

MEASURES FOR A PTE LTD COMPANY TO COMBAT COVID-19

"ContactOne Professional Services has been assisting local SMEs since 2009. Our family of 18 team members has been working remotely from home during this period to serve our clients.

We hope all of our fellow local entrepreneurs will ride through this storm with us and hopefully this simple compilation of benefits offered so far can help each and every one of you out there. Take care and be Strong!"

WAGE ASSISTANCE

- Job Support Scheme **JSS**
- Wage Credit Scheme **WCS**
- Flexi Work Arrangement **FWA**

RENT SUBSIDY

- Rent Subsidy

GOVERNMENT BACKED LOANS

- SME Working Capital Loans

TAX AND LEVY

- Corporate Income Tax Rebate
- Foreign Worker Levy Rebate

GRANT

- Productivity Solutions Grant PSG
- Enterprise Development Grant EDG

Compiled 9th April 2020

Job Support Scheme JSS

The JSS will help defray your staff costs based on salaries of your staff for the months of Oct – Dec 2019 as well as Feb – Jul 2020. That is a total of 9 months wage support.

Payment will be made in 3 tranches, Apr, Jul and Oct 2020.

If you are in aviation and tourism industries, you get 75% support.

If you are in F&B, you get 50% support.

For all other sectors, you get 25% support.

Wage support is calculated based on x% of every employee's salary of up to \$4600.

For all sectors, a 75% support will be given for Apr 2020 wages, and will be disbursed in Apr 2020, but estimated based on Oct 2019 salary. Any adjustments will be made in the 2nd tranche payout in July.

For now, salary of business owners and directors who are shareholders of companies are excluded and not given support. We hope the government will do something for the SME owners who are neither classified as Self Employed, or Employees.

JSS is calculated only on local employees, that is, Singapore Citizens and Permanent Residents.

So in April, your first payout received will look like this:

75% of Oct 19 Sal + 25% of Nov 19 sal + 25% of Dec 19 Sal

In July, your second payout will look like this:

25% of Feb 20 Sal + 25% of Mar 20 sal + **75%** of Apr 20 Sal – **50%** of Oct 19 Sal

Note: Submit your CPF submission on time for all the months so that the payout will not be delayed as the Government look at your CPF records to determine how much salary support you should get.

How to Apply: Automatically calculated by CPF Board

1. WAGE ASSISTANCE



Job Support
Scheme **JSS**

Wage Credit
Scheme **WCS**

Flexi Work
Arrangement **FWA**

Wage Credit Scheme WCS

The WCS is enhanced to provide a little more support for wage increments your company provide for your existing employees. You should have received the first WCS payout in Mar 2020 based on old Budget figures.

The enhancement now means that the qualifying cap on employee salary is increased from \$4000 per employee to \$5000 per employee. The Government co-sharing rate has also increased from 15% (which you already received), to 20%. This means that you will receive the additional 5% support (based on new capped salary of \$5000) in Jun 2020.

The WCS will continue for another year at 15% for Year 2020 which will be disbursed probably in March 2021.

Only applicable to local employees, that is, Singapore Citizens and Permanent Residents.

This scheme will help a little bit in the current situation, and we welcome all subsidies, big or small.

How to apply: Automatically calculated by IRAS

1. WAGE ASSISTANCE



Job Support
Scheme JSS

**Wage Credit
Scheme WCS**

Flexi Work
Arrangement FWA

Flexi Work Arrangement FWA

The Flexi Work Arrangement FWA Incentive encourages Companies to support employees who adopt FWAs.

FWAs recognised for this grant include flexi-load, flexi-place and flexi-time. Flexi Place means arrangement to work from home. Flexi Time means staggered working timing or hours.

This grant has been around for awhile, but is now revised to allow you to claim if you put in place measures to prevent spreading of Covid-19.

Companies will be eligible to receive the FWA Incentive if the employee (Singapore citizen or PR) adopts work-from-home arrangements daily for at least one month, anytime **AFTER the current Circuit Breaker measures**. So the period from 6 Apr to 4 May do not count towards this one month.

You can get up to \$2000 per employee who is a regular user of FWAs. Total amount of grant you can claim for is capped at \$70,000 over 2 years.

1. WAGE ASSISTANCE



Job Support
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Arrangement **FWA**

You can start applying from 20 Apr 2020 on the SNEF Grants portal
<https://grants.snef.org.sg/>

Rent Subsidy

For property owners

100% property tax rebate on qualifying commercial properties like shops and restaurants

60% property tax rebate on Integrated Resorts property

30% property tax rebate on other non-residential properties including offices.

