

## FACTSHEET ON ABSENTEE PAYROLL FUNDING

### 1. What is Absentee Payroll funding?

Absentee Payroll (AP) funding is a grant to help companies defray the manpower cost incurred when they send their employees for training during working hours.

For training conducted outside working hours, the grant is meant to alleviate the opportunity costs incurred by the employees. Hence, the funding is to be paid to the employees together with the mandatory top-up to be made by the employer.

### 2. What are the eligibility criteria?

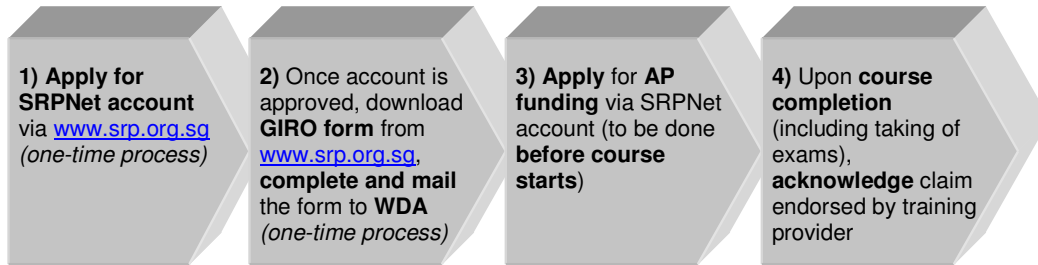
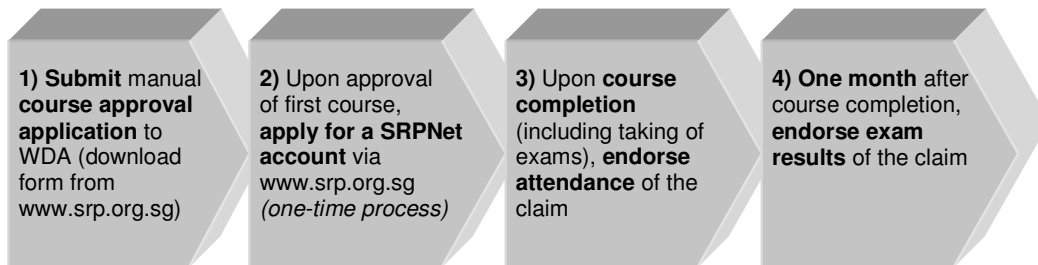
- (a) Company must be registered or incorporated in Singapore
- (b) Trainees must be fully sponsored by their employer for supportable cost components (such as course fees) incurred on the training course
- (c) Trainees must be full-time or permanent part-time employees of the sponsoring company
- (d) 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 SDF for the same trainee and same course. For training courses under the Skills Programme for Upgrading and Resilience (SPUR), please check with the provider if your company needs to submit a SDF application to WDA.
- (g) Trainees must complete the course whilst under employment of the sponsoring company

**Note:** With effect from 1 April 2009, government entities are not eligible for AP funding. Please refer to Annex A for the list of entities.

### 3. What are the application/claim procedures?

Absentee payroll funding is administered via two modes: either via the SRPNet or directly via the approved SPUR providers. Companies should check with the approved SPUR provider they work with on the mode adopted.

- (a) For absentee payroll funding **administered under SRPNet** ([www.srp.org.sg](http://www.srp.org.sg)),

**For Company:****For Training Provider:**

For more details on the procedures, please refer to the SRPNet User-guide available on [www.srp.org.sg](http://www.srp.org.sg).

- (b) For absentee payroll funding **administered directly by approved SPUR providers**, companies should check with them on their procedure for claims. Please check out our website ([www.wda.gov.sg](http://www.wda.gov.sg)) for the list of approved SPUR providers and their web addresses to find out more.

