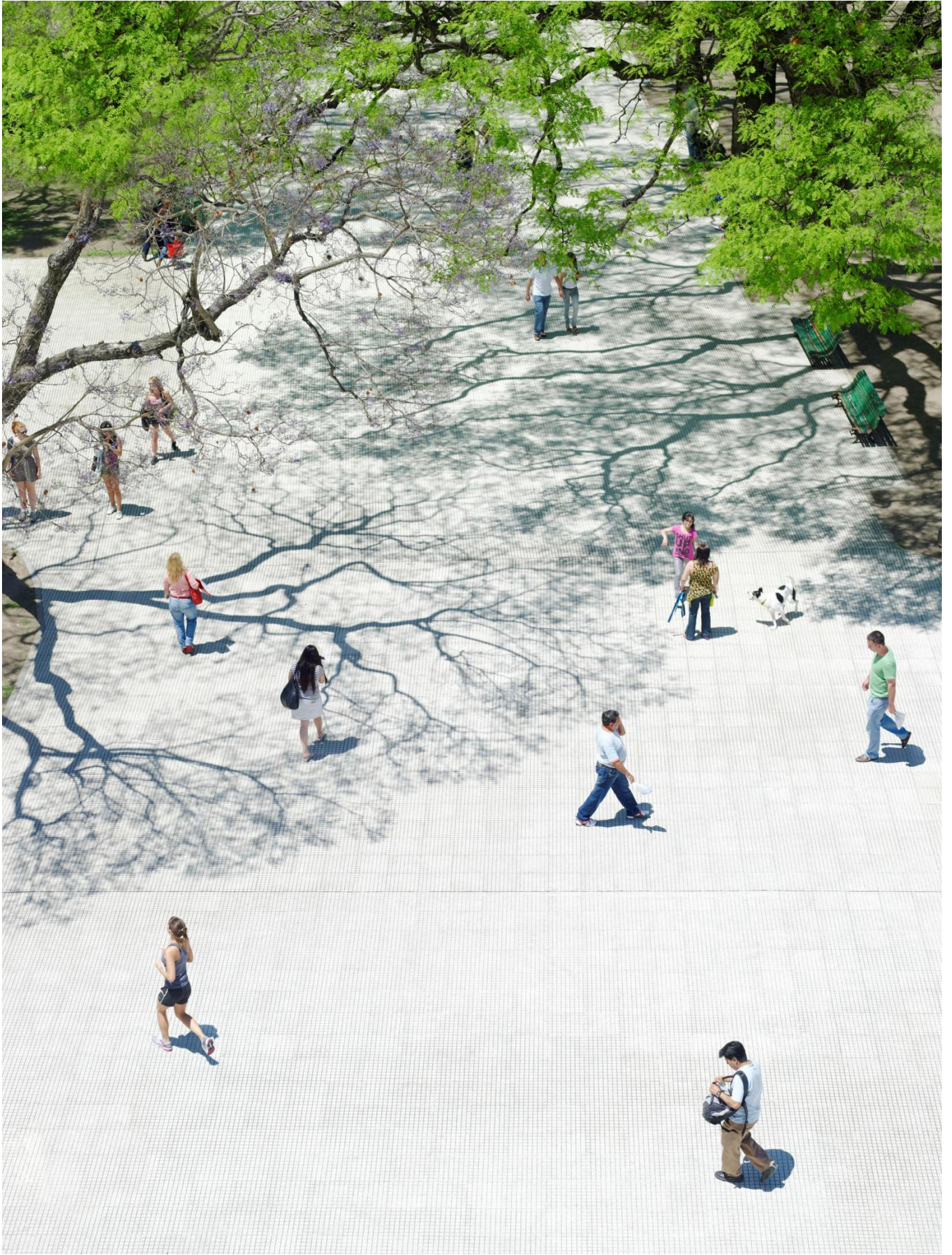

Corporate Support Services Newsletter







Foreword

Helping you manage your business

Dear all,

Managing a business can be a complex and daunting process. Our Corporate Support Services Group has the necessary expertise to assist you in managing your business needs - from Singapore incorporation and company secretarial compliance, through to preparation of monthly and year end accounts, annual returns and payroll services.

Our service offerings are scalable and we provide high quality administrative services to organisations varying from top-tier multinationals to medium and smaller enterprises to ensure that they meet all internal and statutory deadlines, in the most efficient and effective way.

In the second issue of our quarterly newsletter, we focus on two issues that will impact businesses operating in Singapore – new guidelines for issuing itemised payslips and voluntary strike-off applications for Singapore companies.

I hope you find these articles useful and informative. We will be delighted to listen to your business needs, have a conversation to discuss our value proposition and customise the most appropriate solution to address your requirements.

Melvin Poon
Partner, PwC

New guidelines for issuing itemised payslips

How will this affect you and your company?

The Ministry of Manpower (MOM), the National Trades Union Congress (NTUC) and Singapore National Employers Federation (SNEF) announced a new set of Tripartite Guidelines to make it mandatory for all Singapore Small Medium Enterprises (SME) to issue full itemised payslips to their employees within the next two years. It is an improvement to existing workplace practices. The tripartite partners agree that the provision of itemised payslips to employees increase employees' awareness of their salary components. It also minimises confusion towards the computation of the full salary and prevents salary disputes.

