

**ADDITIONAL MEASURES TO MODERATE DEMAND FOR FOREIGN  
MANPOWER  
Frequently Asked Questions (FAQs)**

<b>(A) Rationale for Further Changes</b>	
<b>Q1</b>	<b>What are the main changes?</b>
<b>A1</b>	<p><b><u>S Pass Qualifying Criteria</u></b></p> <p>From 1 Jul 2013, we will tighten the S Pass qualifying salary requirements. S Pass applicants will have to earn a higher fixed monthly salary of at least \$2,200, with the exact requirements depending on his qualifications and experience. Younger applicants could qualify if they earn at least \$2,200 while older applicants would have to command higher salaries commensurate with the work experience and quality they are expected to bring. In addition, job type will no longer be a factor in assessing S Pass eligibility.</p> <p><b><u>Foreign Worker Levy (FWL)</u></b></p> <p>We will be raising the FWL rates for both S Pass and Work Permit (WP` holders across all sectors in Jul 2014 and Jul 2015. Please refer to Section C – A1.</p> <p><b><u>Dependency Ratio Ceiling (DRC) in Services Sector</u></b></p> <p>From 1 Jul 2013, we will reduce the overall Services DRC from 45% to 40% and the Services S Pass Sub-DRC from 20% to 15%. Only new applicants would have to comply with the new DRC/sub-DRC from 1 Jul 2013. Companies have up to Jul 2015 to comply with the new DRC/sub-DRC in relation to their existing Foreign Workers (FW).</p> <p><b><u>Dependency Ratio Ceiling (DRC) in Marine Sector</u></b></p> <p>We will be reducing the overall Marine DRC in two phases. From 1 Jan 2016, we will reduce the overall Marine DRC from the current 1 local: 5 FWs (83.3%) to 1:4.5 (81.8%). From 1 Jan 2018, the overall Marine DRC will be further reduced to 1:3.5 (77.8%).</p> <p><b><u>Job Flexibility for Services</u></b></p> <p>We will allow Work Permit holders in the Services sector to multi-task to raise productivity and help companies cope with labour constraints. MOM will consult NTUC and Singapore National Employers Federation (SNEF) on a set of guidelines. Further details of the policy will be announced at MOM's Committee of Supply in Mar 2012.</p>

<p><b>Q2</b></p>	<p><b>What is the main rationale for the additional measures to moderate demand for foreign manpower?</b></p> <p><b>Why is there a need to undergo yet another round of tightening measures?</b></p>
<p><b>A2</b></p>	<p>Our limited land and infrastructure, and the need for more sustainable productivity-driven economic growth, require a significant slowdown in the growth of our foreign workforce. The Population White Paper envisions decreasing the overall workforce growth to 1% to 2% per annum between 2012 and 2030. This will help restructure the economy to move up the value-chain and generate more good job opportunities for Singaporeans.</p> <p>To moderate the demand for foreign manpower and to encourage productivity improvements, the Government has already announced and implemented several measures over the last three years, such as increasing the foreign worker levies, revising the qualifying salaries for Employment Pass (EP) and S Pass holders, enhancing the EP qualifying criteria and decreasing the sectoral Dependency Ratio Ceilings.</p> <p>Despite these measures, the foreign manpower stock (excluding foreign domestic workers) grew by 67,100 last year to reach 1,058,700 in Dec 2012. This is due to a tight domestic labour situation and strong manpower demand, especially in the Construction sector and for S Pass holders in the Services sector. Consequently, the foreign share of employment rose to 33.6% in Dec 2012, up from 32.8% in Dec 2011. The additional measures therefore send a clear message that companies need to reduce reliance on foreign manpower, embark on productivity measures and restructure for the future.</p>
<p><b>Q3</b></p>	<p><b>What is the Government doing to help companies cope with the new measures?</b></p>
<p><b>A3</b></p>	<p>The Government will support business restructuring through a \$5.9 billion Quality Growth Programme.</p> <p>The tightening of our foreign worker policies is only one of four pillars in the Quality Growth Programme. The remaining three pillars (3-year Transition Support Package, Strengthening Productivity Incentives, and Developing Capabilities for New Growth Industries) are designed to help companies restructure, grow, and share productivity gains with workers through higher wages.</p> <p>Under the <b>3-Year Transition Support Package</b>, companies can tap on the following schemes to help them cope during this period of economic restructuring:</p> <ul style="list-style-type: none"> <li>• <u>Wage Credit Scheme (WCS)</u>: The government will co-fund 40% of wage increases for Singaporean employees earning up to a gross monthly wage of \$4,000 over the next three years. This supports companies raising their employees' wages and incentivises employers to share</li> </ul>

