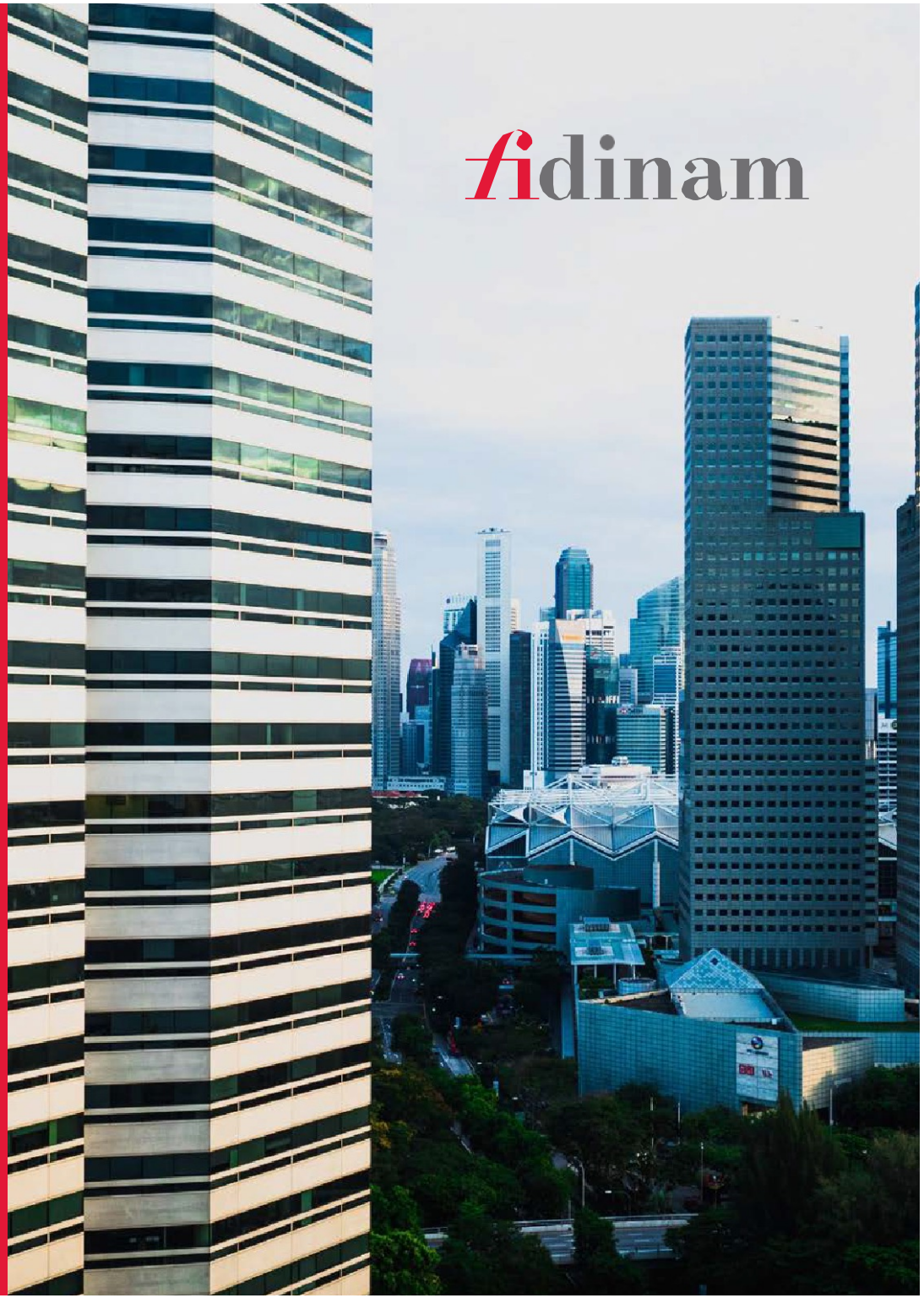
Running your company in Singapore: Immigration & HR



About Fidinam

- **Fidinam Group** was founded in 1960 in **Switzerland** and operates in the field of professional consulting for companies, individuals and investors.

- The main areas of professional activity are **tax advisory, corporate services**, **business consultancy, immigration, trust & wealth planning, project management and real estate consultancy**.

- One-stop solution → no need to juggle multiple consultants and providers.

Immigration / Overview

'All foreigners who plan to work in Singapore require a work visa in Singapore.'

