

EA Alert Dated: 4 August 2015

EA Alert: Employment Agencies Licence Conditions (EALCs) 8

1. This advisory is applicable to all employment agencies (EAs) placing foreign work pass holders. It serves as a clarification on the **Employment Agencies Licence Condition (EALC) 8** which came into effect from 1 July 2014. The recently added condition sets out the need for EAs to:
 - ii) Individually state items which the Ministry of Manpower (MOM) stipulates as costs that employers should bear, including but not restricted to:
 - a) work pass application fees
 - b) work pass issuance fees
 - c) Settling-In Programme course fees
 - d) cost of security bond purchased on behalf of a work pass holder
 - e) cost of medical insurance purchased on behalf of a work pass holder
 - iii) Such fees and costs must be reflected individually and accurately without any inflation
 - iv) These items and the corresponding fees must be communicated in writing to a potential client who may wish to hire a foreigner from the EA, before the client engages the EA's services.
 - v) After the client engages the EA's services, the EA must sign a written agreement with the client, which states the items and corresponding fees.
2. It is an offence if your EA does not state MOM-stipulated items individually and/or misrepresents such costs to be higher than they actually are. EAs found to have breached this licence condition may be issued with demerit points.

Employment Agencies Licence Conditions (EALCs) 8a and 8b

Common Mistakes Made by EAs

Agency Fees

\$1,288

Fees include:

Work Pass application, thumbprinting, documentation, transport, insurance, security bond



No breakdown of fees payable by employer

Agency Fees:

Work Pass application & issuance	\$100
Settling-In Programme Documentation	\$100
	\$XX
Insurance	\$XXX
Security Bond	\$XXX



Inflation of MOM-prescribed fees; no breakdown of WP application and issuance

Sample of Good Practice

Agency Fees

Agency fees shall include:

Work Permit/S Pass/EP application	\$30/\$60/\$70	-----
Work Permit/S Pass/EP issuance	\$30/\$80/\$150	-----
Transport	\$XX	
Settling-In Programme	\$75	-----
Safety Orientation Course	\$XX	-----
Processing and Documentation	\$XX	
Insurance	\$XXX	-----
Security Bond	\$XXX	-----
Others:		
Food & Lodging	\$XXX	

Accurately reflect fees for:

- work pass application
- work pass issuance
- work pass renewal (where applicable)
- compulsory courses for workers (e.g. SIP, safety courses)
- Foreign employee insurance
- Security bond

Employer's Signature
Mrs XXXXXXXX

EA Signature
Name: XXXXXXXX
Reg. No.: R1234567

Both employer and EA representative to sign against the breakdown of fees

3 MOM will continue to share important EA-related information with all EAs through this channel. Please keep your EA email address updated. For further clarification, you may call us at 6438 5122 or email us at MOM_FMMD@mom.gov.sg. Thank you.

Yours sincerely

Brian Wong

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** EALC 8a states that "In the course of promoting his services, if the licensee or employment agency personnel wishes to inform any prospective applicant for foreign employee any fees or costs which are payable by the prospective applicant for foreign employee to comply with any legal or administrative requirements imposed by MOM in respect of the prospective application, such as but not limited to security bond, foreign employee insurance and safety courses, whether in itself or together with other fees payable by the prospective applicant for foreign employee, he shall ensure that he does not misrepresent such fees or costs, and shall provide the breakdown of each such fee or cost to the prospective applicant for foreign employee in writing."*

EALC 8b states that "Notwithstanding Licence Condition #8(a), when the services of the licensee have been engaged by any applicant for a foreign employee, the licensee shall sign a written agreement with the applicant for foreign employee, which shall state accurately and clearly the breakdown of each fee or cost payable by the applicant for foreign employee to comply with any legal or administrative requirements imposed by MOM in respect of the application."