



# AWARE's Recommendations for Singapore Budget 2015



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## Introduction

Since 2011, AWARE has submitted annual recommendations for the Singapore Budget. We are glad that some positive steps have been taken over the years to foster greater inclusivity. However, certain gaps persist, which impact women specifically and negatively affect other family members. To build a genuinely inclusive society, these gaps must be addressed.

A crucial gap is the lack of support given to women as caregivers. According to the Ministry of Manpower's report *Labour Force in Singapore 2013*, as of June 2013, women constituted 65% of those outside the labour force, numbering some 690,000 persons. Forty-five per cent of these women (about 312,000 persons) reported that they had dropped out of the formal workforce because of family responsibilities, including caregiving.<sup>1</sup>

There has been a gradual rise in the female labour force participation rate over the last five years, as reported by MOM:<sup>2</sup>

Gender	Mid-2009	Mid-2010	Mid-2011	Mid-2012	Mid-2013
Females	55.2%	56.5%	57.0%	57.7%	58.1%
Males	76.3%	76.5%	75.6%	76.0%	75.8%

However, "only 52% of Singapore women aged 40 to 49 work, compared with 76% in US and 79% in UK."<sup>3</sup> This implies that Singapore women who have left paid employment are not yet returning to the workforce in substantial numbers.

The key question is: if women have dropped out of paid employment to provide care to their family members, is their work of caregiving adequately supported such that they are able to re-enter the formal workforce? Support in the form of skills training or upgrading may be useful, but it is much more vital to support the work of caregiving as a public good. In a population where the dependency ratio is rising, caregiving should not be left as a problem of individual families, with women solving this problem by leaving paid employment, thereby becoming dependents themselves and putting themselves at risk of financial adequacy, with insufficient funds for their own for health care or old age.

We urge the Government to develop a caregiving infrastructure that provides adequate care of the elderly, children and persons with disabilities as a public good that is available to all in need. Currently, care of those who are vulnerable is mostly provided in two ways:

1. As unpaid home care provided by a family member, who often has to leave paid employment to do this
2. As paid services provided by caregivers at home (e.g. by a nurse, foreign domestic worker or professional in-home care service) or outside the home (e.g. care centre, nursing home, community hospital)

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<sup>1</sup> *Labour Force In Singapore, 2013*, Ministry of Manpower <http://stats.mom.gov.sg/Pages/Labour-Force-In-Singapore-2013.aspx>

<sup>2</sup> *Labour Force and the Economy: Labour Force Participation Rate*, Ministry of Social and Family Development <http://app.msfc.gov.sg/Research-Room/Research-Statistics/Labour-Force-Participation-Rate-by-Gender#sthash.jsWzm9KI.dpuf>

<sup>3</sup> *How To Attract Singapore Women To Rejoin The Workforce*, Singapore Business Review, <http://sbr.com.sg/hr-education/commentary/how-attract-singapore-women-rejoin-workforce>

These two ways of providing care are inter-related. The more that caregiving services can provide adequate care to those in need, the less would women have to make personal sacrifices to provide the needed care at home.

The diagram below shows this relationship:

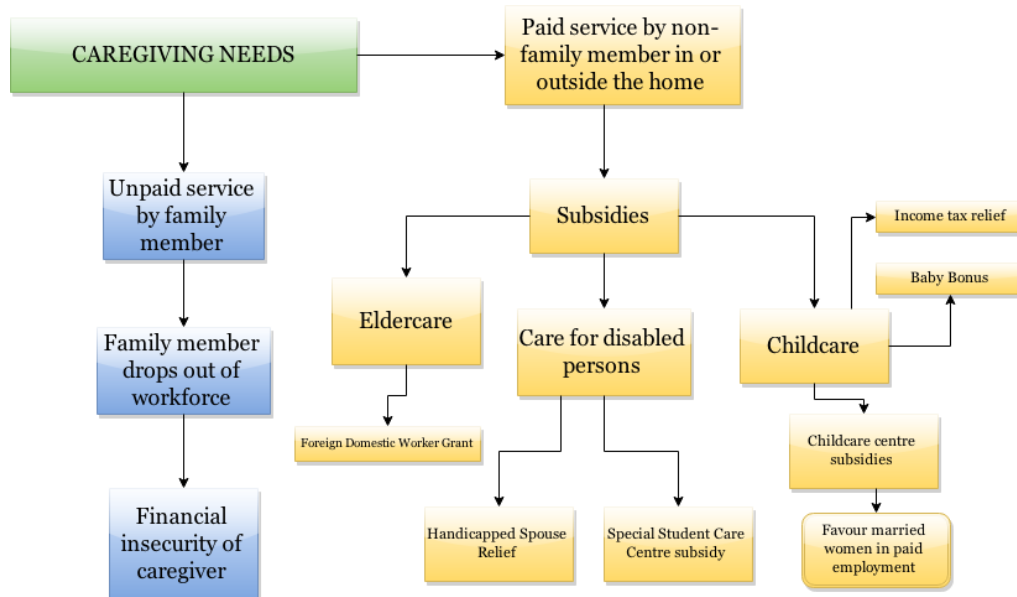


Diagram 1: Paid and unpaid caregiving

The development of an adequate infrastructure that provides care as a public good is necessary for enabling women who are now providing care at home to return to the workforce, assured that their family members are well cared for by professional caregivers without the family becoming financially stressed. The provision of care as a universally available public good is particularly important for low-income families as it would relieve them from the struggle of finding the means to provide the needed care.

