

EXPLANATORY NOTES FOR REIMBURSEMENT FOR GOVERNMENT-PAID CHILDCARE LEAVE (FOR SELF-EMPLOYED)

General

1. Claims for lost income shall be paid in accordance with the Child Development Co-Savings Act (Cap. 38A) (“CDC Act”) and the Child Development Co-Savings (Childcare Leave and Extended Childcare Leave) Regulations 2013 (“CDC Regulations”).
2. Subject to the CDC Act and the CDC Regulations, generally, if an eligible applicant has ceased to be actively engaged in his/her trade, business, profession or vocation for childcare purposes for not less than 4 days (for a child below 7 years old) or 2 days (for a child between 7 and 12 years old) during any calendar year and has lost any income during such period by reason of such cessation, he/she will be entitled to claim from the Government the income that he/she would otherwise have derived from his/her trade, business, profession or vocation for the 4th to 6th days (for a child below 7 years old) or for 2 days (for a child between 7 and 12 years old) of such cessation. The amount of reimbursement is subject to a maximum of \$500 per day and up to \$1,500 per calendar year. The claim will be computed according to the actual period for which the applicant ceased to be actively engaged in his/her trade, business, profession or vocation for childcare purposes.

When to submit claim?

3. Claims should be submitted **within 3 months after:**
 - a) in a case where the applicant has ceased to be actively engaged in his/her trade, business, profession or vocation for childcare purposes for not less than 6 days in the calendar year, the last day in the calendar year of such cessation;
 - b) in a case where the applicant ceases to satisfy any requirement under section 12B(16)(a) to (d) of the CDC Act (as set out at paragraph 4 below), the day he/she ceases to satisfy that requirement; or
 - c) in any other case, the last day of the calendar year.

Any claim made outside this period will not be accepted.

Who is eligible?

4. Subject to the CDC Act and the CDC Regulations, an applicant is eligible to claim paid childcare leave from the Government for income lost by reason of cessation of active engagement in his/her trade, business, profession or vocation for childcare purposes, if:
 - a) his/her child is below the age of 7 years or between 7 and 12 years old;
 - b) his/her child is a Singapore citizen or becomes a Singapore citizen before the child’s 7th or 12th birthday;
 - c) he/she has been carrying on his/her trade, business, profession or vocation for a continuous period of not less than 3 months;
 - d) he/she ceases to be actively engaged in his/her trade, business profession or vocation for childcare purposes for not less than 4 days during that calendar year; and
 - e) he/she has lost income as a result of such cessation.
5. With effect from 1st May 2013, unmarried/ single parents can consume 6 days of childcare leave or 2 days of extended childcare leave, if their youngest child is below 7 years old or their youngest child is between 7 and 12 years old respectively, subject to all other eligibility criteria for Government-Paid Childcare Leave in Paragraph 4 of these explanation notes being met. For unmarried/ single parents whose youngest child is between 7 to 12 years old, they may consume the 2 days of extended childcare leave between 1st January 2013 and 30th April 2013 and seek reimbursement from the Government after 1st May 2013.

What can be claimed?

6. The amount of income which an applicant is entitled to claim from the Government:
- a) is summarised in paragraph 2 of these Explanatory Notes;
 - b) shall not include any income, the loss or reduction of which is not attributable to his/her ceasing to be actively engaged in his/her trade, business, profession or vocation; and
 - c) shall be computed:
 - i) on the basis of the average net income derived by him/her from his/her trade, business, profession or vocation in the basis period for the year of assessment following the year of assessment in which he/she makes the claim, as determined by the Comptroller of Income Tax and set out in his/her notice of assessment in respect of his/her income for that basis period, less the net income he/she continued to derive from such trade, business, profession or vocation during his/her childcare leave period;
 - ii) **where, at the time the claim is made, the Comptroller of Income Tax has not determined the average net income derived by him/her from his/her trade, business, profession or vocation in the basis period for the year of assessment following the year of assessment in which he/she makes the claim**, on the basis of the average net income derived by his/her from his/her trade, business, profession or vocation for the preceding basis period, as determined by the Comptroller of Income Tax and set out in his/her notice of assessment in respect of his/her income for the preceding basis period, less the net income he/she continued to derive from such trade, business, profession or vocation during his/her childcare leave period; or
 - iii) **where, at the time the claim is made, the Comptroller of Income Tax has not determined the average net income derived by him/her from his/her trade, business, profession or vocation in the basis period for the year of assessment following the year of assessment in which he/she makes the claim or the preceding basis period**, on the basis of the average net income derived by him/her from his/her trade, business, profession or vocation during the period of 3 months immediately preceding the commencement of his/her leave period, less the net income he/she continued to derive from such trade, business, profession or vocation during his/her childcare leave period.

