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Shoring up support for citizens at each phase of life

While addressing immediate concerns about living costs, Budget 2024 strengthens assurance for Singaporeans at crucial stages.

Terence Ho

Before unveiling the 2024 Budget in Parliament, Deputy Prime Minister Lawrence Wong shared its aims on his social media platforms.

"It is a Budget to keep Singapore moving forward, equip our citizens to realise their fullest potential and give more assurance to our families and seniors amidst a more troubled world," he said.

The aims are closely aligned with the Forward Singapore agenda, Singapore's blueprint for a shared future which was developed through engagement with over 200,000 citizens. Implementing the agenda will take many Budget cycles and the measures announced in 2024 are just the first instalment of this ambitious multi-year programme.

So while immediate help was provided through the Assurance Package, Budget 2024 seeks to support Singaporeans beyond these urgent needs, catering to key life phases such as starting a family, pursuing a career, and enjoying retirement.

The need for greater support reflects the increased challenges which households and citizens face: rising living costs, economic volatility and job disruptions, to name a few. This has made it more pressing for the state and society to support citizens as they navigate an uncertain environment at these critical stages of their lives.

RAISING A FAMILY

With Singapore's fertility rate a mere 1.04 in 2022, encouraging Singaporeans to start families is a top priority.

Budget 2024 builds on the many grants and subsidies that have been put in place in recent years to make childcare more affordable and accessible. New measures include a reduction in monthly full-day childcare fee caps in government-funded pre-schools and an extension of higher pre-school subsidies to include lower-income families with non-working mothers.

Although addressing affordability concerns of young couples remains critical, support for families must go beyond dollars and cents.

The broader aim then is to become "a Singapore made for families" in line with the Ministry of Social and Family Development's latest tagline.

The Budget also introduces new approaches to address specific challenges faced by families with young children.

While the Housing Board offers subsidised rental housing under the Parenthood Provisional Housing Scheme (PPHS) for young families with urgent housing needs, demand for these flats has outstripped supply. Families in the queue would welcome the new PPHS (Open Market) voucher scheme that helps them to rent an HDB flat in the open market.

Another notable innovation is the ComLink+ Progress Package, which ropes in companies and community partners to support lower-income families with young children who are committed to improving their family circumstances through work and education.

EARNING A LIVING

Budget 2024 provides further assurance to citizens in the workforce amid changing job demands arising from technological and societal shifts.

Jobs are at the heart of Singapore's social compact, with the Government promising that anyone who holds a job and makes regular Central Provident Fund (CPF) contributions will be able to own a flat and have enough for retirement. As Singapore's shared future depends on everyone progressing together, this requires constant effort to keep disparities in check.

The Forward SG report highlighted the gap in pay between university graduates and their peers from the polytechnics and Institute of Technical Education (ITE). In particular, it recognised the need to improve the wages and career prospects of ITE graduates.

Budget 2024 unveiled a $5,000 top-up to the Post-Secondary Education Accounts of ITE graduates pursuing diploma qualifications as well as a $10,000 CPF top-up for those who attain their diplomas.

While providing a sizeable leg-up for ITE graduates, these measures will make a difference only if complemented by other efforts to raise the skills, pay and recognition of those who do "hands-on" technical work. These include progressive wages and adoption of human resource practices that recognise skills and job contributions beyond grades and qualifications.

It is well accepted now that most people will not spend their entire career in a single company or industry. As technological cycles shorten and job requirements change, workers must adapt and reskill to remain employable.

The revamp of SkillsFuture, as outlined in the Forward Singapore report, will see Singaporeans aged 40 and above receive the following support: a $4,000 SkillsFuture Credit (mid-career) top-up, training subsidies of up to 24 months for full-time courses, and the option to pursue another publicly funded full-time diploma. These complement the Career Conversion and SkillsFuture programmes that support both employer-led and worker-led training.

The ball is now in the court of mid-career Singaporeans to take advantage of the new support and invest in their career health and resilience.

Amid business restructuring and an uptick in retrenchments, workers will receive assurance through "re-employment support" for the involuntarily unemployed, which was announced in 2023 and reiterated in the 2024 Budget speech. This support will give displaced workers peace of mind as they retrain to re-enter employment, so that they can prepare themselves for suitable jobs with good prospects, rather than be forced to take the first job that comes along.

With details of the scheme to be announced later in 2024, it's worth noting that designing such support is non-trivial as it has to offer meaningful support for workers, including PMETs, without eroding incentives to work.

ENJOYING RETIREMENT

Preparation for retirement begins during the working years, when Singaporeans accumulate savings through the CPF. For many in the lower-income group, however, saving enough for retirement remains a challenge.

To strengthen support in this area, Budget 2024 will enhance the Workfare Income Supplement, Silver Support and the Matched Retirement Savings Scheme, with the MRSS extended to workers

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RAISING A FAMILY Budget 2024 builds on the many grants and subsidies that have been put in place in recent years to make childcare more affordable and accessible. ST PHOTO: LIM YAOHUI

EARNING A LIVING The Budget provides further assurance to citizens in the workforce amid changing job demands arising from technological and societal shifts. ST PHOTO: LIM YAOHUI

ENJOYING RETIREMENT The Budget commits $3.5 billion to the Age Well SG programme to expand the network of Active Ageing Centres, develop more assisted living options and upgrade estates and transport facilities. ST PHOTO: KUA CHEE SIONG

Building a shared future

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aged 55 and above.

The Majulah Package, which supports retirement and healthcare needs, has also been enhanced to support some 1.6 million Singaporeans born in 1973 or earlier. The total cost of this package is now estimated at $8.2 billion, up from the $7 billion announced in the 2023 National Day Rally.

The package comprises a one-off Retirement Savings Bonus for those whose CPF retirement savings are below the Basic Retirement Sum, a MediSave Bonus, as well as an Earn and Save Bonus for those earning up to $6,000 a month.

But retirement isn't just about meeting financial and healthcare needs. Seniors need a conducive physical environment along with social and recreational amenities to stay active and engaged.

Budget 2024 commits $3.5 billion to the Age Well SG programme over the next decade to expand the network of Active Ageing Centres, develop more assisted living options as well as upgrade residential estates and transport infrastructure to improve mobility and safety.

There is urgency to ramp up assisted living and home care services, given how quickly Singapore's population is ageing.

THE BIGGER PICTURE: COLLECTIVE EFFORT TO BUILD A SHARED FUTURE

Notwithstanding its strong focus on addressing social needs, Budget 2024 is comprehensive in scope.

As in previous years, there are significant moves to build firms' capabilities and attract investments. A competitive economy is necessary to create opportunities for firms and citizens, and to provide the state with resources for social programmes.

A considerable part of the 2024 Budget is also devoted to security, resilience and national unity, which are integral to building a shared future together.

Generous as Budget 2024 is, needs will always outstrip available public resources. Singapore's future depends on citizens, companies and society at large contributing their ideas, resources and efforts towards a shared goal.

The Budget must therefore reinforce trust and unity, above all, to take Singapore forward.

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