

GMS Flash Alert

Immigration

2024-059 | March 15, 2024

Singapore – Salary Hikes for Employment Passes in 2025 Announced

On 4 March 2024, Singapore’s Ministry of Manpower (MOM) announced that it will implement a further increase in minimum qualifying salaries for Employment Passes (EP).¹

From 1 January 2025, the minimum monthly qualifying salary for new EP applications (for all sectors except financial services) will increase to S\$5,600, up from the current S\$5,000. For new EP candidates in the financial services sector, the minimum qualifying salary will increase to S\$6,200, up from S\$5,500.

The above minimum monthly qualifying salary will apply to EP renewals from 1 January 2026.

The MOM declared that there will be no adjustment to the S Pass qualifying salary and levy in 2024. The increases for S Pass salary and levy continue to follow the incremental increases announced in the Singapore Budget of 2022, as reported in our [GMS Flash Alert of March 2022](#).

WHY THIS MATTERS

COMPASS salary criteria are regularly updated to reflect the latest conditions in the local job market. While the changes will not impact the majority of EP holders whose salaries are well above the newly-announced minimums, benchmarking to prevailing wage norms aids in getting suitable local candidates to be considered before hiring foreign nationals. This is consistent with the Singapore government’s policy to promote complementarity in local and foreign talent resourcing.

Context

This marks the first time that EP qualifying salaries were raised after the launch of the Complementarity Assessment Framework (COMPASS), Singapore's points-based EP eligibility framework. EP minimum salaries for new applicants were last raised in September 2022. S Pass minimum salaries were also raised at the time.

EP minimum salaries are benchmarked to the top one-third of salaries for Singaporean professionals and increase progressively with age. In addition to passing the minimum salary threshold, COMPASS has one more salary criterion – for EP candidates to earn points, they need to meet or exceed the 65th percentile of salaries of Singaporean professionals in their industry or sector. The COMPASS salary criterion is due for an update end-March 2024, which will take effect from September 2024.

KPMG INSIGHTS

The early announcement should help employers to plan through to January 2025 on how to appropriately manage any impacts for hiring and on their existing work-pass population.

Employers are reminded that several COMPASS-related updates will be implemented in 2024:

- In March 2024, MOM will release updates for: salary benchmarks by age and industry, the top-tier list of educational institutions in its qualifications criterion, and the skills bonus / shortage occupation list. These updates will take effect from 1 September 2024.
- COMPASS assessments and verification of academic degrees will extend to renewals for EPs expiring from 1 September 2024.

Employers are encouraged to consult with their usual immigration counsel or adviser or a member of the KPMG Singapore Immigration team (see the Contacts section) for their COMPASS and other Singapore immigration needs.

FOOTNOTE:

1 See the 4 March 2024 press release on the Ministry of Manpower website:

<https://www.mom.gov.sg/newsroom/press-releases/2024/cos-foreign-workforce-policy-factsheet> .

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S\$1 = €0.687
S\$1 = US\$0.747
S\$1 = £0.587
S\$1 = A\$1.14
S\$1 = ₹62.01

Source: www.xe.com

Contact us

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