

Press Release

Clarification on GST Voucher - U-Save

The Ministry of Finance has received queries from Singaporeans on the amount of U-Save rebates that they and their household are eligible for, since Singaporeans started receiving their GST Voucher (GSTV) notification letters from Monday.

2. We would like to clarify that although family members living in the same household may have individually received the notification letter on the GSTV - U-Save that their household is eligible for, it would be inaccurate to add together the GSTV - U-Save in each letter. In other words, each household is eligible for only one GSTV – U-save rebate, similar to past U-Save rebates. The amount of GSTV – U-Save depends on the flat type, and not the size of the household.

3. The GSTV - U-Save is one component of the GST Voucher scheme. Unlike the GSTV - U-Save which is paid out on a household basis, the other components of the GST Voucher (GSTV – Cash, and GSTV – Medisave) are paid out on an individual basis to eligible Singaporeans.

4. Personalised letters have been sent to Singaporeans who qualify for one or more components of the GSTV. The intent was to ensure that Singaporeans are aware of the benefits that they will receive both individually, as well as part of their household, whilst maintaining the privacy of the individual payouts. This was also done last year, where eligible Singaporeans received letters informing them of the benefits they would receive individually as well as those that their household will receive.

5. Take for example, a 4-room HDB household with 3 adult Singaporeans – (i) Mr Tan, aged 65 years, retired (with no other income); (ii) Mrs Tan, aged 55 years, housewife; and (iii) Son, aged 25 years, with Assessable Income of \$30,000. They do not own a second property. Hence:

- (i) Mr Tan’s letter will inform him that he will personally receive a GSTV – Cash of \$250 and GSTV – Medisave of \$250. The letter also states that his household will receive a GSTV – U-Save of \$110.
- (ii) Mrs Tan’s letter will inform her that she will personally receive a GSTV – Cash of \$250, and that her household will receive a GSTV – U-Save of \$110.
- (iii) The son’s letter will inform him that he will not receive any individual payout, but that his household will receive a GSTV – U-Save of \$110.

6. On average, the GSTV will help lower-income families, like Mr Tan’s, offset about half of the GST they pay each year. Retiree couples living alone in smaller flats can expect to receive a GSTV that will more than fully offset their yearly GST expenses. Middle-income families can also expect to receive a GSTV that will partially offset their GST expenses.

7. We have taken into account the feedback that we have received and will ensure that letters in future years make the distinction between individual and household benefits especially clear.

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About Ministry of Finance

The Ministry of Finance aims to advance the well-being and development of Singapore through Finance. The Ministry strives to achieve a balanced budget through prudent fiscal policy, foster a regulatory environment conducive to business and enterprise, ensure prudent investment of the Government's reserves and other public funds, and sets policies for government procurement, e-government, customs regulation, accounting standards and business regulation.

We achieve this together with our departments (Accountant-General's Department, Singapore Customs and Vital.org – Centre for Shared Services), and statutory boards (Accounting & Corporate Regulatory Authority, Inland Revenue Authority of Singapore and Tote Board).

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