AWARE’s recommendations focus on the measures needed to development an adequate caregiving infrastructure for the elderly, for children and for persons with disabilities:

**1. Provide sufficient financial support for elderly persons to access long-term care, with specific measures as follows:**

- 1.1. Conduct a rigorous feasibility study of long term care, taking into consideration good practices in Japan, Taiwan and elsewhere and honestly assessing existing inadequacies, especially the ILTC subsidy framework and Eldershield.
- 1.2. Develop publicly funded infrastructure for long-term care, especially in areas that are inadequately serviced by the private sector or the non-profit sector.
- 1.3. Increase the amount provided by subsidies to meet the entire cost of care, especially for low-income elderly persons who cannot afford to co-pay even reduced fees.
- 1.4. Fully implement a “person-centric” model of funding for the care of an elderly person, regardless of the identity of the care provider, by providing a caregivers’ allowance to caregivers based in the home of the person who is cared for. This may require such caregivers to undergo training and to comply with quality assurance guidelines.

- 1.5. Provide eldercare leave to fully support the everyday home care needed by elderly persons for the long term, beyond limited subsidies for home-based rehabilitation and home environment assessment for four months only and short weekend respites for caregivers.
- 1.6. Ensure that elderly persons have the means of paying for the care they need by developing a basic pension scheme that is not reliant on being employed.
2. **Make childcare publicly funded and available to all children, with specific measures as follows:**
  - 2.1. In all policy formulations, address the crucial question of whether caregiving is adequately supported to enable mothers who have dropped out of paid employment to re-enter the workforce, instead of just providing skills training and upgrading.
  - 2.2. Extend subsidies to unmarried mothers and married mothers caring for their children at home only, so that children are not penalised for their parents' actions or inactions.
  - 2.3. Abolish inequitable subsidies given in the form of income tax relief as these favour only tax-paying working mothers.
  - 2.4. Invest and increase public spending on childcare and early childhood education, rather than on subsidies for births.
  - 2.5. Fully "support shared responsibility between parents" (to quote MSF)<sup>4</sup> by increasing paternity leave and the childcare subsidies for caregiving fathers.
3. **Increase and streamline subsidies for persons with disabilities so that no disabled person falls through the cracks of partial and inadequate subsidies, with specific measures as follows:**
  - 3.1. Provide adequate subsidies for disabled people below the age of 65.
  - 3.2. Reform IDAPE so that it can support all disabled persons permanently and adequately, not just with monthly payouts of \$150 - \$250 for 72 months to only those who pass the means test.
4. **Apply the means test only to the individual applicant, not the household, with specific measures as follows:**
  - 4.1. Adopt a method of means testing whereby the means test is administered only to the individual seeking public assistance.
  - 4.2. Do not formulate policies based on the unfounded assumption that an applicant, living in a household where per capita household income is above \$2600 or where the Annual Value of the residence exceeds \$13,000, is adequately cared.

As shown in Diagram 2 below, AWARE's recommendations focus on the pillars for a comprehensive caregiving infrastructure for Singapore. At least three conditions are needed for the development of this infrastructure:

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<sup>4</sup> *Government Paid Paternity Leave Scheme*, Ministry of Social and Family Development  
<http://app.msf.gov.sg/Assistance/Government-Paid-Paternity-Leave-Scheme>

1. Coordination across agencies and Ministries
2. Rigorous public debate to provide honest feedback about impacts on the ground
3. Transparency of motives for adopting certain approaches

