

# Summary of Key Government Support Measures for Beauty Services Industry

Updated: 5 June 2020

*Includes Enhanced Measures from the Fortitude Budget*



# Cashflow / Financing Support



- 1. Temporary Bridging Loan (TBL)** *[To apply, please contact existing bankers e.g. DBS, OCBC, UOB]*
  - Expanded to all sectors from 1 Apr 2020 to 31 Mar 2020
  - Max loan quantum of \$5 mil (increased from \$1 mil previously), with max repayment period of 5 years
  - Government's risk share: 90% (applies to loans initiated from 8 Apr 2020 to 31 Mar 2021)
  - Interest rate: capped at 5% per annum
  - Coys may request for deferment of principle repayment for 1 year, subject to assessment by PFIs
- 2. SME Working Capital Loan (WCL)** *[To apply, please contact existing bankers e.g. DBS, OCBC, UOB]*
  - Enhanced from 1 Apr 2020 to 31 Mar 2020
  - Max loan quantum of \$1 mil (increased from \$600k previously), with max repayment period of 5 years
  - Government's risk share: 90% (applies to loans initiated from 8 Apr 2020 to 31 Mar 2021)
  - Interest rate: subject to PFIs
  - Coys may request for deferment of principle repayment for 1 year, subject to assessment by PFIs
- 3. Income Tax Rebates and Support** *[No application required]*
  - Corporate Income Tax rebate of 25% capped at \$15,000 for YA2020
  - Push back income tax payments for 3 months – companies pay income tax for FY2019 profits from July 2020 instead of Apr 2020

# Rental Support



## 4. Rental Waivers *[No application required]*

ENHANCED  
- 26 May

- Government tenants will get 4 months' worth of rental waiver
- Commercial SME tenants (e.g. F&B, retail outlets) will get up to 4 months' worth of rental waiver (up to 2 months from the govt and up to 2 months from landlords)
- SME tenants may repay rental arrears through instalments

## 5. Property Tax Rebates *[No application required]*

- Landlords of commercial properties (e.g. F&B, Retail) will receive 100% property tax rebate
- Landlords of non-residential properties (e.g. office, industrial) will receive 30% property tax rebate
- Laws to ensure property owners pass on Property Tax rebate to tenants

## 6. COVID-19 (Temporary Measures) Bill *[To check with MinLaw on how the law applies to specific cases]*

- New bill allows businesses to defer certain contractual obligations for ~6 months (e.g. landlords cannot terminate leases or evict tenants, allows suspension of rental payments, paying loans or completing work)
- Covers obligations to be performed on/after 1 Feb 2020 for contracts entered before 25 March 2020

# Wage & Manpower Support



## 7. Enhanced Jobs Support Scheme (JSS) *[No application required]*

ENHANCED  
- 26 May

- Total JSS support period extended to 10 months from Oct 2019 to Aug 2020
- Wage support of 75% for each local worker up to a qualifying wage ceiling of \$4,600 in April and May 2020, firms not allowed to resume operations will continue to receive 75% wage support until Aug 2020 or when they can re-open, whichever is earlier
- Shareholder-directors with assessable income up to S\$100,000 are eligible for JSS
- Co-funding of wages at 25% for each local worker (SG/PR) from Oct – Dec 2019, Feb-Aug 2020
- Beauty svcs companies with physical retail front and severely affected may submit an appeal to IRAS for consideration of higher base tier of JSS support

## 8. Foreign Worker Levy (FWL) Relief *[No application required]*

ENHANCED  
- 26 May

- Waiver of FWL due in April, May and June 2020, 50% waiver for July 2020 if biz ops suspended
- FWL rebate of \$750 in April, May, June 2020 and \$375 rebate in July from levies paid this year for each work pass holder

## 9. Enhanced Absentee Payroll (AP) *[To check with training course providers on the courses eligible]*

- Enhanced rates – 90% of hourly salaries (increased from 80%) at an increased cap of \$10 per hour (increased from \$7.50)
- This will apply to all courses that are eligible for absentee payroll funding e.g. selected courses by SSG-appointed CET Centres or certifiable courses by other SSG-approved training providers

# Wage & Manpower Support



## 10. Enhanced Hiring Incentive *[No application required]*

ENHANCED  
- 26 May

- Enhanced hiring incentive of ~\$12,000 per worker for employers that hire local workers who have completed eligible reskilling and training schemes.

## 11. Self-Employed Income Relief Scheme (SIRS) *[Check with NTUC for further assistance]*

- To help self-employed persons tide through this period of economic uncertainty, eligible persons will receive S\$9000 over 3 tranches in May, July and Oct 2020.

