Transition Support Package
<table>
<thead>
<tr>
<th>3-Year Transition Support Package</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A. Wage Credit Scheme (WCS)</strong></td>
</tr>
<tr>
<td>• To assist with rising labour cost</td>
</tr>
<tr>
<td>• Encourage sharing of productivity gains with workers</td>
</tr>
<tr>
<td><strong>B. Productivity and Innovation Credit (PIC) Bonus</strong></td>
</tr>
<tr>
<td>Incentivize investments in productivity and innovation</td>
</tr>
<tr>
<td><strong>C. Corporate Income Tax (CIT) Rebate</strong></td>
</tr>
<tr>
<td>Alleviate rising business costs</td>
</tr>
</tbody>
</table>
In Budget 2015, the Transition Support Package was extended to give firms more time to adjust to rising costs as they restructure.

A. Wage Credit Scheme (WCS)
   • To be extended to 2017

B. Productivity and Innovation Credit (PIC) Bonus
   • To expire in YA2015

C. Corporate Income Tax (CIT) Rebate
   • To be extended for YA2016 and YA2017
Wage Credit Scheme (WCS)

Objectives of WCS

- Flow back additional foreign worker levies collected in a meaningful way to support productivity and gainsharing.
- Provides support for businesses to manage rising wage cost in a tight labour market. This frees up resources for businesses to invest in productivity.
- Helps employers share productivity gains with their employees.
Significant Level of Support

- Co-funds 40% of wage increases for Singaporean employees over the period of 2013 to 2015.

- Co-funds 20% of wage increases for Singaporean employees over the period of 2016 to 2017.

- Applicable up to a gross monthly wage of $4,000.

- To provide sustained support for employers, wage increases are co-funded until 2017.
Wage Credit on each qualifying employee in the qualifying year:

Qualifying Year 2013-2015: 40% x Gross Monthly Wage Increase x Number of Months Worked with Employer

Qualifying Year 2016-2017: 20% x Gross Monthly Wage Increase x Number of Months Worked with Employer

*The Gross Monthly Wage increase is calculated by comparing the Gross Monthly Wage in the Qualifying Year with the Gross Monthly Wage in the Preceding Year.
The definition of Gross Monthly Wage is:

- Total wages paid by the employer to the employee in the calendar year, divided by the number of months in which CPF contributions were made.

- Total wages refer to all allowances and payments that attract CPF contributions, including basic salary and additional wages like overtime pay and bonuses. Total wages excludes employer CPF contributions.

- Computed from the CPF contributions that the employer makes for the employee in the year.

- The use of gross monthly wage for Wage Credit computations allows employers flexibility in giving wage increases suitable for the circumstances of their businesses. This is in line with the flexible wage model.
Sample Calculation of Gross Monthly Wage

- Total basic wage
- Bonuses
- Other allowances and special payments such as but not limited to commissions and overtime pay

Gross Monthly Wage = \[ \text{Total basic wage} + \text{Bonuses} + \text{Other allowances and special payments} \div \text{Number of Months Worked} \]
## Wage Credit Scheme (WCS)

<table>
<thead>
<tr>
<th>Year of Wage Credit (‘Qualifying year’)</th>
<th>Gross Monthly Wage Increase</th>
<th>Payment Date</th>
<th>Level of Co-Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>Gross monthly wage of 2013 - 2012</td>
<td>End March 2014</td>
<td>40%</td>
</tr>
<tr>
<td>2014</td>
<td>Gross monthly wage of 2014 - 2013 + Gross monthly wage of 2013 - 2012</td>
<td>End March 2015</td>
<td>40%</td>
</tr>
</tbody>
</table>

Note: Table assumes the employee works for the same employer who gives his employee ≥$50 gross monthly wage increase each year from 2013-2017

*Wage Credit on sustained wage increases will only be attributed to the same employer who had previously given to their employees the qualifying wage increase.*
Wage Credit Scheme

Gross Monthly Wage Increases

*Minimum gross monthly wage increase is $50

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
<th>Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$200</td>
<td>March 2014</td>
</tr>
<tr>
<td>2014</td>
<td>$500</td>
<td>March 2015</td>
</tr>
<tr>
<td>2015</td>
<td>$600</td>
<td>March 2016</td>
</tr>
<tr>
<td>2016</td>
<td>$300</td>
<td>March 2017</td>
</tr>
<tr>
<td>2017</td>
<td>$800</td>
<td>March 2018</td>
</tr>
</tbody>
</table>

