

BRIEF OVERVIEW OF SINGAPORE BUDGET 2024 POLICIES

Explainer for Secondary and Pre-University Students

INTRODUCTION TO THE BUDGET

Every February, Singapore's Finance Minister will deliver the Budget Statement to outline the **government's expenditure** and **support for Singaporeans** in the next financial year (1 April to 31 March). It is regarded as the most important annual financial event in the country. It is followed by the **Committee of Supply (COS) debates** where Members of Parliament (MPs) debate the plans and proposed expenditures of the different Ministries in the next financial year.

This year, Finance Minister and DPM Lawrence Wong delivered the Budget in Parliament on 16 February 2024 and announced one of the largest budgets in recent years. Some observers see this as a '**General Election**' Budget – that is, one that is deliberately inflated with support for citizens in order to raise support for the incumbent government in the upcoming General Election (which is speculated to be held at the end of the year).

The 2024 Budget is worth about **S\$131.4 billion**.

ASSURANCE PACKAGE (\$\$1.9B) AND OTHER SUPPORT
DIRECT SUPPORT FOR SINGAPOREANS

1. Additional **\$600 in Community Development Council (CDC) Vouchers**¹ will be provided to Singaporean households in two tranches in end-June 2024 and January 2025.
2. **Cost-of-Living Special Payment** of **between \$200 and \$400** in cash will be provided for **adult** Singaporeans with **assessable incomes**² of **up to \$100,000**, and who **do not own more than one property**.
3. Additional **one-off U-Save rebates**³ will be given to help HDB households cope with **increases in their utility bills**. Eligible HDB households can expect to receive **two-and-a-half times** the amount of regular U-Save rebates, or **up to \$950**, in Financial Year (FY) 2024. This will cover about **four months of utility bills for those living in 3- and 4-room flats**.
4. Additional **one-off Service and Conservancy Charges (S&CC) Rebate**⁴ for **HDB flats**. Together with the regular S&CC rebates, eligible HDB households will receive up to **four months** of such rebates in FY2024.
5. Top-up of the **Goods and Services Tax (GST) Fund** by **\$6 billion** to deliver on the Government's commitment to **permanently defray GST expenses for lower- and middle-income households**, through the **GST Voucher Scheme**⁵.

¹ General scheme for all households to cope with rising costs in daily expenses. Vouchers can be used for heartland merchants, hawkers, and some supermarkets.

² Assessable income (also known as taxable income) is all forms of income from trade, business, profession or vocation, employment, as well as rental income that is taxable.

³ U-Save rebates are partial refunds on utility charges.

⁴ Service and Conservancy Charges are charged by the Town Council for maintenance and upkeep for the common residential properties.

⁵ Scheme to assist lower- and middle-income households with their expenses, in particular what they pay in the universal Goods and Services Tax.

ENTERPRISE SUPPORT PACKAGE (S\$1.3B)
DIRECT SUPPORT FOR COMPANIES IN SINGAPORE

1. Companies will receive a **50% Corporate Income Tax⁶ Rebate** capped at \$40,000, in the Year of Assessment 2024.
2. A **minimum benefit of \$2,000 in cash payouts** for companies which have **employed at least one local employee** in 2023.
3. The **Enterprise Financing Scheme (EFS)⁷** will be enhanced by **permanently raising the maximum working capital loan quantum⁸ by \$500,000**.
4. The **enhanced maximum trade loan quantum⁹** and the Government's **risk sharing of project loans to support domestic construction projects** will be extended until 31 March 2025.
5. The **SkillsFuture Enterprise Credit** will be **extended by a year** to 30 June 2025. This Credit allows for additional support for eligible employers to **cover their out-of-pocket expenses** when they embark on **workforce and business transformation**.

⁶ In general, Singaporean and foreign companies are taxed at a flat rate of 17% of its chargeable income.

⁷ The EFS allows for a comprehensive approach to enable Singapore enterprises to access financing more readily across all stages of growth. In general, the Government will share the loan default risk in the event of enterprise insolvency with the Participating Financial Institutions.

⁸ Maximum amount of short-term financing or credit that a financial institution, such as a bank, extends to a business to cover its day-to-day operational expenses and short-term liabilities.

⁹ Maximum amount of short-term financing or credit that a financial institution, such as a bank, extends to a business to cover its trade needs (such as inventory, stock financing, etc.).

PURSUIT OF BETTER GROWTH AND JOBS

Anchoring Quality Investments

1. Singapore's investment promotion toolkit has been improved by the introduction of the **Refundable Investment Credit (RIC)**. This is a **tax credit** with a **refundable cash feature**. It will support **high-value and substantive economic activities** (e.g., new R&D activities, green transition activities, etc.)
2. The **National Productivity Fund (NPF)**¹⁰ will be **topped-up by \$2 billion**.

Building on Our Strengths

1. The **Financial Sector Development Fund**¹¹ will be **topped-up by \$2 billion**. This empowers the Monetary Authority of Singapore (MAS) to have **more resources to take full advantage of current opportunities**, and extend our lead in the financial services sector (e.g., through embracing and building infrastructure in areas like Financial Technology and green technology).
2. More funds will be set aside for **research and development (R&D)**. There will be a **further \$3 billion investment** in the **Research, Innovation and Enterprise 2025 (RIE2025) plan**¹² to help sustain Singapore's investments in R&D at about 1% of our national gross domestic product (GDP).

