

# Bird & Bird ATMD

## Employment Update

*Recent increase in Employment Pass (EP) minimum qualifying salary: navigating the trend of tougher immigration policies and enforcement measures in Singapore*



*March 2020*

*From 1 May 2020, the EP minimum qualifying salary will be raised from \$3,600 to \$3,900. For EP renewals, this increased threshold will apply from 1 May 2021.*

*The Ministry of Manpower (MOM) has also in recent months taken stern action against 23 employers whose hiring practices fell foul of the Fair Consideration Framework (FCF). These employers will be barred from hiring new foreign workers or renewing the EPs of existing employees for at least 12 months and up to 24 months.*

*These recent developments signify a continuing, medium-term trend of tougher immigration policies in Singapore.*

*To avoid the pitfalls, businesses should be mindful of the following:-*

### **The Advertising Requirement**

Under the FCF, employers are required to advertise on MyCareersFuture.sg portal (formerly known as the Jobs Bank) before submitting EP applications. From 1 May 2020, MOM will expand this requirement; companies must advertise for any positions paying up to S\$20,000. Previously, companies only needed to advertise for positions paying up to S\$15,000.

### **Advertising should not be artificial**

The advertising requirement is more than an administrative exercise. The MOM uses data analytics to scrutinise job advertisements and companies' selection process on MyCareersFuture.sg portal. Companies may have to re-examine their approach towards hiring e.g. establishing a clear rubric for which candidates are being evaluated against the requirements of the job and maintaining proper records of such an assessment.

### **Steer clear of nationality-bias**

The MOM is likely to place companies on the FCF Watchlist if they are found to have an exceptionally high proportion of foreign employees of a single nationality in PMET (Professional, Managers, Executives and Technicians) class, in comparison to their industry peers.

Businesses must keep regular watch over their employee census records and re-examine their hiring strategy if the data reflects "unhealthy" ratios. Given that it may not be possible to change hiring strategies overnight, businesses need to start developing a long-term hiring strategy which reduces dependency on foreign labour.

The Bird & Bird employment team would be happy to work with you in relation to developing a sustainable, FCF-compliant HR strategy.

## Contact Us

For queries or more information, please do not hesitate to contact any member of the employment team.

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