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Overview of Singapore's immigration policy

- Open immigration policy has been one of the key factors for Singapore's economic success.
- Post-pandemic: stricter control to help boost citizens' wages and provide employment to citizens first.
- Not reducing number of foreigners, but rather increasing the quality of foreign talent in the country.
- Adopt a sustainable and attractive immigration policy to attract highly talented entrepreneurs and professionals.

Immigration / Types of working visa

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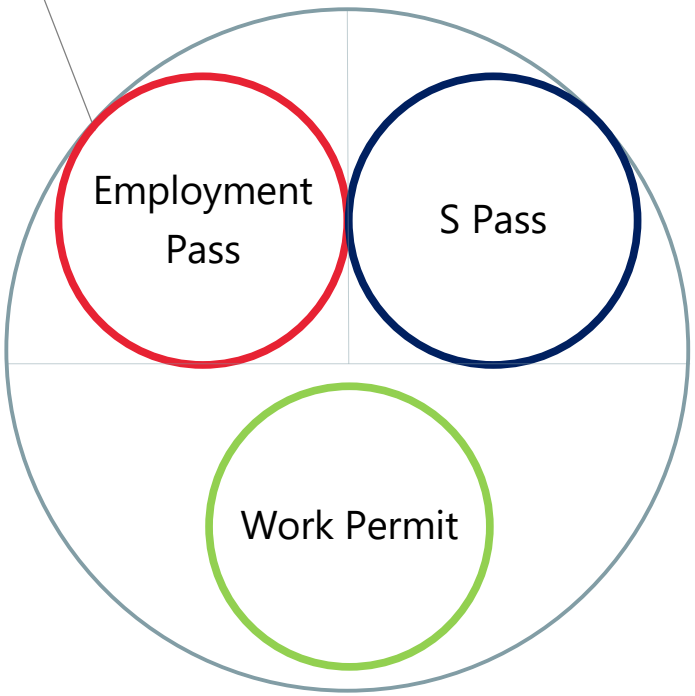
Employment Pass

- For **foreign professionals** who earn **fixed monthly salary** comparable to the top one-third of local PMET salaries, starting from **S$5,000 (S$5,500 for the financial sector),** and increases progressively with age, up to S$10,500 (S$11,500 for the financial sector) for those in the mid-40s and above.
- **No quota** required.
- EP is issued for the first time with a validity of up to 2 years. Renewal basis up to 3 years.
- EP holder earning at least S$6,000, can apply for **Dependant Pass (DP) / long-term visit pass (LTVP)** (for common-law) for their legally married spouse and children under 21 years of age. The duration of the DP/LTVP is tied to the one of the EP.
- Applications must first advertise the job on MyCareersFuture and leave it open at least 14 consecutive days to consider all candidates fairly.



Employment Pass

S Pass

Work Permit

From 1 September 2023, and renewals of EPs expiring from 1 September 2024, to qualify for **EP applications**, candidates will need to pass a 2-stage eligibility framework COMPASS.

1. Earn at least the EP qualifying salary, which is the minimum bar that candidates need to pass to obtain an EP.
2. Pass the points-based **Complementarity Assessment Framework (COMPASS),** put in place to ensure a more comprehensive evaluation of foreign talent.

HOW TO PASS COMPASS? Score a minimum of **40 points** across four foundational and two bonus criteria.

	Individual Attributes	Firm-Related Attributes
Foundational Criteria	**C1. Salary** Relative to local PMET salary norms for sector **C2. Qualifications** Based on candidate's qualifications	**C3. Diversity** Whether candidate improves nationality diversity in firm **C4. Support for Local Employment** Based on local PMET share relative to industry peers
Bonus Criteria	**C5. Skills Bonus (Shortage Occupation List)** For candidate in job where skills shortages exist	**C6. Strategic Economic Priorities Bonus** For partnership with Government on ambitious innovation or internationalisation activities

Employment Pass

S Pass

Work Permit

Case Study: SME meeting all 4 foundational criteria

The company is a start-up in the biomedical sciences sector.

Company profile

The company is a start-up in the biomedical sciences sector and employs 15 PMET.

Candidate profile

The candidate is 35 years old Operations Manager earning S$8,000 and holds a bachelor's degree from a foreign university (*not in the top-tier list*).
The candidate's salary is at the 77th percentile compared to local PMET salaries in this sector.

