



PRACTITIONER GUIDE | 2026 EDITION

Singapore for HR and Payroll Professionals

Everything you need to hire, pay and manage employees in Singapore: from first registration to final payslip.

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ABOUT THIS GUIDE

A working reference for employers in Singapore

Singapore is one of the easiest places in Asia to set up and run a business, and its employment framework is clear, well documented and firmly enforced. It is also detailed. Work pass criteria change every year, CPF rates vary by age and residency status, statutory leave is partly reimbursed by the Government, and tax obligations sit with the employer in ways that surprise many head offices.

This guide brings the essentials together in one place. It is written for two audiences:

- **Foreign companies establishing operations in Singapore for the first time**, and the regional or head office HR, finance and payroll teams supporting them. Start with Parts A and B and use the checklists in Part F.
- **Experienced HR and payroll professionals in Singapore**, who need a current, single-source reference for rates, thresholds and deadlines. The key figures at the front of the guide, the compliance calendar and the horizon scan of upcoming changes are designed for you.

How the guide is organised

Part	What it covers
A. Setting up as an employer	The legal framework, regulators and every registration you need before the first payroll run.
B. Hiring	Fair recruitment, work passes for foreign hires, contracts, Key Employment Terms and records.
C. Working conditions	Hours, overtime, public holidays, statutory leave, flexible work, insurance and retirement.
D. Payroll and tax	Paying salary, CPF, SDL, self-help group funds, employee income tax, IR8A, IR21 and wage support schemes.
E. Exits, disputes and data	Resignation, dismissal, retrenchment, employment claims and personal data in HR.
F. Toolkit	Compliance calendar, checklists, upcoming changes, glossary and official resources.

Conventions

All amounts are in Singapore dollars (S\$) unless stated. "SC" means Singapore Citizen and "SPR" Singapore Permanent Resident. "Employment Act" refers to the Employment Act 1968 as amended. Look out for these boxes:

PRACTITIONER NOTE

Practical insight on how the rules work in real life.

WATCH OUT

Common errors and compliance traps.

WHAT'S CHANGING

Announced changes with future effective dates.

IMPORTANT NOTICE

This guide is published by Meridium Management Consultants Pte. Ltd. (UEN 202635066H) for general information only. It reflects laws, rates and official guidance as at 23 September 2026, drawn from the Ministry of Manpower, CPF Board, Inland Revenue Authority of Singapore, Tripartite Alliance Limited and other official sources. It is not legal, tax or professional advice and should not be relied on as such. Rules change frequently and their application depends on specific facts; please verify current requirements with the relevant authority or seek professional advice before acting. Meridium accepts no liability for any loss arising from reliance on this guide.

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The numbers that matter in 2026

The figures HR and payroll teams reach for most often, as they stand in September 2026. Each is explained in the chapter shown.

PAYROLL AND CPF (CHAPTER 10)

37% Total CPF for employees aged 55 and below earning over S\$750 a month: 17% employer, 20% employee	S\$8,000 CPF Ordinary Wage ceiling per month (from 1 Jan 2026)	S\$102,000 CPF annual salary ceiling (Ordinary plus Additional Wages)
14th of the following month: end of the CPF grace period; if paid later, interest runs from the original due date	0.25% Skills Development Levy, S\$2 minimum, S\$11.25 maximum per employee per month	7 days Maximum time after the salary period to pay salary (14 days for overtime)

WORK PASSES (CHAPTER 4)

S\$5,600 Minimum Employment Pass salary (S\$6,200 in financial services), rising with age. S\$6,000 (S\$6,600) for new applications from 1 Jan 2027	S\$3,300 Minimum S Pass salary (S\$3,800 in financial services), rising with age. S\$3,600 (S\$4,000) for new applications from 1 Jan 2027	40 points COMPASS pass mark for Employment Pass applications
S\$22,500 Monthly salary at which an EP is exempt from COMPASS and job advertising	S\$650 Monthly S Pass levy, all sectors	S\$1,800 Local Qualifying Salary (from 1 Jul 2026) for counting locals toward quotas

EMPLOYMENT TERMS AND TAX (CHAPTERS 5 TO 11)

14 days Deadline to issue written Key Employment Terms after the start date	7 to 14 Days of annual leave under the Employment Act, by years of service	16 + 4 + 10 Weeks of Government-paid maternity, paternity and shared parental leave (Singapore Citizen children born from 1 Apr 2026)
64 / 69 Minimum retirement age and re-employment age (from 1 Jul 2026)	1 March Deadline for Form IR8A: AIS employers file with IRAS; others give the forms to employees	24% Top marginal resident income tax rate; non-residents pay 15% or resident rates on employment income, whichever is higher



PART A

Setting up as an employer

Before the first employee starts, a new Singapore entity needs the right registrations, digital access and insurance in place. This part explains who regulates employment in Singapore and walks through every step.

