



THE STATUTES OF THE REPUBLIC OF SINGAPORE

SKILLS DEVELOPMENT LEVY ACT

(CHAPTER 306)

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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.

Interpretation

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

“Agency” means the Singapore Workforce Development Agency established under the Singapore Workforce Development Agency Act (Cap. 305D);

“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 5;

“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.

[19/91; 1/96; 14/2003]

PART II

SKILLS DEVELOPMENT LEVY

Imposition of levy

3.—(1) Subject to the provisions of this Act, every employer shall, in respect of each of his employees, pay a skills development levy of the following amount:

(a) subject to subsection (1A), at the rate of 0.25% of the remuneration in any month of that employee or such rate as the Minister may, by notification in the *Gazette*, prescribe;
or

(b) \$2,

whichever is the greater.

[20/2008]

(1A) For the purpose of subsection (1)(a), the levy shall not be chargeable on the part of the remuneration of the employee in any month that exceeds \$4,500 or such other amount as the Minister may, by notification in the *Gazette*, prescribe.

[20/2008]

(2) The levy shall be collected and paid in respect of the month of October 1979 and every subsequent month.

(3) [*Deleted by Act 20 of 2008*]

(4) Without prejudice to any other remedy, the levy may be recovered as a debt due to the Agency from the person accountable therefor.

[19/91; 35/96; 14/2003]

Exemption from levy

4.—(1) [*Deleted by Act 20 of 2008*]

(2) [*Deleted by Act 20 of 2008*]

(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.

PART III

SKILLS DEVELOPMENT FUND

Establishment of Fund

5.—(1) On 1st October 1979, there shall be established a Fund to be called the Skills Development Fund.

[19/91]

(2) The Fund shall consist of —

(a) the proceeds of the skills development levy collected under this Act;

(b) all penalties, fines and costs recovered from proceedings under this Act;

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- (c) all sums received for the composition of any offence under section 17;
 - (d) all moneys contributed by the Government to the Fund under section 6 and such other contributions to the Fund as the Minister may specify from moneys provided by Parliament;
 - (e) all donations and gifts accepted by the Agency for the Fund;
 - (f) all honorariums and other payments accepted by the Agency for any services rendered by the Agency in connection with the performance of its functions under this Act; and
 - (g) any interest, dividends and other income derived from the investment of moneys in the Fund.

[35/96; 14/2003]

Government to contribute to Fund

6. 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

7.—(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 preparing to join the workforce, persons in the workforce and persons rejoining the workforce;
- (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.

[35/96]

(2) In carrying out the objects of the Fund, the Agency 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 preparing to join the workforce, persons in the workforce and persons rejoining the workforce;
- (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 the Agency or by any employer or training institution in the training or retraining of persons preparing to join the workforce, persons in the workforce and persons rejoining the workforce to acquire better skills or expertise;
- (d) for such other purposes, not inconsistent with the objects of the Fund, as the Minister may approve.

[19/91; 35/96; 14/2003]

Transfer to Agency of moneys in Fund and administration of Fund

8.—(1) On 1st September 2003¹, all moneys in and belonging to the Fund and all assets, interests, rights, privileges, liabilities and obligations relating to the Fund shall be transferred to and shall vest in the Agency without further assurance.

[14/2003]

(2) The Agency shall administer the Fund in accordance with the provisions of this Act and shall collect the skills development levy and disburse grants and loans from the Fund for the purposes of this Act.

[35/96; 14/2003]

¹ Date of commencement of the Singapore Workforce Development Agency Act 2003 (Act 14 of 2003).

(3) The Agency 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.

[35/96; 14/2003]

Delegation of functions of Agency and reimbursement

9.—(1) The Agency may appoint such agents (including the Government) as may be necessary for the purposes of this Act.

[19/91; 35/96; 14/2003]

(2) The Agency may delegate all or any of its powers and functions under this Act to any employee or agent (including the Government) as it may appoint under subsection (1).

[19/91; 35/96; 14/2003]

(3) The Agency may pay to any person appointed under subsection (1) a fee for any services rendered in exercise of any powers and functions delegated to that person under this Act.

[19/91; 35/96; 14/2003]

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

[14/2003]

Investment

10. The Agency may invest the moneys belonging to the Fund and available for investment in accordance with the standard investment power of statutory bodies as defined in section 33A of the Interpretation Act (Cap. 1).

[35/96; 14/2003; 45/2004]

PART IV

MISCELLANEOUS

Penalty for false return or information

11.—(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,

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.

