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FACTSHEET ON

ENHANCED TRAINING SUPPORT FOR SMALL & MEDIUM ENTERPRISES

Skills upgrading through Continuing Education and Training (CET) remains a key mechanism for companies to raise productivity. Compared to larger companies with more resources, Small and Medium Enterprises (SMEs) are less able to send their employees for training. The Government will thus enhance training support for SMEs by further lowering the cost of training for them to encourage greater training participation.

ADDITIONAL CET FUNDING SUPPORT

2. The enhanced training support will be extended to local [1] employees of SME establishments (hiring not more than 200 employees) registered or incorporated in Singapore. These employees must be fully sponsored by their employers to attend training. In addition, WDA will work with industry associations and agencies so that self-employed persons can also benefit from the enhanced training support through targeted programmes.

3. About 8,400 courses will potentially fall under this scheme. This includes certifiable courses supported by WDA and academic CET courses offered by the five Polytechnics/Institute of Technical Education. The three-year initiative takes effect from 1 July 2012. This initiative is expected to cost the Government about $30.5 million per year and benefit approximately 8,000 SMEs and 65,000 workers annually.

4. The enhanced training support scheme will include the following (Details appended as Table 1):

(a) Higher Course Fee Funding

SMEs will enjoy subsidies of 90% of the course fees when they sponsor their employees for the above-mentioned CET courses. All employers of low-wage workers will continue to receive course fee funding at 90%-95% for WSQ training under the Workfare Training Support (WTS) scheme. [2]

[1] For academic CET courses offered by the five Polytechnics/Institute of Technical Education, the enhanced training support will only be extended to Singapore Citizens (SCs).

[2] Under the Workfare Training Support (WTS) scheme, employers who sponsor their employees (Singapore Citizens aged 35 years and above, and earning up to $1,700 per month) for WSQ training will be eligible for up to 95% of course fees and absentee payroll support.

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(b) Increased Absentee Payroll Cap

In addition to higher course fee funding, SMEs can also claim absentee payroll funding of 80% of basic hourly salary at a higher cap of $7.50 per hour, a significant increase over the current cap of $4.50 per hour. All employers of low-wage workers will continue to enjoy absentee payroll funding at 90%-95% of their basic hourly salary for WSQ training under the WTS scheme.

Table 1: Enhanced Training Support for SMEs

<table>
<tr><th>Existing Training Support Scheme</th><th>Enhanced Training Support Scheme</th></tr>
<tr><td colspan="2">Certifiable Courses Supported by WDA</td></tr>
<tr><td>(Rank & File)
• 80% course fee subsidy, capped at $7 per hour for certifiable courses
• 90% course fee subsidy for CET Centres' courses
• Absentee Payroll funding of 80% of basic hourly salary, capped at $4.50 per hour</td><td rowspan="2">(Rank & File + PMEs)
• 90% course fee subsidy, capped at $30 per hour for certifiable courses
• 90% course fee subsidy for CET Centres' courses
• $15 per hour for in-house certifiable training
• Absentee Payroll of 80% of basic hourly salary, capped at $7.50 per hour</td></tr>
<tr><td>(PMEs)
• 50% course fee subsidy, capped at $15 per hour for certifiable courses
• 70% course fee subsidy for CET Centres' courses
• Absentee Payroll funding of 80% of basic hourly salary, capped at $4.50 per hour</td></tr>
</table>

Existing Training Support Scheme	Enhanced Training Support Scheme
Academic CET courses	
• Part-time Diploma: 70% subsidy for the cost of programmes for Singapore Citizen (SC) trainees • Advanced Diploma (AD) / Specialist Diploma (SD): 85% of the cost of AD/SD programmes for first-time SC trainees. • For SC trainees pursuing subsequent AD or SD, subsidy is 70% of the cost of the programme, provided that more than five years have lapsed since they completed their AD or SD. • Part-time NITEC and Higher NITEC: 90% fee subsidy for SC trainees • Absentee Payroll of 80% of basic hourly salary, capped at $4.50 per hour	• 90% subsidy for the cost of Polytechnics' academic CET programmes (i.e. Part-time Diploma, Advanced Diploma and Specialist Diploma Programmes for first-timers). • Absentee Payroll of 80% of basic hourly salary, capped at $7.50 per hour for Polytechnics' and ITE's academic CET programmes (i.e. part-time Diploma, Advanced Diploma and Specialist Diploma programmes, part-time ISC, NITEC and Higher NITEC programmes)

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