01 The Singapore employment framework

02 Registering and setting up as an employer

CHAPTER 01

The Singapore employment framework

Singapore combines a compact body of employment law with detailed administrative guidance and a distinctive "tripartite" model, in which the Government, unions and employers agree practice standards together.

Three layers of rules

Employers in Singapore work within three layers of obligation, and all three matter in practice:

- 1. Legislation.** Acts of Parliament and their subsidiary regulations, enforced by the relevant ministry or statutory board. Breaches can lead to fines, composition sums, debarment from work passes and, for serious offences, imprisonment.
- 2. Tripartite guidelines and advisories.** Issued jointly by the Ministry of Manpower (MOM), the National Trades Union Congress (NTUC) and the Singapore National Employers Federation (SNEF). They are not all law, but MOM expects compliance, and failing to follow them (for example the Tripartite Guidelines on Fair Employment Practices) can lead to work pass privileges being curtailed.
- 3. The contract of employment and company policies.** Where the contract gives more than the statutory minimum, the contract applies. Where it gives less, the statutory minimum overrides it.

Who regulates what

Authority	Responsibilities relevant to HR and payroll
Ministry of Manpower (MOM)	Employment Act, work passes and foreign manpower, retirement and re-employment, workplace safety and health, work injury compensation, retrenchment notifications, labour inspections.
CPF Board	Central Provident Fund contributions, Skills Development Levy collection, self-help group fund collection, CPF compliance and enforcement.
Inland Revenue Authority of Singapore (IRAS)	Personal income tax, employer reporting (Form IR8A and appendices, Auto-Inclusion Scheme), tax clearance of foreign employees (Form IR21), wage credit schemes, withholding tax on non-resident directors' fees.
Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)	Fair employment practices, Fair Consideration Framework engagement, workplace discrimination complaints, Tripartite Standards, and the upcoming Workplace Fairness Act.
Tripartite Alliance for Dispute Management (TADM)	Mandatory mediation of salary and wrongful dismissal claims before they reach the Employment Claims Tribunals.
Personal Data Protection Commission (PDPC)	Personal Data Protection Act, including employee data, NRIC handling and data breach notification.
Skills and Workforce Development Agency (SWDA)	The Skills Development Levy (collected by CPF Board on SWDA's behalf), training grants, the SkillsFuture Enterprise Credit and career conversion programmes. SWDA was formed on 1 July 2026 from the merger of SkillsFuture Singapore and Workforce Singapore.
Accounting and Corporate Regulatory Authority (ACRA)	Company registration and the Unique Entity Number (UEN), which anchors every other employer registration.

Key legislation at a glance

Law	What it governs
Employment Act 1968	Core terms of employment: salary payment, deductions, Key Employment Terms, leave, public holidays, termination and, for lower-paid employees, hours of work and overtime.
Employment of Foreign Manpower Act 1990	Work passes, levies, quotas and employer obligations toward foreign employees.
Central Provident Fund Act 1953	Mandatory CPF contributions for Singapore Citizens and Permanent Residents.
Income Tax Act 1947	Employee taxation, employer reporting and tax clearance.
Child Development Co-Savings Act 2001	Government-paid maternity, paternity, shared parental, adoption and childcare leave.
Retirement and Re-employment Act 1993	Minimum retirement age and the obligation to offer re-employment.
Work Injury Compensation Act 2019	No-fault compensation for workplace injury and mandatory insurance.
Workplace Safety and Health Act 2006	Duties to keep workplaces safe, risk assessment and penalties.
Employment Agencies Act 1958	Licensing of employment agencies, including anyone who matches or places jobseekers with employers or submits work pass applications while doing so.
Skills Development Levy Act 1979	The levy payable for every employee, local or foreign.
Personal Data Protection Act 2012	Collection, use, disclosure, care and retention of personal data, including employee data.
Employment Claims Act 2016	The Employment Claims Tribunals and the claims they hear.
Workplace Fairness Act 2025	Workplace discrimination law, passed in January 2025 and expected to take effect around end-2027 (see Chapter 3).
Workplace Fairness (Dispute Resolution) Act 2025	Mediation and adjudication of workplace discrimination claims, expected to take effect with the Workplace Fairness Act.
Platform Workers Act 2024	CPF and work injury protection for platform workers such as ride-hail and delivery workers, in force since 1 January 2025.

