



April to June
2020



Philippines

Benefits Package for COVID-19 Test

Philhealth introduced a new Benefit Package wherein all its members must be tested for SARS-CoV by RT-PCR as prescribed by Department of Health (DOH) and DOH-licensed and Philhealth-accredited SARS CoV2 testing laboratories.

Philhealth members who are eligible for coverage for SARS-CoV2 testing shall not be charged for co-payment. Also, members who are not already registered in PhilHealth, shall be automatically covered, provided that, they complete member registration upon availing the benefits package.

The accredited PhilHealth testing laboratories may claim the following packages:

Package Code	Package Description	Amount (PHP)
C19T1	All services for the testing are procured and provided by the testing laboratory	3,409
C19T2	Test kits are donated to the laboratory	2,077
C19T3	Test kits are donated to the laboratory, cost of running the laboratory and the RT-PCR machine for testing is included in the facility budget	901

Please note: All the claims shall be filed by the PhilHealth accredited SARS-CoV2 testing laboratories. Only after proper validation, members may be reimbursed the amount not exceeding the corresponding benefits for SARS-CoV-2 test if this benefit was not availed of or was not deducted from the actual charges, provided that the requirements are complied with.

To read further please refer the official link:

<https://www.philhealth.gov.ph/circulars/2020/circ2020-0017.pdf>

Establishment Report to be submitted by all companies

In line with the labour advisory, employers and establishments which are adopting any of the following:

- Flexible work arrangement/alternative work scheme
- Temporary closure
- Retrenchment/reduction of workforce
- Permanent closure

are advised to file RKS form 5 for 2020. The copy must be submitted, either personally or online, to the appropriate DOLE Provincial Field Office which has jurisdiction over the workplace. This is effective from June 16, 2020.

To read further please refer the official link:

https://www.dole.gov.ph/php_assets/uploads/2020/06/Labor_Advisory_No_17A_Establishment_Report_.pdf

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Philhealth Clarification on Unwarranted Claims

Unwarranted claims are claims duly paid for the confinement/treatment of employee-members and/or their qualified dependents by PhilHealth for employee-members and/or their qualified dependents but without qualifying contributions, whose employer is delinquent, under-remitting and/or non-reporting.

In such cases, PhilHealth shall issue a demand letter to the concerned employer to pay the unwarranted claims. Should the employer fail or refuse to pay, PhilHealth shall pursue appropriate action against it for failure.

A fine of not less than PHP 5,000 but not more than PHP 10,000 multiplied by the total number of employees of the firm shall be imposed for such non-compliance.

To read further please refer the official link:

<https://www.philhealth.gov.ph/circulars/2020/circ2020-0015.pdf>

Small Business Wage Subsidy (SBWS) Programme with SSS Department due to COVID-19

Government of Philippines, to help the small companies and reduce hardship on them, has announced SBWS program. Under this scheme, the Social Security System (SSS) shall provide a wage subsidy of between PHP 5,000 to PHP 8,000 (based on the regional minimum wage) per month per eligible employee. The application shall be filed by the employer on behalf of its employees.

Only the companies who qualify the below criteria can avail the said benefit:

- 1. Size of business:** the small business: whether a corporation, partnership, or sole proprietorship - must not be in the BIR's Large Taxpayer Service (LTS) list.
- 2. Impact of the enhanced community quarantine (ECQ):**
 - Small businesses under both Category A (non-essentials) that are forced to stop operations (i.e., temporary closure or suspension of work) and
 - Category B (quasi-essentials) that are allowed to operate a skeleton force can apply for the wage subsidy for employees who are not able to work and did not get paid during the ECQ.
 - Also, employers in areas where other forms of quarantine have been put in place by the LGU may also qualify.

The following small businesses will be prioritized:

1. BIR-registered and complying with tax obligations during the past 3 years, up to January 2020; and
2. SSS-registered and have paid SSS contributions for the past 3 years up to January 2020 (the last recorded contribution).

An employee who fulfills all of these criteria is eligible for the SBWS:

1. Must be an employee of an eligible small business;
2. Must be employed and active as of March 1, 2020, but unable to work due to the ECQ;
3. Did not get paid by the employer for at least 2 weeks during the temporary closure or suspension of work in accordance with Labor Advisory No. 1, Series of 2020;
4. Can be of any contract status (e.g., regular, probationary, regular seasonal, project-based, fixed-term); and
5. Must be certified by the employer in the application as having met all the above criteria.

