# ANNEX A-1: STABILISATION AND SUPPORT PACKAGE

## (I) Economy-wide Measures for Workers

### I-1. Jobs Support Scheme

The Jobs Support Scheme (JSS) will help enterprises retain their local employees during this period of uncertainty. It is a temporary scheme for 2020. All active employers, with the exception of Government organisations (local and foreign) and representative offices, are eligible for the JSS.

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[1] for the months of October 2019 to December 2019, subject to a monthly wage cap of $3,600 per employee.

Employers do not need to apply for the JSS. The grant will be computed based on CPF contribution data. Employers can expect to receive the JSS payment from the Inland Revenue Authority of Singapore (IRAS) by 31 July 2020.

The JSS will cost the Government $1.3 billion.

**Table 1: Illustration of Jobs Support Scheme Computation**

| | **October 2019** | **November 2019** | **December 2019** | **Total** |
|---|---|---|---|---|
| **Wages paid to local employee (excluding employer CPF)** | $3,000 | $3,500 | $4,000 | **$10,500** |
| **Qualifying wage (capped at $3,600)** | $3,000 | $3,500 | $3,600 | **$10,100** |
| **Jobs Support payout to employer (8% of qualifying wage)** | $240 | $280 | $288 | **$808** |

**MORE INFORMATION**

For more information, please visit the IRAS website at http://www.iras.gov.sg or call the hotline 6356 8233.

### I-2. Enhancement to Wage Credit Scheme

The Wage Credit Scheme (WCS) supports enterprises embarking on transformation efforts and encourages employers to share productivity gains with workers, by co-

[1] Wages paid to business owners will not be eligible for the grant.

funding wage increases. It was introduced in Budget 2013, and extended in Budget 2015 and Budget 2018.

The WCS will be enhanced in Budget 2020. A summary of the changes to WCS is in Table 2 below. These enhancements will cost an additional $1.1 billion.

**Table 2: Summary of Changes to WCS**

| **Scheme** | **Existing WCS** *as announced in Budget 2018* | **Enhanced WCS** *as announced in Budget 2020* |
|---|---|---|
| **Qualifying years**[2] | • 2018, 2019, 2020 | • 2019, 2020 |
| **Level of co-funding** | • 20% of qualifying wage increases in 2018<br>• 15% of qualifying wage increases in 2019<br>• 10% of qualifying wage increases in 2020 | • **20%** of qualifying wage increases in 2019<br>• **15%** of qualifying wage increases in 2020 |
| **Gross monthly wage ceiling** | • $4,000 | • **$5,000** |
| **Qualifying wage increases** | • Increases in gross monthly wage of at least $50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of **$4,000**, will be co-funded.<br>• In addition, increases in gross monthly wage of at least $50 given in 2017, 2018 and 2019 up to a gross monthly wage level of **$4,000**, and sustained in subsequent years of the scheme, will be co-funded. | • Increases in gross monthly wage of at least $50 given to Singaporean employees in the qualifying year, up to a gross monthly wage level of **$5,000**, will be co-funded.<br>• In addition, increases in gross monthly wage of at least $50 given in 2017, 2018 and 2019 up to a gross monthly wage level of **$5,000**, and sustained in subsequent years of the scheme, will be co-funded. |

Employers do not need to apply for WCS.

a) Employers will receive payouts automatically in the month of March after the qualifying year (Y+1), for qualifying wage increases given to their employees in the qualifying year (Y). This is the existing process.
b) Employers who benefit from additional wage credit arising from the Budget 2020 enhancements will receive a separate supplementary payout in the second

[2] For example, an employer qualifies for WCS in 2019 (i.e. 2019 is considered a qualifying year) if (i) the employer paid the employee CPF contributions for at least 3 months in 2019, (ii) the employee received CPF contributions for at least 3 months in 2018, and (iii) the employee has a qualifying wage increase in 2019.

half of 2020. Letters will be sent to all qualifying employers to inform them of the supplementary payout.

