

Skills Development Levy Bill

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Bill No: 29/1979

Read the first time: 7th September 1979

Long Title

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Expenditure of Public Money

Skills Development Levy Bill

Bill No. 29/1979

Read the first time on 7th September 1979.

An Act to impose a skills development levy on employers and for the establishment of a Skills Development Fund and for purposes connected therewith.

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows: —

PART I

PRELIMINARY

Short title and commencement

1. This Act may be cited as the Skills Development Levy Act, 1979, and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

Interpretation

2. In this Act, unless the context otherwise requires —

“Comptroller” means the Comptroller of Income Tax appointed under section 5 of the Income Tax Act (Cap. 141) and includes a Deputy Comptroller so appointed;

“Council” means the Advisory Council established under section 9;

“employee”, in relation to a month, means an employee rendering in that month services wholly or partly in Singapore and an employee who is on leave during that month where such leave is attributable to services rendered wholly or partly in Singapore in any previous month, but does not include any domestic servant, gardener or chauffeur, wholly and exclusively employed by an individual otherwise than in connection with his trade, business, profession or vocation;

“employer” means any person who pays or is liable to pay any remuneration to an employee;

“Fund” means the Skills Development Fund established under section 6;

“remuneration” means any wages, salary, commission, bonuses, allowances (including a housing allowance or other like allowance) or other emoluments paid in cash by or on behalf of an employer to an employee, and includes any leave pay;

“skills development levy” or “levy” means skills development levy imposed by this Act.

PART II

SKILLS DEVELOPMENT LEVY

Imposition of levy

3.—(1) Subject to the provisions of this Act, there shall be imposed on every employer a skills development levy in respect of each of his employees at the rate of two per cent of the remuneration in any month of that employee or five dollars, whichever is the greater.

(2) The levy shall be collected and paid in respect of the month of October, 1979,

and every subsequent month.

(3) The Minister may from time to time by order reduce or increase the rate of the levy specified in subsection (1).

Exemption from levy

4.—(1) No skills development levy shall be chargeable for any month in respect of any employee whose remuneration exceeds seven hundred and fifty dollars for that month.

(2) The Minister may by order vary the amount of remuneration specified in subsection (1).

(3) The Minister may by order —

- (a) exempt wholly or partly any employer or class of employers from skills development levy in such circumstances and subject to such conditions as may be specified in the order; and
- (b) provide that the charge and collection of skills development levy shall not have effect for such period as may be specified in the order, if he considers it expedient in the public interest to do so.

Application of provisions relating to payroll tax

5.—(1) The Minister and the Comptroller shall have and may exercise in respect of the collection of skills development levy the like powers and authorities (as far as they are applicable and with necessary modifications) as if the levy were payroll tax.

(2) Except as otherwise provided by this Act, the Finance Act and any regulations made thereunder shall, as far as applicable and with any necessary modifications, apply in all respects as if skills development levy were payroll tax and as if an employer liable to pay skills development levy under this Act were an employer liable to pay payroll tax under the Finance Act (Cap. 139).

PART III

SKILLS DEVELOPMENT FUND

Establishment of Fund

6.—(1) On the commencement of this Act, there shall be established a Fund to be called the Skills Development Fund which shall be under the control and management of the Minister.

(2) The proceeds of the skills development levy collected under this Act, together with penalties recovered for late payment, shall be credited to the Fund.

(3) For the purpose of reimbursing the Comptroller for the expenses incurred by him in the collection and recovery of the levy, the Minister may authorise the Comptroller to be paid such percentage, not exceeding two per cent, of the levy collected as may be determined by the Minister.

Government to contribute to Fund

7. The Government shall contribute monthly to the Fund an amount equal to the amount of levy which would be chargeable in any month on an employer in respect of each employee employed by the Government as if that employee were employed by a private person.

Objects of Fund and expenditure of monies of Fund

8.—(1) The objects for which monies of the Fund may be applied are as follows: —

- (a) the promotion, development and upgrading of skills and expertise of persons in employment;
- (b) the retraining of retrenched persons; and
- (c) the provision of financial assistance by grants, loans or otherwise for the purposes of the above-mentioned objects.

(2) In carrying out the objects of the Fund, the Minister may from time to time authorise monies of the Fund to be paid out and expended for all or any of the following purposes: —

- (a) for establishing or expanding facilities or assisting in the maintenance of facilities for full-time or part-time training courses and training programmes designed to promote the skills or expertise of persons in employment;
- (b) for the provision of grants or loans to any employer for equipment required for more sophisticated or skilled operations in the conduct of his business;
- (c) for defraying or subsidising the costs incurred by any employer in the training or retraining of his staff to acquire better skills or expertise; and
- (d) for such other purposes as may be prescribed by the Minister.

Advisory Council