit	9,000	Unchanged	1.7	1.1

# Significant gaps remain in CPF and income protection schemes for low-income retirees

If retired, with CPF income

	Monthly amount, \$	2020 → 2022	Ratio to MIS budget for single elderly person (65 and above)
CPF, Basic Retirement Sum	790-850	↑20	0.5-0.6
CPF, Full Retirement Sum	1,470-1,570	↑40	1.0-1.1

If retired, low-income

ComCare LTA	640	↑40	0.4
Income limit	Unable to work	Unchanged	-
Silver Support Scheme	150-300	Unchanged	0.1-0.2
Income limit	1,800	Unchanged	1.2

# Support for low-income households difficult to qualify for, or provide negligible amounts

Cash transfers for low-income households			Ratio to MIS budget for		
	Monthly amount, \$	2020→2022	Single parent	Partnered parents	Single elderly person
<b>GST Voucher – Cash</b>	33	↑8	0.010	0.010	0.022
Income limit	2,833	↑500	0.84	0.85	1.90
<b>ComCare SMTA</b>	500	Unchanged	0.15	0.07	-
Income limit	1,900–2,600	Unchanged	0.56	0.39	-

# One-off measures in 2023 national budget add up to below 5% of what families with children need

One-off budget measures in 2023	Monthly amount, \$	Ratio to MIS budget for		
		Single parent	Partnered parents	Single elderly person
Assurance Package - Cash	17-50	0.5-1.5%	0.5-1.5%	1.1-3.4%
Cost-of-Living Special Payment	17-33	0.5-1.0%	0.5-1.0%	1.1-2.2%
Senior's Bonus (CoL & AP)	34-50	-	-	2.2-3.4%
U-Save Rebates (CoL & AP)	25-32	0.8%	0.4%	2.1%
CDC Vouchers	25	0.7%	0.4%	1.7%
One-off Baby Support Grant	21	0.5%	0.7%	-
	<b>Total</b>	<b>3.1-4.6%</b>	<b>2.4-3.9%</b>	<b>8.3-12.7%</b>

## SINGAPORE ACTUARIAL CONFERENCE 2024 26 - 29 August 2024

“

In the 2023 national budget, the government announced a slew of one-off measures to absorb some of the impact of inflation and the GST rate hike. While there was a wide variety of schemes covering almost all Singaporean adults and households, the total amounts provided over the course of the year add up to a maximum of below 5% of what the single parent household needs, and less than 4% for the partnered parent household. Clearly, they will not significantly alter the outlook for income security.

**While providing immediate relief, temporary budgetary measures during the pandemic have not loosened the ideological resistance towards social protection that had contributed to the precarities and inequalities so starkly exposed in 2020.**

In response to the Covid-19 pandemic, governments around the world, including Singapore, introduced unprecedented emergency budgets in the last few years to protect jobs, businesses and household incomes. While providing immediate relief, these temporary measures have not loosened the ideological resistance towards social protection that had contributed to the precarities and inequalities so starkly exposed in 2020.



## SINGAPORE ACTUARIAL CONFERENCE 2024 26 - 29 August 2024



## What do we want our shared future to look like?

### To meet tomorrow's challenges, we must:



Have a successful,  
strong and growing  
economy



Develop as a fairer,  
more just and more  
equal society



Deepen our sense of  
solidarity and unity



02

## How should we respect and reward every job?



### Reduce wage gaps:

Recognition and better pay for those in 'hands' and 'heart' jobs; enable more ITE graduates to upskill and upgrade



### Support job transitions:

Empower individual career planning, and improve matching of jobs and skills, with a new scheme to help the involuntarily unemployed bounce back stronger



### Nurture local talent:

More Singaporeans to become specialists and leaders in their respective fields

04

## How can we enable seniors to age well?



### A new national programme called Age Well SG:



More activities in the community, for seniors to connect and stay active



More accessible services for seniors with care needs



Make our homes and neighbourhoods more senior-friendly

### Ensure seniors retire with peace of mind:



Majulah Package for 'young seniors'; ensure all can meet their basic retirement needs as long as they work and contribute to CPF consistently



05

## How do we empower those in need?

### Uplift lower-income families:



Provide more financial support tied to families' continued progress in their longer-term goals



Enable children to attend preschool regularly, to close early gaps



Make Singapore a more inclusive society for persons with disabilities

### Support for Retirement Needs

- **Majulah Package** for 1.6 million Singaporeans born in 1973 or earlier to support their retirement and healthcare needs
- Increase quarterly payments from the **Silver Support Scheme** by **20%**, and raise qualifying per capita household income threshold to **\$2,300**
- Expand the **Matched Retirement Savings Scheme** to cover Singaporeans aged 55 and above and increase annual matching cap to **\$2,000**, with a lifetime matching cap of \$20,000
- Raise the **CPF Enhanced Retirement Sum** to **4 times the Basic Retirement Sum**
- Extend **interest-free GIRO instalment plan** for residential Property Tax bills to **24 months** for eligible retirees aged 65 and above



### All households

- One-off cash transfers, vouchers, top-ups, subsidies

### Retirement

- Cohort-limited CPF top-ups: Majulah Package
- Increase in means-tested support: Silver Support

### Young families

- Conditional cash transfers: ComLink+ Progress Package
  - Regular school attendance
  - CPF-paying jobs
  - Debt clearance
  - Voluntary CPF contributions

## Lower-wage Workers

- Increase the **Workfare Income Supplement** payouts to a maximum of **\$4,900** per year, and raise qualifying income cap to **\$3,000**, from Jan 2025
- Raise the **Local Qualifying Salary** to **\$1,600**, from Jul 2024
- Raise co-funding levels for the **Progressive Wage Credit Scheme (PWCS)** this year to a maximum of **50%**, and raise the PWCS wage ceiling to **\$3,000** in 2025



## ITE Graduates

- Introduce the **ITE Progression Award** for younger ITE graduates pursuing diploma qualification
  - Upon enrolment, top up **\$5,000** to Post-Secondary Education Account
  - Upon completion, top up **\$10,000** to CPF Ordinary Account



## Education & training

- Top-ups: ITE Progression Award
- Course credit, fee subsidy: SkillsFuture
- Training allowance for FT courses

## Wages

- Higher wage top-ups: Workfare Income Supplement
- Higher wage requirement: Local Qualifying Salary

## SINGAPORE ACTUARIAL CONFERENCE 2024 26 - 29 August 2024



THE STRAITS TIMES

SINGAPORE



### NDR 2024: Up to \$6,000 in financial support over maximum of 6 months for those who lose jobs

 [Top Stories](#) [Latest News](#) [Asia](#) [East Asia](#) [Singapore](#) [Commentary](#) [Sustainability](#) [CNA Insider](#) [Lifestyle](#) [Watch](#) [Listen](#) [+ All Sections](#)  

### Payout of S\$6,000 for the involuntarily unemployed meant to keep 'handout dependency' at bay, say experts

One expert says the amount of financial aid is likely set relatively low as the government tends to take a gradual approach to social support policies.

# Outlook

- No major changes yet to wage protection, investments in training may take time to translate into outcomes, impact on wage inequality uncertain
- Continued reliance on one-off/cohort-limited assistance may not be sufficient to strengthen long-term income security
- Means-tested/conditional support still the norm and reinforced through new schemes, outcomes depend on policy design
- Across support for children, working-age income protection and retirement income security, no signs yet of a new social policy approach