

New two-stage framework for Employment Pass applicants in Singapore

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I. Introduction

As one of the leading business hubs in the world, Singapore offers numerous job opportunities and lucrative salaries for many foreign professionals looking for a career in Singapore. For a foreigner (i.e., a person who is not a Singapore citizen or Singapore Permanent Resident) to work in Singapore, he or she would need a valid work pass issued by the Ministry of Manpower (**MOM**).

There are a number of work passes that can be applied for, and the Employment Pass (**EP**) is aimed at foreign professionals, managers and executives who earn at least SGD5,000 a month. With an EP, a foreigner can work in Singapore, travel in and out of Singapore without needing to apply for a Singapore entry visa and apply to get certain family members to join him or her in Singapore.

There are certain eligibility requirements with respect to applying for an EP, and, from 1 September 2023, new EP applicants will have to score sufficient points under a new Complementarity Assessment Framework (**COMPASS**) points system. For EP renewal applications, the COMPASS points system will become effective from 1 September 2024. This article will provide an overview of the process for applying for an EP from 1 September 2023.

II. Process for applying for an EP

As highlighted above, in relation to the eligibility of a candidate to apply for an EP, with effect from 1 September 2023, new EP candidates will need to pass the points-based COMPASS system, in addition to meeting the EP qualifying salary. The new two (2) stage eligibility framework is as follows:

Stage 1:	The candidate must earn at least the EP qualifying salary, which is benchmarked to the top 1/3 of local "Professionals, Managers, Executives and Technicians" (PMET) salaries by age.
Stage 2:	Unless exempted, the candidate will need to pass the points-based COMPASS-system.

Under the new two (2) stage system, if the candidate does not meet Stage 1, he or she would not be eligible for an EP, even if he or she would have passed Stage 2.

A. Preliminary step

In terms of the process for applying for an EP, unless exempted, the first step for any employer, before submitting an EP application, is to advertise the job on MyCareersFuture and consider all candidates fairly. There are certain exemptions to the requirement to advertise the job vacancy on MyCareersFuture. An employer is not required to advertise if it meets any of the following requirements:

- (i) The employer has fewer than ten (10) employees.
- (ii) The fixed monthly salary for the vacancy is SGD22,500 and above.
- (iii) The role is short-term, i.e., not more than one (1) month.
- (iv) The role is to be filled by a local transferee.

B. Stage 1

For Stage 1 (the EP qualifying salary stage), with effect from 1 September 2023, the following EP qualifying salary requirements apply to new applications and renewals:

- (i) At least SGD5,000 for all sectors except financial services, increasing progressively with age from age 23, up to SGD10,500 at age 45 and above. To determine what the EP qualifying salary is, the MOM website sets out the table of salaries as against the respective ages.
- (ii) At least SGD5,500 for the financial services sector, increasing progressively with age from age 23, up to SGD11,500 at age 45 and above. The MOM website also sets out the table of salaries for the financial services sector, as against the respective ages.

C. Stage 2

Assuming that the candidate would satisfy Stage 1, the next stage to clear would be the COMPASS stage, which is effectively a points-based system in which candidates would need to earn **at least 40 points** in order to pass. We would highlight, at this point, that a candidate would be exempted from having to satisfy the COMPASS stage if any of the following applies:

- (i) the candidate has a fixed monthly salary of at least SGD22,500;
- (ii) the candidate is applying as an overseas intra-corporate transferee; or
- (iii) the candidate is filling the role for one (1) month or less.

The way in which a candidate earns points under the COMPASS system is to evaluate the candidate with respect to four (4) foundational criteria, which are summarised in the table below:

Criterion	Description	Requirements	Result
Salary (C1)	This criterion benchmarks the candidate's salary against the local PMET salaries in the employer's sector.	≥90 th percentile	Candidate earns 20 points
		≥65 th & <90 th percentile	Candidate earns 10 points
		<65 th percentile	Candidate earns 0 points
Qualifications (C2)	This criterion awards points to candidates based on their qualifications.	Top tier institution	Candidate earns 20 points
		Degree-equivalent institution	Candidate earns 10 points
		No degree-equivalent institution	Candidate earns 0 points
Diversity (C3)	<p>This criterion awards more points to applications where the candidate's nationality forms a small share of the firm's PMET employees.</p> <p>If the organisation employs fewer than 25 PMETs, the candidate's application will score ten (10) points by default. If the organisation employs at least 25 PMETs, then the candidate's points will depend on the share of the candidate's nationality among the organisation's PMETs.</p>	<5%	Candidate earns 20 points
		≥5% & <25%	Candidate earns 10 points
		≥25%	Candidate earns 0 points

Support for Local Employment (C4)	This criterion recognises organisations that create opportunities for the local workforce and build complementary teams comprising both local and foreign professionals. If the organisation employs fewer than 25 PMETs, then the candidate's application will score ten (10) points by default. If the organisation employs at least 25 PMETs, then the candidate's points will depend on the organisation's local PMET share relative to its sector.	≥50 th percentile	Candidate earns 20 points
		≥20 th & <50 th percentile	Candidate earns 10 points
		<20 th percentile	Candidate earns 0 points

In addition to the four (4) criteria that we have set out in the table above, there are two (2) additional bonus criteria where a candidate can earn extra points to reach the required 40-point threshold. We have set out more information on the two (2) additional bonus criteria in the table below:

Criteria	Description	Requirements	Result
Skills Bonus (Shortage Occupation List) (C5)	Where the job to be taken by the candidate is on the Shortage Occupation List (SOL) and the share of the candidate's nationality amongst the organisation's PMETs is less than one-third (1/3), the candidate will earn a bonus of 20 points. Where the job to be taken by the candidate is on the SOL and the share of the candidate's nationality amongst the organisation's PMETs is one-third (1/3) or more, the candidate will earn a bonus of ten (10) points.	Job opening corresponds to the SOL and the share of the candidate's nationality amongst the organisation's PMETs is less than one-third (1/3)	Candidate earns 20 points
		Job opening corresponds to the SOL and the share of the candidate's nationality amongst the organisation's PMETs is one-third (1/3) or more	Candidate earns 10 points
		Job opening does not correspond to the SOL	Candidate earns 0 points

Strategic Economic Priorities Bonus (C6)	The organisation would need to participate or meet the criteria for at least one (1) of the eligible programmes by the Economic Development Board, Enterprise Singapore, the Infocomm Media Development Authority, and the Maritime and Port Authority of Singapore.	Satisfied	Candidate earns 10 points
		Not satisfied	Candidate earns 0 points

At this juncture, we would highlight that we can assist companies in determining if their candidates would be eligible to apply for an EP and would be able to collect the required number of points under the COMPASS system. We would need information such as the candidate's age, proposed fixed monthly salary for the candidate and the most recent (and highest) qualifications that the candidate has earned, and we can carry out a check on the MOM's Self-Assessment Tool to see if the candidate would be eligible for an EP.

III. Concluding remarks

Employers should be aware of the new two-stage EP application framework, and, in particular, the COMPASS points system, as it may affect the ease in which EP applications are obtained for foreigners. It should also be noted that, while the new two (2) stage COMPASS system will be applicable for all new EP applications, any EP renewals will not need to go through the COMPASS system as it would only apply to renewals of EPs expiring from 1 September 2024.

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