

FAQS – Changes to Administrative Fees for Work Passes (2013)

Section A: Background and Rationale

Section B: Timing of Changes

Section C: Transactional Matters

Section D: Change in Employers/Passes

Section A: Background and Rationale	
Q1	Why are administrative fees charged for work passes?
A1	The Government incurs costs in delivering services to employers of foreign employees. Administrative fees are collected from users of these services to recover such costs.
Q2	What costs do the administrative fees cover?
A2	<p>Application fees cover the costs incurred in processing an application from the time of its submission to the time the customer is notified of the application outcome. Example: the cost of maintaining online portals for the submission of work pass applications.</p> <p>Issuance fees cover the costs incurred in work pass issuance and renewal. Examples: the costs for printing Work Pass Cards, and for operating MOM's Employment Pass Services Centre (EPSC) and Work Pass Card Registration (WPCR).</p> <p>Reinstatement fees cover the cost incurred to process reinstatement of revoked or cancelled work passes. The effort needed to process a reinstatement is similar to processing a work pass application.</p> <p>Card replacement fees cover the costs incurred to replace a work pass card. The fees for replacing lost work pass cards are charged at a higher rate to discourage loss of cards through personal negligence and reduce security issues.</p>
Q3	What is the difference between work pass administrative fees and the Foreign Worker Levy (FWL)? Why should there be administrative fees when I am already paying foreign worker levy for my Work Permit and S-pass holders?
A3	<p>The FWL is a pricing mechanism to moderate the demand for foreign workers and forms a part of the employers' recurrent labour cost.</p> <p>Administrative fees, on the other hand, aim to recover the operational costs of providing work pass services to MOM's customers (e.g., the cost of processing an Employment Pass application submitted by an employer). These are one-off transactions and costs, and are not related to the FWL.</p>

Section A: Background and Rationale	
Q4	What are the main changes to the work pass administrative fees?
A4	<p>The key features of the changes are:</p> <p><i>Employment Pass, S Pass, Work Permit</i></p> <ul style="list-style-type: none"> i. Application fees for Employment Pass, S Pass and Work Permit will be increased to \$70, \$60 and \$30 respectively. ii. Issuance fees for Employment Pass, S Pass and Work Permit will be increased to \$150, \$80 and \$30 respectively. <p><i>Other passes</i></p> <ul style="list-style-type: none"> i. Application fee of \$60 and \$30 will be introduced for Dependent's Pass and Long Term Visit Pass respectively. <p><i>Card Replacement</i></p> <p>Replacement fee for lost Work Pass Cards will be increased to \$100 (for first-time losses) and \$300 (for subsequent losses).</p> <p>Fees for other work passes will also be re-adjusted to align with the changes to the Employment Pass, S Pass and Work Permit fees. For the full list of changes, please see the press release.</p>
Q5	What is the rationale for the changes to the work pass administrative fees?
A5	<p>MOM began charging administrative fees for the application and issuance of work passes in 2005. This was so that users of public services (e.g., companies employing foreign manpower), instead of the public at large, bore the cost of these public services,. Nevertheless, MOM set them at a level that was substantially below cost recovery, to help employers progressively adapt to the changes. On 1 Dec 2011, MOM implemented another increase in administrative fees, as a further step towards full cost recovery.</p> <p>The upcoming fee increase on 1 Apr 2013 will bring us close to full cost recovery, i.e., having users of MOM's work pass services bear the cost of operating these services, instead of the public at large. See Q2 for examples of these costs.</p>
Q6	Has full cost recovery been achieved with this round of increase in administrative fees? If not, will MOM be making further changes to the fees to achieve full cost recovery in the near future?
A6	<p>MOM will achieve close to full cost recovery with the round of administrative fee changes on 1 Apr 2013.</p> <p>In the future, the cost of providing work pass services may change, due to inflation and other factors. MOM will continue to monitor these costs, and review our administrative fees on a regular basis.</p>

Section B: Timing of Changes	
Q7	When will the new administrative fees be implemented?
A7	The new administrative fees will be implemented from 1 Apr 2013.

Section C: Transactional Matters	
Q8	Why do I have to pay an application and an issuance fee? Why can't we have a one-time fee for the application?
A8	<p>Application fees cover the costs incurred in processing an application from the time of its submission to the time the customer is notified of the application outcome.</p> <p>Issuance fees, on the other hand, cover the costs incurred in work pass issuance and renewal.</p> <p>By adopting a two-tier approach, employers whose applications are not approved will not have to pay for issuance fee.</p>
Q9	Why do I have to pay the fees upfront before I know whether my application is approved?
A9	<p>Application fees cover the costs incurred in processing an application from the time of its submission to the time the customer is notified of the application outcome.</p> <p>The Government incurs expenses in processing of applications, regardless of whether an application is approved. The upfront payment of the administrative fees reflects the effort involved in processing the work pass application.</p>
Q10	If I post the application form before 1 Apr 2013, but MOM only receives the application on or after 1 Apr 2013, will the new administrative fees be imposed?
A10	The new fees will be imposed for all applications received on or after 1 Apr 2013. Companies are advised to submit their applications well before end-Mar 2013.
Q11	I submitted the application before 1 Apr 2013 and paid the old administrative fees. My application was however returned to me because of incomplete documents or information. Will I have to pay new administrative fees when I resubmit the application?
A11	<p>No, you need not pay again so long as the first submission of application documents is done before 1 Apr 2013. When MOM returns the application asking for specific supporting documents/information, you would still need to do so by a certain date which is specified in our letter to you.</p> <p>This however only applies if the application is for the same worker under the same company. There will be no refund of the fee paid earlier if you decide not to pursue the application further.</p>

Section C: Transactional Matters	
Q12	What is the new administrative fee for reinstatement of a revoked/ cancelled Work Permit?
A12	From 1 Apr 2013, an administrative fee of \$30 will be payable if the employer wishes to apply for reinstatement of a revoked or cancelled Work Permit.
Q13	Are the administrative fees refundable?
A13	The administrative fees are not refundable.
Q14	Can the administrative fees be paid by instalments?
A14	No, full payment has to be made upfront for all applications, issuance and renewals of work passes.
Q15	How do I make payment for the administrative fees?
A15	For applications submitted electronically via the Work Permit Online (WPOL) or Employment Pass Online (EPOL), employers may make payment online using eNETS Credit, eNETS Debit or GIRO. For transactions done through MOM's appointed Collecting Agent, employers can pay by cash, NETS or cashcard. We will not be accepting payment at the MOM Services Centre's counters.
Q16	Will cheques be accepted?
A16	Cheques are not accepted for the payment of administrative fees.
Q17	Can I submit the Dependant's Pass / Long Term Visit Pass application before the Employment Pass / S Pass (main pass) application is approved?
A17	Yes, you may. However, we encourage you to submit the DP/LTVP application only after the Employment Pass / S Pass (main pass) has been approved. This is because the application will be unsuccessful if the main pass application is rejected, and the administrative fee will not be refunded.

Section D: Change in Employer/Passes	
Q18	Is the administrative fee applicable for request to change employer?
A18	Yes, the applicant has to pay an administrative fee as the request for change of employer would be considered as a fresh application. The applicant will have to submit a new application to MOM for consideration.
Q19	Is the administrative fee applicable for an application to change from a Work Permit to S Pass or vice versa?
A19	Yes, you have to pay the administrative fee for the new application.