

FACT SHEET ON SPUR FUNDING FOR ABSENTEE PAYROLL

Introduction

1. Administered by the Singapore Workforce Development Agency, the Absentee Payroll (AP) is a grant to help companies defray the manpower cost incurred when they send their employees for training. With effect from 15 May 2009, the Absentee Payroll cap for training courses under the Skills Programme for Upgrading and Resilience (SPUR) will be revised upwards to a single rate of \$10 per hour, which translates to a maximum AP claim of about \$1,600 a month per worker.

Who is eligible to claim AP?

2. Companies applying for the absentee payroll funding should meet the following eligibility criteria:

- (a) Company must be registered or incorporated in Singapore.
- (b) Trainees must be fully sponsored by their employer for supportable cost components (such as course fees) incurred on the training course.
- (c) Trainees must be full-time or permanent part-time employees of the sponsoring company.
- (d) Trainees must continue to receive their salary when they attend training.
- (e) Trainees must attain a minimum of 75% attendance and sit for all prescribed exams/assessments.
- (f) Company must also claim for course fee funding provided under WDA for the same trainee and same course. For training courses under SPUR, please check with the provider on the procedure for claiming for course fee funding.
- (g) Trainees must complete the course while under employment of the sponsoring company.

Calculating SPUR Absentee Payroll

3. With effect from 15 May 2009, the AP funding rates for all SPUR courses will be as follows:

| | Employees aged 40 years & above with "A" levels & below qualifications | Other employees |
|---|---|--|
| AP for training <u>during</u> working hours | 90% of hourly basic salary* (capped at \$10.00 per trainee-hour) | 80% of hourly basic salary* (capped at \$10.00 per trainee-hour) |
| (i) AP for training | 90% of hourly basic salary* capped | 80% of hourly basic salary* |

| | | |
|--|---|---|
| <u>outside</u> working hours | at \$10.00 per trainee-hour) | (capped at \$10.00 per trainee-hour) |
| (ii) Mandatory AP top-up by employer for training <u>outside</u> working hours | Balance 10% of hourly basic salary* (capped at \$2.50 per trainee-hour) | Balance 20% of hourly basic salary* (capped at \$2.50 per trainee-hour) |
| Total AP receivable by employees for training <u>outside</u> working hours, i.e. (i) + (ii) | 100% of hourly basic salary* (capped at \$12.50 per trainee-hour) | 100% of hourly basic salary* (capped at \$12.50 per trainee-hour) |

* Companies can include allowances that are subject to CPF contributions, such as shift allowance, except for overtime pay. The list of allowances that are subject to CPF contributions can be found on the CPF website

4. The absentee payroll funding for SPUR courses will be capped at \$18,000 per trainee per annum or per course, whichever is reached earlier.

5. An online AP calculator is available at <http://www.wda.gov.sg> to help employers calculate the AP applicable for a particular course.

Example

Employee earns a monthly basic salary of \$3,500 and is 30 years old with “A” levels, and normally works 40 hours per week. He is sent for a 40-hour course by the company.

- a) Hourly basic salary of worker: \$20.19
- b) Course duration : 40 hours
- c) 80% of hourly basic salary: 80% x \$20.19 = \$16.15
- d) Course fee (after 90% subsidies): \$100

| | Current AP Funding | New AP Funding (effective 15 May 2009) |
|---|--|--|
| Absentee Payroll Rate applicable in this case | 80% of hourly salary capped at \$6 per hour | 80% of hourly salary capped at \$10 per hour |
| Absentee payroll funding Amount | \$6 x attendance hrs = \$6 x 40 hours = \$240 | \$10 x attendance hrs = \$10 x 40 hours = \$400 |

How can I claim AP?

6. Employers can check with the SPUR providers on their application procedures. The list of approved SPUR providers and their contact details can be found on www.wda.gov.sg.

7. For more information, employers may call WDA Customer Service at 6883 5885 or email WDA at wda_srp@wda.gov.sg