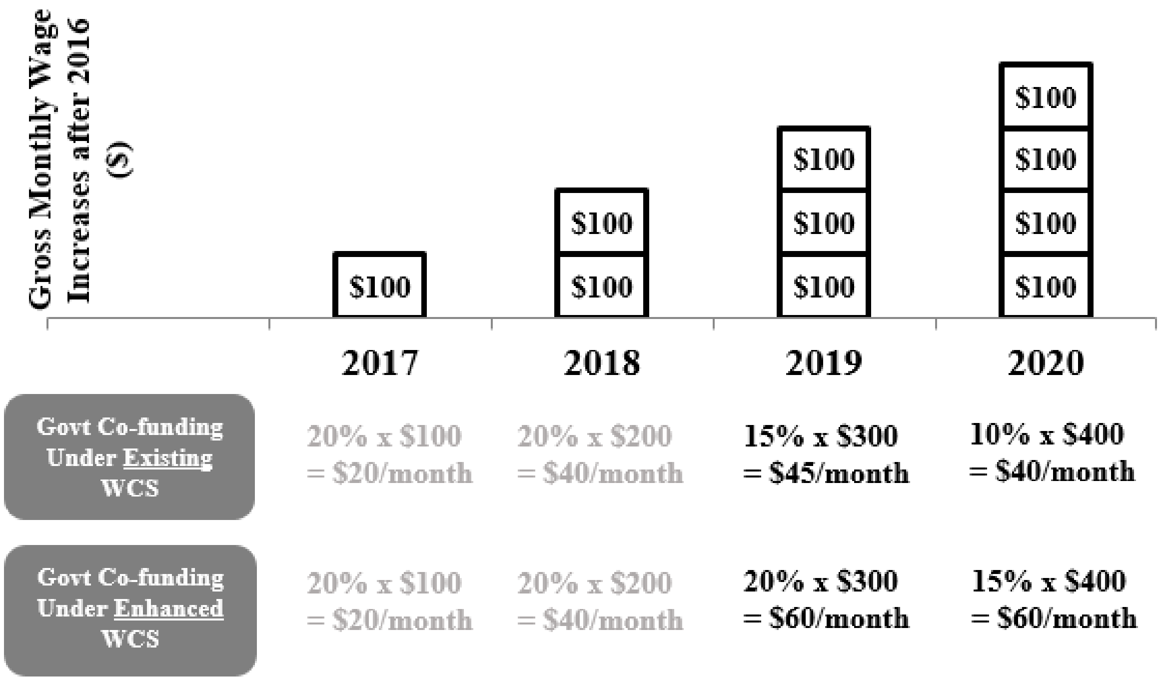
Illustration of Wage Credit Computation

*Raising of Government Co-Funding Ratio*

- Under the enhanced WCS, if an employer increases the gross monthly wage of an eligible employee by $100 each year from 2017 to 2020, and sustains these wage increases through to 2020, the Government will co-fund 20% of the total qualifying wage increase of $300 in 2019, and 15% of the total qualifying wage increase of $400 in 2020.

- This means that the Government will co-fund $1,440[3] of the total $8,400[4] new and sustained wage increases in 2019 and 2020. This amount of co-funding from the Government is $420[5] higher than that under the current WCS.

**Figure 1: Increase in Co-Funding Ratio**




[3] Refers to the sum total of wage credit provided by the Government over 2019-2020, i.e. $720 each in 2019 and 2020.
[4] Refers to the sum total of yearly wage increases given over 2019-2020, i.e. $3,600 in 2019 and $4,800 in 2020.
[5] The amount of co-funding from the Government under the current WCS parameters would altogether be $1,020 in 2019 and 2020.

