

Frequently Asked Questions (FAQs) on Changes to Foreign Domestic Worker (FDW) Levy Framework effective 1 April 2019

1. Changes to the FDW levy framework with effect from 1 April 2019

Q1	Why is the Government making adjustments to the FDW levy framework?
	<p>Over the last 10 years, the number of FDWs in Singapore has increased by about 40% to over 240,000 in 2017, driven by demand from households with and without caregiving needs. The Government is making adjustments to the FDW levy framework to calibrate demand according to household needs and to ensure a sustainable supply of FDWs to meet demand.</p> <p>The Government recognises the caregiving needs of Singaporean families with young children, elderly persons, and persons with disabilities, and will continue to support them. However, there is a need to calibrate demand for FDWs from households without caregiving needs and with multiple FDWs.</p> <p>Changes will be made to the monthly (non-concessionary) FDW levy as well as the qualifying age for levy concession under the aged person scheme. The monthly FDW concessionary levy rate of \$60 per month per FDW remains unchanged.</p>
Q2	What are the changes to the FDW levy framework?
	<p>There are three changes, effective 1 April 2019:</p> <ol style="list-style-type: none"> a) For the first FDW who is employed without levy concession, the monthly levy will be raised from \$265 to \$300. b) For the second FDW who is employed without levy concession, the monthly levy will be raised to \$450. c) The qualifying age for levy concession under the aged person scheme will be raised from 65 to 67 years. <p>However, all households with persons aged 65 and 66, which are enjoying or have enjoyed the levy concession under the aged person scheme before 1 April 2019, will continue to pay the monthly FDW concessionary levy rate of \$60 on and after 1 April 2019.</p> <p>Changes aside, all households with Singaporeans who need help with any Activities of Daily Living will still qualify for the monthly concessionary levy rate of \$60 under the scheme for persons with disabilities. This is regardless of their age.</p>
Q3	Why is the Government increasing the monthly (non-concessionary) FDW levy from \$265 to \$300 per month?
	<p>The monthly (non-concessionary) levy is applicable to those without caregiving needs. The increase in monthly (non-concessionary) levy is to calibrate demand for FDWs from</p>

	<p>households without caregiving needs. For these households, employers can also turn to companies which offer home cleaning services if they choose not to employ FDWs.</p> <p>In September 2017, MOM started a pilot programme called the Household Services Scheme (HSS) in response to industry demand. Companies under the HSS are provided with additional foreign worker quotas to help boost their workforce in order to meet the market demand for part-time household services such as cleaning.</p>																		
Q4	Why is the Government increasing the monthly FDW levy to \$450 per month per FDW for the second FDW employed without levy concession?																		
	The larger increase in the monthly levy for the second FDW employed without levy concession is to further manage demand from households which employ multiple FDWs for non-caregiving needs.																		
Q5	Why is the Government increasing the qualifying age for the aged person scheme?																		
	<p>The qualifying age will be raised in light of the improving life expectancy and health of Singaporeans.</p> <p>However, all households with persons aged 65 and 66, which are enjoying or have enjoyed the levy concession under the aged person scheme before 1 April 2019, will continue to pay the monthly FDW concessionary levy rate of \$60. For such households, they do not have to reapply to be on the aged person scheme. The concession will be granted automatically.</p> <p>In addition, all households with Singaporean family members who need help with any Activity of Daily Living will still qualify for the monthly FDW concessionary levy rate of \$60 under the persons with disabilities scheme. This is regardless of their age.</p>																		
Q6	When will the changes to the FDW levy and eligibility criteria take place?																		
	The changes will take effect on 1 April 2019 to give employers time to adjust.																		
Q7	What are some possible scenarios after the FDW levy changes on 1 April 2019?																		
	<p>Please refer to the examples below:</p> <table border="1"> <thead> <tr> <th>Scenario</th> <th>Monthly levy payable <u>before</u> 1 April 2019</th> <th>Monthly levy payable <u>on and</u> <u>after</u> 1 April 2019</th> </tr> </thead> <tbody> <tr> <td colspan="3">1. Household has <u>two</u> eligible persons under the levy concession scheme¹</td> </tr> <tr> <td>Employs one FDW</td> <td>\$60</td> <td>\$60 (no change)</td> </tr> <tr> <td>Employs two FDWs</td> <td>\$60 + \$60 = \$120</td> <td>\$60 + \$60 = \$120 (no change)</td> </tr> <tr> <td colspan="3">2. Household has <u>one</u> eligible person under the levy concession scheme</td> </tr> <tr> <td>Employs one FDW</td> <td>\$60</td> <td>\$60 (no change)</td> </tr> </tbody> </table>	Scenario	Monthly levy payable <u>before</u> 1 April 2019	Monthly levy payable <u>on and</u> <u>after</u> 1 April 2019	1. Household has <u>two</u> eligible persons under the levy concession scheme¹			Employs one FDW	\$60	\$60 (no change)	Employs two FDWs	\$60 + \$60 = \$120	\$60 + \$60 = \$120 (no change)	2. Household has <u>one</u> eligible person under the levy concession scheme			Employs one FDW	\$60	\$60 (no change)
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¹ The levy concession for one FDW is granted based on one eligible person in the household. Employers can apply for the concession for up to two FDWs (for two eligible persons in the household).