Criteria	Explanation	Points scored
Salary	Candidate's fixed monthly salary is within **the 65th to less than 90th percentile** compared to local PMET salaries for sector by age	**10**
Qualifications	Candidate holds a bachelor's degree from a foreign university (*not in the top-tier list*).	**10**
Diversity	Company has **fewer than 25** PMET employees	**10** (Default)
Support for local employment	Company has **fewer than 25** PMET employees	**10** (Default)
Total		**40 POINTS = COMPASS PASSED**

Most applications will fall into this category.

Employment Pass

S Pass

Work Permit

Case Study: Company meeting 3 foundational criteria

The company is a commercial bank in the financial services sector.

Company profile

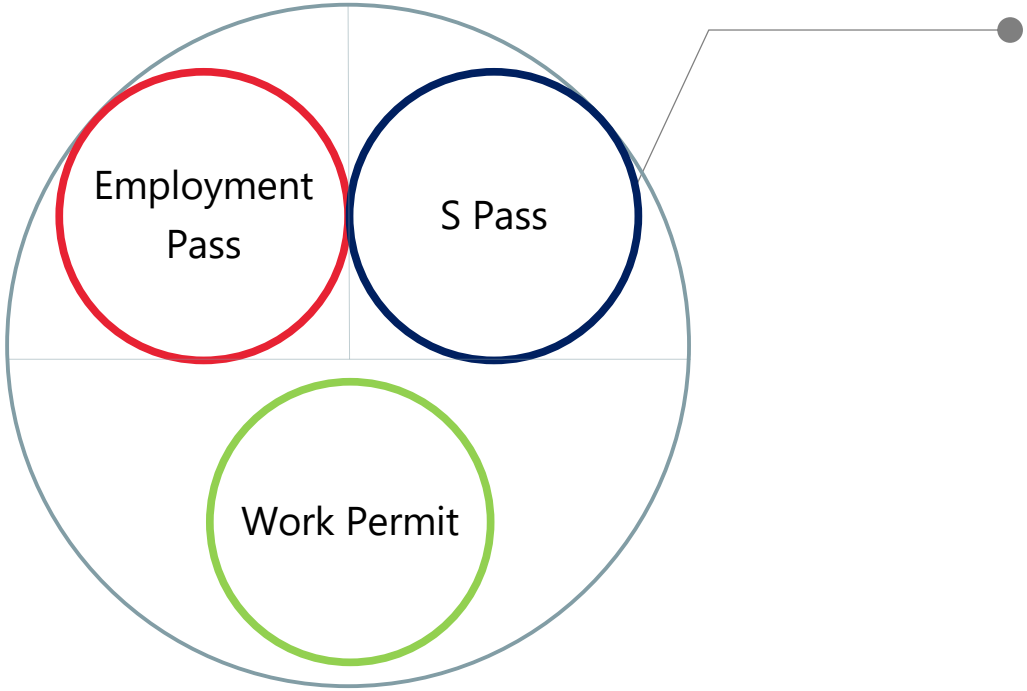
The company has a local PMET share at the 40th percentile of its sector. The candidate comes from a less represented nationality in the organisation, which currently forms 4% of the organisation's PMET employees.

Candidate profile

The candidate is 35 years old Management Associate earning S$9,500 and holds a bachelor's degree from a top-tier university. The candidate's salary is at the *60th percentile* compared to local PMET salaries in the sector.

Criteria	Explanation	Points scored
Salary	Candidate's fixed monthly salary is **less than 65th** compared to local PMET salaries for sector by age	**0**
Qualifications	Candidate holds a bachelor's degree from a *top-tier list* university	**20**
Diversity	Share of candidate's nationality among organisation's PMETs is **less than 5%**	**20**
Support for local employment	Organisation's local PMET share relative to its sector is within the **20th to less than 50thpercentile**	**10**
Total		**50 POINTS = COMPASS PASSED**

S Pass



! *Dependency Ratio Ceiling*:

This sets out the maximum permitted ratio of foreign workers to the total workforce that a company is allowed to hire (e.g. service sector 35%, manufacturing 60%, up to 83,3% in construction)

Number of S Pass is 10% in the service sector and 15% in the construction, manufacturing, marine shipyard and process sectors.