*Raising of Gross Monthly Wage Ceiling*

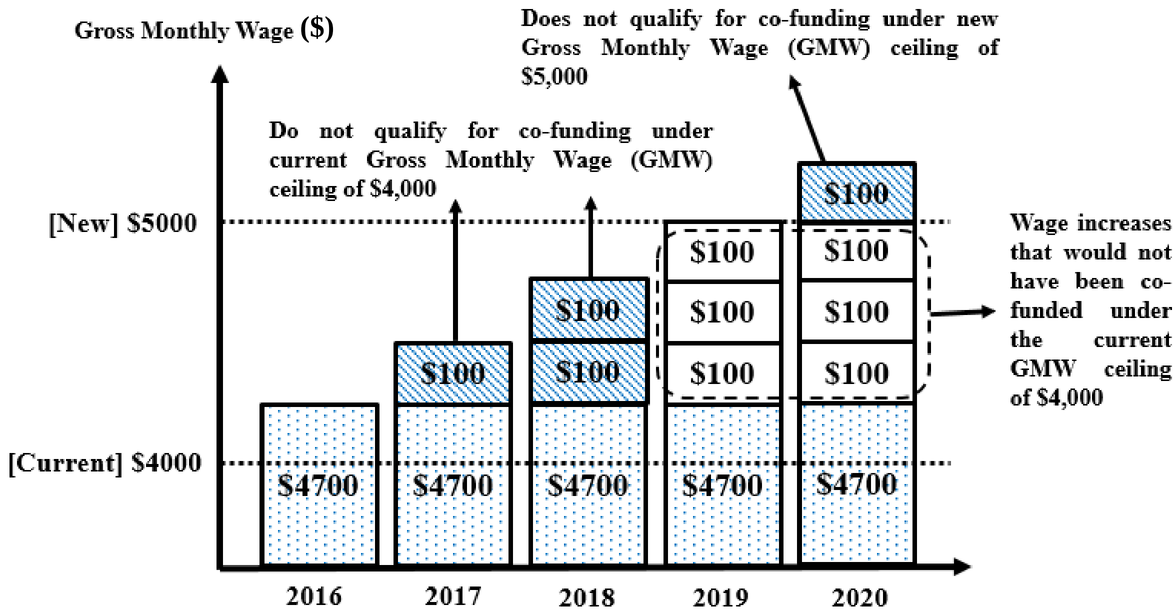
- Under the current WCS, wage increases above the gross monthly wage of $4,000 will not count toward qualifying wage increases.

- The enhanced WCS supports increases in gross monthly wage of at least $50 given in 2017, 2018 or 2019 up to a gross monthly wage level of **$5,000**, and sustained in subsequent years of the scheme.

- This means that if an employer increases the gross monthly wage of an eligible employee earning $4,700 in 2016 by $100 each year from 2017 to 2020, and sustains these wage increases through to 2020, the Government will co-fund 20% of the total qualifying wage increase of $300 in 2019, and 15% of the total qualifying wage increase of $300 in 2020.

- The employee will receive a total of $8,400[6] in new and sustained wage increases in 2019 and 2020, of which the Government would have co-funded $1,260[7].

**Figure 2: Raising of Gross Monthly Wage Ceiling**




| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|
| GMW ceiling | $4,000 | $4,000 | $4,000 | $5,000 | $5,000 |
| Government co-funds | $- | $0 | $0 | 20% x $300 = $60 | 15% x $300 = $45 |
| Wage credit | $- | $0 | $0 | $60 x 12 = $720 | $45 x 12 = $540 |

6 Refers to the sum total of yearly wage increases given over 2019-2020, i.e. $3,600 in 2019 and $4,800 in 2020.
7 Refers to the sum total of wage credit provided by the Government over 2019-2020, i.e. $720 in 2019 and $540 in 2020.

**MORE INFORMATION**

For more information, please visit https://www.iras.gov.sg/irasHome/wcs.aspx. A Quick Guide on the WCS enhancements can also be downloaded from the webpage.

For further assistance, please contact IRAS at wcs@iras.gov.sg or 6356 8233.

## (II) Economy-wide measures to help businesses with cash flow

### II-1. Corporate Income Tax (CIT) Rebate

To help companies with cash flow, a CIT Rebate of 25% of tax payable, capped at $15,000, will be granted for Year of Assessment (YA) 2020.