	<p>productivity gains with employees.</p> <ul style="list-style-type: none"> <li>• <u>Productivity and Innovation Credit Bonus (PIC Bonus)</u>: Businesses that invest a minimum of \$5,000 per Year of Assessment (YA) in PIC qualifying expenditure will receive a dollar-for-dollar cash bonus, up to \$15,000 over three YAs, YA2013 to YA 2015. The PIC bonus is paid over and above existing PIC benefits.</li> <li>• <u>Corporate Income Tax Rebate (CIT Rebate)</u>: All companies will receive a rebate of 30% of tax payable up to \$30,000 per YA from YA 2013 to YA 2015. This will help businesses defray other cost pressures such as higher rentals.</li> </ul> <p>For more details, please refer to the Singapore Budget 2013 website: <a href="http://app.singaporebudget.gov.sg/budget_2013/default.aspx">http://app.singaporebudget.gov.sg/budget_2013/default.aspx</a>.</p>
<p><b>Q4</b></p>	<p><b>Is the Government putting in place any measures to help Small and Medium Enterprises (SMEs) cope with the new measures?</b></p>
<p><b>A4</b></p>	<p>The Government recognises that SMEs may require additional assistance to make productivity improvements. Through the Quality Growth Programme, we hope to address SMEs' concerns by Strengthening Productivity Incentives and Developing Capabilities for New Growth Industries.</p> <ul style="list-style-type: none"> <li>• <b>SMEs who undertake meaningful productivity investments of at least \$5,000 per YA will be eligible for the PIC Bonus.</b></li> <li>• <b>The government will help SMEs develop productivity solutions that give them a competitive advantage</b> by linking up SMEs with public-sector research institutions and private sector technology providers.</li> <li>• <b>To foster SME collaborations with large enterprises</b>, the government will broaden and enhance the PACT scheme (Partnerships for Capability Transformation) from the Manufacturing sector to other sectors. This will enable co-innovation, capability upgrading and sharing of best practices within the supply chain.</li> <li>• <b>To help SMEs hire local talent</b>, the government will launch an SME Talent Programme to provide awards to encourage polytechnic and Institute of Technical Education (ITE) students to join our SMEs upon graduation.</li> <li>• <b>To improve the accessibility of government support schemes for SMEs</b>, Standards, Productivity and Innovation Board (SPRING) will enhance the Enterprise Development Centres into one-stop, integrated SME Centres (\$32 million).</li> </ul> <p>For more details, please refer to the Singapore Budget 2013 website: <a href="http://app.singaporebudget.gov.sg/budget_2013/default.aspx">http://app.singaporebudget.gov.sg/budget_2013/default.aspx</a>.</p>

<b>Q5</b>	<b>Can MOM provide a breakdown of the foreign workforce employment statistics?</b>
<b>A5</b>	<p>As at Dec 2012, there were approximately 1.06 million foreigners in our workforce; this is approximately 173,800 EP holders, 142,400 S Pass holders and 742,500 Work Permit holders (excluding FDWs).</p> <p>Of the 742,500 Work Permit holders (WPHs), 293,400 were from the Construction sector. There were also 209,600 FDWs.</p>