**4. What are the AP funding rates?****Normal AP Funding Rates for Non-SPUR courses:**

	<b>Employees aged 40 years &amp; above with "A" levels &amp; below qualifications</b>	<b>Other employees</b>
AP for training <u>during</u> working hours	<b>90%</b> of hourly basic salary* (capped at <b>\$4.50</b> per trainee-hour)	<b>80%</b> of hourly basic salary* (capped at <b>\$4</b> per trainee-hour)
(i) AP for training <u>outside</u> working hours	<b>90%</b> of hourly basic salary* (capped at <b>\$4.50</b> per trainee-hour)	<b>80%</b> of hourly basic salary* (capped at <b>\$4</b> per trainee-hour)
(ii) Mandatory AP top-up by employer for training <u>outside</u> working hours	Balance <b>10%</b> of hourly basic salary* (capped at <b>\$0.50</b> per trainee-hour)	Balance <b>20%</b> of hourly basic salary* (capped at <b>\$1</b> per trainee-hour)
Total AP receivable by employees for training outside working hours, i.e. (i) + (ii)	<b>100%</b> of hourly basic salary* (capped at <b>\$5</b> per trainee-hour)	<b>100%</b> of hourly basic salary* (capped at <b>\$5</b> per trainee-hour)

Absentee payroll funding is capped at \$9,000 per annum or per course, whichever is earlier, for non-SPUR courses.

**Enhanced AP Funding Rates under SPUR<sup>^</sup> from 1 Dec 2008 to 14 May 2009:**

	<b>Employees aged 40 years &amp; above with "A" levels &amp; below qualifications</b>	<b>Other employees</b>
AP for training <u>during</u> working hours	<b>90%</b> of hourly basic salary* (capped at <b>\$6.80</b> per trainee-hour)	<b>80%</b> of hourly basic salary* (capped at <b>\$6</b> per trainee-hour)
(i) AP for training <u>outside</u> working hours	<b>90%</b> of hourly basic salary* (capped at <b>\$6.80</b> per trainee-hour)	<b>80%</b> of hourly basic salary* (capped at <b>\$6</b> per trainee-hour)
(ii) Mandatory AP top-up by employer for training <u>outside</u> working hours	Balance <b>10%</b> of hourly basic salary* (capped at <b>\$0.70</b> per trainee-hour)	Balance <b>20%</b> of hourly basic salary* (capped at <b>\$1.50</b> per trainee-hour)
<b>Total AP receivable by employees</b> for training <u>outside</u> working hours, i.e. (i) + (ii)	<b>100%</b> of hourly basic salary* (capped at <b>\$7.50</b> per trainee-hour)	<b>100%</b> of hourly basic salary* (capped at <b>\$7.50</b> per trainee-hour)

**Enhanced AP Funding Rates under SPUR<sup>^</sup> with effect from 15 May 2009:**

	<b>Employees aged 40 years &amp; above with "A" levels &amp; below qualifications</b>	<b>Other employees</b>
AP for training <u>during</u> working hours	<b>90%</b> of hourly basic salary* (capped at <b>\$10</b> per trainee-hour)	<b>80%</b> of hourly basic salary* (capped at <b>\$10</b> per trainee-hour)
(i) AP for training <u>outside</u> working hours	<b>90%</b> of hourly basic salary* (capped at <b>\$10</b> per trainee-hour)	<b>80%</b> of hourly basic salary* (capped at <b>\$10</b> per trainee-hour)
(ii) Mandatory AP top-up by employer for training <u>outside</u> working hours	Balance <b>10%</b> of hourly basic salary* (capped at <b>\$2.50</b> per trainee-hour)	Balance <b>20%</b> of hourly basic salary* (capped at <b>\$2.50</b> per trainee-hour)
<b>Total AP receivable by employees</b> for training <u>outside</u> working hours, i.e. (i) + (ii)	<b>100%</b> of hourly basic salary* (capped at <b>\$12.50</b> per trainee-hour)	<b>100%</b> of hourly basic salary* (capped at <b>\$12.50</b> per trainee-hour)

Absentee payroll funding is capped at \$18,000 per annum or per course, whichever is earlier, for SPUR courses, with effect from 15 May 2009.

<sup>^</sup> Applicable for selected courses only.

\* With effect from 9 March 2009, companies can include allowances that are subject to CPF contributions, such as shift allowance, except for overtime pay. You may refer to CPF website for the list of allowances that are subject to CPF contributions.

You may wish to use the online AP calculator to determine the AP applicable for a particular course, available at [www.wda.gov.sg](http://www.wda.gov.sg).

