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Singapore | Global Employer Services (GES) | 12 March 2020



# GES Newsflash Proactive perspective—It's what's needed most.

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

# Minimum Employment Pass salary to be increased and requirements for advertising jobs expanded

Singapore soon will increase the monthly minimum salary for Employment Pass holders from \$\$3,600 to \$\$3,900, while older and more experienced candidates are expected to be paid at a higher rate commensurate with their skills and experience. The Ministry of Manpower also is focusing on the tightening of the Fair Consideration Framework and will increase the salary threshold for the advertising of Employment Pass roles to \$\$20,000.

- Implementation time frame: The changes will apply as from 1 May 2020. The new minimum salary thresholds initially will apply only to first-time applicants but will apply to renewals as from 1 May 2021.
- Visas/permits affected: Employment Passes.
- Who is affected: Companies sponsoring foreign workers on Employment Passes.

 Next steps: Employers should update their policies and budget for the higher salaries as necessary.

**Additional information:** The increase to the Employment Pass salary minimum will be the first such increase since 2017, when the minimum was increased from \$\$3,300 per month to the current \$\$3,600.

Officials also announced that as from 1 May 2020, all jobs paying up to \$\$20,000 per month must be advertised on the <u>MyCareersFuture.sg</u> jobs portal for at least 14 days before an Employment Pass application can be submitted. Currently, only jobs paying up to \$\$15,000 per month must be advertised.

The "local qualifying salary" (the minimum salary a local employee must earn to count towards a firm's quota for hiring foreigners on work permits and S Passes), will be raised from S\$1,300 to S\$ 1,400 as from 1 July 2020.

#### **Deloitte Singapore's view**

Employers should update their policies and budget for the higher salaries as necessary. Employers also should note that new advertising requirements apply as from 1 May 2020, and that all jobs paying up to S\$20,000 per month must be advertised locally before they can be opened up to foreign employees.

### Contacts

Should you have any comments or questions arising from this newsletter, please contact either the listed contacts below, or any member of the Singapore Tax & Legal team.

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