Who is covered by the Employment Act

The Employment Act covers **all employees under a contract of service**, whether full-time, part-time, temporary or on contract, and whether local or foreign. It does not cover seafarers, domestic workers, civil servants or statutory board employees, who have their own frameworks.

Managers and executives are covered for most purposes, including salary payment, leave, public holidays and termination. However, **Part 4 of the Act**, which governs rest days, hours of work, overtime and shift work (together with related provisions on retrenchment benefit, retirement benefit and annual wage supplement), applies only to:

- **workmen** (employees doing manual work) earning a basic monthly salary of **S\$4,500 or less**; and
- **non-workmen** earning a basic monthly salary of **S\$2,600 or less**. Managers and executives are excluded from Part 4 whatever their salary.

Basic salary excludes overtime, bonuses, annual wage supplements, productivity incentives and allowances.

PRACTITIONER NOTE

Many foreign head offices assume that "exempt" and "non-exempt" categories work as they do in the United States or Europe. In Singapore, a professional or manager earning above S\$2,600 still enjoys statutory annual leave, sick leave, public holidays and notice protections under the Employment Act. Only Part 4 falls away: the statutory rest day, hours of work, overtime and shift work rules, and the related provisions on retrenchment benefit, retirement benefit and annual wage supplement.

Types of employment

Arrangement	Key points
Full-time, permanent	The default arrangement. All Employment Act protections apply, subject to the Part 4 thresholds above.
Part-time	An employee contracted to work less than 35 hours a week. Annual leave, sick leave, childcare leave and public holidays are pro-rated under the Employment (Part-Time Employees) Regulations; maternity, paternity and shared parental leave are given in full and paid for the days the employee is contracted to work. CPF applies to SCs and SPRs on the wages actually paid.
Fixed-term contract	Same statutory protections as permanent staff. Service is treated as continuous where term contracts of 14 days or more are renewed within one month of the end of the previous contract, so leave eligibility and entitlements accumulate across contracts. The Tripartite Standard on the Employment of Term-Contract Employees sets good practice.
Independent contractors	Self-employed persons are not employees and are not covered by the Employment Act or CPF as employees. Whether someone is an employee depends on the substance of the relationship, such as control, integration and financial risk, not the label in the contract.
Platform workers	Ride-hail, delivery and similar workers have their own framework under the Platform Workers Act 2024, including CPF and work injury protection.

WHAT'S CHANGING

A Tripartite Workgroup has been reviewing the Employment Act since August 2025, looking at protections for different groups of workers and at reducing compliance costs. Its recommendations were expected in the second half of 2026. Coverage thresholds, leave and overtime rules could change as a result; watch for announcements from MOM.

CHAPTER 02

Registering and setting up as an employer

Almost every employer interaction with the Singapore Government is online and runs on a company's UEN and its Corppass accounts. Getting these foundations right early saves weeks later.