- For **mid-level skilled** workers with relevant work experience who earn S$2,400 and above.
- **fixed monthly salary** comparable to the top one-third of local APT salaries, starting from **S$3,150** and increases progressively with age, up to S$4,650 for those in the mid-40s and above. For those in the financial sector a higher salary is needed.
- Criteria for a successful application include the applicant's education, professional experience, and company credential. Have a **degree or diploma.**
- SP is issued with a validity of up to 2 years.
- **Subject to quota and levy**.
- As part of an employer's S Pass medical obligations, employer must buy and maintain **medical insurance**
- SP holder earning at least S$6,000, can apply for **Dependant Pass (DP).** The duration of the DP is tied to the one of the SP.

Employment Pass

S Pass

Work Permit

CHANGES TO S PASS ELIGIBILITY

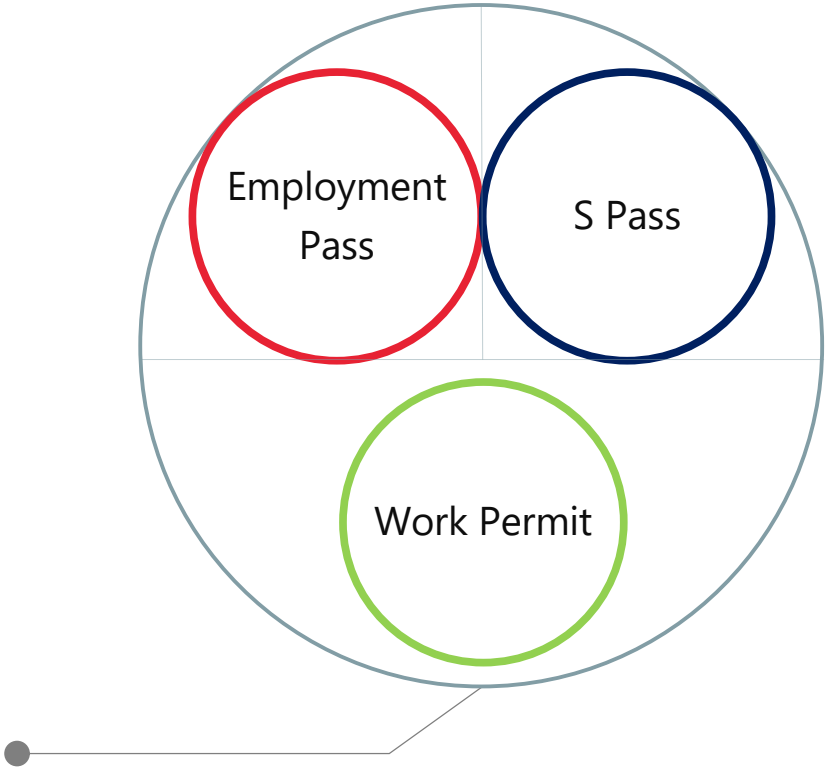
The minimum qualifying salary for S Pass applications will be raised in three steps, as follows. Older candidates will continue to require a higher salary to qualify.

Sector	From 1 Sep 2024 for renewals	From 1 Sep 2025 for new applications / From 1 Sep 2026 for renewals
All (except Financial Services)	**S$3,150** (increases progressively with age from age 23, up to $4,650 at age 45 and above)	**At least $3,300** (to be finalised closer to implementation date)
Financial Services	**S$3,650** (increases progressively with age from age 23, up to $5,650 at age 45 and above)	**At least $3,800** (to be finalised closer to implementation date)

From 1 Sep 2025 The S Pass Basic / Tier 1 **levy rate** will be further raised to S$650.

For policies with start date effective **on or after 1 July 2023**, the employer must buy and maintain a **medical insurance** with coverage for inpatient care and day surgery, including hospital bills for conditions that may not be work-related with **a coverage of $60,000 per year** per S Pass (S$15,000 per year before 1 July 2023).

Work Permit



- For **workers** from approved source countries/regions working in the construction, manufacturing, marine shipyard, process or services sector.
- Duration up to 2 years, depending on the validity of the worker's passport, security bond and employment period.
- **Quota ,levy and medical insurance** required.
- **No pass** available **for family member.**

OTHER TYPE OF WORKING VISA FOR INDIVIDUALS

Personalized Employment Pass (PEP)

- For **High-earning Employment Pass holders** or **overseas foreign** professionals, earning a fixed monthly salary of at least **S$22,500**. Only individual can apply.
- Issued only once up to 3 years. **No quota** required.
- **Dependant Pass (DP)** for legally married spouse and children under 21 years of age, or a long-term visit pass (LTVP) can be applied.

