



## Solidarity Budget—key highlights

### Extraordinary measures for extraordinary times

#### **Solidarity Budget: Additional support measures to help businesses and households**

On 3 April 2020, Prime Minister (PM) Mr. Lee Hsien Loong addressed the nation and provided an update on the COVID-19 situation. To reduce the risks of a worsening outbreak occurring, heightened safe-distancing measures, which includes the closure of most workplaces except for essential services, will be implemented from 7 April 2020 to 4 May 2020. While these tightened measures during the one month period or ‘circuit breaker’ measures could be seen as necessary, the PM recognised the economic repercussions arising from this may be far-reaching. A third round of support measures was mentioned in his speech.

On a related note, the Inland Revenue Authority of Singapore (IRAS) announced an automatic extension of various filing deadlines for businesses and individuals on their website on 4 April 2020. This is to support businesses and individuals on their filing obligations in view of the ‘circuit breaker’ period. More details in [Annex A](#) below.

#### **Solidarity Budget - Additional support measures announced**

On 6 April 2020, Deputy PM and Minister for Finance, Mr. Heng Swee Keat, announced a third round of measures to support businesses and households during this increasingly difficult COVID-19 situation. This is over and above the two support measures which were introduced in February and March 2020 — the Unity and Resilience Budgets.

While businesses and households prepare themselves for the upcoming ‘circuit breaker’ measures over the weekend, the Government was also formulating a strong and decisive response to deal with the social and economic impact that may result from this. Broad-based measures were enhanced to provide support to two main categories.

The Government continues to focus on the need to support businesses and workers. In particular, the Jobs Support Scheme (JSS) has been enhanced for the second time. The JSS will now cover up to 75% on the first S\$4,600 of gross monthly wages paid in April 2020 to local workers (i.e. Singapore citizens and Singapore permanent residents) across all businesses. This should achieve a win-win situation for businesses and workers in these difficult times where jobs may be preserved, and at the same time, manpower costs are further reduced.

Households are another area of focus where additional support is given to tide families through this difficult period. The base quantum of the cash payout to all Singaporeans aged 21 and above regardless of income level has been increased from S\$300 to S\$600. This cash payout, termed as the Solidarity Payment, will be expedited to be paid out by next week. Payments for the additional cash payout, which was previously enhanced under the Resilience Budget, will also be brought forward and paid out in June 2020.

More details in [Annex B](#) below.

As aptly put by Helen Keller, “Alone we can do so little; together we can do so much”. Every single one of us in Singapore is in the frontline now. We need to look out for each other during this period of extraordinary times and we will emerge stronger and better through all of this.

## Annex A

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

## Annex B

### Stabilising businesses

#### 1. Alleviating cash flow challenges

##### a. JSS

- There will be a temporary enhancement to JSS for the month of April 2020 to support 75% (up from 25% or 50%) of the first S\$4,600 of gross monthly wages per local employee (i.e. Singapore citizens and Singapore permanent residents), for all sectors.
- The first JSS payout in respect of the October 2019 to December 2019 wages will be brought forward to April 2020 (from end-May 2020) to assist businesses manage their cash flows. The temporary enhancement to JSS for the month of April 2020 will be disbursed in this first JSS payout, computed using October 2019 wages and adjusted subsequently in the second JSS payout based on April 2020 wages.

##### b. Foreign Workers Levy (FWL)

- FWL due in April 2020 will be waived.
- There will be a FWL rebate of S\$750 for each work permit or S Pass holder, based on previous levies paid in 2020. Payout will be made as early as 21 April 2020.
- Additional details will be provided by Ministry of Manpower in due course.

##### c. Self-Employed Person Income Relief Scheme (SIRS)

- SIRS is enhanced to broaden support for self-employed persons (SEPs) to include SEPs who
  - also earn a small income from employment;
  - live in a property with an annual value of no more than S\$21,000 (up from S\$13,000).

#### 2. Property tax rebate

The COVID-19 (Temporary Measures) Bill will be enacted to ensure that property owners of non-residential properties pass on the Property Tax Rebate (announced in the Resilience Budget) in full to tenants.

#### 3. Financing schemes

The Government's share of risk will be increased from 80% to 90% for loans initiated from 8 April 2020 till 31 March 2021 under the (1) Temporary Bridging Loan Programme (2) Enterprise Financing Scheme – Trade Loan; and (3) Enterprise Financing Scheme – SME Working Capital Loan.

### Supporting households

## 1. Solidarity payment

- All adult Singaporeans aged 21 and above in 2020 will receive an additional cash payout of S\$300.
- Together with the enhanced cash payments (of a minimum of S\$300) announced in the Resilience Budget, eligible Singaporeans will receive a one-off Solidarity Payment of S\$600 in cash in April 2020.

## 2. Enhanced Care and Support Package

Several payouts under the enhanced Care and Support Package announced earlier in the Resilience Budget will be paid in June 2020 (brought forward from August and September 2020).

### Contacts

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