

Employment matters

Work passes for foreign employees

Foreign workers who wish to take up employment or do business in Singapore must have valid work passes. There are 3 main types of work passes:

- Employment pass
- S pass
- Work permit
- Personalized Employment Pass

Employment pass (EP) is a work pass issued to foreign professionals and executives who holds acceptable degrees, professional qualifications or specialist skills and if he / she wishes to work or do business in Singapore.

There are three categories of EP: -

- **P1** - Fixed monthly salary more than \$7,000 and employed and working as professional, managerial, executive jobs.
- **P2** - Fixed monthly salary more than \$3,500, employed and working as professional, managerial, executive jobs and holding recognised qualifications.
- **Q1** - Fixed monthly salary more than \$2,500 and holding recognised qualifications. In lieu of recognised qualifications, the Ministry may also consider compensatory factors such as skills and years of experience.

S pass is for foreigners who earn a fixed monthly salary of at least S\$1,800. S Pass applicants will be assessed on a points system, taking into account multiple criteria including salary, education qualifications, skills, job type and work experience.

Work permit (WP) is for foreigners who:

- Want to work in Singapore
- Earn a monthly basic salary of not more than S\$1,800.

Personalised Employment Pass (PEP) is for existing and new P1 Pass holders, P1-calibre foreigners without having to fulfil any minimum work period. Other groups are eligible given the following criterias: -

- P2 Pass holders with at least two years working experience on a P2 Pass.
- Q1 Pass holders with at least five years working experience on a Q1 Pass.
- Foreign graduates from institutions of higher learning in Singapore with at least two years working experience on a P2 or Q1 Pass.

PEP will issued only once with a validity of 5 years non-renewable. A PEP holder will retain the privileges of his original EP type and the minimum fixed salary requirement of S\$30,000 will continue to apply throughout the 5-year duration.

For more information on work passess, please visit Ministry of Manpower (MOM) website at:

www.mom.gov.sg

For further information, please call us at (65) 6227 4180 or email us at konglim@internalaudit.com.sg

Employment matters

Central Provident Fund Contributions

The Central Provident Fund (CPF) is a comprehensive social security savings plan. Below is the rate of contributions payable to the Fund from 1st July 2007.

Note that foreign employees are exempted from CPF contributions.

Contribution rate (from 1 July 2007) for employees who are Singapore citizens or Singapore Permanent Residents (3rd Year onwards)

Employee's monthly wages	Employee's contribution						Employer's contribution					
	Age of Employee (Years)						Age of Employee (Years)					
	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65
\$50 or less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
>\$50 to \$500	Nil	Nil	Nil	Nil	Nil	Nil	14.50%	(Total wages - \$50) x 0.0964	(Total wages - \$50) x 0.0697	(Total wages - \$50) x 0.0498	(Total wages - \$50) x 0.0332	(Total wages - \$50) x 0.0332
>\$500 to \$750	(Total wages - \$500) x 0.4	(Total wages - \$500) x 0.4	(Total wages - \$500) x 0.4	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	14.50%	(Total wages - \$500) x 0.0964	(Total wages - \$500) x 0.0697	(Total wages - \$500) x 0.0498	(Total wages - \$500) x 0.0332	(Total wages - \$500) x 0.0332
>\$750 to \$1,200	(Total wages - \$750) x 0.2 + \$120	(Total wages - \$750) x 0.2 + \$120	(Total wages - \$750) x 0.2 + \$108	(Total wages - \$750) x 0.1 + \$75	(Total wages - \$750) x 0.0 + \$45	(Total wages - \$750) x 0.06 + \$30	14.50%	(Total wages - \$750) x 0.1966 + \$60	(Total wages - \$750) x 0.1315 + \$40	(Total wages - \$750) x 0.0825 + \$30	(Total wages - \$750) x 0.0416 + \$20	(Total wages - \$750) x 0.0416 + \$23.25
>\$1,200 to \$1,500	(Total wages - \$750) x 0.1 + \$120	(Total wages - \$750) x 0.1 + \$120	(Total wages - \$750) x 0.1 + \$108	(Total wages - \$750) x 0.1 + \$75	(Total wages - \$750) x 0.1 + \$45	(Total wages - \$750) x 0.06 + \$30	14.50%	(Total wages - \$1,200) x 0.1966 + \$156	(Total wages - \$1,200) x 0.1315 + \$108	(Total wages - \$1,200) x 0.0825 + \$72	(Total wages - \$1,200) x 0.0416 + \$42	(Total wages - \$1,200) x 0.11 + \$42
>\$1,500	20%	20%	18%	12.5%	7.5%	5%	14.50%	14.50%	10.50%	7.50%	5%	5%

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Employment matters (continued)

Central Provident Fund Contributions

Notes:

1 The maximum amount of CPF payable is based on a monthly salary ceiling of S\$4,500 for Ordinary Wages. It does not apply to additional wages.

