

## **ANNEX A: Jobs Credit**

To sustain jobs for Singaporeans, the Government will introduce a Jobs Credit which will encourage all businesses to preserve jobs in the downturn. This is a temporary one-year scheme for 2009. Details of the scheme are as follows:

- Employers will receive a 12% cash grant on the first \$2,500 of each month's wages for each employee on their CPF payroll.
- The Jobs Credit is for one year, and employers will receive the Jobs Credit in four payments: March, June, September and December 2009.
- For each payment, employers will receive Jobs Credits on the employees that are on their CPF payrolls at the start of the quarter in which the payment is made. The wages paid to these employees in the previous quarter will be the qualifying wages used to calculate the 12% cash credit that employers will receive.
  - For example, for the first payment to be received at the end of March 2009, businesses will receive Jobs Credit on the employees that are on their payrolls in January 2009. The wages paid to these employees in October to December 2008 will be the qualifying wages used to calculate the 12% cash credit that employers will receive.
- Employers will not need to apply for the Jobs Credit. They can expect to receive the first payment by 31 March 2009 from the Inland Revenue Authority of Singapore (IRAS).
- All active employers, with the exception of local and foreign government organisations, are eligible for the Jobs Credit.

### **Illustration**

- Company A has three employees with monthly wages \$1,000, \$2,500 and \$5,000 respectively.

<b>Employee</b>	<b>Monthly Wage</b>	<b>Qualifying Wage for October 08 - December 08</b>	<b>Jobs Credit</b>
Employee 1	\$1,000	\$3,000	\$360
Employee 2	\$2,500	\$7,500	\$900
Employee 3	\$5,000	\$7,500	\$900
<b>Total Jobs Credit to Employer (March 2009 Payment)</b>			<b>\$2160</b>

- Assuming that there are no changes in Company A's payroll information, Company A will also be eligible for the same quantum of Jobs Credit for subsequent payments to be paid out in June, September, and December 2009. In total, Company A will receive \$8,640 of Jobs Credit in 2009 (four payments of \$2,160 each).

For more information on the Jobs Credit scheme, please visit the IRAS website at <http://www.iras.gov.sg> or call the hotline 1800-356-4055.