



# Grants for Employers

Singapore Budget 2020

# Assisting businesses to weather uncertainties ahead.

Singapore's Budget 2020 saw the unveiling of measures to help businesses retain their employees as they navigate the challenges posed by the COVID-19 outbreak.

In addition, new grants have been introduced and existing grants enhanced to encourage businesses to develop and transform their workforce.

In the following, we have compiled some of the key grants that employers should be familiar with.



# 1. Jobs Support Scheme (JSS)

The JSS is a temporary scheme for 2020 that seeks to help enterprises to retain their local employees during this period of uncertainty.

Employers will receive an 8% cash grant on the gross monthly wages of each local employee (applicable to Singapore citizens and permanent residents only) on their Central Provident Fund (CPF) payroll for the months of October 2019 to December 2019, subject to a monthly wage cap of S\$3,600 per employee.

Except for Government organisations (local and foreign) and representative offices, all employers are eligible for the JSS. Wages paid to business owners will not be eligible for the grant.

The grant will be computed based on CPF contribution data. Employers do not need to apply for the JSS. The payment will be given to employers by the Inland Revenue Authority of Singapore by 31 May 2020.

Below is an illustration on the computation of the pay-out under JSS:

	October 2019	November 2019	December 2019	Total
<b>Wages Paid to Local Employees (Excluding Employer CPF)</b>	S\$3,500	S\$3,500	S\$3,800	S\$10,800
<b>Qualifying Wage Capped at S\$3600</b>	S\$3,500	S\$3,500	S\$3,600	S\$10,600
<b>Jobs Support Pay-out to Employer (8% of Qualifying Wage)</b>	S\$280	S\$280	S\$288	S\$848

## 2. Wage Credit Scheme (WCS)

The WCS, that was first introduced in Budget 2013, encourages employers to share productivity gains with workers by co-funding wage increases of at least S\$50 given by the employers to Singapore citizen employees who earned a gross monthly wage of up to S\$4,000. The WCS has been enhanced in two ways in this year's Budget. Firstly, the wage ceiling for co-funding will be raised from S\$4,000 to S\$5,000 for the years 2019 and 2020. Secondly, the co-funding ratios will be increased from 15% to 20% for the year 2019 and from 10% to 15% for 2020.

The table below summarises the changes:

Scheme	Current WCS as Announced in Budget 2018	Enhanced WCS as Announced in Budget 2020
<b>Qualifying Years</b>	2018, 2019, 2020	2019, 2020
<b>Level of Co-Funding</b>	<ul style="list-style-type: none"> <li>20% of Qualifying Wage Increases in 2018</li> <li>15% of qualifying wage increases in 2019</li> <li>10% of qualifying wage increases in 2020</li> </ul>	<ul style="list-style-type: none"> <li>20% of qualifying wage increases in 2019</li> <li>15% of qualifying wage increases in 2020</li> </ul>
<b>Gross Monthly Wage Ceiling</b>	\$4,000	\$5,000
<b>Qualifying Wage Increases</b>	<ul style="list-style-type: none"> <li>Increases in gross monthly wage of at least S\$50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of S\$4,000, will be co-funded.</li> <li>In addition, increases in gross monthly wage of at least S\$50 given in 2017, 2018 and 2019 up to a gross monthly wage level of S\$4,000, and sustained in subsequent years of the scheme, will be co-funded.</li> </ul>	<ul style="list-style-type: none"> <li>Increases in gross monthly wage of at least S\$50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of S\$5,000, will be co-funded.</li> <li>In addition, increases in gross monthly wage of at least S\$50 given in 2017, 2018 and 2019 up to a gross monthly wage level of S\$5,000, and sustained in subsequent years of the scheme, will be co-funded.</li> </ul>

### 3. Senior Worker Early Adopter Grant

The Government will provide companies with a Senior Worker Early Adopter Grant from 1 July 2020 to 30 June 2023 to support them in raising their company-specific Retirement Age (RA) and Re-Employment Age (REA) above the statutory minimum.

