

## iGlobal Law 2021 Annual Alert : Singapore

Legal Change	Effective Date	Action required
<p><b>Reduction in S Pass quota</b> The number of S Pass holders that an employer can hire is limited by a quota.</p> <p>With effect from January 1<sup>st</sup> 2021, the S Pass quota will be reduced as follows:</p> <ul style="list-style-type: none"> <li>- Services sector: reduced from 13% to 10% of the total workforce;</li> <li>- Construction, Marine Shipyard and Process sectors: reduced from 20% to 18% of the total workforce.</li> </ul>	January 1 <sup>st</sup> 2021.	It is essential that affected businesses keep up to date with the revised S Pass quota.
<p><b>Increase in Salary Criteria for Employment Pass</b> With effect from September 1<sup>st</sup> 2020, the minimum qualifying monthly salary for Employment Pass (“EP”) applications was raised from S\$3,900 to S\$4,500. EP applicants in their 40s will need to meet around double the minimum qualifying salary for the youngest applicants.</p> <p>With effect from December 1<sup>st</sup> 2020, the minimum qualifying monthly salary for EP applicants in the financial services sector was raised from S\$4,500 to S\$5,000. EP applicants in the financial services sector and in their 40s will need to meet around double the minimum qualifying salary for the youngest applicants.</p> <p>For EP renewal applicants, the new qualifying salary thresholds set out above will apply from May 1<sup>st</sup> 2021.</p>	September 1 <sup>st</sup> 2020 for EP applications.  May 1 <sup>st</sup> 2021 for EP Renewal applications.	It is essential that affected businesses keep up to date with the revised salary criteria for EP applications and renewal applications
<p><b>Increase in Salary Criteria for S Pass</b> With effect from October 1<sup>st</sup> 2020, the minimum qualifying monthly salary for S Pass applications was raised from S\$2,400 to S\$2,500. The qualifying salaries for older and more experienced S Pass applicants have been revised accordingly.</p> <p>For S Pass renewal applicants, the new qualifying salary threshold will apply from May 1<sup>st</sup> 2021.</p>	October 1 <sup>st</sup> 2020 for S-Pass applications.  May 1 <sup>st</sup> 2021 for S-Pass renewal applications.	It is essential that affected businesses keep up to date with the revised salary criteria for S Pass applications and renewal applications.
<p><b>Deferred Increase in Central Provident Fund Contribution Rates for Senior Workers</b> It was previously announced that the Central Provident Fund (“CPF”) contribution rates for both the employer’s and employee’s share will be increased with effect from January 1<sup>st</sup> 2021 by either 0.5% or 1% for employees aged 55 to 70, depending on the employee’s age.</p> <p>The above planned increase in CPF contribution rates will be deferred to 1 January 2022.</p>	January 1 <sup>st</sup> 2022	Note the deferral of the rate increases.
<p><b>National Wages Council’s 2020/2021 Supplementary Guidelines</b> As far as possible, employers should retain existing employees through appropriate cost-saving measures, retrain and redeploy employees in restructured business units to new jobs within the company, and continue to equip them with skills for the future, especially the Singaporean core. If employers have exhausted non-</p>	Effective from November 1 <sup>st</sup> 2020 to June 30 <sup>th</sup> 2021.	Keep up to date with the Tripartite Advisory on Managing Excess Manpower and Responsible

wage, cost-saving measures and government support and still face significant cost pressures, employers should seek employees' support to implement temporary wage cuts to the extent needed to minimise retrenchments. As a general principle, wage cuts should be made by adjusting the monthly variable component or annual variable component, and not the basic wage component.

Where the foregoing cost-saving measures are not possible, employers may consider retrenchment as a last resort. Employers should adhere to the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment and retrench their employees in a fair, responsible and sensitive manner. Employers should also check if they meet the requirements for the mandatory retrenchment notifications under the Employment Act.

Retrenchment, which was last updated on October 17<sup>th</sup> 2020.