<b>(B) S Pass Qualifying Criteria</b>	
<b>Q1</b>	<b>What are the changes to the S Pass qualifying criteria?</b>
<b>A1</b>	From 1 Jul 2013, S Pass applicants will have to earn a higher fixed monthly salary of at least \$2,200, with the exact requirements depending on his qualifications and experience. Younger applicants could qualify if they earn at least \$2,200 while older applicants would have to command higher salaries commensurate with the work experience and quality they are expected to bring. In addition, job type will no longer be a factor in assessing S Pass eligibility.
<b>Q2</b>	<b>How will the changes to the S Pass qualifying criteria affect existing S Pass holders?</b>
<b>A2</b>	<p>There will be no immediate impact on existing S Pass holders. MOM will phase in the new requirements over the next 1 – 2 years (depending on when their current passes expire). Existing S Pass holders whose passes expire:</p> <ul style="list-style-type: none"> <li>• <u>Before 1 Jul 2013</u>: Receive a one-time renewal based on the pre-Jul 2013 S Pass criteria.</li> <li>• <u>Between 1 Jul 2013 and 31 Dec 2013 (both dates inclusive)</u>: Receive a one-time renewal of up to <u>one year</u> on the pre-Jul 2013 S Pass criteria.</li> <li>• <u>On or after 1 Jan 2014</u>: The new S Pass criteria from 1 Jul 2013 shall apply.</li> </ul> <p>Existing S Pass holders who change employers from 1 Jul 2013 will have their applications considered under the new S Pass criteria.</p> <p>This gives both existing S Pass holders and their employers time to make the necessary adjustments.</p>
<b>Q3</b>	<b>How will the changes to the qualifying criteria affect employers?</b>  <b>As an employer, what happens if my worker no longer meets the new criteria?</b>
<b>A3</b>	<p>Employers can do the following:</p> <ul style="list-style-type: none"> <li>• Consider hiring or promoting a local for the job instead;</li> <li>• Hire the affected S Pass holder at the same salary on a lower pass type;</li> <li>• Replace with a better calibre new S Pass holder that meets the new criteria; or</li> <li>• Invest in productivity enhancement measures to reduce dependence on manpower.</li> </ul> <p>Employers who decide to downgrade their S Pass holders will have to ensure that they meet the source and dependency ratio restrictions for Work Permit holders.</p>

<b>Q4</b>	<b>How can employers be certain that their potential S Pass holders will qualify for the pass, given the new qualifying criteria?</b>
<b>A4</b>	MOM will update the online Self Assessment Tool by 1 May 2013 to allow employers to assess if their potential employees will meet the new qualifying criteria.

**(C) Foreign Worker Levy**

**Q1** What are the changes to the foreign worker levy (FWL) rates in the new schedule?

**A1** The schedule of the FWL rate increases for S Pass and Work Permit holders across all sectors is as follows:

**Services**

		Current		1 Jul 2013		1 Jul 2014		1 Jul 2015	
		DR	Levy (\$) (R1/R2)	DR	Levy (\$) (R1/R2)	DR	Levy (\$) (R1/R2)	DR	Levy (\$) (R1/R2)
S Pass	Basic	≤ 10%	250	≤ 10%	300	≤ 10%	315	≤ 10%	330
	Tier 2	10-20%	390	10-15%	450	10-15%	550	10-15%	650
Work Permit	Basic	≤ 15%	270/370	≤ 10%	300/400	≤ 10%	300/420	≤ 10%	300/450
	Tier 2	15-25%	380/480	10-25%	400/500	10-25%	400/550	10-25%	400/600
	Tier 3	25-45%	550	25-40%	600	25-40%	600/700	25-40%	600/800

**Others (Manufacturing, Marine, Construction and Process)**

		Current		1 Jul 2013		1 Jul 2014		1 Jul 2015	
		DR	Levy (\$) (R1/R2)	DR	Levy (\$) (R1/R2)	DR	Levy (\$) (R1/R2)	DR	Levy (\$) (R1/R2)
S Pass	Basic	≤ 10%	250	≤ 10%	300	≤ 10%	315	≤ 10%	330
	Tier 2	10-20%	390	10-20%	450	10-20%	550	10-20%	650
Mfg	Basic	≤ 25%	230/330	≤ 25%	250/350	≤ 25%	250/370	≤ 25%	250/400
	Tier 2	25-50%	330/430	25-50%	350/450	25-50%	350/470	25-50%	350/500
	Tier 3	50-60%	500	50-60%	550	50-60%	550/650	50-60%	550/700
Marine	Basic	≤ 83.3%	230/330	≤ 83.3%	250/350	≤ 83.3%	300/400	≤ 83.3%	350/500
Constr	Basic	≤ 87.5%	280/400	≤ 87.5%	300/450	≤ 87.5%	300/550	≤ 87.5%	300/600
	Waiver		550/650		600/750		700/950		750/1050
Process	Basic	≤ 87.5%	230/330	≤ 87.5%	250/350	≤ 87.5%	300/450	≤ 87.5%	300/500
	Waiver		500		550		600/750		600/800

