

ANNEX B-2: DEVELOPING OUR PEOPLE

(I) Next Bound Of SkillsFuture

Introduced in 2015, the SkillsFuture movement provides our people with opportunities to develop to their fullest potential throughout life. The Next Bound of SkillsFuture aims to further support Singaporeans on this journey, through enabling the individual, as well as enhancing the role of employers.

I-1. SkillsFuture Credit (SFC) Top-up

The SFC was introduced in Budget 2015 to encourage individuals to take ownership of their skills development and lifelong learning. To continue to support Singaporeans in this national movement, we will provide a one-off SFC top-up of \$500 to every Singapore Citizen aged 25 years and above as at 31 December 2020. Eligible individuals can start using the additional \$500 SFC from 1 October 2020.

This SFC top-up will be valid for five years to encourage Singaporeans to take timely action to reskill and upskill, and be better equipped to seize new career opportunities. Any unused credit from this SFC top-up will lapse after 31 December 2025¹.

More details will be provided at the MOE COS.

For more information, please visit <https://www.skillsfuture.sg/nextbound>, or contact SkillsFuture Singapore at <https://www.ssg.gov.sg/feedback>.

I-2. SkillsFuture Enterprise Credit (SFEC)

The SFEC encourages employers to undertake enterprise and workforce transformation initiatives in tandem. Eligible employers will receive a one-off \$10,000 credit to cover up to 90% of out-of-pocket expenses for supportable enterprise capability development and workforce transformation programmes. To encourage employers to undertake workforce transformation to reskill and upskill their workers, \$3,000 of the SFEC will be reserved for workforce transformation programmes².

¹ Individuals' opening SkillsFuture Credit (i.e. 1st \$500) will continue to have no expiry.

² This means that employers can use up to \$10,000 for workforce transformation, but can only use up to \$7,000 on enterprise transformation programmes.

The SFEC is expected to benefit more than 35,000 enterprises. Employers have four qualifying windows³ until 31 March 2021 to qualify for SFEC. At each of the qualifying windows, employers must have contributed at least \$750 Skills Development Levy (SDL) in total in the preceding 12 months and have at least three Singapore Citizens/Permanent Residents employed in each of the preceding 12 months, based on latest available data⁴. Upon qualification, employers will be able to use the SFEC on supportable schemes any time from 1 April 2020, with claims to be submitted latest by 30 June 2023.

The list of current SFEC-supportable programmes is at [Table 1](#). The supportable programmes will be reviewed from time to time. The updated list will be made available at Enterprise Singapore’s website at a later date.

Table 1: SFEC-supportable programmes

| Programmes | Agency |
|---|---|
| Enterprise Transformation Programmes | |
| 1. Enterprise Development Grant (EDG) | Enterprise Singapore |
| 2. Enterprise Leadership for Transformation Programme (ELT) | |
| 3. Market Readiness Assistance (MRA) | |
| 4. Productivity Solutions Grant (PSG) | Solutions administered by Enterprise Singapore, Singapore Tourism Board, Building and Construction Authority, National Environment Agency, Info-communications Media Development Authority, Monetary Authority of Singapore |
| 5. Business Improvement Fund | Singapore Tourism Board |
| Workforce Transformation Programmes | |
| 1. Skills Framework-aligned courses (in support of the Industry Transformation Maps) | SkillsFuture Singapore |
| 2. Professional Conversion Programmes (course fee expenses only) | Workforce Singapore |
| 3. Place-and-Train Programmes for Rank-and-File workers (course fee expenses only) | |
| 4. Job Redesign initiatives (i4.0 Human Capital Initiative for Manufacturing Sector, Service Industry Transformation Programme for Service sectors, PSG (Job Redesign) component) | |

³ End-June 2020, end-September 2020, end-December 2020 and end-March 2021.

⁴ This includes allowing for a 3-month processing time for SDL and employment data.

| | |
|---|-------------------------|
| 5. Training Industry Professionals in Tourism | Singapore Tourism Board |
|---|-------------------------|

More details will be provided at the MTI and MOE COS.

For more information, please contact Enterprise Singapore at enquiry@enterprisesg.gov.sg.

(II) SkillsFuture Mid-Career Support Package

The new SkillsFuture Mid-Career Support Package aims to create more career transition opportunities for locals in their 40s to 50s, and help them remain employable and be able to access good jobs. By 2025, we aim to double the annual placements for this group through reskilling programmes to 5,500 through the following initiatives.

II-1. Hiring incentive

Employers play a key role in supporting career transitions. The new hiring incentive aims to encourage more employers to step up efforts to recruit, retrain, and retain mature workers.

Employers who hire new local workers aged 40 and above through select reskilling programmes can receive 20% salary support for 6 months, capped at \$6,000 in total.

Reskilling programmes eligible for the hiring incentive are the Professional Conversion Programmes (PCPs), Place-and-Train (PnT) programmes for rank-and-file workers, and career transition programmes by Continuing Education and Training (CET) centres. An employer who is already claiming salary support for a mature person hired under Workforce Singapore's Career Support Programme or P-Max, cannot receive the hiring incentive for the same person hired.

