

FAQS (EXTENSION OF SDF & SRP TRAINING ASSISTANCE TO SUB-CONTRACT WORKERS)

Version 1.2
- Updated on 9th May 2007

Background information

1. Why is there a need to provide training assistance to sub-contract workers?

- The trend for local outsourcing and sub-contracting of services and workers is increasingly on the rise as companies seek more cost-efficient way of operations. We notice that low-wage workers are often employed on a sub-contract basis, e.g. those in the manufacturing and logistic industries. Hence to cater for this trend and reach out further to the low-wage workers, WDA has decided to extend Skills Development Fund (SDF) and Skills Redevelopment Programme (SRP) funding to sub-contract workers.

2. How will companies benefit from this extension of funding to sub-contract workers?

- Companies sponsoring their workers for training can now receive funding assistance from the SDF not only for employees directly under their payroll, but also their sub-contract workers such as employees hired through a third party employment agency. (Sponsoring) Companies now have greater incentive to extend training sponsorship for more employees to include even sub-contract workers. This would help companies to increase their productivity since sub-contract workers also contribute to the company's business activities and productivity.
- Under the extension, the company which successfully receives SDF funding for their sub-contract worker may also receive absentee payroll funding assistance from the SRP to defray manpower costs while these sub-contract workers undergo training.

Definition of sub-contract workers

3. Who are considered sub-contract workers?

- Sub-contract workers refer to persons not under the direct payroll of the sponsoring company, but who are employed by another company for the purpose of providing services to or for the sponsoring company. For instance, operators supplied by third party labour suppliers to a manufacturing company are considered as sub-contract workers of the manufacturing company. However temporary or casual workers hired on an irregular basis without pro-rata benefits or who are not on a company's payroll are not considered as sub-contract workers.

4. Will the funding assistance for sub-contract workers be extended to freelancers or casual workers hired by companies on a project basis?

- No. SDF funding is extended only to sub-contract workers who are employees of a company. However, casual workers and freelancers employed on an irregular basis, unemployed persons and constituents of social service agencies, can access training through other programmes and courses offered by WDA and its partners.
- Casual workers and freelancers refer to those hired on an irregular basis without pro-rata benefits.

5. If my sub-contract workers work on a part-time basis, can I still sponsor them for training?

- Yes, your part-time sub-contract workers are eligible for SDF and SRP funding if they provide services to your company on a regular part-time basis and are given pro-rata benefits.

Effective date

6. When will the extension of SDF and SRP funding for sub-contract workers be effected?

- The SDF and SRP funding for sub-contract workers will take effect from 1 April 06. Please see FAQ 11 and 16 for administrative procedures and details.

Funding assistance available

7. Do sub-contract workers receive the same course fee subsidy as other workers?

- There is no difference between the funding levels of sub-contract workers and other workers who are direct employees of a company. (Please see website www.sdf.gov.sg for further details on funding rates).

8. Which company is eligible to claim course fee subsidy under SDF?

- Companies who have sub-contract workers under the direct payroll of another company may sponsor the workers for course fee subsidy under SDF. However, these sub-contract workers must be employed by another company for the purpose of providing services to or for the sponsoring company. The other terms and conditions of the SDF must also be met.

- If the sponsoring company is an employment agency or a labour supplier, trainee(s) who are in the pool of labour supplied to clients of the sponsoring company are not eligible for SDF funding.
- 9. Apart from claiming course fee subsidy under SDF, can the sponsoring company also claim absentee payroll from SRP for their sub-contract workers?**
- Companies sponsoring their sub-contract workers for training can claim both SDF and absentee payroll funding. Absentee payroll can be claimed provided the training course is a SRP-approved course and if the other terms and conditions of SRP are met. Please note that companies can only claim absentee payroll if they incur manpower costs when hiring replacement workers or suffer a reduction in productivity during the training period. This is in line with the concept of absentee payroll which is to defray the manpower costs incurred when sending workers for training.
 - If the sponsoring company is an employment agency or a labour supplier, neither absentee payroll nor SDF funding is given for trainee(s) who are in the pool of labour supplied to clients of the sponsoring company.
- 10. Can the direct employer of the sub-contract worker(s) claim absentee payroll from SRP on behalf of the sponsoring company?**
- No, absentee payroll can only be claimed by the sponsoring company.

SDF application terms and conditions and procedures

- 11. How do I, as a sponsoring company, apply for SDF training assistance?**
- You can do so online through the SDF EasyNet website (www.sdf.gov.sg) if your company is registered on the EasyNet and if the course which you are sponsoring your sub-contract worker for is a pre-approved training programme under the library of courses in the EasyNet. At one stage of your online application, you will be asked "Are the trainees direct employees on your company's payroll?" Please select "No" if the trainees are not under your company's direct payroll. You will subsequently be asked "Are the trainees employed by another company for the purpose of providing services to or for your company?" Please select "Yes" if this is so. Your application will then be assigned a reference number.
 - However, if the course which you are sponsoring your sub-contract worker for is not found in the online library of courses, please apply for

SDF training assistance via hard copy Form 1. Please indicate in question 23 (a) of Part IV of Form 1 that these trainees are sub-contract workers providing a service to/for your company. A letter of offer will be sent to you if your application is approved.

