

Dear participating companies,

Adjustments in funding disbursements for new hires on PCPs programmes from 1 Sep 2020 – 28 Feb 2021

1. As announced by DPM Heng on 17 Aug 2020, the Jobs Growth Incentive (“JGI”) has been introduced to encourage hiring by providing salary support to employers for new hires during this difficult period of economic uncertainty.
2. Under the JGI, the Government will co-pay up to 25% of salaries of all new local hires between 1 Sep 2020 (where the JGI will take effect) to 28 Feb 2021 for one year, subject to a cap. For those aged 40 and above, the co-payment to employers will be up to 50%.
3. With the introduction of JGI, WSG will be making temporary adjustments to salary support (SS) disbursements for all new hires hired on our conversion programmes (i.e. PCPs and RnF programmes) for the period between 1 Sep 2020 to 28 Feb 2021, which coincides with the qualifying period for the JGI¹. The intent is to spread out SS disbursements over a longer period to encourage companies to retain local workers hired under these conversion programmes.
4. These adjustments to SS disbursements will apply to all PCPs placement programmes.
5. For any new hires hired through conversion programmes for the period between **1 Sep 2020 to 28 Feb 2021**,
 - a) the SS disbursed will be adjusted as follows:
 - i. SS disbursements will be paid out over a longer period, which comprises of the training duration for the conversion programme plus an additional period of retention equivalent to the training duration. Depending on the start date of the programme and the training duration, the combined training and retention period for which SS disbursements have to be adjusted, may go beyond the qualifying period between **1 Sep 2020 to 28 Feb 2021**.
 - ii. SS disbursements will be computed using actual monthly salary and will be based on half of the prevailing funding rates for PCPs programmes, with the funding caps also adjusted accordingly.

¹ The adjustment to SS disbursement will apply based on the date of hire of the individuals (i.e. start of employment with employer) and not date of commencement of the programme). To illustrate, the adjustment to SS disbursement will not apply to individuals hired before 1 Sep 2020, even if they start the programmes after 1 Sep 2020. Conversely, individuals hired between 1 Sep 2020 – 28 Feb 2021 will be covered by the changes, even if they start the programme after 28 Feb 2021.

Please refer to the table for details.

Adjustment in SS Disbursed for New Hires Placed on PCP programmes

	Current disbursement	New disbursement (for new hires on conversion programmes from 1 Sep 2020 – 28 Feb 2021)
SS for New Hires on PCPs	<p>Standard Rate: Up to 70% of Monthly Salary (capped at \$4,000 per month during training period)</p> <p>Enhanced Rate: Up to 90% of Monthly Salary (capped at \$6,000 per month during training period)</p>	<p>Standard Rate: Up to 35% of Monthly Salary (capped at \$2,000 per month during training and retention period)</p> <p>Enhanced Rate: Up to 45% of Monthly Salary (capped at \$3,000 per month during training and retention period)</p>
Period of SS	6 months	1 year

- b) the total SS for each individual will remain largely unchanged (subject to the existing total SS caps), unless the actual monthly salary of the individual is adjusted during the period of SS.
- c) the programme course fee funding is not affected and there will be no changes to prevailing arrangements.

Illustration of adjustment to PCP funding disbursement

Example 1: PCP has a training duration of 6 months. PCP participant is non-mature and not previously long-term unemployed. He earns a monthly salary of \$3,000 at the PCP participating company, and will be previously eligible for the SS funding rate of 70% for 6 months.

Existing funding disbursement	New funding disbursement
<ul style="list-style-type: none"> ○ SS will be paid out over 6-month programme training period ○ Salary support per month would be \$2,100 (i.e. 70% salary support x \$3,000) ○ Total SS over PCP duration will be \$12,600 (i.e. \$2,100 x 6 months) 	<p>Changes in disbursement</p> <ul style="list-style-type: none"> ○ SS will be spread out over a period of 12 months (i.e. original training period of 6 months plus retention period of an additional 6 months) ○ Total SS amount will remain unchanged; the amount paid each month will be adjusted accordingly

	<ul style="list-style-type: none"> ▪ PCP SS rate will be adjusted from 70% to 35%. ▪ PCP SS caps will be correspondingly adjusted from \$4,000 to \$2,000. This is to ensure that the total salary support amount remains unchanged. <p>Funding provided</p> <ul style="list-style-type: none"> ○ SS amount per month will be adjusted to \$1,050 (i.e. 35% salary support x \$3,000) ○ Total SS amount to be paid over 12 months will remain unchanged at \$12,600 (i.e. \$1,050 x 12 months) <p>Note: Should the participant’s salary amount be adjusted for subsequent months, total salary support will be adjusted based on 35% x actual salary, subject to the revised cap of \$2,000. This is same as the existing funding disbursement method.</p>
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Example 2: PCP with training duration of 6 months. Participant is mature and with monthly salary of \$4,000 at the PCP company and would previously be eligible for the SS rate of 90%.

Existing funding disbursement	New disbursement funding disbursement
<ul style="list-style-type: none"> ○ SS per month would be \$3,600 (i.e.90% salary support x \$4,000) ○ Total SS over PCP duration will be \$21,600 (i.e. \$3,600 x 6 months) 	<p>Changes in disbursement</p> <ul style="list-style-type: none"> ○ PCP SS rate will be adjusted from 90% to 45%. ○ PCP SS caps will be correspondingly adjusted from \$6,000 to \$3,000. This is to ensure that the total SS amount remains unchanged. <p>Funding provided</p> <ul style="list-style-type: none"> ○ SS amount per month will be adjusted to \$1,800 (i.e. 45% salary support x \$4,000)

	<ul style="list-style-type: none"> ○ Total SS amount to be paid over 12 months will continue to be \$21,600. <p>Note: Should the participant’s salary amount be adjusted for subsequent months, total salary support will be adjusted based on 45% x actual salary, subject to the revised cap of \$3,000. This is same as the existing funding disbursement method.</p>
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Which PCP participants will these temporary changes apply to?

Covered by changes	Not covered by changes
<ul style="list-style-type: none"> ○ Local workers who are newly hired on Place-and-Train PCP programmes <u>between 1 Sep 2020 and 28 Feb 2021</u>, in line with the JGI eligibility period. Do note that this is based on date of hire of the individual (start of employment with employer) and not date of commencement of the programme, where: <ul style="list-style-type: none"> ○ Individuals hired before 1 Sep 2020 will not be covered, even if they start the programme after 1 Sep 2020 ○ Individuals hired before 28 Feb 2021 (and after 1 Sep 2020) will be covered by the changes, even if they start the programme after 28 Feb 2021 	<ul style="list-style-type: none"> ○ Local workers who were hired on Place-and-Train PCP placement programmes before Sep 2020 or after Feb 2021, which is outside the qualifying period for JGI programme ○ Participants under Job Redesign Reskilling/Redeployment PCPs/RnF programmes who are existing employees

6. SGTech will be working with you and WSG to implement the funding adjustments for eligible Place-and-Train PCP participants who are hired from 1 Sep 2020 to 28 Feb 2021.

7. Please feel free to raise any queries on the above funding disbursement changes and we will collate and seek clarification from WSG.

8. Thank you very much.