¹⁰ Established in 2010, the fund supports a wide range of measures for businesses to improve productivity, and continue to educate and train workers.

¹¹ The fund provides grants to firms and individuals in the financial services sector to continually promote Singapore as a financial centre and develop skills, expertise and infrastructure to support the financial services.

¹² The RIE is Singapore's R&D and technology plan, and its main function is to lay the groundwork for the nation's science and technology framework every five years.

3. As a leader for artificial intelligence (AI), as part of the **National AI Strategy 2.0**¹³, the country will **invest more than \$1 billion** over the next five years into **AI compute, talent, and industry development**.
4. Additional resources to **increase investments** in upgrading Singapore's **nationwide broadband network**. It aims to enable mass market access to broadband speeds of up to **10GB/second**¹⁴ in the second half of the 2020s, to deal with the pervasiveness of advanced technologies in the future.

Developing Our Local Enterprises

1. The **Partnerships for Capability Transformation (PACT) scheme**¹⁵ will be enhanced to **support partnerships in more areas** (e.g., capability training, internationalisation, and corporate venturing).
2. In the face of Singapore's focus on 'going green', an **extension of the enhanced support for green loans** under the **Enterprise Financing Scheme (EFS)** will be undertaken. This helps to expand EFS's scope to help more of Singapore's small-and-medium enterprises (SMEs) **adopt green solutions**.
3. The **Energy Efficiency Grant (EEG)**¹⁶ will also be enhanced and **extended** to more sectors including **manufacturing, construction, maritime, and data centres, as well as their users**. Additional support for companies with more ambitious plans to reduce their emissions will be provided.

¹³ The strategy seeks to direct AI in Singapore towards addressing the needs and challenges for the present day (e.g., population health, climate change, etc.), as well as to ensure confidence and trust in AI technologies.

¹⁴ This is ten times faster than the average broadband speed in most Singapore homes today!

¹⁵ The scheme seeks to support collaboration between larger companies and small-and-medium enterprises (SMEs) in supplier development and co-innovation.

¹⁶ Currently, the EEG aims to help businesses in food services, food manufacturing, and retail sectors cope with rising energy costs through co-funding support to invest in energy-efficient equipment.

EQUIPPING OUR WORKERS FOR LIFE

*Strengthening SkillsFuture*¹⁷

1. A new **SkillsFuture Level-Up Programme** will be introduced to **better support Singapore's mid-career workers**.
2. All Singaporeans **aged 40 and above** will receive a **\$4,000 top-up in SkillsFuture Credit**. This particular Credit will be confined to selected training programmes with **'better employability outcomes'**¹⁸.
3. **Subsidies** will be provided for all Singaporeans **aged 40 and above** to **pursue another full-time diploma** in Polytechnics, Institute of Technical Education (ITE), and Arts Institutions from AY2025 onwards.
4. A **monthly training allowance** to Singaporeans **aged 40 and above** who enrol in selected full-time courses. This allowance will be **equivalent to 50% of one's average income over the last available 12-month period**, and will be capped at \$3,000. Every individual can receive up to 24 months of such a training allowance throughout their lifetime. This will support the full duration of a **SkillsFuture Career Transition Programme**.

Supporting the Involuntarily Unemployed

1. In the face of issues (e.g., pressure to find jobs, no time to train and upskill) of being involuntarily unemployed, the government will be introducing a **temporary financial support scheme** for this group of Singaporeans **while they undergo training or look for better-fitting jobs**. More details will be provided in due course.

¹⁷ SkillsFuture is a national movement to provide Singaporeans with the opportunities to develop their fullest potential throughout life, regardless of their starting points. Currently, every Singaporean has \$500 in SkillsFuture Credit which can be used for a wide range of courses in the pursuit of lifelong learning.

¹⁸ These include part-time and full-time diploma programmes, post-diploma undergraduate programmes, and those for the Progressive Wage Model (PWM) sectors. The PWM helps to increase wages of workers through upgrading skills and improving productivity.

CREATING MORE PATHS TOWARDS EQUALITY AND MOBILITY

Reducing Wage Gaps

1. Income inequality measured by the Gini coefficient¹⁹ dropped to the **lowest level in decades** in 2023, with the government attributing it to the **Workfare Income Supplement (WIS) Scheme**²⁰.
2. The WIS scheme will be **enhanced by increasing the qualifying income cap**²¹ **from \$2,500 to \$3,000** – ensuring that lower-wage workers are covered even if wages grow.
3. The **Workfare payouts** under the WIS scheme will also be **raised**. Lower-wage senior workers will qualify for a **maximum annual payout of \$4,900** from \$4,200 today.
4. The **Local Qualifying Salary (LQS)**²² **will be raised**. For full-time workers, the LQS will be **raised from \$1,400 to \$1,600** from 2024. The **minimum hourly rate** will also be **increased from \$9 to \$10.50 per hour**. This ensures that Singapore **keeps pace with growth**.

