

Client Update: Singapore

2020 APRIL

Tax, Employment & Benefits

Extension of Support Measures for Businesses to Cover Prolonged Circuit Breaker

Introduction

On 21 April 2020, the Singapore Government announced that the original circuit breaker measures ("**Measures**") lasting from 7 April to 4 May 2020 would be extended to 1 June 2020 (inclusive), totalling eight weeks of such Measures. These Measures include the closure of all non-essential businesses, which has since been further tightened such that only 15% of the usual workforce continues to physically attend at their workplaces.

The Solidarity Budget (covered in our earlier Client Update titled "[In Solidarity: Third Budget to Support Businesses through COVID-19 Circuit Breaker Measures](#)") announced several relief measures to assist employers in retaining their workforce. This has now been extended to cover the full circuit breaker period, and includes the enhanced Jobs Support Scheme ("**JSS**") and a second Foreign Worker Levy ("**FWL**") waiver and rebate.

This Update covers the above, as well as a further announcement from the Ministry of Manpower ("**MOM**") on its requirements of employers which may affect the receipt of the JSS and FWL payouts.

Jobs Support Scheme for Local Employees

The Solidarity Budget included a one-month enhancement to the JSS set out in the Resilience Budget by covering 75% of the first S\$4,600 of each local employee's monthly wages, instead of a tiered support that varied from 25% to 75% between industries. This has now been further extended to May 2020 with an expansion of its coverage, which will be particularly useful for small-medium enterprises.

	Solidarity Budget	Second Circuit Breaker
Quantum	75% for all sectors	75% for all sectors
Wage cap	First S\$4,600 of monthly wages	First S\$4,600 of monthly wages
Coverage	Local employees, excluding employees who are also shareholder-directors	Local employees, <i>including</i> shareholder-directors
Length of support	April 2020	May 2020

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The enhanced May 2020 payout will be paid by end-May 2020 for employers on PayNow or with GIRO arrangements with the Inland Revenue Authority of Singapore ("IRAS"), while the remaining employers will begin receiving their cheques in early June 2020.

After May 2020, the JSS will revert to the tiered support per the Resilience Budget (covered in our earlier client update titled "[COVID-19 Resilience Budget and MOM Relief Measures: Additional Support for Businesses](#)").

Employers should note that these payouts are calculated according to wages paid from six months prior in the interests of speedy disbursement – for instance, the May 2020 payout is calculated based on the wages paid in November 2019. As such, employers may initially receive a full 75% subsidy despite placing their employees on no-pay leave, reducing their salaries, or retrenching them. This will be adjusted in subsequent tranches to take the actual wages paid for May 2020 into account. Further details and worked examples of adjustments are available in the [Annex published by IRAS](#).

Foreign Workers – Levy Rebate and Waiver

Similar to the Solidarity Budget, employers will receive a second FWL rebate of S\$750 for each S Pass or Work Permit holder employed as of 1 May 2020. The FWL for May 2020 will also be waived.

MOM now requires employers to make an online acknowledgement (available [here](#)) that the levy rebate and waiver will be used to support their foreign workers, without which the payouts will not be processed. The timeline is as follows:

Acknowledgement Date	Companies with PayNow Corporate Accounts	Companies without PayNow Corporate Accounts
By 8 May 2020	Receive by 29 May 2020	Not applicable
By 22 May 2020	Receive by 19 June 2020	Receive from 3 July 2020 onwards

Complaints against Employers

MOM has warned that it will investigate complaints of wage-saving measures (including no-pay leave) being implemented without engaging or seeking the consent of the affected employees, as well as complaints of threatened termination should an employee lodge a complaint with MOM.

This may result in the suspension of JSS or FWL payouts until investigations are complete. Where there is evidence of irresponsible or unfair treatment, employers may be denied future employment support (including JSS, FWL rebate and waiver) and have their work pass privileges curtailed.

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Employers are reminded that they must act responsibly and fairly, and should be guided by the [tripartite advisory on salary and leave arrangements during the circuit breaker period](#), which was last updated on 25 April 2020.

Concluding Remarks

To assist in keeping track of the relief measures rolled out by various government ministries and other institutions, we have a section in our COVID-19 Resource Centre dedicated to [support measures](#).

Visit our [COVID-19 Resource Centre](#) for views from our lawyers across the region on common issues and legal implications brought about by COVID-19. For specific inquiries, please reach out to your relationship partner or send an email to our [COVID-19 Legal Team](#).

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