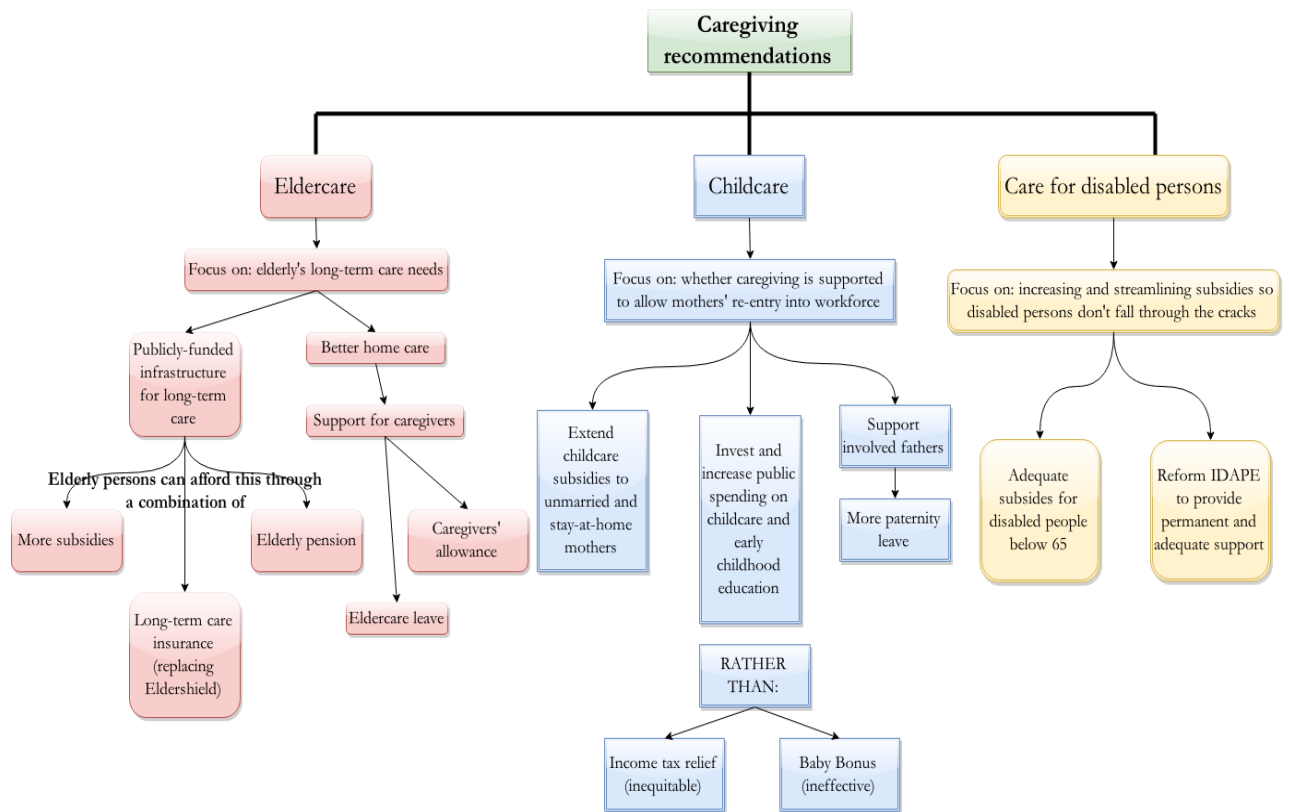


Diagram 2: AWARE's recommendations for the pillars of a comprehensive caregiving infrastructure

## I. Care of the elderly

Singapore's population is undergoing an unprecedented shift, with the number of elderly citizens expected to triple to 900,000 by 2030, supported by a smaller base of working-age citizens. While 6.3 working-age citizens now support each citizen aged 65 and above, by 2030 that ratio will shrink to 2.1.<sup>5</sup> Do we have an adequate infrastructure to provide care to the elderly without family members "struggling to care for elderly parents" (to quote PM Lee)<sup>6</sup>?

### Recommendation 1: Provide sufficient financial support for elderly persons to access long-term care, with specific measures as follows:

- 1.1 Conduct a rigorous feasibility study of long term care, taking into consideration good practices in Japan, Taiwan and elsewhere and honestly assessing existing inadequacies, especially the ILTC subsidy framework and Eldershield.

<sup>5</sup> *Our Demographic Challenges and What They Mean to Us*, Prime Minister's Office, National Population and Talent division, <http://population.sg/key-challenges/#shrinking>

<sup>6</sup> *More Healthcare Help for the Elderly*, The Straits Times, <http://www.healthxchange.com.sg/News/Pages/More-health-care-help-for-the-elderly.aspx>

- |     |   |
|-----|---|
| 1.2 | Develop publicly funded infrastructure for long-term care, especially in areas that are inadequately serviced by the private sector or the non-profit sector.   |
| 1.3 | Increase the amount provided by subsidies to meet the entire cost of care, especially for low-income elderly persons who cannot afford to co-pay even reduced fees.   |
| 1.4 | Fully implement a “person-centric” model of funding for the care of an elderly person, regardless of the identity of the care provider, <b>by providing a caregivers’ allowance</b> to caregivers based in the home of the person who is cared for. This may require such caregivers to undergo training and to comply with quality assurance guidelines. |
| 1.5 | Provide eldercare leave to fully support the everyday home care needed by elderly persons for the long term, beyond limited subsidies for home-based rehabilitation and home environment assessment for four months only and short weekend respites for caregivers.   |
| 1.6 | Ensure that elderly persons have the means of paying for the care they need by developing a basic pension scheme that is not reliant on being employed.   |

**Why?**

Care of the elderly is orientated towards hospital care, thereby overlooking the needs of elderly persons who do not need hospitalisation yet require long-term care, either home-based or community-based. There are gaps in existing programmes:

**A. Eldershield**

- MOH announced in 2013 that Eldershield would be reviewed but there has been no news of this.<sup>7</sup> Such a review is urgently needed, if it has not happened yet.
- Problems with Eldershield were identified in 2012 by Professor Phua Kai Hong of the Lee Kuan Yew School of Public Policy. These concerns, shared by MPs and industry practitioners, include:
  - i. The monthly payout of \$400 is insufficient for patients’ bills, generally at least twice that amount. It has been suggested that the amount should be pegged to the level of care needed and reviewed regularly, taking inflation into account.
  - ii. The payout period of 72 months is too short, as elderly persons often need long-term care beyond six years. Former NMP and orthopaedic surgeon Kanwaljit Soin has suggested: “The payout should be as long as the person is alive. It will even out in the end as some people will die earlier and others, later.”<sup>8</sup> The stringent definition of severe disability (i.e. inability to perform at least three activities of daily living) does not cover elderly persons who are not severely disabled yet require long-term home care.
- The possibilities for reform of Eldershield are:
 

*Either*

  - i. Strengthen Eldershield (payouts and coverage).

*or*

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<sup>7</sup>Eldershield Review, Ministry of Health Singapore, [https://www.moh.gov.sg/content/moh\\_web/home/pressRoom/Parliamentary\\_QA/2013/eldershield-review.html](https://www.moh.gov.sg/content/moh_web/home/pressRoom/Parliamentary_QA/2013/eldershield-review.html)  
<sup>8</sup> ElderShield Under Fire, Today, <http://newshub.nus.edu.sg/news/1204/PDF/FIRE-tdy-26apr-p1&p4.pdf>

- ii. Eliminate Eldersshield and extend Medishield Life to cover ILTC and to include provisions to promote, provide and diagnose at the primary care level. This option requires Medishield Life to provide Universal Health Coverage (UHC), instead of only covering catastrophic illnesses and accidents. The World Health Organisation characterises UHC as based on risk pooling, without co-payments or deductibles, and including preventive care and minimizing the risk of impoverishing the individual and family members. Risk pooling is crucial as it would do away with unequal premiums. The inclusion of preventive care is also crucial as it prevents illnesses from becoming catastrophic and hence requiring expensive medical treatment.

