

## Rules Changing for Dependant Pass Holders Working in Singapore



**From 1 May 2021, Dependant Pass (DP) holders seeking to be employed in Singapore will need to qualify for and obtain their own work passes such as an Employment Pass, S Pass, or Work Permit.<sup>1</sup> Currently, they have the option to remain on dependant status but obtain a Letter of Consent (LOC) in order to work.**

<sup>1</sup> See [Key Facts on Letter of Consent](#) on the MOM website

### **Why This Matters**

The change comes as Singapore has imposed tougher conditions on the hiring of foreign individuals, including increased qualifying salaries, extended job posting duration, and restrictions on intra-corporate transferees.

While LOC holders are few in relation to the overall foreign employee population, there would be impact for dual-income expatriate families where a spouse is a LOC holder. This policy change can be a decision point as well for foreign individuals moving to Singapore for work, on whether to bring their spouse and children. It also has impact for certain employers, who may tap on the pool of trailing spouses for part-time or substitute roles.

## Further Details

- Existing LOCs will continue to be valid until they expire, but cannot be renewed. LOC holders will need to move to a suitable work pass, and meet the relevant requirements for salary. Importantly, for S Passes and Work Permits, the employers need to bear foreign worker levies and not breach the quota for the respective industry.
- The LOC holders impacted by the change are dependants (mostly spouses) of Employment Pass, EntrePass, or Personalised Employment Pass holders issued by the Ministry of Manpower (MOM). Dependants of Singapore citizens or permanent residents, who hold a Long-Term Visit Pass (LTVP) or Long-Term Visit Pass Plus (LTVP+) issued by the Immigration & Checkpoints Authority (ICA), will still be able to hold Pre-approved Letters of Consent (PLOC) which allow them to work.

## Background

In a speech delivered on 3 March 2021,<sup>2</sup> Manpower Minister Josephine Teo explained that the change is intended to align the requirement with other foreigners working in Singapore. She also explained that the vast majority of DP holders do not work during their stay in Singapore. DP holders who are granted an LOC comprise only 1 percent of all work pass holders.

## Exception for Business Owners

DP holders who own a business in Singapore that creates local employment will be eligible to continue holding an LOC to run their business. Likewise, DP holders who wish to start a new business can apply for an LOC.

They will need to meet the following criteria:

- Be a sole proprietor, partner, or company director with at least 30-percent shareholding in the business; and
- The business hires at least one Singapore citizen or permanent resident who earns at least the prevailing Local Qualifying Salary (currently S\$1,400) and receives Central Provident Fund (CPF) contributions for at least three months.

<sup>2</sup> See full speech on the MOM website: [0303 Speech by Minister for Manpower at MOM Committee of Supply 2021](#)

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Individuals who currently do not meet the above criteria can continue to run their business on their existing LOC until its expiry, or apply for a one-time LOC extension until 30 April 2022, when next renewing their DP. Subsequently, they are required to meet the above criteria to renew the LOC, or obtain an applicable work pass to keep working in Singapore.

The MOM will release further details on 1 May 2021.



## Our Comments

Employers will need to review their current LOC population, assess their current eligibility for work pass, and plan for the transition.

The MOM has stated that it will facilitate transitions from LOC to work pass, by providing sufficient time for employers and LOC holders who wish to do so.

In order to facilitate transition, the MOM will not be requiring employers to advertise on MyCareersFuture Singapore for existing DP LOC holders applying for an Employment Pass or S Pass. However, after 1 May 2021, companies that wish to hire new DP holders are required to submit an Employment Pass, S Pass, or Work Permit application and the prevailing criteria will apply, including the job advertisement requirement.

## How we can help

As a committed tax advisor to our clients, we welcome any opportunity to discuss the relevance of the above matters to your business.

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