ABOUT 1.5 million middle-income earners who pay personal income tax will receive a 50 per cent rebate of up to $1,000.

As for lower-income Singaporeans, they will get a bigger cash payout from the GST Voucher scheme plus a service and conservancy charge rebate to help them cope with the cost of living.

The cap of $1,000 is "to ensure that the benefits go mainly to the middle- and upper-middle-income groups", said Deputy Prime Minister and Finance Minister Tharman Shanmugaratnam in the Budget statement yesterday.

Experts noted that the tax rebate will benefit those in the sandwiched class who support both their parents and children, and struggle with living expenses.

"The sandwiched class represents the group of taxpayers who pay personal income tax but do not obtain sufficient government subsidies," said National University of Singapore Business School Associate Professor Simon Poh.

This sets them apart from both the lower-income earners who pay no personal income tax but receive generous government subsidies, and the high-income taxpayers who earn enough to pay taxes and yet have a decent disposable income, he added.

The one-off rebate for the 2015 tax year adds up to $717 million.

But experts had mixed views on whether the measures counted as an election-year bonus. They noted that the 2011 election-year Budget - delivered before the May 2011 General Election (GE) - gave a personal income tax rebate of 20 per cent, capped at $2,000.

Said political watcher and Singapore Management University law don Eugene Tan: "We could see the measures as a collective combination of an SG50 bonus, election bonus, a government hongbao (red packet), and a sharing of the Budget largesse."

The rebates will generate a "feel-good effect", he said. "But the Singaporean voter still has full autonomy to make a considered choice in voting during the GE."

Chua Chu Kang GRC MP Zaqy Mohamad, however, pointed out that it was "hard to say" whether the Budget signalled an imminent election: "At the end of the day, it's about being sustainable and responsible in distributing the goodies. It doesn't necessarily signal a big bang Budget for the election."

Institute of Policy Studies senior research fellow Gillian Koh said the Budget's redistributive policies address social divides and "take care of important issues raised in and after elections".
She said key concerns usually brought up at elections include whether the Government has done enough to help Singaporeans, particularly the sandwiched generation, cope with the cost of living, and income inequality.

Meanwhile, 1.4 million lower-income Singaporeans will get $50 more in cash payouts a year under the permanent GST Voucher scheme to offset what they pay in goods and services tax (GST).

This means eligible Singaporeans aged 21 and older will receive $150 or $300 worth of GST Vouchers this year, depending on the annual value of their homes.

To qualify, their earned income in 2013 - as assessed by the Inland Revenue Authority of Singapore - must not exceed $26,000.

About 800,000 households in Housing Board flats will also get $80 million in service and conservancy charge rebates.

One- and two-room HDB households will receive a total of three months of rebates for this year, while three- and four-room households will get two months of rebates.