2 Additional wage ceiling for CPF contributions:

From 2006 onwards

Maximum amount of additional wages subject to CPF

= \$76,500 - Total ordinary wages subject to CPF contribution in the year

3 Voluntary Contribution (VC) Limit

The maximum amount of contributions an employee may contribute voluntarily is \$26,393 for 2008. This amount includes mandatory contributions. If the employee mandatory contributions have already reached the VC limit, no voluntary contribution can be made.

Mandatory contributions (MC) by the employer and employee are compulsory contributions required under the CPF Act. This includes CPF contributions on the Ordinary and Additional Wages for employees, and Medisave contributions by self-employed persons.

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Employment matters

Central Provident Fund Contributions

CPF is payable once an employee obtains the Singapore Permanent Resident (SPR) status.

From 1 October 2002, SPR employees and their employers can jointly apply to CPF Board for approval to contribute at full employer CPF rate and graduated employee CPF rate during the employee's first two years of obtaining the SPR status.

Graduated employer & employee contribution rates (from 1 July 2007) for Singapore Permanent Resident during the 1st year of obtaining SPR status

Employee's monthly wages	Employee's contribution						Employer's contribution					
	Age of Employee (Years)						Age of Employee (Years)					
	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65
\$50 or less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
>\$50 to \$500	Nil	Nil	Nil	Nil	Nil	Nil	4%	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.0232
>\$500 to \$750	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	4%	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.0232
>\$750 to \$1,200	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.06	4%	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0291
>\$1,200 to \$1,500	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.0	(Total wages - \$750) x 0.06	4%	(Total wages - \$1,200) x 0.0568 + \$4	(Total wages - \$1,200) x 0.0632 + \$4	(Total wages - \$1,200) x 0.072 + \$38	(Total wages - \$1,200) x 0.077 + \$29	(Total wages - \$1,200) x 0.077 + \$29.40
>\$1,500	5%	5%	5%	5%	5%	5%	4%	4%	4%	4%	3.5%	3.5%

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Employment matters

Central Provident Fund Contributions

Graduated employer & employee contribution rates (from 1 July 2007) for Singapore Permanent Resident during the 2nd year of obtaining SPR status

Employee's monthly wages	Employee's contribution						Employer's contribution					
	Age of Employee (Years)						Age of Employee (Years)					
	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65	35 years & below	>35 to 50	>50 to 55	>55 to 60	>60 to 65	Above 65
\$50 or less	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
>\$50 to \$500	Nil	Nil	Nil	Nil	Nil	Nil	9%	(Total wages - \$50) x 0.05	(Total wages - \$50) x 0.05	(Total wages - \$50) x 0.03	(Total wages - \$50) x 0.02	(Total wages - \$50) x 0.0232
>\$500 to \$750	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.3	(Total wages - \$500) x 0.1	(Total wages - \$500) x 0.1	9%	(Total wages - \$500) x 0.05	(Total wages - \$500) x 0.05	(Total wages - \$500) x 0.03	(Total wages - \$500) x 0.02	(Total wages - \$500) x 0.0232
>\$750 to \$1,200	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$75	(Total wages - \$750) x 0.0 + \$45	(Total wages - \$750) x 0.06 + \$30	9%	(Total wages - \$750) x 0.1 + \$41.85	(Total wages - \$750) x 0.1 + \$41.85	(Total wages - \$750) x 0.0 + \$27.90	(Total wages - \$750) x 0.0 + \$16.275	(Total wages - \$750) x 0.0291 + \$16.275
>\$1,200 to \$1,500	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$90	(Total wages - \$750) x 0.1 + \$75	(Total wages - \$750) x 0.0 + \$45	(Total wages - \$750) x 0.06 + \$30	9%	(Total wages - \$1,200) x 0.1276 + \$9	(Total wages - \$1,200) x 0.1416 + \$9	(Total wages - \$1,200) x 0.108 + \$57	(Total wages - \$1,200) x 0.077 + \$29	(Total wages - \$1,200) x 0.077 + \$29.40
>\$1,500	15%	15%	15%	12.5%	7.5%	5%	9%	9%	9%	6%	3.5%	3.5%

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