Step by step: from incorporation to first payroll

- 1 Incorporate or register the entity with ACRA.** A Singapore private limited company, branch or other registered entity receives a Unique Entity Number (UEN). An overseas company without a Singapore entity can employ Singapore Citizens and Permanent Residents working in Singapore, but it must register with CPF Board and pay CPF on their wages, and it may create a taxable presence in Singapore. It cannot obtain S Passes or Work Permits. MOM accepts Employment Pass applications for an overseas company's employee only through a Singapore-registered local sponsor, which takes responsibility for the foreigner's stay, maintenance and repatriation; these take about six weeks to process.
- 2 Set up Corppass.** Corppass is the corporate digital identity used to access Government e-services. Appoint a Corppass Admin (an entity can have up to two, and each must hold Singpass as an NRIC or FIN holder), then assign e-service access to named users for CPF, IRAS, MOM and other services. Appoint both Admins and add Sub-Admins as backup: many new employers find that the only person with access has left when a CPF payment or MOM renewal falls due.
- 3 Open a corporate bank account** able to pay salaries locally and to support direct debit (GIRO) for CPF and IRAS.
- 4 Apply for a CPF Submission Number (CSN).** The CSN combines the UEN with a CPF payment code and is applied for online through the CPF employer e-services. You can generally start submitting contributions within one to two working days. A CSN is needed once you employ any Singapore Citizen or Permanent Resident. SDL for all employees, including foreigners, is normally paid together with CPF contributions; an employer with only foreign employees pays SDL directly to the Skills and Workforce Development Agency (SWDA) instead.
- 5 Set up MOM access.** Assign the "EP eService" and "myMOM Portal" roles in Corppass so that the company can apply for Employment Passes, S Passes and Work Permits. EP eService users must be Singapore Citizens or Permanent Residents, or hold an EP, PEP or S Pass issued under your company, and MOM terminates EP eService accounts with no activity for 12 months. A third-party provider can act for you only after you submit MOM's authorisation form, and only if its primary business is legal, accounting, HR consultancy, business consultancy or office administration. A provider that also sources or places candidates must hold an employment agency licence.
- 6 Buy work injury compensation (WICA) insurance** before employees start, if you have any manual workers or non-manual employees earning S\$2,600 or less a month (Chapter 8).
- 7 Buy medical insurance** for any S Pass or Work Permit holders (Chapter 8), and consider group insurance for all staff.
- 8 Register for the IRAS Auto-Inclusion Scheme (AIS)** if you will have five or more employees, or if IRAS asks you to. AIS registration is required before you can submit employment income data electronically (Chapter 11).
- 9 Appoint a Data Protection Officer** and publish their business contact details, as required by the Personal Data Protection Act (Chapter 15).

- 10 **Prepare employment documents and policies:** offer letters, contracts with Key Employment Terms, an employee handbook, leave and flexible work request policies, a grievance procedure and payroll calendar.
- 11 **Choose a payroll solution** that computes Singapore CPF, SDL and self-help group fund deductions, produces compliant itemised payslips and exports AIS files.

Typical set-up timeline

Step	Typical time	Notes
ACRA incorporation	1 to 3 working days	Once KYC and documents are complete.
Corppass set-up	1 to 5 working days	Longer if no Registered Officer can approve online and a Letter of Authorisation is needed.
Corporate bank account	2 to 8 weeks	Often the longest step for foreign-owned companies because of bank due diligence.
CPF Submission Number	1 to 2 working days	Apply online once Corppass is active.
Employment Pass or S Pass	About 10 business days	For online applications by Singapore-registered companies, after the 14-day job advertisement where required.
Employment Pass through a local sponsor	About 6 weeks	For overseas companies without a Singapore entity.

WATCH OUT

A foreign employee on an Employment Pass, S Pass or Work Permit cannot start work on the in-principle approval. The pass must first be issued, which happens once the employee is in Singapore and the employer completes the issuance step; the notification letter then allows work to start before the card arrives. Plan start dates around the job advertising period, the MOM assessment and pass issuance, and do not let new hires begin work "informally" while waiting. Employing a foreigner without a valid work pass is an offence for the employer.

Employer of Record: for local hires only

A foreign company that wants to employ Singapore Citizens or Permanent Residents before setting up its own entity can use an Employer of Record (EOR). The EOR is the legal employer: it issues the employment contract, runs payroll, pays CPF and SDL and must meet every Employment Act obligation, while the client directs the day-to-day work.

An EOR cannot be used for foreign nationals who need a work pass. MOM has stated that EORs may not apply for work passes for foreigners to be based in Singapore while working for overseas companies, and that doing so is an offence. More generally, a work pass holder may work only for the employer named on the pass. MOM allows a work pass holder to be deployed to a client only where the employer carries out its own declared business activity there, directly supervises the work and pays the salary; supplying staff to supplement a client's workforce is not allowed, other than in limited cases in the construction and process sectors. To bring in foreign staff, a company needs its own Singapore entity or, for an Employment Pass, a local sponsor.

An EOR that only employs its own staff does not generally need an employment agency licence, but one that also sources, screens or places candidates for clients does. An EOR arrangement can also create a permanent establishment for the client, for example where the staff habitually conclude contracts on its behalf, and the contract should deal with intellectual property, confidentiality and exit. Treat an EOR as a short-term bridge for local hires and plan the move to your own entity early.



PART B

Hiring

Singapore expects employers to consider local candidates fairly, to justify foreign hires against clear criteria, and to put employment terms in writing from day one.

