

# Upskilling package reflects urgency to protect mature workers

Singapore's focus on the older age group signals an urgency to keep the workforce competitive, say observers

## KEY POINTS

- **S\$4,000 SkillsFuture Credit top-up for those aged 40 and over**
- **Subsidies to pursue a second full-time diploma**
- **Provision of allowance offsets income loss during training**

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THE government on Friday (Feb 16) announced measures to help mid-career Singaporeans gain new skills, potentially boosting prospects for a segment that observers said are most at risk of getting left behind by the evolving economy.

Industry players whom *The Business Times* spoke to pointed out rapid advancements in technology that could displace workers. Singapore's focus on the more mature age group signals an urgency to keep the workforce competitive, observers said.

Singaporeans aged 40 and above will get a S\$4,000 SkillsFuture Credit top-up in May, on top of the existing S\$500 worth of credit, Finance Minister Lawrence Wong said in his Budget speech on Friday.

While the existing S\$500 can be spent on a wide range of courses, the S\$4,000 top-up is meant for specific training programmes with more assurance of employability for participants.

More details on eligible courses will be announced at the Ministry of Education Committee of Supply. Wong said the courses will include part-time and full-time diplomas, post-diplomas, undergraduate programmes and courses for the Progressive Wage Model sectors.

Dr Kelvin Seah, an economics senior lecturer at National University of Singapore (NUS), said the programmes may span computing, data science, business and healthcare. "These are some of the programmes involving skills in high demand today," he noted.

Singaporeans aged 40 and above will also receive full government subsidies to pursue a second diploma at polytechnics, the Institute of Technical Educa-



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tion and arts institutions. This will kick in from the 2025 academic year.

From early next year, mid-career workers will get a training allowance if they undertake full-time long-form training under specified criteria. The allowance partially offsets the income loss from taking time off work.

While observers welcomed the additional support for workers, they said more can be done to improve career prospects.

"We believe that to improve employability, it is crucial to help SMEs (small and medium-sized enterprises) to be guided on how they can hire and develop talents based on skills, and not just traditional qualifications," SGTech, a tech industry trade association, said in a statement.

Ho Seong Kim, chief executive of SIM Academy at Singapore Management Institute, said: "Undergoing training programmes is a great first step towards career advancement and reskilling. However, it is not the only factor that plays a

part in an individual's success."

He added that individuals should also understand that other factors, including career expectations, ambitions and company culture, play a part.

Job candidates who have undergone upskilling may face challenges in seeking new roles as they lack practical experience, have limited networking opportunities or face misaligned expectations, said Betul Genc, senior vice-president and head of Asean at human resources group Adecco.

Noel Goh, Workforce Rewards leader at PwC Singapore, said employability outcomes need to be baked into the learning journey, to avoid any potential mismatch between skills learnt and skills in demand.

"Adult learners could be paired with a mentorship/coaching network that serves as a sounding expert panel to guide their career progression and choices. Bringing this network of mentors or coaches to life would require collaboration with people-focused, not-

for-profit sectors," he said.

To help more retrenched workers get back on their feet, the government also plans to provide temporary financial support as the jobseekers undergo training or look for better-fitting jobs.

But details will come later in the year. Finance Minister Wong said the scheme must be carefully designed to avoid the pitfalls other countries have experienced.

NUS' Dr Seah said some unemployment support systems could lower incentives for workers to find jobs, or encourage people to deliberately take a longer time to do so.

The government will have to consider many things, such as whether to implement a cap on the duration over which benefits are paid, or whether the support should be set at a flat amount for fairness or catered to individuals' unique financial needs.

"These are not easy questions to answer, and lots of details will have to be worked out," said Dr Seah.