**Q2** What is the expected increase in foreign worker levy (FWL) bills for companies?

**A2** Employers can expect the following average increases in the monthly levy per S Pass Holder/Work Permit holder by 1 Jul 2015, as compared to the levy payable at the end of the previously announced levy schedule which runs till 1 Jul 2013:

- i. S Pass (all sectors) - \$90 per S Pass holder
- ii. Manufacturing - \$50 per Work Permit holder
- iii. Services - \$90 per Work Permit holder

	iv. Construction - \$160 per Work Permit holder.																									
<b>Q3</b>	<b>Can employers pass on the foreign worker levy (FWL) increases to their FWs?</b>																									
<b>A3</b>	<p>Under the Employment of Foreign Manpower Act (EFMA), employers are prohibited from recovering the FWL or other employment-related costs from their workers. MOM will continue to monitor and enforce against employers who attempt to recover the levy from their FWs.</p> <p>Any employer who deducts the FWL from his FWs' salary, or otherwise causes the FW to bear the FWL, breaches the EFMA and may be subject to a financial penalty of up to \$20,000, per count. In addition, errant employers will be barred from hiring FWs.</p>																									
<b>Q4</b>	<b>What are the foreign worker levy (FWL) changes in the Construction sector in the new schedule?</b>																									
<b>A4</b>	<p>We will raise the FWL rate for Basic Skilled Work Permit holders (WPHs), as well as the FWL rates for both Basic Skilled and Higher Skilled WPHs in the man-year-entitlement (MYE)-waiver category, in Jul 2014 and Jul 2015.</p> <p>The schedule of FWL rate increases is as follows:</p> <table border="1"> <caption>FWL Rate Increases Schedule</caption> <thead> <tr> <th>Date</th> <th>Higher Skilled (Within MYE quota)</th> <th>Basic Skilled (Within MYE quota)</th> <th>Higher Skilled (MYE-Waiver)</th> <th>Basic Skilled (MYE-Waiver)</th> </tr> </thead> <tbody> <tr> <td>01-Jan-13</td> <td>\$400</td> <td>\$280</td> <td>\$550</td> <td>\$650</td> </tr> <tr> <td>01-Jul-13</td> <td>\$450</td> <td>\$300</td> <td>\$600</td> <td>\$750</td> </tr> <tr> <td>01-Jul-14</td> <td>\$550</td> <td>\$300</td> <td>\$700</td> <td>\$950</td> </tr> <tr> <td>01-Jul-15</td> <td>\$600</td> <td>\$300</td> <td>\$750</td> <td>\$1050</td> </tr> </tbody> </table>	Date	Higher Skilled (Within MYE quota)	Basic Skilled (Within MYE quota)	Higher Skilled (MYE-Waiver)	Basic Skilled (MYE-Waiver)	01-Jan-13	\$400	\$280	\$550	\$650	01-Jul-13	\$450	\$300	\$600	\$750	01-Jul-14	\$550	\$300	\$700	\$950	01-Jul-15	\$600	\$300	\$750	\$1050
Date	Higher Skilled (Within MYE quota)	Basic Skilled (Within MYE quota)	Higher Skilled (MYE-Waiver)	Basic Skilled (MYE-Waiver)																						
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<b>Q5</b>	<b>What is the impact of the recently announced foreign worker levy (FWL) changes to the Construction Sector?</b>																									
<b>A5</b>	<p>The Construction sector will see significant changes to the levies. Employers in the Construction sector can expect an increase in the monthly levy of \$150 per Basic Skilled Work Permit holder (WPH) employed under man-year-entitlement (MYE) and an increase in the monthly levy of \$300 per Basic Skilled WPH employed under MYE-waiver between Jul 2013 and Jul 2015.</p>																									