03 Recruitment and fair employment

04 Work passes for foreign employees

05 Employment contracts and records

CHAPTER 03

Recruitment and fair employment

Fair hiring is both a legal expectation and a condition of access to foreign talent. Employers who fall short can lose the ability to apply for or renew work passes.

The Tripartite Guidelines on Fair Employment Practices

The Tripartite Guidelines on Fair Employment Practices set out five principles that apply to every employer in Singapore:

1. Recruit and select employees on the basis of merit, such as skills, experience or ability to perform the job, regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
2. Treat employees fairly and with respect, and implement progressive human resource management systems.
3. Provide employees with equal opportunity to be considered for training and development based on their strengths and needs, to help them achieve their full potential.
4. Reward employees fairly based on their ability, performance, contribution and experience.
5. Abide by labour laws and adopt Tripartite Guidelines which promote fair employment practices.

In practice this means job advertisements should not state preferences for age, gender, race, religion, marital status or nationality unless there is a genuine job requirement, and interview questions and application forms should avoid asking for information that is not relevant to the job.

The Fair Consideration Framework

Under the Fair Consideration Framework (FCF), an employer that wants to hire a foreigner on an Employment Pass or S Pass must first advertise the role on **MyCareersFuture**, the national jobs portal, and consider all candidates fairly. The advertisement must remain open for at least **14 consecutive days** before the work pass application is submitted.

Exempt from the advertising requirement	Still required to consider locals fairly?
Companies with fewer than 10 employees	Yes
Jobs paying a fixed monthly salary of S\$22,500 or more	Yes
Short-term roles of one month or less	Yes
Roles filled by intra-corporate transferees from an overseas affiliate	Yes
Roles filled by an existing employee transferring to a related branch, subsidiary or affiliate in Singapore	Yes

Employers found to have discriminated against Singaporeans, or with a disproportionately low share of Singaporean professionals compared with industry peers, can be placed on the **FCF Watchlist**. Their work pass applications then face closer scrutiny and TAFEP engages them on hiring practices. Employers that do not follow the FCF, for example by discriminating against Singaporeans, can be barred from applying for new work passes and renewing existing ones for 12 to 24 months. Those who make a false declaration can also be prosecuted, with penalties of up to S\$20,000, two years' imprisonment, or both.

PRACTITIONER NOTE

Treat the MyCareersFuture advertisement as a genuine search, not a formality. Keep records of applications received, shortlisting criteria and interview outcomes for local candidates. If MOM or TAFEP asks how Singaporeans were considered, a clear paper trail is the best answer.

The Workplace Fairness Act

Singapore is moving from guidelines to legislation. The **Workplace Fairness Act 2025** was passed in January 2025 and the **Workplace Fairness (Dispute Resolution) Act** in November 2025. Both are slated to take effect around **end-2027**; no exact date had been announced at the time of writing.

The Act will prohibit discrimination in hiring, employment and dismissal decisions on the basis of protected characteristics grouped as follows:

- age;
- nationality;
- sex, marital status, pregnancy and caregiving responsibilities;
- race, religion and language;
- disability and mental health condition.

Employers will be required to have a grievance handling process, to protect the confidentiality of people raising grievances and not to retaliate against them. Employers with fewer than 25 employees will be exempt initially, with the threshold to be reviewed after five years; they must still follow the Tripartite Guidelines on Fair Employment Practices. Claims will go through internal grievance processes, then mediation, and then adjudication at the Employment Claims Tribunals (claims up to S\$250,000) or the High Court.

WHAT'S CHANGING

Use the lead time before end-2027 to put a written grievance procedure in place, train hiring managers, review job advertisements and interview templates, and remove irrelevant personal questions from application forms.

Tripartite Standards

Employers can voluntarily adopt Tripartite Standards to signal good practice. Current standards include recruitment practices, grievance handling, work-life harmony, age-friendly workplace practices, the employment of term-contract employees, unpaid leave for unexpected care needs, contracting with self-employed persons, procurement of services from media freelancers and advancing the well-being of lower-wage workers. Adopters may use the Tripartite Standards logo, including on MyCareersFuture job postings.

CHAPTER 04

Work passes for foreign employees

Every foreign employee needs a valid work pass before starting work. The pass type depends mainly on salary, qualifications and role, and each carries its own conditions for the employer.

