

COVID-19 – Enhanced Measures for Sustaining Businesses and Savings Jobs

Singapore - April 30, 2020

Following our earlier article of 17 April 2020, the Singapore Prime Minister Mr. Lee Hsien Loong announced on 21 April 2020 a four-week extension of the Circuit Breaker. The Circuit Breaker will now end on 1 June 2020, instead of 4 May 2020. This step was deemed necessary in order to break the chain of local community spread of the coronavirus disease 2019 (COVID-19).

Tougher measures were imposed for this extended Circuit Breaker period:

Tightening of the List of Essential Services and Restrictions on Consumer-facing Businesses

- Operations of less critical consumer services (e.g. beverage and snack stores, and hairdressing salons) are suspended.
- Additional restrictions are imposed on selected consumerfacing businesses (e.g. no more walk-in business for optical shops, traditional Chinese medicine establishments, pet shops, etc.).
- Businesses that are less critical for daily living or for maintaining essential supply chains (e.g. facilities manufacturing chocolate products, chips, crackers, confectionary, cakes, etc.) are to suspend on-site activities.
- Businesses that had earlier received official exemptions may continue to operate during the extended Circuit Breaker but would have to wind down business operations within 24 hours if notified to close by the Ministry of Trade and Industry.

Additional Measures Against Community Transmission

- For workplaces that are allowed to remain open, employers must implement effective measures to avoid transmission, including:
 - Not allowing teams working in different locations to interact physically with one another.
 - Implementing safe distancing measures at every workplace premise.
 - Ensuring workers wear masks at the workplace.
 - Having all workers who are permitted to work during the Circuit Breaker use SafeEntry, a digital check-in application that logs the workers' entry into and exit from their workplaces, to ensure that contact tracing can be done expeditiously. More information on SafeEntry's deployment at work premises can be found online.
- From 22 April 2020, foreign workers staying at dormitories are no longer allowed to move in and out of all dormitories.

Enhanced Support for Businesses

Conscious of the strain the prolonged Circuit Breaker is likely to cause businesses in Singapore, the Singapore government also announced enhancements to the following cost-saving/job-protecting measures:

Foreign Worker Levy (FWL) Waiver and Rebate

- In addition to the waiver of the March FWL, the April FWL, which is payable in May, will also be waived.
- Employers will also receive another month of FWL rebate of S\$750 for each Work Permit or S Pass holder employed as at 1 May 2020.

The Jobs Support Scheme (JSS)

Extending 75% Co-funding of Gross Monthly Wages of Local Employees in All Sectors to May 2020

- The Singapore government will co-fund 75% of the first S\$4,600 of gross monthly wages for local employees (i.e. Singapore citizens and permanent residents) in all sectors for the month of May 2020. This is an extension of the earlier announcement that provided for co-funding of 75% of local employees' wages in all sectors for the month of April only. The JSS will revert to normal (tiered) levels of cofunding thereafter.
- Payout for May 2020 wages will be made by the end of May 2020 for employers on PayNow or with existing GIRO arrangements with the Inland Revenue Authority of Singapore, while other employers will start receiving such payouts via cheque starting early June 2020. The May 2020 payout is an additional payout. Originally, only three payouts were planned, in April 2020, July 2020 and October 2020.

Extended Coverage of the JSS

- The JSS has been expanded to cover the wages of local employees who are also the shareholders and directors of their company. These employees were previously excluded from JSS.
- The expansion of coverage will be retrospective and the May 2020 payout will include back-payment for the first JSS payout in April 2020.

Cautionary Note for Employers

- JSS payouts will not be available for local employees who have been put on no-pay leave or retrenched in April or May 2020. If payouts had already been made, the future payouts to the company (July 2020 and October 2020) will be reduced/adjusted accordingly.
- Employers should engage with employees and seek their consent before putting employees on extended no-pay leave or other cost-saving measures. Failure to do so may result in MOM investigations. JSS/FWL payouts may be suspended pending such investigations.
- Employers guilty of unfair or irresponsible treatment of employees may be denied employment support (including JSS and FWL rebate) and have their work pass privileges curtailed.

If you would like further guidance on the schemes or working options that are available for your businesses, please do not hesitate to contact any member of our Asia Pacific employment team.

Contacts

Julia Yeo

Partner, Singapore M +65 9663 3077 E julia.yeo@squirepb.com

Li Lian Eu

Senior Associate, Singapore M +65 9663 5685 E lilian.eu@squirepb.com

Isha Malhotra

Associate, Singapore M +65 9663 6615 E isha.malhotra@squirepb.com