

Mobility: Immigration alert

September 2020

Singapore

Foreign Manpower Policy updates

Executive summary

Due to the impact of the COVID-19 pandemic on the domestic economic climate, the Ministry of Manpower (MOM) has announced the tightening of work pass requirements. These requirements form part of the Government's comprehensive package of measures to retain and expand local employment and to help local jobseekers secure meaningful work.

Notably, the MOM has raised the minimum qualifying salary for Employment Pass (EP) and S Pass applications, introducing an increased salary requirement for the financial services sector. The change also includes the expansion of the Fair Consideration Framework (FCF) job advertising requirements to S Pass applications and increasing the required advertising duration.

Raised minimum qualifying salary for EP and S Pass

In an unprecedented move by the MOM, minimum qualifying salaries for both the EP and S Pass categories have been revised upwards for a second time this year. This is also the first time the MOM has set a different qualifying salary requirement for a specific sector, i.e., the financial services industry.

With the announced changes, the new criteria will be as follows:

	Minimum qualifying salary		Effective date	
	Current	New	New Applications	Renewal
EP (General)	SGD3,900	SGD4,500	1 September 2020	1 May 2021
EP (Financial services)	SGD3,900	SGD4,500	1 September 2020	
		SGD5,000	1 December 2020	
S Pass	SGD2,400	SGD2,500	1 October 2020	

The qualifying salaries for older and more experienced candidates will be higher. EP candidates in their 40s will be expected to meet approximately double the minimum qualifying salary for the youngest applicants.

The new salary criteria will apply to renewal applications from 1 May 2021.

FCF job advertising requirements extended

Since FCF began in 2014, employers have had to advertise job vacancies on the designated jobs bank, i.e., MyCareersFuture.sg, to make the positions available to local jobseekers and fairly consider all applicants for the positions posted.

Effective from 1 October 2020, the job advertising requirement will be extended to S Pass applications. This is to encourage fair hiring practices and promote greater awareness of vacancies in mid-skilled jobs for local jobseekers amidst the COVID-19 crisis. On the same note, employers are expected to make greater efforts to consider local candidates.

Notwithstanding the above changes, S Pass applications will continue to be subject to quota requirements and monthly levy payments. Reductions in the S Pass sub-Dependency Ratio Ceiling (sub-DRC) will also proceed as planned.

At the same time, the minimum job advertising duration will be doubled from 14 to 28 calendar days for applications submitted from 1 October 2020. This is part of the MOM's

effort to give local jobseekers more time to respond to the openings and for employers to evaluate their applications carefully.

Both EP and S Pass applications submitted from 1 October 2020 will be subject to a 28-day job advertisement requirement on MyCareersFuture.sg.

Exemptions to the mandatory job advertisement requirement remain unchanged.

Impact to employers

- ▶ With the more stringent salary requirements, foreign employees who are unable to meet the new EP criteria may be eligible for an S Pass, subject to the applicable quota, insurance and monthly levy for S Pass holders. In addition, employers must post the position on MyCareersFuture.sg for a minimum of 28 calendar days. As such, more time should be allowed for the hiring process to be completed in accordance with the FCF requirement.
- ▶ Employers should review the projected salaries of existing work pass holders to avoid any unexpected rejection at the point of renewal from 1 May 2021 onwards.
- ▶ With the MOM stepping up on their efforts to deter discriminatory hiring, employers are once again reminded to practice fair hiring and consider all applicants equally. Due consideration should be given to local job applicants. Employers must also ensure that proper documentation on the recruitment process is kept. Employers should take this opportunity to review their manpower and mobility strategies to ensure that they remain relevant and sustainable considering the current climate.

Next steps

If you have any questions or would like to discuss this alert further, please get in contact with one of our EY immigration specialists below.

Panneer Selvam

Tel: +65 6309 8483

Email: panneer.selvam@sg.ey.com

Lily Cheang

Tel: +65 6309 8670

Email: lily.cheang@sg.ey.com

Tina Leong

Tel: +65 6309 6617

Email: tina.leong@sg.ey.com

Angelina Liew

Tel: +65 6309 8257

Email: angelina.liew@sg.ey.com

About EY

EY is a global leader in assurance, tax, strategy, transaction and consulting services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation are available via ey.com/privacy. For more information about our organization, please visit ey.com.

Ernst & Young LLP is a client-serving member firm of Ernst & Young Global Limited operating in the US.

© 2020 Ernst & Young LLP.

All Rights Reserved.

EYG no. 006344-20GbI

2005-3488310

ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, legal or other professional advice. Please refer to your advisors for specific advice.

ey.com