*or*

- iii. Eliminate Eldersshield and focus on strengthening ILTC subsidies.

## **B. Inadequate infrastructure and subsidies for Intermediate Long-Term Care**

- The Government has not developed any infrastructure for long-term care. Apart from unpaid and undocumented home care by a family member, Intermediate Long-Term Care services are provided entirely by the private sector (30%) and VWOs (70%).<sup>9</sup>
- The main form of government support is in the form of subsidies. However, the level of subsidies provided is inadequate as they never, at any income level, subsidise the full cost of care, decrease progressively as income levels rise, and price out anyone with a household per capita monthly income of over \$2,600.<sup>10</sup> The remainder has to be provided by the individual. However, the insurance framework (Eldersshield) does not really help the individual to pay.<sup>11</sup>
- Subsidies are available only for selected VWOs. There is no subsidy for long-term care provided by private-sector centres. However, as reported in *The Straits Times* (27 Jan 2015), some elderly persons have to be in private-sector centres, due to lack of mobility and the proximity of such centres to their residence.
- AWARE notes the shift by MOH towards “a new model of funding”, which takes a “person-centric view” and will provide “a fixed amount of funding per month for each senior under [the care of selected providers], based on their individual care needs.”<sup>12</sup> We also note that MOH is now looking into extending “portable” means-tested subsidies to private centres or currently unsubsidised VWOs, as long as these meet quality-assurance guidelines.<sup>13</sup>

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<sup>9</sup> *Integrating Care in Singapore The Role of an Enabling Agency*, Agency for Integrated Care, [http://www.integratedcarefoundation.org/sites/default/files/field/files/P22-Jason\\_Yap-integrating-care-in-Singapore-the-role-of-an-enabling-agency.pdf](http://www.integratedcarefoundation.org/sites/default/files/field/files/P22-Jason_Yap-integrating-care-in-Singapore-the-role-of-an-enabling-agency.pdf)

<sup>10</sup> *Subsidies for Government-funded Intermediate Long-Term Care Service Leave*, Ministry of Health, Singapore, [https://www.moh.gov.sg/content/moh\\_web/home/costs\\_and\\_financing/schemes\\_subsidies/subsidies\\_for\\_government\\_funded\\_ILTC\\_services.html](https://www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/subsidies_for_government_funded_ILTC_services.html)

<sup>11</sup> *Subsidies for Government-funded Intermediate Long-Term Care Service Leave*, Ministry of Health, Singapore, [https://www.moh.gov.sg/content/moh\\_web/home/costs\\_and\\_financing/schemes\\_subsidies/subsidies\\_for\\_government\\_funded\\_ILTC\\_services.html](https://www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/subsidies_for_government_funded_ILTC_services.html)

<sup>12</sup> *MOH to Boost Home Care Services for Seniors*, Today, <http://www.todayonline.com/singapore/moh-boost-home-care-services-seniors?singlepage=true>

<sup>13</sup> *Extend State Subsidies to Private Eldercare Centres*, The Straits Times, <http://news.asiaone.com/news/singapore/extend-state-subsidies-private-eldercare-facilities>

- Japan has a Long Term Care (LTC) insurance system which socialises the care of older persons. Providing universal coverage, the scheme is funded partly by public spending, partly by premium payments and partly by user co-payments (which are capped at 10%). Since this comprehensive system was introduced in 2005, Japan has succeeded in containing expenditure to levels below that of other LTC systems.<sup>14</sup>

### C. Supporting home care through caregivers' allowance

- A caregivers' allowance could be provided to caregivers based in the home of the person who is cared for. Many OECD countries provide financial support to carers through cash benefits either paid directly to carers through a carer allowance or paid to those in need of care, part of which may be used to compensate family carers.<sup>15</sup> For example, Australia provides financial assistance to carers, especially those who are unable to work in substantial paid employment because they provide full-time daily care to someone with a severe disability or medical condition, or someone who is frail aged. The Australian Government also provides Carer Allowance – a supplementary payment for parents or carers providing *additional* daily care to an adult or dependent child with a disability or medical condition, or to someone who is frail aged.<sup>16</sup> This is not merely in the form of tax relief only for tax payers, which is the case in Singapore now.
- Two new measures announced in March 2014 indicate recognition by MOH of the need to support “the care of seniors at home...beyond developing more hospitals.” One measure is the extension of subsidies to home-based rehabilitation and home environment assessment, which enable a therapist or therapy aide to visit an elderly person at home to assess and carry out active rehabilitation for up to four months. “Seniors can receive up to S\$97 in subsidies for each home visit”, with the amount based on means testing and available to those receiving care from MOH-funded service providers.<sup>17</sup> This scheme does not cover elderly persons who pass the means test yet cannot co-pay a therapist's fee after the subsidy has been used. Another measure is the weekend respite service, whereby caregivers can “drop off the seniors” at selected centres for a few hours.<sup>18</sup> Unfortunately, both measures fall short of supporting the everyday home care that some elderly persons need for the long term.
- The Foreign Domestic Worker Grant of \$120 also indicates recognition that elderly persons need long-term home care. However, this subsidy is just enough to pay the concessionary foreign domestic levy of \$120.<sup>19</sup>

