

MOVING FORWARD IN A NEW ERA



BUDGET
2023

FOREWORD

Dear Singaporeans,

We have come a long way over the past three years battling the Covid-19 pandemic.

It has been a challenging journey, with many ups and downs. Through our collective efforts, and the trust we had in each other, we have reached a new milestone.

We now have to chart our way forward in a new post-pandemic era. In this effort, Singaporeans are at the heart of everything we do.

Budget 2023 sets out key moves to secure a brighter future.

We will help you to thrive, by keeping our economy competitive and innovative, equipping our workers, and providing a fuller range of opportunities for everyone to reach their potential.

We will strengthen our social compact and provide more assurance for families, as well as for our seniors and the more vulnerable in our community.

We will build our collective resilience so that we continue to support one another, and bounce back stronger from external disruptions and shocks.

As a small country in a globally uncertain environment, the road ahead will not be easy. But we are on this journey together, and we can draw confidence and strength from how we have overcome past challenges.

Working together, we can secure a better tomorrow – for us, and for our future generations.

Lawrence Wong
Deputy Prime Minister
and Minister for Finance



MOVING FORWARD IN A NEW ERA

SUPPORT MEASURES FOR SINGAPOREANS

7-9

GROWING OUR ECONOMY AND EQUIPPING OUR WORKERS

Supporting Businesses

11-12

Supporting Workers

13

STRENGTHENING OUR SOCIAL COMPACT

Building a Singapore Made For Families

15-16

Supporting Lower-Income Families

16

Providing Assurance in Our Silver Years

17

BUILDING A RESILIENT NATION

Building Organisational Capabilities

19

Ensuring Economic and Infrastructure Resilience

19

Safeguarding our Climate Resilience

20

Our Resilience as a People

20

A COMPETITIVE, RESILIENT, AND FAIR TAX SYSTEM

22-23

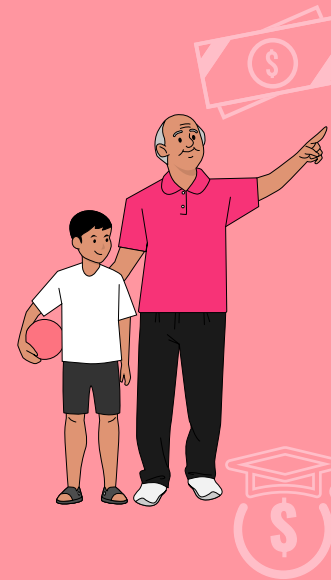
SUPPORT MEASURES FOR SINGAPOREANS

Assurance in 2023

The Government is helping Singaporeans cope with the increase in daily expenses due to higher inflation and GST increase.

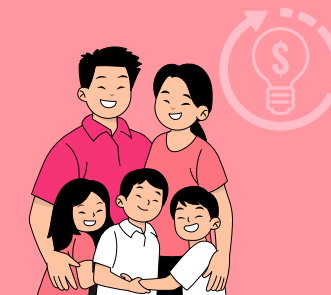
Singaporeans can benefit from the following measures in 2023:

For Individuals



- **Cash**
 - Age 21 to 54 Up to \$1,700
 - Age 55 & above Up to \$2,300
- **MediSave Top-Ups**
 - Age 20 & below \$150
 - Age 55 & above \$150 - \$600
- **Child Development Account Top-Up** \$400
- **Edusave Account & Post-Secondary Education Account Top-Ups** \$300

For Households

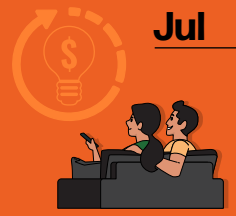


- **CDC Vouchers** \$300
- **U-Save Rebates** \$440 - \$760
- **S&CC Rebates** 1.5 - 3.5 months

Assurance in 2023

The Government is helping Singaporeans cope with the increase in daily expenses due to higher inflation and GST increase.

Support will be available all year round:



Jan

- **CDC Vouchers**
[Assurance Package (AP)* & Oct 2022 COL Package] **\$300**
- **U-Save Rebates**
[GST Voucher (GSTV) Scheme* & AP] **\$110 - \$190**
- **S&CC Rebates [GSTV]** **Up to 0.5 months**

Feb

- **Seniors' Bonus Cash [AP]** **\$200 - \$300**
- **MediSave Top-Ups [AP]** **\$150**

Apr

- **U-Save Rebates [GSTV & AP]** **\$110 - \$190**
- **S&CC Rebates [GSTV]** **0.5 - 1 month**

May

- **Edusave Account & Post-Secondary Education Account Top-Ups [AP]** **\$300**

Jun

- **Cash [AP]** **Up to \$400**
- **Seniors' Bonus Cash [AP]** **\$200 - \$300**

Jul

- **U-Save Rebates [GSTV & AP]** **\$110 - \$190**
- **S&CC Rebates [GSTV]** **0.5 - 1 month**

