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PRESS RELEASE

CIVIL SERVANTS TO GET 2-MONTH YEAR-END PAYMENT - Good performers to get more in March 2008

Next month, the Government will pay civil servants a year-end Annual Variable Component (AVC) of 1 month and a Non-Pensionable Annual Allowance (NPAA), also known as the 13th month or annual wage supplement, of 1 month.

2 In addition, eligible civil servants will be paid the newly-introduced Growth Bonus in March 2008. Payable in times of exceptional economic performance, this bonus varies in amount depending on individual performance and aims to strengthen the link between performance and pay. Good performers will receive 0.5 months of Growth Bonus, and better performers will receive more, up to 0.8 months.

3 The economy has performed better than anticipated this year. The Ministry of Trade and Industry has forecast that the Singapore economy is expected to grow by 7.5 to 8% this year. The unemployment rate has fallen from 2.7% last year to 1.7%, with a record high of 171,500 jobs created in the first 9 months of 2007.

4 In July this year, the Government paid civil servants a mid-year AVC of 0.5 month and a one-off payment of \$220, in line with the call by the National Wages Council for employers to help low wage workers.

5 The total variable payment for 2007 is 2.5 months + \$220, not including the Growth Bonus. With the Growth Bonus, the total payments for a good performer will be 3 months + \$220 for 2007, compared to 2.7 months + \$220 in 2006.

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