<b>Q6</b>	<b>What is the rationale for the changes to the foreign worker levy (FWL) rates in the Construction sector? Will this worsen inflation and Construction costs? What is the estimated cost impact of the levy changes in 2014 and 2015 for the Construction sector?</b>
<b>A6</b>	<p>The changes to FWL rates will enhance the impetus for productivity improvement, encourage employers to hire and retain higher skilled workers and discourage heavy utilisation of Work Permit holders.</p> <p>The impact of levy increase in 2014 and 2015 on construction costs is estimated to be about 1% - 2% on an industry level, which is about up to 0.5% of the overall development costs as measured from 2013. At the project and firm levels, the actual cost impact will vary, depending on the nature of the projects, the work carried out by the different contractors as well as the profile of the contractors' workforce.</p> <p>The industry can mitigate the cost impact on the FWL changes by reducing its reliance on labour (and hence labour and levy costs) through the following measures:</p> <ul style="list-style-type: none"> <li>• Adopt more buildable designs and using labour-efficient construction technologies in construction projects.</li> <li>• Retain and upgrade their skilled and experienced workers so that better ones can qualify as Higher Skilled workers and enjoy lower levy rate. These higher skilled and experienced workers are also more productive; firms can hence reduce the required number of workers and lower their labour costs.</li> <li>• Tap on the \$250 million Construction Productivity and Capability Fund (CPCF) to upgrade their workforce and defray the cost of investing in more labour efficient technology/construction methods. In so doing, they can reduce their manpower needs and hence overall levy bill.</li> </ul>
<b>Q7</b>	<b>With man-year-entitlement (MYE) control applicable to the Construction sector, why do we still need to increase levy?</b>
<b>A7</b>	<p>MYE quota is allocated based on project values as a proxy of manpower needs. Due to the varying nature of individual projects, the MYE-waiver route is provided to give flexibility to meet the specific manpower needs of firms and projects. However, the levy for workers employed through the MYE waiver route will need to be pegged at higher rates to encourage firms to substitute labour with technology and re-engineer their construction processes, instead of using the MYE-waiver route as an easy alternative to obtain labour.</p>

<b>(D) Dependency Ratio Ceiling in Services Sector</b>	
<b>Q1</b>	<b>What are the changes to the overall Services Dependency Ratio Ceiling (DRC) and the Services S Pass sub-DRC?</b>
<b>A1</b>	From 1 Jul 2013, the overall Services DRC will be reduced from 45% to 40% and the Services S Pass sub-DRC will be reduced from 20% to 15%.
<b>Q2</b>	<b>How will the tightening of the Dependency Ratio Ceilings (DRC)/sub-DRC affect existing S Pass and Work Permit holders in the Services sector?</b>
<b>A2</b>	<p>No company will be forced to give up their existing foreign workers (FWs) immediately. Companies will be given time to adjust to the changes:</p> <ul style="list-style-type: none"> <li>• From 1 Jul 2013, companies will have to comply with the new DRC/sub-DRC for <u>new FWs</u> brought in; and</li> <li>• From 1 Jul 2015, companies will have to comply with the new DRC/sub-DRC in relation to their <u>existing FWs</u>.</li> </ul>

