



Ministerial
statement on
continued
COVID-19 support
measures for
businesses and jobs

17 August 2020



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Introduction

In a ministerial statement on 17 August 2020, Deputy Prime Minister and Minister for Finance, Mr. Heng Swee Keat, announced extensions of current support schemes as well as new initiatives to provide continued support for businesses and jobs that have been impacted by the COVID-19 pandemic.

With Singapore experiencing its worst quarterly performance on record with a 13.2% contraction year-on-year in the second quarter of 2020, the latest round of extended support focuses on helping Singapore companies and the workforce tide over the continuing pandemic while also preparing them for growth opportunities in the post COVID-19 world.

The S\$8 billion support includes the extension of the Jobs Support Scheme (JSS) till March 2021. The Government has also launched the Jobs Growth Incentive (JGI), a S\$1 billion programme that supports job creation efforts, especially for mature workers. There will also be continued support for sectors that have been hardest-hit such as aerospace, aviation and tourism.



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The EY news alerts on the earlier 2020 budgetary measures can be found here: [Unity Budget](#); [Resilience Budget](#); [Solidarity Budget](#) and [Fortitude Budget](#).

Key proposals

Continued support for workers and jobs

The Government has announced measures to continue to protect jobs and create new opportunities for workers.

Extending Jobs Support Scheme (JSS)

- ▶ The JSS currently covers the wages of employed workers up to August 2020. It will be extended by up to seven months, covering wages paid up to March 2021. The additional months of support will be paid out in March and June 2021.
- ▶ The level of support will be adjusted based on the projected recovery of the different sectors. The details are summarised below.

Level of support	Sectors and support period
Tier 1 50% wage support	<ul style="list-style-type: none">▶ Aerospace, aviation and tourism (until Mar 2021)▶ Built environment (50% for Sept and Oct, lowered to 30% from Nov 2020 to Mar 2021)
Tier 2 30% wage support	<ul style="list-style-type: none">▶ Arts and entertainment, food services, land transport, marine and offshore and retail (until Mar 2021)
Tier 3 10% wage support	<ul style="list-style-type: none">▶ For sectors that are managing well, i.e., financial services, information and communications technology, media, biomedical sciences, precision engineering, electronics, online retail and supermarkets and convenience stores (until Dec 2020)▶ For all other sectors (until Mar 2021)

- ▶ The Inland Revenue Authority of Singapore (IRAS) has clarified that JSS payouts will be exempt from income tax in the hands of employers.
- ▶ The IRAS also takes a serious view on any attempts to abuse the JSS scheme, e.g., inflating purported mandatory CPF contributions. Offenders may have their JSS payouts denied and can be charged, where they may face up to 10 years of imprisonment and a fine.

Jobs Growth Initiative (JGI)

- ▶ To support hiring in the growing sectors, a S\$1 billion programme will be launched to support businesses to increase their headcount of local workers over the next six months. The Government will co-pay up to 25% of salaries of all new local hires for one year, subject to a cap. For those aged 40 and above, the co-payment will be up to 50%. The Ministry of Manpower will provide more details later this month.

Extending COVID-19 Support Grant (CSG)

- ▶ The CSG has been extended until December 2020 to support eligible Singapore citizens and permanent residents who are unemployed or have suffered significant income loss due to the COVID-19 crisis. CSG recipients will receive monthly cash grant of up to S\$800 for three months.

Extending Workfare Special Payment (WSP)

- ▶ As announced at Budget 2020, all Singaporean employees and self-employed persons who received Workfare Income Supplement (WIS) payment for Work Year (WY) 2019 are receiving a S\$3,000 WSP in 2020. WSP will be extended to include lower-wage workers aged 35 and above in 2020 who received WIS payment for WY2020, and who have not already qualified for WSP previously.

Key proposals

Preserving core capabilities

To preserve the core capabilities of the hardest-hit sectors of our economy and to position them for eventual recovery, further sectoral support will be provided:

▶ Aviation sector:

- ▶ The Enhanced Aviation Support Package was announced in the Resilience Budget in March 2020 to provide cost relief to affected businesses in the aviation sector and to maintain a minimum level of air connectivity to allow overseas Singaporeans to return to Singapore and for the transportation of goods to keep our supply chains open. An additional S\$187 million will be allocated to extend the current support measures up to March 2021. This aims to provide cost relief for airlines, ground handlers, cargo agents, and airport tenants.
- ▶ Scale-up of temporary redeployment programme for workers in the aviation sector who cannot work now by creating around 4,000 new jobs in the healthcare sector and more new jobs in other areas of need.

▶ Tourism sector:

- ▶ An allocation of S\$320 million for tourism credits in the form of SingapoRediscover Vouchers that Singaporeans can use to support local tourism. More details will be provided by the Ministry of Trade and Industry (MTI) in September.

▶ Others:

- ▶ For businesses in the arts and culture and sports sector, further support will be provided to preserve core capabilities in consultation with the Ministry of Culture, Community and Youth.
- ▶ For a small number of businesses that are not allowed to open soon due to safe management considerations, help will be provided to transition them to other activities or to ease their exit. More details will be provided by the MTI.

Transforming our economy for a post-COVID-19 world

- ▶ Startups are contributing to economic growth, spurring innovation and entrepreneurship. The Startup SG Founder Programme provides mentorship and startup capital grant of S\$30,000 to first-time entrepreneurs with innovative ideas. Up to S\$150 million will be set aside to enhance the Startup SG Founder Programme in phases. The MTI will provide more details later this week.

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APAC no. 12002237
ED None

UEN 201911025K

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