



# Medinex Limited

## Budget 2025 Seminar

What Should SMEs Need to Know  
About the Budget 2025

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# Budget 2025



Enterprise Support Package



Workforce Policies



Corporate Income Tax



Personal Income Tax

# Enterprise Support Package



Market Readiness Assistant Grant



Double Taxation Deduction for  
Internationalisation



Enterprise Financing Scheme



Merger & Acquisition Scheme

# Enhanced Cap for Market Readiness Assistance Grant [“MRA”]

- Enhanced grant cap of **\$100,000** per new market
- Extended till 31 March 2026.





## AT A GLANCE

MRA supports companies in their overseas expansion by covering up to 50% of costs for activities across 3 pillars (capped at S\$100,000 per new market<sup>^</sup>)

			
<b>PILLARS</b>	<b>OVERSEAS MARKET PROMOTION</b> (capped at S\$20,000)	<b>OVERSEAS BUSINESS DEVELOPMENT</b> (capped at S\$50,000)	<b>OVERSEAS MARKET SET-UP</b> (capped at S\$30,000)
<b>ACTIVITIES</b>	<hr/> <b>Overseas Marketing &amp; PR</b> Conduct a marketing/PR campaign to promote products & services  <b>Overseas Physical &amp; Virtual Trade Fair</b> Participate in overseas trade fairs	<hr/> <b>Identification of Potential Overseas Partners</b> Identify franchisees, distributors, JV partners, logistic partners, etc.  <b>In-market Business Development</b> Engage business development services overseas  <b>Overseas Marketing Presence</b> Deploy an employee overseas to conduct business development	<hr/> <b>Market Entry</b> Apply for overseas incorporation, IP protection, trade credit insurance, etc.  <b>FTA &amp; Trade Compliance Consultancy</b> Seek consultancy services on Free Trade Agreements and trade compliances

<sup>^</sup> A new market is defined as one where the company's annual overseas sales have not exceeded S\$100,000 in any of the previous three years.



Source: Enterprise Singapore

# Double Taxation Deduction for Internationalisation Scheme [“DTDi”]



- Scheme supposed to end on 31 December 2025
- Extended till **31 December 2030.**

# Double Taxation Deduction for Internationalisation Scheme [“DTDi”]



-   
Overseas market development trips/missions<sup>#</sup>
-   
Overseas investment study trips/missions<sup>#</sup>
-   
Overseas trade fairs
-   
Local trade fairs<sup>\*</sup>
-   
Virtual trade fairs<sup>+</sup>
-   
Product/Service certification
-   
Overseas advertising and promotional campaign
-   
Design of packaging for overseas markets
-   
Advertising in approved local trade publication

Company should declare and include your DTDi expenses when filing annual income tax return to IRAS  
<sup>#</sup> Company has to apply to ESG for certain qualifying expenses under overseas market development trips/missions and investment study trips/missions  
<sup>\*</sup> Local trade fairs must be approved by ESG or STB  
<sup>+</sup> Virtual trade fairs must be approved by ESG

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Source: Enterprise Singapore

# Double Taxation Deduction for Internationalisation Scheme [“DTDi”]



	Without DTDi support	With DTDi support
Revenue	S\$100,000	S\$100,000
DTDi eligible expense of S\$10,000	(S\$10,000)	(S\$20,000)
Other expenses	(S\$20,000)	(S\$20,000)
Taxable income	S\$70,000	S\$60,000
Tax payable (@ 17% as of YA2015)	S\$11,900	S\$10,200
Savings from DTDi	N.A.	\$1,700

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Source: Enterprise Singapore



# Enhancements to Enterprise Financing Scheme [“EFS”]



Two enhancements to the EFS:

- Max. trade loan of \$10m permanently enhanced.
- Mergers and Acquisitions Loan will be extended **31 March 2030**.

# Mergers and Acquisition Scheme [“M&A”]



Tax benefits:

- M&A Allowance of 25% (purchase consideration) of up to \$40m (written down over 5 years) of the value of all qualifying acquisitions per Year of Assessment
- 200% tax deduction on transaction costs (e.g. legal fees, accounting or tax advisory fees, valuation fees and others) capped at \$100,000 per YA
- Scheme will be extended **31 December 2030**.

# SkillsFuture Enterprise Credit (SFEC)



One-off credit of up to \$10,000 to cover up to 90% for supportable enterprise transformation programmes and this credit is extended to 30 June 2025.

