

ANNEX B-2: SUPPORT FOR BUSINESSES

To help manage business costs, the Government will introduce the following:

- (A) Corporate Income Tax (“CIT”) Rebate and Cash Grant; and
- (B) Enhancements to the Progressive Wage Credit Scheme (“PWCS”).

(A) Corporate Income Tax Rebate and Cash Grant

To provide support for companies’ cash flow needs, a CIT Rebate of 50% tax payable will be granted in Year of Assessment (“YA”) 2025.

Companies that are active and have employed at least one local employee in Calendar Year (“CY”) 2024 (referred to as the “local employee condition”) will receive a minimum benefit of \$2,000 in the form of a CIT Rebate Cash Grant.

The total maximum benefits (i.e., sum of CIT Rebate and CIT Rebate Cash Grant) that a company may receive is \$40,000. Eligible companies will automatically receive the benefits from 2Q CY 2025 onwards.

A company is considered to have met the local employee condition if it has made CPF contributions to at least one local (i.e., Singapore Citizen or Permanent Resident) employee, excluding shareholders who are also directors of the company, in CY 2024.

For example, Company A hired two local employees in CY 2024. It has a tax payable of \$30,000 for YA 2025. Company A will receive a \$2,000 CIT Rebate Cash Grant and another \$13,000 [(50% * \$30,000) - \$2,000] in CIT Rebate.

More details can be found on the IRAS website.

(B) Progressive Wage Credit Scheme

The PWCS was introduced at Budget 2022 to provide transitional wage support for employers to adjust to the Progressive Wages moves from CY 2022 to CY 2026, as well as encourage employers to raise wages of lower-wage workers.

The following conditions apply:

- a. Employee has average gross monthly wages of up to \$3,000, before the wage increase;
- b. Employee has average gross monthly wages of up to \$4,000, after the wage increase;
- c. Average gross monthly wage increase must be at least \$100 in each qualifying year; and
- d. Wage increase in each qualifying year will be co-funded for two years if the wage increase is sustained.

To strengthen support for employers to uplift the wages of lower-wage employees, the PWCS co-funding support will be enhanced for wage increases given in the qualifying years 2025 and 2026. Refer to Table 1 for more details.

Table 1: Increase in PWCS Co-Funding Levels for Eligible Wage Increases from 2025 to 2026

Qualifying Year (i.e., year that wage increase was given)	Payout Period	Current	New
2025	1Q 2026	30%	40% (+10%-pt)
2026	1Q 2027	15%	20% (+5%-pt)

More Information

Scheme	Contact Details
Corporate Income Tax Rebate and Cash Grant	Please contact IRAS at ctmail@iras.gov.sg .
Progressive Wage Credit Scheme	Please visit the PWCS website at https://go.gov.sg/PWCS .