## **5. Is absentee payroll funding applicable during shorter work week?**

Yes, a company may apply for absentee payroll funding for training conducted during the shorter work week (SWW) whereby companies impose off days on their workers with a corresponding reduction in pay. However, a company must meet these requirements:

- (a) Company must pay some salary on the off days implemented under SWW; and
- (b) Company must pay at least 25% of original salary per month overall when implementing SWW.

Employers can still claim AP for all the days for which worker is on SPUR training. The original hourly basic salary of the workers should be used when making an application for absentee payroll funding. Upon receipt of the funding, company will be entitled to retain a portion corresponding to the proportion of the original basic salary it has given to the worker for the days of training. The remainder of the AP funding received shall be passed on to the worker. The company may choose to pass on more AP to the worker, but not less. Please refer to Annex B for an illustration.

This model for computing AP under shorter work week is with immediate effect. We will also consider claims for AP under shorter work week made to WDA on or after 1 December 2008.

## **6. Can the company re-arrange the official working hours so that they better coincide with the hours of training?**

Yes, company may, with the agreement of the workers, re-arrange the official working hours such that they better coincide with the hours of training. This is especially relevant in the case of shorter work week where training is conducted after working hours. As there is no work during the off days (which are still part of the original working hours), company and worker can agree on an official basis to re-arrange the official working hours, such that the worker can then attend training as part of the official working hours. Please refer to Annex B for an example.

## **7. Can the company include shift allowances or other types of allowances in the computation of absentee payroll?**

With effect from 9 March 2009, companies may include any salary component that forms part of the basic salary and allowances that are subject to CPF contribution, such as shift allowance, except for overtime pay. You may refer to CPF website on the list of allowances that are subject to CPF contribution.

## **8. Whom to contact for further enquiries?**

For enquiries on:

- (a) Absentee Payroll funding **administered under SRPNet**, you can call our customer service officer at 6883 5885 or email us at [wda\\_srp@wda.gov.sg](mailto:wda_srp@wda.gov.sg).

- (b) Absentee payroll funding **administered directly by approved SPUR providers**, please check with the providers on their procedures for claim. The list of approved SPUR providers and their contact details can be found on [www.wda.gov.sg](http://www.wda.gov.sg).

**Annex A****List Of Government Entities Not Eligible For Absentee Payroll Funding  
With Effect From 1 April 2009\***

<b>Ministries</b>	
1.	Ministry of Community Development, Youth and Sports (MCYS)
2.	Ministry of Defence (MINDEF)
3.	Ministry of Education (MOE)
4.	Ministry of Finance (MOF)
5.	Ministry of Foreign Affairs (MFA)
6.	Ministry of Health (MOH)
7.	Ministry of Home Affairs (MHA)
8.	Ministry of Information, Communications and the Arts (MICA)
9.	Ministry of Law (MINLAW)
10.	Ministry of Manpower (MOM)
11.	Ministry of National Development (MND)
12.	Ministry of the Environment and Water Resources (MEWR)
13.	Ministry of Trade and Industry (MTI)
14.	Ministry of Transport (MTI)
15.	Prime Minister's Office (PMO)
<b>Organisations of State</b>	
16.	Attorney-General's Chambers (AGC)
17.	Auditor-General's Office (AGO)
18.	Finance & Financial Policy Directorate (FFPD)
19.	Istana (ISTANA)
20.	Judiciary, Industrial Arbitration Court (IAC)
21.	Judiciary, Subordinate Courts (SUBCT)
22.	Judiciary, Supreme Courts (SUPCOURT)
23.	Parliament of Singapore (PH)
24.	Public Service Commission (PSC)
25.	The Cabinet (CAB)
<b>Statutory Boards</b>	
26.	Accounting and Corporate Regulatory Authority (ACRA)
27.	Agency for Science, Technology and Research (A*STAR)
28.	Agri-Food & Veterinary Authority of Singapore (AVA)
29.	Board of Architects (BOA)
30.	Building and Construction Authority (BCA)
31.	Casino Regulatory Authority (CRA)
32.	Central Provident Fund Board (CPF Board)
33.	Civil Aviation Authority of Singapore (CAAS)
34.	Civil Service College (CSC)
35.	Competition Commission of Singapore (CCS)
36.	Defence Science & Technology Agency (DSTA)
37.	Economic Development Board (EDB)
38.	Energy Market Authority (EMA)
39.	Health Promotion Board (HPB)
40.	Health Science Authority (HSA)
41.	Hindu Endowment Board (HEB)