Qualifying Wage Increase

- 40% x $200 = $80/mth
- 40% x $500 = $200/mth
- 40% x $600 = $240/mth
- 20% x $300 = $60/mth
- 20% x $800 = $160/mth

Govt Co-Funding

- $80 x 12mths = $960
- $200 x 12mths = $2,400
- $240 x 12mths = $2,880
- $60 x 12mths = $720
- $160 x 9mths = $1,440

To be Paid in

- March 2014
- March 2015
- March 2016
- March 2017
- March 2018
The portion of wage increase that is sustained will continue to be co-funded.
Wage Credit Scheme

Gross Monthly Wage (GMW)

2014: $1000
2015: $1000
2016: $800
2017: $800

Govt co-funds

$-  
40% x $200 = $80  
$0  
20% x $300 = $60

Wage Credit

$-  
$80 x 12 = $960  
$0  
$60 x 12 = $720

Wage increases will be calculated based on the preceding year.
Wage Credit Scheme

Gross Monthly Wage (GMW)

$4,000

2014
$3700

2015
$200

2016
$200

2017
$200

Govt co-funds

Wage Credit

*Co-funding only applies to wage increases up to a GMW of $4,000. Wage increases (at least $50) that were given in 2015, and sustained in 2016 and 2017, will continue to receive co-funding.
*The employee will not be eligible for Wage Credit if his/her GMW is ≥$4,000 in 2014.
Wage Credit Scheme (WCS)

• Increase in gross monthly wage from the preceding year must be at least $50 to qualify for wage credits
Wage Credit Scheme

Gross Monthly Wage (GMW)

2014: $1000
2015: $200
2016: $200
2017: $1000

Wage Credit

- 40% x $200 = $80
- $80 x 12 = $960

Govt co-funds

- 20% x $200 = $40
- $40 x 12 = $480

- 20% x $270 = $54
- $54 x 12 = $648

*Wage increases must be at least $50 to qualify for co-funding

Does not qualify for co-funding*
In any calendar year from 2013 to 2017, employers qualify for Wage Credit if they fulfil the following:

(i) Made CPF contributions for these employees for at least three months in the year of the wage increase, and;

(ii) The employees who received the wage increase had worked for at least three months in the preceding calendar year.

E.g. An employer hired an employee from Oct 2016 to Feb 2017 and gave a wage increase to the employee in Jan 2017. This employer is not eligible for Wage Credit in 2017 because the employee was not employed for at least three months in 2017.
New Hires

- New hires who were working with a different employer
  - Employees could have changed jobs for many reasons. As long as the employer had hired the employee for at least 3 months and gave him a wage increase, the employer will benefit from the scheme.

- New hires who were not previously employed e.g. fresh graduates
  - The wage increase will be calculated over the first year of hire.
  - e.g. Employers who hire fresh graduates in 2016 will only be eligible for wage increases given in 2017 over 2016.
Wage Credit Scheme (WCS)

Wage Credit Payout

- No application required.
- Wage Credits are calculated based on CPF contributions made to the employee and given automatically to employers who qualify.
- First payout was disbursed at end March 2014
- Second payout was disbursed at end March 2015
- Third payout was disbursed at end March 2016
- Fourth payout was disbursed at end March 2017
- Fifth payout will be disbursed at end March 2018
- Wage Credit will be credited directly into your GIRO account registered with IRAS for Income Tax/GST, Otherwise, a cheque will be issued.
Wage Credit Scheme (WCS)

What to do in 2018

- **15 Jan 2018**: Deadline to make CPF contributions for 2017 wages paid to your employees

- **End Mar 2018**: Eligible employers will receive a notification letter from IRAS. You can also check your eligibility on IRAS’ website, and apply for a breakdown of your Wage Credit by employee.

- Wage Credit is taxable in the year it is received. Companies are required to declare the payout received in their income tax return for the relevant YA. For individuals (including sole-proprietors) and partnerships, the payout received will be automatically included by IRAS in their tax assessment for the relevant YA.

