



Grants for Employers 2022





Introduction

In Singapore's Budget 2022, the government had pledged continued, targeted support for businesses to assist employers to cope with and manage persistent fiscal challenges due to the COVID-19 pandemic, as well as to enable them to arrest new opportunities to revitalise the capabilities of their workforce.

In the following, we have compiled the key grants available for employers, including their eligibility criteria.

1. Progressive Wage Credit Scheme ("PWCS")

The PWCS was introduced in Budget 2022 to provide transitional wage support for employers to adjust mandatory wage increases for lower-wage workers covered by the Progressive Wage, as well as voluntarily raised wages of lower wage workers.

Under this PWCS, the government will co-fund the wage increase of eligible resident employees from 2022 to 2026.

The key features of the PWCS are set-out below:

- All Singapore citizens and Permanent Resident employees are eligible.
- The support for wage increases up to S\$2,500 gross monthly wage ceiling will run from 2022 to 2026.
- The support for wage increases above S\$2,500 gross monthly wage and up to S\$3,000 ceiling will run from 2022 to 2024.
- The average gross monthly wage increase must be at least S\$100 in each qualifying year to be eligible for the PWCS.
- Eligible wage increases in each qualifying year will be co-funded for two years.

All employers, except for the entities under the exclusion list (see table below), will automatically qualify for the PWCS if they pay qualifying wage increases to their qualifying resident employees. However, wages paid to business owners i.e. sole proprietors of sole proprietorships, or partners of a partnership, or both a shareholder and director of a company, will not be eligible for PWCS.

Exclusion List	
1.	Local Government Agencies including Organs of State, Ministries and Departments, Statutory Boards
2.	Government and Government-Aided Schools
3.	PA Services and Grassroot Units
4.	High Commissions, Embassies, Trade Offices, Consulate
5.	Unregistered Local / Foreign Entities
6.	Foreign Military Units
7.	Representative offices of Foreign companies, Foreign Government Agencies, Foreign Trade Associations / Foreign Chambers / Foreign Non-profit Organisations / Foreign Law Practices
8.	Bank Representative Offices / Insurance Representative Officers / Other Financial Representative Offices (registered with MAS); News Bureaus (which are representative offices)
9.	International Organisations
10.	Entities which pay CPF but are not registered in Singapore

For employers that qualify for this PWCS, there is no requirement for them to apply for the PWCS and these employers can expect to receive the payout for 2022 by the first quarter of 2023.

The table below summarises the PWCS co-funding levels for qualifying wage increases:

Qualifying Year	First Tier	Second Tier
	Gross Monthly Wage Ceiling ≤ S\$2,500	Gross Monthly Wage Ceiling > S\$2,500 and ≤ S\$3,000
2022	50%	30%
2023	50%	30%
2024	30%	15%
2025	30%	Nil
2026	15%	Nil

Given that the PWCS is a government grant that co-funds wage increases, it is considered a revenue receipt that is taxable in the hands of the employer receiving it, and needs to be declared in the income tax returns for the relevant Year of Assessment, corresponding to the year in which the employer received the PWCS payout.

2. Small Business Recovery Grant (“SBRG”)

The SBRG was introduced to provide a one-off cash support to small and medium enterprises that have been most affected by the COVID-19 restrictions over the past two years.

In order to be eligible for the SBRG, the following criteria have to be met:

1. The firm has to be a live business entity that is physically present in Singapore and registered no later than 31 December 2021;
2. The firm must have an annual operating revenue that is less than S\$100 million filed with the Inland Revenue Authority of Singapore (IRAS) in the Year of Assessment 2021 by 31 December 2021 or employ fewer than 200 employees as of 31 December 2021; and
3. The firm must be in the qualifying business sectors listed in the table below and meet certain qualifying criteria:

Qualifying Business Sectors*
1. Food and Beverage
2. Hawker Centres, Markets, Coffeeshops, Food Courts and Canteens
3. Retail
4. Performing Arts and Arts Education
5. Sports
6. Cinema Operators
7. Museums, Art Galleries and Historical Sites
8. Indoor Playgrounds and Other Family Entertainment Centres
9. Tourism, Hospitality, Conventions and Exhibitions

*Subject to meeting qualifying criteria

For eligible firms, they will receive S\$1,000 for each local employee with mandatory CPF contributions in the period from 1 November 2021 to 31 December 2021, up to a cap of S\$10,000 per firm.

