

Annex

WAGE CREDIT SCHEME (WCS) FACTSHEET

What is the WCS and how is it different from the Jobs Support Scheme (JSS)?

The WCS was introduced in 2013 as a three-year scheme, and subsequently extended to 2020, to support businesses embarking on transformation efforts and encourage sharing of productivity gains with workers. The WCS co-funds wage increases. This is unlike the JSS, which co-funds current wages. The JSS was introduced only in 2020 to provide wage support to employers and help enterprises retain their local employees during the COVID-19 pandemic.

In Budget 2020, we enhanced the WCS.

- The gross monthly wage ceiling was raised from \$4,000 to \$5,000 for 2019 and 2020 qualifying wage increases.
- The Government co-funding levels for 2019 and 2020 qualifying wage increases were raised to 20% and 15% respectively.

Who is eligible?

In any calendar year from 2013 to 2020, employers can qualify for WCS payouts if they have given an increase of at least \$50 in monthly wage (up to the Gross Monthly Wage ceiling) to Singaporean employees who:

- a. Are on their payroll for at least three months in the qualifying year, and
- b. Received CPF contributions for at least three months in the preceding year.

Employees on the payroll of a different employer in the preceding year can still qualify under the new employer for WCS, if they are on the payroll of the new employer for at least three months in the qualifying year.

Singapore Citizen employees who received CPF contributions, including full-time, part-time, and hourly rated employees, are covered by the WCS.

Employers in the following government-related entities or entities not registered in Singapore, are not eligible for the WCS:

- a. Local Government Agencies, including Organs of State, Ministries and Departments, Statutory Boards
- b. Government and Government-Aided Schools
- c. People's Association Services and Grassroots Units
- d. High Commissions, Embassies, Trade Offices, Consulates
- e. Unregistered Local/Foreign Entities
- f. Foreign Military Units
- g. Representative offices of Foreign companies, Foreign Government Agencies, Foreign Trade Associations, Foreign Chambers, Foreign Non-profit Organisations, and Foreign Law Practices
- h. Bank Representative Offices/ Insurance Representative Offices/ Other Financial Representative Offices (registered with MAS)
- i. News Bureaus (which are representative offices)
- j. International Organisations

What wage increases qualify for WCS payouts?

Wage increases are computed on an annual basis, based on the difference between the gross monthly wage of an employee in the qualifying year and the gross monthly wage of the employee in the preceding year. For each qualifying year, WCS payouts will be paid to the eligible employer for all the months in the year in which CPF contributions are made by him for the covered employee.

For the 2021 payouts, new wage increases given to employees in 2020 over 2019, as well as sustained wage increases previously given to covered employees in 2019 over 2018, in 2018 over 2017, and in 2017 over 2016, will qualify for WCS payouts. All wage increases and sustained wage increases must be at least \$50 to qualify for WCS payouts.

Will eligible employers receive WCS payouts if they do not use GIRO or PayNow Corporate?

No, these employers will have their WCS payouts retained until they have successfully registered for GIRO for Income Tax/GST or PayNow Corporate.

Unclaimed payouts will be retained in the employers' WCS account until the scheme closure date (to be announced in early 2021). Employers will no longer be eligible to claim the payouts after that.

When will eligible employers with GIRO or PayNow Corporate receive WCS payouts?

For each year that an employer qualifies for WCS payouts, the employer will receive the WCS payouts at the end of March in the subsequent year. IRAS, which is the administrator of the WCS, will notify the employer of his or her payouts by post. Employers do not need to apply to receive the WCS payouts.

How do I register for PayNow Corporate?

You can set up your PayNow Corporate account instantly, simply by linking your UEN / NRIC / FIN to your bank account via internet banking. For example, ROC (2019XXXXXA), ROB (531XXXXXA), UEN (T19LLXXXXA). For assistance, please approach your bank.

How do I register for GIRO with IRAS?

Businesses, including clubs and associations, may register for GIRO by completing an [application form](#) for IRAS' and the relevant bank's processing. Upon successful processing, a notification letter will be mailed to the business' registered address.

Individuals (i.e. those who hire and contribute CPF to employees using a CPF Submission Number which is NRIC/FIN) can set up for GIRO instantly through online application.

Upon successful GIRO registration, GIRO will be the default payment mode for IRAS' related transactions such as tax payments.

How can I check if I have GIRO or PayNow Corporate?

Employers who wish to check if they have a GIRO account for Income Tax/GST may log in to myTax Portal and select "Account". If a payment plan is reflected, there is an existing GIRO arrangement. To check if you have a PayNow Corporate account, please approach your bank.

When do employers have to pay CPF contributions?

The due date for CPF contributions is on the last day of the calendar month. Enforcement action may be taken against employers who fail to pay by the 14th of the following month (or the next working day if the 14th falls on a Saturday, Sunday or Public Holiday). This includes imposing late payment interest charged at 1.5% per month commencing from the first day after the due date.