The following employees are not eligible:

1. Employees working from home or part of the skeleton force;
2. Employees who are voluntarily on maternity leave, paternity leave, study leave, sabbatical leave, and leaves of the same type - for the entire duration of the ECQ, whether with or without pay;
3. Employees who are recipients of SSS unemployment benefits due to COVID-19; and
4. Those who have settled or have in-process their SSS final claims (funeral, retirement, death, and total disability).

Please note that employees who have already received assistance of PHP 5,000 from the COVID-19 Adjustment Measures Program (CAMP) of the Department of Labor and Employment (DOLE) may still receive support under the SBWS, if eligible. They will first receive one full tranche of PHP 5,000 to PHP 8,000, depending on region of work, from May 1 to 15. For the second tranche, they will get the difference (subsidy minus the PHP 5,000 they had received) and will therefore receive the same total amount in subsidy as non-CAMP beneficiaries.

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The mode of payment of the subsidy is made in partnership with the Development Bank of the Philippines.

1. Withdrawal via the employee's SSS UMID cards enrolled as ATM;
2. Withdrawal from employee's bank account for PESOnet participating banks (Attached as Annex A);
3. Employee's Union Bank Quick Card (in partnership with SSS);
4. Employee's E-wallet: PayMaya; or
5. Cash pick-up arrangement through MLhuillier.

The employer may apply for SBWS through:

1. MY.SSS ACCOUNT in the SSS Website;
2. E-Form Submission through Secure Site (via Secure Link sent through e-mail); or
3. File upload method through a secure site (Microsoft Excel File upload to SBWS.GOV.PH).

To read further details, please refer the official link:

<https://sites.google.com/dof.gov.ph/small-business-wage-subsidy>

Also read further the guidelines and instruction on SBWS, please refer

<https://sites.google.com/dof.gov.ph/small-business-wage-subsidy>

30 Days Grace Period of All Loan Payment

In line with Section 4(aa) of Republic Act No. 11469 known as the "Bayanihan to Heal as One Act", a 30 days grace period for the payment of all loans (including but not limited to salary, personal housing, and motor vehicle loans as well as credit card payments) falling due within the Enhanced Community Quarantine (ECQ) is to be provided.

No additional Documentary Stamp Tax (DST), including that imposed under Section 179 (Stamp Tax on all Debt Instruments), 195 (Stamp Tax on Mortgages, Pledges, and Deeds of Trust), and 198 (Stamp Tax on Assignments and Renewals of Certain Instruments) of the National Internal Revenue Code, shall apply to credit extension and credit restructuring, micro-lending including those obtained from pawnshops and extensions thereof during the ECQ period.

To read further please refer the official notification:

https://www.bir.gov.ph/images/bir_files/internal_communications_2/RMCs/2020%20RMCs/RMC%20No.%2035-2020.pdf

Indonesia

Guidelines for Workplace and Transition Period in Covid-19

The Governor of Special Capital Region ("DKI") Jakarta, under Regulation No. 51 of 2020, enforced a new regulation that will govern the resumption of business activities while maintaining the efforts to prevent COVID-19 transmissions, also called as **"Transitional Period"**.

The implementation is to be carried out gradually for activities including learning at schools and other educational institutions, religious activities, work, use of public facilities, social and cultural activities, as well as movements through transportations. In addition to practicing healthy daily habits and using a face mask, leaders of activities in each sector must continue to socialize and implement COVID-19 prevention measures including physical distancing and body temperature checks on entry points, among others.

Any breaches of the above obligations may impose the leader or person in charge on the workplace an administrative sanction, which can be in form of

- I. Written warning letter **or**
- II. Administrative penalty of IDR25,000,000.

Further, anyone who does not wear a face mask when conducting activities outside their homes may be penalized in the form of social work to clean public facilities, or an administrative penalty of IDR250,000, as supervised by the municipal police units (Satpol PP).

