



# GMS Flash Alert

## Immigration Edition

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# Singapore – Significant Updates on Work Pass Salary, Job Advertising Requirements

On 27 August 2020, Singapore’s Ministry of Manpower (MOM) announced several updates to the work pass framework which will raise qualifying salaries for the Employment Pass (EP) and S Pass categories, extend the job advertising requirement to S Pass applications, and double the minimum period for posting job advertisements on MyCareersFuture.sg.<sup>1</sup>

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## WHY THIS MATTERS

The MOM periodically updates its salary criteria for work passes. However, the new changes are primarily in response to severe economic contraction and higher unemployment due to COVID-19. The measures are intended to complement government support programmes<sup>2</sup> aimed at helping businesses retain or expand employment for Singaporeans and Permanent Residents.

Extending the Fair Consideration Framework (FCF) job advertising requirement to S Pass applications, and doubling the minimum duration for job posting from 14 days to 28 days, are intended to focus employers’ efforts to consider local applicants first, and give local job-seekers more time to respond to job advertisements. The longer job advertising duration would provide employers with more time to access a wider pool of local job applicants for fair consideration of hiring locals. Documentation should be maintained to substantiate fair consideration of local job applicants.

## Summary of Changes

	Change	Current	New
1	Higher minimum monthly salary for EP holders <sup>3</sup>	\$3,900	From 1 September 2020, will increase to \$4,500* for new applicants  From 1 May 2021, will apply to renewals
2	Higher minimum monthly salary for EP holders in financial services	\$3,900	From 1 September 2020, as with all other sectors, will increase to \$4,500* for new applicants  However, from 1 December 2020, will be raised further to \$5,000* for new applicants  From 1 May 2021, will apply to renewals
3	Higher minimum monthly salary for S Pass holders <sup>4</sup>	\$2,400	From 1 October 2020, will increase to \$2,500* for new applicants  From 1 May 2021, will apply to renewals  There will be no changes to S Pass foreign worker levy and quota in this round of adjustments
4	Job posting requirement extended to S Pass	S Pass applications are exempt from job posting	From 1 October 2020, job posting will be required
5	Longer job posting duration	Job must be posted for at least 14 days if it will be used to support an EP application	From 1 October 2020, job must be posted for at least 28 days if it will be used to support an EP or S Pass application

\* Minimum salaries for older and more experienced EP candidates in their 40s will be raised correspondingly, and will remain around double the minimum qualifying salary for the youngest applicants.

(All dollar figures expressed are Singapore dollars.)

Source: KPMG International member firm in Singapore

[S\$1 = US\$0.73 | S\$1 = €0.619 | S\$1 = A\$1.01 | S\$1 = CNY 4.998]

The MOM also emphasised that in evaluating EP and S Pass applications, it considers whether employers have:

- kept up support of local professionals, managers, executives, and technicians (PMETs) in their employment;
- been responsive to government efforts to help them recruit and train more Singaporean PMETs; and
- discriminated against qualified Singaporeans.

## Enforcement

The MOM continues to step up enforcement of the FCF to rein in discriminatory hiring and accord due consideration to Singapore citizen and Permanent Resident candidates regardless of their age, gender, and ethnicity. Errant employers will have their work pass sponsorship privileges suspended or revoked, and may also face prosecution.

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## KPMG NOTE

### Timeframe

Whereas in the past, increases to work pass minimum salary criteria were implemented over one to two years to allow employers to adjust, the MOM is implementing these new changes more quickly. While this gives employers a shorter lead time, it also underpins the Singapore government's intention to keep the EP and S Pass criteria responsive and current to the business and economic impacts brought about by COVID-19.

### Fair Hiring Involving Singapore Citizens and Permanent Residents

What is noteworthy is that this is the first time that the MOM set higher qualifying salaries for a specific sector. The MOM is calling on employers in financial services to foster the fair hiring of Singapore citizens and Permanent Residents and the Monetary Authority of Singapore supports the position encouraging financial institutions in developing a strong pipeline for local talent.

### Next Steps: Salary Review

Employers sponsoring foreign nationals for EPs and S Passes will need to review the salaries of these employees in order to help ensure they meet the new criteria.

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## FOOTNOTES:

- 1 The Ministry of Manpower (MOM) official announcement "Tightening of Work Pass Requirements," is available [here](#).
- 2 Government support programmes include the Jobs Support Scheme and the Jobs Growth Incentive. For more information, click [here](#).
- 3 This is the second increase in qualifying salary for EP holders this year. In May 2020, it was raised from \$3,600 to \$3,900. (For prior coverage, see GMS [Flash Alert 2020-092](#), 21 March 2020.)
- 4 The S Pass qualifying salary was raised on 1 January 2019 from \$2,200 to \$2,300. It was again raised on 1 January 2020 from \$2,300 to \$2,400.

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### You Are Invited to a Webcast on 10 September!

On 10 September 2020, from 2:00 p.m. – 3:00 p.m. EDT (UTC -4) KPMG will hold a webcast on '*Applying a "work anywhere" culture for your organization: Navigating through international and domestic issues*'. GMS professionals – Robert Smith and Kshipra Thareja – together with Prisco Morelos from eBay and Pam Dunleavy from Aires Relocation, will discuss the challenges of a work anywhere culture. Please [register to join us](#).

## 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 Singapore:



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*\* Please note that KPMG LLP (U.S.) does not offer immigration services or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

**The information contained in this newsletter was submitted by the KPMG International member firm in Singapore.**

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