### II-2. Enhancements of Tax Treatments under the Corporate Tax System

| Period | Nature of Enhancement | Enhancement seeks to: |
|---|---|---|
| **From 19 February 2020 to 31 December 2020** | *Grant automatic extension of interest-free instalments of two months for payment of CIT on Estimated Chargeable Income (ECI) filed within three months from the companies' financial year-end (FYE)*<br><br>Companies paying their CIT by GIRO can automatically enjoy an additional two months of interest-free instalments, when they file their ECI within three months from their FYE[8]. This automatic extension of instalment plan by two more months will apply to:<br><br>a) Companies that file their ECI from 19 February 2020 to 31 December 2020; and<br>b) Companies that file their ECI before 19 February 2020, and have ongoing instalment payments to be made in March 2020.<br><br>IRAS will provide the details of the change by 19 February 2020. | Ease cash flow for companies |

[8] Companies have to e-File by 26th of the month in order to enjoy the maximum number of instalments allowable for that month.

| Period | Nature of Enhancement | Enhancement seeks to: |
|---|---|---|
| **YA2020** | *Allow the unabsorbed capital allowances (CA) and trade losses for YA2020 (collectively referred to as "qualifying deductions") to be carried back up to three immediate preceding YAs, instead of one preceding YA*<br><br>The carry-back relief scheme will be enhanced for YA2020. Under the enhanced scheme, qualifying deductions for YA2020 may be carried back up to three immediate preceding YAs, capped at $100,000 of qualifying deductions, and subject to conditions.<br><br>Taxpayers may elect to carry back to the relevant preceding YAs an estimated amount of qualifying deductions available for YA2020, before the actual filing of their income tax returns for YA2020.<br><br>IRAS will provide the details of the change by end March 2020. | Ease cash flow for businesses that may be temporarily not profitable for YA2020 |
| **YA2021** | *Provide an option to accelerate the write-off of the cost of acquiring plant and machinery (P&M)*<br><br>A taxpayer which incurs capital expenditure on the acquisition of P&M in the basis period for YA2021 (i.e. financial year (FY) 2020) will have an option to accelerate the write-off of the cost of acquiring such P&M over two years. This option, if exercised, is irrevocable.<br><br>The rates of accelerated CA allowed to the taxpayer are as follows:<br><br>a) 75% of the cost incurred to be written off in the first year (i.e. YA2021); and | Encourage businesses to continue investing in P&M for YA2021, by easing their cash flow on such investments |

| Period | Nature of Enhancement | Enhancement seeks to: |
|---|---|---|
| | b) 25% of the cost incurred to be written off in the second year (i.e. YA2022).<br><br>The above option will be in addition to the options currently available under Sections 19 and 19A of the Income Tax Act (ITA).<br><br>No deferment of CA claims is allowed under the above option. This means that if a taxpayer opts for the accelerated write-off option, it needs to claim the capital expenditure incurred for acquiring P&M based on the rates of 75% (in YA2021) and 25% (in YA2022). | |
| **YA2021** | *Provide an option to accelerate the deduction of expenses incurred on renovation and refurbishment (R&R)*<br><br>A taxpayer which incurs qualifying expenditure on R&R during the basis period for YA2021 (i.e. FY2020) for the purposes of its trade, profession or business will have an option to claim R&R deduction in one YA (i.e. accelerated R&R deduction). The cap of $300,000 for every relevant period of three consecutive YAs will still apply. This option, if exercised, is irrevocable.<br><br>This option will be in addition to the existing option under Section 14Q of the ITA. | Encourage businesses to refurbish and renovate their business premises for YA2021, by easing their cash flow on such expenses |

## II-3. Enhancements to Enterprise Financing Scheme – SME Working Capital Loan

The SME Working Capital Loan was introduced in 2016 to help small and medium enterprises (SMEs) access financing for their working capital needs. Since October 2019, this has been subsumed under the Enterprise Financing Scheme.

The Enterprise Financing Scheme – SME Working Capital Loan (EFS-WCL), which is available to SMEs across all industries, will be enhanced for one year to help SMEs with their working capital needs. The Government will raise the maximum loan quantum from $300,000 to $600,000, and enhance the Government's risk-share to up to 80% (from the current 50% to 70%) for SMEs borrowing from Participating Financial Institutions under the scheme.

The Enhanced EFS-WCL will start in March 2020, and is available for one year till March 2021. Interested enterprises can apply directly to the Participating Financial Institutions.

**MORE INFORMATION**

For more information, please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

## (III) Sector-specific Support

### III-1. Enhancement to Adapt and Grow Initiative

Introduced in 2016, the Adapt and Grow initiative aims to help local workers adapt to changing job demands, reskill for new careers, and stay agile for new opportunities.