Companies must formalise the changes in their human resource policies and employment contracts and communicate the changes to their employees to qualify for the grant.

### 4. Senior Employment Credit

The Senior Employment Credit (SEC) provides wage offsets to employers hiring Singaporean workers aged 55 and above earning up to S\$4,000 a month. The SEC will replace the existing special employment credit and additional special employment credit schemes after they expire on 31 December 2020. The wage offsets will come into effect from 1 January 2021 to 31 December 2022.

The table below summarises the changes:

Age of Employee as of 1 Jan 2021	Maximum Wage Offset for Employers of Singapore Employees Aged 55 and Above, and Earning up to S\$4,000/Month	
	2021	2022
55-59	2%	1%
60-64	3%	
65-REA-1	5%	
REA & Above	8%	

### 5. Part-Time Re-Employment Grant

The Government will provide a Part-Time Re-employment Grant from 1 July 2020 to 30 June 2023 to companies which commit to offering part-time re-employment to eligible older workers who request for it. This will help older workers who would like to continue working but prefer to be re-employed on a part-time basis.

## 6. SkillsFuture Enterprise Credit

A new SkillsFuture Enterprise Credit (SFEC) will be introduced to encourage employers to embark on the transformation of their workforce and enterprise in tandem. Eligible employers will receive a one-off S\$10,000 credit to cover up to 90% of out-of-pocket expenses for supportable enterprise capability development and workforce transformation programmes.

To encourage employers to undertake workforce transformation to reskill and upskill their workers, S\$3,000 of the SFEC will be reserved for workforce transformation programmes which means that employers can use up to S\$10,000 for workforce transformation, but can only use up to S\$7,000 on enterprise transformation programmes.

Employers have four qualifying windows until 31 March 2021 to qualify for the SFEC. At each of the qualifying windows, employers must have contributed at least S\$750 Skills Development Levy (SDL) in total in the preceding 12 months and have at least three Singapore citizens or permanent residents employed in each of the preceding 12 months, based on latest available data. Upon qualification, employers will be able to use the SFEC on supportable schemes any time from 1 April 2020, with claims to be submitted latest by 30 June 2023.

The list of current SFEC-supportable programmes is as follows:

Programmes	Agency
<b>Enterprise Transformation Programmes</b>	
<b>1. Enterprise Development Grant (EDG)</b>	Enterprise Singapore
<b>2. Enterprise Leadership for Transformation Programme (ELT)</b>	
<b>3. Market Readiness Assistance (MRA)</b>	
<b>4. Productivity Solutions Grant (PSG)</b>	Solutions administered by Enterprise Singapore, Singapore Tourism Board, Building and Construction Authority, National Environment Agency, Info-communications Media Development Authority, Monetary Authority of Singapore
<b>5. Business Improvement Fund</b>	Singapore Tourism Board

Continued overleaf.

Programmes	Agency
<b>Workforce Transformation Programmes</b>	
<b>1. Skills Framework Aligned Courses (In support of the industry Transformation Maps)</b>	SkillsFuture Singapore
<b>2. Professional Conversion Programmes (Course fee expenses only)</b>	Workforce Singapore
<b>3. Place-and-Train Programmes for Rank-and-File workers (Course fee expenses only)</b>	
<b>4. Job Redesign initiatives (i4.0 Human Capital Initiative for Manufacturing Sector, Service Industry Transformation Programme for Service sectors, PSG (Job Redesign) component)</b>	
<b>5. Training Industry Professionals in Tourism</b>	Singapore Tourism Board

## 7. Hiring Incentive

A hiring incentive will be provided to employers who hire local jobseekers aged 40 years and above through select reskilling programmes. For each eligible worker, a 20% salary support will be provided to the employer for six months, capped at S\$6,000 in total. Reskilling programmes eligible for the hiring incentive are the Professional Conversion Programmes, Place-and-Train programmes for the rank-and-file workers, and career transition programmes by Continuing Education and Training centres. An employer who is already claiming salary support for a mature person hired under Workforce Singapore's Career Support Programme or P-Max, cannot receive the hiring incentive for the same person hired.





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