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1 Service Sector

1.1 What are the Industries in the Service Sector...

Some examples are companies with the following business activities:

- financial, insurance, real estate and business services
- transport, storage and communications services
- commerce (retail and wholesale trade)
- community, social and personal services (exclude domestic workers)
- hotels
- ¹restaurants, coffee shops, food courts and other approved food establishments
- despatch and delivery services
- hair-dressing and beauty shops

1.2 Which are the Approved Source Countries...

Service sector companies are allowed to recruit workers from Malaysia, Hong Kong, Macau, South Korea and Taiwan.

Service sector companies are generally not allowed to recruit ²Non-Traditional Source (NTS) workers except:

- Cleaning contractors with Town Council cleaning contracts. Those without Town Council contracts can recruit foreign workers from the Approved Source countries
- Contractors with Town Council or Government Grass-cutting Contracts that are valid for at least one year at the time of application. Otherwise they can recruit foreign workers from the Approved Source countries

The 2 groups above that are allowed to employ NTS workers have to apply for Prior Approval first before submitting their application for individual Work Permits.

NTS workers are not allowed to change employers. The current employer must first repatriate the workers to their home countries, after which the prospective employer may submit applications to employ them.

¹ Food-stall Licensees paying an annual license fee of \$13 are not allowed to employ Work Permit holders. These food-stall licensees, unlike restaurants, normally operate small stalls in hawker centres, coffee shops or food courts which are small and can be operated by the licensees alone or with family assistance.

² Non-Traditional Source (NTS) countries include Thailand, India, Sri Lanka, Bangladesh, Myanmar, the Philippines and Pakistan.

1.3 What is the Dependency Ceiling (DC)/Quota ...

The Dependency Ceiling/Quota is 30 % of total workforce. This means that a company in the service sector can employ 3 foreign workers for every 7 full-time Singapore citizens or Singapore Permanent Residents workers it employs. The computation is based on the average of the local workforce's regular CPF contributions over the past 3 months. For example, if the current month is December, the computation for the dependency ceiling will be based on the CPF contributions for August, September, and October.

1.4 Foreign Worker Levy ...

For details on foreign worker levy rates in the Service Sector, please refer to “**Foreign Worker Levy Rates**” (click on ‘Foreign Worker Levy’ under ‘Forms’) which can be downloaded from MOM's website.

1.5 How to apply for Work Permits...

Application forms can be downloaded from the MOM's website at <http://www.mom.gov.sg> or obtained from the Customer Service Centre, Level 1, Ministry of Manpower.

For details, please refer to ‘A General Guide on Work Permits’.

2 Manufacturing Sector

2.1 What are the Industries in the Manufacturing Sector...

Some examples are companies with the following business activities:

- manufacturing of basic industrial acids and alkalis
- mechanical engineering works
- manufacturing and repair of oilfield and gasfield machinery
- manufacturing of waxes, polishes and deodorants
- electroplating, hot-tip galvanising, die-casting and heat treatment
- wafer fabrication plants
- food manufacturing

2.2 Which are the Approved Source Countries...

Manufacturing sector companies are allowed to recruit workers from Malaysia, Hong Kong, Macau, South Korea and Taiwan.

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Manufacturing sector companies are not allowed to recruit Non-Traditional Source (NTS) workers except companies with the following business activities:

- electroplating
- die-casting
- metal heat treatment (e.g. hot-dip galvanising)
- foundry

The companies with the approved business activities for employing NTS workers have to apply for Prior Approval first before submitting their applications for individual Work Permits.

NTS workers are not allowed to change employers. The current employer must first repatriate the workers to their home countries, after which the prospective employer may submit applications to employ them.

2.3 What is the Dependency Ceiling (DC)/quota....

The DC/quota is 50% of the company's total workforce. This means that for every full-time Singapore Citizen or Singapore Permanent Resident worker employed by a company in the manufacturing sector, it can employ one foreign worker (in the ratio 1:1).

2.4 Foreign Worker Levy....

For details on foreign worker levy rates in the Manufacturing Sector, please refer to “**Foreign Worker Levy Rates**” (click on ‘Foreign Worker Levy’ under ‘Forms’) which can be downloaded from MOM’s website.

To compute the company's quota...

The company can use the following formula:

$$\frac{\text{* Local workforce} \times 40 \%}{60 \%}$$

* The local workforce refers to those full-time employees who are Singapore Citizens and Singapore Permanent Residents. It is based on the average of the local workforce’s regular CPF contributions over the recent past 3 months. For example, if the current month is December, the computation will be based on August, September, and October’s CPF contribution to compute the Dependency level.

How to apply for conversion to the 1st - tier levy if the company's dependency ratio falls below 40%....

Companies who are LabourNet users can apply through the LabourNet.

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Application forms for conversion to the 1st tier levy can also be downloaded from the MOM's website, or obtained from the Levy Section, Level 2, Work Pass Division, Ministry of Manpower. Pending the approval of the 1st – tier levy, the higher 2nd – tier levy is still applicable.