Aug

- **Cash [GSTV]** **\$350/\$700**
- **MediSave Top-Ups [GSTV]** **\$150 - \$450**

Sep

- **Child Development Account Top-Up [AP]** **\$400**

Oct

- **U-Save Rebates [GSTV & AP]** **\$110 - \$190**
- **S&CC Rebates [GSTV]** **0.5 - 1 month**

Dec

- **Cash [AP]** **\$200 - \$600**

*The AP cushions the impact of the GST increase for all Singaporeans. It has been enhanced from \$6.6 billion to \$9.6 billion in 2023 to account for higher inflation, and to provide additional one-off support to Singaporeans to address immediate cost-of-living concerns up till 2027.

*GSTV: The permanent GSTV Scheme provides continuing help to defray GST expenses of lower- to middle-income Singaporean households beyond the transitional support provided by the AP.

GROWING OUR ECONOMY AND EQUIPPING OUR WORKERS

Supporting Businesses

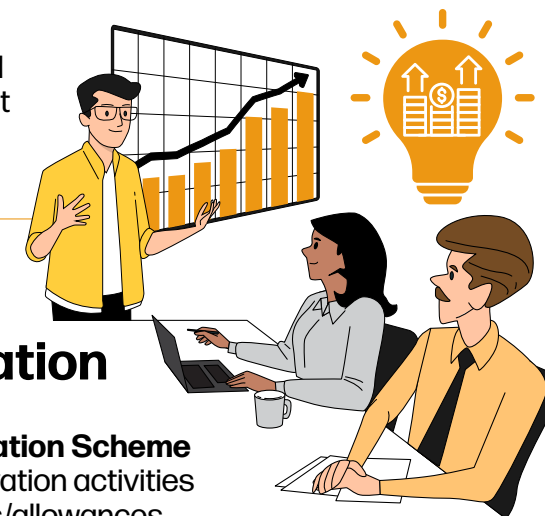
Developing Local Enterprises

- Set aside \$1 billion to provide customised support for promising local companies under **Singapore Global Enterprises** initiative
- Additional \$150 million via **SME Co-Investment Fund** to invest in promising SMEs



Building Capabilities and Anchoring Quality Investments

- Top up \$4 billion to **National Productivity Fund** and expand scope to support investment promotion

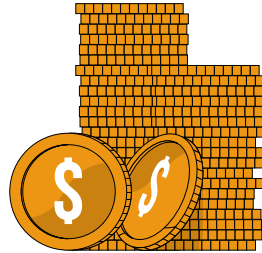


Nurturing and Sustaining Innovation

- Introduce **Enterprise Innovation Scheme** to support businesses' innovation activities via enhanced tax deductions/allowances, with a cash conversion option

Dealing with Cost Pressures

- Extend **Enterprise Financing Scheme** enhancements till 31 Mar 2024 to facilitate access to credit:
 - 70% Government risk-share for trade loans
 - Enhanced maximum quantum for trade and working capital loans
 - Support for domestic construction projects via project loans
- Extend **Energy Efficiency Grant** till 31 Mar 2024 for SMEs in Food Services, Food Manufacturing, and Retail sectors to adopt energy-efficient equipment, given higher electricity prices



Supporting Workers

Integrate Training and Job Placement

- Pilot **Jobs-Skills Integrators** in Precision Engineering, Retail, and Wholesale Trade sectors to bring together key players to develop industry-relevant training and facilitate job matching



Enhance Employment Support

- Top up \$2.4 billion to **Progressive Wage Credit Scheme** fund for lower-wage workers, and maintain higher Government co-funding share of eligible wage increases in 2023:
 - Wages up to \$2,500: increase from 50% to 75%
 - Wages above \$2,500 and up to \$3,000: increase from 30% to 45%



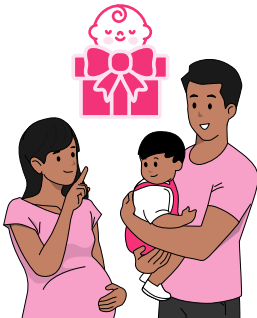
- Extend **Senior Employment Credit** and **Part-time Re-employment Grant** for senior workers till 2025 to continue providing wage offsets, and encourage employers to offer flexible work arrangements and structured career planning
- Enhance **Enabling Employment Credit** to encourage employment of persons with disabilities
- Introduce **Uplifting Employment Credit** to encourage employment of ex-offenders



