

Client Alert

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Update from the Ministry of Manpower ("MOM") on Employment Pass Salary Criteria (Effective from 1 January 2017)

On 26 July 2016, the Ministry of Manpower ("MOM") put out a press release stating that the qualifying salary for Employment Pass ("EP") applications will be raised from S\$3,300 to S\$3,600.

With effect from 1 January 2017, only new EP applicants who can command a monthly salary of S\$3,600 or more, subject to meeting other criteria on qualifications and experience, will be considered. The MOM also reiterated that those with a greater duration of years of experience are also required to command higher salaries commensurate with their work experience and skill sets.

The revised salary criteria will apply with respect to new EP applications submitted from 1 January 2017 onwards. The MOM will provide lead time for employers to make adjustments for existing EP holders. Existing EP holders whose passes expire:

- Before 1 January 2017: Can be renewed based on existing EP criteria, for a duration of up to three years.
- Between 1 January 2017 and 30 June 2017 (both dates inclusive): Can be renewed based on the existing EP criteria, for a duration of one year.
- 1 July 2017 onwards: Can be renewed based on the new EP criteria, for a duration of up to three years.

Employers are encouraged to use the Self-Assessment Tool ("SAT") on the MOM website to assess if their EP candidates will meet the new salary criteria. The SAT will be updated by November 2016.

The EntrePass, Personalized Employment Pass, Long Term Visit Pass and Dependant's Pass privileges are assessed on separate sets of criteria and the revision to the EP salary criteria will not affect these application or renewal of these passes.

Conclusion

The Singapore Government has recently taken tougher measures to tighten its immigration policy. These measures include but are not limited to the Fair Consideration Framework ("FCF"), 'Triple Weak' Scrutiny, and placing employers on the "Fair Consideration Watchlist" to name a few. The revision to the EP salary criteria is also in line with the MOM's manpower policy framework to keep business in Singapore competitive and constantly growing, ultimately creating more and better jobs in Singapore.

In summary, these measures are implemented to ensure that only qualified foreigners whose presence in Singapore would be beneficial to the economy are granted authorization to work in Singapore, and to build a stronger Singaporean core. Employers must keep themselves up to date with these changes to adjust their manpower policy accordingly.