Choosing the right pass

Pass	For	Key requirements (September 2026)
Employment Pass (EP)	Professionals, managers and executives	Minimum salary S\$5,600 (S\$6,200 in financial services), rising with age; pass the COMPASS points framework unless exempt. No quota or levy.
S Pass	Mid-level skilled staff	Minimum salary S\$3,300 (S\$3,800 in financial services), rising with age; quota and levy apply.
Work Permit	Semi-skilled workers in construction, manufacturing, marine shipyard, process and services	Approved source countries, sector quotas, levy and security bond (non-Malaysians).
ONE Pass	Top talent in business, arts, sports, academia and research	Fixed monthly salary of at least S\$30,000 in a qualifying role, or outstanding achievements. Up to five years; can work for several companies.
Personalised Employment Pass (PEP)	High-earning foreign professionals	Fixed monthly salary of at least S\$22,500 to apply, and at least S\$270,000 in fixed salary each calendar year to keep the pass. Not tied to one employer, but the holder must not be unemployed for more than six months at a time. Valid for three years; not renewable.
EntrePass	Foreign entrepreneurs	Own at least 30% of a Singapore private limited company that meets an innovation criterion.
Dependant's Pass (DP) / Long-Term Visit Pass (LTVP)	Family members of EP and S Pass holders	Pass holder earns at least S\$6,000 a month (S\$12,000 to sponsor parents on an LTVP). DP holders need their own work pass to work.

Employment Pass

EP applications are assessed in two stages. **Stage 1** checks that the fixed monthly salary meets the qualifying salary for the candidate's age. **Stage 2** is the COMPASS points assessment.

EP qualifying salary by age (new applications and renewals, September 2026)

Candidate age	All sectors except financial services	Financial services
23 and below	S\$5,600	S\$6,200
30	S\$7,223	S\$7,982
35	S\$8,382	S\$9,255
40	S\$9,541	S\$10,527
45 and above	S\$10,700	S\$11,800

Source: MOM. Salaries rise progressively between the ages shown; use MOM's Self-Assessment Tool for exact figures.

COMPASS

The Complementarity Assessment Framework (COMPASS) awards points against four foundational criteria and two bonus criteria. Candidates need **40 points** to pass.

Criterion	20 points	10 points	0 points
C1 Salary vs local PMET salaries in the sector, by age	90th percentile and above	65th to below 90th percentile	Below 65th percentile
C2 Qualifications	Degree-equivalent from a top-tier institution	Other degree-equivalent	No degree-equivalent
C3 Diversity candidate's nationality share of firm's PMETs	Below 5%	5% to below 25%	25% or more
C4 Support for local employment firm's local PMET share vs sector peers	50th percentile and above	20th to below 50th percentile	Below 20th percentile
C5 Skills bonus	Up to 20 points for roles on the Shortage Occupation List (10 points if the candidate's nationality is one-third or more of the firm's PMETs)		
C6 Strategic Economic Priorities bonus	10 points for firms in qualifying programmes run by Government economic agencies		

Firms with fewer than 25 PMETs automatically score 10 points on each of C3 and C4. A candidate is **exempt from COMPASS** if the fixed monthly salary is at least **S\$22,500**, if they are an overseas intra-corporate transferee, or if the role is for one month or less.

PRACTITIONER NOTE

For a new Singapore entity with a small team, C3 and C4 give 20 points between them by default. The application then usually turns on salary (C1) and qualifications (C2). Check the candidate's salary against MOM's C1 benchmarks for the sector and age before making the offer, not after. The benchmarks are updated each year.

Validity, processing and fees

- A first EP is issued for up to two years and renewals for up to three years. Experienced technology professionals can receive a five-year EP if they fill a specified tech occupation on the Shortage Occupation List, pass COMPASS with at least 10 points on C3, and earn a fixed monthly salary of at least S\$10,700, rising with age to S\$14,270 at 45 and above (S\$11,500 to S\$15,499 for new applications from 1 January 2027).
- Online applications from Singapore-registered companies are processed or updated within about 10 business days. Applications by overseas companies through a sponsor take longer.
- Fees: S\$105 per application and S\$225 per pass issued.
- After in-principle approval, the pass must be issued before the employee starts work.

S Pass

S Pass qualifying salary (new applications from 1 Sep 2025; renewals from 1 Sep 2026)

Candidate age	All sectors except financial services	Financial services
23 and below	S\$3,300	S\$3,800
45 and above	S\$4,800	S\$5,650

- **Levy:** S\$650 per S Pass holder per month across all sectors since 1 September 2025. The levy is charged to the employer and must never be deducted from the employee's salary.
- **Quota:** S Pass holders may make up no more than 10% of the total workforce in the services sector, and 15% in construction, manufacturing, marine shipyard and process.
- **Validity:** up to two years for a first pass and three years on renewal.
- **Medical insurance** is mandatory (Chapter 8).

