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Solidarity Budget 2020

Tax Alert

April 2020

A summary of the tax and other changes announced on 6 April 2020.

Enhanced Protection for Jobs & Livelihoods

Protecting Livelihoods

1. Saving Jobs, Supporting Wages

❖ Enhanced Jobs Support Scheme (JSS)

- To help save jobs, Government will pay 75% on the first \$4,600 of monthly salaries for every local employee for April 2020
- From May 2020, wage support levels will revert to original levels in Resilience Budget¹
- First JSS payout will be brought forward to April 2020, from May 2020

¹75% wage support for aviation, and tourism sectors; 50% for the food services sector, and 25% for all other sectors.

Supporting Workers

2. Helping Self-Employed Persons (SEPs)

❖ SEP Income Relief Scheme (SIRS)

- More SEPs will qualify for SIRS
 - Automatic inclusion for SEPs who also earn a small income from employment work
 - Enhanced Annual Value of property criterion of \$21,000, up from \$13,000 previously
- Eligible SEPs will receive three quarterly cash payouts of \$3,000 each in May, July and October 2020
- Other criteria remain unchanged

Strengthen Support for Firms

Supporting Enterprises

3. More help with cash flow & credit

❖ Cash Flow & Credit Support for Employers

- Waiver of monthly Foreign Worker Levy (FWL) due in April 2020 to help firms with cash flow
- FWL rebate of \$750 in April 2020 from levies paid this year, for each Work Permit or S Pass holder
- Laws to ensure property owners pass on Property Tax rebate to tenants
- 1-month rental waiver for office, commercial, and agriculture tenants of Government agencies
- Government's risk share raised from 80% to 90% for EFS-Trade Loan, EFS-SME Working Capital Loan, and Temporary Bridging Loan Programme
 - Applies to loans initiated from 8 April 2020 till 31 March 2021

EPS: Enterprise Financing Scheme

Provide More Help to Singaporeans

Helping Singaporeans

4. Providing Timely Support

❖ Cash Payments for Singaporeans

- Additional cash payout of \$300 for all Singaporeans aged 21 and above in 2020
- \$300 from enhanced Care & Support – Cash payout will be paid in April 2020¹

¹Enhanced cash amounts of \$300, \$600 or \$900 for all Singaporeans aged 21 and above in 2020

| Assessable Income for YA2019 ² | Additional + Enhanced Cash Payments | Total Cash Payments | Payment in April 2020 | Payment in June 2020 |
|---|-------------------------------------|---------------------|-----------------------|----------------------|
| Not more than \$28k | \$300 + \$900 | \$1,200 | \$600 | \$600 |
| Above \$28k to \$100k | \$300 + \$600 | \$900 | \$600 | \$300 |
| >\$100k or owns more than 1 property | \$300 + \$300 | \$600 | \$600 | - |

²YA: Year of Assessment

❖ Other Payments

- Other payments from Resilience Budget will remain, and will be paid out in June 2020
 - Cash payout for each Singaporean parent with at least 1 Singapore child aged 20 and below in 2020 of \$300
 - All Singaporeans aged 50 and above in 2020 will receive their \$100 PAssion Card Top-up in cash
 - Total of up to \$1,000 in cash for eligible Singaporeans in June 2020

Contact us

If you need assistance or advice on the above, we are here to assist you.



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