

## Quick Guide on the Digital Payments for Wage Credit Scheme (WCS) Payouts

### Overview

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

Today, most employers are already receiving the WCS payouts through their GIRO bank accounts for Income Tax/GST, or PayNow Corporate accounts.

From Mar 2020, IRAS no longer issues cheques for WCS payouts. IRAS has fully adopted digital payment modes to disburse the WCS payouts for greater convenience and efficiency, in line with Singapore's efforts to become a smart nation.

A summary of the changes is in the table below.

Qualifying years	2016 and 2017	2018	2019, 2020 and 2021
Payout mode	<ul style="list-style-type: none"><li>• GIRO</li><li>• Cheque</li></ul>	<ul style="list-style-type: none"><li>• GIRO</li><li>• PayNow Corporate</li><li>• Cheque</li></ul>	<ul style="list-style-type: none"><li>• GIRO</li><li>• PayNow Corporate</li></ul>
Exceptions	<ul style="list-style-type: none"><li>• Businesses will automatically receive the payout in the GIRO bank account for Income Tax/GST, or the bank account that is registered with PayNow Corporate.</li></ul>		<ul style="list-style-type: none"><li>• Businesses will automatically receive the payout in the GIRO bank account for Income Tax/GST, or the bank account that is registered with PayNow Corporate.</li><li>• Sole-proprietorships without PayNow Corporate will automatically receive the payout in the sole-proprietor's GIRO bank account for Income Tax/GST, or his/her personal bank account that is registered for PayNow</li></ul>
Others	<ul style="list-style-type: none"><li>• Employers do not need to apply for WCS. They will be notified in Mar of the payouts to be received by 31 Mar.</li></ul>		

### Frequently Asked Questions

#### **1. What should I do if my business does not have a GIRO arrangement with IRAS or PayNow Corporate?**

For employers who do not have an ongoing GIRO arrangement for Income Tax/GST or PayNow Corporate account, the WCS payouts will be retained until they have registered for either direct crediting modes, after which the payouts will be made to them.

## **2. Does my business have to register for both GIRO and PayNow Corporate?**

To receive the WCS payout, employers only need to be registered for either Income Tax/GST GIRO with IRAS or PayNow Corporate with the banks.

## **3. What if I do not need to pay income tax or I am not GST registered?**

Please sign up for PayNow Corporate to receive your payout. Please ensure that PayNow Corporate is setup under the business UEN, without any suffix. You may approach your bank for more details.

## **4. Do I need to inform IRAS after I have successfully registered for GIRO and/or PayNow Corporate?**

There is no need to inform IRAS. Payouts will be **automatically released after** the employers have registered for either of the e-Payout modes.

## **5. How do I register for GIRO with IRAS?**

Businesses, including clubs and associations, may register for GIRO by completing an application form for IRAS' and the relevant bank's processing. Upon successful processing, a notification letter will be mailed to the business' registered address.

Individual business owners (that hire and contribute CPF to employees using NRIC/FIN as CPF Submission Number) can set up **Individual Income Tax** GIRO instantly through online application at myTax Portal.

Upon successful GIRO registration, GIRO will be the default payment mode for IRAS' related transactions such as tax payments.

## **6. What will happen after signing up for GIRO?**

If you have chosen Income Tax, you will receive an instalment plan for your outstanding taxes. For GST registered trader, IRAS will deduct the tax from your bank account, upon receipt of new GST filing.

If you are eligible for the Wage Credit, IRAS will credit the payout to your bank account.

## **7. How do I register for PayNow Corporate?**

Employers can set up your PayNow Corporate account instantly, simply by linking your UEN / NRIC / FIN to your bank account via internet banking. For example, ROC (2019XXXXXA), ROB (531XXXXXA), UEN (T19LLXXXXA). For assistance, please approach your bank.

## **8. My business is a sole-proprietorship that does not have a business bank account. How can I receive the Wage Credit Scheme payout?**

Sole-proprietorships without a business bank account can receive the payout using the sole-proprietor's GIRO bank account for Individual Income Tax/GST, or his/her personal bank account that is registered with PayNow.