

ANNEX B: REVISIONS TO ABSENTEE PAYROLL FUNDING

REVISIONS TO ABSENTEE PAYROLL FUNDING

As announced by the Ministry of Education at the Committee of Supply 2021, the Enhanced Training Support Package (ETSP) has been extended to 31 December 2021, to allow companies to send more workers for industry-relevant training and help their workforce emerge stronger post-COVID-19. Under the ETSP, companies are eligible for enhanced absentee payroll (AP) funding at 80% of hourly basic salary, capped at \$7.50 per hour, when they send their employees for courses eligible for AP.

2. After the ETSP ends, SSG will be revising the AP funding to a more sustainable rate, in view of other support for enterprises such as the SkillsFuture Enterprise Credit. With effect from 1 January 2022, we will introduce a fixed AP rate at \$4.50 per hour. We will also set a \$100,000 cap on the maximum AP funding each company can claim each calendar year to ensure that the benefits are more evenly distributed across companies (see Table 1):

Table 1: Revisions to AP Funding Rates¹

| <u>Current (Under ETSP)</u> Eligible courses starting between 1 Jan 2021 to 31 Dec 2021 | <u>Revised</u> Eligible courses starting on or after 1 Jan 2022 |
|--|---|
| 80% of hourly basic salary, capped at \$7.50 per hour | \$4.50 per hour ² , capped at \$100,000 per enterprise per calendar year |

¹ AP funding is not applicable to on-the-job training (OJT) hours.

² AP funding will be computed based on the actual number of training hours attended by the trainee.

3. The Government will continue to support enterprises to train their employees as part of business transformation, through various schemes such as Enhanced Training Support for SMEs and SkillsFuture Enterprise Credit. We also encourage employers to take ownership of and invest in the upskilling and reskilling of their employees, which will in turn benefit the company.

4. Should you require further assistance, please contact SSG at 6785 5785 or submit your enquiries via SSG's feedback portal at <https://portal.ssg-wsg.gov.sg/feedback>.

Frequently Asked Questions

1. I have enrolled my employee for a course and paid for the course which commences after 1 January 2022. Am I subject to the new AP funding rate?

Yes, the new AP funding rate applies to courses that commence on or after 1 January 2022, i.e. AP funding will be at \$4.50 per hour, capped at \$100,000 per enterprise per calendar year.

2. How is per enterprise defined for the enterprise-level cap? Will a company's different branches or subsidiaries be included under the \$100,000 cap?

The enterprise-level cap will be implemented based on per unique entity number (UEN).

3. What other support can employers tap on to train and upskill their staff?

Companies can tap on the SkillsFuture Enterprise Credit, where eligible companies received a one-off \$10,000 credit to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives, including sending their workers for curated training programmes by SkillsFuture Singapore and Workforce Singapore. Please refer to <https://www.enterprisejobskills.gov.sg/content/upgrade-skills/sfec.html> for more information.

Companies can also tap on the consultancy services provided by the National Centre of Excellence for Workplace Learning – or NACE. NACE was established in 2018 with the centre of excellence at Nanyang Polytechnic to strengthen the capabilities of companies to enable learning at the workplace and there are five other NACE centres as of 24 Mar 2021. For more information, please refer to <https://www.enterprisejobskills.gov.sg/content/learn-at-the-workplace/national-centre-of-excellence-for-workplace-learning.html>.

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