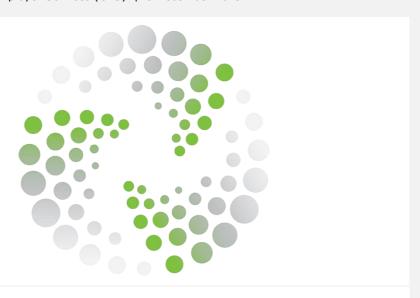
Singapore | Global Employer Services (GES) | 3 December 2019



# **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.

# **Contacts**

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

# **Global Employer Services**

## Jill Lim

Southeast Asia GES Leader Deloitte Singapore

+65 6530 5519 jilim@deloitte.com

## **Christina Karl**

GES Partner Deloitte Singapore

+65 6800 3997 ckarl@deloitte.com

## Lisa Alton

GES Partner Deloitte Singapore

+65 6800 2880 lialton@deloitte.com

## Sabrina Sia

Singapore GES Leader Deloitte Singapore

+65 6216 3186 ssia@deloitte.com

## **Dion Thai**

GES Partner, Vietnam Tax Desk Leader Deloitte Singapore

+65 6800 3986 dthai@deloitte.com

## **Michele Chao**

GES Partner Deloitte Singapore

+65 6216 3387 micchao@deloitte.com

## **Legal services**

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under English and local law
across Southeast Asia.

<u>Singapore Law Practice</u> Sabara Law LLC focuses on Singapore Law matters.

## **Rashed Idrees**

Managing Director Deloitte Legal International Pte. Ltd. +65 6800 2775 ridrees@deloittelegal.com.sg

## **Yeoh Lian Chuan**

Managing Director Sabara Law LLC

+65 6800 2253 lcyeoh@sabaralaw.com.sq

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