

Legal tussle over Jobs Credit money

CKH and Bayshore Park MCST suing each other over \$13,917 payout

By GERYL ONG

IN WHAT is believed to be the first case of its kind, a legal dispute has arisen between two parties over who should pocket the money from the Jobs Credit Scheme, launched by the Government last year to keep workers employed.

Condominium manager CKH Straits Management and Bayshore Park Condominium's Management Corporation Straits Title (MCST) are suing each other over the money. Each claims to be the "true employer" of 13 site staff working at the Upper East Coast condo.

At stake is \$13,917 that CKH had received from the Inland Revenue Authority of Singapore (IRAS) during the economic downturn last year for retaining its workers.

At the opening hearing on Wednesday

at the Subordinate Courts, Bayshore Park's MCST said it is entitled to the \$13,917 from the Jobs Credit Scheme as it has been paying the salaries and Central Provident Fund (CPF) contributions of the site staff. CKH is thus a facilitator and should not have kept the Jobs Credit Scheme payment.

In CKH's defence, its managing director Chan Kok Hong said he decides on the workers' 13h-month bonuses and CPF contributions are made in his company's name. "The Jobs Credit Scheme was implemented to retain employees, not to reduce the cost of hiring employees," said Mr Chan at his cross-examination.

The dispute began when Mr Chan sued Bayshore Park for \$55,742 in unpaid management fees from April to June last year, when CKH's contract with Bayshore Park expired.

Bayshore Park counter-sued for \$83,705 and damages. The \$83,705 includes the Jobs Credit money and \$48,778 for 59 fire-rated doors it said CKH had overcharged for in 2008.

In 2007, CKH had wrongly installed doors that were not built to contain smoke and fire at stairwells leading into

the condo carparks. It agreed to absorb the \$33,650 in costs, and charged the condo \$79,237 for fire-rated doors from Good Care Building Services Contractor.

However, the MCST discovered that CKH had actually bought doors from another company with a much lower quote.

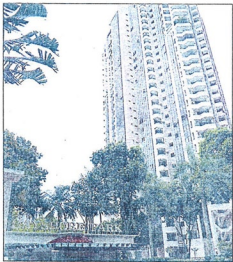
Mr Chan said the MCST had agreed on a quotation for the fire-rated doors at an annual general meeting in December 2008, before he found a lower quote at another company.

The extra cash went into settling the losses his company sustained from installing the wrong doors at the condo. CKH said it did not profit from the incident.

The Jobs Credit Scheme was introduced last year as a quarterly cash payment from IRAS for every Singaporean and permanent resident on a company's CPF payroll. The grant is 12 per cent of the first \$2,500 of a worker's pay each month, and was designed to help employers retain their staff in the downturn.

By June 30, more than \$4.3 billion had been paid to employers through the scheme.

The lawsuit is ongoing. sgj@straitstimes.com.sg



Bayshore Park condominium's MCST says it is entitled to the \$13,917 as it has been paying the salaries and CPF contributions of the site staff. The lawsuit is ongoing. ST PHOTO: KEVIN LIM