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20 February 2024

Dear Clients

2024 SINGAPORE BUDGET NEWSLETTER

We are pleased to enclose our newsletter on the recent Budget announced by the Finance Minister for your information.

These notes have been summarised to highlight the Budget changes and serve as general information only and are not exhaustive treatment of such subjects. They do not purport nor are they intended to be specific advice or services. The information is also not intended to be relied upon as the sole basis for any decision which may affect you or your business. For more detailed information or specific application of such information to your business circumstances, please contact us.

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Yours faithfully
Robert Tan Partners PAC



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BUSINESS TAX

Corporate Income Tax Rate and Tax Exemptions

There is no change in the Singapore corporate income tax rate of 17% and the partial tax exemption. The partial tax exemption on the first \$200,000 normal chargeable income is as follows:

Chargeable Income		Percentage exempted	Amount exempted	Amount assessable
	\$		\$	\$
For every \$ of the first	10,000	75%	7,500	2,500
For every \$ of the next	190,000	50%	95,000	95,000
	200,000		102,500	97,500

The partial tax exemption is given to SMEs. Hence, it is unlikely that the Government will make changes to this scheme even with the impending global minimum effective tax rate regime of a 15% minimum tax rate which is applicable to large MNEs as discussed below.

Similarly, the Start-Up Tax Exemption (“SUTE”) scheme which is applicable for the first 3 consecutive years of assessment continues to apply as follows:

Chargeable Income		Percentage exempted	Amount exempted	Amount assessable
	\$		\$	\$
For every \$ of the first	100,000	75%	75,000	25,000
For every \$ of the next	100,000	50%	50,000	50,000
	200,000		125,000	75,000

As before, in order to enjoy the SUTE scheme, the company must be Singapore tax resident and have at least an individual beneficially holding 10% of the company’s share capital. Property developers and investment holding companies do not qualify for this SUTE scheme.

Corporate Income Tax Rebate and Cash Grant

To help companies manage rising costs, a Corporate Income Tax (“CIT”) Rebate of 50% of tax payable will be granted for Year of Assessment (“YA”) 2024.

Companies that employed at least one local employee in calendar year 2023 will also automatically receive a CIT Rebate Cash Grant of \$2,000 by the third quarter of 2024. The CIT Rebate of 50% of tax payable, minus any CIT Rebate Cash Grant received, will be automatically incorporated in the companies’ tax assessments after their Tax Return for YA 2024 has been filed.

A company is considered to have met the local employee condition if it has made Central Provident Fund contributions (“CPF”) to at least one local (that is, Singapore citizen or permanent resident) employee but exclude shareholders who are also directors of the company in the calendar year 2023.

The maximum total benefits of CIT Rebate and CIT Rebate Cash Grant that a company may receive is capped at \$40,000.

Enhancing Tax Deduction for Renovation or Refurbishment (“R&R”) Expenditure

With effect from YA 2025, the above scheme will be enhanced by:

- (i) expanding the scope of qualifying expenditure to include designer or professional fees
- (ii) fixing the relevant 3-year period for all businesses for the purpose of computing the R&R expenditure cap, with the first 3-year period from YA 2025 to YA 2027
- (iii) allow an option to claim R&R deduction in one YA, subject to the prevailing expenditure cap.

IRAS will provide details by the 3rd quarter of 2024.

Finance and Treasury Centre (“FTC”) Incentive

The current concessionary tax rate (“CTR”) tier is 8%.

With effect from 17 February 2024, an additional CTR tier of 10% will be introduced.

EDB will provide details by 2nd quarter 2024.

Aircraft Leasing Scheme (“ALS”)

The current CTR tier is 8%.

With effect from 17 February 2024, an additional CTR tier of 10% will be introduced.

EDB will provide details by 2nd quarter 2024.

Development and Expansion Incentive (“DEI”)

The current CTR tier is 5% or 10%.

With effect from 17 February 2024, an additional CTR tier of 15% will be introduced.

EDB will provide details by 2nd quarter 2024.

Intellectual Property Development Incentive (“IDI”)

The current CTR tier is 5% or 10%.

With effect from 17 February 2024, an additional CTR tier of 15% will be introduced.

EDB will provide details by 2nd quarter 2024.

Global Trader Programme (“GTP”)

The current CTR tier is 5% or 10%.

