

Incentive Snippets

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Supporting wages through the Jobs Support Scheme

The COVID-19 pandemic is an unprecedented global outbreak that has severely impacted the economy and our way of life. Cognizant of this, the Singapore Government has announced key support measures for businesses during these trying times, and included among these measures is the Jobs Support Scheme (JSS) which was first introduced during Budget 2020, and further enhanced in the Resilience and Solidarity Budgets and subsequently in the media conference held on 21 April 2020. More details on the JSS can be found below.

Objective

The JSS was introduced to provide wage support to businesses and help retain local employees (i.e. Singapore Citizens and Singapore Permanent Residents) during this period of economic uncertainty.

JSS Benefits

Under the JSS, the Government will co-fund the first S\$4,600 of gross monthly wages¹ paid for each local employee for nine months. There are three different levels of support provided for employers in different sectors, as shown in the table below.

Sector	Group of Employers	Support under JSS
Tier 1 – Aviation and Tourism	<ul style="list-style-type: none"> • Airlines • Airport ground handlers • Airport operators • Qualifying licensed hotels • Qualifying licensed travel agents • Qualifying gated tourist attractions 	<ul style="list-style-type: none"> • 75% of first S\$4,600 per local employee for 9 months

¹ Gross monthly wages include employee CPF contributions but exclude employer CPF contribution

Sector	Group of Employers	Support under JSS
	<ul style="list-style-type: none"> Cruise lines and cruise terminal operators Purpose-built Meetings, Incentives, Conference and Exhibitions venue operators 	
Tier 2 – Food Services	<ul style="list-style-type: none"> Licensed food shops and food stalls (including hawker stalls) 	<ul style="list-style-type: none"> 75% of first S\$4,600 per local employee for 2 months (April and May) 50% of first S\$4,600 per local employee for remaining 7 months
Tier 3 – all other Sectors	<ul style="list-style-type: none"> All other employers 	<ul style="list-style-type: none"> 75% of first S\$4,600 per local employee for 2 months (April and May) 25% of first S\$4,600 per local employee for remaining 7 months

JSS Payout cycles

The JSS payouts will be disbursed in multiple tranches in the months of April, July and October 2020 respectively, with an additional payout in the month of May 2020 to provide further cashflow support during the Circuit Breaker period. Further details of the JSS payout cycles are shown in the table below.

Payout Tranches	Payout Month	Covering wages paid during	Wages will be computed based on CPF contributions made by
Payout 1	Apr 2020	Oct, Nov, Dec 2019 Apr 2020 ²	14 Feb 2020
Additional payout	May 2020	May 2020 ³	14 Feb 2020
Payout 2	Jul 2020	Feb, Mar, Apr 2020 ⁴	31 May 2020
Payout 3	Oct 2020	May, Jun, Jul 2020 ⁵	14 Aug 2020

² Enhancement to 75% computed using October 2019 wages

³ Computed based on November 2019 wages

⁴ Adjustment will be made for Apr 2020 payout which was given in advance in Payout 1

⁵ Adjustment will be made for May 2020 payout which was given in advance in Additional Payout

Eligibility

All employers with entities registered in Singapore and who have made CPF contributions for their local employees will automatically qualify for the JSS. The Inland Revenue Authority of Singapore (IRAS) will notify eligible employers by post of the tier of support and amount of JSS payout available to them.

Additionally, the Singapore Government has announced on 21 April 2020 that the JSS would be extended to cover the wages of employees who are also shareholders and directors of the company (shareholder-directors) with Assessable Income of S\$100,000 or less for the Year of Assessment 2019⁶.

Employers must also continue to employ employees during the months of support in order to enjoy the JSS payouts⁷.

Appeals

If your company has not been notified of the JSS eligibility or if the eligible Tier of the company is incorrect, an appeal can be submitted, where required.

In addition, if your business is severely impacted by the Covid-19 situation but does not fall within the industries eligible for the higher Tier benefits, you may appeal to relevant authorities. This would be evaluated on a case-by-case basis.

How we can help

KPMG has an extensive team of more than 70 dedicated incentives advisors including in Australia, China and Singapore, who have decades of incentives advisory experience across diverse industries in Asia Pacific. Our team members include those with previous experience working in government bodies and the tax authority, such as the Singapore Economic Development Board (EDB), the Inland Revenue Authority of Singapore (IRAS), and the Ministry of Finance (MOF). Please feel free to contact us for further discussion and we can provide further details to assist your company on the JSS where required.

⁶ For companies that are registered on or before 20 April 2020. The May 2020 and subsequent JSS payouts will include support for qualifying shareholder-directors, as well as back-payment of qualifying shareholder-directors whose wages were excluded from the first JSS payout in April 2020.

⁷ Employers who reduce their employees' wages or put their employees on no-pay leave during this February to July 2020 will have their JSS pay-outs reduced correspondingly

To uncover more insights on the global tax implications of COVID-19, read our [COVID-19 Global Tax Developments Summary](#)

Read more of our insights and perspectives at the [KPMG in Singapore Webpage](#)

Stay tuned for our next Incentive Snippets newsletter.

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