42.	Hotel Licensing Board (HLB)
43.	Housing and Development Board (HDB)
44.	Infocomm Development Authority of Singapore (IDA)
45.	Inland Revenue Authority of Singapore (IRAS)
46.	Institute of Southeast Asian Studies (ISEAS)
47.	Institute of Technical Education (ITE)
48.	Intellectual Property Office of Singapore (IPOS)
49.	International Enterprise Singapore (IESINGAPOR)
50.	JTC Corporation (JTC)
51.	Land Transport Authority (LTA)
52.	Majlis Ugama Islam Singapura (MUIS)
53.	Maritime and Port Authority of Singapore (MOA)
54.	Media Development Authority (MDA)
55.	Monetary Authority of Singapore (MAS)
56.	Nanyang Polytechnic (NYP)
57.	National Arts Council (NAC)
58.	National Council of Social Service (NCSS)
59.	National Environment Agency (NEA)
60.	National Heritage Board (NHB)
61.	National Library Board (NLB)
62.	National Parks Board (NPARKS)
63.	Ngee Ann Polytechnic (NP)
64.	People's Association (PA)
65.	Preservation Engineers Board, Singapore (PEB)
66.	Pub, The National Water Agency (PUB)
67.	Public Transport Council (PTC)
68.	Republic Polytechnic (RP)
69.	Science Centre Board (SCB)
70.	Sentosa Development Corporation (SDC)
71.	Singapore Corporation of Rehabilitative Enterprise (SCORE)
72.	Singapore Dental Council (SDC)
73.	Singapore Examinations and Assessment Board (SEAB)
74.	Singapore Labour Foundation (SLF)
75.	Singapore Land Authority (SLA)
76.	Singapore Medical Council (SMC)
77.	Singapore Nursing Board (SNB)
78.	Singapore Pharmacy Council (SPC)
79.	Singapore Polytechnic (SP)
80.	Singapore Sports Council (SSC)
81.	Singapore Tourism Board (STB)
82.	SPRING Singapore (SPRING)
83.	TCM Practitioners Board (TCMPB)
84.	Temasek Polytechnic (TP)
85.	Tote Board (Singapore Totalisator Board) (TOTE BOARD)
86.	Urban Redevelopment Authority (URA)
<b>Others</b>	
87.	Junior Colleges
88.	Police Posts
89.	Police Stations

90.	Polytechnics
91.	Schools

\* Please note that private entities held under a government agency whose expenditure on manpower is government funded, either partially or fully, also do not qualify for absentee payroll funding.

**Annex B****Examples of Absentee Payroll Funding****Example 1: AP funding for training done during shorter work week (SWW)**

Employee earns a monthly basic salary of \$2,000 and is 30 years old with “A” levels. His company implements shorter work week (SWW) with 3 off days per week, and pays 50% salary for the off days under the SWW. He is sent for a 40-hour course conducted within a week by the company.

No	Item	Amount	Calculations / Remarks
a	Original no. of working hours per week	40hrs	5 days per week × 8hrs per day
b	Hourly basic salary of worker	\$11.54	Hourly basic salary = (Monthly basic salary × 12 months per year) / (working hours per week × 52 weeks per year) = (\$2,000 × 12) / (40 × 52) = \$11.54
c	Course duration	40hrs	Assumed 100% attendance
d	No. of training hours done during <u>off days</u> of SWW	24hrs	8hrs per day × 3 days
e	No. of training hours done during <u>working days</u> of SWW	16hrs	8hrs per day × 2 days
f	Absentee payroll funding rate applicable	\$9.23/hr	80% of hourly basic salary capped at \$10 per hour = 80% × \$11.54 = \$9.23
g	Course fee payable	\$100	After 90% subsidy (Original course fee assumed to be \$1,000)
h	Employee's new adjusted monthly salary	\$1,400	Assumed 20 work days in the month, employee is paid \$100 per working day and \$50 per off day under SWW, translating to (\$100 × 2 work days per week × 4 weeks) + (\$50 × 3 off days per week × 4 weeks) = \$1,400  Employee is paid 70% (\$1,400/\$2,000) of original salary. <b>Overall monthly salary of employee &gt; 25%, thus company can claim for AP during SWW.</b>

