

Circular 6/2025

1 October 2025

To: Baby Bonus Approved Persons/Approved Institutions (Optical Shops/Retail Pharmacies)

Dear Sir/Madam,

DISCONTINUATION OF OPTICAL SHOPS AND RETAIL PHARMACIES AS BABY BONUS APPROVED INSTITUTIONS

Aim

This circular informs Approved Persons (“APs”) of optical shop and retail pharmacy that are Baby Bonus Approved Institutions (“AIs”) on the follow-up actions required from the Ministry of Social and Family Development (MSF) announcement on 1 October 2025 that the use of Child Development Account (CDA) moneys at optical shops and retail pharmacies will be discontinued from 1 January 2026.

Effective Date

2 **From 1 January 2026, MSF will discontinue optical shops and retail pharmacies as Baby Bonus AI categories.** Parents will no longer be able to use CDA for expenses at optical shops and retail pharmacies.

3 Existing optical shops and retail pharmacies AIs can continue accepting payments via the CDA until **31 December 2025**. All other services on the Baby Bonus AI portal will remain available to existing AIs till 31 December 2025.

Follow-up Actions for Optical Shop and Retail Pharmacy AIs

4 From 1 January 2026, optical shops and retail pharmacies that are no longer a Baby Bonus AI will be required to comply with the following:

- i. Stop accepting all payments through CDA, which includes terminating all existing GIRO Direct Debit Arrangements (DDA) using CDA bank accounts;
- ii. Remove and properly dispose of all Baby Bonus AI stickers displayed at premises;
- iii. Remove any mention of CDA as a payment option on the centre’s website/collaterals; and
- iv. Maintain records of CDA withdrawals made for the past 3 years for audit purposes.

5 Please note that payments made through CDA withdrawals are strictly prohibited once a business is no longer an AI. MSF monitors CDA transactions and will investigate any unauthorised CDA withdrawals.

Clarifications

6 A list of anticipated Likely Asked Questions (LAQs) for optical shop and retail pharmacy AIs is in Annex. For clarifications on the contents of this circular, please direct your queries to MSF_Babybonus@msf.gov.sg.

Thank you.

Yours sincerely,

Sylvester Koh
Deputy Director
Family Life Group – Services (Baby Bonus)
Ministry of Social and Family Development

Likely Asked Questions (LAQs)

S/N	Question	Response
1.	Can the business owner of optical shop or retail pharmacy continue accepting Child Development Account (CDA) payments before 1 Jan 2026?	<p>Yes, optical shop and retail pharmacy that are currently registered as Baby Bonus Approved Institutions (AIs) can continue accepting Child Development Account (CDA) payments until 31 Dec 2025.</p> <p>All CDA transactions must be completed by 31 Dec 2025, as CDA payments will not be accepted from 1 Jan 2026.</p>
2.	What action will be taken if optical shops or retail pharmacies accept CDA payments on or after 1 Jan 2026?	<p>From 1 Jan 2026, payments made through Child Development Account (CDA) withdrawals are strictly prohibited as optical shops and retail pharmacies will no longer be Baby Bonus Approved Institutions (AIs). MSF monitors CDA transactions and will investigate any unauthorised CDA withdrawals.</p> <p>CDA trustees and/or the Approved Persons in respect of the AIs found to have made unauthorised CDA withdrawals will be required to make refunds into the CDA.</p>
3.	Can I use my child's Child Development Account (CDA) to buy store credits or vouchers from an optical shop on or before 31 Dec 2025, but only utilised for goods and services on or after 1 Jan 2026?	No, Child Development Account (CDA) cannot be used to buy store credits or vouchers at optical shops for future use on or after 1 Jan 2026.
4.	If partial payment had been made for a child's eyewear or medication via Child Development Account (CDA) before 1 Jan 2026, can the optical shops or retail pharmacies allow remaining balance to be paid via CDA after discontinuation as	<p>From 1 Jan 2026, Child Development Account (CDA) moneys cannot be used at optical shops and retail pharmacies.</p> <p>Please ensure all CDA transactions are completed by 31 Dec 2025, as CDA payments will not be accepted from 1 Jan 2026 onwards, even if the payment for the service and product were partially paid prior to 1 Jan 2026.</p>

	Baby Bonus Approved Institutions (AIs) from 1 Jan 2026?	
5.	How will the NETS payment terminals be impacted from the change and are Approved Institutions (AIs) required to return or exchange them from 1 Jan 2026?	From 1 Jan 2026, NETS terminals at optical shops and retail pharmacies that are Approved Institutions (AIs) will no longer be able to make transactions via the Child Development Account (CDA) card. The CDA payment function will be deactivated by NETS from 1 Jan 2026. There is no need to return the terminals as these terminals can continue to be used for normal NETS transactions.