For sole proprietorships and partnerships that are run by at least one local business owner but do not hire any local employees, they will receive a flat payout of S\$1,000, if the local business owner is earning a net trade income of no more than S\$100,000 filed with the IRAS in the Year of Assessment 2021 by 31 December 2021.

There is no requirement for businesses to apply for SBRG and qualifying firms will be notified by the IRAS starting from June 2022.

Also, the SBRG will be exempt from income tax in the hands of employers.

3. Jobs Growth Incentive (“JGI”)

The objective of the JGI is to support employers to expand local hiring from September 2020 to September 2022 (inclusive). Employers that increase their overall local workforce between September 2020 and September 2022 will receive Government support.

In respect of qualifying windows for new local hires, there are a total of four phases. Phase 1 and Phase 2 window periods ended on February 2021 and September 2021, respectively. For Phase 3 and Phase 4 of the JGI, these relate to the following periods:

- Phase 3 – October 2021 to March 2022
- Phase 4 – April 2022 to September 2022

The support provided for employers that hire locals within Phase 3 and Phase 4 are summarised in the table below:

	Phase 3	Phase 4
Qualifying Window	New local hires from October 2021 to March 2022. Base line headcount and JGI adjustment factor: September 2021 .	New local hires from April 2022 to September 2022. Base line headcount and JGI adjustment factor: March 2022 .
Payout quantum for non-mature hires	Up to 15% of first S\$5,000 for 6 months.	Not applicable.
Payout quantum for mature hires, Persons with Disabilities (PwDs), ex-offenders	Up to 50% of first S\$6,000 for 12 months.	Up to 40% of first S\$6,000 for first 6 months and up to 20% of first S\$6,000 for the next 6 months. Applicable only to mature hires not in work for at least 6 months, PwDs and ex-offenders.

To be eligible for the JGI in both Phase 3 and 4 above, there must be an increase in the overall local workforce size and increase in local employees earning gross wages of at least S\$1,400/month as below:

- Phase 3 – Between October 2021 and March 2022 (inclusive) compared to the September 2021 local workforce. Employers must have been established on or before 23 September 2021 to be eligible.
- Phase 4 – Between April 2022 and September 2022 (inclusive) compared to the March 2022 local workforce. Employers must have been established on or before 17 February 2022 to be eligible.

Eligible employers will automatically receive their JGI payouts which will be computed on a monthly basis based on employer’s mandatory CPF contributions. However, some employers may receive letters from the IRAS which require them to further substantiate their eligibility.

As the JGI pay-outs relates to wage support granted to eligible employers in respect of new local hires between September 2020 and September 2022, they are viewed as revenue in nature and taxable.

4. SkillsFuture Enterprise Credit (“SFEC”)

In the prior year’s Singapore Budget, the SkillsFuture Enterprise Credit (SFEC) scheme was introduced by Enterprise Singapore (“ES”) to encourage employers to embark on the transformation of their workforce and enterprise in tandem.

Eligible employers would receive a one-off S\$10,000 credit to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable enterprise capability development and workforce transformation programmes.

In order to encourage employers to embark on both enterprise and workforce transformation programmes in tandem, S\$3,000 of the credit can be used for workforce transformation programmes only. Hence, employers can only use up to S\$7,000 of the credit for enterprise transformation. There is no cap on the amount that can be used for workforce transformation.

	Qualifying Period	Eligibility Criteria
SFEC Expansion (Enhanced during Budget 2022)	1 January 2021 to 31 December 2021	Employers must meet the following conditions over the qualifying period: <ul style="list-style-type: none">• Have employed at least three Singapore Citizens (SCs) or Permanent Residents (PRs) every month over the qualifying period;• Have not been previously qualified for SFEC; and• Are not in default of their SDL contributions during the qualifying period and do not have an inactive ACRA status during qualification.