Employs two FDWs	$\$60 + \$265 = \$325$	$\$60 + \$300 = \$360$	
3. Household is <u>not</u> eligible for any levy concession scheme			
Employs one FDW	\$265	\$300	
Employs two FDWs	$\$265 + \$265 = \$530$	$\$300 + \$450 = \$750$	

2. Concessionary levy scheme

Q8	Who qualifies for the monthly FDW concessionary levy rate of \$60?
	<p>Following the Budget 2018 announcement and effective from 1 April 2019, a FDW employer will qualify for the FDW levy concession if he/she:</p> <p>a) has a young child or grandchild (Singapore Citizen) below 16 years old staying at the same address; or</p> <p>b) himself/herself is an elderly person (Singapore Citizen / Permanent Resident, if spouse is a Singapore Citizen) aged 67 years or above; or</p> <p>c) has an elderly parent or grandparent (Singapore Citizen / Permanent Resident, if employer or employer's spouse is a Singapore Citizen) aged 67 years or above staying together at the same address; or</p> <p>d) has a disability/ has a family member with a disability (Singapore Citizen) staying together at the same address.</p> <p>All households which enjoyed the levy concession under the aged person scheme before 1 April 2019 will continue to pay the monthly FDW concessionary levy rate of \$60 on and after 1 April 2019 (even if the elderly person is 65 or 66 years old).</p> <p>For more details on the FDW levy concession criteria, please refer to the MOM website at www.mom.gov.sg/fdw-concession.</p>
Q9	Will the monthly FDW concessionary levy rate of \$60 be raised?
	There are no plans at the moment to increase the monthly FDW concessionary levy rate of \$60 per month.
Q10	If my Singaporean parent who is 65, requires the help of a FDW next month, will he be eligible for the levy concession?
	Yes, he will be eligible for the levy concession if he employs a FDW before 1 April 2019. The change in age criteria will only take effect from 1 April 2019.
Q11	If my parent who is currently 65 employs a FDW and enjoys levy concession on the aged person scheme, will he continue to benefit from the levy concession on and after 1 April 2019?

	<p>Yes, he will continue to benefit from the levy concession on and after 1 April 2019.</p> <p>All households which enjoyed the levy concession under the aged person scheme before 1 April 2019 will continue to pay the monthly FDW concessionary levy rate of \$60 on and after 1 April 2019 (even if the elderly person is 65 or 66 years old).</p>
Q12	If my Singaporean parent is 65 on 1 April 2019 but requires help with mobility, can he qualify for FDW levy concession?
	<p>Yes, he can. All households with Singaporean family members who need help with any Activities of Daily Living, such as washing or dressing, will still qualify for the monthly FDW concessionary levy rate of \$60 under the persons with disabilities scheme. This is regardless of the age of the Singaporean care recipient.</p> <p>For more information on Activities of Daily Living, you can refer to the Ministry of Health's website: www.moh.gov.sg/content/moh_web/home/costs_and_financing/schemes_subsidies/ElderShield/Definition_of_Disability.html</p>

3. Enquiries on the FDW levy bill from 1 April 2019

Q13	Will FDW employers be informed in writing of the changes to the levy and qualifying criteria?
	<p>FDW employers will not receive a separate letter to inform them of the changes. Instead, the changes will be reflected in their FDW levy bill. For example, an employer will receive his/her April 2019 levy bill in early May 2019 (which will reflect the changes in levy for April 2019).</p>
Q14	Who should a FDW employer approach if he/she has enquiries on the levy bill?
	<p>Employers can submit an online feedback form on the MOM website via http://services.mom.gov.sg/efeedback/Forms/efeedback.aspx.</p>