Call for more support for stay-at-home mothers

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Ahead of the Budget debate starting tomorrow, the People's Action Party (PAP) Women's Wing has called for more support for stay-at-home mothers with little savings in their Central Provident Fund (CPF) accounts.

The group, led by Minister in the Prime Minister's Office Grace Fu, said it was "especially concerned" that stay-at-home mothers do not get to benefit from the CPF system.

Without regular CPF contributions, they will not enjoy interest compounding on their balances, the group said in a statement issued yesterday in response to recent policy announcements.

The PAP Women's Wing convened a special meeting on Saturday to discuss the issue of retirement adequacy, which has been in the spotlight in recent months as the CPF scheme came under debate and review.

Among the slew of measures announced in last Monday's Budget was a recommendation to increase flexibility to the CPF system so as to allow withdrawals at age 65, which the group said it was also concerned about.

"We urge families to carefully consider the benefits of retaining their savings in the CPF," it said, although it supports withdrawals made to top up accounts of the spouse with less CPF savings.

"This will be particularly helpful to homemakers with little or no CPF savings."

The Women's Wing also called on husbands and adult working children to take the "sensible approach" and make regular voluntary top-ups to the CPF accounts of stay-at-home mothers.

It urged the Government to raise awareness of the benefits of such top-ups, and the availability of Giro transfer options.

Institute of Policy Studies research fellow Christopher Gee, who studies ageing and retirement adequacy issues, said housewives tend to not accumulate enough savings for retirement.

He said the Government could consider "building in some behavioural mechanisms such that it becomes seamless".

He suggested a mandatory system where working spouses make automatic contributions to the CPF accounts of non-working spouses, unless they opt out.

In its statement, the Women's Wing said more could be done to help stay-at-home mothers take advantage of the SkillsFuture initiative that encourages lifelong learning. For the convenience of homemakers and caregivers, the group suggested offering e-learning options for them to upgrade their skills remotely. This will increase their employability should they wish to work in future.

The group also urged the Government to consider allowing husbands and children to make partial transfers of their unused SkillsFuture Credits to the homemakers, to further offset the costs of skills upgrading.

From next year, all Singaporeans aged 25 and above will receive $500 in SkillsFuture Credit, with regular top-ups to come.

This suggestion was welcomed by homemaker Wendy Choo, 56, who has experience working as a childcare assistant teacher.

"It will be good to keep myself knowledgeable," she said, adding that she would consider taking up more courses in childcare.

The PAP Women's Wing also urged the Government to continue raising the quality and affordability of pre-school education and childcare services.

"It remains challenging for women to juggle both work and family commitments," it said, given that accessibility is still an issue in some new towns where many young parents now live.

It added: "HDB should do more to help young couples stay close to their parents so that there is greater familial support in raising children."

On the CPF Life annuity scheme, it said that for married couples, monthly CPF Life payouts should be made into joint bank accounts by default, although members may opt out.

"This is to encourage spousal mutual support as well as to protect the interest of the spouse with low or no income," it said.

Its suggestions follow those last week by the PAP Seniors Group. Addressing initiatives such as the Silver Support Scheme for poor elderly people, the seniors group welcomed, among other things, the additional 1 per cent interest that will be paid on the first $30,000 of total CPF savings for members aged 55 and above, starting next year.