[19/91]

(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.

[19/91]

(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.

[19/91]

(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.

[19/91]

(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.

[19/91]

Penalty for obtaining grants or loans by false or misleading statements

12. 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 \$10,000 or to imprisonment for a term not exceeding 12 months or to both.

[14/2003]

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.

Offences by body corporate, etc.

14. Where an offence under this Act or any regulations made thereunder has been committed by any body corporate, partnership, society or other unincorporated association of persons, any person who at the time of the commission of the offence was a director, manager, partner, secretary or other similar officer thereof, or was purporting to act in any such capacity shall be guilty of that offence unless he proves that —

- (a) the offence was committed without his consent or connivance; and

- (b) he had exercised all such diligence to prevent the commission of the offence as he ought to have exercised having regard to the nature of his functions in that capacity and to all the circumstances.

[35/96]

Power to obtain information and call for returns

15.—(1) The Agency or any officer, employee or agent of the Agency authorised by the Agency in that behalf may by notice in writing require —

- (a) any person to furnish, within the time specified in the notice, any information that may be required by the Agency or the officer, employee or agent of the Agency, as the case may be, for the purpose of inquiring into or ascertaining —
- (i) the liability of such person or any other person to pay the levy, or whether the levy has been duly paid;
 - (ii) the truth or correctness of any statement which has been made, or of any information which has been given, by a person who has applied to the Agency for a grant or loan from the Fund; or
 - (iii) whether any grant or loan from the Fund has been properly applied by the person to whom the grant or loan has been made; and
- (b) any employer, within the time specified in the notice, to complete and deliver to the Agency or the officer, employee or agent of the Agency, as the case may be, any return specified therein.

[35/96; 14/2003]

(2) The Agency or any officer, employee or agent of the Agency authorised by the Agency in that behalf shall at all times have full and free access to all lands, buildings, places, books, documents and other papers for any of the purposes of this Act or any regulations made thereunder and may for any such purpose inspect, make copies of or extracts from such books, documents or papers or take possession of any such books, documents or papers if, in its or his opinion —

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- (a) the inspection or copying of or extraction from such books, documents or papers cannot reasonably be performed without taking possession thereof;
 - (b) the books, documents or papers may be interfered with or destroyed unless possession thereof is taken; or
 - (c) the books, documents or papers may be required as evidence in any proceeding instituted or commenced for any of the purposes of, or in connection with, this Act or any regulations made thereunder.

[35/96; 14/2003]

Penalty for obstructing Agency in carrying out its duties

16. Any person who at any time hinders or obstructs the Agency or any officer, employee or agent of the Agency acting in the discharge of its or his duties under this Act or any regulations made thereunder 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 6 months or to both.

[35/96; 14/2003]

Composition of offences

17.—(1) The Agency 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 \$1,000.

[19/91; 35/96; 14/2003]

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

[19/91]

Consent of Public Prosecutor

18. No court shall try any offence under this Act or any regulations made thereunder except with the consent of the Public Prosecutor.

[19/91; 15/2010]

Directions by Minister

19. The Minister may give to the Agency such directions, not inconsistent with this Act, as he thinks fit as to the administration of the Fund and the Agency shall give effect to such directions.

[19/91; 14/2003]

Financial provisions

20. The financial provisions set out in the First Schedule shall apply to the Agency in relation to its administration of the Fund.

[35/96; 14/2003]

Annual report

21.—(1) The Agency shall, as soon as practicable after the end of each financial year, cause to be prepared and transmitted to the Minister an annual report dealing generally with its administration of the Fund during the preceding financial year and containing such information relating to the proceedings and policy of the Agency in relation to its administration of the Fund as the Minister may, from time to time, direct.

[35/96; 14/2003]

(2) The annual report for any financial year shall set out any directions given by the Minister under section 19 and shall contain a report of any action taken by the Agency during that financial year consequent on the directions.

[19/91; 14/2003]

(3) The Minister shall as soon as practicable cause a copy of every such report to be presented to Parliament.

[35/96]

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

[35/96; 14/2003]

Preservation of secrecy

22.—(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 Agency shall disclose to any person any information relating to the affairs of the Agency or of any person which he has acquired in the performance of his duties or the exercise of his functions.

[19/91; 14/2003]

(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 12 months or to both.

[19/91]

Public servants

23. The members, employees and agents of the Agency shall be deemed to be public servants within the meaning of the Penal Code (Cap. 224).