WSG will enhance support under the Adapt and Grow initiative for more directly impacted sectors, such as hotel, retail, food services, tourism, and air transport. As a start, funding support duration for the following existing redeployment programmes[9] will be extended from the current three months to a maximum of six months:

a) Job Redesign Place-and-Train (PnT) Programme for Hotel Industry
b) Job Redesign PnT Programme for Retail

In addition, WSG will introduce the following new programmes to support redeployment:

a) Job Redesign PnT Programme for Food Services Industry
b) Digital Marketing PnT Programme
c) Professional Conversion Programme (PCP) for Meetings, Incentives, Conventions and Exhibitions (MICE), Attractions and Tour and Travel
d) PCP for Digital Operations Talents for the Furniture Industry
e) PnT Programme for Air Transport Coordinators

[9] Professional Conversion Programmes (PCPs) are targeted at Professionals, Managers, Executives and Technicians (PMETs), while the Place-and-Train programmes are targeted at rank-and-file workers. The programmes include redeployments which support the existing workers who are vulnerable or at risk of redundancy, to undergo reskilling and take on new or redesigned job roles within the same company.

The enhanced support will be time-limited.

**MORE INFORMATION**

For more information, please contact WSG at [www.ssg-wsg.gov.sg/about/contact-us.html](www.ssg-wsg.gov.sg/about/contact-us.html)

## III-2. Property Tax Rebate for Qualifying Commercial Properties

Qualifying commercial properties will be granted a rebate for Property Tax (PT) payable for the period 1 January 2020 to 31 December 2020.

<table>
<tr><th>PT payable for</th><th>PT Rebate Rate</th></tr>
<tr><td>Accommodation and function room components of hotel[10] buildings</td><td rowspan="3">30%</td></tr>
<tr><td>Accommodation and function room components of serviced apartment buildings</td></tr>
<tr><td>Meetings, Incentives, Conventions and Exhibitions (MICE) space components of three prescribed MICE venues, as follows:<br>• Suntec Singapore Convention & Exhibition Centre<br>• Singapore EXPO<br>• Changi Exhibition Centre</td></tr>
<tr><td>Other qualifying commercial properties. Some examples are:<br>• Premises of an international airport;<br>• Premises of an international cruise or regional ferry terminal[11];<br>• Shops (e.g. retail and F&B), including those within hotel buildings, serviced apartment buildings, and the prescribed MICE venues; and<br>• Premises of tourist attractions.</td><td>15%</td></tr>
<tr><td>• Marina Bay Sands<br>• Resorts World Sentosa<br><br>The above 30% and 15% PT Rebates do not apply to Marina Bay Sands and Resorts World Sentosa.</td><td>10%</td></tr>
<tr><td colspan="2">The above 30%, 15%, and 10% PT Rebates do not apply to any premises or a part of any premises used for a residential, industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.<br><br>IRAS will provide further details on its website by end February 2020.</td></tr>
</table>

[10] A hotel licensed under the Hotels Act.
[11] Refers to Marina Bay Cruise Centre, Singapore Cruise Centre, and Tanah Merah Ferry Terminal.

**MORE INFORMATION**

For more information, please visit the IRAS website at http://www.iras.gov.sg or call the hotline 6356 8233.

## III-3. Temporary Bridging Loan Programme for Tourism Sector Enterprises

A new Temporary Bridging Loan Programme (TBLP) will be introduced to provide additional cash flow support for tourism sector enterprises. Under the TBLP, eligible enterprises can borrow up to $1 million, with the interest rate capped at 5% p.a., from Participating Financial Institutions. The Government will provide 80% risk-share on these loans.

The TBLP will start in March 2020, and is available for one year till March 2021. Interested enterprises can apply directly to the Participating Financial Institutions.

Tourism sector enterprises[12] are defined as:

a) Licensed hotel operators;
b) Attraction operators;
c) Licensed travel agents;
d) Cruise terminal operators and service providers with core business in Cruise;
e) Venue operators, event organisers and suppliers with core business in Meetings, Incentives, Conferences and Exhibitions (MICE); and
f) Tour bus operators and river boat operators.