¹⁹ An index for the degree of inequality in the distribution of income or wealth (with '0' being perfect equality and '1' being perfect inequality). In 2023, Singapore's Gini coefficient stood at 0.371.

²⁰ Introduced in 2007, the WIS scheme is a broad-based measure that tops up the salaries of lower-income workers to help them save for retirement. It is aimed at Singaporean workers whose earnings are in the **bottom 20%** nationally. The scheme encourages eligible workers to work and build up their Central Provident Fund (CPF) savings by providing them with cash payments and additional CPF contributions.

²¹ The qualifying income cap is the minimum gross monthly income required to receive WIS support.

²² The LQS is the minimum salary that local employees must be paid in a company which hires foreign workers.

5. There will also be **more support** for employers who **raise the wages of their lower-wage workers** in the form of **changes to the Progressive Wage Credit Scheme (PWCS)**²³. The **co-funding levels** will be **increased** for 2024 **from a maximum of 30% to a maximum of 50%**. The **PWCS wage ceiling**²⁴ will be **raised from \$2,500 to \$3,000** in 2025 in tandem with the increase in the qualifying cap for Workfare.
6. To provide for enhancements to the PWCS, the **PWCS Fund**²⁵ **will be topped-up by \$1 billion**.
7. To **encourage and support** more young **Institute of Technical Education (ITE) graduates** in their **upskilling efforts**, the **ITE Progression Award** will be introduced for graduates aged **30 and below**. This comprises of a **\$5,000 top-up to the Post-Secondary Education Accounts (PSEA)**²⁶ of graduates when they enrol in a new diploma programme to offset the costs, as well as a **\$10,000 top-up to the CPF Ordinary Account (OA)**²⁷ to help them have a head-start in purchasing a home or saving for retirement.

Advancing Social Mobility

1. The **ComLink scheme**²⁸ allows for **greater customised support for less well-off families**, where **family coaches and volunteers work directly** with these families to **create action plans** to improve their circumstances.

²³ Introduced in 2022, the PWCS helps to provide transitional wage support for employers and co-funds the wage increase of lower-wage workers with employers.

²⁴ The wage ceiling is the maximum gross monthly income of an employee to qualify for support under the PWCS.

²⁵ Co-funding for employers by the government is drawn from the PWCS Fund.

²⁶ The PSEA is an automatic savings programme for all eligible Singapore students to help parents and students save for post-secondary education. The funds in PSEA can be used to pay for school fees and loans.

²⁷ The OA contains savings to be used solely for retirement, housing, insurance and investments.

²⁸ Since 2021, ComLink supports lower-income families with children residing in public rental flats to make progress towards stability, self-reliance and social mobility (3Ss).

2. Additional support under the **ComLink scheme** will be rolled out in the form of **ComLink+ Progress Packages**. Adults in the family can each **receive payouts of up to \$600 every quarter** through a combination of cash and CPF **if they secure a job and stay employed**. Those who make **voluntary contributions to CPF** will **receive matching grants from the government**²⁹ **to grow their savings faster**.
3. The government will **partner with corporations and community groups** to implement the ComLink+ Progress Packages. The donors can **provide additional financial support** to these families, and contribute in other ways (e.g., befriending and mentoring).

²⁹ When this support is combined with the **Fresh Start Housing Scheme** – which is aimed to help second-timer families (previously enjoyed one housing subsidy) with young children who are currently living in public rental flats to own their own flats, to own their new homes – it allows these families to buy their next homes faster.

PROVIDING MORE ASSURANCE FOR FAMILIES AND SENIORS

Supporting Families through Every Stage

1. The **monthly childcare fee caps**³⁰ in **government-supported preschools** will be **reduced** in 2025 to **\$640 for Anchor Operators** and **\$680 for Partner Operators**³¹. This is before the childcare subsidies which all families benefit from. More reductions will come in 2026.
2. The government will also **enhance existing preschool subsidies for lower-income families**. Currently, more subsidies are provided to children with working mothers. However, now, these higher subsidies will be **extended to all children from lower-income families, including those with non-working mothers**.
3. To achieve the Ministry of Education's objectives to place emphasis on 21st century competencies and award students who display such competencies, the **Edusave Endowment Fund**³² **will be topped-up by \$2 billion** to support and fund initiatives and Edusave awards.
4. To help couples, especially those with young children, who require **temporary housing** while waiting for **build-to-order (BTO)**³³ **flats**, the current **Parenthood Provisional Housing Scheme (PPHS)**³⁴ will be supported by the government's introduction of the new **PPHS (Open Market) Voucher for one year** to support eligible families who rent a HDB flat in the open market.

³⁰ The fee cap is the maximum amount that can be charged by the preschool operator per month.

³¹ Anchor Operators and Partner Operators are established under the Anchor Operator Scheme (AOS) and Partner Operator Scheme (POS), respectively. Both schemes support preschool operators to improve the quality and affordability of preschool.

³² The fund is used to fund annual contributions to the Edusave accounts of eligible children, Edusave grants, grants to schools, Edusave awards and other administrative costs.