Examples of SFEC funded programmes:

Enterprise Development Grant (EDG)	Productivity Solutions Grant (PSG)	WSQ Courses
<ul style="list-style-type: none"><li>• Human Resource</li><li>• Marketing &amp; Branding</li><li>• Financial Management</li><li>• Etc.,</li></ul>	<ul style="list-style-type: none"><li>• Digitalization solutions</li><li>• Online leave system</li><li>• Time clock system</li><li>• Etc.,</li></ul>	<ul style="list-style-type: none"><li>• Service Training</li><li>• Performance Management</li><li>• Healthcare Assistant Training</li><li>• Etc.,</li></ul>

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# Workforce Policies

SkillsFuture Level-Up Programme

Workfare Skill Support

Senior Employment Credit &  
Others

Enhanced Progressive Wage  
Credit Scheme

Increase in Senior Worker's CPF  
rate

# SkillsFuture Level-Up Programme



SkillsFuture support (Budget 2024):

- Support for subsidized Full-Time Diploma
- SkillsFuture Mid-Career Training Allowance

# SkillsFuture Level-Up Programme



Support for subsidized Full-Time Diploma (from Academic Year 2025)

- Mid-Career Enhanced Subsidy for **full-time diploma** at Polytechnics, ITE and Arts Institutes
- Singaporean aged 40 and above

# SkillsFuture Level-Up Programme



## SkillsFuture Mid-Career Training Allowance (From Year 2025 onwards)

- Training allowance of 50% of individual's average income over the latest available 12-month period, capped at \$3,000 per month.
- Individual can receive up to 24 months of training allowance over his lifetime
- Singaporean aged 40 and above
- Undertake full-time long-form training
- To partially offset the income loss from taking time off from work

# SkillsFuture Level-Up Programme



## SkillsFuture Mid-Career Training Allowance — Part-time Training (Budget 2025)

- Selected part-time long-form training programmes
- Fixed allowance of \$300 per month up to 24 months



# Workfare Skills Support (“WSS”)



Provide monthly training allowances for lower wage workers aged 30 and above  
Pursuing long-form full-time or part-time training  
Replace current hourly training allowance of \$6 per hour (capped at 180 hours)

	<b>New Allowances</b>
Monthly Training Allowance for selected part-time courses	\$300 per month
Monthly Training Allowance for selected full-time courses	50% of average income over latest 12-month period

# Progressive Wage Credit Scheme (PWCS)



Co-funding of wage increases for low-wage workers between 2022 to 2026.

Gross monthly wage of up to \$3,000

Average gross monthly wage increase must be **at least \$100**

Co-fund wage increases for **two years**

# Progressive Wage Credit Scheme (PWCS)



Businesses will automatically qualify if you give wage increases to resident employees who:

1. Received CPF contributions from a single employer for at least 3 calendar months in the preceding year,
2. Have been on the firm's payroll for at least 3 calendar months in the qualifying year.

Wages paid to **business owners i.e. sole proprietors of sole proprietorships, or partners of a partnership, or both a shareholder and director of a company**, will not be eligible for PWCS.

# Progressive Wage Credit Scheme (PWCS)

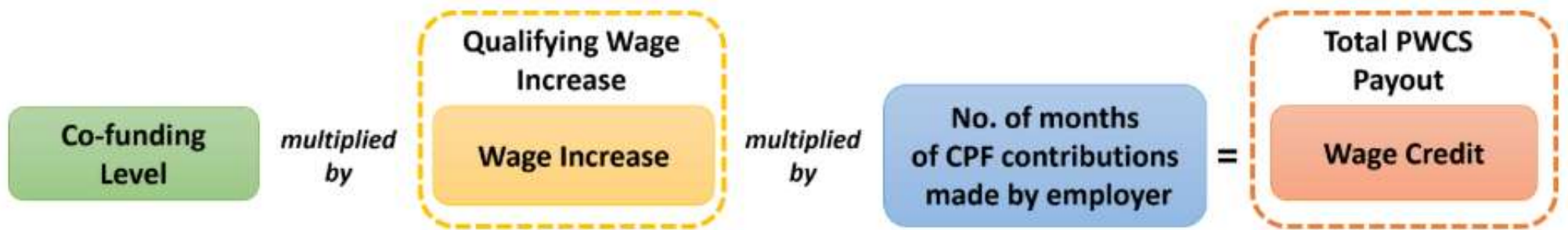


		Current		Enhanced	
Qualifying Year	Payout Period	First Tier	Second Tier	First Tier	Second Tier
		Gross Monthly Wage Ceiling $\leq$ \$2,500	Gross Monthly Wage Ceiling $>$ \$2,500 and $\leq$ \$3,000	Gross Monthly Wage Ceiling $\leq$ \$2,500	Gross Monthly Wage Ceiling $>$ \$2,500 and $\leq$ \$3,000
<b>2024</b>	Q1 2025	30%	15%	50%	30%
		Gross Monthly Wage Ceiling $\leq$ \$2,500		Gross Monthly Wage Ceiling $\leq$ <b>\$3,000</b>	
<b>2025</b>	Q1 2026	30%		<b>40%</b>	
<b>2026</b>	Q1 2027	15%		<b>20%</b>	

# Progressive Wage Credit Scheme (PWCS)



## Computation of PWCS



**Gross Monthly Wage** = Total wages (**basic salary** and additional wages such as **overtime pay and bonuses**, but excluding employer CPF contributions) paid by the employer to the employee in a calendar year / Number of months in which CPF contributions were made.

