



## P R E S S   R E L E A S E

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16 August 2011

### **ENHANCEMENTS TO THE EMPLOYMENT PASS FRAMEWORK New assessment criteria to take effect from January 2012**

The Government is committed to managing the size of the foreign workforce, as part of our broader strategies to achieve productivity-driven economic growth, as well as to ensure that Singaporeans remain at the core of a diverse and globally competitive workforce. Our aim is to avoid increasing dependence on foreign workers over the long term, by keeping the foreign share of the workforce at about one-third.

2. Over the last two years, the Ministry of Manpower (MOM) has introduced significant measures to moderate the inflow of Work Permit and S Pass holders<sup>1</sup>, including raising the foreign worker levy and tightening the levy tiers significantly, in phases, up to July 2013. The qualifying salaries for S Pass and Employment Pass (EP) were also raised to keep pace with rising salaries of the local workforce<sup>2</sup>.

3. The demand for EPs has increased rapidly since the economic recovery in 2010 and is likely to keep growing. We are therefore introducing measures which tighten the eligibility requirements for those entering lower and mid-level professional, managerial and executive jobs. The more stringent requirements will include better educational qualifications and higher qualifying salaries.

4. These moves will ensure that as salaries of locals rise as they gain in experience and progress in their careers, they will not be disadvantaged by EP holders coming in at lower wages.

#### **Key Features of the EP Changes**

5. The key features of the EP changes are:

- i. **Q1 Pass:** We will tighten the educational qualifications requirements so that only those from good quality institutions will be eligible. We will also move

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<sup>1</sup> MOM announced that changes were made to the foreign worker levy rates and tiers in 2010 and 2011.

Please refer to MOM's press releases for more information:

<http://www.mom.gov.sg/newsroom/Pages/PressReleasesDetail.aspx?listid=349> and

<http://www.mom.gov.sg/newsroom/Pages/PressReleasesDetail.aspx?listid=283>

<sup>2</sup> From 1 July 2011, the qualifying salary thresholds for S Pass and EP holders were raised from \$1,800 to \$2,000, and \$2,500 to \$2,800 respectively. Please refer to MOM's factsheet for more information:

[http://www.mom.gov.sg/Documents/newsroom/speeches/2011/Factsheet%20-](http://www.mom.gov.sg/Documents/newsroom/speeches/2011/Factsheet%20-%20Changes%20to%20Employment%20Pass%20and%20S%20Pass%20Qualifying%20Salaries.pdf)

[%20Changes%20to%20Employment%20Pass%20and%20S%20Pass%20Qualifying%20Salaries.pdf](http://www.mom.gov.sg/Documents/newsroom/speeches/2011/Factsheet%20-%20Changes%20to%20Employment%20Pass%20and%20S%20Pass%20Qualifying%20Salaries.pdf)

away from the single qualifying salary of \$2,800 today. Instead, the applicant will have to earn a salary of at least \$3,000, with the requirements depending on his qualifications and experience:

- a) Young graduates from good institutions could qualify if they earn at least \$3,000
  - b) Older applicants would have to command higher salaries to qualify, commensurate with the work experience and quality they are expected to bring
- ii. **P2 Pass:** The qualifying salary will be raised from \$4,000 to \$4,500.
  - iii. **P1 Pass:** There will be no change in the qualifying salary for P1 Pass which remains at \$8,000.
6. The new EP framework will retain the flexibility for MOM to consider, on a case-by-case basis, applicants with proven track records and exceptional skills-sets, but who may not have the qualifications required by the enhanced EP framework.
7. The enhanced EP framework will apply to all new EP applications from 1 January 2012. Thereafter, the qualifying EP salaries will be reviewed regularly to keep pace with the rising quality of the local workforce.
8. The changes amount to a significant shift in the EP framework. They aim to ensure that employers who need to augment their workforce hire foreigners with the right calibre, so that these employees add needed expertise and complement an increasingly qualified local workforce.

### **Transitional Measures for Existing EP holders**

9. As stated above, all **new** EP applications will be subject to the enhanced EP framework from 1 January 2012. For **existing** EP holders, MOM will phase in the new requirements over the next 1-2 years (depending on when their current passes expire). This will give businesses time to make the necessary adjustments.
10. Existing EP holders whose passes expire:
- Before 1 January 2012: receive a one-time renewal of up to two years based on the pre-July 2011 EP criteria.
  - Between 1 January 2012 and 30 June 2012 (both dates inclusive): receive a one-time renewal of up to one year on the existing EP criteria.
  - On or after 1 July 2012: The new EP criteria shall apply.
11. Existing EP holders who change employers after 1 January 2012 will have their applications considered under the new EP criteria.
12. EP holders with dependants in Singapore by 1 January 2012 will retain these privileges as long as their passes remain valid and do not change employers.

13. Employers are encouraged to use the online Self-Assessment Tool on the MOM website (<http://sat.mom.gov.sg>) to assess if their potential employees will meet the new eligibility criteria. The Self-Assessment Tool will be updated in view of the changes made to the EP framework. It will be ready by the fourth quarter of 2011.

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**For media queries, please contact:**

Joann Tan  
Head (Digital Communications)  
Corporate Communications Department  
Ministry of Manpower  
Tel: 6499 6232 / 9628 0440  
Email: [joann\\_tan@mom.gov.sg](mailto:joann_tan@mom.gov.sg)

Angeline Leow  
Manager  
Corporate Communications Department  
Ministry of Manpower  
Tel: 6317 1335 / 9185 4997  
Email: [angeline\\_leow@mom.gov.sg](mailto:angeline_leow@mom.gov.sg)