How quotas are counted: the Local Qualifying Salary

The number of S Pass and Work Permit holders a company may employ depends on its local workforce. From 1 July 2026, a local employee (SC or SPR) earning at least the **Local Qualifying Salary (LQS) of S\$1,800 a month** counts as one local, one earning S\$900 to below S\$1,800 counts as half, and one earning below S\$900 is not counted. The same monthly thresholds apply to part-time locals. MOM uses CPF data and the average local headcount over the last three months, and a new hire counts only after the first full month of salary and CPF contributions has been paid. Separately, firms that hire foreign employees must pay every local employee at least the LQS, which is S\$10.50 an hour for part-time staff, and Progressive Wages where applicable; firms that do not cannot apply for or renew work passes.

Work Permit

Work Permits are available in the construction, manufacturing, marine shipyard, process and services sectors, from approved source countries. Key features:

- **Dependency ratio ceilings** limit foreign workers as a share of the workforce, for example 35% in services and 60% in manufacturing.
- **Levies** vary by sector, skill level and dependency tier. In services, monthly levies range from S\$300 to S\$800 per worker.
- **Security bond** of S\$5,000 for each non-Malaysian Work Permit holder, by bank or insurance guarantee.
- Since 1 July 2025 there is no maximum period of employment. From 1 July 2026, the maximum employment age is aligned with the retirement age of 64.

- Workers from non-traditional source countries may be hired in occupations on the NTS Occupation List in manufacturing and services, subject to a sub-quota of 8% of the total workforce and a fixed monthly salary of at least S\$2,000. From 1 September 2026 the list was expanded to more roles in food services, early childhood (such as educators and teacher aides) and cabin crew.
- Work Permit holders cannot bring dependants on a Dependant's Pass.

Family members and the Letter of Consent

Since 1 May 2021, Dependant's Pass holders need their own EP, S Pass or Work Permit to work in Singapore; the employer applies as it would for any foreign hire. A Dependant's Pass holder can work on a Letter of Consent only in their own ACRA-registered business, as a sole proprietor, a partner, or a company director holding at least 30% of the shares. To renew that Letter of Consent, the business must employ at least one Singapore Citizen or PR earning at least the LQS who has received CPF contributions for at least three consecutive months.

Holders of an ICA-issued Long-Term Visit Pass or LTVP+ who are married to a Singapore Citizen or PR, and unmarried children under 21 of a Singapore Citizen or PR who hold an LTVP, can work on a Letter of Consent, with no levy and no quota. Other LTVP holders need a work pass.

Employer obligations for work pass holders

Except for ONE Pass and PEP holders, **a work pass holder may work only for the employer named on the pass**. Work for any other person or business, including a client or group company, is an offence unless MOM has approved it. A work pass holder may be deployed to a client's premises only where this is the employer's own declared business activity and the employer directly supervises the work and pays the salary.

Obligation	Requirement
Pay salary on time	Within 7 days after the salary period, which cannot exceed one month. Salary must match the amount declared to MOM.
Reducing salary	For EP and S Pass holders, submit a request to MOM at least one month before the reduction takes effect; the reduced salary must still meet the pass criteria. For Work Permit holders, obtain the worker's written consent and update MOM. Any reduction also needs the employee's agreement under the contract.
Change of role	Submit a request to MOM and obtain approval before changing the occupation of any work pass holder.
Keep details up to date	Update MOM on any change of a work pass holder's residential address or mobile number within 5 days, and report other changes, such as cessation of employment, within the deadlines in the pass conditions.
Do not hold passes or passports	Do not keep an employee's work pass card or passport, even for safekeeping. Retaining another person's passport without reasonable excuse can be an offence under the Passports Act, and MOM may debar the employer. Offer lockable storage instead.
Do not recover employer costs	Levies, security bonds, medical insurance, medical fees, work pass renewal, compulsory training and repatriation costs for Work Permit and S Pass holders must not be deducted from salary or recovered from the worker in any other way. Demanding payment from a worker as a condition of employing them, or continuing to employ them, is an offence. Fees charged to a worker by a licensed employment agency are separate and capped by MOM.
Cancel on termination	Cancel the pass within one week after employment ends, and file tax clearance (Form IR21) with IRAS at least one month before the last day (Chapter 13).
Repatriation	Bear the full cost of repatriation to the employee's home country. For EP and S Pass holders only, the employee may agree to bear this cost, but only in a document they sign that states this explicitly; an HR policy alone is not enough.