Source: IRAS website

Employee who earned \$2,000 per month in 2024, and experiences average gross monthly wage increase of \$100 in January of each year



	2025	2026
<b>Average Gross Monthly Wage</b>	\$2,000	\$2,200
<b>PWCS Co-Funding Level</b>	<b>40%</b>	<b>20%</b>
<b>Wage Increase</b>	<b>\$200</b> (2025 = \$2,000 - \$2,200)	<b>\$200</b> (2026 = \$2,200 - \$2,400) + 40 (2025 = \$2,000 - \$2,200) + 40
<b>PWC Co-Funding (monthly)</b>	<b>\$80</b>	<b>\$80 (40 + 40)</b>
<b>Total Annual PWC payout</b>	<b>\$960</b>	<b>\$960</b>

## Progressive Wage Credit Scheme (PWCS)



The new employee was working for another company in 2024 for a salary of \$2,500.

New employee joined the Company in Jan 2025 at a salary of \$2,800.

The difference of \$300 will qualify for PWCS

# Senior Employment Credit

Singaporean workers aged 60 and above

Salary \$4,000 and below

SEC extended to 31 December 2026



Wage support in 2025		Wage support in 2026	
Age	Wage Support	Age	Wage Support
60 to 64	Up to 2%	60 to 64	Up to 2%
65 to 67	Up to 4%	65 to <b>68</b>	Up to 4%
68 and above	Up to 7%	<b>69</b> and above	Up to 7%



# **Uplifting Employment Credit**

Wage offset of up to 20% for employing local ex-offenders

Wage support for 1<sup>st</sup> 9 months of employment capped at \$600 per month

Earning \$4,000 or lower

**Extended to 31 December 2028**



# Enabling Employment Credit

Hiring local employees with disabilities aged 13 and above

Earning \$4,000 or lower



## Extended to 31 December 2028

	Wage support from 2026 to 2028
Permanent wage offset	Up to 20% of wages, capped at \$400/month
Addition time-limited wage offset for persons with disabilities who have not been in work for at least 6 months	Up to 20% of wages for 9 months, capped at \$400/month

# CPF Contribution for Senior Workers

CPF contribution rates from 1 Jan 2025 onwards



Age Band	CPF Contribution Rates			CPF Transition Offset
	Total	Employer	Employee	
≤ 55	No Change			
> 55 to 60	32.5%	15.5%	17.00%	0.25%
> 60 to 65	23.5%	12.0%	11.50%	0.25%
> 65 to 70	16.5%	9.0%	7.50%	
> 70	12.5%	7.50%	5.00%	

# CPF Contribution for Senior Workers

CPF contribution rates from 1 Jan 2026 onwards



Age Band	CPF Contribution Rates			CPF Transition Offset
	Total	Employer	Employee	
≤ 55	No Change			
> 55 to 60	34.0% (+1.50%)	16.0% (+0.50%)	18.0% +(1.0%)	0.25%
> 60 to 65	25.0% (+1.50%)	12.5% (+0.50%)	12.5% +(1.0%)	0.25%
> 65 to 70	16.5%	9.0%	7.5%	
> 70	12.5%	7.5%	5.0%	

# Corporate Income Tax

Corporate tax rebate & cash grant

# Corporate Income Tax [“CIT”] Cash Grant



Cash payout of \$2,000 for YA2025

Payout in Q2 2025

## Criteria:

- At least one local employee in 2024 made CPF contribution. Exclude shareholder who is also the company's director in calendar year 2024.

# Corporate Income Tax [“CIT”] Rebate



CIT Rebate of 50% for YA2025

CIT rebate and cash grant cap at \$40,000

Cash Grant is included as part of the CIT Rebate

If company meets local employee condition and receives CIT Rebate Cash Grant of \$2,000

If CIT Rebate  $\leq$  \$2,000, no CIT Rebate to be given.  
If CIT Rebate  $>$  \$2,000, CIT Rebate (capped at \$40,000) less \$2,000 to be given.

If company does not meet local employee condition and does not receive CIT Rebate Cash Grant of \$2,000

If CIT Rebate  $>$  \$0, CIT Rebate (capped at \$40,000) to be given.