For more information, please contact Workforce Singapore at 6883 5885.

II-2. SkillsFuture Credit (SFC) top-up for the 40s and 50s

To improve individuals' access to career transition programmes, we will provide a one-off SFC top-up of \$500 to every Singapore Citizen (SC) aged 40 to 60 (inclusive) as at 31 December 2020. This will be over and above the \$500 SFC top-up (in I-1 above) for SCs aged 25 and above as at 31 December 2020⁵.

⁵ This means that Singapore Citizens aged between 40 and 60 (inclusive) as at 31 December 2020 will receive a total SFC top-up of \$1,000 on 1 October 2020.

Eligible individuals can start using the SFC top-up under this package from 1 October 2020, on about 200 career transition programmes offered by the Continuing Education and Training (CET) Centres⁶.

Similar to the SFC top-up for SCs aged 25 and above, this SFC top-up will be valid for five years to encourage individuals to take timely action to learn, reskill, and seize new career opportunities. All unused credit from this SFC top-up will lapse after 31 December 2025⁷.

More details will be provided at the MOE COS.

For more information, please visit <https://www.skillsfuture.sg/nextbound>, or contact SkillsFuture Singapore at <https://www.ssg.gov.sg/feedback>.

(III) Foreign Workforce Policies

III-1. Reduction in S Pass sub-Dependency Ratio Ceiling (DRC)

The S Pass sub-DRC will be reduced⁸ for the Construction, Marine Shipyard and Process sectors.

Table 2: DRC and Sub-DRC changes

| Sector | Current | Changes |
|-----------------------|---------|---|
| DRC | | |
| Services | 38% | To be reduced to 35% on 1 January 2021 as announced at Budget 2019 |
| Manufacturing | 60% | No change |
| Construction | 87.5% | No change |
| Process | 87.5% | No change |
| Marine Shipyard | 77.8% | No change |
| S Pass sub-DRC | | |
| Services | 13% | To be reduced to 10% on 1 January 2021 as announced at Budget 2019 |
| Manufacturing | 20% | To be considered for reduction in future |
| Construction | 20% | To be reduced to 18% on 1 January 2021, and to 15% on 1 January 2023 |
| Process | | |
| Marine Shipyard | | |

⁶ Examples of such courses include Workforce Skills Qualifications (WSQ) Certificate in Healthcare Support (Nursing Care), and National Infocomm Competency Framework (NICF)-Advanced Certificate in Infocomm Technology (Infrastructure).

⁷ Individuals' opening SFC (i.e. 1st \$500) will continue to have no expiry.

⁸ When a DRC or a sub-DRC cut is implemented, firms will not be able to renew work passes of foreign workers that have exceeded the revised DRC or sub-DRC. However, for the foreign workers above the DRC/sub-DRC limits, firms can retain them until their work passes expire to avoid disrupting existing operations.

III-2. Foreign Worker Levy (FWL) rates

FWL rates will remain unchanged for all sectors. The earlier-announced foreign worker levy increases for the Marine Shipyard and Process sectors will be deferred for another year.

Table 3: FWL rates

| Sector/ Pass Types | Tier | Dependency Ratio Ceiling (DRC) | Levy Rates (\$) (R1/R2) | | |
|--|-----------------------------------|--------------------------------|-------------------------------|--------------------------------------|-------------------------|
| | | | 1 Jul 2019 | 1 Jul 2020 | 1 Jul 2021 |
| S-Pass | Basic Tier | ≤ 10% | 330 | <u>330</u> | To be announced in 2021 |
| | Tier 2 | 10-20% | 650 | <u>650</u> | |
| Construction Work Permit Holder (WPH) | Basic Tier | ≤ 87.5% | 300/700 | 300/700 | <u>300/700</u> |
| | Man-Year Entitlement (MYE)-Waiver | | 600/950 | 600/950 | |
| Services WPH | Basic Tier | ≤ 10% | 300/450 | <u>300/450</u> | To be announced in 2021 |
| | Tier 2 | 10-25% | 400/600 | <u>400/600</u> | |
| | Tier 3 | 25-38% | 600/800 | <u>600/800</u> | |
| Marine Shipyard WPH | Basic Tier | ≤ 77.8% | 350/500 300/400 | 350/500 <u>300/400</u> | |
| Process WPH | Basic Tier | ≤ 87.5% | 300/500 300/450 | 300/500 <u>300/450</u> | |
| | MYE-Waiver | | 600/800 600/750 | 600/800 <u>600/750</u> | |
| Manufacturing WPH | Basic Tier | ≤ 25% | 250/370 | <u>250/370</u> | |
| | Tier 2 | 25-50% | 350/470 | <u>350/470</u> | |
| | Tier 3 | 50-60% | 550/650 | <u>550/650</u> | |

Notes:

Numbers underlined are FWL rates announced at Budget 2020. Strike-outs refer to earlier-announced levy rates (i.e. before Budget 2020) which were deferred.

For more information, please visit www.mom.gov.sg, or contact the MOM hotline at 6438 5122.