³³ Introduced in 2001, the BTO scheme is a flat allocation system for Housing and Development Board (HDB) public housing for Singaporeans (mainly engaged or newly married couples) looking to move into a new flat in the near future to apply for apartments for proposed new housing sites.

³⁴ The PPHS provides subsidised rental temporary housing for Singaporeans who are awaiting the completion of their new flats.

5. Due to the **high fees charged at Special Education (SPED) schools**³⁵ compared to mainstream schools, to **alleviate the cost pressure** on these families, the **maximum monthly fees at SPED schools** will be **reduced to \$90** down from the original \$150. All **fee caps at Special Student Care Centres** will also be **lowered to reduce out-of-pocket expenses**.
6. For **adults with disabilities**, **more support** will be provided for their **employment and integration into the community**. Spaces in Sheltered Workshops and Day Activity Centres will be **expanded for more skills training**, and **more Enabling Support Hubs**³⁶ **will be launched** to provide greater community support.

Strengthening Retirement Adequacy

1. In line with the recommendations of the **Tripartite Workgroup on Older Workers**³⁷, the **Central Provident Fund (CPF) contribution rates**³⁸ will be increased for senior workers (aged 55 to 65) by a **further 1.5%** in 2025.
2. To **cushion the impact** of the increase for businesses, the **CPF Transition Offset to employers will be extended for another year**, to **cover half** of the increase in employer contribution for 2025.

³⁵ SPED schools provide specialised instruction for students who are diagnosed with learning disabilities such as autism, sensory impairment and other intellectual disabilities.

³⁶ Enabling Support Hubs help to bring community support services closer to the homes of persons with disabilities and their caregivers.

³⁷ Formed in 2018, the Tripartite Workgroup under the Ministry of Manpower (MOM) is charged with reviewing the longer-term relevance of the Retirement and Re-employment Ages; considering the next moves on the Retirement and Re-employment Ages; examining the CPF contribution rates for older workers and their impact on retirement adequacy; and ensuring an inclusive workforce and progressive workplaces that values older workers.

³⁸ Under the CPF system, the contribution rate is the percentage of income that the employees and employers (who match the amount) deposit into the employee's mandatory savings account.

3. The **Enhanced Retirement Sum (ERS)**³⁹ will be **increased from three times the Basic Retirement Sum (BRS)**⁴⁰ **to four times (\$426,000)** from 2025. This allows more members aged 55 and above to **fully commit their accumulated CPF savings to receive higher CPF payouts**, should they wish to do so.
4. To **rationalise**⁴¹ the **CPF system**, the **CPF Special Account (SA)**⁴² will be **closed** for those **aged 55 and above**. All SA savings will be transferred into the **Retirement Account (RA)**⁴³ up to the **Full Retirement Sum (FRS)**⁴⁴, where they will continue to earn the **long-term interest rate**.
5. To keep pace with inflation, the **Silver Support Scheme (SSS)**⁴⁵ **qualifying per capita household income threshold will be raised from \$1,800 to \$2,300**. Furthermore, **the quarterly payments will be increased by 20%**.
6. The **Matched Retirement Savings Scheme (MRSS)**⁴⁶ will be **expanded to those above the age of 70** to enable more Singaporeans to meet their retirement needs. The **annual matching cap**⁴⁷ **will also be increased from \$600 to \$2,000**, with a **lifetime cap of \$20,000**.

³⁹ The ERS is the maximum amount that CPF members can put into their CPF Retirement Accounts (RA) to receive CPF payouts.

⁴⁰ The BRS is a monthly payout in retirement to cover basic living needs, excluding rental expenses. The value is dependent on the year of birth of the CPF member.

⁴¹ *Rationalise*: To make (a system) more efficient.

⁴² The SA contains savings to be used solely for old age and investment in retirement-related financial products.

⁴³ The RA contains savings to be used solely for monthly payouts after retirement for those aged 55 and above.

⁴⁴ The FRS is the ideal point of reference of how much one needs in retirement. The value is also dependent on the year of birth of the CPF member.

⁴⁵ The SSS provides quarterly payments to seniors who had low incomes during their working years and have less family support.

⁴⁶ The MRSS helps Singaporeans aged 55 to 70 with less CPF savings to save more, by providing dollar-for-dollar matching for cash top-ups to their CPF accounts.

⁴⁷ Maximum amount of dollar-for-dollar matching top-ups by the government in a year.

7. All **Singaporeans born in 1973 or earlier** (Pioneer Generation⁴⁸, Merdeka Generation⁴⁹, and Majulah Generation⁵⁰) will receive at least one component of the **Majulah Package**.
 - a. The **Earn and Save Bonus**⁵¹ will be provided for seniors earning **up to \$6,000 per month** for them to accumulate more retirement savings. These seniors will receive a **yearly bonus of up to \$1,000** for as long as they work, with more going to **lower-income seniors**.
 - b. A **one-time Retirement Savings Bonus** will be provided worth between **\$1,000 and \$1,500** to seniors⁵² with retirement savings **below the Basic Retirement Sum**.
 - c. A **one-time MediSave**⁵³ **Bonus** will be provided to all seniors born in 1973 or earlier. **‘Young Seniors’**⁵⁴ **with less means** will be given the **higher tier of \$1,500**; and all other seniors will receive **\$750**.
8. **\$7.5 billion** will be set aside in the new **Majulah Package Fund** to cover the lifetime costs of the Package, which will benefit **1.6 million Singaporeans**.