<b>Q3</b>	<b>How will the changes affect companies that were already affected by the cut in the Dependency Ratio Ceiling (DRC) from 50% to 45% in Jul 2013?</b>																																																															
<b>A3</b>	<p>The changes will take place gradually. The following tables provide an overview:</p> <p><b><u>Overall Services DRC</u></b></p> <table border="1" data-bbox="277 488 1370 770"> <thead> <tr> <th></th> <th>Before 1 Jul 2013</th> <th>1 Jul 2013<sup>#</sup></th> <th>1 Jul 2014<sup>#</sup></th> <th>1 Jul 2015</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>For new applications</b></td> </tr> <tr> <td>Company's DR: 40-45%</td> <td>✓</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td colspan="5"><b>For renewal applications</b></td> </tr> <tr> <td>Company's DR: 45%-50%<sup>^</sup></td> <td>✓</td> <td>✓</td> <td>X*</td> <td>X</td> </tr> <tr> <td>Company's DR: 40-45%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>X</td> </tr> </tbody> </table> <p><sup>#</sup> While renewal applications may be renewed for up to two years, companies will still be required to comply with the new DRC by 1 Jul 2015.  <sup>^</sup>: This was the earlier transition arrangement MOM had provided for companies affected by the Services DRC reduction from 50% to 45% on 1 Jul 2012. MOM will continue to honour this transition arrangement.  *: This marks the end of the transition arrangement for the earlier Services DRC reduction from 50% to 45%. From 1 Jul 2014, companies will not be allowed to retain any foreign workers (FWs) above 45% DR utilisation.</p> <p><b><u>S Pass Sub-DRC (S Pass applications only)</u></b></p> <table border="1" data-bbox="277 1070 1370 1413"> <thead> <tr> <th></th> <th>Before 1 Jul 2013</th> <th>1 Jul 2013<sup>#</sup></th> <th>1 Jul 2014<sup>#</sup></th> <th>1 Jul 2015</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>For new applications</b></td> </tr> <tr> <td>Company's Sub-DR: 15%-20%</td> <td>✓</td> <td>X</td> <td>X</td> <td>X</td> </tr> <tr> <td colspan="5"><b>For renewal applications</b></td> </tr> <tr> <td>Company's Sub-DR: 20%-25%<sup>^</sup></td> <td>✓</td> <td>✓</td> <td>X</td> <td>X</td> </tr> <tr> <td>Company's Sub-DR: 15%-20%</td> <td>✓</td> <td>✓</td> <td>✓</td> <td>X</td> </tr> </tbody> </table> <p><sup>#</sup> While renewal applications may be renewed for up to two years, companies will still be required to comply with the new DRC by 1 Jul 2015.  <sup>^</sup>: This was the earlier transition arrangement MOM had provided for companies affected by the S Pass sub-DRC reduction from 25% to 20% on 1 Jul 2012. MOM will continue to honour this transition arrangement.  *: This marks the end of the transition arrangement from the earlier S Pass sub-DRC reduction from 25% to 20%. From 1 Jul 2014, companies will not be allowed to retain any S Pass holders above 20% sub-DR utilisation.</p>					Before 1 Jul 2013	1 Jul 2013 <sup>#</sup>	1 Jul 2014 <sup>#</sup>	1 Jul 2015	<b>For new applications</b>					Company's DR: 40-45%	✓	X	X	X	<b>For renewal applications</b>					Company's DR: 45%-50% <sup>^</sup>	✓	✓	X*	X	Company's DR: 40-45%	✓	✓	✓	X		Before 1 Jul 2013	1 Jul 2013 <sup>#</sup>	1 Jul 2014 <sup>#</sup>	1 Jul 2015	<b>For new applications</b>					Company's Sub-DR: 15%-20%	✓	X	X	X	<b>For renewal applications</b>					Company's Sub-DR: 20%-25% <sup>^</sup>	✓	✓	X	X	Company's Sub-DR: 15%-20%	✓	✓	✓	X
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<b>(E) Dependency Ratio Ceiling in Marine Sector</b>	
<b>Q1</b>	<b>What are the changes to the Marine Dependency Ratio Ceiling (DRC)?</b>
<b>A1</b>	<p>The Marine sector will have a progressive reduction in its DRC as detailed below:</p> <p>a) Reduction from 1:5 (83.3%) to 1:4.5 (81.8%), effective from 1 Jan 2016; and</p> <p>b) Reduction from 1:4.5 (81.8%) to 1:3.5 (77.8%), effective from 1 Jan 2018.</p> <p><u>All</u> companies will have to comply with the new DRC by 1 Jan 2016 and 1 Jan 2018.</p>
<b>Q2</b>	<b>Why is there a need to reduce the Marine Dependency Ratio Ceiling (DRC) when it is widely recognised that the pool of Singaporeans who are willing to enter the sector is limited?</b>
<b>A2</b>	<p>We recognise that the Marine sector faces more significant challenges attracting and retaining locals due to the nature of activities being performed. Hence, the Marine sector is granted more liberal access to foreign workers (FWs) to complement their workforce, even with the DRC reduction. Nonetheless, the FW measures are necessary to help transform the Marine sector and moderate companies' reliance on FWs.</p>
<b>Q3</b>	<b>What are the main thrusts of the Marine Transformation Plan?</b>
<b>A3</b>	<p>To maintain Singapore's global leadership position in the Marine and Offshore (M&amp;O) industry, EDB is seeking to transform the industry with four major thrusts:</p> <p>a) Grow design and engineering capabilities as a new differentiating competency;</p> <p>b) Improve land and labour productivity by: (i) consolidating each major shipyard group into individual contiguous locations; (ii) co-locating smaller niche shipyards in shared waterfront facilities; (iii) redesigning shipyard processes and investing in automation; and (iv) upgrading workers' capabilities;</p> <p>c) Strengthen the supplier base by working with the shipyards to help key subcontractors raise productivity and undertake higher value-added (VA) activities; and</p> <p>d) Regionalise and increase the off-shoring and out-sourcing of lower VA activities to the region.</p>
<b>Q4</b>	<b>Why is there no transition plan for affected companies? What will happen to companies which are over the Dependency Ratio Ceiling (DRC) on the effective date?</b>

