

Singapore Budget 2024: Changes that will help or affect businesses

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On 16th of February 2024, Deputy Prime Minister and Finance Minister Lawrence Wong announced the Budget 2024 in parliament. Budget 2024 is about taking Singapore forward with its Forward Singapore Roadmap. The goal is to grow the economy, create better jobs, have more paths for equality and mobility, as well as provide more assurance for families and seniors.

While the budget had a little for everyone, here are the changes that will help or affect businesses.

1. **SkillsFuture top-ups for Singaporeans aged 40 and above.**

   Singaporeans aged 40 and above will receive an additional SGD$4,000 SkillsFuture credit in May 2024. Singaporeans that have not hit the age of 40 will receive this additional top up into their SkillsFuture accounts upon reaching the age of 40.This top-up can only be used for selected courses. These includes part time and full time diploma and undergraduate courses and courses in the Progressive Wage Model sectors.

2. **Subsidies to pursue full-time diploma at polytechnic, the Institute of Technical Education and arts institutions from academic year 2025.**

   Singaporeans aged 40 and above will receive subsidies to pursue another full-time diploma at polytechnics, ITE and arts institutions from academic year 2025. This means that for Singaporeans who had earlier utilised their MOE-subsidised grant for their first diploma, they can receive a second subsidy to pursue a second diploma.

3. **Monthly training allowance for those who enrol in selected full-time courses.**

   For workers who enrol in selected full-time courses, they will receive a monthly training allowance. This allowance will be 50 percent of their average monthly income over the last 12-month period and will be capped at a maximum of SGD$3,000 per month. This training allowance will be paid

up to 24 months.

4. **The qualifying monthly salary for workers eligible for the Workfare Income Supplement scheme will be increased from SGD$2,500 a month to SGD$3,000 a month from January 2025.**

   Those who are eligible for the scheme are those aged 30 and above or workers with disabilities. The payouts will also be increased. The maximum payout across all age bands will be increased by about 17 percent.

5. **CPF Enhanced Retirement Sum to be increased in 2025.**

   The Enhanced Retirement Sum is the maximum amount that CPF members can deposit into their Retirement Accounts to receive payouts. The current maximum is set at 3 times the Basic Retirement Sum. It will be increased to 4 times the Basic Retirement Sum in 2025. The current interest rate for savings in the Ordinary Account is 2.5% per annum whereas the current interest rate for savings in the Retirement Account and Special Account is 4% per annum.

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6. **CPF contribution rates for those aged 55 to 65 to increase in 2025.**

   The increase is by a further 1.5 percentage points. The increase will take place in 2025. Employers can receive a CPF Transition offset to cushion the increase in business cost in employer contribution.

7. **Singapore to introduce a Refundable Investment Credit (RIC).**

   This is a tax credit where companies can receive refundable cash. This scheme will aim to support high-value and substantive economic activities. Such activities include the setting up or expansion of manufacturing facilities, new innovation and research and development (R&D) activities and green transition activities. The RIC will be given out based on qualifying expenditures incurred by the company over a maximum period of 10 years. Companies can receive up to 50% support on qualifying expenditure and these include capital expenditure, manpower and training costs. Companies can use these credits to offset their payable income tax with unused credits going back to the company in the form of cash.

8. **Companies will receive a 50% corporate tax rebate in Year of Assessment 2024.**

   This is capped at a maximum of SGD$40,000.

9. **The Enterprise Financing Scheme will be enhanced.**

   The maximum working capital loan quantum will be increased to SGD$500,000. This scheme will also be extended to 31st March 2025.

10. **Extension of SkillsFuture Enterprise Credit.**

    This provides support for eligible employers to cover out-of-pocket expenses when embarking on workforce and business transformation. This scheme will be extended to 30th June 2025.

For the full Budget 2024 speech which includes other measures, do view this video from GovSG.

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