STRENGTHENING OUR SOCIAL COMPACT

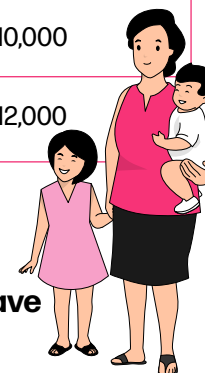
Building a Singapore Made For Families

- Extend \$3,000 **Baby Support Grant** for eligible Singaporean children born from 1 Oct 2022 to 13 Feb 2023
- For all other eligible Singaporean children:

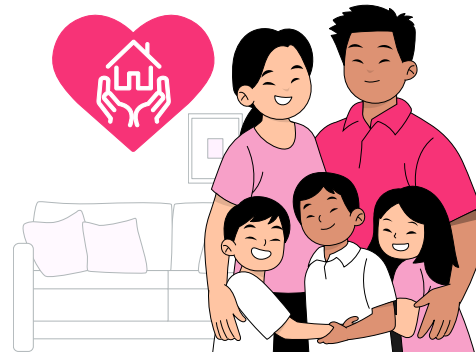
Born on	14 Feb 2023 - 31 Dec 2023	1 Jan 2024 onwards
Cash Support	<ul style="list-style-type: none"> • Increase in Baby Bonus Cash Gift by \$3,000 • Increase in Government contributions to the Child Development Account (CDA) <ul style="list-style-type: none"> - Increase First Step Grant by \$2,000 - Increase Government co-matching cap for CDA by \$1,000 for the first and second child 	
Government-Paid Paternity Leave	2 weeks	4 weeks (↑2 weeks on a voluntary basis)
Working Mother's Child Relief (WMCR)[^]		
1st child	15% of mother's earned income	\$8,000
2nd child	20% of mother's earned income	\$10,000
3rd child and beyond	25% of mother's earned income	\$12,000

[^] No change for WMCR claims on qualifying Singaporean children born or adopted before 1 Jan 2024

- For all Singaporean children aged under 2 years from 1 Jan 2024 onwards: Increase **Unpaid Infant Care Leave** from 6 to 12 days per year for each parent

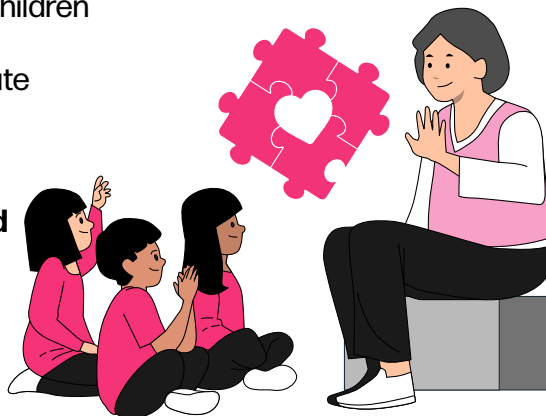


- Provide more support to specific groups of First-Timer families to secure a BTO flat
- Increase **CPF Housing Grant** by up to \$30,000
 - Up to \$190,000 in total for eligible First-Timer families purchasing resale HDB flats
- Lapse **Foreign Domestic Worker Levy Tax Relief** from Year of Assessment 2025, in view of the concessionary migrant domestic worker levy that benefits all families who need help with caring for their dependents



Supporting Lower-Income Families

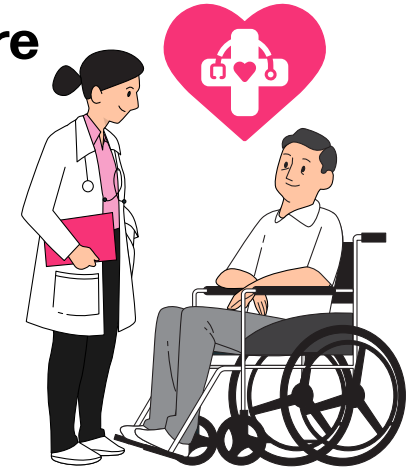
- Scale up **KidSTART** to support positive development outcomes for children
- Leverage **ComLink** to integrate delivery of social services
- Top up \$300 million to **ComCare Endowment Fund** to provide necessary social assistance to lower-income families



Providing Assurance in Our Silver Years

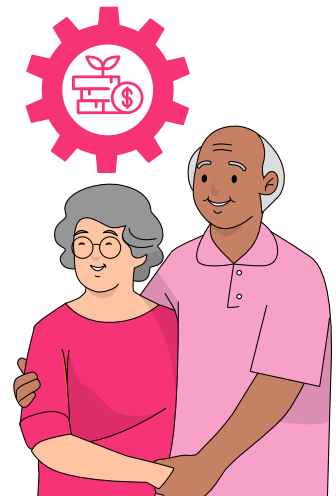
Support Long-Term Care and Healthcare Needs

