

**THE STATUTES OF THE REPUBLIC OF SINGAPORE**

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

**Act  
30 of 1979**

Amended by  
19 of 1991  
S196/80  
S83/85  
S74/86

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# 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.  
19/91.  
Cap. 329.

2. In this Act, unless the context otherwise requires —

“Board” means the National Productivity Board established under the National Productivity Board Act;

“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.  
19/91  
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) Without prejudice to any other remedy, the levy may be recovered as a debt due to the Government from the person accountable therefor.

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. (*Repealed by Act 19/91*).

## PART III

## SKILLS DEVELOPMENT FUND

6.—(1) On the commencement of this Act, there shall be established a Fund to be called the Skills Development Fund.

Establish-  
ment of  
Fund.  
19/91.

(2) The proceeds of the skills development levy collected under this Act, together with penalties, fines and costs

recovered for proceedings under this Act, shall be credited to the Fund.

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. 19/91.

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 Board 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.

Administration of Fund. 19/91.

9.—(1) The Board shall administer the Skills Development Fund established under section 6, including the collection of the skills development levy and the disbursement of grants and loans from the Fund for the purposes of this Act.

(2) The Board shall have power to do all things necessary or convenient to be done for or in connection with the performance of its functions under this Act.

**10.—**(1) The Board may, with the approval of the Minister, appoint such agents (including the Government) as may be necessary for the purposes of this Act.

Delegation of functions of Board and reimbursement. 19/91.

(2) The Board may, with the approval of the Minister, delegate all or any of its powers and functions under this Act to any employees or agents (including the Government) as it may appoint under subsection (1).

(3) The Board may pay to any person appointed under subsection (1) a fee, not exceeding such percentage of the total amount of contributions as the Minister may direct, for any services rendered in exercise of any powers and functions delegated to that person under this Act.

(4) The Board may use moneys from the Fund for all expenses incurred by the Board for the purposes of this Act.

(5) Any appointment and delegation made under this section shall be published in the *Gazette*.

**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

**11A.—**(1) Any person who negligently or without reasonable excuse —

(a) makes a return which is false in any material particulars; or

(b) gives any false information in relation to any matter affecting his own or any other person's liability to pay the levy,

Penalty for false return or information. 19/91.

shall be guilty of an offence and shall be liable on conviction to a penalty equal to the amount of the levy due and unpaid and to a fine not exceeding \$2,500 or to imprisonment for a term not exceeding 6 months or to both.

(2) Any person who wilfully with intent to evade payment of the levy or to aid or abet any other person to evade payment of the levy —

- (a) omits from a form or return any remuneration which ought to be included;
- (b) gives any false answer, whether verbally or in writing, to any question or request for information asked or made under this Act or any regulations made thereunder; or
- (c) prepares or maintains or authorises the preparation or maintenance of any false books of account or other records or falsifies or authorises the falsification of any books of account or records,

shall be guilty of an offence and shall be liable on conviction to a penalty equal to double the amount of the levy due and unpaid and to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding 3 years or to both.

(3) For the purposes of this section, where it is proved that any false statement is made in any return by or on behalf of any employer, or in any payroll register, books of account or other records maintained by or on behalf of any employer, that employer, or person answerable for the employer, shall be presumed, until the contrary is proved, to have made that false statement with intent to evade payment of the levy.

(4) For the purposes of this section, “levy due and unpaid” means the levy that is due and unpaid at the time when the offence is committed.

(5) The institution of proceedings for or the imposition of a penalty, fine or term of imprisonment under this section shall not relieve any employer from liability to pay any levy for which he is or may be liable.

Penalty for obtaining grants or loans by false or misleading statements. 19/91.

**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 this Act 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.

**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. Repayment.

(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.

**14.—**(1) The Board may abate any penalty or compound any offence under this Act or any regulations made thereunder by accepting from the person who is reasonably suspected of having committed the offence a sum not exceeding \$500. Power to compound. 19/91.

(2) All sums received for the composition of any offence under this section shall be paid into the Fund.

**15.** No court shall take cognizance of any offence under this Act or any regulations made thereunder except with the sanction of the Public Prosecutor. Sanction of Public Prosecutor 19/91.

**16.—**The members, employees and agents of the Board shall, in relation to the administration of the Fund, be deemed to be public officers for the purposes of the Financial Procedure Act and section 20 of that Act shall apply to such persons notwithstanding that they are not or were not in the employment of the Government. Application of Financial Procedure Act. 19/91. Cap. 109.

