

Glossary of Terms

Dependency Ratio

The Dependency Ratio is the proportion of S Pass and Work Permit holders that a company employs. This ratio differs from company to company depending on the number of local and foreign workers hired, and is capped by the sectoral Dependency Ratio Ceiling.

Dependency Ratio Ceiling

The Dependency Ratio Ceiling specifies the maximum permissible proportion of S Pass and Work Permit holders that a company may employ. For example, the Dependency Ratio Ceiling in the Manufacturing sector is 65%. Hence, up to 65% of a Manufacturing company's total workforce (sum of local workers, S Pass and Work Permit holders) may consist of S Pass and Work Permit holders.

Foreign Worker Levy (FWL)

Foreign worker levy is the levy that a company pays to the Government for each S Pass or Work Permit holder it hires. It is a pricing mechanism to regulate the number of foreign workers in Singapore.

Levy Tiers

The levy tiers determine the levy rate to be paid for each foreign worker by a company and this depends on the proportion of S Pass and Work Permit holders it has employed.

For example, a Services company would currently pay a Tier 1 levy rate for each of its Work Permit holder who falls within the first 25% of its total workforce. It would pay a Tier 2 levy rate for each of its Work Permit holder who falls between 25% and 40% of its total workforce. It would pay a Tier 3 levy rate for each of its Work Permit holder who falls between 40% and 50% of its total workforce.

Man-Year Entitlement

The Man-Year Entitlement (MYE) Allocation System is a Work Permit allocation system for workers from Non-Traditional Sources (NTS) and the People's Republic of China (PRC). Companies without MYE may still employ NTS or PRC Construction Work Permit holders subject to compliance with the Dependency Ratio Ceiling by paying a higher MYE-waiver FWL rate.

MYE is:

1. the total number of Work Permit holders a main contractor is entitled to employ based on the value of projects/contracts awarded by developers/owners; and
2. allocated in the form of the number of "man-years" required to complete a project (1 man-year = 1-year employment under a Work Permit).

S Pass Holders

An S Pass allows mid-skilled foreigner to work in Singapore. S Pass applications are assessed on multiple criteria including salary, education qualification, skills, job type and work experience.

Work Permit Holders

A Work Permit is generally issued to foreign low-skilled workers with a monthly fixed salary of not more than \$1,800.

Non-Traditional Source (NTS)

India, Sri Lanka, Thailand, Bangladesh, Myanmar, Philippines and Pakistan