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<sup>14</sup> *Help Wanted? Providing and Paying for Long-Term Care*, OECD, <http://www.oecd.org/els/health-systems/47891458.pdf>

<sup>15</sup> Colombo, Llena-Nozal, Mercier & Tjadens, (2011, 132)

<sup>16</sup> *Payments for Carers*, Australian Government Department of Human Services, <http://www.humanservices.gov.au/customer/subjects/payments-for-carers>

<sup>17</sup> *MOH to Boost Home Care Services for Seniors*, Today, <http://www.todayonline.com/singapore/moh-boost-home-care-services-seniors?singlepage=true>

<sup>18</sup> *MOH to Boost Home Care Services for Seniors*, Today, <http://www.todayonline.com/singapore/moh-boost-home-care-services-seniors?singlepage=true>

<sup>19</sup> *Foreign Domestic Worker Grant*, Ministry of Social and Family Development, <http://app.msf.gov.sg/Assistance/Foreign-Domestic-Worker-Grant#sthash.LuWouZR7.dpuf>



#### D. Eldercare leave

- There is no legislation for eldercare leave. While public bodies, such as the Health Promotion Board, have started providing its employees with eldercare leave since 2014,<sup>20</sup> many companies in the private sector do not provide such leave.
- An online NTUC survey of more than 3,600 respondents found that while 60% (2,050) had multiple dependents, 62% do not have any Flexible Work Arrangement benefits at their workplaces. The majority (77%) do not have any eldercare leave. To take care of dependents, the working caregivers have to apply for annual or sick leave, or arrive at work late and leave early.<sup>21</sup> This finding shows that many Singaporeans do not receive enough support with balancing work and taking care of their dependent.
- This has been recognised by Speaker of Parliament, Halimah Yacob who said: “(Caregivers) struggle daily to balance their work and their family needs.” She called for legislation of eldercare leave to help especially those who are “sandwiched between looking after young children and frail elderly parents”. She pointed out that this would send a strong signal to employers about the need to support workers with caregiving responsibilities.<sup>22</sup>
- Deputy Prime Minister Tharman Shanmugaratnam called for cultural transformation in society in how it views workers.<sup>23</sup> While TAFEP does provide guidelines for “work-life harmony”, legal norms and policy norms need to lead the way to what social norms and economic norms should be.

#### E. Financial security for the elderly

- Currently, financial security in ageing takes two forms – personal savings and CPF. Women who lack adequate CPF funds are unlikely to have ample private savings. If the husband’s income is the sole source of financial support for a family, it is unlikely that he will have enough retirement savings for both husband and wife. According to CPF data, only 48.7% of active CPF members are able to meet the minimum sum and that includes people whose property has been pledged to meet this sum.<sup>24</sup> However, CPF is relevant only for those who are employed, marginalising those who have left the workforce.
- In the absence of a basic pension, younger women are dependent, first, on their breadwinner husband and, later on, their children. These women may come to resemble the current generation of elderly women who have insufficient savings.

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<sup>20</sup> *Leave and Benefits*, Health Promotion Board,

[http://www.hpb.gov.sg/HOPPortal/faces/oracle/webcenter/portallapp/pages/AboutUs/AboutUsArticlePage/AboutUsArticlePage.jspx?articleTitle=Leave%20and%20Benefits&articleFolder=/Contribution%20Folders/HPB%20Online/Careers/&\\_afLoop=85115209511853409&\\_afWindowMode=0&\\_afWindowId=null#%40%3F\\_afWindowId%3Dnull%26articleFolder%3D%252FContribution%2BFolders%252FHBPB%2BOnline%252FCareers%252F%26\\_afLoop%3D85115209511853409%26articleTitle%3DLeave%2Band%2BBenefits%26\\_afWindowMode%3D0%26\\_adf.ctrl-state%3Dwhvcaz9cs\\_4](http://www.hpb.gov.sg/HOPPortal/faces/oracle/webcenter/portallapp/pages/AboutUs/AboutUsArticlePage/AboutUsArticlePage.jspx?articleTitle=Leave%20and%20Benefits&articleFolder=/Contribution%20Folders/HPB%20Online/Careers/&_afLoop=85115209511853409&_afWindowMode=0&_afWindowId=null#%40%3F_afWindowId%3Dnull%26articleFolder%3D%252FContribution%2BFolders%252FHBPB%2BOnline%252FCareers%252F%26_afLoop%3D85115209511853409%26articleTitle%3DLeave%2Band%2BBenefits%26_afWindowMode%3D0%26_adf.ctrl-state%3Dwhvcaz9cs_4)

<sup>21</sup> *Working Caregivers Need More Support from Employers: Survey*, Today,

<http://www.todayonline.com/singapore/working-caregivers-need-more-support-employers-survey>

<sup>22</sup> *Call to Make Eldercare Leave Compulsory*, The Straits Times, <http://www.straitstimes.com/breaking-news/singapore/story/balancing-work-and-family-life-single-most-daunting-challenge-spoceans>

<sup>23</sup> “S’pore firms ‘need mindset change’”, *The Straits Times* (3 March 2015).

