

COVID-19 SOLIDARITY BUDGET

#SingaporeTogether



SECOND SUPPLEMENTARY BUDGET 2020

On 6 April 2020, a further supplementary budget amounting to S\$5.1 billion was announced by the Finance Minister, Mr. Heng Swee Keat, to support households and businesses in tiding over the four weeks “circuit breaker” measures that was implemented to combat the Covid-19 pandemic.

This second supplementary budget comes just 11 days after the supplementary Resilience Budget which was announced on March 26. Noting the rise in locally infected cases, the primary aim of this Solidarity Budget is a further step to save jobs and protect the livelihoods of Singaporeans and businesses during this temporary period of heightened measures. This is also aimed for businesses to preserve their capacity and capabilities in order to resume activities when the circuit breaker is lifted.

This third tranche of support includes wage subsidies for every local worker, cash payouts for all adults’ citizens and further initiatives to assist businesses and self-employed. The additional support will take the Government’s combined Covid-19 support package to S\$59.9 billion, which is about 12 percent of the nation’s gross domestic product.

We are pleased to present you with these exclusive highlights to assist you in understanding the various initiatives that were unveiled.

TEMPORARY ENHANCEMENT TO THE JOB SUPPORT SCHEME (JSS)

The temporary enhancement to the JSS for the month of April 2020 will raise the wage support to 75% in that month. This will apply to the first S\$4,600 of gross monthly wages paid to local workers (Singapore Citizens and Permanent Residents) for all sectors.

The wage support for the other months will remain unchanged as previously announced. This temporary enhancement will be disbursed together with the first JSS payout, as detailed in Table 1 below.

Table 1: Schedule and Quantum of JSS Payouts after the Temporary Enhancement to the JSS

Payout	Date of Payment	Food Services	Others (excluding aviation, tourism and food services)
		Computation of Payout <i>Capped at first S\$4,600 of gross monthly wages</i> <i>Based on:</i>	
Payout 1	April 2020	75% of Oct 2019 wages + 50% of Nov 2019 wages + 50% of Dec 2019 wages	75% of Oct 2019 wages + 25% of Nov 2019 wages + 25% of Dec 2019 wages
Payout 2	July 2020	50% of Feb 2020 wages + 50% of Mar 2020 wages + (75% of Apr 2020 wages – 25% of Oct 2019 wages*)	25% of Feb 2020 wages + 25% of Mar 2020 wages + (75% of Apr 2020 wages – 50% of Oct 2019 wages*)
Payout 3	October 2020	50% of May 2020 wages + 50% of Jun 2020 wages + 50% of Jul 2020 wages	25% of May 2020 wages + 25% of Jun 2020 wages + 25% of Jul 2020 wages

Aviation and tourism sectors will continue to receive 75% wage subsidies on the first S\$4,600 of gross monthly wages for local workers for all applicable months.

In addition, the first JSS payout (“Payout 1”) has been brought forward from end-May to April 2020. Employers, who are on PayNow or have a Giro account with IRAS, will receive their payment in mid-April. Other employers will start to receive their cheques the following week. This earlier payout will help businesses with cash flow needs, including paying wages to workers.

FOREIGN WORKERS LEVY (FWL)

FWL due in April 2020 will be waived and there will be a FWL rebate of S\$750 for each work permit or S pass holder, based on previous levies paid in 2020. The payout will be made as early as 21 April 2020. The Minister for Manpower will share more details in due course.

SELF-EMPLOYED PERSON INCOME RELIEF SCHEME (SIRS)

The SIRS is enhanced to broaden support for self-employed persons (SEPs) to automatically include SEPs who:

- also earn a small income from employment; and
- live in a property with an annual value of no more than S\$21,000 (up from S\$13,000).

PROPERTY TAX REBATE

The Covid-19 (Temporary Measures) Bill will be enacted to ensure that property owners of non-residential properties pass on the property tax rebate in full to its tenants.

FINANCING SCHEMES

The Government's share of risk will be increased from 80% to 90% for loans initiated from 8 April 2020 till 31 March 2021 under:

- The Temporary Bridging Loan Programme;
- Enterprise Financing Scheme – Trade Loan; and
- Enterprise Financing Scheme – SME Working Capital Loan.

SOLIDARITY PAYMENT AND OTHER CASH PAYOUTS

(i) Solidarity Payment in April 2020

All Singaporeans aged 21 and above this year will receive a one-off Solidarity Payment of S\$600 in cash.

This is comprised of the S\$300 from the earlier announced enhanced Care and Support – Cash, and the additional S\$300 top-up from the Government.

The majority of eligible citizens will receive their Solidarity Payment by 14 April 2020, directly in the bank account that they had previously provided to the Government. The rest will receive payment by cheque, which will be issued in stages starting from 30 April 2020. Eligible citizens will be notified of their payment via SMS, from 15 April 2020.

(ii) Other Cash Payouts in June 2020

The other cash payouts that were earlier announced in the Resilience Budget under the enhanced Care and Support Package will be paid out in June 2020 (brought forward from August and September 2020).

These include:

- a. Remaining enhanced Care and Support – Cash of S\$300 and S\$600, for middle- and lower-income adult Singaporeans respectively;
- b. Additional enhanced Care and Support – Cash of S\$300 for Singaporean parents with at least one Singaporean child aged 20 and below this year; and
- c. PASSION Card Top-up of S\$100 for all Singaporeans aged 50 and above this year. This will be paid out in cash instead of through physical redemption, in consideration of safe distancing.

Table 2: Solidarity Payment and Other Cash Payouts for Singaporeans

Assessable Income for Year of Assessment 2019		S\$0 – S\$28,000	S\$28,001 – S\$100,000	>S\$100,000 or owns more than 1 property	Payment Timeline
For all Singaporeans aged 21 and above in 2020	Enhanced Care and Support – Cash (announced in Resilience Budget)	S\$900	S\$600	S\$300	As indicated below
	Solidarity Payout	S\$600 ¹			April 2020
	Remaining Enhanced Care and Support - Cash	S\$600	S\$300	S\$0	June 2020
For parents ²	Additional Enhanced Care and Support – Cash	S\$300			
For all Singaporeans aged 50 and above in 2020	PAssion Card Top-up ³ (now given in cash)	S\$100			

¹ Solidarity Payment comprises S\$300 brought forward from the enhanced Care and Support – Cash, and an additional S\$300

² Refers to Singaporean parents with at least one Singaporean child aged 20 and below in 2020. Each eligible parent will receive the additional S\$300.

³ The S\$100 PAssion Card Top-up that was announced at Budget 2020 will be provided in cash instead of through physical redemption.

If you wish to understand more on the above, please contact:

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