To read further please refer the official notification:

https://jdih.jakarta.go.id/uploads/default/produkhukum/Pergub_51_Tahun_2020_Tentang_Pelaksanaan_PSBB_Transisi.pdf

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Changes introduced in Tax Policy due to COVID-19

In response to the COVID-19 pandemic, the Indonesian Minister of Finance ("MOF") has issued a regulation on tax incentives aimed at stabilizing the economy and encouraging productivity in certain business sectors. MOF Regulation No. 44/PMK.03/2020 regarding Tax Incentives for Taxpayers Affected by COVID-19 ("MOF Reg. 44/2020") came into force on April 27, 2020 and revoked the previously applicable MOF Regulation No. 23/PMK.03/2020 ("MOF Reg. 23/2020") on the same matter.

Under MOF Reg. 44/2020, the government will bear Article 21 income tax payments for certain employees who qualify for this incentive. Because the Article 21 income tax payments are borne by the government, employers will be required to pay the full monthly wage of qualified employees. The new regulation 44 was issued to quantify and qualify the benefit in regards of Income Tax Article 21 Incentive ("21 Income Tax Incentive") in particular.

The benefit is applicable for all:

- Employees receiving their income from the following employers:
 - a. businesses having its Business Classification Codes listed in Annex A of the Regulation; **and/or**
 - b. businesses officially classified as companies with export-import facility grant ("KITE Companies");
- Employees having Taxpayer Identity Number ("NPWP");
- Employees receiving not more than IDR 200,000,000 of annual, permanent and regular gross income for the concerned taxable period.

The MOF has included more Business Classifications to the list previously attached in Regulation 23, therefore now more businesses may qualify to receive the incentive.

As per the latest amendment to the rules, all employers registered after 2018 (as per regulation 23 only companies registered before 2018 would qualify) shall refer to the recorded administrative database in their respective tax office to confirm their Business Classification code.

Please note: The tax incentive is effective only after employers receive confirmation from the tax office. The employers need to comply with the below conditions after getting the benefits:

1. Employers shall submit the notice to apply for the incentive ("Notice") and the 21 Income Tax Incentive Realization Report ("Incentive Realization Report") every month on or before the 20th day of the following month, online through the tax authorities' official page, <https://www.pajak.go.id/en>, addressed to the head of tax office where the employers are registered. (Earlier in Regulation 23, the Notice and Realization Report was to be submitted manually to the tax office on quarterly basis)
2. In cases where employees receiving the 21 Income Tax Incentive report an overpayment after the submission of their own Personal Tax Return, such overpayment based on the 21 Income Tax Incentive cannot be restituted.

Please note: With the enforcement of Regulation 44 on 27 April 2020, the Regulation 23 has effectively been revoked.

Please read the details through the official link:

<https://www.pajak.go.id/sites/default/files/2020-04/PMK%20No.%2044%20Th%202020.pdf>

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Singapore

Fortitude Budget issued by the government of Singapore

Government of Singapore in May 2020 released "Fortitude Budget" to help businesses and individuals adapt and build resilience, amid the COVID-19 pandemic.

Below are the highlights of budget:

- **Enhancements to Jobs Support Scheme (JSS)**
 - The said scheme has been extended for one more month to cover wages up to August 2020.
 - Under the scheme, for all firms that are not allowed to resume operations, Government will continue providing wage support at 75% up to August 2020 or when allowed to reopen, whichever is earlier.
 - Increased support for some affected sectors (e.g. aerospace, retail, marine and offshore) from 25% to 50% or 75%
- **Hiring Incentive**
 - Hiring Incentive would be paid for employers that hires local workers who have completed eligible traineeship and training programmes
 - The incentive programme would be as below:
- **Foreign Worker Levy Waiver & Rebate**
 - The rebate has been extended further by up to two months for businesses that are not allowed to resume operations after the circuit breaker. **The rebate would be provided at:**
 - 100% waiver and \$750 rebate in June 2020
 - 50% waiver and \$375 rebate in July 2020

From August 2020, firms in these sectors will receive a 90 SGD FWL rebate monthly for each Work Permit Holder, until December 2021. Closer to December 2021, the government will decide if there is a need to further extend the FWL rebate by another year to December 2022.

- **Deferment of Higher CPF Contribution Rates**
 - The rule of increased in CPF contribution rates for senior workers is deferred by one year and now would be applicable from 1 January 2022.

To read further please refer the official link: https://www.singaporebudget.gov.sg/budget_2020/fortitude-budget

Age of Eligible Worker	Amount of Incentive	Capped at
Under 40	20% of monthly salary for 6 months	6,000 SGD in total
40 and above	40% of monthly salary for 6 months	12,000 SGD in total

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