



Madam Haryati Jamil with her 16-year-old son Muhammad Aqil Selamat, who has autism. Madam Haryati has opted to be on the Special Needs Savings Scheme as her family cannot afford to set up a trust fund for her son. ST PHOTO: DESMOND WEE

# Special-needs kids plan: 98 sign up

## Children get monthly payout from CPF after parents' death

BY JANICE TAI

A SCHEME launched recently under the Central Provident Fund (CPF) to make monthly payouts to special-needs children after their parents' death has attracted 98 sign-ups.

Two-thirds of the applicants are parents in their 40s and 50s, who have arranged for payouts of \$250 to \$500 to go to their special-needs children.

The Special Needs Savings Scheme (SNSS), launched three months ago to provide a measure of financial security to such children, disburses the funds from the parents' CPF savings into the nominee CPF account of the child.

Usually, the savings of a CPF member who dies are distributed to his nominees as a lump sum.

The SNSS was developed in response to the concerns of parents worried about the long-term financial security of their special-needs children, but who had little in savings outside of CPF.

The other option for parents - that of setting up a trust fund with the Special Needs Trust Company (SNTC) - is not viable for those unable to fork out the minimum sum of \$5,000 required.

The funds in the SNSS earn the same interest

rate as the parents' accounts, and parents are free to set the quantum of the monthly payout, which must be at least \$250.

Housewife Elly Khoe, 59, said signing up for the SNSS for her 18-year-old son, who has Down syndrome, has given her peace of mind.

She believes it is better for him to get a fixed amount every month to live by, rather than a lump sum, which he may squander away.

She said of her only child: "He is quite independent and can take the MRT by himself. But give him \$5 to buy food and he won't know how much change to expect, so the small payouts are extra security."

Administrative assistant Haryati Jamil, 41, said she opted to be on the SNSS because her family cannot afford to set up a trust fund for her 16-year-old son, who has autism. "For low- to middle-income families like us, meeting the day-to-day expenses is already a headache. So opting for this is better than nothing in having some financial protection."

Another parent who wanted to be known only as Mr Ho, a 47-year-old senior staff nurse, has savings and insurance policies, but sees the SNSS as an additional safety net. He signed up his autistic son, aged 10, last month, and plans to do the same for his other son, who is 13 and has intellectual disabilities. He said he learnt about the SNSS through the younger boy's school, St Andrew's Autism Centre.

Ms Woo Pei Foon, a senior social worker from the school, said parents had shown keen interest in the SNSS, but had asked whether the minimum payout of \$250 is enough.

Those who prefer more flexibility in the payouts and more guidance from social workers on developing a customised financial care plan for their children can turn to the four-year-old SNTC, which has built a base of 145 trust accounts.

Its general manager Esther Tan said the SNSS complements a trust fund, as both meet different objectives: "Parents without the means to set up a private trust fund but who wish to have the proceeds of their HDB flats or insurance policies injected into the fund can come to us," she said. She added that the SNTC has encouraged parents to sign up for the SNSS, which offers relatively higher interest rates.

Funds disbursed from the nominee CPF account earn interest of up to 4 per cent a year, with an extra 1 per cent on the first \$60,000; the SNTC, which entrusts the funds with the Public Trustee's Office, has made an average interest payout of about 3 per cent over the last four years.

MP Denise Phua, who supervises two special schools and a day activity centre for those with autism, expects the take-up rate for the SNSS to pick up, but that it could go even higher if the scheme also includes special-needs people not enrolled in special schools. She also called for a long-term care plan for these individuals.

✉ [jantai@sph.com.sg](mailto:jantai@sph.com.sg)

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