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29 May 2007

The Editor
The Straits Times
Forum Page

100 High Street
#07-01 The Treasury
Singapore 179434
www.psd.gov.sg

Dear Editor,

I refer to the letter "Give more to govt pensioners" by Jeffrey Law (ST, 26 May).

The Government has just, in the past few months, implemented two initiatives to help Civil Service pensioners.

Firstly, as announced during the 2007 Civil Service salary revision, the Government paid out a special ex-gratia payment to Civil Service pensioners who retired before 1 January 1982. This was to recognise their hard work and contributions which laid the foundation for Singapore's prosperity today. This payment, amounting to about \$7.6 million and benefiting 2,400 pensioners, was made earlier this month.

Unlike pensioners who retired after 1982, these civil servants did not enjoy the benefits of the National Wages Council increases when it was consolidated into pensionable basic salary in January 1982. Similarly, those pensioners who retired before March 1972 did not enjoy the benefits of the employers' contributions to their Central Provident Fund accounts.

Secondly, although pensions are fixed and not adjusted based on changes in circumstances, the Government introduced an ex-gratia Singapore Allowance to help eligible resident pensioners in 1974.

Today, a pensioner can receive a Singapore Allowance of up to \$180 per month, provided that the total amount of his Singapore Allowance and pension does not exceed \$1100.

From 1 July 2007, as part of the 2007 GST offset package, the Government will increase the Singapore Allowance from \$180 to \$200 per month. At the same time, the Government will also raise the maximum amount of the Singapore Allowance and pension a pensioner can receive from \$1100 to \$1150. As a result, more Civil Service pensioners will benefit.

Thank you.

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