



Solidarity Budget Commentary 2020 – Unity. Resilience. Solidarity.



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Deputy Prime Minister and Minister for Finance, Mr Heng Swee Keat mentioned on his Facebook post on Sunday (5 April 2020) that Singaporeans must remain steadfast in the face of crisis and stand in solidarity with one another during these difficult times. The values of unity, resilience and solidarity will one day define who Singaporeans are as a people. The bonds that bind us together will be forged and renewed in this crisis, much as how the turbulent years of independence brought our founding fathers together.

In another first in Singapore's history - A third round of measures (the Solidarity Budget) was announced on 6 April 2020 to enhance the S\$6.4billion Unity Budget in February and the historic S\$48.4billion Resilience Budget last month.

The Solidarity Budget (S\$5.1 billion) delivers yet another round of additional support measures for workers, enterprises and households, this time to tide through the four-week "circuit-breaker" period, where all schools and most workplaces will be shut until 4 May 2020. All in all, the Government's response to COVID-19 has totalled S\$59.9 billion or approximately 12 percent of GDP.

ENHANCEMENTS FROM THE SOLIDARITY BUDGET

ENHANCED JOBS SUPPORT SCHEME

The Government will raise its wage subsidy for all firms to 75 per cent of gross monthly wages, for the first S\$4,600 of wages paid in April, for each employee (Singapore Citizen or Permanent Resident).

In the Resilience Budget, the wage subsidy offered ranged from 25 per cent to 75 per cent (aviation and tourism sectors).

The first Jobs Support Scheme payout will be brought forward from May to April. Firms on GIRO and PayNow will begin receiving the first Jobs Support Scheme payout next week. Those not on GIRO or PayNow will receive their payouts by cheque, starting about a week later.

FOREIGN WORKER LEVY FOR APRIL WAIVED

To help firms that hire foreign workers on work permits and S-passes, the monthly foreign worker levy due in April will be waived.

As early as Apr 21, employers will also receive a foreign worker levy rebate of S\$750 for each work permit or S-pass holder.

The Minister for Manpower will share more details, says Mr Heng.

BILL TO ENSURE PROPERTY OWNERS PASS TAX REBATES TO TENANTS

The Ministry of Law will introduce a Bill on Tuesday to let businesses and individuals defer certain contractual obligations such as paying rent, repaying loans or completing work, for a period.

The Bill will also ensure that property owners pass on the property tax rebate in full to tenants.

RENTAL WAIVER FOR TENANTS OF GOVERNMENT AGENCIES

The rental waiver for industrial, office and agricultural tenants of government agencies will be increased from 0.5 months to one month.

Stallowners in NEA hawker centres will continue to enjoy three months of rental waivers, while commercial tenants will continue to receive two months of rental waivers.

MORE FINANCE SUPPORT FOR ENTERPRISES

The Government's risk share of loans made under the Temporary Bridging Loan Programme, Enterprise Financing Scheme - SME Working Capital Loan and Enterprise Financing Scheme - Trade Loan from 80 per cent to 90 per cent for loans initiated from Apr 8, 2020 to Mar 31, 2021.

BROADENED SUPPORT FOR THE SELF-EMPLOYED

The Self-Employed Person Income Scheme (SIRS) will be extended to automatically include self-employed persons who also earn a small income from employment work.

Current annual value threshold will be raised from up to S\$13,000 to up to S\$21,000, to include those who live in some condominiums and other private properties.

With these enhancements, a total of about 100,000 self-employed persons will automatically be eligible for SIRS and will receive three payments of S\$3,000 starting from May.

ALL SINGAPOREAN ADULTS TO RECEIVE ONE-OFF SOLIDARITY PAYMENT OF S\$600

The Government will bring forward the S\$300 Care and Support - Cash payout announced earlier and provide an additional S\$300, bringing the total to S\$600 for every Singaporean adult above the age of 21.

For the majority of Singaporeans who have provided their bank account details to the Government, the Solidarity Payment will be credited directly into their bank accounts by Apr 14. The rest will receive their payment by cheque, to be issued in stages later, starting from Apr 30.

Other cash payouts that earlier announced as part of the Care and Support Package will be brought forward from August to June.

AUTOMATIC EXTENSION OF DEADLINES GRANTED BY THE INLAND REVENUE AUTHORITY OF SINGAPORE (IRAS)

As part of its support for taxpayers in light of the latest measures to manage the COVID-19 situation, the IRAS has announced on 4 April 2020 that it is providing an automatic extension of deadlines for tax filing for individuals and businesses:

S/N	Tax Type	Original Filing Deadline	Extended Filing Deadline
1	Income Tax for Individuals (including sole proprietors and partnerships)	18 Apr 2020	31 May 2020
2	Income Tax for Trusts, Clubs and Associations	15 Apr 2020	31 May 2020
3	Estimated Chargeable Income (ECI) for companies with Financial Year ending Jan 2020	30 Apr 2020	31 May 2020
4	GST Returns for accounting period ending Mar 2020	30 Apr 2020	11 May 2020
5	S45 Withholding Tax Forms due in Apr 2020	15 Apr 2020	15 May 2020
6	Tax Clearances for foreign employee in Apr 2020	-	1 additional month

Contact Us for A Discussion

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