

Supplementary Budget 2020 Fortitude Budget

26 May 2020

Building on the measures in the Unity, Resilience and Solidarity Budgets, Deputy Prime Minister and Minister for Finance Mr Heng Swee Keat announced another supplementary Budget on 26 May 2020 named Fortitude Budget to further help businesses and workers tackle the unprecedented challenges brought about by the Covid-19 pandemic.

The Fortitude Budget also paves the way for the economy to thrive in the post-Covid world as business models and consumer behaviours have changed while adapting to the new normal. To ensure every business and individual are digitally ready, S\$500 million has been set aside to support this digital transformation. This may help Singapore catapult into a digital nation amidst the crisis.

With the S\$60 billion devoted in the previous budgets and S\$33 billion in the Fortitude Budget, the total fiscal stimulus package stands at close to 20% of Singapore's gross domestic product, biggest ever in history so as to see Singapore through this crisis, recover and emerge stronger.

ENHANCEMENT TO JOB SUPPORT SCHEME

Extension of Job Support Scheme to cover wages paid in August 2020 and increased support for affected sectors

- ▶ To support businesses as they re-open post-circuit breaker, the Job Support Scheme (JSS) will be extended by one month to cover wages paid in August 2020, bringing total wage support to 10 months of wages. The support for August 2020 payout will be disbursed in October 2020.
- ▶ The list of sectors deemed to be directly and severely affected by travel restrictions and /or safe distancing measures has been updated:

JSS Support	Existing	Updated
Tier 1 - 75% wage support	Aviation Tourism ¹	Build Environment (for June to August wages only) Aerospace MICE and Tourism Event organisers
Tier 2 – 50% wage support	Food Services	Retail Art and Entertainment Marine and Offshore Land Transport

¹New sub-sectors included



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- Employers will receive wage subsidy automatically on the wages of each local employee whom mandatory Central Provident Fund (CPF) contributions were made (the extended support for August 2020 payout is indicated in "burgundy"):-

Payout	Date of payment	Tier 1	Tier 2	Tier 3
		Computation of Payout for the first S\$4,600 of gross monthly wages		
Payout 1	Apr 2020	+ 75% of Oct 19 wages + 75% of Nov 19 wages + 75% of Dec 19 wages	+ 75% of Oct 19 wages + 50% of Nov 19 wages + 50% of Dec 19 wages	+ 75% of Oct 19 wages + 25% of Nov 19 wages + 25% of Dec 19 wages
Additional Payout	May 2020	+ 75% of Nov 19 wages	+ 75% of Nov 19 wages	+ 75% of Nov 19 wages
Payout 2	Jul 2020	+ 75% of Feb 20 wages + 75% of Mar 20 wages + 75% of Apr 20 wages	+ 50% of Feb 20 wages + 50% of Mar 20 wages + (75% of Apr 20 wages - 25% of Oct 19 wages ²)	+ 25% of Feb 20 wages + 25% of Mar 20 wages + (75% of Apr 20 wages, - 50% of Oct 19 wages ²)
Payout 3	Oct 2020	+ (75% of May 20 wages - 75% of Nov 19 wages ³) + 75% of Jun 20 wages + 75% of Jul 20 wages + 75% of Aug 20 wages	+ (75% of May 20 wages - 75% of Nov 19 wages ³) + 50% of Jun 20 wages + 50% of Jul 20 wages + 50% of Aug 20 wages	+ (75% of May 20 wages - 75% of Nov 19 wages ³) + 25% of Jun 20 wages + 25% of Jul 20 wages + 25% of Aug 20 wages

JSS support for phased re-opening post-circuit breaker

- With the gradual easing of the circuit breaker measures, businesses that are not allowed to resume operations immediately will continue to receive JSS wage support at 75% until August 2020 or when they are allowed to re-open, whichever is earlier. Pro-ration will be applied if businesses resume their operations in the middle of the month.
- Employers allowed to resume operations will revert to receiving their base tier of support.

EASING LABOUR COSTS

- Foreign worker levy waiver and rebate will be granted for an additional two months (i.e. June and July 2020) to businesses that are not allowed to resume operations immediately and all businesses in the construction, marine and offshore, and process sectors.
- The waiver will be 100% in June and 50% in July and the rebate will be S\$750 for each Work Permit and S-Pass holder in June and S\$375 in July.

CPF CONTRIBUTION RATES FOR SENIOR WORKERS

- The planned increase in CPF contribution rates for senior workers and CPF transition offset scheme will be deferred from 1 January 2021 to 1 January 2022.

² This adjustment is for the temporary JSS enhancement for the month of April 2020. Any negative quantum for a single employee will be offset from the overall JSS payout for the employers.

³ Employers who put local employees on mandatory no-pay-leave or retrench them will not be entitled to the enhanced JSS payout for these employees. Any negative quantum for a single employee will be offset from the overall JSS payout for the employers.

RENTAL RELIEF

Cash grants for SME tenants in private non-residential properties

- ▶ A new cash grant will be granted to SMEs with qualifying leases or licenses commencing before 25 March 2020 to offset their rental costs as follows:
 - Qualifying SME tenants of qualifying commercial properties (e.g. shops) will be provided a cash grant of about 0.8 month's of rent.
 - Qualifying SME tenants of other non-residential properties (e.g. industrial and office properties) will be provided a cash grant of about 0.64 month's of rent.
- ▶ A new Bill mandating that landlords grant rental waivers to qualifying SME tenants will be introduced.

Rental waivers for tenants in public properties

- ▶ For businesses located in Government-owned/managed non-residential properties, rental waivers will be provided as below:-
 - Stallholders of hawker centres and markets - additional two months (i.e. total five months)
 - Commercial - additional two months (i.e. total four months)
 - Other non-residential tenants (industrial, office and agricultural) - additional one month (i.e. total two months)

ENHANCING FINANCIAL SUPPORT

- ▶ S\$285 million worth of financing support scheme will be provided to catalyse and crowd in matching private investments, to sustain startup's innovation and entrepreneurship activities. This is on top of the S\$300 million that had been made available during the Unity Budget for deep-tech startups.

DIGITAL TRANSFORMATION & INNOVATION

Adopting e-payments

- ▶ To encourage adoption of e-payments, a bonus of S\$300 per month over a period of 5 months will be provided to stallholders in hawker centres, wet markets, coffee shops and industrial canteens.

Digital Resilience Bonus

- ▶ The Bonus provides additional support to enterprises seeking to uplift their digital capabilities to adapt to safe management practices post circuit breaker.
- ▶ As a pilot, Food Services and Retail enterprises that adopt pre-defined categories of digital solutions can receive bonus payouts of up to S\$10,000 to offset the cost of adoption.

SUPPORT FOR HIRING

- ▶ The hiring incentive for hiring local workers through eligible reskilling and training programmes has been enhanced to include hiring local employees aged 40 and below.
- ▶ The salary support percentage for local employees aged above 40 has been enhanced from 20% for six months, capped at total S\$6,000 per employee to 40% for six months, capped at total S\$12,000 per employee. For those aged 40 and below, it will be supported with 20% for six months, capped at total S\$6,000 per employee.

It remains to be seen whether the Fourth Budget will be the last Budget of the year. Our Finance Minister has set aside S\$13 billion in the Contingencies Fund and the Development Contingencies Fund. Hopefully, Singapore does not need to draw on this to meet any urgent, unforeseen expenditures.

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