<sup>24</sup> *Retirement*, CPF Board, <http://mycpf.cpf.gov.sg/NR/rdonlyres/7B172485-F47E-4535-A9C8-343D31A2A042/0/Retirement.pdf>

- The lack of a pension scheme means that many elderly persons are unable to pay for the long term care that they need, even if charges are reduced through subsidies.

## II. Care of children

### **Recommendation 2: Make childcare publicly funded and available to all children, with specific measures as follows:**

- 2.1 In all policy formulations, address the crucial question of whether caregiving is adequately supported to enable mothers who have dropped out of paid employment to re-enter the workforce, instead of just providing skills training and upgrading.
- 2.2 Extend subsidies to unmarried mothers and married mothers caring for their children at home only, so that children are not penalised for their parents' actions or inactions.
- 2.3 Abolish inequitable subsidies given in the form of income tax relief as these favour only tax-paying working mothers.
- 2.4 Invest and increase public spending on childcare and early childhood education, rather than on subsidies for births.
- 2.5 Fully “support shared responsibility between parents” (to quote MSF)<sup>25</sup> by increasing paternity leave and the childcare subsidies for caregiving fathers.

#### *Why?*

Current policies do not adequately address the suggested measures listed above:

#### **A. Is caregiving adequately supported to enable mothers who have dropped out of paid employment to re-enter the workforce?**

- Current initiatives to incentivise mothers to re-enter the workforce focus mainly on skills training and upgrading – for example, as provided by WorkPro.
- The basic subsidy that a non-employed mother can get for childcare at a registered childcare centre is not more than \$440, which is generally not enough for childcare fees. The time and effort demanded by the job search, including job interviews, require that childcare be available before she can find a job. Low-income families cannot afford insufficiently subsidised childcare fees, especially on a single income-earner's salary. The inaccessibility of childcare will prevent women in such circumstances from ever being able to re-enter paid employment.
- Policies are still formulated based on the assumption that women should shoulder most of the responsibilities of childrearing. So even if women are keen to remain employed after childbirth or to return to the workforce after dropping out, disproportionate caregiving responsibilities result in a second shift at home outside of office hours.
- This flawed assumption has contributed to Singapore's low Total Fertility Rate and the low rate of Singapore women's participation in the workforce. As shown on page 2

<sup>25</sup> *Government Paid Paternity Leave Scheme*, Ministry of Social and Family Development, <http://app.msf.gov.sg/Assistance/Government-Paid-Paternity-Leave-Scheme>

above, the female labour force participation rate has risen from 55.2% to 58.1% over the last five years (2009 – 2013). While this trend is welcome, the figures do not tell us whether more women are returning to the workforce. The fact that only 52% of Singapore women aged 40 to 49 work, compared with 76% in US and 79% in UK, implies that many Singapore women who leave paid employment are not returning to the workforce, as this is the age group that should be returning. Lack of support for caregiving is the main reason for this missing hump in labour demographics for women.

## **B. Giving every child an equal chance**

- Some subsidies favour the children of married women in paid employment for care provided by registered childcare centres.<sup>26</sup> The Ministry for Social and Family Development (MSF) states that the working mother is seen as the main applicant for the child and infant care subsidy, “as the mother’s working status is factored in the computation of the basic subsidy amount and eligibility for the additional subsidy.”<sup>27</sup> Subsidies for a working mother are two to four times more than what is given to a non-working mother (not more than \$440 per month).
- The children of unmarried mothers and mothers who care for their children only at home are excluded from such subsidies and are therefore disadvantaged from young – a disadvantage that increases with age.
- Subsidies for kindergarten and have before- and after-school care at registered student care centres require that both parents work. For the kindergarten subsidy (KiFAS), their combined monthly income should not exceed \$6000 (before 2015, this was \$3500). If the parents’ combined income exceeds \$3500, the subsidy drops from 90% of the fee to 75%, 50%, 35% and 25%.<sup>28</sup> This is known to discourage some working mothers from increasing their income as the extra money they can earn is not enough to offset the loss of subsidy in view of the expensive fees charged by different types of childcare centres. For example, NTUC’s My First Skool charges \$1,342 for infants, \$707 for toddlers and those in play groups, and \$646 for those in nursery and kindergarten.<sup>29</sup>

## **C. Abolish inequitable subsidies given in the form of income tax relief**

- Subsidies given in the form of income tax relief are not available to mothers who do not earn taxable income – for example:
  - “Grandparent relief” of \$3000 if a tax-paying mother has her child’s grandparents care for the child
  - “Working Mother Child relief” amounting to 15% of earned for the first child, 20% for the second child and 25% for the third child, although the cumulative amount is capped at 100% of the tax-paying mother’s income

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<sup>26</sup> Income is taxed only when \$30,000 or more is earned per year.

<sup>27</sup> *Childcare Subsidy For Parents Undergoing Divorce*, Ministry of Social and Family Development Press Room, <http://app.msf.gov.sg/Press-Room/Childcare-subsidy-for-parents-undergoing-divorce>

<sup>28</sup> *Kindergarten Fee Assistance Scheme*, Child Care Link, [https://www.childcarelink.gov.sg/ccls/uploads/ECDA\\_KiFAS\\_brochure.pdf](https://www.childcarelink.gov.sg/ccls/uploads/ECDA_KiFAS_brochure.pdf)

<sup>29</sup> *3 Major Pre- School Chains Raising Fees Next Year*, The Straits Times, <http://www.straitstimes.com/news/singapore/education/story/3-major-pre-school-chains-raising-fees-next-year-20140927#sthash.5d8i5kPx.dpuf>