(i) Absentee payroll funding <b>claimed from WDA</b>	= 80% × \$11.54 × 40 attendance hours = <b>\$369.28</b>
(ii) Absentee payroll funding to be <b>retained by company</b>	= Proportionate to salary paid to worker during training period = (100% × 80% × \$11.54 × 16 hours) + (50% × 80% × \$11.54 × 24 hours) = <b>\$258.49</b>

(iii) Absentee payroll funding to be <b>passed on to worker</b>	$= \$369.28 - \$258.49$ $= \mathbf{\$110.79}$  <b>Worker receives total of \$1,510.79</b> (i.e. \$1,400 adjusted salary + \$110.79 AP funding)
(iv) Net costs incurred by company	$= \$1,400 \text{ adjusted salary} + \$100 \text{ course fees} - \$258.49 \text{ AP funding}$ $= \mathbf{\$1,241.51}$
(v) Cost savings by company using combination of SWW and SPUR AP funding (against company not taking any measure)	$= \$2,000 - \$1,241.51$ $= \mathbf{\$758.49 \text{ (or 38\%)}, \text{ in cost savings to company}}$

**Example 2: AP funding for re-arranged official working hours (to coincide with training hours)**

Company A's official working hours are Mondays to Fridays, 9am to 5pm. In the current downturn, it imposes shorter work week, with Wednesdays, Thursdays and Fridays now designated as off days because there is no work available. However, the training courses that are suitable for its workers are only conducted in the evenings from Mondays to Fridays (7pm to 10pm).

Given that the training would be considered as after working hour training, Company A is not inclined to send its workers for the course, as it has to incur course fees, is not able to retain any absentee payroll, and additionally has to top up absentee payroll if it puts in a claim on behalf of its worker (see Table 1). If nothing is done, the company may not be able to save further on costs.

**Table 1. Employer has little incentive to tap on AP for training after working hour**

Week	Monday	Tuesday	Wednesday	Thursday	Friday
Course hours	7pm – 10pm	7pm – 10pm	7pm – 10pm	7pm – 10pm	7pm – 10pm
Original work times	9am – 5pm	9am – 5pm	9am – 5pm	9am – 5pm	9am – 5pm
Original working hours	8h	8h	8h	8h	8h
Working hours under SWW	8h	8h	8h	0h (Off day)	0h (Off day)
% of original salary paid	100%	100%	50%	50%	50%
AP top up by employer to employee for training after working hours	10%*	10%*	10%*	10%*	10%*
AP retained by employer	0%	0%	0%	0%	0%

\* Assumed to be an employee aged 40 and above with 'A'-levels and below.

In lieu of this, Company A can consider re-arranging the official working hours under the shorter work week, subject to the workers' agreement, to Mondays to Tuesdays (9am to 5pm), and Wednesdays to Fridays (7pm to 3am). In this case, Company A will still pay 50% salary on the off days, but is able to retain part of the AP claimed, without having to top up. The worker continues to be compensated for his opportunity costs when he attends the training in the evenings (see Table 2).

**Table 2. Greater incentive for training if working hours are re-arranged to coincide with training hours**

Week	Monday	Tuesday	Wednesday	Thursday	Friday
Course hours	7pm – 10pm	7pm – 10pm	7pm – 10pm	7pm – 10pm	7pm – 10pm
Original work times	9am – 5pm	9am – 5pm	9am – 5pm	7pm – 3am	7pm – 3am
Original working hours	8h	8h	8h	8h	8h
Working hours under SWW	8h	8h	0h (Off day)	0h (Off day)	0h (Off day)
% of original salary paid	100%	100%	50%	50%	50%
AP top up by employer to employee for training after working hours	10%*	10%*	0%*	0%	0%
AP retained by employer	0%	0%	50%#	50%#	50%#

\* Assumed to be an employee aged 40 and above with 'A'-levels and below.

# Employer retains AP proportionate to the amount of salary paid during training under official working hours on off days (in this case, the other 50% not retained by the employer will flow down to the employee as reimbursement).