**MORE INFORMATION**

For more information, please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg, or the Singapore Tourism Board at STB_Incentives@stb.gov.sg.

## III-4. Aviation Sector Measures

The $112 million Aviation Sector Assistance Package, co-funded by the Government, the Civil Aviation Authority of Singapore (CAAS) and the Changi Airport Group (CAG), aims to help defray business costs and protect jobs, as well as safeguard Changi's air connectivity. The assistance will be provided for a 6-month period. The package will provide immediate relief to affected companies during the COVID-19 outbreak period.

[12] STB and Enterprise Singapore are prepared to extend support, on a case-by-case basis, to Food & Beverage (F&B) and Retail enterprises which form a contiguous part of a hotel, attraction, MICE venue or cruise terminal, and which rely on visitors to the tourism venue as a major source of revenue.

**(a) Airlines**

Airlines operating flights between mainland China and Singapore have been most adversely affected thus far by the COVID-19 outbreak. The following assistance will be provided to them:

- All airlines that had operated scheduled passenger flights between mainland China and Singapore before the COVID-19 outbreak will receive landing credits.

- In addition, those that continue to operate scheduled passenger flights between mainland China and Singapore during the COVID-19 outbreak period will receive 100% Landing Charge Rebates for these flights.

Further support will also be provided to defray airlines' other operating costs:

- 100% Parking Charge Rebate for all scheduled passenger flights;
- 10% Landing Charge Rebate for all scheduled passenger flights to Singapore from points in Southeast Asia;
- 50% Rebate on CAAS's regulatory fees for new and renewed Certificates of Airworthiness paid by Singapore carriers flying scheduled flights in FY2019; and
- 6-month waiver of the planned 1% annual increase in Landing, Parking, and Aerobridge (LPA) Charges for all flights, which had been previously announced on 28 February 2018 and is scheduled to take effect from 1 April 2020.

**(b) Cargo Industry**

Freighter airlines and cargo agents impacted by the disruption in supply chains will receive the following assistance:

- 10% Landing Charge Rebate for all scheduled freighter flights;
- 10% Rental Rebate for cargo agents tenanted in Changi Airfreight Centre; and
- 6-month waiver of the planned 1% annual increase in LPA Charges scheduled to take effect from 1 April 2020.

**(c) Other Airport Stakeholders**

Ground handling agents and retail/F&B tenants at the airport are also affected by the decline in traffic. They will receive assistance, such as rental rebates.

**MORE INFORMATION**

More details of the Aviation Sector Assistance Package will be provided by CAAS and CAG to the companies.

### III-5. 50% Port Dues Concession

The Maritime and Port Authority of Singapore (MPA) will be giving 50% port dues concession to cruise ships and regional ferries with a port stay of not more than five days, and passenger-carrying harbour craft. This will be on top of any existing concessions[13]. This measure will be implemented from 1 March 2020 to 31 August 2020 and will cost about $1 million.

**MORE INFORMATION**

For more information please contact MPA at AR_MPA@mpa.gov.sg.

### III-6. Rental Waivers for Commercial Tenants in Government-owned / managed facilities

To support hawkers, NEA will provide one month's worth of rental waivers to stall holders of NEA-managed hawker centres and markets, with a minimum waiver of $200.

To help alleviate costs for businesses located in other Government-owned / managed facilities, Government agencies such as HDB, PA, SLA, NParks, JTC, URA, STB, and SDC will provide half a month's worth of rental waivers to eligible commercial tenants/lessees who are on leases not exceeding three years, and do not pay Property Tax. Eligible tenants/lessees may include those providing commercial accommodation, retail, F&B, recreation, entertainment, healthcare and other services.

The rental waivers do not apply to any premises or a part of any premises used for a residential, industrial or agricultural purpose, or as an office, a business or science park, or a petrol station.

In total, these rental waivers will cost $45 million.

**MORE INFORMATION**

For more information, please contact the respective agencies providing rental waivers.

[13] Existing concessions include port dues concession for vessels under the Maritime Singapore Green Initiative, and 20% port dues concession given to qualifying passenger cruise ships (i.e. ships that make 6 calls within 6 months).