

6 Sep 2023

To: DfMA Facility Operators

**Circular on Off-site Levy Scheme**

1. This circular informs operators of Design for Manufacturing & Assembly (DfMA) facility on the new Off-site Levy Scheme, previously known as Off-site Construction Special Scheme (OCSS).

2. The Government has announced during Budget 2022 that the levy for Construction Work Permit Holders (WPHs) will be revised from 1 Jan 2024 (see Table 1). By lowering the levy rates for off-site construction, the new levy structure aims to support the Built Environment sector’s transformation and adoption of more productive technologies (i.e. DfMA and automation).

Table 1: Levy tier for Construction Work Permit Holders

(i) Current Construction levy rates for WPHs under the MYE framework:

Skills level	Non-Traditional Sources (NTS) <sup>1</sup> and the People’s Republic of China (PRC)		Malaysia, North Asian Sources (NAS) <sup>1</sup>	Off-site Construction
	MYE-Waiver	MYE		
Higher-skilled (R1)	\$600	\$300	\$300	\$300
Basic-skilled (R2)	\$950	\$700	\$700	\$700

(ii) New Construction levy rates for WPHs from 1 Jan 2024:

Skills level	NTS	Malaysia, NAS, PRC	Off-site Construction
Higher-skilled (R1)	\$500	\$300	\$250
Basic-skilled (R2)	\$900	\$700	\$370

<sup>1</sup> NTS refers to India, Sri Lanka, Thailand, Bangladesh, Myanmar and Philippines. NAS refers to Hong Kong (with HKSAR passport), Macau, South Korea and Taiwan

## Eligibility of Operators for Off-site Levy Scheme

3. To support the industry transformation effort and further improve DfMA productivity, the Off-site Levy Scheme will recognise operators of DfMA facilities with higher level of automation, as defined by eligible tiers of existing accreditation scheme (see [Table 2](#)). Other types of DfMA facilities will be assessed on a case-by-case basis if they have committed to investing in DfMA facilities with higher level of automation within the next 3 years.

Table 2: Eligibility of Operators

Type of DfMA Facilities	Eligible Accreditation for Off-site Levy Scheme (from 1 Jan 2024)
<b>Integrated Construction Prefabrication Hubs (ICPHs)</b>	Precaster Accreditation Scheme (PAS) PC1A
<b>Prefab Mechanical Electrical and Plumbing (MEP) factories</b>	Manufacturer Accreditation Scheme (MAS) (Prefab MEP) Tier 2
<b>Structural Steel Fabricators</b>	Structural Steel Fabricators' Accreditation Scheme S1

4. In addition, operators are to demonstrate significant efforts to attract, retain and develop local manpower capability. Operators are required to submit a Human Capital Diagnostic Tool (HCDT) report certified by an independent assessor evidencing that they have completed the HCDT assessment.

## Application of Off-site Levy Scheme

5. Operators of DfMA facilities which possess any of the accreditation schemes listed in [Table 2](#) can apply for the Off-site Levy Scheme from 1 Oct 2023. Instructions on application and information on the Off-site Levy Scheme are made available on the following website.

<https://www1.bca.gov.sg/buildsg/buildsg-transformation-fund/off-site-levy-scheme>

6. Prospective applicants may approach their accreditation bodies to obtain more information on the accreditation schemes (see [Table 3](#)).

**Table 3: Contact Details of Accreditation Bodies**

<b>Accreditation Scheme</b>	<b>Accreditation Body</b>	<b>Contact Information</b>
Precaster Accreditation Scheme (PAS) PC1A	Singapore Concrete Institute (SCI)	POC: Edina Koh Email: <a href="mailto:scinst@scinst.org.sg">scinst@scinst.org.sg</a>
Manufacturer Accreditation Scheme (MAS) (Prefab MEP) with automation	Specialists Trade Alliance of Singapore (STAS)	POC: Ling Wen Sin Email: <a href="mailto:prefabmas@stas.org.sg">prefabmas@stas.org.sg</a>
Structural Steel Fabricators' Accreditation Scheme S1	Singapore Structural Steel Society (SSSS)	POC: Beatrice Goh Email: <a href="mailto:secretariat@ssss.org.sg">secretariat@ssss.org.sg</a>

7. Alternatively, you may send your enquiries to BCA at [www.bca.gov.sg/feedbackform/](http://www.bca.gov.sg/feedbackform/).

## **BUILDING AND CONSTRUCTION AUTHORITY**

## **FAQs ON OFF-SITE LEVY SCHEME**

**Q1. Our facility is currently participating in the Off-site Construction Special Scheme (OCSS) and we are interested and eligible for the Off-site Levy scheme. How do we proceed?**

A1. Operators of DfMA facilities which possess any of the accreditation schemes listed in Table 2 can apply for the Off-site Levy Scheme from 1 Oct 2023. These operators can refer to the following website for the application process:

<https://www1.bca.gov.sg/buildsg/buildsg-transformation-fund/off-site-levy-scheme>

**Q2. Our facility does not have a digital worker management system that provides real-time location information. Can we still qualify for the new Off-site Levy Scheme?**

A2. No. Facilities who wish to participate in the new Off-site Levy Scheme are required to have a robust digital worker management system which can provide un-editable records of the workers' attendance and view the real-time location of the worker. This is to account for worker's attendance in the approved facility in an audit trail.

**Q3. What is the appointment term under the Off-Site Levy Scheme?**

A3. The appointment of the facility operators under the Off-site Levy Scheme is valid for 3 years.

**Q4. Upon approval to participate in the Off-site Levy Scheme, how can facility operators proceed to register their workers for lower levy?**

A4. Upon approval to participate in the Off-site Levy Scheme, instructions will be given to facility operators on how to set up the Off-site levy account and register WPHs via the Work Permit Online (WPOL).

**Q5. When will the levy for off-site workers kick in after I have transferred the workers to the Off-site construction account in MOM WPOL?**

A5. Facility operators are to make new work permit application via WPOL under the Off-site levy account. The lower levy will be computed based on the Date of Issuance of the new Work Permit.

**Q6. Is there any quota for registration of off-site workers via the WPOL?**

A6. Under the Off-site Levy Scheme commencing from 1 Jan 2024, firms can hire up to the prevailing Dependency Ratio Ceiling (DRC) in the construction account registered for off-site levy. WPHs registered under the Off-site Levy Scheme are to be deployed in the DfMA facilities. The agencies will not hesitate to take actions against operators that do not comply with this requirement, which may result in immediate termination from the Off-site Levy Scheme.