

Singapore increases qualifying salary for employment pass applications effective 1 January 2017



The Ministry of Manpower (MOM) has announced on 26 July 2016, that the qualifying salary for Employment Pass (EP) applications will be raised from S\$3,300 to S\$3,600 per month with effect from 1 January 2017.

Why This Matters

Employers will need to take note of the new salary criteria effective from 1 January 2017 and the transition period for implementation of the new qualifying minimum salary and plan accordingly for their manpower needs.

Background

The current qualifying salary for EP applications is S\$3,300 per month. The previous qualifying minimum salary update for EP was in January 2014 when it was raised from S\$3,000 to S\$3,300 per month.

Keeping pace with rising local wages and maintaining the quality of the foreign workforce

The change is part of the MOM's regular update to the EP qualifying salary to maintain parity with increasing local wages. It also serves to raise the overall quality of the foreign workforce to better complement the local workforce.

Changes to take effect from 1 January 2017

From 1 January 2017, EP applicants will need to earn a minimum salary of S\$3,600 per month in addition to meeting the other existing criteria on qualifications and work experience. Applicants with more experience are also expected to command higher salaries commensurate with their experience and skill sets as per current requirements.

Lead time for employers to make adjustments

To give employers time to adjust to the new criteria, the MOM will allow lead time as follows:

For existing EP holders whose passes expire:

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

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

KPMG Note: Impact on Employers

Employers should review their current EP holders' expiry dates and future manpower needs to ensure the new salary criteria will not pose any disruptions to their business.

For further information, see the MOM's press release "Update to Employment Pass Salary Criteria" on 26 July 2016 at

<http://www.mom.gov.sg/newsroom/press-releases/2016/0726-update-to-ep-salary-criteria>

How we can help

As a committed immigration advisor to our clients, we welcome any opportunity to discuss the relevance of the above matters to your business.

For further information or assistance, please contact your local GMS professional or one of the professionals listed on this page with the KPMG International member firm in Singapore.

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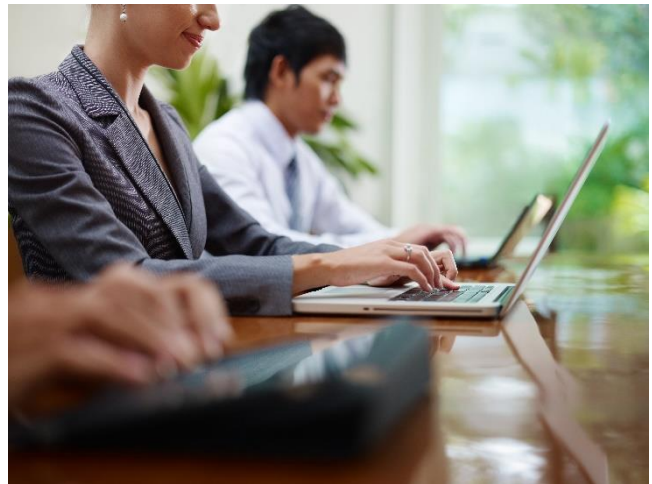
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Contact us

BJ Ooi

Head of Global Mobility Services

T: +65 6213 2657

E: boonjinooi@kpmg.com.sg

Dennis McEvoy

Partner, Global Mobility Services

T: +65 6213 2645

E: dennismcevoy@kpmg.com.sg

Daniel Seow

Manager, Global Mobility Services

T: +65 6213 2865

E: dseow@kpmg.com.sg

KPMG

16 Raffles Quay

#22-00 Hong Leong Building

Singapore 048581

T: +65 6213 3388

F: +65 6227 1297

E: tax@kpmg.com.sg

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