⁴⁸ A ‘pioneer’ is defined as any Singaporean born on or before 31 December 1949 and obtained citizenship before 31 December 1986. They receive benefits from the \$9 billion **Pioneer Generation Package (PGP)**.

⁴⁹ The benefits of the \$8 billion **Merdeka Generation Package (MGP)** is given to Singaporeans born in the 1950s, as well as those born in 1949 or earlier and achieved citizenship by 1996 who have missed out on the PGP.

⁵⁰ The benefits of the \$7 billion **Majulah Package (MJP)** – announced by Prime Minister Lee Hsien Loong at the 2023 National Day Rally (NDR) – is given to Singaporeans who were born on 31 December 1973 or earlier and do not receive further benefits from the PGP or MGP.

⁵¹ The Bonus provides lower- and middle-income workers with a CPF bonus of between \$400 and \$1,000 yearly. This bonus will be credited to the recipient’s CPF account, on top of the usual employer and employee contributions.

⁵² It is important to note that *seniors* here (and for the Earn and Save Bonus) refer to seniors who live in a property which has Annual Value of \$25,000 or less, and own no more than one property.

⁵³ MediSave (and its MediSave account) is part of the CPF programme and helps individuals set aside part of their income to pay for their personal or approved dependents’ hospitalisation, day surgery and certain outpatient expenses, as well as their healthcare needs in old age.

⁵⁴ ‘Young Seniors’ is a term used by the government to refer to those in the Majulah Generation.

Keeping Healthcare Affordable and Accessible for All

1. In the face of rising costs of healthcare, to ensure that all Singaporeans (including the self-employed and unemployed) are able to **build up their medical savings in anticipation of these rising costs**, all Singaporeans aged **21 to 50** will be provided a **one-time MediSave Bonus of up to \$300** – helping 1.4 million Singaporeans to cover their smaller medical bills and insurance premiums.
2. The **per capita household income thresholds** for healthcare and associated social support subsidy schemes⁵⁵ will be **updated**. This will result in **additional government spending of around \$300 million per year**, providing **more than 1 million Singaporeans with additional subsidies**.
3. To increase the focus on **preventive care**, **\$3.5 billion will be set aside for Age Well SG⁵⁶ initiatives** over the next decade.
 - a. The network of **Active Ageing Centres (AACs)**⁵⁷ will be **expanded**.
 - b. For seniors with care needs, **more assisted living options** (e.g., **Community Care Apartments**⁵⁸) and **better home care options** will be developed.
 - c. **'Silver upgrades'**⁵⁹ to residential estates will be **increased**.

⁵⁵ These schemes include the **MediShield Life** – the mandatory healthcare insurance for all Singaporeans – premium subsidies, the **Community Health Assistance Scheme (CHAS)** subsidies for primary care, and **outpatient and inpatient subsidies** for public hospital treatments.

⁵⁶ Introduced at the 2023 NDR by Prime Minister Lee Hsien Loong, the scheme supports seniors to age well in their homes and their communities. It aims to tackle social isolation and empower seniors to age actively and independently.

⁵⁷ AACs are centres in the community that provide recreational activities and social support programmes for elders to participate in, as well as provide access to community health services.

⁵⁸ These apartments integrate senior-friendly housing with care services that can be scaled according to care needs and social activities to support seniors to age independently in their silver years within the community.

⁵⁹ These upgrades are ones that allow seniors to live more independently and safely in residential areas. Upgrades include therapeutic gardens, barrier-free ramps, and senior-friendly home fittings.

- d. **Improvements to commuter infrastructure**⁶⁰ will be enacted.

⁶⁰ These infrastructure allow for seniors to have greater mobility and safety when commuting. They include sheltered linkways, bus stops with senior-friendly features, and safer pedestrian-friendly roads.

FORGING A STRONGER AND MORE UNITED NATION

A Safe and Secure Singapore

1. To celebrate the contributions and appreciate the sacrifices of all national servicemen⁶¹, the government will **provide \$200 in the form of LifeSG Credits**⁶² to all past and present NSmen, including those enlisting in 2024.
2. A new **National Cybersecurity Command Centre (NCCC)** will be established in the **Punggol Digital District**⁶³ to better coordinate Singapore's cybersecurity defences and improve the nation's cyberdefence capabilities.

Safeguarding Energy Security Amidst the Energy Transition

1. To safeguard Singapore's natural gas supplies (which generates most of the nation's energy)⁶⁴, the government will **build a second liquified natural gas (LNG) terminal**.
2. The government will set up a **Future Energy Fund (FEF)** with an initial injection of **\$5 billion** to allow the country to **invest and move quickly on critical energy infrastructure** and **enhance security in clean energy**⁶⁵.

