



P R E S S R E L E A S E

1 August 2020

Foreign Worker Levy Waiver and Rebates Extended for Construction, Marine Shipyard and Process Sectors

The government has set aside **\$320 million** to further extend the foreign worker levy (FWL) rebates to support firms in the Construction, Marine Shipyard and Process sectors. The government will also further extend the FWL waiver. This increased support is in addition to the \$1.36 billion Construction Support Package earlier announced on 27 June 2020.

2 The government has received feedback from the Singapore Contractors Association Limited (SCAL), Association of Singapore Marine Industries (ASMI), and the Association of Process Industry (ASPRI) that the majority of an estimated **15,000 firms** in the Construction, Marine Shipyard and Process sectors continue to face financial difficulties as they are unable to resume work due to COVID-19 measures. This situation is likely to persist until the foreign worker dormitories are fully cleared in August 2020 and their workers are progressively allowed to resume work thereafter.

3 To ensure that these sectors retain enterprise capabilities to emerge stronger from the COVID-19 crisis, the government will increase our support to firms in these sectors by:

- (i) Extending FWL waiver till December 2020; and
- (ii) Extending the existing \$375 FWL rebate to September 2020.

(i) Extending FWL waiver till December 2020

4 Currently, as part of the Fortitude Budget, all firms in the Construction, Marine Shipyard and Process sectors received a 100% FWL waiver for levies due in June and a 50% FWL waiver for levies due in July 2020. MOM will provide a further FWL waiver for levies due in July 2020, to bring it to 100%. Employers who have paid the 50% levies originally due in July will have the amount refunded to them. We will also provide a **full FWL waiver** for levies due in **August** and **September** 2020.

5 As the Construction, Marine Shipyard and Process sectors restart, MOM expects them to take some time raise the tempo of activities and operate at higher efficiency. We will therefore taper down the FWL waiver support from October to December 2020. The FWL waiver will be stepped down to **75%** for levies due in **October**, followed by **50%**

FWL waiver for levies due in **November**, and **25%** FWL waiver for levies due in **December 2020**. The gradual reduction of the FWL waiver will give firms more time to adjust.

(ii) Extending existing \$375 FWL rebate to October 2020

6 In addition to the FWL waiver, firms in the Construction, Marine Shipyard and Process sectors will also receive a \$750 FWL rebate per S Pass and Work Permit holder for June, and a \$375 FWL rebate per S Pass and Work Permit holder for July as part of the Fortitude Budget. The **\$375 FWL** rebate will be **extended for another two months, to August and September 2020**.

7 The \$375 FWL rebate will replace the existing \$90 FWL rebate for each Work Permit holder, announced by the government on 27 June 2020 to help firms adjust to more stringent Safe Management Measures for the months of August and September 2020. Firms in the Construction, Marine Shipyard and Process sectors will continue to receive a \$90 FWL rebate monthly for October 2020 until December 2021¹.

Table 1: Summary of FWL waiver and rebate for firms in the Construction, Marine Shipyard and Process sectors

| FWL Waiver | | FWL Rebate | |
|----------------------|----------------------------------|------------------------------|------------------------------|
| FWL due in | Waiver % | For each S Pass and WPH in | Rebate amount ² |
| July 2020 | 100% (up from 50%) | July 2020 | \$375 (announced earlier) |
| August 2020 | 100% (new) | August 2020 | \$375 (new) |
| September 2020 | 100% (new) | September 2020 | \$375 (new) |
| October 2020 | 75% (new) | October 2020 | \$90 (announced earlier) |
| November 2020 | 50% (new) | November 2020 | \$90 (announced earlier) |
| December 2020 | 25% (new) | December 2020 | \$90 (announced earlier) |
| January 2021 onwards | 0% (i.e. full FWL is payable) | January 2021 – December 2021 | \$90 (announced earlier) |

¹ Closer to December 2021, the government will decide if there is a need to further extend the \$90 FWL rebate by another year to December 2022.

² The \$375 FWL rebate is based on the number of S Pass and WPH in the firm. The \$90 FWL rebate is based on the number of WPH.

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