



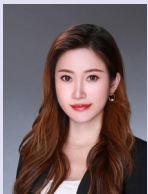
Dear Readers,

Foreign employees intending to work in Singapore require an employment pass. This E-Bulletin: summarizes important upcoming changes with regard to Singapore’s employment pass regulations. These changes will come into effect on 01 September 2022.

Find out in this E-Bulletin how the changes will effect employment pass applications for foreign nationals.

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SINGAPORE: Changes to Employment Pass Eligibility 2022

1. Introduction

As part of the Ministry of Manpower’s (“MOM”) regular updates to ensure that foreign employees qualifying salaries keep pace with local wage growth, MOM has introduced a new framework which is set to adjust the minimum qualifying salary for Employment Pass (“EP”) applicants. EP applicants typically fill professionals, managers, engineers and technicians (“PMET”) positions.

Another important new feature for EP applications will be that EP applicants will also have to score sufficient points under the new Complementarity Assessment Framework (“COMPASS”) points system to be eligible to work in Singapore. These changes will take effect progressively from September 2022 onwards.

2. Updated EP Minimum Qualifying Salary

EP holders will be required to meet a minimum salary of SGD 5,000 for entry-level jobs, and up to SGD 10,500 for candidates in their mid-40s. The financial services sector will have to satisfy a higher qualifying salary of a minimum of SGD 5,500. This increases progressively with age, up to SGD 11,500 for middle aged candidates

The new higher qualifying salary will take effect from 1 September 2022 for new applications, and 1 September 2023 for renewals.

3. COMPASS Points System

Additionally, from 1 September 2023, new EP applications will need to obtain at least 40 points under the new COMPASS framework. This assessment will be extended to renewals from September 2024 onwards.

The COMPASS system comprises four foundational criteria. An applicant will be awarded a full 20 points if they exceed expectations on each foundational criterion, 10 points will be given for meeting expectations, and zero points if the candidate fails to meet expectations. The four foundational criteria in the COMPASS framework are divided into individual and firm-related attributes as follows:

3.1 Individual Attributes

i) Salary

All applicants must meet the EP qualifying salary as summarized above.

ii) Qualifications

Points will be awarded according to the applicant’s qualifications, whether it falls under the top-tier institution, degree-equivalent qualification or no degree-equivalent qualification.



A candidate from a top-tier institution will get 20 points. One who has a degree-equivalent qualification will be awarded 10 points and one with no degree-equivalent qualification will not receive any points. This criterion is not a mandatory requirement. Therefore, a candidate who gets zero points in this part can still pass COMPASS by earning sufficient points on other criteria.

3.2 Firm-related attributes

i) Diversity

COMPASS awards more points to applications where the candidate's nationality (based on the applicant's passport) forms a small share of the firm's PMET employees. No points will be earned if a firm is applying to bring in a candidate whose nationality currently forms a significant share of its PMET employees.

ii) Support for local employment

Applicants from companies with a higher share of locals among PMET employees, compared to their peers in the same subsector will score higher points.

If the firm's local PMET share is at least 70%, the applicant will be awarded at least 10 points, regardless of the firm's standing in its subsector. This is so as MOM does not penalise firms in subsectors which have a relatively high share of local PMET employees.

Notably, smaller firms with fewer than 25 PMETs will be granted 10 points by default on the two firm-related attributes.

4. Bonus Criteria

COMPASS also includes two bonus criteria as follows:

i) Skills Bonus / Shortage Occupation List

20 points will be awarded for applications of jobs falling under the shortage occupation list. However, this will be reduced to 10 points if the share of the candidate's nationality among the firm's PMETs is one-third or higher.

ii) Strategic Economic Priorities Bonus

This is a firm-related bonus for partnership with the government on innovation or internationalisation activities. To score for this bonus, firms must participate in selected programmes run by various economic agencies or meet specific assessment criteria on innovation, or internationalisation activities, and show commitment to developing the local workforce or ecosystem.

5. Exemption from COMPASS

Candidates will be exempted from COMPASS if they fulfil any of the conditions below:

i) Earning a fixed monthly salary of at least SGD 20,000.

ii) Applying as an overseas intra-company transferee under the World Trade Organisation's General Agreement on Trade in Services or an applicable Free Trade Agreement that Singapore is party to.

Filling a position on a short term basis, i.e. one-month or less.

Takeaways

Over the years, we saw a slew of tightening measures to the work pass criteria. However, this current new framework which is set to take place in the months to come is undoubtedly the most drastic change to the work pass regulation in recent years.

This new system aims to provide more transparency that gives businesses greater clarity and certainty for their manpower and staffing planning. It also aims to attract high-quality foreign professionals, while encouraging workforce diversity and building a strong Singaporean workforce core.