Entrepreneur Pass (Entre Pass)

- **Only company owners can apply.** No quota required. Issued with a validity of 1 year and can be renewed as long as the business remains viable and meets the renewable conditions.
- Applicant to be eligible must meet specific criteria as an: i)Innovator (Extraordinary achievement in key areas of expertise); ii) Entrepreneur (funding from recognized VC or angel investor), iii) Investor (Has an investment track record).

Cost of hiring: The Employer cost in addition to the salary

Social security contribution

	Foreigners	Singaporean/Permanent Resident
Social security contribution (CPF)	N/A	Mandatory
Skills Development Levy (SDL) *0.25% of the monthly total wages. The minimum payable is $2 the maximum 11.25 for an employee earning more than $4,500 a month.*	Mandatory	Mandatory
SHG Funds *Contribution amount may vary depending on the funds, are based on the employee's race or religion.*	N/A	Applicable only to employees

Social security contribution (CPF)

- Employees must be registered with the **Central and Provident Fund (CPF)** Board by the hiring entity
- CPF contribution is payable in Singapore only for **Singaporeans and Permanent Resident (SPR) employees**
- Foreigners holding a valid employment permit are not entitled to CPF.

CPF contributions are computed based on an employee's total wages.

The total wages for any calendar month is the sum of an employee's **Ordinary Wages (OW)** for the month and the **Additional Wages (AW)** paid to the employee in that month.

The **Ordinary Wage (OW) Ceiling** limits the amount of OW that would attract CPF contributions and is **capped** at **S$6,800** currently. CPF contribution is not required on the amount exceeding the ceiling.

The amount of CPF contributions payable on **AW** is **capped** at the yearly AW Ceiling of **S$102,000* – Total OW** subject to CPF for the year (*Equivalent to 17 months x S$6,000).
The AW Ceiling is applied on a per employer per year basis.

For example, if the employee earns $8,000 a month, and earns an annual bonus of $20,000. Only the first S$6,800 of his/her monthly income will be subject to CPF contributions. As for his/her annual bonus, the Additional Wage Ceiling is S$102,000 – S$6,800 x 12 = S$20,400. This means that the employee's entire annual bonus is also subject to CPF contributions as it is below the CPF contribution cap.

Social security contribution (CPF)

The CPF contribution rate applicable for your employee depends on their

i) citizenship – Singapore Citizen or SPR in the first and second year or from the third year of obtaining SPR status;
ii) age group; and
iii) total wages for the calendar month**.**

Employer's rate is 17% and employee's rate is 20% of wage (i.e. employee's aged 55 and below)

CPF contributions are due at the end of the month, however a grace period of 14 days to pay is given to Employers.

The maximum amount of mandatory and voluntary contributions that a person (employee or self-employed person) can make in a calendar year is subject to the CPF Annual Limit.
From 2016, the CPF Annual Limit is $37,740.

! Increase in CPF Ordinary Wage ceiling up to 1 January 2026

Jan – Dec 2024	S$6,800
Jan – Dec 2025	S$7,400
Jan 2026 – onwards	S$8,000

From 1 January 2024, the CPF contribution rates for employees aged above 55 to 70 are increased to strengthen their retirement adequacy.

HR Practice: from the onboarding to the termination

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Onboarding / Termination of an employee

Registration with Central Provident Fund

- Employers apply for a CPF Submission Number (CSN) to be able to submit CPF contributions electronically

Notifications to IRAS & CPF and clearance procedure for employees permanently leaving Singapore

a. **IRAS notification**

- Form IR21 at least 1 month before the employee's last day of employment or departure, whichever is earlier;
- IRAS confirms outstanding taxes due by the employee. The employer may need to withhold payments due to the employee until tax clearance is provided;
- Pay the outstanding taxes by using the withheld monies and inform the employee to settle the rest if the withheld amount is insufficient.

b. **CPF notification**

- Final CPF contributions within 14 days from the end of the month in which the employee departs;
- CPF early withdrawal possible (online application).

Termination of a senior employee

Employment practices in case of termination and re-employment of a senior employee.

Pursuant to the regulation, and in accordance with the **Retirement and Re-employment Act (RRA)**, the minimum retirement age is **63 years**.

