



MSF 32-007-103D-1 / 2016-01

3 May 2016

To: All Approved Persons  
of Baby Bonus Approved Institutions

### CHILD DEVELOPMENT ACCOUNT REFUNDS

The Baby Bonus Child Development Account (CDA) is a co-savings scheme, where parents' deposits into the CDA are matched by the Government, up to a specified cap, depending on the child's birth order. In this regard, it is critical that we only match parents' deposits and not CDA refunds made by Approved Institutions (AIs). Such AI refunds should not be matched since the parents' deposits have already been matched in the first instance.

2 In our last circular dated 16 Nov 2015, we had informed Approved Institutions (AIs) to note the following:

- a. Do not issue cheques when making a refund to the Child Development Account (CDA)
- b. Use only the AI corporate account registered with MSF to make a CDA refund using GIRO; and
- c. Give cash to parents when refunding deposits collected in cash;
- d. Use standard description "AI Refund (Txxxxxxx)" < limit of 19 characters only> when making CDA refunds via GIRO.

3 However, we noted that there is still wrong matching of deposits due to AI refunds. Other than the tedious recovery process, we also have to contact parents and AIs in these instances to ascertain the nature of the deposit. Therefore, to help us to match only genuine deposits in the CDA, we are again seeking your help to comply with the guidelines in para 2. It is only with your co-operation that we do not match the AI refunds deposited into the CDAs.

4 Please email us at MSF Babybonus (MSF) [MSF\\_Babybonus@msf.gov.sg](mailto:MSF_Babybonus@msf.gov.sg) if you need clarification or assistance on the AI refund process.

Yours faithfully

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for Permanent Secretary  
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