

GMS Flash Alert

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Singapore – Qualifying Salary for Employment Pass Applicants Increased Starting 2017

Singapore's Ministry of Manpower (MOM) announced on 26 July 2016, that the qualifying salary for Employment Pass (EP) applications will be raised from S\$3,300 to S\$3,600 per month with effect from 1 January 2017.¹

WHY THIS MATTERS

Foreign national employees working in Singapore under an EP, effective 1 January 2017, will need to be paid a minimum salary of S\$3,600 per month. Employers will need to take note of the new salary criteria effective from 1 January 2017 and the transition period for implementation of the new qualifying minimum salary and plan accordingly for their manpower needs.

Failure to meet the new minimum salary threshold could mean that the EP application or renewal of an existing EP will not be possible.

Background

The current qualifying salary for EP applications is S\$3,300 per month. The previous qualifying minimum salary update for EP was in January 2014 when it was raised from S\$3,000 to S\$3,300 per month.¹ [S\$1 = US\$0.737 | S\$1 = £0.553 | S\$1 = A\$0.975 | S\$1 = €0.656]

Keeping Pace with Rising Local Wages and Maintaining Quality of Foreign Work-force

The change is part of the MOM's regular update to the EP qualifying salary to maintain parity with increasing local wages. It also serves to raise the overall quality of the foreign work-force to better complement the local work-force.

Changes Take Effect from 1 January 2017

From 1 January 2017, EP applicants will need to earn a minimum salary of S\$3,600 per month in addition to meeting the other existing criteria on qualifications and work experience. Applicants with more experience are also expected to command higher salaries commensurate with their experience and skill sets as per current requirements.

To give employers time to adjust to the new criteria, the MOM will allow lead time as follows:

For existing EP holders whose passes expire:

a) before 1 January 2017: EP holders will be able to renew, for a duration of up to three years, based on existing EP criteria;

b) between 1 January 2017 and 30 June 2017 (both dates inclusive): EP holders will be able to renew, for a duration of one year, based on existing EP criteria;

c) 1 July 2017 onwards: EP holders will have to meet the new criteria for renewal, for a duration of up to three years.

KPMG NOTE

- Employers are encouraged to use MOM's Self- Assessment Tool (SAT) on its Web site to assess if their potential EP candidates meet the new salary criteria. The SAT will be updated for the new criteria by November 2016.
 - Employers should review their current EP holders' expiry dates and their future manpower needs to help ensure the new salary criteria will not pose any disruptions to their business.
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FOOTNOTE

- 1 For further information, see the MOM's press release "[Update to Employment Pass Salary Criteria](#)" of 26 July 2016.

RELATED RESOURCE

This article is excerpted with permission from "[Singapore Increases Qualifying Salary for Employment Pass Applications Effective 1 January 2017](#)," in Immigration Alert (Issue 01, August 2016), a publication of the KPMG International member firm in Singapore.

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or one of the following professionals with the KPMG International member firm in the Singapore:



BJ Ooi
Head of Global Mobility Services
Tel. +65 6213 2657
boonjinooi@kpmg.com.sg



Dennis McEvoy
Partner, Global Mobility Services
Tel. +65 6213 2645
dennismcevoy@kpmg.com.sg

Daniel Seow
Manager, Global Mobility Services
Tel. +65 6213 3388
dseow@kpmg.com.sg

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