- Since only one-third of wage earners pay income tax, the majority of working mothers are likely to be excluded from such subsidies.<sup>30</sup>

#### **D. Invest in childcare and early childhood education, not on subsidies for births**

- An OECD study (2011) shows that publicly funded childcare raised “fertility rates more than money given away to families as subsidies.... The policies that seem to have the greatest effect on birth rates are the ones aimed at helping women combine career and family, rather than those trying directly to boost the birth rate. Investment in child care has more effect on fertility [than] subsidising births.... Countries that do well on family outcomes devote about half of public spending on family benefits to in-kind services, including quality early childhood care and education services.”<sup>31</sup>

#### **E. Fully support childcare as a “shared responsibility between parents”<sup>32</sup>**

- Although AWARE welcomes the recent introduction of government-mandated paternity leave, the current allowance of one week is still too short especially when compared to the 16 weeks of maternity leave granted to women. It will do little to encourage genuine involvement on the part of fathers. To quote Dr Mathew Mathews of the Institute of Policy Studies, “If paternity leave is to be taken seriously, it cannot just be symbolic – men must receive more than a few days of token leave.”<sup>33</sup>
- AWARE has previously suggested that the fourth month of maternity leave could be converted into parental leave that may be taken by either parent.
- Research shows that fathers who take paternity leave at the time of the child’s birth are more likely to share childrearing responsibilities with their spouses on an equal basis,<sup>34</sup> a finding which has been attributed to the importance of early bonding, which sets lifelong patterns of parental responsibility sharing between father and mother.<sup>35</sup>
- Childcare subsidies for caregiving fathers should be increased. Currently, a father is eligible only for the following:
  - A levy concession when he employs a foreign domestic worker to care for a child who is younger than 12 years of age.
  - The child and infant care subsidy only if he is granted custody of the child after divorce or is the sole parent if his wife dies.
  - Sharing the “Handicapped Child Relief” with his wife
  - Sharing the “Parenthood Tax Rebate” with his wife

<sup>30</sup> *Wanted: Set of Ideals and Values to Unite Singapore*, The Straits Times, <http://news.asiaone.com/news/singapore/wanted-set-ideals-and-values-unite-singapore>

<sup>31</sup> OECD: Child-care money has biggest effect on fertility, *The Wall Street Journal*, <http://online.wsj.com/news/articles/SB10001424052748704187604576288434073169462> For the full report, see <http://www.oecd.org/els/soc/47701118.pdf> Also see “Invest in children to boost fertility”, *The Straits Times* (21 May 2011).

<sup>32</sup> *Government Paid Paternity Leave Scheme*, Ministry of Social and Family Development, <http://app.msf.gov.sg/Assistance/Government-Paid-Paternity-Leave-Scheme>

<sup>33</sup> *The Case for More Paternity Leave*, The Straits Times, [http://lkyspp.nus.edu.sg/wp-content/uploads/2013/06/pa\\_MM\\_ST\\_The-case-for-more-paternity-leave\\_080912.pdf](http://lkyspp.nus.edu.sg/wp-content/uploads/2013/06/pa_MM_ST_The-case-for-more-paternity-leave_080912.pdf)

<sup>34</sup> Nepomnyaschy, Waldfogel, (2007, 421) <http://blogs.baruch.cuny.edu/worklifespécialtopics/files/2011/01/paternityCWF2007.pdf>

<sup>35</sup> *Paternity Leave: The Rewards and the Remaining Stigma*, The New York Times, <http://www.nytimes.com/2014/11/09/upshot/paternity-leave-the-rewards-and-the-remaining-stigma.html?abt=0002&abg=0>

- This pattern of leave and subsidies for caregiving fathers reinforces the flawed assumption that childcare is mainly the work of mothers.

### III. Care of persons with disabilities

**Recommendation 3: Increase and streamline subsidies for persons with disabilities so that no disabled person falls through the cracks of partial and inadequate subsidies, with specific measures as follows:**

- 3.1 Provide adequate subsidies for disabled people below the age of 65.
- 3.2 Reform IDAPE so that it can support all disabled persons permanently and adequately, not just with monthly payouts of \$150 - \$250 for 72 months to only those who pass the means test.

#### *Why?*

Current subsidies for persons with disabilities are inadequate:

#### **A. Inadequate subsidies for disabled people below 65**

- A disabled person below the age of 65 receives fewer subsidies than those who are disabled and elderly.
- For example, one subsidy is “Handicapped Spouse Relief” which is the form of income tax relief for the tax-paying spouse of a disabled person; this was raised from \$3,500 to \$5,500 in 2015. The disabled person does not get this himself or herself. Spouses of disabled persons who are not tax payers are also excluded.
- A child with disabilities, aged 7-14, who receives before- or after-school care from a Special Student Care Centre, may apply for a subsidy but it is unclear what the criteria for approval are and how much the subsidy would be.
- A parent may apply for “Handicapped Child Relief” (increased from \$5,500 to \$7,500 in 2015, with the cumulative amount capped at \$50,000 per child and preference given to the parent of a “handicapped child” who is attending a SPED school). A study by Lien Centre, *Unmet Social Needs* (2011: 45), reported that special education schools in 2010 admitted only 5,214 children out of a possible 14,000 students from Primary One to Secondary Four. This means that most disabled children cannot attend a SPED school.