[19/91; 14/2003]

Priority in case of bankruptcy or winding up

24.—(1) There shall be included among the debts which, under section 90 of the Bankruptcy Act (Cap. 20), are to be paid in priority to all other debts in the distribution of property of a bankrupt or a person dying insolvent the amount of any levy due from the bankrupt at the date of the bankruptcy order, or from the person so dying at the date of his death, and having become due within 12 months before that date.

[35/96]

(2) There shall be included among the taxes which, under section 328 of the Companies Act (Cap. 50), are to be paid in priority to all other unsecured debts in the 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.

[35/96]

Regulations

25. The Agency may, with the approval of the Minister, make such regulations as are necessary or expedient for carrying out the provisions of this Act and, in particular, such regulations may provide for all or any of the matters specified in the Second Schedule.

[35/96; 14/2003]

FIRST SCHEDULE

Section 20

FINANCIAL PROVISIONS

Financial year

1. The financial year in respect of the Fund shall begin on 1st April of each year and end on 31st March of the succeeding year.

Accounts to be kept

2. The Agency shall keep proper accounts and records of its transactions involving the Fund and shall do all things necessary to ensure that all payments out of the Fund are correctly made and properly authorised and that adequate control is maintained over the moneys of the Fund and over the expenditure out of the Fund.

Financial statements

3. The Agency shall, as soon as practicable after the close of each financial year, prepare and submit to the auditor the financial statements relating to the Fund in respect of that year.

Appointment of auditor

4.—(1) The accounts relating to the Fund shall be audited by the Auditor-General or such other auditor as may be appointed annually by the Minister in consultation with the Auditor-General.

(2) A person shall not be qualified for appointment as an auditor under sub-paragraph (1) unless he is a public accountant who is registered or deemed to be registered under the Accountants Act (Cap. 2).

Remuneration of auditor

5. The remuneration of the auditor shall be paid out of the Fund.

FIRST SCHEDULE — *continued***Duties of auditor**

6.—(1) The auditor shall in his report state —

- (a) whether the financial statements show fairly the financial transactions and the state of affairs relating to the Fund;
- (b) whether proper accounting and other records have been kept in respect of all transactions involving the Fund;
- (c) whether receipts, expenditure and investment of moneys of the Fund and the acquisition of assets by the Agency from the moneys of the Fund and the disposal of such assets during the financial year have been in accordance with the provisions of this Act; and
- (d) such other matters arising from the audit as he considers necessary.

(2) The auditor shall, as soon as practicable after the accounts relating to the Fund have been submitted for audit, send a report of his audit to the Agency and shall also submit such periodical and special reports to the Minister and to the Agency as may appear to him to be necessary or as the Minister or the Agency may require.

Powers of auditor

7. The auditor or any person authorised by him is entitled at all reasonable times to full and free access to all accounting and other records relating, directly or indirectly, to the financial transactions involving the Fund and may make copies of, or extracts from, any such accounting and other records.

Failure to furnish information to auditor

8.—(1) The auditor or any person authorised by him may require any person to furnish him with such information in the possession of that person or to which that person has access as the auditor considers necessary for the purposes of his functions under this Act.

(2) Any person who fails, without reasonable excuse, to comply with any requirement of the auditor or authorised person under sub-paragraph (1) or who otherwise hinders, obstructs or delays the auditor in the performance of his duties or the exercise of his powers shall be guilty of an offence and shall be liable on conviction to a fine not exceeding \$1,000.

Presentation of financial statements and auditor's report to Parliament

9.—(1) The Agency shall, as soon as the financial statements relating to the Fund have been audited in accordance with the provisions of this Act, send to the

FIRST SCHEDULE — *continued*

Minister a copy of the audited financial statements, signed by the chief executive of the Agency, together with a copy of the auditor's report.

(2) Where the Auditor-General is not the auditor of the Fund, a copy of the audited financial statements and any report made by the auditor shall be forwarded to the Auditor-General when they are submitted to the Agency.

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

[35/96; 14/2003]

SECOND SCHEDULE

Section 25

MATTERS IN RESPECT OF WHICH AGENCY
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 is 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 refund of any levy paid in excess of the amount required by this Act and the forfeiture of any levy paid in excess which remains unclaimed within a stipulated time.
6. 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.
7. The remission of any levy.
8. 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 12 months or both.
9. The imposition of penalties (such penalties, if unpaid, to be recoverable as a debt due to the Agency) to be paid by an employer for late payment of the levy.
10. The manner of the service of notices for the purposes of this Act.

[35/96; 14/2003]