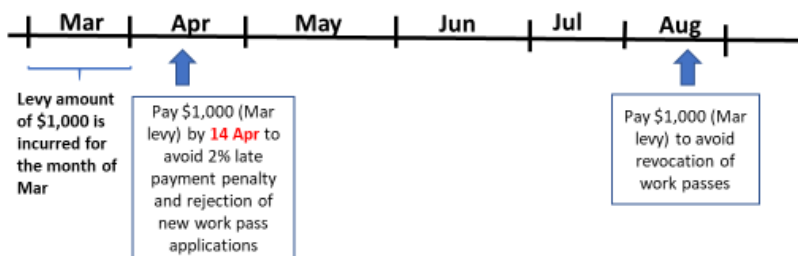


Annex – Frequently Asked Questions On Levy Payment Deferment

1. How does the levy payment deferment work?

Currently, employers who fail to pay levy for two consecutive months will have their work passes revoked in the following month. With the levy payment deferment measure, SMEs have up to five months to pay their levies incurred every month. Employers who fail to make the payment by the end of the 5th month will have their work passes revoked.

We encourage employers to plan out their cashflow and pay their levies in a timely manner to avoid late payment penalty and rejection of their new work pass applications. See below for an illustration using levy incurred for the month of March 2020.



2. Under this measure, will employers still incur late payment penalty charges when they defer their levy payment?

Payment of levy continues to be due by the 14th or 17th of the following month for non-GIRO and GIRO payment respectively. Deferment in levy payment is considered late payment and will attract, as usual, a late payment penalty of 2% per month (capped at 30% of total outstanding levy). This is to ensure employers settle their levy liabilities as soon as possible.

3. When will the levy payment deferment measure end?

This measure applies to all levies incurred in 2020. This means the last levy payment applicable for the deferment is Dec 2020 levy. Thereafter employers should pay their Jan 2021's levy in Feb 2021, and so on. To avoid work pass revocation, employers will need to ensure that levies incurred up to Dec 2020 are paid by May 2021.

4. The measure takes effect immediately. What happens if the employer's January and/or February 2020 levy remains outstanding?

This measure applies to levies incurred in 2020. Employers with outstanding levy for the January 2020 will have up to June 2020 to make the levy payment. Levy for February 2020 needs to be paid by July 2020. Otherwise, MOM will revoke the work passes.

5. How do SMEs apply for the levy payment deferment?

There is no need to apply for the deferment.

6. GIRO deductions for levy payment may not provide the flexibility employers need for managing cash flow. Are employers allowed to terminate GIRO?

Employers who want flexibility in managing their cash flow can opt to [terminate](#) the GIRO arrangement for paying levy. Please make the levy payment via [other payment methods](#) by the 14th of the month to avoid a late payment penalty of 2% per month.

Employers with GIRO arrangement will continue to have their levy deducted from their GIRO account on the 17th of every month. Employers should ensure that their GIRO account has sufficient funds for the deduction as unsuccessful deduction will result in bank charges and late payment penalty charges.