#### **B. Inadequacy of IDAPE**

- The Interim Disability Assistance Program for the Elderly (IDAPE) is supposed to assist disabled persons who do not qualify for Eldersshield due to age or pre-existing conditions. However, IDAPE is not accessible to disabled persons below 65 if they reside in households with per capita household income above \$2600 or with Annual Value of the residence pegged above \$13,000, regardless of the extent to which household income is used for the care of the disabled person or whether the Annual Value of the residence converts into caregiving of this disabled person.
- Disabled persons who do not pass the IDAPE means test may not be covered by Eldersshield if they cannot pay premiums.

- Even if a disabled person were to qualify for IDAPE, the scheme will only provide \$150 or \$250 a month for a maximum period of 72 months.
- IDAPE – a poor disabled person’s version of Eldershield – needs reform, parallel to the reform needed for Eldershield:

*Either*

- i. Strengthen IDAPE (payouts and coverage) to cover all disabled persons permanently

*or*

- ii. Eliminate IDAPE and extend Medishield Life to cover ILTC and to include provisions to promote, provide and diagnose at the primary care level. As mentioned above, this requires Medishield Life to provide Universal Health Coverage (UHC), instead of only covering catastrophic illnesses and accidents. As a UHC scheme, Medishield Life would be based on risk pooling, meaning that disabled people would not be penalised for being disabled. For example, they would not have to pay 30% more in premiums to pay for pre-existing conditions.

*or*

- iii. Eliminate IDAPE and focus on strengthening ILTC subsidies.

#### IV. Means testing

**Recommendation 4: Apply the means test only to the individual applicant, not the household, with specific measures as follows:**

- 4.1 Adopt a method of means testing whereby the means test is administered only to the individual seeking public assistance
- 4.2 Do not formulate policies based on the unfounded assumption that an applicant, living in a household where per capita household income is above \$2600 or where the Annual Value of the residence exceeds \$13,000, is adequately cared.

*Why?*

##### **A. Inappropriate way of means-testing the gross household income or Annual Value of the residence**

- Means-testing the gross household income obtained by all the members in the household where the individual applicant lives, regardless of whether they actually contribute to his/her livelihood is inaccurate and inappropriate. For one thing, this excludes the deductions and fixed expenses needed by all members of the household, not just the individual applicant.
- Furthermore, this method of means-testing leads to having higher incomes stated that may well exceed the threshold for financial assistance schemes. On the other hand, no documentation is required to show that the other members of household are contributing significantly to the care of the individual applicant or that the Annual Value has converted into any financial support for caregiving.
- This method excludes many people who need assistance. AWARE notes that there is incipient recognition of the difficulties faced by “the sandwiched class”. As noted by MP

Lim Biow Chuan, “The challenge is the middle income. They do feel the pinch because they’re not yet entitled to the benefits and yet they feel the full blow of increases in the cost of living.” As a result, the Government is now “tweaking ... certain financial schemes to allow a greater pool of people to qualify.”<sup>36</sup>

- Use of an inappropriate method of means testing is a major cause of such exclusion. According to MOH, it was only from 1 July 2012 that “Household Means-Testing” was adopted as the means-test approach for healthcare subsidies. No justification was given for this shift of approach.
- The Legal Aid Bureau of the Ministry of Law is already using a more inclusive method of means testing, which acknowledges the individual’s right to disposable income and disposable capital. This method gives a more accurate estimate of the need for assistance and a higher level of transparency, thereby making it easier to cross check.
- Financial assistance for the poor should not be based on assumptions that richer relatives are supporting a poorer relative. Any such assumption should be verified by evidence. For example, the applicant could be asked to make a statutory declaration that he or she does not have family members who are able or willing to support them. As with other declarations, if this is subsequently found to be untrue, then that person may be subject to penalties.<sup>37</sup>

#### **B. Let social workers be social workers, not gatekeepers!**

- The strict documentation requirements of means testing are multiplied several times over when documents are needed not only from the individual applicant but also from all other household members. These include identity cards, birth certificate(s) of children below 15 years old, marriage or divorce certificates, latest payslip, letters of appointment, recent CPF statements, bank account statements, and more.<sup>38</sup> These requirements constitute a formidable barrier to access. Based on an MSF response to a Parliamentary Question raised by MP Muhamad Faisal Abdul Manap, among those rejected from ComCare assistance during 2006-2011, 18% of applications could not be processed because the applicants did not provide the necessary information for proper assessment or could not be contacted.<sup>39</sup>
- The current shortage of social workers<sup>40</sup> is due, at least in part, to the diversion of social workers to become gatekeepers who are supposed to scrutinise the plethora of documents and to filter out applicants who cannot produce all the documents required or who do not meet the gross household income threshold. Re-focussing the mean-test to the individual applicant and reducing the documents required would help social workers to revert to their core responsibility of being social workers, not gatekeepers.

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<sup>36</sup> “Lower income group hardest hit by higher cost of living”, *The Straits Times* (24 January 2015).

<sup>37</sup> AWARE’s Recommendations for Singapore Budget 2014, p. 5

<sup>38</sup> ComCare: Public Assistance, *Ministry of Social and Family Development*, <http://app.msf.gov.sg/ComCare/Find-The-Assistance-You-Need/Permanently-Unable-to-Work>

<sup>39</sup> Public Assistance scheme and caseload at Community Development Councils, *Ministry of Social and Family Development*, <http://app.msf.gov.sg/Press-Room/Public-Assistance-scheme-and-caseload-at-CDCs>

<sup>40</sup> Shortage of social workers despite career incentives, *The Straits Times*, <http://app.msf.gov.sg/Press-Room/Shortage-social-workers-despite-career-incentives>

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