With effect from 17 February 2024, an additional CTR tier of 15% will be introduced.

EDB will provide details by 2nd quarter 2024.

Funds managed by Singapore-based fund managers (referred to as "Qualifying Funds")

To continue to grow Singapore's asset and wealth management industry, the scheme will be extended to 31 December 2029.

In addition, the following key changes will be made:

- (a) The Section 13O scheme will be enhanced to include Limited Partnership
- (b) The economic criteria for Qualifying Funds under Sections 13D, 13O and 13U schemes will be revised.

The above changes will take effect from 1 January 2025.

MAS will provide additional details by 3rd Quarter 2024.

Introduction of An Alternative Basis of Tax for Shipping Entities

From YA 2024, an alternative basis of tax, where the qualifying income of shipping entities will be taxed by reference to net tonnage for the following Maritime Sector Incentive ("MSI") sub-schemes:

- (i) MSI-Shipping Enterprise (Singapore Registry of Ship)
- (ii) MSI-Approved International Shipping Enterprise
- (iii) MSI-Maritime Leasing (Ship)

For MSI entities that are subject to the alternative net tonnage basis of tax, this alternative basis will apply to all qualifying ships of the MSI entities.

The existing tax treatment under the relevant MSI sub-schemes will continue to apply to MSI entities that are not under the alternative net tonnage basis of tax.

MPA will provide details by 3rd quarter 2024.

Introduction of the Refundable Investment Credit (“RIC”)

To enhance Singapore’s attractiveness for investments, the Government will introduce the Refundable Investment Credit (“RIC”), which will support up to 50% of qualifying expenditures.

The RIC scheme seeks to enhance Singapore’s attractiveness for investments. The RIC encourages companies to make sizeable investments that bring substantive economic activities to Singapore, in key economic sectors and new growth areas. It will be awarded on an approval basis, through EDB and EnterpriseSG.

The RIC will support high-value and substantive economic activities such as:

- (i) Investing in new productive capacity (e.g., new manufacturing plant, production of low-carbon energy);
- (ii) Expanding or establishing the scope of activities in digital services, professional services, and supply chain management;
- (iii) Expanding or establishing headquarter activities, or Centres of Excellence;
- (iv) Setting up or expansion of activities by commodity trading firms;
- (v) Carrying out R&D and innovation activities; and
- (vi) Implementing solutions with decarbonisation objectives.

How the RIC works

The RIC is awarded on qualifying expenditures incurred by the company in respect of a qualifying project, during the qualifying period. Each RIC award will have a qualifying period of up to 10 years.

The credits are to be offset against Corporate Income Tax payable. Any unutilised credits will be refunded to the company in cash within four years from when the company satisfies the conditions for receiving the credits. The scheme is consistent with the Global Anti-Base Erosion Rules for Qualified Refundable Tax Credits.

The quantum of RIC that a company can receive will depend on the support rates predetermined for the company’s different qualifying expenditure categories. Support rates will be commensurate with the economic outcomes (or decarbonisation outcomes for decarbonisation projects) that the project is expected to bring.

Depending on project type, qualifying expenditure categories may include:

- (i) Capital expenditure (e.g. building, civil and structural works, plant and machinery, software);
- (ii) Manpower costs;
- (iii) Training costs;
- (iv) Professional fees;
- (v) Intangible asset costs;
- (vi) Fees for work outsourced in Singapore;
- (vii) Materials and consumables; and
- (viii) Freight and logistics costs.

Companies can receive up to 50% of support on each qualifying expenditure category. The total quantum of RIC that a company is eligible for will be determined by EDB or EnterpriseSG.

EDB and EnterpriseSG will also provide further details by 3Q 2024.

Implementing the Income Inclusion Rule (“IIR”) and Domestic Top-up Tax (“DTT”)

Last Budget, DPM Lawrence Wong announced that Singapore plans to implement Pillar Two of the Base Erosion and Profit Sharing (“BEPS”) 2.0 initiative in-line with the movement of the international tax community. To recap, the BEPS 2.0 initiative are only applicable to in-scope multinational enterprise (“MNE”) groups with annual group revenue of **750 million Euros** or more in at least 2 of the 4 preceding financing years.

Since then, several jurisdictions such as the EU, the UK, Switzerland, Japan and Korea have implemented Pillar Two rules from 2024 and other jurisdictions such as Hong Kong and Malaysia have announced plans to do so from 2025.