<b>A4</b>	<p>We have announced the DRC reduction early to give companies adequate lead time to make adjustments before the effective date of the new DRC. Hence, no additional transition time will be given. Companies which exceed the stipulated DRC will have to give up their excess foreign workers (FWs). The DRC reductions are also being introduced in a gradual phase to mitigate the impact upon affected companies.</p> <p>Companies can refer to the new online foreign worker quota calculator to better understand how they will be affected from Jul 2013. The calculator can be found at: <a href="http://www.mom.gov.sg/foreign-manpower/foreign-worker-levies/Pages/calculation-of-foreign-worker-quotas.aspx">http://www.mom.gov.sg/foreign-manpower/foreign-worker-levies/Pages/calculation-of-foreign-worker-quotas.aspx</a>.</p>
<b>Q5</b>	<p><b>Where could Marine companies seek help in making the transition to the lower Dependency Ratio Ceiling (DRC)?</b></p>
<b>A5</b>	<p>We understand that many companies, especially SMEs, might face challenges transiting to the new DRC regime. We strongly encourage SMEs who require assistance to approach SPRING, which has in place assistance schemes that support SMEs in their efforts to reduce reliance on foreign workers.</p> <p>For example, SPRING's Capability Development Scheme (CDS) provides funding to SMEs that embark on projects to improve productivity and upgrade capabilities. CDS supports up to 70% of costs incurred by the SMEs, such as equipment and salaries of employees involved in the projects.</p> <p>SMEs can also tap on the Innovation &amp; Capability Voucher (ICV), which they can use to engage approved service providers such as productivity consultants to look at ways to enhance their operational efficiency.</p> <p>The sponsoring shipyards will continue to play a leading role in working with their SME contractors to improve processes and reduce reliance on manual labour. SPRING has supported sponsoring shipyards and their SME contractors on projects to enhance existing processes (e.g. through use of automation equipment). Efforts will be stepped up to identify more of such projects.</p>

