

**THE STATUTES OF THE REPUBLIC OF SINGAPORE**

**SKILLS DEVELOPMENT LEVY ACT**  
**(CHAPTER 306)**

**Act**  
**30 of 1979**

Amended by  
S196/80  
S83/85  
S74/86

**REVISED EDITION 1985**

# Skills Development Levy Act

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

[1st October 1979]

## PART I

### PRELIMINARY

- Short title.      **1.** This Act may be cited as the Skills Development Levy Act.
- Inter-pretation.      **2.** In this Act, unless the context otherwise requires —
- Cap. 134.              “Comptroller” means the Comptroller of Income Tax appointed under section 5 of the Income Tax Act 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

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 1% of the remuneration in any month of that employee or \$2, whichever is the greater.

Imposition  
of levy.  
S196/80  
S83/85  
S74/86.

(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).

4.—(1) No skills development levy shall be chargeable for any month in respect of any employee whose remuneration exceeds \$750 for that month.

Exemption  
from levy.

(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.

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.

Application  
of provisions  
relating  
to payroll  
tax.

(2) Except as otherwise provided by this Act, the Payroll Tax 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 Payroll Tax Act.

Cap. 223.

## 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 2%, 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 moneys of Fund.

8.—(1) The objects for which moneys 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 abovementioned objects.

(2) In carrying out the objects of the Fund, the Minister may from time to time authorise moneys 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.

**9.**—(1) For the purposes of advising the Minister as to the administration and application of the Fund there shall be established an Advisory Council. Advisory Council.

(2) The Council shall consist of 12 members appointed by the Minister, of whom —

- (a) 4 shall be appointed as representatives of the Government;
- (b) 4 shall be appointed as representatives of employers; and
- (c) 4 shall be appointed as representatives of the National Trades Union Congress.

(3) The Minister shall appoint one of the members as chairman.

(4) The Schedule shall have effect with respect to the Council.

**10.** The Council shall from time to time make recommendations to the Minister on all matters relating to the administration and application of the Fund and in particular on — Functions of Council.

- (a) the establishment of guidelines for processing applications to the Fund for financial assistance;
- (b) the terms and conditions for the making of grants or loans from the Fund;
- (c) the proportion of moneys of the Fund which should be used for grants or for loans; and
- (d) appeals arising from applications to the Fund for financial assistance.

**11.** Any moneys belonging to the Fund and available for investment may from time to time be invested in such manner or in any securities as may be authorised by the Minister. Investment of Fund.

## PART IV

## MISCELLANEOUS

Penalty for obtaining grants or loans by false or misleading statements.

**12.—**(1) Any person who obtains payment of any grant or loan from the Fund by means of any false or misleading statement or any document that is false or misleading in any particular shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding one year or to both.

(2) Where an offence under subsection (1) committed by a body corporate is proved to have been committed with the consent and connivance of, or to be attributable to any neglect on the part of, any director, manager, secretary or other similar officer of the body corporate, or any person who was purporting to act in any such capacity, he as well as the body corporate shall be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Repayment.

**13.—**(1) Where a person is convicted of an offence under section 12 the court may, in addition to imposing a penalty under that section, order the person to make repayment of the amount of any money wrongfully obtained.

(2) Where an order has been made under subsection (1) a certified copy of the order may be filed in a court having civil jurisdiction to the extent of the amount ordered to be repaid and the order is thereupon enforceable in all respects as the final judgment of that court.

Accounts.

**14.—**(1) The accounts of the Fund shall be audited annually by the Auditor-General.

(2) The Minister shall cause to be presented to Parliament, as soon as practicable after the end of each financial year, a copy of the audited financial statements relating to the Fund, together with the Auditor-General's report.

(3) In this section, "financial year" means a period of 12 months ending on 31st March in any year.

Regulations.

**15.** The Minister may make regulations for all or any of the following purposes:

- (a) prescribing the purposes for which moneys of the Fund may be applied;
- (b) prescribing the procedure of the Council;

- (c) providing for the circumstances in which applications may be made to the Fund for financial assistance and the manner of such applications and determination thereof;
- (d) providing for such other matters as are necessary or expedient for giving effect to the purposes and provisions of this Act and the due administration thereof.

## THE SCHEDULE

Section 9 (4).

## THE ADVISORY COUNCIL

*Term of office*

1.—(1) Subject to this paragraph, every member of the Council shall hold and vacate his office in accordance with the terms of his appointment and shall, on ceasing to be a member, be eligible for re-appointment.

(2) Any member of the Council may resign his office at any time by written notice given to the Minister.

(3) If the Minister is satisfied that a member of the Council —

- (a) is guilty of neglect of duty or misconduct;
- (b) has become bankrupt or made an arrangement with his creditors;
- (c) is incapacitated by physical or mental illness; or
- (d) is otherwise unable or unfit to discharge the functions of a member,

the Minister may remove him from office.

*Proceedings*

2. The validity of any proceedings of the Council shall not be affected by any vacancy among the members or by any defect in the appointment of any member.

3. The quorum of the Council shall be 6 members.

4. The arrangements relating to meetings of the Council shall be such as the Council may determine.

5. The chairman shall preside at all meetings of the Council at which he is present and in his absence the members present shall elect one of their number to act as chairman of that meeting.

6. All questions arising at any Council meeting shall be decided by a majority of votes of the members present and, in the case of an equality of votes, the chairman or member presiding shall have a casting vote.

7. Subject to the provisions of this Act and any regulations made thereunder, the Council may regulate its own procedure in such manner as it thinks fit.