With this backdrop, DPM Wong mentioned in this year’s Budget that Singapore will move ahead to implement 2 components of Pillar Two of BEPS, namely the Income Inclusion Rule (“IIR”) and the Domestic Top-up Tax (“DTT”) as planned. Based on a uniform set of rules to impose a global minimum tax rate, IIR and DTT will impose a minimum effective tax rate (“METR”) of 15% on businesses’ profits from financial years starting from 1 January 2025.

By adopting IIR, in-scope MNE groups that are parented in Singapore will have to apply a METR of 15% on the profits of their group entities that are operating outside of Singapore.

On the other hand, the DTT will apply to foreign-parented in-scope MNE groups a METR of 15% on the profits of their group entities that are operating in Singapore.

PERSONAL INCOME TAX

Personal Income Tax Resident Rates

With effect from YA 2024, the Personal Income Tax (“PIT”) rate structure for Singapore tax-resident individual taxpayers will be as follows:

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (\$)	Effective Tax Rate
First \$20,000	0	0	
Next \$10,000	2	200	
First \$30,000	-	200	0.67%
Next \$10,000	3.5	350	
First \$40,000	-	550	1.38%
Next \$40,000	7	2,800	
First \$80,000	-	3,350	4.19%
Next \$40,000	11.5	4,600	
First \$120,000	-	7,950	6.63%
Next \$40,000	15	6,000	
First \$160,000	-	13,950	8.72%
Next \$40,000	18	7,200	
First \$200,000	-	21,150	10.58%
Next \$40,000	19	7,600	
First \$240,000	-	28,750	11.98%
Next \$40,000	19.5	7,800	
First \$280,000	-	36,550	13.05%
Next \$40,000	20	8,000	
First \$320,000	-	44,550	13.92%
Next \$180,000	22	39,600	
First \$500,000	-	84,150	16.83%
Next \$500,000	23	115,000	
First \$1,000,000	-	199,150	19.92%
In excess of \$1,000,000	24		

The non-Singapore tax resident individual PIT rate will be 24% with effect from YA 2024.

Personal Income Tax Rebate

A Personal Income Tax (“PIT”) rebate of 50% of tax payable will be granted to all tax resident individuals for YA 2024. The PIT rebate will be capped at \$200 per taxpayer.

Withdrawal of Income Tax Concession on Royalty Income Accorded to Authors, Composers and Choreographers

The current tax concession of 10% on royalty income derived by authors, composers and choreographers, and any company wholly owned by such individuals in respect of literary, dramatic, musical and artistic work, will be withdrawn in phases with effect from YA 2027.

For YAs 2027 and 2028, eligible taxpayers may continue to claim the tax concession and report their taxable royalty income based on the lower of:

- (i) the net amount of royalties (i.e. gross amount of royalties less allowable deductions and capital allowances); and
- (ii) a specified rate applied on the gross amount of royalties.

The specified rate will be as follows:

YA	Concessionary tax treatment
2027	40% of gross royalty
2028	70% of gross royalty

The tax concession will be lapsed after YA 2028.

From YA 2029, taxpayers should report the net amount of royalties and the concessionary tax rate of 10% of the gross amount of royalties will no longer be available.

Course Fees Relief

Due to the introduction of more targeted direct subsidies to support lifelong learning and upskilling over the years, the course fees relief will be lapsed with effect from YA 2026.

Tax resident individuals will continue to receive support for upskilling, reskilling and career transitions through other government initiatives such as course fees subsidies for SkillsFuture Singapore-funded courses, SkillsFuture Credit, SkillsFuture Career Transition Programmes and Career Conversion Programmes.

Increase in the Income Threshold of Dependent or Caregiver for Dependent-related Reliefs

From YA 2025, the annual income threshold of dependents or caregivers for claims for dependent-related reliefs will be increased from S\$4,000 to S\$8,000.

The dependent-related reliefs are:

- a) Spouse Relief;
- b) Parent Relief;
- c) Qualifying Child Relief;
- d) Working Mother's Child Relief;
- e) CPF Cash Top-up Relief for top-up to the CPF account of spouse or siblings; and
- f) Grandparent Caregiver Relief.

