

**ANNEX A-3: EXTENSION OF
ADDITIONAL SPECIAL EMPLOYMENT CREDIT**

The Additional Special Employment Credit (ASEC) provides wage offsets to employers hiring older Singaporean workers earning up to \$4,000 a month, who are older than the re-employment age¹. This is on top of the Special Employment Credit (SEC) of up to 8% for eligible Singaporean workers aged 55 and above.

The Government will extend the ASEC for two and a half years, from 1 July 2017 to 31 December 2019. This will: (i) continue to support workers older than the re-employment age, and (ii) support those who are above 65 years old as of 1 July 2017 and hence not covered by the increase in re-employment age to 67. Table 1 explains who is eligible for ASEC, and when they are eligible for it.

Table 1: Eligibility for the ASEC

Age Criteria		Period of Eligibility for ASEC
Date of Birth	Age as of 1 July 2017	
Before 1 July 1952 <i>(not covered by the new re-employment age)</i>	65 or older	In the month they turn 65, till 31 December 2019
On or after 1 July 1952 <i>(covered by the new re-employment age until they turn 67)</i>	Younger than 65	In the month they turn 67, till 31 December 2019

Example 1: Worker whose date of birth is before 1 July 1952

- An employer hiring a Singaporean worker born on 15 March 1951 (i.e. age 66 as of 1 July 2017) would already have been receiving ASEC wage offsets for this worker since March 2016 (i.e. the month the worker turned 65).
- With the extension of the ASEC from 1 July 2017 to 31 December 2019, if the worker is employed during this period, his employer will continue to be eligible for ASEC wage offsets between July 2017 and December 2019.

¹ The current re-employment age is 65 years. It will be raised to 67 years on 1 July 2017.

Example 2: Worker whose date of birth is on or after 1 July 1952

- An employer hiring a Singaporean worker born on 15 September 1952 (i.e. age 64 as of 1 July 2017) will be eligible for ASEC wage offsets between September 2019 (i.e. the month in which the worker turns 67) and December 2019, if the worker is employed during this period. (This worker would already have been covered by the new re-employment age up to 67.)

The extended ASEC will benefit about 120,000 workers and about 55,000 employers. The Special Employment Credit Trust Fund will be topped up by \$160 million to fund the ASEC for eligible employees from 1 July 2017 until 31 December 2019.

Quantum of ASEC

Employers who hire eligible workers with monthly wages of not more than \$3,000 per month will receive ASEC of 3% of their eligible employees' monthly wages. A lower ASEC is provided for workers who earn between \$3,000 and \$4,000.

More details are given in Table 2.

Table 2: Formula for SEC and ASEC Payout

Wage of Employee in a Given Month	Payout for the Month for Each Employee		
	ASEC	SEC*	Total
Up to \$3,000	3% of wage	8% of wage	11% of wage
Between \$3,000 and \$4,000	$\$360 - (0.09 \times \text{wage})$	$\$960 - (0.24 \times \text{wage})$	$\$1,320 - (0.33 \times \text{wage})$
\$4,000 and above	Not available		

* SEC was extended from 1 January 2017 to 31 December 2019, as announced in Budget 2016

For instance:

- *For an eligible older worker earning \$2,800 per month, an employer would receive a total payout of \$308, consisting of SEC of \$224 and ASEC of \$84.*
- *For an eligible older worker earning \$3,500 per month, an employer would receive a total payout of \$165, consisting of SEC of \$120 and ASEC of \$45.*

To better support the employment of Persons with Disabilities (PWDs), employers who hire PWDs receive double the combined monthly SEC and ASEC. The combined monthly SEC and ASEC will be capped at \$330 per eligible PWD.

When will the ASEC be paid?

The extended ASEC will apply to employees on the payroll from 1 July 2017 to 31 December 2019. Together with SEC, it will be paid twice a year, in March and September. Eligibility for ASEC is automatically assessed based on the regular monthly CPF contributions that employers make for their employees. More details are given in Table 3.

Table 3: Timeline and Payment Dates for SEC & ASEC

Employees on Payroll (2017 to 2019)	Deadline for Employers to make CPF Contributions to Receive SEC and ASEC	Payment Date for SEC and ASEC
January to June	14 th of the subsequent month E.g. 14 th February for employees on the January payroll	September of the current year
July to December	14 th of the subsequent month E.g. 14 th January of the following year for employees on the December payroll	March of the following year

Employers will automatically receive the ASEC payments in the bank accounts from which they make GIRO payments of their employees' CPF contributions. Employers without a valid GIRO arrangement with the CPF Board will receive the ASEC by cheque.

More information

Members of the public may visit www.sec.gov.sg or email: sec@mom.gov.sg or contact the Special Employment Credit team at 1800-2222-888 for more information.