



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:

Reminder: S Pass qualifying salaries set to increase

Employers are reminded that qualifying salary requirements for new S Pass applicants will increase from S\$2,300 to S\$2,400 (from about US\$1,689 to US\$1,763) on 1 January 2020.

- **Implementation time frame:** The new salary minimum will take effect for new S Pass applicants on 1 January 2020; it will take effect for renewal applicants on 1 July 2020.
- **Visas/permits affected:** S Passes (new and renewal applications).
- **Who is affected:** Employers sponsoring an S Pass employee.
- **Next steps:** Businesses may see an increase in labor costs because of the new salary threshold.

The 1 January 2020 increase is the second part of a two-step wage hike after the Singapore Ministry of Manpower increased the qualifying salary to S\$2,300 on 1 January 2019. Fixed monthly allowances (if it is paid directly to the employee and is reflected on their payslip) can be included when calculating an employee's salary. Employees must be paid according to their experience, and experienced employees will likely need

to be paid above the salary minimum in order to qualify for an S Pass.

Deloitte Singapore's view

The 1 January 2020 qualifying salary will mark a 4.3% increase over this year's level and a 9.1% increase over the 2018 level. Employers should factor the new salary requirements into their planning.

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