The Guidelines were formulated after MOM, NTUC and SNEF consulted various stakeholders from different industries. Feedback has shown that many SMEs find issuing itemised payslips challenging. The Guidelines aim to prepare these businesses for the transition by removing ambiguities and providing clear instructions in order for the SMEs to comply with these new regulations.

The Guidelines provide advice on how companies can define the system of administering payslips, and provide useful payslip templates that companies may adopt and refine based on their own requirements.

All employers should issue itemised payslips to employees at least once a month and within 7 days after the last day of that month. The payslip can be issued in hard or soft copy.

In collaboration with the Infocomm Development Authority (IDA) and SPRING Singapore, MOM plans to provide tools such as payslip booklets, reference templates and funding assistance for companies to develop customised issuance of payslips by April 2014, a two year extension for companies to adopt the changes. SMEs that require support and clarification can also approach any of the SME Centres listed in the Guidelines. All companies are encouraged to adopt the guidelines by the requisite time frame.

Currently under the Employment Act, MOM has not made it compulsory for an employer to issue payslips to an employee. However, as part of good employment practices, employers are encouraged to issue payslips to their employees so that their employees may clarify any payments made to them.

Information to include in itemised payslip

S/N	Items
1	Name of employer
2	Name of employee
3	Date(s) of payment
4	Mode of payment (cash/cheque/bank deposit)
5	Start and end dates of each salary period within the month
6	Basic salary for each salary period
7*	Allowances paid for each salary period such as:
	- All fixed allowances (e.g. transport)
	- All ad-hoc allowances (e.g. one-off uniform allowance)
8	Start and end dates of each overtime payment period within the month
9	Overtime hours worked
10	Overtime pay for each overtime payment period
11*	Any other additional payment for each salary period such as:
	- Bonuses
	- Rest day pay
	- Public holiday pay
12*	Actual deductions made for each salary period such as:
	All fixed deductions (e.g. employee's CPF contribution)
	All ad-hoc deductions (e.g. deductions for damage to or loss of goods)
13**	Net salary paid in the month
14	Employer's CPF contribution
*The detailed breakdowns for items 7, 11 and 12 should be reflected in the payslip.	
**The formula for item 13 is (6) + (7) + (10) + (11) – (12)	

For more information please visit our website at

<http://www.pwc.com/sg/en/company-administration/payroll-services.jhtml>

How PwC's Corporate Support Services can help you

We provide services in relation to:

- Calculation of monthly payroll
- Employer registration with Singapore Central Provident Fund ("CPF")
- Calculation of statutory deductions
- Payroll processing and annual reporting
- Issuance and maintenance of payslips and remuneration reports

The guide is intended as a brief overview only – please contact us for further information and advice.

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Voluntary Strike-Off Applications

In circumstances where a Singapore company has ceased its operations or has not commenced business since incorporation, it may be more cost effective to consider closure proceedings via a strike-off application vis-à-vis the costs of maintaining a dormant company.

A dormant company will still be required to prepare and file its accounts and annual return with the Accounting and Corporate Regulatory Authority ("ACRA") as part of its annual statutory requirements. Non-compliance in this respect may result in penalties being imposed by the ACRA, and court summons issued against the company and its officers.

Under Section 344 of the Singapore Companies Act, a company may apply to the ACRA to strike its name off the register provided that the following criteria are met:-

1. The company must have ceased trading or not commenced business from the date of incorporation;
2. The company must not have any outstanding tax liabilities with the Inland Revenue Authority of Singapore;
3. The company must not be indebted to any other government agency;
4. The company must not have any outstanding charges in the company's charge register;
5. The company must not be involved in any court proceedings (within or outside Singapore);
6. The directors must obtain the written consent of the majority of the shareholders;
7. The company must not have any current / contingent assets and liabilities; and
8. The accounts attached must be drawn up till the date of cessation indicated in the application (if any).

In addition, a dormant company is also required to submit a covering letter confirming the following:-

- a. that the company had no business transaction since incorporation;
- b. that the company had not opened a bank account or the bank account has been closed;
- c. that the company had not held an annual general meeting ("AGM") or the first AGM to be held within 18 months from the date of incorporation is not due.

ACRA may approve the striking-off application if it is satisfied that the company is not carrying on business and that the criteria for striking-off are met. The timeline for the entire striking-off process takes about five months to complete. Where a company is voluntarily struck-off, the company's existence may be restored subsequently if an interested party makes an application to Court within 15 years from the date of voluntary strike-off.

For more information on strike-off proceedings, estimated costs and how it compares with member's voluntary liquidation, please visit our website at <http://www.pwc.com/sg/en/company-administration/company-secretarial.jhtml> or contact us directly. We have a dedicated team of company secretarial professionals who specialise in providing advice and assistance on applications to strike-off companies.

How PwC's Corporate Support Services can help you

Our Corporate Support Services team is geared to assist our clients in managing their business from Singapore incorporation and company secretarial compliance, through to preparation of monthly and year end accounts, annual returns and payroll services.

We can assist you in meeting both internal deadlines and Singapore statutory deadlines. Some special engagements where we can assist you include undertaking health checks on a company's books and records.

The guide is intended as a brief overview only – please contact us for further information and advice.

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