- Please note that your application should only be for sub-contract workers. Applications for your direct employees should be submitted separately.
- In addition, please note that all SDF applications must be received at least one day prior to course commencement.

12. What are the terms and conditions for SDF funding?

- For eligibility of SDF funding, the trainee must be a Singapore Citizen or Permanent Resident of Singapore, fulfill at least 75% attendance of the course, sit for all prescribed examinations required by the course, and have full company sponsorship. All companies applying for SDF funding must also be registered or incorporated in Singapore. Please see the SDF website (www.sdf.gov.sg) for the complete terms and conditions.

13. What documents would I need to furnish for the SDF application?

- As the SDF application is for sub-contract workers who are not direct employees of the sponsoring company, the following documents should be produced by the sponsoring company upon request:
 - i. Documents to certify that these trainee(s) are employed by another company (e.g. employment letters or letters from the direct employers certifying such information)
 - ii. Documents to certify that these trainees provide services to or for the sponsoring company (e.g. service agreements or letters indicating that the trainees are deployed to the sponsoring company to provide a service – please state what this service is)
- Such documents should also include the name, NRIC and citizenship status of the sub-contract workers, their job nature, designation and the duration which the sub-contract workers have been/will be working for the sponsoring company.

14. Can I submit a single SDF application for both my sub-contract workers as well as my direct employees?

- No. Please separate your applications for your sub-contract workers and direct employees.

15. Can I include the training for sub-contract workers in my company's Total Company Training Plan?

- No. The Total Company Training Plan (TCTP) should only detail training plans for your direct employees. Training for your sub-contract workers cannot be submitted as part of the TCTP.

SRP application terms and conditions and procedures

16. How do I, as a sponsoring company, apply for SRP training assistance?

- You can do so online at the SRP website (www.srp.org.sg) if the course which you are sponsoring your sub-contract workers for is found in the course list posted on the SRP website.
- All applications for absentee payroll funding must be submitted on-line via SRPNet at least one day before course commencement.
- For non SRPNet users, kindly register and open an account with SRP via this link <https://www.srp.org.sg/srp/srppcRegistration>. Simply complete the form on-line and your account will be approved within 3 working days.
- Upon approval of the SRPNet account, please download the GIRO form from our SRPNet (via at www.srp.org.sg) and submit the GIRO form to us in order for us to activate your GIRO account for claims disbursement (this is a one-time process).
- More information on SRP absentee payroll funding application and claim procedures may be viewed via this link http://www.srp.org.sg/app_procedures.html.

17. What are the terms and conditions for SRP funding?

- For eligibility of SRP funding, the trainee must be a Singapore Citizen or Permanent Resident of Singapore, fulfill at least 75% attendance of the course, sit for all prescribed examinations required by the course, and have full company sponsorship. Company must be registered or incorporated in Singapore.

- Absentee payroll can only be claimed by companies fully sponsoring the training of the trainee(s) and only if the company incurs manpower costs to hire replacement workers or suffers a reduction in productivity during the training period. This is in line with the concept of absentee payroll which is to defray the manpower costs incurred when sending workers for training.

18. What documents would I need to furnish for the SRP application?

- Sponsoring companies should only claim for SRP funding if the company incurs manpower costs to hire replacement workers or suffers a reduction in productivity during the training period. The following documents should also be produced upon request:
 - i. Documents to certify that the trainee(s) are employed by the direct employer (e.g. employment letters or letters from the direct employers certifying such information)
 - ii. Documents to certify that these trainees provide services to or for the sponsoring company (e.g. service agreements or letters indicating that the trainees are deployed to the sponsoring company to provide a service – please state what this service is)
 - iii. Documents indicating manpower costs to hire replacement workers or loss of productivity during the period of training
- Such documents should also include the name, NRIC and citizenship status of the sub-contract workers, their job nature, designation and the duration which the sub-contract workers have been/will be working for the sponsoring company.

19. Can I submit a single SRP application for both my sub-contract workers and other employees?

- Yes, so long as all of them attend the same course offered by the same training provider within the same training period.

Contact details

Singapore Workforce Development Agency

Incentives and Finance Division

No 1 Marina Boulevard #16-01

One Marina Boulevard

Singapore 018989

Fax: 6512 1333

Website : www.sdf.gov.sg

General Enquiry Hotline: 6883 5885

Email : wda_sdf@wda.gov.sg (For General Enquiry)

wda_srp@wda.gov.sg (For SRP Related Enquiry)