



**THE STATUTES OF THE REPUBLIC OF SINGAPORE**

**SKILLS DEVELOPMENT LEVY ACT**

**(CHAPTER 306)**

**(Original Enactment: Act 30 of 1979)**

**REVISED EDITION 2012**

(31st May 2012)

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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 SkillsFuture Singapore Agency established by section 3 of the SkillsFuture Singapore Agency Act 2016;

*[Act 24 of 2016 wef 03/10/2016]*

“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;
- (c) *[Deleted by Act 24 of 2016 wef 03/10/2016]*

- (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) [*Deleted by Act 24 of 2016 wef 03/10/2016*]

(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]

(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]

### **False or misleading information, statement or document, etc.**

**12.—**(1) A person must not in relation to the person’s application, or in support of an application by another, for any incentive, grant or loan from the Agency out of moneys in the Fund, make, or authorise the making of, a statement that the person knows to be false or misleading in any material particular.

(2) A person who contravenes subsection (1) 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.

(3) To avoid doubt, it is not a defence in any proceeding for an offence under subsection (2) that the accused did not obtain any incentive, grant or loan from the Agency out of moneys in the Fund.

*[Act 24 of 2016 wef 03/10/2016]*

### **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]*

**Powers to verify information and call for returns**

**15.—(1)** The powers under this section may be exercised only for the purpose of inquiring into or ascertaining —

- (a) the liability of a person to pay the levy, or whether the levy has been duly paid;
- (b) the truth or correctness of any statement made, or of any information given, by a person who applies or has applied for an incentive, a grant or a loan from the Agency out of moneys in the Fund; or
- (c) whether any incentive, grant or loan from the Agency out of moneys in the Fund has been properly applied by the person to whom the incentive, grant or loan is given.

(2) The Agency, or an employee or agent of the Agency duly authorised by the Agency for the purposes of this section, may, at any reasonable time, do any of the following, without involving any search of any property or person:

- (a) enter any premises;
- (b) photograph or film, or make audio recordings or make sketches of, any part of the premises or anything at the premises;
- (c) require any person in the premises to furnish or grant access to, without charge, any document or information reasonably required for any purpose in subsection (1);
- (d) inspect and make copies of or take extracts from any such document;
- (e) take possession of such a document if, in the opinion of the Agency or the Agency's employee or agent —
  - (i) the inspection or copying of or extraction from the document cannot reasonably be performed without taking possession;
  - (ii) the document may be interfered with or destroyed unless possession is taken; or

- (iii) the document may be required as evidence in any proceedings instituted or commenced for any of the purposes of, or in connection with, this Act;
  - (f) require any person to furnish, within the time specified in the notice, any information that may be required, or to complete and deliver any return specified.
- (3) The power to require a person to furnish any document or information under subsection (2)(c) includes the power —
- (a) to require the person, or any person who is or was an officer or employee of that person, to provide an explanation of the document or information;
  - (b) if the document or information is not furnished, to require the person to state, to the best of the person's knowledge and belief, where it is; and
  - (c) if the information is recorded otherwise than in legible form, to require the information to be made available to the Agency in legible form.

*[Act 24 of 2016 wef 03/10/2016]*

### **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 Consolidated Fund.

[19/91]

[Act 24 of 2016 wef 03/10/2016]

### **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]

**22.** [Repealed by Act 24 of 2016 wef 03/10/2016]

**23.** [Repealed by Act 24 of 2016 wef 03/10/2016]

### **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.

**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

FIRST SCHEDULE — *continued*

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 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]*

LEGISLATIVE HISTORY  
SKILLS DEVELOPMENT LEVY ACT  
(CHAPTER 306)

This Legislative History is provided for the convenience of users of the Skills Development Levy Act. It is not part of the Act.

**1. Act 30 of 1979 — Skills Development Levy Act 1979**

Date of First Reading : 7 September 1979  
(Bill No. 29/1979 published on  
11 September 1979)

Date of Second and Third Readings : 21 September 1979

Date of commencement : 1 October 1979

**2. G.N. No. S 196/80 — Skills Development Levy (Variation of Rate)  
Order 1980**

Date of commencement : 1 July 1980

**3. G.N. No. S 83/85 — Skills Development Levy (Variation of Rate)  
Order 1985**

Date of commencement : 1 April 1985

**4. G.N. No. S 74/86 — Skills Development Levy (Variation of Rate)  
Order 1986**

Date of commencement : 1 April 1986

**5. 1985 Revised Edition — Skills Development Levy Act (Chapter 306)**

Date of operation : 30 March 1987

**6. Act 19 of 1991 — Skills Development Levy (Amendment) Act 1991**

Date of First Reading : 11 March 1991  
(Bill No. 15/1991 published on  
12 March 1991)

Date of Second and Third Readings : 7 May 1991

Date of commencement : 7 June 1991

**7. 1992 Revised Edition — Skills Development Levy Act (Chapter 306)**

Date of operation : 9 March 1992

**8. Act 1 of 1996 — Singapore Productivity and Standards Board Act 1995**  
(Consequential amendments made to Act by)

- Date of First Reading : 1 November 1995  
(Bill No. 39/1995 published on  
2 November 1995)
- Date of Second and Third Readings : 5 December 1995
- Date of commencement : 1 April 1996

**9. Act 35 of 1996 — Skills Development Levy (Amendment) Act 1996**

- Date of First Reading : 27 August 1996  
(Bill No. 25/1996 published on  
28 August 1996)
- Date of Second and Third Readings : 1 October 1996
- Date of commencement : 1 November 1996

**10. 1998 Revised Edition — Skills Development Levy Act (Chapter 306)**

- Date of operation : 30 May 1998

**11. Act 18 of 2002 — Singapore Productivity and Standards Board  
(Amendment) Act 2002**

(Consequential amendments made to Act by)

- Date of First Reading : 14 May 2002  
(Bill No. 15/2002 published on  
15 May 2002)
- Date of Second and Third Readings : 8 July 2002
- Date of commencement : 1 April 2002

**12. Act 14 of 2003 — Singapore Workforce Development Agency Act 2003**  
(Consequential amendments made to Act by)

- Date of First Reading : 30 June 2003  
(Bill No. 13/2003 published on  
1 July 2003)
- Date of Second and Third Readings : 15 August 2003
- Date of commencement : 1 September 2003

**13. Act 45 of 2004 — Trustees (Amendment) Act 2004**

(Consequential amendments made to Act by)

- Date of First Reading : 21 September 2004  
(Bill No. 43/2004 published on  
22 September 2004)

Date of Second and Third Readings : 19 October 2004

Date of commencement : 15 December 2004

**14. Act 20 of 2008 — Skills Development Levy (Amendment) Act 2008**

Date of First Reading : 21 July 2008  
(Bill No. 17/2008 published on  
22 July 2008)

Date of Second and Third Readings : 26 August 2008

Date of commencement : 1 October 2008

**15. Act 15 of 2010 — Criminal Procedure Code 2010**

(Consequential amendments made to Act by)

Date of First Reading : 26 April 2010  
(Bill No. 11/2010 published on  
26 April 2010)

Date of Second and Third Readings : 19 May 2010

Date of commencement : 2 January 2011

**16. 2012 Revised Edition — Skills Development Levy Act (Chapter 306)**

Date of operation : 31 May 2012

**17. Act 24 of 2016 — SkillsFuture Singapore Agency Act 2016**

Date of First Reading : 11 July 2016 (Bill No. 24/2016  
published on 11 July 2016)

Date of Second and Third Readings : 16 August 2016

Date of commencement : 3 October 2016