

## Caring for our Elderly in a real way

### FAQ for RISE (Retirement Income Scheme for the Elderly)

SDP will push to provide retirees over 65 with a monthly income of \$500. Under the SDP Retirement Income Scheme for the Elderly (RISE), the bottom 80% of retirees, many of whom depend on their working children for financial support and especially those who do not have working children, will receive \$500 every month.

The Household Expenditure Survey shows that the average retiree household receives nearly \$500 as income from their working children. With retrenchments and pay cuts expected to rise as a result of Covid-19, working adults will find it even harder to provide for their children and take care of their retired parents at the same time. By providing \$500 for the average retiree, RISE will also reduce the financial pressure of younger working generations.

### FAQ

#### 1. Who will benefit from SDP RISE?

- Singapore citizens aged 65 and older, who are in the bottom 80% of wage earners.

#### 2. How would you fund the RISE scheme?

- The investment returns from our reserves are expected to yield \$37.2 billion in Financial Year 2020. The Government uses 50% (\$18.6 b) of it to fund the Annual Budget. That leaves \$18.6 billion that can be used to fund RISE and SDP's other two fiscal initiatives. (See financial explanatory note.) This means that we are not even touching the reserve—only the yield that comes from it.

#### 3. How can giving away \$500 a month be sustainable in the long run?

- There are approximately 582,000 Singapore residents aged 65 and above. If 465,600 (80%) receive \$500 a month it would cost \$2.8 billion annually. This amount is well within the extra 10% of the annual investment returns of \$3.4 billion (see Q2).

#### 4. Is SDP planning to deplete our reserves?

- No responsible Singaporean would ever want to deplete our reserves. We want accountability and transparency of our reserves. We cannot continue to brag about having one of the largest sovereign funds in the world and yet cannot find sufficient returns to support the vulnerable within our community.
- To understand if any proposal would deplete these reserves, we must know the exact composition of these reserves and their investment returns since inception. Try asking the PAP.

## 5. Is it a temporary plan or a long-term plan?

- We hope for a transparent and accountable reckoning of our reserves and increasing prudence of our spending. With this, we would know with certainty how deep an overhaul is needed to set our citizens' retirement in firmer footing, and thus to a surer future for a Silver Singapore. Nevertheless, going by the above estimate, RISE can be and is meant to be a long-term plan.

### Financial Explanatory Notes:

Out of call for 4Y1N, three of SDP's initiatives require fiscal justifications. The three are the suspension of GST until 2021, RISE and RESTART, costing a total of \$16.1 billion.

- The suspension of GST will cost \$11.3 billion in 2020.
- RISE will cost \$2.8 billion annually
- RESTART will cost \$2 billion p.a. initially. Subsequently, when the effects of Covid-19 wanes, it will be funded via an insurance program.

The investment returns from our reserves yielded \$34 billion in Financial Year 2019 and are expected to yield \$37.2 billion in Financial Year 2020. Each year, 50% of the returns are set aside by the Government for its Annual Budget. For 2020, the Government has put aside \$18.6 billion (50%) for its Annual Budget. Hence another \$18.6 billion is available for use without touching the principal sum of the reserves. It is like using the interest income from our fixed deposit without touching the principal sum of the fixed deposit.

This \$18.6 billion is more than sufficient to fund the combined cost (\$16.1 billion) of the three SDP initiatives. There will still be a net balance of \$2.5 billion which will add to the reserves together with land sales revenue that has averaged \$16 billion a year for the past 10 years. The principal sum of the reserves will also grow with economic growth and net investment flows.

Furthermore, only RISE requires a long-term budget of \$2.8 billion p.a., an easily sustainable figure. The other two initiatives require only temporary funding.

The image displays three campaign posters for the Singapore Democratic Party (SDP) during the 4Y1N election. Each poster is framed in red and features the SDP logo and the slogan 'VOTESDP' with a red 'X' mark. A blue diagonal banner in the top right corner of each poster reads 'OUR PROPOSAL'.

- Poster 1 (Left):** Lists four 'YES' items: 'Suspend GST', 'Pay retrenchment benefits', 'Provide retirement income', and 'Put people first'. It also features a red 'NO' over '10 million population' and a green 'ACCOMPLISHED' stamp.
- Poster 2 (Middle):** Shows a 'GST TILL 2021' logo with a red prohibition sign over it. Below is an icon of a stack of coins and the text: 'Suspend GST till 2021 to help people and businesses.'
- Poster 3 (Right):** Shows an icon of a person sitting at a desk with a red prohibition sign over it. Below is an icon of a wallet and the text: 'Pay retrenched workers 50% of their last drawn salary for 18 months.'

OUR PROPOSAL

**Retirement  
Income  
Scheme for the  
Elderly**



Bottom 80% of retirees aged 65+ to get \$500 per month

**4Y-1N  
SDP**

VOTESDP  X

OUR PROPOSAL




Put people first in policy making. They are the heart of Singapore.

**4Y-1N  
SDP**

VOTESDP  X



**SDP**

**VOTE SDP**



 X