⁶¹ The National Service programme is a mandatory conscription and duty that every male citizen and permanent resident must undertake upon attaining the age of 18. It was introduced in 1967 after the British military withdrawal from Singapore. **To date, almost 1 million male Singaporeans have served NS!**

⁶² These are credits that can be used and spent at over 100,000 online and physical merchants in Singapore accepting PayNow, UEN QR or NETS QR payment.

⁶³ As part of the **Land Use Masterplan 2019**, the district was formed as Singapore's first truly smart district, and will be home to key growth industries (e.g., cybersecurity, digital technology), but will also be an inclusive and green lifestyle destination for the surrounding community.

⁶⁴ Most of Singapore's natural gas supplies are currently supplied from neighbouring nations like Malaysia and Indonesia.

⁶⁵ Singapore is looking to diversify its energy supplies and utilise more clean energies (like hydrogen power, geothermal power or nuclear power) to achieve the nation's goal of reaching net-zero by 2050 as part of the **Long-Term Emissions Development Strategy (LEDS)**.

Building a United Nation

1. As part of **Social Defence**⁶⁶, the government will further encourage **charities** to work together to **uplift one another** and **better meet the needs of their beneficiaries** by **extending the Charities Capability Fund Collaboration Grant (CCFCG)**⁶⁷ for **three years** until FY2026 to support collaborative projects.
2. To encourage Singaporeans to do more to support those **overseas**⁶⁸, the government will introduce an **Overseas Humanitarian Assistance Tax Deduction Scheme** which will provide **100% tax deductions** for cash donations made towards overseas emergency humanitarian assistance causes towards designated charities.

Building a United Nation through Arts and Sports

1. Singapore will **invest \$100 million in Our SG Arts Plan**⁶⁹ over the next four years to **drive transformation efforts in the arts sector**. The plan also seeks to make arts **more accessible to all Singaporeans** and set a **foundation for a more vibrant arts industry**.

⁶⁶ Social Defence is one of the six pillars of **Total Defence**, a whole-of-nation defence framework introduced in 1982 to encourage all Singaporeans and Singaporean industries to contribute to the nation's defence. It includes six total pillars – Military, Civil, Economic, Social, Psychological and Digital.

⁶⁷ The CCFCG aims to encourage ground-up collaborations and incentivise charities to consolidate their needs and build capabilities/solutions that can be shared among charities. It will support projects that could enhance charities' governance, productivity, operational efficiency and capabilities development.

⁶⁸ This was seen recently in Singaporeans' active contribution to crises such as the 2023 Syria-Türkiye earthquake and Gaza relief efforts resulting from the Israel-Hamas war.

⁶⁹ Introduced in 2023, it serves as a roadmap for Singapore's arts and culture policies over the next five years.

2. To enable more Singaporeans to engage in sports at the **grassroots** level, the **Sports Facilities Master Plan**⁷⁰ will continue to be **supported by the government** with more sports centres being built in heartland areas such as Toa Payoh, Clementi and Punggol.
3. The government will also provide a **\$20 million top-up for the One Team Singapore Fund**⁷¹ and extend it until the end of FY2027. The scope of the Fund will also be **broadened** to include donations for athletes in emerging sports (e.g., pickleball, tchoukball, powerlifting).
4. The Fund will also cover **SportsCare**, which provides opportunities for **vulnerable children and youth, persons with disabilities**, and **seniors** to **participate in sporting programmes**.

⁷⁰ Introduced in 2020, the Master Plan guides the revampment of existing public sport facilities, as well as building of new sports facilities across the island.

⁷¹ The Fund provides dollar-for-dollar matching by the government for public donations towards Team Singapore athletes.

SECURING OUR FISCAL POSITION

Tax Changes

1. In light of concerns due to cost of living, a **Personal Income Tax Rebate⁷² of 50%** for YA2024 will be provided for all Singaporeans, capped at **\$200**.
2. With effect YA2025, the **annual income threshold for dependant-related reliefs⁷³** will be **increased from \$4,000 to \$8,000**.
3. In light of the market trends where wealth taxes on property now affect up the **top 13% of owner-occupied residential properties** up from the expected **7%**, the government will **raise the Annual Value (AV)⁷⁴ bands of the owner-occupier residential Property Tax rates⁷⁵**. This will continue to ensure that **those residing in higher-value properties continue to pay their fair share of taxes**.
4. To better support **seniors who wish to right-size**, the **Additional Buyer's Stamp Duty (ABSD)⁷⁶ concession⁷⁷** will be **extended to Singapore citizens aged 55 and above**.

⁷² A partial refund on the personal income tax.

⁷³ Such reliefs include reliefs given to caregivers of grandparents, handicapped siblings, parents, children, and spouses.

⁷⁴ AV is the estimated gross annual rent of the property if it were to be rented out, excluding furniture, furnishings and maintenance fees.

⁷⁵ Currently, Property Tax is charged on the bands of AV from \$8,000 to over \$100,000. The lower threshold will be raised from \$8,000 to \$12,000, and the highest band from over \$100,000 to over \$140,000, and corresponding adjustments will be made to the bands in between.

