



Fortitude Budget 2020

Helping businesses and individuals
adapt and build resilience

May 2020

Fortitude Budget 2020 (4th Round of Financial Support)

On 26 May 2020, the Singapore Deputy Prime Minister and Minister for Finance, Heng Swee Keat has unveiled in Parliament, a S\$33 billion 4th round of financial support (landmark package) to tide through the COVID-19 crisis as most businesses are expected only to be able to resume their operations in July 2020. Together with the previous three support packages, this brings the total cost of COVID-19 support measures to S\$92.9 billion, which is 19.2% of Singapore's GDP.

This landmark package includes the following:-

FOR BUSINESSES & SELF-EMPLOYED

ENHANCEMENTS TO JOBS SUPPORT SCHEME

To provide more relief for firms as they reopen after the circuit breaker, an additional month of JSS support will be given to all firms. This will be computed based on the wages paid in August 2020, and firms will receive it in their October JSS payout.

Firms that cannot resume operations immediately after the circuit breaker lifted will continue to get 75% of wage support until August or when they are allowed to reopen, whichever earlier. This includes retail outlets, gym and fitness studios, and cinemas.

The classification of firms in different JSS tiers will also be adjusted, and payouts for those in more severely impacted sectors will be increased.

- Firms in the aerospace, sector including those in maintenance, repair, and operations, will now receive 75% wage support. Firms in the retail and marine and offshore sectors will now receive 50% support.
- Eligible firms will receive a back-payment to top up their previous JSS payouts to the higher level of support. This retrospective payment will be made by July.
- For the built environment sector, which includes construction, wage support will be raised to 75%. The 75% will only apply to wages paid between June and August.

The enhancements to the Jobs Support Scheme will cost S\$2.9 billion, and the scheme as a whole will give S\$23.5 billion to firms in 10 months.

Employers are to use the support to retain staff, speed up adaptation, and move to a viable business model.

EXTENDING RENTAL RELIEF FOR GOVERNMENT TENANTS

Hawkers and commercial tenants will get two more months of rental waivers. As for other tenants of government agencies, such as industrial, office and agricultural tenants, they will get an additional month of rental waiver.

The Ministry of Law will also introduce a new Bill that will mandate that landlords contribute by granting a rental waiver to SME tenants which have suffered a significant revenue drop in the past few months.

DEFERMENT OF CPF CONTRIBUTION RATES FOR OLDER WORKERS

To help businesses manage costs in these challenging times, the Minister has decided to defer the previously planned increase in CPF contribution rates (announced by Prime Minister Lee Hsien Loong during the 2019 National Day Rally speech) for older workers from 1 January 2021 to 1 January 2022.

EXTENDING WAIVER & REBATE FOR FOREIGN WORKER LEVY (FWL)

The Minister has extended the waiver and rebate for FWL by up to 2 months for businesses that are not allowed to resume operations on-site after circuit breaker lifted on 2 June 2020. These will include all firms in the construction, marine and offshore, and process sectors.

The waiver will be 100% in June 2020 and 50% in July 2020; and the rebate will be S\$750/- in June 2020 and S\$375/- in July 2020.

INTRODUCING DIGITAL RESILIENCE BONUS

The Digital Resilience Bonus provides additional support to enterprises seeking to uplift their digital capabilities to adapt to safe management practices after the circuit breaker period. As a pilot, the Bonus will be targeted at the Food Services and Retail sectors. There is a greater urgency for these sectors to digitalise and adapt quickly due to the consumer-facing nature of their businesses.

Eligible businesses in the F&B and retail sectors can receive a payout of up to S\$5,000/- if they adopt PayNow Corporate and e-invoicing, as well as business process or e-commerce solutions.

SUPPORT FOR DIGITAL TRANSFORMATION

In June 2019, the Government had launched a unified e-payment solution to provide an interoperable system, lower merchant discount rate, and quicker transaction of credit.

The Government will now boost its support for stallholders in hawker centres (including cooked food and wet market stalls), coffee shops, and industrial canteens to adopt this unified e-payment solution. In the next phase, agencies will prioritise the deployment of Singapore Quick Response Codes (SGQRs) for contactless payments. Stallholders will only need to sign up once with the master acquirer, NETS. Through the SGQR, stallholders will be able to receive payments through 19 different providers, which include Dash, GrabPay, and local bank offerings such as DBS PayLah!. Stallholders can still request for payment terminals if they wish.

A bonus of up to S\$1,500/- (S\$300/- per month, over a period of five months) will be given to encourage stallholders to adopt this e-payment solution.

EXPANSION OF HIRING INCENTIVE

To encourage employers to hire local workers who have gone through eligible traineeship and training schemes, eligible local workers who are:-

- a) Aged 40 and above, the incentive will be doubled to cover 40% of their salary over six months, capped at S\$12,000/- in total.
- b) Under 40 years old, the incentive will cover 20% of their monthly salary over six months, capped at S\$6,000/- in total.

RAISE SKILLS AND CREATE JOBS IN PUBLIC AND PRIVATE SECTORS

More job seekers will be hired in sectors such as healthcare, childhood education, computer engineers and machine operators to meet long-term needs.

Job seekers will be provided with a wider range of traineeships programmes such as SGUnited Traineeships programme and SGUnited Mid-Career Traineeships scheme to gain industry-relevant experience.

MORE SUPPORT FOR BUILD ENVIRONMENT SECTOR

The Government is prepared to provide support to co-share the additional costs that will be incurred by built environment sector, including construction businesses that will need to meet additional requirements in order to resume their existing projects safely.

More details will be announced later.

DIGITAL TECHNOLOGIES FOR SCHOOLS

To develop the relevant pedagogy and build new digital platforms for online teaching and learning, the Government will harness the talents of our best software engineers, AI experts, learning scientists and educators for schools.

FOR HOUSEHOLDS

ONE-OFF SOLIDARITY UTILITIES CREDIT

To thank all Singaporeans for staying home during the Circuit Breaker period, the Government will provide a one-off S\$100/- Solidarity Utilities Credit to each household with at least one Singapore Citizen. This will cover all property types and will be credited in the July or August utilities bill.

FOR CHARITIES & SOCIAL SERVICE AGENCIES

INCREASED DOLLAR-FOR-DOLLAR MATCHING ON ELIGIBLE DONATIONS

The Government will provide a top-up of S\$100 million, adding to the existing S\$70 million budget for the Enhanced Fund-Raising Programme. Charities can apply to receive dollar-for-dollar matching on eligible donations, which are raised from projects in FY2020, up to a cap of S\$250,000/- per charity.

To be eligible, the charity must be registered with the Commissioner of Charities. Qualifying donations are those raised through approved fund-raising project commencing from 1 April

2020 to 31 March 2021 (both dates inclusive). In addition, the fund-raising project should not have benefited from other Government matching funds, such as the Cultural Matching Fund or the Bicentennial Community Fund.

CONCLUSION

This 4th budget necessitate a further draw-down of S\$31 billion from Singapore's past reserves, the second time that it was being done. In total, Singapore will withdraw a total of S\$52 billion from past reserves in this financial year. In addition, the Minister will set aside S\$13 billion in the Contingencies Fund to allow to quickly response from unforeseen developments arising from COVID-19.

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