



GES Newsflash

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Greetings from your Tax & Legal team at Deloitte Singapore. We are pleased to update you on the following:

Singapore—Increase in S Pass qualifying salary to take effect 1 January 2019

Qualifying salary requirements for S Pass holders will increase from S\$2,200 to S\$2,300 (from about US\$1,606 to US\$1,679) in January.

Foreign nationals who are employed locally in Singapore and who require an S Pass to work in-country are now expected to meet a minimum monthly salary of S\$2,300 in order to apply; an increase of S\$100 from the previously set salary requirement.

- **Implementation time frame:** Increases to the minimum salary for new S pass applications will take effect from 1 January 2019; For S Pass renewals, the new minimum salary will take effect for S passes expiring from 1 July 2019.
- **Visas/permits affected:** S Passes (new and renewal applications).
- **Who is affected:** Employers sponsoring an S Pass, employees applying for an S Pass, existing S Pass holders for renewal.
- **Business impact:** Businesses may see an increase in labor costs and tighter criteria to assess S Pass eligibility, which may also result in downgrades if the company is eligible to sponsor work permits.
- **Next steps:** Applicants for new and renewal S Passes must meet the new salary levels.

Background

The 2019 increase is part of a two-phase transition, announced by the Ministry of Manpower Committee of Supply in 2017, which will result in an S\$2,400 qualifying salary requirement for S Pass holders by 2020. To facilitate a smooth transition, employees with passes that expire between 1 January 2019 and 30 June 2019 are able to renew their passes for up to one year, based on the pre-2019 salary requirement. By implementing the increase in phases, Singapore plans to improve the quality of foreign labor in the country while helping employers retain their current employees.

Deloitte Singapore's view

Employers and individuals should factor in the changes when planning assignments. Companies may need to review and make necessary adjustments to current employees' salaries to ensure that they are able to retain their S Passes.

Contacts

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