



GMS Flash Alert

Immigration Edition

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Singapore - Changes to Employment Pass and S Pass Requirements

The Singapore government announced a number of changes to its two main “work pass” categories: the Employment Pass and the S Pass.

On 3 March 2020,¹ the Ministry of Manpower (“MOM”) announced that the minimum monthly qualifying salary for new Employment Passes will be raised from SGD 3,600 to SGD 3,900 from 1 May 2020. The salary criteria for older, more experienced candidates will also be raised commensurate with the foreign national’s age.

The MOM also announced that the exemption from the job advertising requirement will be raised to a monthly salary of SGD 20,000, from the current SGD 15,000 from 1 May 2020.

In the Budget 2020 speech,² the Minister for Finance announced that the government will decrease the foreign worker quota for “S Pass” work visas (mid-level skilled employees) in the construction, marine shipyard, and process sectors from 20 percent to 15 percent.

WHY THIS MATTERS

This will affect businesses and their staffing decisions in view of the continued efforts by the government to tighten the rules around foreign labour. Businesses will need to review their employees’ salaries to make sure they meet the new minimum levels, and to advertise more job positions to meet the new requirements. They should be prepared for increased costs to sponsor Employment Passes.

In addition, within the sectors affected by the S Pass quota reduction, businesses that could exceed the quota for the coming year may need to raise S Pass holders’ salaries to qualify for the Employment Pass (which is not subject to quota), or hire more locals to build quota. While Employment Passes are not counted towards the S Pass quota, employers should also review their Employment Pass population for anyone who could be at risk of being downgraded to S Pass in the next renewal.

Employment Pass

To help moderate the impact of the new EP qualifying salary from 1 May 2020, the new salary criteria for renewal applications will only kick in from 1 May 2021.

Employers are encouraged to use MOM's Employment/ S Pass [Self-Assessment Tool \(SAT\)](#) to check if employees are able to qualify for Employment Pass before submitting any EP applications.

S Pass

The change will be done in two stages:

Current S Pass Quota	S Pass Quota from 1 January 2021	S Pass Quota from 1 January 2023
20%	18%	15%

The quota reduction will only apply to the S Pass category. The overall foreign worker quota applicable to S Passes and work permits is unchanged for these three sectors. This means that businesses in these sectors can hire more work permit holders (semi-skilled and unskilled workers), as only the quota for S Pass is reduced.

The process sector includes plants in the manufacturing of petroleum, petrochemicals, specialty chemicals, and pharmaceutical products.

Businesses that are prepared to undertake transformation projects within the new quotas can leverage the relevant assistance under the Lean Enterprise Development (LED) scheme.³

KPMG NOTE

The changes are consistent with the Singapore government's direction of reducing reliance on foreign nationals for low-to mid-skilled jobs, while encouraging highly-skilled, highly-qualified foreign talent. Towards this end, qualifying salaries and quotas will continue to be reviewed and adjusted regularly.

FOOTNOTES:

- 1 See Speech by Minister for Manpower Mrs. Josephine Teo at MOM Committee of Supply 2020, click [here](#).
- 2 See the FY 2020 Budget Statement on Singapore Ministry of Finance website, click [here](#).
- 3 See the Lean Enterprise Development (LED) Scheme, click [here](#).

[SGD 1 = CNY 4.9 | SGD 1 = USD 0.69 | SGD 1 = AUD 1.19 | SGD 1 = EUR 0.644 | SGD 1 = GBP 0.592]

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