

Singapore HR & Payroll Newsletter

Nov 2021

Employment Pass

An Employer may apply with the Ministry of Manpower (MOM) for an employment pass for foreign professionals to work in Singapore. The foreign professionals with acceptable qualifications must be working in managerial, executive or specialised jobs earning minimum fixed monthly salary of SGD 4,500 (Qualifying Salary). For candidates in the financial service sector, the minimum Qualifying Salary is SGD 5,000.

The Qualifying Salary for older and more experienced candidates in their 40s shall double the minimum Qualifying Salary mentioned above.

In their evaluation of employment pass applications, MOM will consider whether an employer has prioritised local PMETs in their hiring efforts and been responsive to the government initiatives to help recruit and train more Singaporean PMETs.

Employers must have fairly considered all candidates and met the Fair Consideration Framework's requirements which includes advertising jobs on MyCareersFuture.sg, unless exempted to do so.


Mandatory Retrenchment Notifications

With effect from 1 November 2021, companies with at least 10 employees are required to notify the Ministry of Manpower (MOM) of any retrenchments. Notification is required to be filed by an employer within five working days after providing notice of retrenchment to the affected worker(s). Failure to comply may result in a fine up to SGD 2,000.

Companies with fewer than 10 employees are encouraged to notify MOM voluntarily.

Companies are also encouraged to inform MOM in advance for major retrenchment exercises involving high number of workers.

Retrenchment exercises should be managed responsibly and fairly, in line with the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment.

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Senior Workers' CPF contribution Rate

From 1 January 2022, the CPF contribution rate of senior workers' age above 55 to 70 will be increased by up to two percent.

Employee Year-end Tax Return

Employers are required by 1 March annually to prepare Form IR8A and Appendix 8A, Appendix 8B or Form IR8S, where applicable, for employees who are employed in Singapore.

From Year of Assessment 2022, every employer in Singapore with five or more employees is required to join the Auto-Inclusion Scheme (AI) for employment income. Employers who have less than 5 employees are encouraged to join AIS. Employers can register for YA 2022 submission from 1 April 2021 to 31 December 2021.

Common reporting errors made by employers in year-end tax return are:

- Deducting the amount of payment in-lieu of notice paid by employee for insufficient resignation notice
- Not declaring free shares granted/awarded to employees from parent or local company
- Incorrectly reporting gains from employee stock option or employee share ownership with imposed selling restriction

Retirement and Re-employment Ages for Singapore Workers

Effective 1 July 2022, the retirement age and re-employment age for Singapore workers will be raised to 63 and 68 respectively and progressively increased to 65 and 70 years old by 2030.

We provide HR & payroll services to clients and will be happy to share our experience with you. Come talk to us today at enquiry@ledgengroup.com.

About Ledgen Group

Ledgen Group offers a well-rounded suite of statutory compliance services in Singapore, Hong Kong and Malaysia.

We provide value-for-money services to our clients by assisting in their company set-up, corporate secretarial, accounting, tax compliance, as well as HR and payroll outsourcing needs.

Ledgen Singapore Pte. Ltd. is formerly known as Ecovis Bizcorp Pte. Ltd.

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