The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Baby Benefits Spent on Mortgages

By The Moscow Times

December 09, 2012



The state is paying families a $12,300 bonus for having a second child. **Igor Tabakov**

Over a quarter of families receiving maternity benefits have used the one-off payment from the state to repay housing loans, according to official figures announced Friday.

Of about 4 million families who have received the maternity payment since 2010, more than 1 million spent the money on mortgage repayments, said the Pension Fund, the state body making the payments.

"More than 1 million [families] used the benefit to partly or completely pay off housing loans to the tune of 343 billion rubles ($10.8 billion)," the Pension Fund said in a statement published on the Garant website.

Mortgage repayments remain by far the most popular destination for maternity benefits. Other popular uses of the benefit include improving living conditions without taking out loans, paying for children's education and investing in parents' pension funds.

One-off maternity benefits were introduced in 2007 in a bid to boost population growth. The payment can be claimed by any couple who have had a second child since 2007. The benefit is indexed each year and currently stands at 387,640 rubles ($12,300). It is set to rise to 408,960 rubles in 2013.

The fund expects to pay out 2 billion rubles in maternity benefits in 2013.

Original url: https://www.themoscowtimes.com/2012/12/09/baby-benefits-spent-on-mortgages-a19994