⁷⁶ The ABSD is a tax on the purchase of a residential property in Singapore that only affects permanent residents and foreigners, or Singapore citizens who are buying more than one property.

⁷⁷ Before 16 February 2024, concessions only applied to married couples. With this new policy, this means that such seniors will also be able to claim a refund of ABSD paid on their replacement private property, if they sell their first property within six months after purchasing a lower-value replacement private property.

5. Currently, housing developers are granted **ABSD remission**⁷⁸ provided they sell all the units in their development within a prescribed sale timeline. To help developers who face difficulties in this, the government will **lower the ABSD clawback rate**⁷⁹ **should developers sell at least 90% of each development within the prescribed sale timeline**. This will ensure that housing supply **continues to be released promptly**.

Corporate Income Tax Changes

1. In consideration of the **international Base Erosion and Profit Shifting (BEPS)**⁸⁰ **2.0 initiative**⁸¹, Singapore will implement the **Income Inclusion Rule (IIR)**⁸² and **Domestic Top-up Tax (DTT)**⁸³.
2. The government will consider the additional **Undertaxed Profits Rule (UPR)** at a later date. The UPR allows Singapore to **collect a share of the top-up tax** on any MNE with operations here, if any portion of its income overseas **has not been subject to the minimum tax**.

⁷⁸ *Remission*: Cancellation of a debt or charge.

⁷⁹ *Clawback*: Act of retrieving money already paid out (in this case, ABSD remission), typically by taxation. Essentially *ABSD clawback* is a tax on houses that have not been sold by the end of the prescribed timeline.

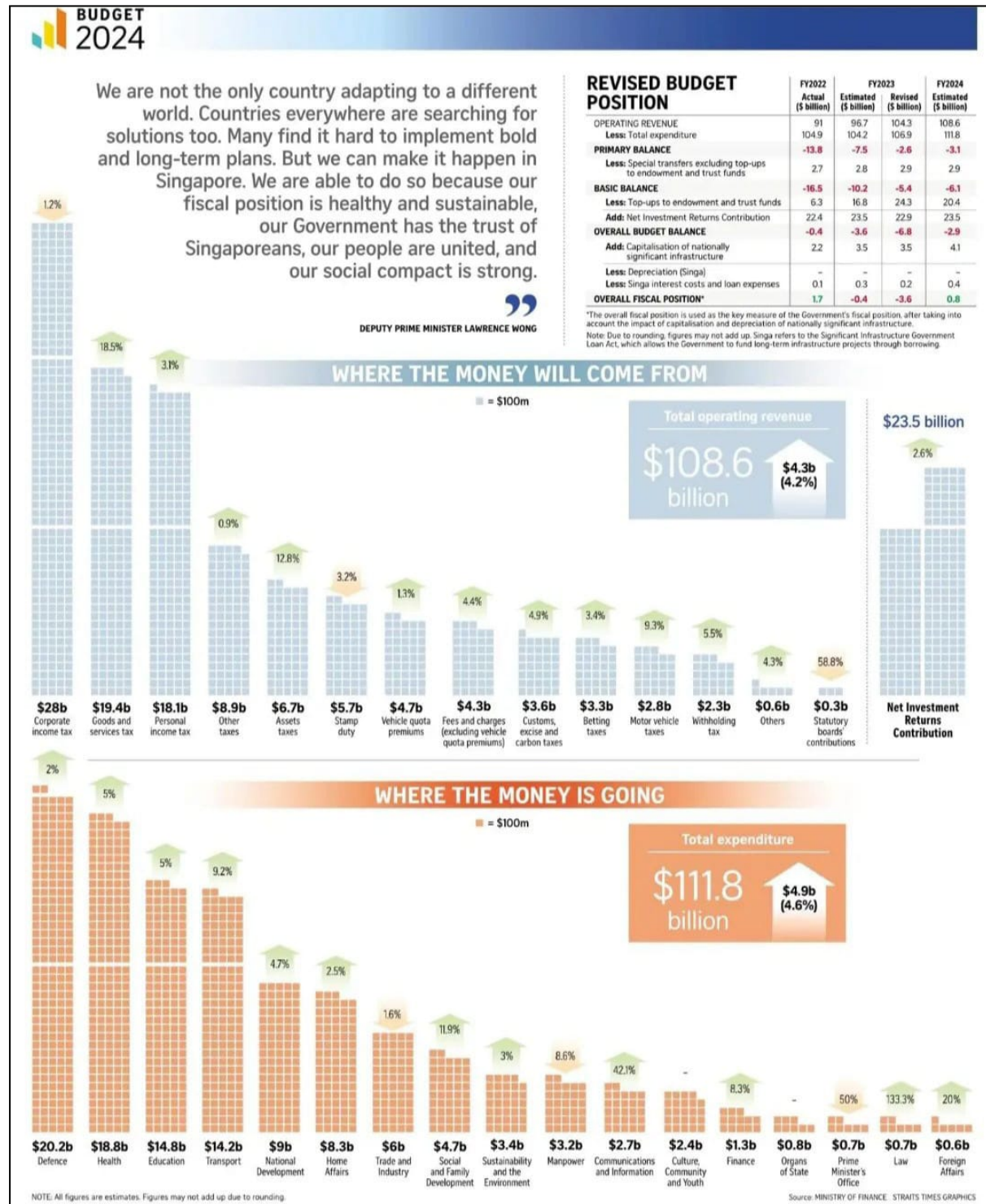
⁸⁰ The issue of *base erosion and profit shifting (BEPS)* refers to tax planning strategies used by multinational enterprises that exploit gaps and mismatches in tax rules to avoid paying tax.