Removal of CPF Top-up Relief for Cash Top-ups under the Matched Retirement Savings Scheme ("MRSS")

The government will match every dollar of cash top-up made to eligible CPF members aged 55 to 70, up to an annual cap of \$600, under the MRSS. Givers may also be entitled to tax relief for cash top-ups that attract the MRSS matching grant.

From 1 January 2025, the matching grant cap will be increased to \$2,000 per year, with a \$20,000 cap over the eligible CPF member's lifetime. The age cap of 70 years is also removed. With these enhancements, givers will no longer be eligible for tax relief on cash top-ups that attract the MRSS matching grant.

A giver may continue to enjoy tax relief of up to S\$16,000 a year for eligible CPF cash top-ups that do not attract the MRSS matching grant. The maximum amount of CPF Cash Top-up Relief is as follows:

- a) \$8,000 per year for cash top-ups to the giver's own Special Account, Retirement Account or Medisave Account; and
- b) \$8,000 per year for cash top-ups to such accounts of the giver's loved ones.

PROPERTY TAX

Revision of Annual Value (“AV”) Bands for Owner-occupied Residential Property Tax Rates

In view of the sharp rise in AVs over the last two years, the AV bands of the owner-occupier residential property tax (“PT”) rates will be adjusted as follows from 1 January 2025:

Marginal PT Rate	Portion of AV	
	1 January 2024 to 31 December 2024	From 1 January 2025
0%	S\$0 – S\$8,000	S\$0 – S\$12,000
4%	> S\$8,000 – S\$30,000	> S\$12,000 – S\$40,000
6%	> S\$30,000 – S\$40,000	> S\$40,000 – S\$50,000
10%	> S\$40,000 – S\$55,000	> S\$50,000 – S\$75,000
14%	> S\$55,000 – S\$70,000	> S\$75,000 – S\$85,000
20%	> S\$70,000 – S\$85,000	> S\$85,000 – S\$100,000
26%	> S\$85,000 – S\$100,000	> S\$100,000 – S\$140,000
32%	> S\$100,000	> S\$140,000

Extension of GIRO Scheme for Residential Property (Retirees) (“EGS – Residential Property (Retirees)”)

To better support retirees, the 12-month interest-free GIRO instalment plan offered by IRAS will be extended to up to 24 months, effective from PT bill 2024, for retirees who meet the following criteria:

- All owners of the property are 65 years old and above;
- The applicant must owner-occupy the residential property (i.e. live in the property they own); and
- The applicant’s assessable income must not exceed S\$34,000 (based on latest tax assessment available).

Eligible retirees can apply for EGS Residential Property (Retirees) via myTax Portal from 19 February 2024 onwards.

STAMP DUTY

New Additional Buyer's Stamp Duty ("ABSD") Concession for Single Singapore Citizen ("SC") Seniors

Currently, a concession for ABSD is available to married couples who are SCs buying a replacement residential property ("RP").

To better support single SC seniors who wish to right-size their RP, the ABSD concession will be extended to single SC seniors aged 55 and above. For purchases on or after 16 February 2024, single SC seniors aged 55 and above can claim a refund of ABSD paid on the replacement private RP if they meet the following conditions:

- a) ABSD has been paid on the replacement RP;
- b) Each first RP is solely owned by a single SC aged 55 and above, or with single SCs aged 55 and above who are immediate family members;
- c) The owners of each first RP need to be the owners of the replacement RP. Any additional owners purchasing the replacement RP with the owners of each first RP must also be single SCs aged 55 and above who are immediate family members. There should be no change of ownership in the replacement RP at the time of the sale of each first RP;
- d) The buyer(s) do not own more than one RP each at the point of purchasing the replacement RP, and have not purchased or acquired any other RP since the purchase of the replacement RP;
- e) The value of the replacement RP is less than the value of each of the first RP(s) sold;
- f) The buyer(s) dispose the first RP(s) (whether co-owned or separately owned) within six months after the date of purchase of a completed RP, or the issue date of the Temporary Occupation Permit or Certificate of Statutory Completion of an uncompleted RP, whichever is earlier; and
- g) The application for the refund of ABSD is made within six months after the date of sale of the first RP(s).

Revision of ABSD Remission Claw-back Rates for Housing Developers

With effect from 16 February 2024, housing developers will be subject to a lower ABSD remission claw-back rate on projects with at least 90% of units sold at the 5-year sale timeline if the commencement and completion of works criteria are also fulfilled. This applies for projects where the residential land was acquired on or after 6 July 2018. The ABSD remission clawed back will be reduced by between 1% and 10%, depending on the proportion of units sold at the 5-year mark.

