Your Ref:

Our Ref : CIRD5/2-05



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Mr Kong Soon Wah Forum Page Editor The Straits Times 100 High Street #07-01 The Treasury Singapore 179434 www.psd.gov.sg

Dear Editor

## **GOVERNMENT LINKS PAY TO PERFORMANCE**

I refer to the letter, "Civil servants should be seen to earn their bonuses" by Ms Lee Soon Chin (ST, Dec 1).

We would like to assure Ms Lee and your readers that the Government is mindful of the need to be prudent with the use of our resources.

The Civil Service is not an iron rice bowl. We have an appraisal system which links rewards to performance. Work review is done every six months. Annually, officers are assessed and ranked within their department and across the organisation, according to performance.

The Civil Service year-end payment has three components – 13th month payment or the Annual Wage Supplement which is a feature common to both the public and private sectors, the Annual Variable Component which varies from year to year, depending on Singapore's economic performance, and the new Growth Bonus, which will be paid only in times of exceptional economic growth and is differentiated by individual performance.

Under-performers do not get any Annual Variable Component and Growth Bonus. They are counselled to improve, failing which they will be told to leave the Service.

Those who perform satisfactorily get a much lower Growth Bonus compared to those who put in good and above performance. Hence only the good performers will get 3 months plus \$220 bonus for 2007. This is in line with our philosophy to link pay with performance.

Yours sincerely

ONG TOON HUI (MS)
Director
Leadership Development
Public Service Division
Prime Minister's Office