

## Client Alert

March 2020

**For more information, please contact:**

Celeste Ang  
Principal  
+65 6434 2753  
[celeste.ang@bakermckenzie.com](mailto:celeste.ang@bakermckenzie.com)

Kelvin Poa  
Principal  
+65 6434 2524  
[kelvin.poa@bakermckenzie.com](mailto:kelvin.poa@bakermckenzie.com)

Clarence Ding  
Senior Associate  
+65 6434 2662  
[clarence.ding@bakermckenzie.com](mailto:clarence.ding@bakermckenzie.com)

Zhao Yang Ng  
Senior Associate  
+65 6434 2701  
[zhao.yang.ng@bakermckenzie.com](mailto:zhao.yang.ng@bakermckenzie.com)

## Significant Updates from the Ministry of Manpower on Employment Pass Salary Criteria and Expansion of Job Advertising Requirement and Local Qualifying Salary Threshold

### Executive Summary

On 3 March 2020, the Minister for Manpower, Mrs. Josephine Teo announced several updates in relation to (1) raising the minimum qualifying salary for a foreigner to be eligible for an Employment Pass ("EP"), (2) expanding the job advertising requirement, and (3) raising the Local Qualifying Salary ("LQS") threshold.

#### 1. EP – Increase in Minimum Qualifying Salary

The qualifying salary for EP applications will be raised from S\$ 3,600 to S\$ 3,900.

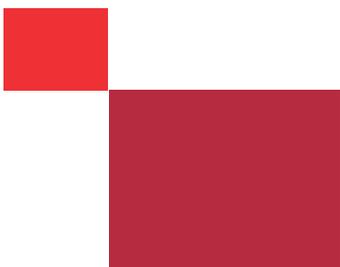
With effect from 1 May 2020, only new EP applicants who can command a fixed monthly salary of S\$ 3,900 or more, subject to meeting other criteria on qualifications and experience, will be considered. Mature and experienced professionals are also required to command higher salaries commensurate with their work experience and skill sets.

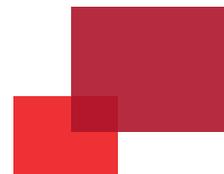
The revised salary criteria will apply with respect to new EP applications submitted from 1 May 2020 onwards, and to EP renewals from 1 May 2021. This means that existing EP holders whose passes expire between now to 30 April 2021 can be renewed based on the existing criteria, for a duration of up to three years.

Employers are encouraged to use the Self-Assessment Tool ("SAT") on the MOM website (<https://www.mom.gov.sg/eservices/services/employment-s-pass-self-assessment-tool>) to assess if the EP candidates or existing EP holders qualify or continue to qualify for the EP.

#### 2. Job Advertising Requirement will Tighten for Hiring of Foreign Employees

Under the Fair Consideration Framework ("FCF"), employers are required to: (i) advertise my MyCareersFuture.sg before submitting EP applications; (ii) provide accurate job descriptions so that suitable applicants may apply; and, (iii) hire on merit. This is ensure fair hiring and guard against job openings being restricted to "closed circles of friends".





Employers who are found guilty to have discriminatory hiring practices will be barred from hiring new foreign employees or renewing existing work passes for a minimum of 12 months, up to a maximum of 24 months. The MOM will also prosecute employers and key personnel who make false declarations that they have considered all candidates fairly.

Currently, employers are exempted from the job advertising requirement if they meet any of the following ground for exemption:

- a) The company has fewer than ten employees;
- b) **The fixed monthly salary for the vacancy is at least S\$ 15,000;**
- c) The vacancy is to be filled by an intra-corporate transferee as defined by the World Trade Organisation's General Agreement on Trade in Services;  
or
- d) The period of employment is not more than one month.

With effect from 1 May 2020, the exemption in bold above will be tightened: only job positions which pay a fixed monthly salary of at least S\$ 20,000 will be exempted from the job advertisement.

### **3. Increase in LQS Threshold for Calculation of Foreign Worker Quota**

The LQS determines the number of local employees (i.e. Singaporean or Singapore Permanent Resident) who can be used to calculate an employer's S Pass and Work Permit quota entitlement.

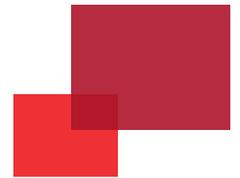
With effect from 1 July 2020, the LQS threshold will be raised from S\$ 1,300 to S\$ 1,400, which means:

- 1 local employee (or 1 LQS count) if he or she earns the LQS or at least S\$ 1,400 per month;
- 0.5 local employee (or 0.5 LQS count) if he or she earns half the LQS of at least S\$ 700 to below S\$ 1,400 per month.

The LQS count is based on the average of 3 months' Central Provident Fund ("CPF") contributions), which determines the maximum number of foreign workers (S Pass and Work Permit holders) an employer can hire.

### **Comments**

The MOM has stepped up on its enforcement efforts to ensure that employers practise fair hiring. With more employers set to advertise on MyCareerFuture.sg due to the tightening of the exemption, they are advised not to treat the advertising requirement as a paper exercise. Accordingly the MOM has already taken actions



against employers who had pre-selected a foreign candidate and did not give fair consideration to qualified local applicants. Employers with indications of discriminatory hiring practices may be placed on the FCF Watchlist for closer scrutiny.

These measures, along with the revision to the EP salary criteria, are in line with the MOM's manpower policy framework to create more and better jobs in Singapore, while ensuring that only qualified foreigners whose presence will be beneficial to the economy are granted authorization to work in Singapore. The fact that the Singapore government is pushing ahead with these changes despite the fact that the Singapore economy is facing challenges this year so far is a sure sign that the Singapore government is committed to reducing Singapore's dependence on foreign labour and strengthening the Singapore core.

[www.bakermckenzie.com](http://www.bakermckenzie.com)

Baker McKenzie Wong & Leow  
8 Marina Boulevard  
#05-01 Marina Bay Financial Centre  
Tower 1  
Singapore 018981

Tel: +65 6338 1888  
Fax: +65 6337 5100

©2020 Baker & McKenzie. All rights reserved. Baker & McKenzie International is a global law firm with member law firms around the world. In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner or equivalent in such a law firm. Similarly, reference to an "office" means an office of any such law firm.

This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.

This alert is provided as general information and does not constitute legal advice.