MISCELLANEOUS

Enhancements to the Workfare Income Supplement Scheme (“Workfare”)

Workfare supplements the incomes and CPF savings of lower-wage Singaporean workers, and encourages them to work regularly. Employees do not need to apply for Workfare, as eligibility is automatically assessed based on CPF contributions. Self-employed persons will have to declare their income and make the required MediSave contributions to receive Workfare payments.

Enhancements to Workfare will apply to work done from **1 January 2025**. The enhanced Workfare will benefit around half a million Singaporeans.

Enhancements to Workfare

- (i) **Qualifying monthly wage cap will be raised from \$2,500 to \$3,000.**¹ This takes into account wage growth of Singaporeans. The higher qualifying monthly wage cap of \$3,000 will also apply to the Workfare Skills Support scheme.
- (ii) **Higher Workfare payments of up to \$4,900 per year.** Payments, which depend on age and wages, will be enhanced across all age bands. Eligible employees will receive up to \$4,900 per year, compared to \$4,200 per year today (see Table 1). Older workers and all persons with disabilities will continue to receive the highest payments. The payments for self-employed persons are set at two-thirds of the payments for employees and will be correspondingly increased.

Table 1 : Maximum Annual Workfare Payments for Employees

Age Band	Before Enhancement (For Work Done from 1 Jan 2023 to 31 Dec 2024)	After Enhancement (For Work Done from 1 Jan 2025)
30-34	\$2,100	\$2,450
35-44	\$3,000	\$3,500
45-59	\$3,600	\$4,200
60 & above	\$4,200	\$4,900
All persons with disabilities	\$4,200	\$4,900

¹ In addition, the worker must earn an average gross monthly wage of not more than \$3,000 in the past 12 months.

Raising the Local Qualifying Salary

As part of our Progressive Wages moves, firms hiring foreign workers are required to pay all their local workers at least the LQS. The number of local workers paid the LQS is used to determine the firm's foreign worker quota entitlement.

The LQS is regularly reviewed to keep pace with wage growth, to continue to uplift lower-wage workers and maintain foreign workforce controls.

The Government will raise the LQS from \$1,400 to \$1,600 per month. Firms hiring foreign workers will have to pay all their local workers at least the LQS (or Progressive Wage Model wages where applicable):

- (i) At least \$1,600 per month for full-time local workers; or
- (ii) At least \$10.50 per hour for part-time local workers.

Foreign worker quota computation will correspondingly be adjusted with the new LQS:

- (i) 1 local workforce count: Per local worker who is paid at least \$1,600 per month; or
- (ii) 0.5 local workforce count: Per local worker who is paid at least \$800 but less than \$1,600 per month.

These changes will be implemented from 1 July 2024.

Introduction of Overseas Humanitarian Assistance Tax Deduction Scheme (“OHAS”)

To encourage the giving of overseas humanitarian assistance, the OHAS will provide individual and corporate donors with 100% tax deduction for qualifying overseas cash donations made through a designated charity and towards a fundraiser for emergency humanitarian assistance with a valid Fund-Raising for Foreign Charitable Purposes permit from the Commissioner of Charities.

Tax deductions under OHAS will be capped at 40% of the donor's statutory income. For donors who also enjoy deductions under the Philanthropy Tax Incentive Scheme for Family Offices (“PTIS”), their tax deductions under both OHAS and PTIS will be jointly capped at 40% of the donor's statutory income.

Any unutilised tax deductions under the OHAS cannot be carried forward to offset against the donor's income of subsequent years of assessment or transferred under the Group Relief System.

The above scheme will be available for 4 years from 1 January 2025 to 31 December 2028.

IRAS will provide further details by 2nd quarter 2024.

Enhancements to the Progressive Wage Credit Scheme (“PWCS”)

The PWCS was introduced at Budget 2022 to provide transitional support from 2022 to 2026 to help employers adjust to the Progressive Wages moves, as well as encourage employers to voluntarily raise the wages of their lower-wage employees

The PWCS co-funds the wage increases that employers give to resident lower-wage employees with gross monthly wages of up to \$3,000. The average gross monthly wage increase must be at least \$100 in each qualifying year. Wage increases given in each qualifying year will be co-funded for two years if the wage increase is sustained. This is to help employers manage the compounding effect of wage increases year on year.

