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PRESS RELEASE

2011 National Bonus for Political Appointment Holders

The National Bonus, a recommendation of the White Paper on “*Salaries for a Capable and Committed Government*”, which was endorsed by Parliament in January 2012, has been calculated for political appointment holders.

Based on the approved formula, the 2011 National Bonus is 2.625 months (see calculations below), but since the new salaries took effect on 21 May 2011, the pro-rated amount will be 1.618 months, to be paid in March 2012.

Real Median Income Growth rate for Singapore Citizens		Real Growth Rate of Lowest 20 th Percentile Income for Singapore Citizens		Unemployment rate of Singapore Citizens		Real GDP Growth rate	
2011 Figure	Payout Level	2011 Figure	Payout Level	2011 Figure	Payout Level	2011 Figure	Payout Level
-0.6%	0%	1.8%	50%	3.0%	200%	4.9%	100%
National Bonus Payout Level (%)		$= 0.25*(0\%) + 0.25*(50\%) + 0.25*(200\%) + 0.25*(100\%)$ $= 87.5\%$					
National Bonus Quantum (months)		$= 87.5\% * (3 \text{ months})$ $= 2.625 \text{ months for the full year 2011}$					
Prorated for the period from 21 May to 31 Dec 2011		$= 1.618 \text{ months}$					

All political appointment holders (Parliamentary Secretary to Deputy Prime Minister) will get the same National Bonus rate to reflect their joint contributions as part of the Cabinet. The Prime Minister will get twice the rate as he does not get a performance bonus.

The National Bonus provides a direct link between the salaries of political appointment holders and the socio-economic progress of average and lower income Singapore citizens and the growth of Singapore.

The National Bonus is based on four socio-economic indicators with each accounting for 25% of the payout. The payout matrix is tabled below. The payout ranges from 0 to 6 months and political appointment holders will get 3 months if the targets for the indicators are met.

Payout Level	Real Median Income Growth rate for Singapore Citizens	Real Growth Rate of Lowest 20 th Percentile Income for Singapore Citizens	Unemployment rate of Singapore Citizens	Real GDP Growth rate
	Targets			
0%	<0.5%	<0.5%	5% and above	<2%
50%	0.5% - <2%	0.5% - <2%	4.5% - <5%	2% - <3%
100%	2% - <3%	2% - <3%	4% - <4.5%	3% - <5%
150%	3% - <4%	3% - <4%	3.5% - <4%	5% - <7%
200%	4% and above	4% and above	<3.5%	7% and above

The annual salary (S) of political appointment holders is made up of a fixed pay component (F) and a variable pay component (V), i.e. $S = F + V$. The amount in F is equal to 13 months of his monthly salary. V comprises the annual variable component (AVC), performance bonus and National Bonus. The total AVC paid for 2011 is 1.25 months plus \$250. Performance bonus is decided by the Prime Minister and ranges from 0 to 6 months, with a good performer getting 3 months.

See <http://www.psd.gov.sg/WhitePaper> WhitePaper for details on the National Bonus.

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