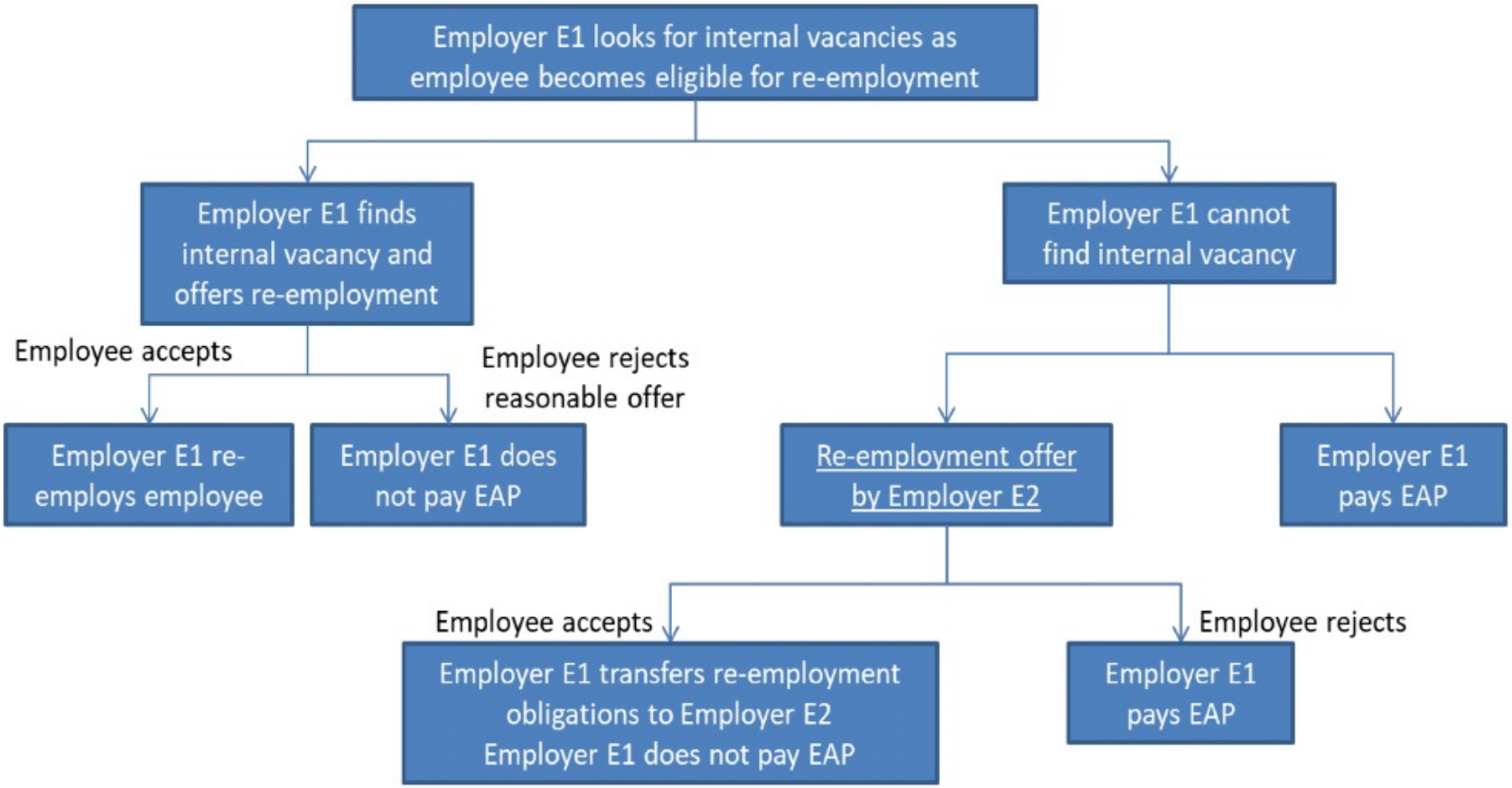
As an employer, you must offer **re-employment** to eligible employees who turn 63, up to age 68, to continue their employment in the organisation.

To provide greater certainty for employees, the company should offer the employee 5-year re-employment contracts, up to the prevailing statutory maximum Re-employment Age (68).

Alternatively, the company could re-employ the employee on a term contract of at least one year, renewable up to the prevailing statutory maximum Re-employment Age (68), so long as the employee continues to meet the eligibility criteria:

- Are a Singapore citizen or Singapore permanent resident;
- Have served your current employer for at least 2 years before turning 63 for employees hired at age 55 and above;
- Have satisfactory work performance, as assessed by the employer;
- Are medically fit to continue working.

Termination of a senior employee



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