

EA Alert Dated: 14 December 2020

EA Alert: Notification to Employment Agencies on Inclusion of Additional Key Employment Terms in In-Principle Approval Letter for Foreign Workers

Dear Key Appointment Holders and Employment Agency Personnel,

With effect from 18 December 2020, the Ministry of Manpower (“**MOM**”) will enhance the In-Principle Approval (“**IPA**”) letters for foreign workers (“**FWS**”) who are Work Permit holders (excluding foreign domestic workers) to include the following:

- a) four additional key employment terms (“**KETs**”):
 - i. normal working hours per week
 - ii. number of working days per week
 - iii. rate of pay for overtime (“**OT**”) work
 - iv. daily basic rate of pay (for work done on rest days and public holidays);
- b) additional information to remind employers and inform employees of the statutory requirements for overtime work, work done on rest days and public holidays, and general well-being.

2. Employers, and employment agencies acting on behalf of the employers, will be required to specify the normal hours of work per week and number of working days per week, for all work permit applications for new FWs and those who are transferred to another employer. The rate of pay for OT work and daily basic rate of pay will then be automatically generated in the work permit application, based on the information provided by the employers and the computation formula stipulated in the Employment Act.

3. Based on the [Employment Standards Report 2019/2020](#), salaries for OT work and work done on rest days and public holidays are common areas of employment disputes between employers and FWs. The enhancements to the IPA letter will give employers and FWs another source of reference on the agreed KETs and relevant statutory requirements. This will allow FWs to make an informed decision about taking up the job in Singapore before they leave their home countries.

4. From 18 December 2020, employers are not allowed to reduce their FW’s rate of pay for OT work or daily basic rate of pay, to an amount lower than what was declared in the work permit application submitted to MOM. Employers can only do so with the FW’s prior written agreement, and are required to inform MOM of any reduction to the rates of pay on [Work Permit \(WP\) Online](#). This is similar to the current requirement for any decrease in basic monthly salary and fixed monthly allowances, or increase in fixed monthly deductions.

5. Employers and employment agencies may wish to use the new [self-help KETs verification tool](#) on MOM’s website to:

- Generate KETs on work arrangements and salary, based on the agreed work schedule
- Check that the KETs comply with the Employment Act and provide suggestions to rectify any non-compliant terms.

6. For more information, please refer to the Frequently Asked Questions in the **Annex**. For further enquiries, you can contact us [here](#).
7. Thank you.

Notes:

1. The enhancements to the IPA letter apply to work permit applications for new FWs and transfer FWs but exclude work permit renewals.
2. Please note that from between the time of the work permit application to the issuance of the work permit, employers are not allowed to amend the KETs.
3. Under Regulatory Condition 6A, Part IV, Fourth Schedule of the Employment of Foreign Manpower (Work Passes) Regulations (EFMR), employers are currently required not to reduce the FW's basic monthly salary or fixed monthly allowances, or increase his fixed monthly deductions, except with the FW's prior written agreement. Employers are also required to inform MOM of such reductions or increases on [WP Online](#).

Yours sincerely

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