**FAQS ON ENHANCED FOREIGN DOMESTIC WORKER (FDW) LEVY CONCESSION**

<b>Q1</b>	<b>What is the change to the concessionary foreign domestic worker (FDW) levy rate?</b>
<b>A1</b>	The concessionary foreign domestic worker (FDW) levy rate will be reduced from \$170 to \$120 per month. This translates to a higher savings of \$145 per month (increased from \$95) off the normal FDW levy rate of \$265 per month.
<b>Q2</b>	<b>When will the enhanced FDW levy concession take effect?</b>
<b>A2</b>	<p>The reduced concessionary FDW levy rate will take effect from 1 March 2013, and will apply to all existing and new FDW employers who qualify for the FDW levy concession.</p> <p>The reduced concessionary levy rate for March 2013 will be reflected in the levy payment advice to be sent by CPF Board in early April 2013 to all FDW employers who are granted the concession.</p>
<b>Q3</b>	<b>Why did the government enhance the FDW levy concession?</b>
<b>A3</b>	The intent is to provide more financial assistance to families who need to hire a FDW to look after their dependants (young children / aged persons / persons with disability) or themselves.
<b>Q4</b>	<b>Who is eligible for the FDW levy concession?</b>
<b>A4</b>	<p>An FDW employer will qualify for the FDW levy concession if he/she:</p> <ul style="list-style-type: none"> <li>a) has a young child or grandchild (Singapore Citizen) below 12 years old; or</li> <li>b) himself/herself is an elderly (Singapore Citizen / Permanent Resident) aged 65 years or above; or</li> <li>c) has an elderly family member (Singapore Citizen / Permanent Resident) aged 65 years or above staying together based on NRIC-registered address; or</li> <li>d) has disability/ has a family member with disability (Singapore Citizen) staying together based on NRIC-registered address.</li> </ul> <p>For the detailed FDW levy concession criteria, please refer to MOM website at <a href="http://www.mom.gov.sg">www.mom.gov.sg</a>.</p>
<b>Q5</b>	<b>Do I need to apply for the FDW levy concession? How do I apply for the FDW levy concession?</b>

<b>A5</b>	<p>Please refer to the table below for a summary of the application guidelines. For more details of the application criteria and steps, please visit the Ministry of Manpower's website at <a href="http://www.mom.gov.sg">www.mom.gov.sg</a>.</p>
<p><b>Type of FDW levy concession scheme</b></p>	<p><b>Do I need to apply for levy concession?</b></p>
<p>Young child scheme</p>	<p>No: If your child is a Singapore Citizen born and registered in Singapore</p> <p>Yes: If your child is born overseas and issued with a Singapore citizenship certificate</p>
<p>Young grandchild scheme</p>	<p>Yes: MOM requires the grandchild's particulars (Birth Certificate No., birth date, nationality and relationship information between the FDW employer and grandchild) to assess the eligibility for levy concession.</p>
<p>Aged person (FDW employer/spouse) scheme</p>	<p>No: MOM will automatically grant the levy concession based on the existing records of the FDW employer and spouse that were provided in the FDW application, if the criteria are met.</p>
<p>Aged person (parent / grandparent) scheme</p>	<p>Yes: MOM requires the aged person's particulars (NRIC No., NRIC address, birth date, nationality and relationship information between the FDW employer and aged person) to assess the eligibility for levy concession.</p>
<p>Persons with disability (PWD) scheme</p>	<p>Yes: You should apply to the Agency for Integrated Care (AIC) for levy concession under this scheme. AIC will send supported applications to MOM for further assessment of all other levy concession (PWD) criteria.</p>
<b>Q6</b>	<p><b>How/When can I check that I am enjoying the new concessional FDW levy rate from Mar 2013?</b></p>
<b>A6</b>	<p>The GIRO deduction of levy for each month is done on the 17th day of the following month (If 17th is a non-working day, the deduction will be on the next working day.)</p> <p>For Mar 2013 levy, employers can check their designated GIRO bank account after 17 Apr 2013. The deduction in Apr 2013 for Mar 2013's levy should be \$120.</p>
<b>Q7</b>	<p><b>Will FDW employers be informed in writing of the reduced concessional FDW levy rate?</b></p>
<b>A7</b>	<p>From Apr 2013, CPF Board's levy payment advice will carry a liner on the reduced concessional levy rate.</p>
<b>Q8</b>	<p><b>I currently employ a skilled FDW / confinement nanny (with relevant</b></p>

	<b>academic qualification) from Malaysia and pay a monthly skilled levy rate of \$150. Will I enjoy the reduced concessionary FDW levy rate of \$120?</b>
<b>A8</b>	Yes.
<b>Q9</b>	<b>Will the reduced concessionary FDW levy rate apply to all FDWs I employ, including cases where my FDWs are sponsored by my children/children-in-law under the FDW sponsorship scheme?</b>
<b>A9</b>	Yes.