All newly qualified employers that meet the criteria stated in the table above will be notified by ES, via email sent to their registered CorpPass Administrators in April 2022. Employers who qualified will be able to see the S\$10,000 credit when they log in to the Business Grants Portal and SkillsFuture Singapore's SFEC microsite in April 2022.

The current list of SFEC supportable Programmes (updated as at February 2022) are listed below:

Programmes	Start Date	Agency
Enterprise Transformation Programmes		
1. Enterprise Development Grant (EDG)	1 April 2020	Enterprise Singapore
2. Market Readiness Assistance (MRA)	1 April 2020	
3. Enterprise Leadership for Transformation Programme (ELT)	1 September 2020	
4. Productivity Solutions Grant (PSG)	1 April 2020	Enterprise Singapore
	1 April 2020	Singapore Tourism Board
	1 April 2020	National Environment Agency
	30 April 2020	Building and Construction Authority
	1 June 2020	Infocomm Media Development Authority (For applications between 1/6/2020 to 25/2/2021)
	26 October 2020	Monetary Authority of Singapore
	18 November 2020	National Parks Board (For applications between 18/11/2020 to 15/2/2021)
	30 April 2021	Singapore Food Agency
	16 October 2021	Early Childhood Development Agency
5. Business Improvement Fund (BIF)	1 April 2020	Singapore Tourism Board
6. Aviation Development Fund (ADF)	1 April 2020	Civil Aviation Authority of Singapore

Programmes	Start Date	Agency
Workforce Transformation Programmes		
1. Skills Framework-aligned courses (in support of the Industry Transformation Maps)	1 April 2020	SkillsFuture Singapore
2. Career Conversion Programmes* (course fee expenses only) *Note: Comprises of the Professional Conversion Programmes (PCP) and Rank and File (RnF) Programmes	1 April 2020	Workforce Singapore
3. Support for Job Redesign under Productivity Solutions Grant (PSG-JR)		
4. Job Redesign Initiatives (e.g., i4.0 Human Capital Initiative for Manufacturing Sector, Service Industry Transformation Programme for the Services sector)		
5. Design Thinking Business Transformation Programme	15 January 2021	
6. Employment Support for Persons with Disabilities (PwDs) – Job Redesign Grant for Employers	5 July 2021	
7. Career Conversion Programmes* (course fee expenses only) *Note: Comprises of the Professional Conversion Programmes (PCP) and Rank and File (RnF) Programmes	15 January 2021	Employment and Employability Institute
8. Training Industry Professionals in Tourism (TIP-iT)	1 April 2020	Singapore Tourism Board



Contact Information

Sivakumar Saravan, Senior Partner
siva.saravan@crowe.sg

Adrian Kong, Director
adrian.kong@crowe.sg

Liew Kin Meng, Director
kinmeng.liew@crowe.sg

Crowe Horwath First Trust
9 Raffles Place
#19-20 Republic Plaza Tower 2
Singapore 048619

Tel: +65 6221 0338

For more information,
scan QR code below:



We are here to help you get there.

Crowe Horwath First Trust (Crowe Singapore) is a public accounting and consulting firm that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions.

We are part of a top-10 international professional services network, Crowe Global, consisting of more than 200 independent accounting and advisory services firms in 145 countries around the world.

Disclaimer

This article should be used as a general guide only. No reader should act solely upon any information contained in this document. We recommend that professional advice be sought before taking action on specific issues and making significant business decisions. The author of this article and Crowe Singapore expressly disclaims all and any liability to any person in respect of anything, and of the consequences of anything, done or omitted to be done by any such person in reliance, whether wholly or partially, upon the whole or any part of the contents of this article or publication. While every effort has been made to ensure the accuracy of the information contained herein, Crowe Singapore shall not be responsible whatsoever for any errors or omissions in it.

The information presented in this document is as at 1 April 2022.

© 2022 Crowe Singapore

www.crowe.sg