



# GMS Flash Alert

## Immigration Edition

2018-059 | April 5, 2018



# Singapore – More Employers Must Advertise on Jobs Bank, Higher S Pass Qualifying Salary

Singapore's Ministry of Manpower ("MOM"), on 5 March 2018, widened the net for employers who will need to advertise on the Jobs Bank before they can submit an Employment Pass application.<sup>1</sup> In addition, the minimum qualifying salary for the "S Pass" work visa for mid-level skilled staff will be increased progressively over the next two years. These measures align with the ministry's objective of ensuring the local workforce continues to be fairly considered for job opportunities.

The new application questions signify that the MOM is taking further concrete steps to implement its existing guidelines on fair hiring practices and consideration for Singapore citizens and permanent residents.

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## WHY THIS MATTERS

More employers will be required to advertise vacancies on the Jobs Bank for at least 14 days before they can submit an Employment Pass application. This can pose an inconvenience for employers who may be looking to fill a key position quickly, but first must go through the Jobs Bank advertising procedure. Additionally, employers applying for a new S Pass need to establish that they meet the minimum salary requirement when the new thresholds kick in. The minimum qualifying salary increase could mean higher employment costs for some employers.

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## Background

With the introduction of the Fair Consideration Framework<sup>2</sup> ("FCF") in 2013, the MOM has placed greater onus on employers to make sure the local workforce (Singapore citizens and Permanent Residents) are considered fairly for job opportunities. Under the FCF, employers are currently required to advertise on the Jobs Bank for at least 14 days. Exemptions are however granted where the company does not have more than 25 employees or the job pays a monthly salary of at least \$12,000. (All dollar figures expressed are Singapore dollars.) [S\$1 = €0.62 | S\$1 = US\$0.76 | S\$1 = £0.54 | S\$1 = A\$0.988]

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For S Pass applications, the current qualifying monthly salary is \$2,200.

## **FCF Changes to Take Effect from 1 July 2018**

So that locals are receiving fair consideration and in keeping up with rising incomes, employers applying for an Employment Pass will be required to advertise on the Jobs Bank unless the company does not have more than 10 employees or the job pays a monthly salary of at least \$15,000. The new criteria applies to new Employment Pass applications lodged from 1 July 2018. Where there is a change in employer (for example, transfer to a related Singapore entity) and the MOM requires a new Employment Pass application, the new criteria would apply.

Even where the employer is exempt, the ministry strongly encourages all employers to advertise on the Jobs Bank.

## **Changes to S Pass to Take Effect in Two Stages Starting from 1 January 2019**

a) New S Pass applicants will need to earn a minimum salary of \$2,300 per month from 1 January 2019.

b) New S Pass applicants will need to earn a minimum salary of \$2,400 per month from 1 January 2020.

The ministry has announced transitional measures as noted below.

For existing S Pass holders whose passes expire:

- before 1 January 2019: S Pass holders will be able to renew based on the existing criteria of \$2,200.
- between 1 January 2019 and 30 June 2019 (both dates inclusive): S Pass holders will be able to renew, for a period of up to one year, based on the existing S Pass criteria of \$2,200.
- before 1 January 2020: S Pass holders will be able to renew based on the new criteria of \$2,300.
- between 1 January 2020 and 30 June 2020 (both dates inclusive): S Pass holders will be able to renew, for a period of up to one year, based on the new S Pass criteria of \$2,300.
- from 1 July 2020 onwards: S Pass holders will need to meet the new criteria of \$2,400.

Employers are encouraged to use the ministry's Self-Assessment Tool on its website to assess if their potential S Pass candidates meet the new salary criteria.

## **Triple Weak Employers and the Watch-List**

The MOM has again highlighted that errant employers who were assessed as "Triple Weak"<sup>3</sup> have been placed on the government's watch-list. Once on the watch-list, work pass applications are subject to greater scrutiny and processing time may take up to three months. Five hundred (500) companies had been placed on the watch-list, but 150 companies have been removed after improving their hiring practices. Those remaining on the watch-list have not shown improvement and have had their work pass privileges curtailed.

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## KPMG NOTE: What Actions Do Employers Need to Consider Taking?

Employers need to take steps to:

- foster their own robust recruitment processes from interview to hire in place for each job vacancy and make sure that locals are given a fair opportunity;
  - track applicants at each stage of the recruitment process and keep proper documentation (i.e., number of Singaporeans, Permanent Residents, and foreigners interviewed, reasons why a Singapore candidate could not fill the position, etc. (this applies to both recruitments via the Jobs Bank or other platforms));
  - review manpower needs and roles which may potentially require a foreigner to fill in light of the upcoming changes to the FCF;
  - be able to demonstrate that Singapore citizens and permanent resident candidates have been fairly considered for the position;
  - review S Pass holders eligible for renewal and lodge the renewal applications before the changes take place and are assessed based on the new criteria;
  - establish that their new S Pass applicants are aware of the revised qualifying salary criteria prior to accepting an employment offer or assignment to Singapore;
  - plan in advance to meet business hiring needs and allow for longer recruitment and Employment Pass application processing time;
  - have the information readily available to address the new questions on recruitment processes and applicants for the Employment Pass application.
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## FOOTNOTES:

1 See March 5, 2018 [Speech by Mr Lim Swee Say, Minister for Manpower, at Committee of Supply 2018](#).

2 For further information, please refer to the earlier *Immigration Alert* issues dated 2 October 2013 and 7 August 2015, respectively: "[Singapore – Implementation of New Hiring and Employment Pass Application Rules Announced](#)" and "[Singapore – Hiring of Foreigners Gets Scrutiny, Better Opportunities for Singaporeans](#)."

3 For more details on the Triple Weak concept, please refer to our *Tax Alert* Issue 17, May 2016, on "[Further Refinements to the Work Pass Application Process to Strengthen the Global Competitiveness of the Singapore Workforce](#)." *Tax Alert* and *Immigration Alert* are publications of the KPMG International member firm in Singapore.

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