On approval, the 1st - tier levy will commence from the 1st day of the following month. For example, if the application for the 1st - tier levy is received in September, the lower levy rate will apply from 1st October if the application is approved.

2.5 How to apply for Work Permits...

Application forms can be downloaded from the MOM's website or obtained from the Customer Service Centre Counter, Level 1, Work Permit Department, Ministry of Manpower.

For details, please refer to 'A General Guide on Work Permits'.

3 Town Council Conservancy Services

3.1 What are Town Council Conservancy Services companies...

Cleaning contractors with Town Council contracts can employ foreign workers from the Non-Traditional Sources (NTS) to meet their manpower shortages.

The objective of this scheme is to help Town Council cleaning contractors to step up mechanisation efforts and meet their manpower shortage in the short term whilst the industry upgrades and reduces the manpower required in the long run. *[The Straits Times – 2 March 1997]*

3.2 Foreign Worker Levy ...

For details on foreign worker levy rates in the Conservancy Service Sector, please refer to “**Foreign Worker Levy Rates**” (click on 'Foreign Worker Levy' under 'Forms') which can be downloaded from MOM's website.

3.3 What are the Pre-Requisites to Qualify for the Town Council Conservancy Scheme...

The cleaning contractors must:

- be cleaning contractors contracted by Town Councils
- have valid cleaning contracts of at least 2 years with a Town Council
- be registered with the Construction Industry Development Board (CIDB) / Building and Construction Authority (BCA)
- have a paid-up capital of at least \$500,000
- have made an investment of at least \$100,000 in labour-saving equipment (the age of the labour-saving equipment must be less than 5 years)

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- undertake to provide proper housing, uniforms and issue security passes for the NTS workers
- have the Town Council's support for the Work Permit applications
- meet the Town Council's quota
- have sufficient local employees to support the application (the dependency ceiling / quota is 30% of the company's total workforce)

3.4 Application Process...

The company should:

- apply for Prior Approval to recruit ³NTS workers. The supporting Town Council has to endorse on the PA application form. For details, please refer to the 'Guidelines on Application for Work Permits for Conservancy Companies' which can be obtained from the MOM's website, or at the Customer Service Centre Counter, Level 1, Ministry of Manpower, or from the respective Town Councils.
- submit individual application forms to WPD once a Prior Approval has been given

4 Grass-Cutting Services....

4.1 What are Grass-Cutting companies...

Companies with Town Council or Government Grass-cutting Contracts can employ foreign workers from the Non-Traditional Sources (NTS) to meet their manpower shortages.

4.2 Foreign Worker Levy ...

For details on foreign worker levy rates in the Grass-Cutting Service Sector, please refer to "**Foreign Worker Levy Rates**" (click on 'Foreign Worker Levy' under 'Forms') which can be downloaded from MOM's website.

4.3 Basic Requirements to Qualify...

The company must have:

- a contract for Grass-cutting with a Government Department, Statutory Board or a Town Council that is valid for at least one year from the date of the Prior Approval application
- sufficient local employees (the Dependency Ceiling / Quota is 30% of the company's total workforce) to support the application for foreign workers

³ NTS Town Council Conservancy workers can only do Conservancy work for Town Council Conservancy contracts.

4.4 Application Process...

The company should:

- apply for Prior Approval to recruit ⁴NTS workers. For details, please refer to the 'Guidelines on Application for Work Permits - Grass-cutting companies' which can be obtained from the MOM's website, or from the Customer Service Centre Counter, Level 1, Ministry of Manpower.
- submit individual application forms to WPD once a Prior Approval has been given

5 Marine Sector

5.1 What are the industries in the Marine Sector...

Some examples are companies with the following business activities:

- Ship-building
- Ship-repairing

5.2 Which are the Approved Source Countries....

Workers in the Marine Sector may be recruited from Malaysia, the Non-Traditional sources (NTS) or the North Asian Sources (NAS).

The NTS countries include Thailand, the Philippines, India, Sri Lanka, Pakistan, Bangladesh and Myanmar.

The NAS countries include Hong Kong, Macau, Taiwan and South Korea.

5.3 What is the Dependency Ceiling (DC)/Quota....

The DC/Quota is every full-time local worker to 3 foreign workers. This means that for every full-time Singapore Citizen or Singapore Permanent Resident worker employed by a company in the marine sector, it can employ three foreign workers (in the ratio 1:3).

5.4 Foreign Worker Levy...

For details on foreign worker levy rates in the Marine Sector, please refer to “**Foreign Worker Levy Rates**” (click on 'Foreign Worker Levy' under 'Forms') which can be downloaded from MOM's website.

⁴ NTS Grass-cutters can only do Grass-cutting work for Government/Statutory Board/Town Council's Grass-cutting Contracts.

5.5 Application Process...

- apply for Prior Approval to recruit NTS workers. For details, please refer to the 'Guidelines on Application for Work Permits for Ship Building and Ship Repairing companies' which can be obtained from the MOM's website, or from the Customer Service Centre Counter, Level 1, Ministry of Manpower.
- submit individual application forms to WPD once a Prior Approval has been given.

(The information is updated on 9 July 2004)

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