

Our Ref: MSF 132-007-356A-2

7 April 2020

To: All SCFA Administrators

SCFA Administrator Student Care Centres to Provide 50% Fee Offsets

On 6 April 2020, Deputy Prime Minister Heng Swee Keat announced additional support for workers, businesses and households under the Solidarity Budget to help tide Singapore through the one month of COVID-19 major “circuit breaker” measures. This builds on the Government’s earlier support measures in the Unity Budget and Resilience Budget.

2 Under the Solidarity Budget, the Government will enhance the Jobs Support Scheme by raising the wage subsidy for all firms to 75% of gross monthly wages, for the first \$4,600 of wages paid in April 2020, for each local employee. This is an increase from the 25% support earlier announced in the Resilience Budget. This covers the wages of local student care centre (SCC) staff.

3 Taking this into account, the Ministry of Social and Family Development (MSF) requires all SCFA administrator SCCs to **provide parents offsets for 50% of their nett fees¹ for one month**, for all Singaporean children who are not allowed to use SCC services from 8 April to 4 May (inclusive). The offset is to be effected from the May 2020 invoice for parents. For example, parents who would ordinarily pay \$150 per month will pay \$75 for their child’s student care fees in May 2020.

4 In ordinary circumstances, student care service providers would find it difficult to offer such fee offsets given the need to sustain business costs including wages. However, these are exceptional times and we have reviewed the situation. With the strong Government support given under the latest Solidarity Budget, as well as MSF’s continued payment of student care fee subsidies with automatic waiver of minimum attendance, SCC operators should offer fee offsets for the “circuit breaker” period.

5 We thank our student care partners for your understanding and support. Through this approach, Government, student care operators and families will shoulder the burden for the “circuit breaker” measures together.

6 If you require assistance, please contact your respective Student Care Officer (SCO) or email your query to MSF_Student_Care@msf.gov.sg.

¹ This refers to the out-of-pocket payable fee, which is the monthly fee (with GST) less Student Care Fee Assistance subsidies.

Yours faithfully

Siti Mariam Selamat (Ms)

Senior Assistant Director

Service Delivery and Coordination Division (SDCD)

Ministry of Social and Family Development

FAQ ON REQUIREMENT FOR SCFA ADMINISTRATOR SCCS TO PROVIDE 50% FEE OFFSET FOR ONE-MONTH CIRCUIT BREAKER PERIOD

(Updated as at 11 April 2020)

1. What are the Government's support measures for businesses like SCC operators?

Box 1.

This list summarises the Government support measures under the latest Solidarity Budget, and the earlier-announced Resilience Budget and Unity Budget.

In the immediate term (Apr-May), operators will receive the following support:

- 75% wage subsidy support to all firms through the Jobs Support Scheme (JSS). This is applicable to the first \$4,600 of gross monthly wages for each SC/PR employee paid in April 2020.
- Rental waivers (for businesses located in premises owned/managed by Government agencies).
- Lower rental from pass-on of full Property Tax Rebate for 2020 for qualifying commercial properties, or 30% Property Tax Rebate for 2020 for businesses in other non-residential properties. The Government will also introduce new legislation in the week of 6 April to ensure that landlords pass on these rebates in full to tenants.
- Waiver of Foreign Worker Levy due in April.
- Foreign Worker Levy Rebate of \$750 for each Work Permit or S Pass holder², based on previous levies paid in 2020.
- Waiver of MSF's minimum attendance criterion for SCFA subsidies for the circuit breaker period, and continual disbursement of SCFA subsidies

Over the remainder of 2020, operators will receive the following support:

- 25% wage subsidy support for another eight months, under the JSS. This is applicable to the first \$4,600 of gross monthly wages for each SC/PR employee. The payouts will be made in May, July, and October 2020.

Corporate Income Tax rebate, Wage Credit Scheme for Singaporean employees and other measures to help all businesses cope with credit, cashflow and cost issues.

2. We are also not benefitting much from the enhanced JSS scheme as my employees are mostly foreigners. Are there other forms of support for my SCC to provide fee offset?

For qualifying commercial properties, the Government will provide full Property Tax Rebates for 2020. For businesses in other non-residential properties, the Government will provide 30% Property Tax Rebate for 2020. The Government will also introduce a new legislation in the week of 6 April to ensure that landlords pass on these rebates in full to tenants.

² As early as 21 April 2020, if they have a PayNow Corporate account.

Regarding foreign manpower, the following measures will help reduce labour cost and relieve the pressure on cash flow:

- Foreign Worker Levy due in April will be waived;
- Employers will also receive³ a Foreign Worker Levy Rebate of \$750 for each Work Permit or S Pass holder, based on previous levies paid in 2020.

In addition, the Corporate Income Tax rebate, Wage Credit Scheme and other measures will help all businesses further cope with credit, cashflow and cost issues.

3. How many SCC operators will offer fee offsets?

With the Solidarity Budget measures announced by DPM in Parliament on 6 April 2020, MSF has called for all SCFA administrator SCCs to offer fee offset equivalent to 50% of their original nett fees payable for one month. There are currently more than 400 SCCs registered with MSF to administer SCFA subsidies.