- Employers have until **30 Jun 2018** to submit appeals.
Wage Credit Scheme (WCS)

More Information

• Hotline for enquiries: 1800 352 4727
• Email for enquiries: wcs@iras.gov.sg
• FAQs, Wage Credit Scheme Calculator and worked examples of Wage Credit calculation are available at IRAS’ website: https://www.iras.gov.sg/IRASHome/Schemes/Businesses/Wage-Credit-Scheme--WCS-/  
Part 2

a) Use WCS Calculator
b) Check eligibility of WCS
c) Request for Breakdown by Employee
Wage Credit Scheme (WCS)

Part 2

a) Use WCS Calculator
b) Check eligibility of WCS
c) Request for Breakdown by Employee
How to use the WCS Calculator

Employers can use the WCS Calculator to estimate the Wage Credit that they will receive based on the wages given to their qualifying employees.
1. Before you start
Before you start

• Get ready employees’ employment and salary details from payroll system:
  ➢ Name
  ➢ NRIC
  ➢ Monthly Wage Records from 2012 to 2017
Wage Credit Scheme Calculator

3 types of employees:

- **Existing employees**
  - Employed by you for at least 3 months in both 2016 and 2017

- **New hires with NO previous employment**
  - Hired by you for at least 3 months in 2017; BUT
  - Not employed for at least 3 months by any employer in 2016

- **New hires with previous employment**
  - Hired by you for at least 3 months in 2017; AND
  - Was employed for at least 3 months by any employer in 2016

WCS Calculator cannot calculate their Wage Credits
2. Download WCS Calculator
Wage Credit Scheme Calculator

Download the WCS Calculator

1. Log in to IRAS website. Click “Schemes”
WCS Calculators can be found on the right side of the page. Select the relevant calculator.
Wage Credit Scheme Calculator

Click “Save”
3. How to use WCS Calculator
A Step-by-Step Guide on how to use the WCS calculator is provided

Instructions

1. Enter employee names and NRIC numbers in columns C and D of the Calculation Table.
2. Enter employee monthly wages in columns BI to EB of the Calculation Table.

(Note: Fill in only for months in which the employee was a Singapore Citizen as at the last date of the month. Total wage paid to the employee each month includes all allowances and payments that you have paid CPF contributions for. This includes but is not limited to basic salary, overtime pay, commissions and bonuses. This excludes employer CPF contributions. Please input 0 if the employee's total wage in a certain month was $0.)

3. If the employee was hired for fewer than 3 months in the year, the number will turn red. No wage credits will be granted for that year.
4. If the gross monthly wage exceeds $4,000 for the year, the number will turn red. Wage credits will not be granted for gross monthly wages which exceed $4,000.
5. The expected wage credits will be shown in columns AE to BH of the Calculation Table.
6. The expected total wage credits for each year will be shown in the Summary Payout Table.
Wage Credit Scheme Calculator

Enter wage details for each month for each year of employment
### Wage Credit Scheme Calculator

**Gross Monthly Wage**

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Calculation Table**

<table>
<thead>
<tr>
<th>Employee</th>
<th>Name</th>
<th>NRD</th>
<th>Hired</th>
<th>Gross Monthly Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Months hired and gross monthly wage will be automatically computed**

- **Wage credit receivable, for each qualifying year, will be automatically computed**

<table>
<thead>
<tr>
<th>Year</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualifying Wage Increase</td>
<td>Wage Credit</td>
<td>Qualifying Wage Increase</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td>2014</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Wage Credit Scheme Calculator

Wage credit receivable, for each qualifying year, will be automatically computed.

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Wage Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>$0.00</td>
</tr>
<tr>
<td>2014</td>
<td>$0.00</td>
</tr>
<tr>
<td>2015</td>
<td>$0.00</td>
</tr>
<tr>
<td>2016</td>
<td>$0.00</td>
</tr>
<tr>
<td>2017</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Part 2

a) Use WCS Calculator

b) Check eligibility of WCS

c) Request for Breakdown by Employee
Log in to IRAS website. Click “Schemes”
Select “Wage Credit Scheme”
Towards the bottom of the WCS webpage, under e-Services, click on “Eligibility Check”
Wage Credit Scheme - Check Eligibility

4. Select Business Entity Type from dropdown list

5. Enter UEN which is used to make CPF contributions for the employees

6. Click “Search”
Wage Credit Scheme - Check Eligibility

At myTax Portal,
You Surf, We Serve

WCS Payout Eligibility

You are eligible for Year 2013 WCS Payout.

You would have been notified by post in March 2014. WCS Payout would have been credited directly into your GIRO bank account that is used to pay your income tax or GST. If you do not pay your tax by GIRO, a cheque would have been sent to your business registered address.

If you have not received our notification letter, please email us at wcs@iras.gov.sg or call us at 1800-352-4727 (8am to 5pm from Mondays to Fridays).
Part 2

a) Use WCS Calculator
b) Check eligibility of WCS
c) Request for Breakdown by Employee
Wage Credit Scheme – Request Breakdown

1. Log in to IRAS website. Click “Schemes”
Select “Wage Credit Scheme”
Towards the bottom of the WCS webpage, under e-Services, click on “Breakdown Request”
Request for records of WCS Payout Breakdown by Employees

This e-Service allows employers to request for records of the WCS Payout breakdown by the qualifying employees. Processing fees may apply depending on the number of employee records.

