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**THE GLOBAL ADVISORY  
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# Fortitude Budget 2020

**Tax Alert**

*May 2020*

*A summary of the budget statement announced on 26 May 2020.*

# Creating Jobs & Building Skills

## Re-Opening Our Economy

### 1. Keeping Workers Employed

#### Enhancements to Jobs Support Scheme (JSS)

- Extended for 1 more month to cover wages in **August 2020**, bringing **total coverage to 10 months of wages**
  - ❖ 25% to 75% of the first \$4,600 of wages for each local employee
- For firms that are not allowed to resume operations, Government will **continue providing wage support at 75%** until August 2020 or when allowed to reopen, whichever is earlier
- **Increased support** for some **affected sectors** (e.g. aerospace, retail, marine and offshore) from 25% to **50% or 75%**

## SGUnited Jobs & Skills Package

### 2. SGUnited Jobs

- Aim to create **40,000 jobs** by end-2020
  - ❖ Public sector to offer **15,000 jobs**
  - ❖ Private sector to offer **25,000 jobs**

### 3. SGUnited Traineeships

- **21,000 traineeships** for local first-time job seekers
  - ❖ Applications will open from 1 June 2020
- **4,000 traineeships** for local mid-career jobseekers to learn new skills and start new careers

### 4. SGUnited Skills

- Training courses for **about 30,000 jobseekers** to upgrade their skills while looking for a job
- **Training allowance of \$1,200 per month** for course duration (between 6 to 12 months) to cover basic expenses
- Rolled out progressively **from July 2020**

### 5. Hiring Incentive

- **Hiring Incentive** for employers which **hire local workers** who have completed eligible traineeship and training programmes
- Expanded to cover workers of **all ages**

Age of Eligible Worker	Amount of Incentive	Capped at
Under 40	20% of monthly salary for 6 months	\$6,000 in total
40 and above	40% of monthly salary for 6 months	\$12,000 in total

# Boosting Enterprise Transformation

## Supporting Enterprises: Helping with Cash Flow, Costs & Credit

### 6. Foreign Worker Levy Waiver & Rebate

- Extended by **up to 2 months** for businesses that are not allowed to resume operations after the circuit breaker
  - ❖ **100%** waiver and **\$750** rebate in **June 2020**
  - ❖ **50%** waiver and **\$375** rebate in **July 2020**

### 7. Deferment of Higher CPF Contribution Rates

- **Increase** in CPF contribution rates for senior workers **deferred** by 1 year, from 1 January 2021 to **1 January 2022**

### 8. Expanding Rental Relief for SMEs

- **\$2b** in cash grants to help SME tenants with **rental costs**
- Including the Property Tax Rebate for 2020, Government will
  - ❖ **Offset 2 months' rental** for qualifying SME tenants of commercial properties
  - ❖ **Offset 1 month's rental** for qualifying SME tenants of industrial and office properties

### 9. Rental Relief for Government Tenants

- **Additional rental waivers** for commercial and other non-residential tenants of government properties:

Tenant Type	Previous	New	Total
Stallholders of hawker centres and markets	3 months	2 months	5 months
Commercial	2 months	2 months	4 months
Industrial, office and agricultural	1 month	1 month	2 months

### 10. Financing Support for Promising Startups

- So far, **\$4.5b** of loans catalysed through **Government financing schemes** (e.g. Temporary Bridging Loan Programme, Enterprise Financing Scheme)
- **\$285m** of additional financing support for **promising startups** by co-investing with the private sector
  - ❖ On top of \$300m set aside under the Unity Budget for deep-tech startups

## Leveraging Technology: Digital Transformation & Innovation

### 11. Adopting e-Payments

- Bonus of **\$300 per month over 5 months** to encourage **adoption of e-payments** by **stallholders** in
  - ❖ Hawker Centres
  - ❖ Wet markets
  - ❖ Coffee shops
  - ❖ Industrial canteens

## 12. Digital Resilience Bonus

- **Pilot** starting with **Food Services** and **Retail** sectors
- Payout of **up to \$5,000** to help businesses **digitalise** with:
  - ❖ PayNow Corporate, e-invoicing, business process or e-commerce solutions
- Additional payout of **\$5,000** for businesses that use **advanced solutions**

## 13. National Innovation Challenges

- Encourage **partnership** with the private sector for **industry-led solutions** to reopen Singapore safely

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# Strengthening Community Resilience

## Helping with Immediate Needs

### 14. COVID-19 Support Grant (CSG)

- **Additional \$800m** set aside for CSG to continue supporting Singaporeans and Permanent Residents (PRs) who need help
- Support for Singaporeans and PRs who
  - ❖ Have lost their jobs;
  - ❖ Are placed on no-pay leave; or,
  - ❖ Face significantly reduced salariesdue to COVID-19
- **Up to \$800 per month for 3 months** for eligible recipients

## Helping with Household Expenses

### 15. Solidarity Utilities Credit

- One-off **\$100 Solidarity Utilities Credit** for each household with at least one Singapore Citizen
- Covers **all property types**
- Will be credited in households' **July or August 2020** utilities bills with SP Group
- Comes on top of the Solidarity Payment and Care & Support Package

## Fostering Digital Inclusion

### 16. For Students

- Accelerated timeline for **all secondary students** to own a **digital learning device**

### 17. For Seniors

- **Seniors Go Digital** movement to build digital literacy through one-to-one coaching and small-group learning
- **Financial support** for lower-income seniors to own digital devices

## Looking After One Another

### 18. Enhanced Fund-Raising (EFR) Programme

- **Dollar-for-dollar matching** on eligible donations raised between 1 April 2020 to 31 March 2021, **capped at \$250,000 matching** per charity
- **Additional \$100m top-up** to strengthen support for charities

### 19. Invictus Fund

- **\$18m top-up** to help social service agencies maintain services, retain staff, and adopt technology



## Contact us

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



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