



FACTSHEET ON CHANGES IN PAYMENT FREQUENCY OF THE WORKFARE INCOME SUPPLEMENT SCHEME

The Workfare Income Supplement Scheme (WIS) was introduced in 2007 as a key feature of Singapore's social security system. The background of the scheme is in Annex A.

2012 CHANGES IN PAYMENT FREQUENCY

Quarterly Payouts for Employees

At present, employees receive two WIS payouts a year. For example, WIS was paid in September 2011 for work done from January to June 2011, and in March 2012 for work done from January to December 2011.

From 2012 onwards, WIS payouts will be given more frequently to low-wage employees. It will be paid out quarterly, instead of twice yearly. This will enable WIS payouts to more easily meet recipients' daily expenses.

- An employee will qualify for WIS in a quarter if he works at least two out of three months in that quarter, and if the average gross monthly income for the period worked is not more than \$1,700.
- As is the case today, an employee who works at least six months in the year will receive the full annual WIS amount, and an employee who works at least three months in a six-month period will receive half of the annual WIS amount. In addition, an employee who works at least two months in any three-month period will now also receive a quarter of the annual WIS amount.
- The amount of WIS paid out each quarter will be adjusted proportionately. The amount of WIS received by an employee with consistent work and income through the year will be unchanged.
- Employees who work regularly will receive four WIS payouts a year. Employees with less consistent work may receive payments in some quarters but not others. The payment dates are in Table 1.

Table 1: Payment dates for employees to receive WIS

Period of work	Jan - Mar	Apr - Jun	Jul – Sep	Oct - Dec
Payment date	1 Jun	1 Sep	1 Dec	1 Mar of the following year

With these changes, an estimated 10% more Singaporeans will qualify for WIS, though not necessarily for every quarterly payment.

Please refer to the [Annex B](#) for examples to illustrate the increase in payment frequency of WIS for employees.

Annual Payouts for Self-Employed Persons

Unlike employees whose eligibility for WIS is automatically assessed based on their monthly CPF contributions, self-employed persons (SEPs) are required to declare their net trade income before the CPF Board can assess their eligibility for WIS.

While SEPs were given the option of declaring both their full-year and mid-year income, in order to receive WIS twice a year, less than 1% did so in 2011. The vast majority of SEPs made a single income declaration of their net trade income for January to December 2010. Those who were assessed to be eligible for WIS and had made their Medisave contributions received one WIS payout on 1 May 2011.

From 2012, all SEPs will receive WIS once a year, based on the declaration of their full-year net trade income.

- As is the case today, an SEP must declare his net trade income before the CPF Board can assess his eligibility for WIS. From 2012, only a single declaration, of the full-year net trade income, is required. This is in line with the tax filing requirements of the Inland Revenue Authority of Singapore.
- As is the case today, an SEP who works at least six months in the year will receive the full annual WIS amount, while an SEP who works at least three months in a six-month period will receive half of the annual WIS amount. From 2012, an SEP who works at least two months in a three-month period will also receive WIS, at a proportionally lower amount of one quarter of the annual WIS.

Effective Date of Changes

The changes in the payment frequency will apply for work done from 1 January 2012. The first quarterly payout for employees will be made in June 2012.

With these changes, about 440,000 older low-wage Singaporeans are expected to receive more than \$450 million in WIS for work done in 2012.

SUMMARY OF ELIGIBILITY CRITERIA

To qualify for WIS for work done in 2012, a worker must meet the following criteria:

- a. Be a Singapore citizen;
- b. Be aged 35 years and above as at 31 December 2012;
- c. Earn an average gross monthly income of not more than \$1,700;
- d. Work at least two months in a three-month period; and
- e. Be staying in a property with an annual value not exceeding \$13,000, as assessed on 31 December 2011.

In addition, self-employed persons will need to declare their 2012 net trade income and make their Medisave contributions by 31 March 2013 to receive WIS. Employees will be assessed for WIS automatically based on their monthly CPF contributions.

MORE INFORMATION

Members of the public may contact the CPF Board for more information.

Phone: 1800-222-6622 (hotline)

Email: member@cpf.gov.sg

Website: www.workfare.sg

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BACKGROUND ON WORKFARE INCOME SUPPLEMENT SCHEME

The Workfare Income Supplement Scheme (WIS) was introduced in 2007 as a key feature of Singapore's social security system. WIS supplements the income and CPF savings of older low-wage workers, while encouraging work and self-reliance.

Enhancements were made to WIS in 2010 to increase the quantum of payouts and enable more workers to benefit. For work done in 2011, 317,000 employees have received \$377 million in WIS. Self-employed persons will receive their WIS payouts in May 2012¹. In total, about 400,000 older low-wage Singaporeans receive more than \$400m annually in WIS.

The next comprehensive review of WIS will be undertaken in 2013.

¹ To receive WIS, self-employed persons will need to declare their net trade income for 2011 before 31 March 2012 and contribute to their Medisave accounts.

ANNEX B

Example 1 – Four Quarterly Payouts For Low-Wage Employees Who Work Regularly In 2012

A 62-year old employee who worked the full year in 2011 and earned an income of \$1,000 in each month would have received \$2,800 in WIS. The WIS was given to him in two payouts of \$1,400 each, in September 2011 and March 2012.

With the 2012 changes to payment frequency, this same employee would receive four payouts of \$700 each every three months. The following table illustrates how he will receive his WIS payouts more frequently and regularly.

		Work Year												Next Work Year		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
2011	Monthly income	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	WIS payment								\$1,400							\$1,400
		WIS payment for work done in Jan-Jun 2011.						WIS payment for work done in 2011.								
2012	Monthly income	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
	WIS payment					\$700			\$700			\$700				\$700
		WIS payment for work done in Jan-Mar 2012.			WIS payment for work done in Apr-Jun 2012.			WIS payment for work done in Jul-Sep 2012.			WIS payment for work done in Oct-Dec 2012.					

Example 2 – WIS For Low-Wage Employees Who Work Only Two Months in 2012

A 55-year old employee who worked only two months in 2012 and earned an income of \$1,200 in each month, would not have received WIS before the introduction of quarterly payments.

With the 2012 changes, this same employee would now receive WIS. The following table illustrates the different ways in which he will qualify for WIS, depending on his work pattern.

- Employee A works two months in a quarter. He will receive the quarterly payout on the scheduled payment date.
- Employee B works one month in a quarter and another month in the next quarter. While he does not receive WIS on the scheduled payment dates, he qualifies for WIS as he has worked two months in a three-month period (that stretches across quarters). Employee B's eligibility for WIS will be assessed at the end of the year and he will receive his WIS payout in Mar the following year.

		Work Year												Next Work Year		
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Employee A works 2 months in a quarter	Monthly Income	\$1,200	\$1,200													
	WIS payment						\$375									
					<div style="border: 1px solid black; padding: 2px; text-align: center;"> WIS payment for work done in Jan-Mar 2012. </div>											
Employee B works 2 months in a 3 month period	Monthly Income			\$1,200	\$1,200											
	WIS payment															\$375
											<div style="border: 1px solid black; padding: 2px; text-align: center;"> WIS payment for work done in Mar-May 2012. </div>					