For Tenants

Tax rebates are to be pass on in full as rent subsidy from landlords. If you are renting a commercial property that qualifies for 100% property tax rebate, do expect about 1 to 1.2 months worth of rental rebate.

If you are renting an office, do expect around 30 - 36% of one month's rental rebate. So it can be a lump sum 30% discount or 10% over 3 months. Do expect a full month rebate for offices but if you manage to get it, congrats!

If you are renting from government properties, you can enjoy up to 2 months of rental waivers. Stall owners in NEA managed hawker centres get 3 months rent waiver.

How to Get: Contact Your Landlord if your landlord is not the Government or Government related agency.



SME Working Capital Loans

You can apply for the SME Working Capital Loan with a loan quantum limit of \$1M from participating financial institutions. The loans will be 90% backed by the government.

The loan interests appear very attractive and you may consider the loan for your cashflow management or upgrading needs. *(Hint: Do not look at the 6 or 6.75% indicative interest rate published by the banks.)*

The banks allow for principal deferral where you only pay interests in the initial 6 or 12 months, but we will advise against it if you are capable of handling the usual instalment payments. This is because you will in the end, incur more interest by deferring the principal payment. (No free lunch in the world concept here, although banks seem to be getting a good bargain as the loan principal is 90% backed)

Do note that the directors of the company will need to act as guarantors for the loan so please do not assume there are no personal risks involved although the loan arrangement is between the Company and the Bank!

Our advice is to borrow sensibly without over-leveraging.

Eligibility Criteria

- Business entity registered and physically present in Singapore
- Minimum of 30% local shareholding
- Maximum Borrower Group revenue cap of \$500million for all enterprises
- Group revenue of up to \$100million or maximum employment of 200 employees

How to Apply: Apply Online on Bank website. Do get ready your Financial Statements and Directors' Notice of Assessments.

3. LOANS

BANKS ... **Loan** ... **SMEs**

90% Government Backed

SME Working Capital Loan up to \$1M

Tax and Levy Rebates

Corporate Income Tax Rebate

CIT rebate of 25% of tax payable, capped at \$15,000 for YA2020, that is, taxes for financial year ending 2019. **How to Apply:** Automatically calculated by IRAS

Extension of Instalment periods

Automatic extension of interest-free instalments of 2 months for payment of CIT on ECI filed within 3 months from financial year end to smoothen your cash flow demands.

Personal Tax – Extension of filing deadline to 31 May 2020. (Automatic)

Income Tax Payment Deferment – all companies with Corporate Income Tax (CIT) payments due in the months of Apr, May and Jun 2020 will be granted an automatic three-month deferment of these payments. The CIT payments that are deferred from Apr, May and Jun 2020 will be collected in Jul, Aug and Sep 2020 respectively. Companies who are on GIRO will be able to view their revised instalment plans at myTax Portal from 1 May 2020.

If you are an employee, from 26 Mar to 31 Jul 2020, you can opt to defer your income tax payments due in May, June and July 2020, to help ease your cash flow. You can sign up for the deferment option [here](#)

Foreign Worker Levy Rebate

A \$750 rebate per Work Permit Holder or S Pass Holder will be given to you. You will get the rebates by **21 Apr 2020**.

FWL Waiver One Month

FWL will be fully waived for amounts due in April 2020.

4. TAX AND LEVY



Corporate Income

Tax Rebate **CIT**

Foreign Worker

Levy Rebate **FWL**

Grants To Apply

Productivity Solutions Grant PSG

Up to 80% grant available

Eligibility:

Company is registered and operating in Singapore
Must have a minimum of 30% local shareholding
Company's Group annual sales turnover is less than \$100 million, or has less than 200 employees
Purchase/lease/subscription of the IT solutions or equipment must be used in Singapore

You can easily apply for PSG grant if the solution or equipment is in the Pre-Approved list of product and solutions under the SME Go Digital program. 80% grant cap is valid only till 31 Dec 2020, after which it will be reduced to the original 70% cap.

You can apply [here](#).

Enterprise Development Grant EDG

Up to 80% grant available (90% for Companies that are severely affected by Covid-19)

Eligibility:

Company is registered and operating in Singapore
Must have a minimum of 30% local shareholding
Must be in a financially viable position to start and complete the project (able to pay for the project)

The EDG grant is more for customized solutions, services and equipment. The grant covers qualifying project costs like

- Third party consultancy fees,
- Software and equipment, and;
- Internal manpower cost.

You may apply for EDG [here](#).