Parents will be advised to contact their own SCCs for more details, who may need some time to review the fee offset plan, or to spread out the fee offset.

4. What about SCCs that do not administer SCFA? Will they offer fee offsets?

We encourage parents to approach their SCC operators and work out an arrangement on fee offsets. We note that this is a challenging time for many, and we can each do our part to support one another during this critical circuit breaker period.

5. How much fee offsets are SCC operators required to provide to parents?

MSF has called for all SCFA administrator SCCs to offer fee offset equivalent to 50% of original nett fees payable for one month, for children who are not attending SCCs during this circuit breaker period, and who have paid fees in April. Nett fees refer to fee (with GST) after SCFA subsidies. However, we recognise that SCCs are not homogenous and may have their own administrative policies on fee offset depending on their exact circumstances.

For example, to cope with cashflow, some SCCs may choose to spread the fee offset across a few months or until things get better, or offer some offset in kind. For additional details, parents will be advised to approach their respective SCCs.

6. Why is MSF requiring operators to provide fee offset to parents?

In ordinary circumstances, we agree that SCCs would find it difficult to provide fee offset, given the need for fees to help sustain wages for staff and other operating costs.

However, these are exceptional times. With further Government support given to companies under the latest Solidarity Budget ([see Q1; Box 1](#)), as well as MSF's continued provision of full student care fee subsidies in April with the automatic waiver of minimum attendance, SCCs will receive additional Government support to defray their costs.

Hence, we have now called for all SCFA administrator SCCs to offer partial fee offset for the circuit breaker period. Families are bearing some burden too, as the fee offset is not 100%. During this exceptional time, we hope that all will share in the burden and support each other.

³ As early as 21 April 2020, if they have a PayNow Corporate account.

7. Why do SCC operators need to provide fee offset to parents who are not receiving SCFA?

The circuit breaker is a necessary public health measure. This significantly impacts everyone – operators, families and caregivers who may or may not be receiving SCFA. During this exceptional time, everyone has to support each other and shoulder part of the impact.

In ordinary circumstances, we agree that SCCs would find it difficult to provide fee offset, given the need for fees to help sustain wages for staff and other operating costs.

However, these are exceptional times. With further Government support given to companies under the latest Solidarity Budget (see Q1; Box 1), SCCs will receive additional Government support to defray their costs. Hence, we have now called for all SCFA administrator SCCs to offer partial fee offset for the circuit breaker period.

We recognise that SCCs are not homogenous and may have their own administrative policies on fee offset depending on their exact circumstances. For example, to cope with cashflow, some SCCs may choose to spread the fee offset across a few months or until things get better, or offer some offset in kind. Parents will be advised to approach their respective SCCs on their policies.

8. Is the fee offset only for Singapore citizens? What about PRs and foreigners?

MSF has called for SCFA administrator SCCs to provide a 50% fee offset, which only applies to children who are Singapore citizens.

However, operators can also provide fee offset to children who are PRs and foreigners, if they have the means to do so. Parents will be advised to approach their SCC operators on their policies.

9. How should operators implement the fee offset? Should they require parents to apply for it?

Operators should effect the fee offset from the May 2020 invoice for eligible parents.

However, we recognise that SCCs are not homogenous and may have their own administrative policies on fee offset depending on their exact circumstances. SCCs with cashflow considerations may consider pacing out the fee offset over a few months or until things get better, or provide offsets in kind. Parents will be advised to contact their respective SCCs for more details.

10. Does the fee offset refer to before subsidies or after subsidies?

Nett fees refer to fees after Student Care Fee Assistance subsidies. MSF will continue to provide these subsidies in full to beneficiaries in SCFA Administrator SCCs and waive minimum attendance for April.

11. Is the fee offset for the April or May fees? (it was indicated in press release that it will be reflected from the May 2020 invoice)

The fee offset is offered on account of the general closure of SCCs in April.

However, the actual offset will take effect from May's invoice onwards. This means that parents who have paid their fees for April 2020, will see a lower fee amount invoiced for May 2020.

However, we recognise that SCCs are not homogeneous and may have their own administrative policies on fee offset. For example, to cope with cashflow, some SCCs may have to spread the

fee offset over a few months or until things get better or offer some offset in kind. Parents will be advised to approach their respective SCCs for more details.

12. Are operators required to provide fee offset to parents whose children were withdrawn in April 2020?

For children who are withdrawn for the month of April and have not paid their fees for April 2020, there is no need to provide fee offset. Fee offset should be provided for children who are not attending SCCs during this circuit breaker period, and who have paid fees in April. Do note that MSF's SCFA subsidies will not be disbursed to children who are withdrawn from the centre.

13. If the circuit breaker period is extended beyond 4 May 2020, will SCC operators be required to extend more fee offset?

MSF and the relevant agencies will continue to monitor the situation closely and will provide updates as necessary.