Where an applicant does not or is unable to substantiate the amount claimed by him/her, the Self-employed Reimbursement Board (the Board) may compute the amount of income he/she is entitled to claim from the Government on such other basis as the Board determines to be representative of the income lost by him/her during his/her childcare leave.

7. The following documents should be submitted to support the claim:
- a) an income and expenditure statement for the period of 3 months preceding the childcare leave period for an applicant whose tax assessment is not available; (Note: For insurance agents, a breakdown of the commission into first year, renewal, overriding commission, bonus, etc. is required. The statement must be certified by the company.)
 - b) any other documents (e.g. contracts/agreements) to support the claim.
8. Any income, the loss or reduction of which cannot be attributed to the applicant ceasing to be actively engaged in his/her trade, business, profession or vocation, cannot be claimed from the Government. Some examples of such income are:
- a) interest income earned on fixed deposits;
 - b) rental income;
 - c) profit on sales of fixed assets;

- d) overriding and renewal commission; and
- e) ex-gratia income.

Cap in Entitlement

9. The **maximum number of GPCL days per year** which parents can enjoy will depend on the age of their youngest child as illustrated in Table A.

Table A: Maximum entitlement of an eligible parent for GPCL for each relevant period

| Parent has a child below 7 years old* | Parent has a child aged 7 – 12 years old* | Maximum entitlement for GPCL |
|---------------------------------------|---|------------------------------|
| Yes | Yes | 6 days |
| Yes | No | 6 days |
| No | Yes | 2 days |

*The first 6 years of Childcare Leave will expire either in the year the child turns 6 or 7 years old depending on when the childcare leave was taken. If the child is born at the end of the year, parents usually will consume their first GPCL in the following year when the child turns 1 year old. Hence, the parent will exhaust the Childcare Leave in the year the child turns 7 years old. In this case, the extended 2 days of GPCL per year will commence in the year the child turns 8 years old and expire in the year the child turns 13 instead of 12 years.

How to compute reimbursement?

10. The reimbursement for childcare leave payments will be calculated as follows:

$$\frac{\text{(Yearly Assessable Income)}}{\text{No. of working days per week} \times 52 \text{ weeks}} \times B$$

Where

- B is the number of **working days** in the relevant period on which the self-employed has taken childcare leave.

Payment into bank account

11. An applicant should notify the authorised agent of the Ministry of Social and Family Development of his/her bank account information which the reimbursement is to be credited by submitting the Direct Credit Authorisation Form (DCA Form), or declare their bank account details via the “Maintain My Profile” at the Government-Paid Leave Portal. The accepted bank account shall continue to be in force for subsequent Government-Paid Leave applications until there is a request to change it.

Power to obtain information

12. The Director of the Ministry of Social and Family Development (the Director) and its authorised agent, or the Board may, for the purposes of assessing any claim made by an applicant under regulation 6 of the CDC Regulations by notice in writing, require any person -
- a) to furnish any information or document within such time as may be specified in the notice; and
 - b) to attend personally before the Director or the Board and to produce for examinations such records or documents as the Director or the Board may consider necessary.
13. The Director, the Board or any authorised officer –

- a) shall at all times have full and free access to any information or documents in the possession of the applicant; and
- b) may inspect, copy or make extracts from or take possession of any information or document in the possession of the applicant,

which in the opinion of the Director, the Board or the authorised officer is necessary for or relevant to the assessment of a claim made under regulation 6 of the CDC Regulations.

14. The Director or the Board may refuse to assess the claim made under regulation 6 of the CDC Regulations by an applicant who fails to comply with the CDC Regulations.

Disputes

15. Where there is a dispute arising from the determination of a claim by the Director or the Board, the applicant may file a notice of dispute in writing to the Minister for Social and Family Development, **within 1 month from the date the dispute arises**. The notice of dispute should:
- a) state the amount of reimbursement claimed by the applicant;
 - b) state the grounds of dispute together with the decision of the Director or the Board, where applicable; and
 - c) be accompanied by any relevant supporting information or documents.

For more information

16. For more information or clarification, please contact the authorised agent of the Ministry of Social and Family Development at 1800-253-4757 or send an e-mail to contactus@profamilyleave.gov.sg.