- Top up \$500 million to **ElderCare Fund** to support means-tested subsidies for seniors who need home-based, centre-based, or institutional care
- Top up \$1.5 billion to **MediFund** to strengthen safety net for lower-income individuals and seniors facing financial difficulties with medical bills



Strengthen Retirement Adequacy

- Provide **CPF Transition Support** to lower-income Platform Workers in the first four years of implementation, to cushion the impact of their increased CPF contributions
- Increase **CPF contribution rates** for senior workers in 2024 and provide **CPF Transition Offset** to employers
- Increase **minimum CPF monthly payouts** for seniors on **Retirement Sum Scheme** to \$350
- Increase **CPF monthly salary ceiling** from \$6,000 to \$8,000 by 2026



BUILDING A RESILIENT NATION



Building Organisational Capabilities

- Build **organisational capabilities within the public service** by putting in place a more comprehensive system to train public servants, mobilise and cross-deploy them for various crisis roles based on their skillsets and expertise
- **Tap on the capabilities of the private and people sectors** in responding to crisis



Ensuring Economic and Infrastructure Resilience

- Build up resilience in our economy and supply chains through **diversification of import sources, stockpiling of food and essential items, and local production**
- Review **stockpiling strategies and improve diversification of critical supplies**
- Design **buildings to serve both peacetime and crisis functions**, where possible

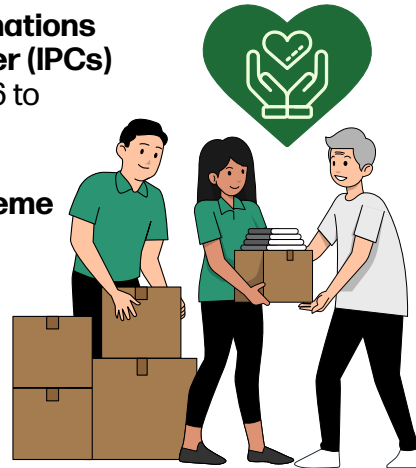


Safeguarding our Climate Resilience

- Accelerate **low-carbon transition** for our economy and society, to achieve net zero emissions by 2050
- Take steps to adapt to global warming and rising sea levels

Our Resilience as a People

- Extend **250% tax deduction for donations to Institutions of a Public Character (IPCs) and eligible institutions** to end-2026 to encourage giving
- Enhance **Corporate Volunteer Scheme** to deepen partnerships between businesses and IPCs
 - Extend to end-2026 and expand eligible activities
 - Double the claims per IPC to a cap of \$100,000 per calendar year
- Review salary benchmarks and raise salary guidelines for the social service sector to attract and retain talent
- Top up **Community Silver Trust** by \$1 billion to support social service agencies that deliver community care services to seniors through dollar-for-dollar donation matching
- Provide a \$10 million top-up to support Self-Help Groups over the next three years



A COMPETITIVE, RESILIENT, AND FAIR TAX SYSTEM



Corporate Income Tax

- **Base Erosion and Profit Shifting Initiative (BEPS 2.0)**
 - Implement **Global Anti-Base Erosion (GloBE) rules under BEPS Pillar 2** and **Domestic Top-up Tax (DTT)** for large Multinational Enterprise (MNE) groups from businesses' financial year starting on or after 1 Jan 2025
 - Will monitor international developments and adjust as needed if there are delays
 - Update industry development schemes to ensure that Singapore remains competitive in attracting and retaining investments



Vehicle Tax

- Higher marginal **Additional Registration Fee (ARF) rates** for higher-end and luxury cars
 - Portion of Open Market Value in excess of \$40,000 and up to \$60,000 will be taxed at 190%; in excess of \$60,000 and up to \$80,000 at 250%; and in excess of \$80,000 at 320%
- Cap **Preferential ARF (PARF) rebates** at \$60,000



Buyer's Stamp Duty and Additional Conveyance Duties for Buyers

- Increase **Buyer's Stamp Duty (BSD) rates** for higher-value properties, with effect from 15 Feb 2023:
 - For **residential properties**, the portion of the property value:
 - In excess of \$1.5 million and up to \$3 million will be taxed at 5% (up from 4%)
 - In excess of \$3 million will be taxed at 6% (up from 4%)
 - For **non-residential properties**, the portion of the property value:
 - In excess of \$1 million and up to \$1.5 million will be taxed at 4% (up from 3%)
 - In excess of \$1.5 million will be taxed at 5% (up from 3%)
- BSD rates on or before 14 Feb 2023 will apply for eligible transitional cases
- **Additional Conveyance Duties for Buyers**, which applies to qualifying acquisitions of equity interest in property holding entities, will be adjusted accordingly

Tobacco Excise Duty

- Increase **excise duty on tobacco products** by 15%



Read more at
www.singaporebudget.gov.sg



Based on information as of 14 February 2023