Increase in PWCS Co-Funding Support for 2024

To strengthen support for employers in uplifting lower-wage employees, the PWCS co-funding support will be enhanced for wage increases given in qualifying year 2024 (see Table 2). The enhanced co-funding support will also apply to wage increases given in qualifying year 2023 that are sustained in 2024.

Increase in Wage Ceiling for PWCS Co-Funding from 2025 Onwards

The gross monthly wage ceiling for PWCS co-funding will be increased from \$2,500 to \$3,000 in qualifying years 2025 and 2026 (see Table 2).

Table 2: PWCS Co-Funding Levels for Eligible Wage Increases from 2022 to 2026

Qualifying Year	Payout Period	Current		Enhanced	
		First Tier: Gross Monthly Wage Ceiling ≤ \$2,500	Second Tier: Gross Monthly Wage Ceiling > \$2,500 and ≤ \$3,000	First Tier: Gross Monthly Wage Ceiling ≤ \$2,500	Second Tier: Gross Monthly Wage Ceiling > \$2,500 and ≤ \$3,000
2022	Q1 2023	75% ¹	45% ¹	75%	45%
2023	Q1 2024	75% ²	45% ²	75%	45%
2024	Q1 2025	30%	15%	50% (+20%-pt)	30% (+15%-pt)
		Single Tier: Gross Monthly Wage Ceiling ≤ \$2,500		Single Tier: Gross Monthly Wage Ceiling ≤ \$3,000 (+\$500)	
2025	Q1 2026	30%		30%	
2026	Q1 2027	15%		15%	

Notes:

- Enhanced in June 2022's support package, from 50% to 75% for the First Tier, and from 30% to 45% for the Second Tier.
- Enhanced at Budget 2023, from 50% to 75% for the First Tier, and from 30% to 45% for the Second Tier.

SkillsFuture Enterprise Credit (“SFEC”)

The SFEC aims to encourage employers to invest in Enterprise and Workforce transformation. Eligible employers will receive additional support for the transformation efforts, in addition of the existing funding schemes.

Eligible employers can receive a one-off \$10,000 SFEC to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives, over and above the support levels of existing schemes.

As announced at Budget 2024, the SFEC will be extended by one year to 30 June 2025, to give companies more time to embark on Enterprise and Workforce transformation.

Increase in Senior Workers’ CPF Contribution Rates

In line with the recommendation from the Tripartite Workgroup on Older Workers in 2019, the Government announced that CPF contribution rates will be raised gradually over the next decade or so for Singaporean and Permanent Resident workers aged above 55 to 70 (see Table 1). When the increases have been fully implemented, those aged above 55 to 60 will have the same CPF contribution rates as younger workers.

Table 1: Current and Target CPF Contribution Rates (Employer + Employee) by Age Band

Age Band	2016–2021	Current CPF Contribution Rates (As of 1 January 2024)	By ~2030
55 and below	37.0%	No change	
Above 55 to 60	26.0%	31.0%	37.0%
Above 60 to 65	16.5%	22.0%	26.0%
Above 65 to 70	12.5%	16.5%	16.5%
Above 70	12.5%	No change	

Note: The timeline is subject to change, depending on prevailing economic conditions.

The Government has implemented the increase in senior workers’ CPF contribution rates for workers aged above 55 to 70 each year since 1 January 2022. We reached the target contribution rates for senior workers aged above 65 to 70 in 2024.

The next increase in senior workers’ CPF contribution rates for workers aged above 55 to 65 will take place on 1 January 2025, as shown in [Table 2](#). The increase in contribution rates will be fully allocated to the CPF Special Account (“SA”) or Retirement Account (“RA”) to help senior workers save more for retirement.

To mitigate the rise in business costs due to this increase, the **Government will provide employers with a one-year CPF Transition Offset** equivalent to half of the 2025 increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ aged above 55 to 65 (see [Table 2](#)). This will be provided automatically and employers do not need to apply for the offset.

