

Mobility: immigration alert

March 2018

Singapore

Expansion of the Fair Consideration Framework regime and increment of S Pass salary criteria

Executive summary

The Ministry of Manpower (MOM) has announced the following changes in foreign workforce policy, to provide local Professionals, Managers, Executives and Technicians (PMETs) with better employment opportunities and improve the quality of the foreign workforce.

- ▶ Extension of the Fair Consideration Framework (FCF) advertising requirement to include companies with 10 or more employees, for job positions with a fixed monthly salary of less than S\$15,000.
- ▶ Staggered increase of the S Pass monthly qualifying salary from the current S\$2,200 to S\$2,400

Expansion of the Fair Consideration Framework (FCF) regime

Currently, companies with 25 or fewer employees and positions with fixed monthly salary of S\$12,000 or more are exempted from the FCF advertising requirement of 14 days on the national Jobs Bank.

Effective from 1 July 2018, the MOM will extend the FCF job advertising requirement to include companies with just 10 or more employees and for job positions with a fixed monthly salary of less than S\$15,000.

Increment of S Pass salary criteria

The announced changes to the S Pass qualifying salary criteria will be implemented in two stages. This is consistent with the government's effort to boost the quality of foreign manpower and to ensure that the requirement keeps pace with rising local wages.

Currently, the minimum qualifying salary for an S Pass is S\$2,200 per month. Applicants with more experience are required to command high salaries commensurate with their work experience and skill sets.

Stage 1: From 1 January 2019

S Pass minimum monthly qualifying salary will be increased to S\$2,300 from the existing S\$2,200.

Stage 2: From 1 January 2020

S Pass minimum monthly qualifying salary will be increased to S\$2,400.

Renewal criteria

S Passes that expire before each stage of increase will be allowed to be renewed based on the prevailing criteria.

Passes that expire between 1 January and 30 June after each increase can be renewed for up to one year based on existing criteria.

Passes that expire from 1 July in the year of the hike will be required to meet the new renewal criteria.

Impact to employers

The key impacts to employers as a result of these announced changes include the following:

- ▶ Employers should review their employment process and policy to ensure that they have adopted fair hiring practices in compliance with the Tripartite Guidelines on Fair Employment Practices in line with the announced changes.
- ▶ Employers should allocate sufficient time to the recruitment process to take into account the extended FCF requirement for job positions not exempted from the advertising requirement.
- ▶ Employers should ensure that new S Pass applicants are able to meet the revised minimum monthly salary requirement.
- ▶ Employers should review the salaries for their S Pass holders and ensure that the projected salaries will be sufficient for the renewal of existing S Pass employees.

If you have any questions regarding the changes, please do not hesitate to contact your local EY advisor or one of the EY contacts below.

Grahame Wright

Tel: +65 6309 8701

Email: grahame.k.wright@sg.ey.com

Lily Cheang

Tel: +65 6309 8670

Email: lily.cheang@sg.ey.com

Tina Leong

Tel: +65 6309 6617

Email: tina.leong@sg.ey.com

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