For employee records not exceeding 100, the breakdown records will be mailed to the business’s registered address by ordinary mail, with no additional fee charge.

Employee records exceeding 100 will be provided in a CD and the following fee is payable:

- $100 for employee records exceeding 100 but not exceeding 200
- $150 for employee records exceeding 200

TRAS will contact you for the payment and collection of CD.

Records for new employees will not be provided unless their consent has been obtained. You may download the employer’s Declaration Form [here](#) and the Consent Form for New Employees [here](#).

[New employees refer to your new recruits in the qualifying year]

Please click "Continue" to proceed with the request.
Wage Credit Calculator

How employers receive the breakdown records?

100 and below qualifying employees
A letter will be mailed to the business registered address

More than 100 qualifying employees
Collection of CD personally at IRAS
Wage Credit Scheme – Request Breakdown

- **Breakdown requests**
  - **100 and below qualifying employees**: No fee charge
  - **More than 100 but less than 200 qualifying employees**: Processing fee $100
  - **More than 200 qualifying employees**: Processing fee $150
Wage Credit Scheme – Request Breakdown

Request for records of WCS Payout Breakdown by Employees

This e-Service allows employers to request for records of the WCS Payout breakdown by the qualifying employees. Processing fees may apply depending on the number of employee records.

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[New employees refer to your new recruits in the qualifying year]

Please click “Continue” to proceed with the request.
Wage Credit Scheme – Request Breakdown

- **Qualifying employees**
  - **Existing employees**: Consent from Employees must be obtained
  - **New employees**: Declaration form must be submitted
Wage Credit Scheme – Request Breakdown

Disclosure of their individual Wage Credits may enable the wages from their previous employment to be derived.

The employer must therefore obtain consent by getting them to sign the Consent Form for New Employees.

These Consent Forms should be retained and produced only upon request by IRAS.
Wage Credit Scheme – Request Breakdown

- **Qualifying employees**
  - Existing employees: Consent from employees must be obtained
  - New employees: Declaration form must be submitted

The employer must submit this Declaration to IRAS, upon which IRAS will release information.
Request for records of WCS Payout Breakdown by Employees

This e-Service allows employers to request for records of the WCS Payout breakdown by the qualifying employees. Processing fees may apply depending on the number of employee records.

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Employee records exceeding 100 will be provided in a CD and the following fee is payable:

- $100 for employee records exceeding 100 but not exceeding 200
- $150 for employee records exceeding 200

IRAS will contact you for the payment and collection of CD.

Records for new employees will not be provided unless their consent has been obtained. You may download the employer's Declaration Form here and the Consent Form for New Employees here.

[New employees refer to your new recruits in the qualifying year]

Please click "Continue" to proceed with the request.
At myTax Portal,

You Surf, We Serve

Request for records of WCS Payout Breakdown by Employees

This e-Service allows employers to request for records of the WCS Payout breakdown by the qualifying employees. Processing fees may apply depending on the number of employee records.

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- $100 for employee records exceeding 100 but not exceeding 200
- $150 for employee records exceeding 200

IRAS will contact you for the payment and collection of CD.

Records for new employees will not be provided unless their consent has been obtained. You may download the employer’s Declaration Form [here](#) and the Consent Form for New Employees [here](#).

[new employees refer to your new recruits in the qualifying year]

Please click “Continue” to proceed with the request.
Wage Credit Scheme – Request Breakdown

Enter Request Details

At myTax Portal, 
You Surf, We Serve

Request Details
Please provide your contact details below.

Business Entity Type: Local Companies
JEN or NRIC: T08L056G
Contact Person*: 
Contact Number*: 
Email Address*: 
Job Title*: 

Do you wish to have breakdown records pertaining to new employees?* : No

* Denotes mandatory fields

Enter the details:
1) Contact Person
2) Contact Number
3) Email Address
4) Job Title
5) New Hire required?
For 100 and below qualifying employees

The letter will be mailed to business registered address within 7 working days.
IRAS will contact you within 10 working days to arrange for payment and collection of CD.
Wage Credit Scheme (WCS)

• Hotline for enquiries: 1800 352 4727
• Email for enquiries: wcs@iras.gov.sg
• FAQs, Wage Credit Scheme Calculator and worked examples of Wage Credit calculation are available at IRAS’ website: https://www.iras.gov.sg/IRASHome/Schemes/Businesses/Wage-Credit-Scheme--WCS-/ 

The End