

# Singapore's Ministry of Manpower Revises Rules on Hiring Foreign Employees

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- *On March 3, 2020, Singapore's Ministry of Manpower announced new rules on the hiring of foreign employees. These were enacted May 1, 2020.*
- *Under the new rules, the government has increased the minimum qualifying salary from S\$3,600 (US\$2,500) to S\$3,900 (US\$2,700) for new applicants of the Employment Pass (EP).*
- *Further, job positions with a monthly salary of up to S\$20,000 (US\$14,100) must now be advertised on the MyCareersFuture.sg website.*
- *The government hopes these initiatives will encourage Singaporean businesses to hire more local mid-career and senior Singaporeans in the post-pandemic economy.*

On March 3, 2020, the Ministry of Manpower of Singapore announced [new measures](#) aimed at supporting employers to hire more mid-career and senior Singaporeans in the post-pandemic economy. As a result, these measures will impact the qualifying criteria to employ foreign workers in the country. These new rules were enacted May 1, 2020.

The government has been implementing new initiatives to prevent large-scale job losses, especially for those earning lower salaries. This is why up to 60 percent of its second ([Resilience Budget](#)) and third ([Solidarity Budget](#)) COVID-19 stimulus packages were dedicated to the Jobs Support Scheme (JSS).

Under this scheme, the government will cover 75 percent on the first S\$4,600 (US\$3,223) of monthly salaries for each local employee until May 2020. This also includes the directors and shareholders of a company.

Investors should seek the advice of qualified [HR consultants](#) to better understand how these changes can affect their business operations.

### **New rules on hiring foreign employees**

The government, from May 1, 2020, has increased the minimum qualifying salary from S\$3,600 (US\$2,500) to S\$3,900 (US\$2,700) for new applicants of the [Employment Pass](#) (EP). For current EP holders seeking renewal, the revised salary criteria will apply from May 1, 2021.

EPs are issued to foreign expatriates employed as executives, managers, and skilled professionals, for an initial two years which can then be renewed for three years at a time.

The salary criteria for more experienced and older EP candidates will also be raised. These experienced professionals will need to earn double the S\$3,900 (US\$2,700) threshold to be eligible for an EP.

### ***Increasing salary threshold for Fair Consideration Framework job advertisement***

Under the Fair Consideration Framework, employers who want to submit EP applications must first advertise the job position on [MyCareersFuture.sg](#) to promote labor market transparency and fair employment practices.

Previously, job positions with a monthly salary of S\$15,000 (US\$10,500) and above, were exempted from being advertised on the website. From May 1, 2020, job positions with a monthly salary of up to S\$20,000 (US\$14,100) must be advertised on the site, although, certain senior positions remain exempted – taking into account these can be market sensitive.

The government has warned employers to give fair consideration to local candidates prior to selecting foreign applicants. Failure to do so can result in the company being banned from hiring or renewing work permits for foreign workers.

## Qualifying salary threshold increased for local employees

The local qualifying salary, the minimum salary a local employee must earn to count towards a businesses' quota for hiring foreign workers will be increased from S\$1,300 (US\$917) to S\$1,400 (US\$988). This is to prevent Singaporean companies from hiring locals on so-called 'token salaries' in order to receive the foreign worker quota.

## Foreign worker quota for S Pass permits reduced for construction, marine shipyard, and process sectors

The quota for S Pass permits for the construction, marine shipyard, and process (petroleum and petrochemical) sectors are reduced. [S Pass](#) permits are designed for mid-level, skilled employees earning a minimum salary of S\$2,300 (US\$1,6200).

The reduction of the quota will begin in two phases: in 2021 and 2023. The government hopes this initiative will reduce local firms' dependency on low-cost foreign workers.

## Support for hiring mid-career and senior employees

The government, from April 1, 2020, has increased its support for businesses that can hire employees aged 40 years and above, by covering 20 percent of their monthly salary for half a year, capped at S\$6,000 (US\$4,235).

This is done through the '[Train and Place](#)' program, which helps individuals in this age group to gain placement with an employer and receive additional training to meet the job requirements.

Furthermore, from 2021, the government will provide wage offsets to businesses that hire Singaporeans aged 55 and above.

From 2021-2022, the government will pay up to eight percent of the wages of employees in this age band. Wage offsets for employees aged 55-59 will be set at 2 percent in 2021 and 1 percent in 2022. Those who have workers aged 67 and above will receive the full 8 percent.

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