⁸¹ The BEPS 2.0 is an international agreement fronted by the Organisation of Cooperation and Economic Development (OECD) and Group of 20 (G20) to deal with the issue of the same name. It has two pillars – Pillar One aims to reallocate taxing rights on profits to market jurisdictions (which is detrimental to Singapore); Pillar Two will introduce a global minimum effective tax rate of 15% for large multinational enterprise (MNE) groups (which Singapore is implementing in this Budget).

⁸² According to this rule, MNE groups (earning a global revenue of at least 750 million euros annually) that are parented in Singapore will have to pay a minimum effective tax rate of 15% on their groups' overseas profits, regardless of where they operate.

⁸³ The DTT will top-up an MNE group's effective tax rate in Singapore to 15%, ensuring that foreign MNEs do not pay less tax.

THE BUDGET POSITION



Source: The Straits Times

PROPOSED EXPENDITURES (BY MINISTRY) FOR BUDGET 2024

Rank	Ministry	Expenditure	Change from 2023
1	Ministry of Defence (MINDEF)	\$20.2 billion	+2%
2	Ministry of Health (MOH)	\$18.8 billion	+5%
3	Ministry of Education (MOE)	\$14.8 billion	+5%
4	Ministry of Transport (MOT)	\$14.2 billion	+9.2%
5	Ministry of National Development (MND)	\$9 billion	+4.7%
6	Ministry of Home Affairs (MHA)	\$8.3 billion	+2.5%
7	Ministry of Trade and Industry (MTI)	\$6 billion	−1.6%
8	Ministry of Social and Family Development (MSF)	\$4.7 billion	+11.9%
9	Ministry of Sustainability and the Environment (MSE)	\$3.4 billion	+3%
10	Ministry of Manpower (MOM)	\$3.2 billion	−8.6%
11	Ministry of Communications and Information (MCI)	\$2.7 billion	+42.1%
12	Ministry of Culture, Community and Youth (MCCY)	\$2.4 billion	+0%
13	Ministry of Finance (MOF)	\$1.3 billion	+8.3%
14	Organs of State	\$800 million	+0%
15	Prime Minister's Office (PMO)	\$700 million	−50%
15	Ministry of Law (MOL)	\$700 million	+133.3%
17	Ministry of Foreign Affairs (MFA)	\$600 million	+20%
TOTAL		\$111.8 billion	+4.6%

TOTAL OPERATING REVENUE (BY CONTRIBUTION) FOR BUDGET 2024

Rank	Contribution Method	Revenue	Change from 2023
1	Corporate and income tax	\$28 billion	−1.2%
2	Goods and services tax	\$19.4 billion	+18.5%
3	Personal income tax	\$18.1 billion	+3.1%
4	Other taxes	\$8.9 billion	+0.9%
5	Assets taxes	\$6.7 billion	+12.8%
6	Stamp duty	\$5.7 billion	−3.2%
7	Vehicle quota premiums	\$4.7 billion	+1.3%
8	Fees and charges (excluding vehicle quota premiums)	\$4.3 billion	+4.4%
9	Customs, excise and carbon taxes	\$3.6 billion	+4.9%
10	Betting taxes	\$3.3 billion	+3.4%
11	Motor vehicle taxes	\$2.8 billion	+9.3%
12	Withholding tax	\$2.3 billion	+5.5%
13	Other methods	\$600 million	+4.3%
TOTAL		\$108.6 billion	+4.2%

Net Investment Returns Contribution (NIRC)⁸⁴	\$23.5 billion	+2.6%
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⁸⁴ The NIRC is the sum of: (1) up to 50% of the expected long-term real return on the relevant assets specified in the Constitution; and (2) up to 50% of the net investment income on the remaining assets.

ANNEX

SPECIAL NOTES, REFERENCES AND FURTHER READINGS

Special Notes

This material was prepared for **students and educators** who are at the Secondary 1 to Secondary 5 level, as well as the Pre-University 1 to Pre-University 3 level, as part of a set of materials on **Singapore Policies**, proposed for the following curricula:

- **Secondary:** CCE/National Education, Social Studies, Principles of Accounting
- **Pre-University:** CCE/National Education, General Paper, Economics, Principles of Accounting, Management of Business

This material should be used in conjunction with the follow-up set of materials on the **2024 Committee of Supply (COS) debates**, as well as the **2024 National Day Rally (NDR)** materials due in August 2024.

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All the best!

AUTHOR'S SPECIAL THANKS:

- Ministry of Finance, Singapore
- Ministry of Education, Singapore
- Ministry of Communications and Information, Singapore
- Parliament of the Republic of Singapore
- The Straits Times
- Channel NewsAsia
- TODAY Online

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