

## FACTSHEET ON THE SPECIAL EMPLOYMENT CREDIT (SEC)

### BACKGROUND

As part of the 2011 Budget Initiatives to support employers, the Government has introduced a one-off Special Employment Credit (SEC).

2. The SEC aims to raise the employability of older low-wage Singaporeans. It will complement other measures to boost the employment rate for older workers, such as the Workfare Income Supplement (WIS) scheme, lower CPF rates for older workers, the ADVANTAGE! Fund to promote job re-design, and the re-employment legislation that will come into force on 1 Jan 2012.

3. The SEC will help employers adjust to the re-employment legislation. Employers can also tap this group of older workers for their skills and experiences to augment their manpower needs.

4. The employment rate for older workers aged 55-64 years reached 59% in 2010, compared to 46.8% in 2005. With SEC, we will be better positioned to attain our target of 65% by 2015.

### WHO IS ELIGIBLE

5. The SEC will be paid to employers of Singaporean employees aged 55 and above and earning up to \$1,700.

6. For each Singaporean employee aged 55 to 59 on the employer's payroll in a given month, the employer will receive an SEC of up to 50% of employer CPF contributions, or up to \$33, for that month. For each employee aged 60 and above on the employer's payroll in a given month, the employer will receive a higher SEC of up to 80% of employer CPF contributions, or up to \$35, for that month. The exact amount depends on the age and income of the Singaporean employee.

Table 1 below illustrates the details.

Table 1: Monthly SEC amounts<sup>1</sup>

Income of employee in a given month	SEC for the month (\$)	
	For each employee aged 55 to 59	For each employee aged 60 and above
\$200	\$4	\$5
\$400	\$10	\$12
\$600	\$16	\$19
\$800	\$23	\$26
\$1,000	\$33	\$35

<sup>1</sup> Monthly SEC amounts are calculated based on a percentage of the employer CPF contributions for the month. The SEC rates shown in Table 1 are based on the CPF contributions rates that take effect from 1 Sep 2011.

<b>\$1,200</b>	\$24	\$25
<b>\$1,400</b>	\$14	\$15
<b>\$1,600</b>	\$5	\$5
<b>Above \$1,700</b>	\$0	\$0

7. Employers who make regular CPF contributions for their workers need not take further action in order to receive the SEC. The CPF Board will automatically assess their eligibility and notify them by post before payments are made.

8. The SEC is estimated to be paid to about 43,000 employers employing 125,000 older low-wage Singaporeans, and cost the Government about \$100 million over three years.

### **WHEN WILL THE SEC BE PAID**

9. The SEC will run for three years, and applies to employees on the payroll from Jan 2011 to Dec 2013. It will be paid twice a year, in Mar and Sep.

More details are given in Table 2 below.

Table 2: Payment Dates for SEC

<b>Employees on the Payroll</b>	<b>Deadline for employers to make CPF contributions to receive SEC</b>	<b>Payment Date for SEC</b>
Jan to Jun	14 <sup>th</sup> of the subsequent month E.g. 14 <sup>th</sup> Feb for employees on the Jan payroll	Sep of the year
Jul to Dec	14 <sup>th</sup> of the subsequent month E.g. 14 <sup>th</sup> Jan of the following year for employees on the Dec payroll	Mar of the following year

10. Employers will receive the SEC in the bank accounts that are registered with the CPF Board for the GIRO payment of CPF contribution. Employers without a valid GIRO arrangement with the CPF Board will receive the SEC by cheque.

11. Members of the public may contact the CPF Board for more information.

Phone: 1800-2222-888 (hotline)  
 Email: [sec@cpf.gov.sg](mailto:sec@cpf.gov.sg)