# Mobility: Immigration alert

August 2022

## Singapore

### New, higher salary requirements for Employment Pass and S Pass applicants

#### Executive summary

Effective 1 September 2022, foreign nationals who seek to apply for new Employment Passes (EPs) or S Passes in Singapore will be subject to higher salary requirements. Holders of valid EPs or S Passes who wish to renew these documents will be subject to revised salary requirements effective 1 September 2023.

#### Background

The EP is available to highly skilled foreign nationals (e.g., professionals, managers, executives, specialists) while the S Pass is available to mid-skilled foreign nationals (e.g., technicians), provided the applicants otherwise meet all eligibility criteria. First-time EPs and S Passes are generally valid for up to two years and can be renewed in increments of up to three years.

#### **Revised salary requirements**

Effective 1 September 2022, foreign nationals who apply for new EPs in non-financial services sectors must earn a monthly salary of at least SGD 5,000 (up from SGD 4,500), while those who apply in the financial services sector must earn a monthly salary of at least SGD 5,500 (up from SGD 5,000). To apply for new S Passes, applicants working in non-financial services sectors must earn a monthly salary of at least SGD 3,000, whereas those working in the financial services sector must earn a monthly salary of at least SGD 3,500 (up from SGD 2,500 for all S Pass applicants). The minimum salary threshold for S Pass applicants will be revised further on 1 September 2023 and again on 1 September 2025. These changes will come into effect and start to apply to EP and S Pass renewal applications one year after they go into effect for first-time applications.

#### Other changes

Effective 1 September 2022, employers will be subject to a monthly foreign worker levy of SGD 450 for every Basic/Tier-1 S Pass holder that they hire (up from SGD 330). Beginning on 1 January 2023, the quota of S Pass holders for employers in the manufacturing, construction, marine shipyard and process sectors will be reduced from 18% of their workforce to 15%. In addition, EP applicants will be required to qualify under the <u>COMPASS framework</u> effective 1 September 2023.

#### Impact on employers

The upcoming changes will increase the costs borne by Singaporean employers when hiring mid- and highly skilled foreign workers. Employers can use the Singapore government's <u>Self-Assessment Tool</u> to assess the impact of these changes and plan accordingly.

#### Key steps

EY will continue to monitor these developments. Should you have any questions, we encourage you to contact one of our immigration professionals.



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