

24 November 2008

Dear childcare centre operators,

**ENHANCEMENTS TO THE CENTRE-BASED FINANCIAL ASSISTANCE SCHEME FOR  
CHILDCARE (CFAC) WITH EFFECT FROM 1 JANUARY 2009**

In order to ensure that childcare remains affordable for all low-income families, and to encourage mothers to seek employment so that their families can achieve self-reliance, the CFAC scheme will be enhanced with effect from 1 January 2009. The assistance is on top of the universal Government childcare subsidy for working mothers, which was recently enhanced from \$150 to \$300 per month.

**Extension of CFAC beyond the fourth child with effect from 1 January 2009**

2. Currently, only the first four children in a family can receive CFAC if the mother works. From 1 January 2009, CFAC subsidies and Start-Up Grant (SUG) will be extended to all children in a family. Hence, children of fifth and higher birth orders would also be able to apply for CFAC, if they meet all other eligibility criteria for the scheme (see **Annex A** for the CFAC eligibility criteria). Please continue to submit all CFAC applications to the CDCs, together with the relevant supporting documents, as per existing practice.

**Equal CFAC subsidies for all children regardless of birth order, with effect from 1 January 2009**

3. Wef 1 January 2009, there will no longer be a differentiation in CFAC subsidies between children of different birth orders. Presently, the third and fourth child receives lower CFAC subsidies compared to the first two children. With effect from 1 January 2009, all children in eligible low-income families would receive the same amount of CFAC subsidy, up to a maximum of \$340 a month, depending on the family's monthly income and the actual childcare fees charged. Please also refer to **Annex A** for the new table of maximum CFAC subsidies that each child may receive.

**Notification letters to Parents**

4. Please inform your parents of the above enhancements which will take effect from 1 January 2009. We have attached a circular for your dissemination to parents. If you have any questions regarding the enhancements, you may contact the CFAC officers in any of the CDCs for clarification. Their contact details are provided below.

Thank you.

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Yours faithfully

(transmitted via child care link)  
JANE LEE (MS)  
ASSISTANT DIRECTOR (COMCARE AND SOCIAL SUPPORT DIVISION)  
for PERMANENT SECRETARY  
MINISTRY OF COMMUNITY DEVELOPMENT, YOUTH AND SPORTS

**Centre-Based Financial Assistance Scheme for Childcare (CFAC)**

**Purpose**

The scheme provides a monthly fee subsidy, over and above the \$300 Government child care subsidy given to working mothers, for low-income Singaporean families who place their children in child care centres. This allows the mothers to take on full-time employment.

**Eligibility for CFAC**

The mother, and the child attending child care, must meet the following eligibility criteria:

- The child is a Singapore citizen. If the child is a permanent resident of Singapore (PR), at least one member of his immediate family must be a Singapore citizen;
- The child is below 7 years old and is attending a licensed child care centre;
- The child's family monthly income is \$1,800 and below; and
- The child's mother is working.

**Extending equal CFAC subsidies and Start-Up Grant to all Birth Orders**

From 1 Jan 2009, MCYS will extend CFAC subsidies beyond the fourth child for eligible low-income families. All eligible children would receive the same CFAC subsidy currently provided to the first and second child. CFAC subsidies would vary depending on the family's income levels and the actual childcare fees charged as follows:

| Monthly Household Income | Current  |  | WEF 1 Jan 09                                  |
|--------------------------|--|--|---|
|                          | Maximum CFAC subsidy per month for 1st / 2nd child | Maximum CFAC subsidy per month for 3rd / 4th child | Maximum CFAC subsidy per month for each child |
| ≤\$500                   | Up to \$340  | Up to \$275  | Up to \$340                                   |
| \$501-\$1,000            | Up to \$300  | Up to \$200  | Up to \$300                                   |
| \$1,001 - \$1,500        | Up to \$250  | Up to \$150  | Up to \$250                                   |
| \$1,501 - \$1,800        | Up to \$200  | Up to \$100  | Up to \$200                                   |