## 12. Job Redesign Place and Train for Retail *[To apply, contact WSG or Singapore Institute of Retail Studies]*

- Up to 6 months salary support (up from 3 months) at the following rates:
  - Standard: Up to 70% of monthly salaries capped at \$2,000 per month
  - For Singapore Citizens aged 40 and above: up to 90% of monthly salaries capped at \$3,000 per month
- Companies must have a clear plan on how to redesign old job roles into new ones. New job roles should also be offered monthly gross salaries of at least \$1,800 after the programme

# Wage & Manpower Support



## 13. SGUnited Jobs and Skills Package *[To participate, please approach WSG or SSG for more details of each specific initiative in the package]*

ENHANCED  
- 26 May

- \$2 billion announced by the Govt to create close to 100,000 jobs, traineeships, and training opportunities
  - SGUnited Jobs: 40,000 new jobs, with 25,000 offered by the private sector and 15,000 offered by public sector
  - SGUnited Traineeships: 21,000 traineeships to help local first-time jobseekers gain valuable relevant experience in high-demand areas
  - SGUnited Mid-Career Traineeships: 4,000 traineeships to help local jobseekers aged 40 to 60 gain new skills and start new careers
  - SGUnited Skills: 30,000 local jobseekers can upgrade their skills while looking for a job, with training allowance of \$1,200 per month to cover basic expenses

# Business Transformation & Capability Building



## **14. SkillsFuture Enterprise Credit (SFEC)** *[No application required; Coys who fulfil the eligibility criteria will be informed]*

- SFEC encourages employers to invest in enterprise and workforce transformation.
- Coys can tap on SFEC to defray out-of-pocket (OOP) expenses – one off \$10,000 credit per firm to cover up to 90% of OOP expenses
- Supportable progs which SFEC can be tapped on include: Productivity Solutions Grant, ESG Enterprise Development Grant, ESG Market Readiness Assistance Grant, WSG PCP, Place-and-train programme, job redesign initiatives

## **15. Productivity Solutions Grant – Job Redesign (PSG-JR)** *[Apply on Business Grants Portal]*

- Work with pre-approved consultants to redesign work processes, tasks and responsibilities to make jobs more productive and attractive to employees
- Up to 70% funding capped at \$30,000 per company
- Coys can tap on SFEC to defray out-of-pocket (OOP) expenses – one off \$10,000 credit per firm, to cover up to 90% of OOP expenses

# Business Transformation & Capability Building



## **16. Enhanced Enterprise Development Grant (EDG) [To apply, please discuss with ESG and submit application on BGP]**

- From 1 Apr to 31 Dec 2020, support level will be raised from up to 70% to up to 80% for all projects relating to (i) Productivity, (ii) Innovation and (iii) Market Access.

## **17. Enhanced Productivity Solutions Grant (PSG) [Apply for PSG on Business Grants Portal]**

- From 1 Apr 2020 to 31 Dec 2020, support level will be raised from 70% to 80%
- Scope of pre-approved digital solutions under PSG will be expanded to help SMEs implement safe distancing and business continuity measures. PSG will cover:
  - a) Online collaboration tools
  - b) Virtual meeting and telephony tools
  - c) Queue management systems
  - d) Temperature screening solutions





*“I am a beauty salon operator in the heartlands with 10 employees and have S\$1 million in annual sales revenue”*

**SALON**

### MANAGE MY CASHFLOWS

- ❖ **Working Capital:** SME Working Capital Loan – maximum loan quantum of \$1 million and Temporary Bridging Loan with interest rate capped at 5% p.a.
- ❖ **Rental:** ~4 months’ worth of rental waiver and flexible rental payment for businesses facing cash flow challenges

### RETAIN & DEVELOP MY EMPLOYEES

- ❖ Enhanced JSS support (10 months)
  - ~**\$3,450** for each local worker in April to June
  - **\$1,150-\$2,300** per month for the remaining 7 months
- ❖ **Waiver** and **rebates** of Foreign Worker Levy in Apr to June, 50% in July for businesses which are unable to resume operations
- ❖ Redeployment programmes to retain & reskill local employees e.g. PSG-JR

### PREPARE FOR GROWTH

- ❖ Upgrade capabilities:
  - ~**\$30,000** Productivity Solutions Grant to implement beauty-industry specific solutions, implement safe distancing and business continuity measures, etc
- ❖ Heartland Enterprise Upgrading Programme

# Visit our SME Centres

**LOCATED ISLANDWIDE**



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Make an appointment with the Business Advisors at [www.smeportal.sg/smecentres](http://www.smeportal.sg/smecentres) to access business advisory, capability workshops and group-based upgrading projects.

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Thank You

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