# Corporate Income Tax ["CIT"] Rebate



Company with tax rebate more than cash grant of \$2,000

	Computation of rebate & cash grant	Tax computation
Tax payable		\$30,000
Less: CIT Cash Grant	\$2,000	(\$2,000)
Tax rebate (50% of \$30,000)	\$15,000*	(\$13,000)
		\$15,000
<b>Net tax payable</b>		<b>\$15,000</b>



# Corporate Income Tax [“CIT”] Rebate

Company with tax rebate less than cash grant of \$2,000



	Computation of rebate & cash grant	Tax computation
Tax payable		\$3,000
Less: Tax rebate (50% of \$3,000)	\$1,500*	Nil
<b>Net tax payable</b>		<b>\$3,000</b>

Tax payable	\$3,000
Less: CIT Cash Grant	(\$2,000)
<b>Net tax payable</b>	<b>\$1,000</b>

# Corporate Income Tax [“CIT”] Rebate

MediNet

	Computation of rebate & cash grant	Tax computation
Chargeable Income		573,000
Less: Partial Tax Exemption		(102,500)
		470,500
Tax payable (17% x \$470,500)		\$79,985
Less: CIT Cash Grant	\$2,000	(\$2,000)
Tax rebate (50% of \$79,992.50)	\$39,992.50*	(\$38,000)
		(\$40,000)
<b>Net tax payable (effective tax rate: 6.98%)</b>		<b>\$39,985</b>

# Personal Income Tax

Personal income tax rebate

Raise dependent's or caregiver's income threshold

Lapse of course fees relief/FDWR

Remove CPF Top-up Relief

# Personal Income Tax [“PIT”] Rebate

CIT rebate of 60% for YA2025

CIT rebate and cash grant cap at \$200



	Computation of tax rebate	Tax Computation
Tax payable		\$2,000
Less: Tax rebate (60% of \$2,000)	\$1,200*	\$200
<b>Net tax payable</b>		<b>\$1,800</b>

# Fixed Dollar Amount for Working Mother's Child Relief (WMCR)

Qualifying Child born or adopted on or after 1 January 2024

Effective YA2025



Child Order	Child born or adopted before 1 Jan 2024	Child born or adopted on or after 1 Jan 2024
1st	15% of mother's earned income	\$8,000
2nd	20% of mother's earned income	\$10,000
3 <sup>rd</sup> and beyond	25% of mother's earned income	\$12,000

# Fixed Dollar Amount for Working Mother's Child Relief (WMCR)

Mother's earning income: \$100,000

Before change, 3<sup>rd</sup> Child could have claim relief of \$25,000



Child Order	Child born or adopted before 1 Jan 2024	Child born or adopted <b>on or after 1 Jan 2024</b>
1st	\$15,000	
2nd	\$20,000	
3 <sup>rd</sup> and beyond	<b>(\$25,000)</b>	\$12,000

# Raise Dependant's / Caregiver's Income Threshold



## Current

Annual income threshold of dependant's /caregiver's income cannot exceed \$4,000 in the preceding year

Applicable to Spouse Relief, Parent Relief, Qualifying Child Relief, Working Mother's Child Relief, CPF Cash Top-up Relief (spouse or siblings) and Grandparent Caregiver Relief

## New

Caregiver can carry on any trade, business, profession, vocation or/ and employment not exceeding **\$8,000** a year.

Take effect from YA2025.

# Foreign Domestic Worker Levy Relief

- Claim twice the FDWL paid

## Lapse (i.e. discontinued)

- Lapse from YA2025





## Lapse Course Fees Relief



- Maximum tax relief of \$5,500
- Relevant to present or future trade, business, profession, vocation or employment
- Lead to an approved academic, professional or vocational qualification

### Lapse (i.e. discontinued)

- Lapse from YA2026

## Remove CPF Cash top-up Relief



- Remove the CPF cash top-up that attracts matching grant from the Government under the Matched **Retirement** Savings Scheme [“MRSS”]
- CPF cash top-up for non MRSS type continue to enjoy \$8,000 tax relief (self and loved ones)

### **Lapse (i.e. discontinued)**

- Lapse from YA2026

## Remove CPF Cash top-up Relief



- Remove the CPF cash top-up for Medisave Accounts that attracts matching grant from the Government under the Matched **MediSave** Scheme [“MRSS”]
- CPF cash top-up for non MRSS type continue to enjoy \$8,000 tax relief (self and loved ones)

### **Lapse (i.e. discontinued)**

- Lapse from YA2027 (i.e top up in Year 2026)

# Medinex Limited

Budget 2025 Seminar

## End of Presentation

