

Skills Development Levy (Amendment) Bill

Bill No. 17/2008.

Read the first time on 21st July 2008.

A BILL

I n t i t u l e d

An Act to amend the Skills Development Levy Act (Chapter 306 of the 1998 Revised Edition).

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

Short title and commencement

1. This Act may be cited as the Skills Development Levy (Amendment) Act 2008 and shall come into operation on such date as the Minister may, by notification in the *Gazette*, appoint.

5 Amendment of section 3

2. Section 3 of the Skills Development Levy Act is amended —

(a) by deleting subsection (1) and substituting the following subsections:

10 “(1) Subject to the provisions of this Act, every employer shall, in respect of each of his employees, pay a skills development levy of the following amount:

(a) subject to subsection (1A), at the rate of 0.25% of the remuneration in any month of that employee or such rate as the Minister may, by notification in the *Gazette*, prescribe; or
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(b) \$2,

whichever is the greater.

(1A) For the purpose of subsection (1)(a), the levy shall not be chargeable on the part of the remuneration of the employee in any month that exceeds \$4,500 or such other amount as the Minister may, by notification in the *Gazette*, prescribe.”; and
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(b) by deleting subsection (3).

Amendment of section 4

25 3. Section 4 of the Skills Development Levy Act is amended by deleting subsections (1) and (2).

EXPLANATORY STATEMENT

This Bill seeks to amend the Skills Development Levy Act (Cap. 306) to change the basis on which the skills development levy is to be computed. Currently, the skills development levy is chargeable at the rate of 1% of the remuneration of any employee whose remuneration in any month is \$2,000 or less. Following the amendments, the skills development levy will be chargeable on the remuneration of all employees, and the rate of the levy in respect of each employee will be —

- (a) 0.25% of the remuneration of that employee in any month (up to \$4,500 of the remuneration of that employee); or
- (b) \$2,

whichever is the greater.

EXPENDITURE OF PUBLIC MONEY

This Bill will not involve the Government in any extra financial expenditure.