**17.—**(1) The Board shall, as soon as practicable but not later than 30th June in every year, prepare and submit the financial statements relating to the Fund in respect of the preceding financial year of the Board to the Auditor-General who shall audit and report on them. Financial statements. 19/91.

(2) As soon as the financial statements have been audited by the Auditor-General, a copy of the audited financial statements and the report of the Auditor-General shall be submitted to the Minister.

(3) The Minister shall as soon as practicable cause a copy of the audited financial statements and of the report of the Auditor-General to be presented to Parliament.



Annual  
report.  
19/91.

**18.**—(1) The Board shall, as soon as possible but not later than 30th September of each year, submit to the Minister an annual report in respect of the administration of the Fund by the Board during that year, and the Minister shall present a copy of every such report to Parliament.

(2) Notwithstanding subsection (1), the Minister may at any time request the Board to furnish him with any information concerning any matter relating to the administration of the Fund by the Board, and the Board shall furnish him with the information required, and afford him or his representative all necessary facilities for the verification of the information required.

Directions  
by Minister.  
19/91.

**19.**—(1) The Minister may give to the Board such directions, not inconsistent with this Act, as he thinks fit as to the administration of the Fund and the Board shall give effect to such directions.

(2) The annual report for any financial year shall set out any directions given by the Minister under subsection (1) and shall contain a report of any action taken by the Board during that financial year consequent on the directions.

Preservation  
of secrecy.  
19/91.

**20.**—(1) Except for the purpose of the performance of his duties or the exercise of his functions or when lawfully required to do so by any court or under the provisions of any written law, no person who is or has been a member, employee or agent of the Board shall disclose to any person any information relating to the affairs of the Board or of any person which he has acquired in the performance of his duties or the exercise of his functions.

(2) Any person who contravenes subsection (1) shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$2,000 or to imprisonment for a term not exceeding one year or to both.

Public  
servants.  
19/91.  
Cap. 224.

**21.** The members, employees and agents of the Board shall be deemed to be public servants within the meaning of the Penal Code.

Priority  
of case in  
winding up.  
19/91.  
Cap. 50.

**22.** There shall be included among the taxes which, under section 328 of the Companies Act, are to be paid in priority to all other unsecured debts in a winding up of a company, the amount of any levy due from the company and having become due within 12 months before the date of commencement of the winding up.

23. The Minister may make such regulations as are necessary or expedient for carrying out the provisions of this Act and, in particular, the Minister may make regulations to provide for all or any of the matters specified in the Schedule. Regulations.  
19/91.

#### THE SCHEDULE

Section 23.  
19/91.

##### MATTERS IN RESPECT OF WHICH MINISTER MAY MAKE REGULATIONS

1. Requiring employers to give notice of their liability to pay the levy and the manner in which the notice shall be given.
2. The manner in which the levy is to be paid and collected and the manner in which the levy when paid and collected shall be accounted for.
3. The manner in which the levy due and unpaid are to be assessed and collected.
4. The keeping by employers liable to pay the levy of payroll records, receipts of contributions and such other documents as may seem necessary, and the preservation of the same.
5. The disclosure and making of returns to persons authorised by the Board of such information as may be required for the ascertainment and assessment of liability to pay contributions.
6. The production to and inspection and removal by persons authorised by the Board of accounts, payroll records, books, receipts and other records for the purpose of satisfying themselves as to whether the levy has been duly paid.
7. The refund of any levy paid in excess of the amount required by this Act.
8. Matters consequential on the death of an employer, his becoming bankrupt or subject to any incapacity or (where the employer is a company) its winding up, in relation to any unpaid levy.
9. The remission of any levy.
10. The purposes for which moneys of the Fund may be applied.
11. The production to and inspection and removal by persons authorised by the Board of accounts, books, receipts and other records for the purpose of satisfying them as to whether grants or loans from the Fund have been properly applied by persons obtaining such grants or loans.
12. Making any act or omission in contravention of any regulations made under this Act an offence and prescribing penalties for such offences which may consist of a fine not exceeding \$5,000 or imprisonment for a term not exceeding one year or both.

13. The imposition of penalties (such penalties, if unpaid, to be recoverable as a debt due to the Board) to be paid by an employer for late payment of the levy.
  14. The manner of the service of notices for the purposes of this Act.
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