Table 2: CPF Contribution Rates for Senior Workers from 1 January 2025

Age Band	CPF Contribution Rates from 1 January 2025			CPF Transition Offset for 2025
	Total	Employer	Employee	
55 and below	No change			
Above 55 to 60	32.5% (+1.5%-pt)	15.5% (+0.5%-pt)	17.0% (+1%-pt)	0.25%-pt
Above 60 to 65	23.5% (+1.5%-pt)	12.0% (+0.5%-pt)	11.5% (+1%-pt)	0.25%-pt
Above 65 to 70	No change (target contribution rates were reached in 2024)			
Above 70	No change			

Notes:

1. The CPF contribution rates are stated as a percentage of wages.
2. The percentage point figures in parentheses refer to the increase in CPF contribution rates from 1 January 2025, compared to current rates as of 1 January 2024.

SME Working Capital Loan (“EFS-WCL”)

The SME Working Capital Loan (WCL) is a government assisted financing loan under the Enterprise Financing Scheme (EFS-WCL). The WCL is meant to help SMEs finance operational cashflow needs.

SMEs can access up to \$500K financing. Enterprise Singapore partners with participating financial institutions with between 50%-70% risk sharing.

There are 19 financial institutions participating in this scheme. Credit criteria & interest rate vary across the banks.

From 1 April 2024, the maximum loan quantum will be raised permanently to S\$500,000, to provide enhanced support for operational cashflow needs amid elevated costs.

Enterprise Financing Scheme – Project Loan (“EFS-PL”)

The EFS-PL aims to support enterprises in their internationalisation efforts by assisting them in financing the fulfilment of their overseas projects.

In view of the challenges faced by the construction sector, as announced on 12 Oct 2020, the EFS-PL was enhanced to extend support to construction companies to finance the fulfilment of secured domestic projects, maximum loan quantum of S\$30 million until 31 March 2024.

From 1 April 2024, the support for domestic construction projects will be extended until 31 March 2025, with a lower maximum loan quantum of S\$15 million.

Enterprise Financing Scheme – Trade Loan (“EFS-TL”)

The EFS-TL supports Singapore-based enterprises’ trade financing needs, which include the financing of short-term import, export, and guarantee needs.

As announced at Budget 2024, the enhanced maximum loan quantum of S\$10 million will be extended until 31 March 2025 and the enhanced risk share of 70% will be maintained for young businesses and businesses trading in challenged markets.

Enterprise Financing Scheme – Green (“EFS-Green”)

The EFS-Green aims to catalyse green financing for enterprises to capture opportunities in green growth sectors.

EFS-Green enable eligible companies to better access to green financing for enterprises that are project developers, system integrators and technology & solution enablers which develop enabling technologies and solutions to reduce waste, resource use or greenhouse gas emissions, especially in sectors of clean energy, circular economy, green infrastructure and clean transportation.

From 1 April 2024, support will be expanded to include businesses which adopt green solutions, to help them embark on their sustainability journey and reduce their carbon footprint.

EFS-Green is open for applications until 31 March 2026. All applications must reach EnterpriseSG and be approved by a participating financial institution by 31 March 2026.

Charities Capability Fund Collaboration Grant (“CCF”)

CCF aims to enhance productivity, operational efficiency, governance and management capabilities of the exempt, registered charities and IPCs.

As announced at Budget 2024, CCF will be extended for another 3 years until 31 March 2027.

Partnerships for Capability Transformation (“PACT”)

The PACT Scheme was introduced to defray part of the costs – such as on equipment, materials, testing and professional services – incurred by original equipment manufacturers (OEMs) and their suppliers to validate that suppliers’ procedures comply with the OEM’s requirements.

The current PACT scheme supports collaborations between larger companies and SMEs in supplier development and co-innovation. It will be enhanced to support partnerships in more areas, particularly capability training, internationalisation and corporate venturing that facilitates business to tap into the Global market.

Energy Efficiency Grant (“EEG”)

The EEG aims to help businesses in the food services, food manufacturing and retail sectors cope with rising energy costs through co-funding support to invest in energy-efficient equipment. The EEG will provide up to 70% support for SMEs to adopt pre-approved energy-efficient equipment.

As announced at Budget 2024, the grant will be expanded to more sectors including manufacturing, maritime, construction and data centres, to help companies defray the costs of pre-approved energy-efficient equipment.

Future Energy Fund

A new Future Energy Fund with an initial injection of \$5 billion will be set up to help build the critical infrastructure needed for Singapore’s shift to low-carbon electricity.