WATCH OUT

False declarations in a work pass application, such as inflated salaries, fictitious qualifications or "phantom" local employees to boost quotas, are treated seriously. Penalties include fines of up to S\$20,000, imprisonment of up to two years and debarment from hiring foreign employees. MOM verifies qualifications and cross-checks salaries against CPF and tax records.

WHAT'S CHANGING

- **EP qualifying salary** rises to S\$6,000 (S\$6,600 in financial services), up to S\$11,500 (S\$12,700) at age 45, for new applications from 1 January 2027 and renewals of passes expiring from 1 January 2028.
- **S Pass qualifying salary** rises to S\$3,600 (S\$4,000 in financial services), up to S\$5,100 (S\$5,650) at age 45, on the same dates.
- **New COMPASS C1 salary benchmarks** apply to new applications from 1 January 2027 and renewals from 1 July 2027.
- A new **ONE Pass (AI and Tech) track** replaces the Tech.Pass from January 2027.
- **Work Permit levy tiers** in manufacturing and services are to be simplified in 2028.

CHAPTER 05

Employment contracts and records

Singapore law requires the core terms of employment to be put in writing, payslips to be itemised and employment records to be kept. These are among the first things MOM checks in an inspection or a claim.

Key Employment Terms

Employers must issue written **Key Employment Terms (KETs)** to every employee covered by the Employment Act who is employed for 14 days or more, **no later than 14 days after the start of employment**. Best practice is to include them in the offer letter or contract so the employee has them before starting. KETs may be issued in hard or soft copy, and may be spread across the contract, handbook or intranet as long as the employee can access them.

EMPLOYMENT DETAILS

- Full name of employer and employee
- Job title, main duties and responsibilities
- Start date of employment
- Duration of employment (for fixed-term contracts)
- Working arrangements: daily hours, days per week and rest day
- Place of work (optional but recommended)

SALARY

- Salary period
- Basic salary
- Fixed allowances and fixed deductions
- Overtime payment period and overtime rate (where applicable)
- Other salary-related components, such as bonuses and incentives

LEAVE AND BENEFITS

- Types of leave, including annual, outpatient sick, hospitalisation, maternity, paternity and childcare leave
- Medical benefits, such as insurance and dental

OTHERS

- Probation period
- Notice period

Based on MOM's list of 17 Key Employment Terms. Place of work is optional but recommended. Items that do not apply, such as overtime details for employees outside Part 4, may be left out.

What to include in a Singapore employment contract

Beyond the KETs, a well-drafted Singapore contract typically covers:

- **Probation** (commonly three to six months) and the notice period during probation.
- **Bonus and the Annual Wage Supplement (AWS)**. The "13th month" AWS is customary but not mandatory. State clearly whether it is contractual or discretionary, and any pro-rating rules.
- **Working hours and overtime eligibility**, reflecting whether the employee falls under Part 4 of the Employment Act.
- **Leave** above the statutory minimum, and how unused leave is treated (carry forward, encashment or forfeiture).
- **Confidentiality, intellectual property and data protection**.
- **Restrictive covenants**. Non-competition and non-solicitation clauses are enforceable in Singapore only if they protect a legitimate interest and are reasonable in scope, geography and duration. MOM and its tripartite partners are developing guidelines on restrictive covenants, which had not been issued at the time of writing; until then the courts' reasonableness test applies, so draft narrowly.
- **Conditions precedent** for foreign hires, such as work pass approval and satisfactory background checks.

- **Governing law** (Singapore law for Singapore-based employees) and termination provisions.

PRACTITIONER NOTE

Group templates from head office rarely work unchanged. Common issues include references to "at-will" employment, a US concept that does not apply in Singapore, where termination normally requires contractual or statutory notice or salary in lieu and must not be wrongful, for example discriminatory, retaliatory or intended to deprive the employee of benefits; leave or notice below the statutory minimum; foreign statutory benefits that do not apply; and governing law clauses that point to the parent's jurisdiction.

Itemised payslips

Employers must issue **itemised payslips** to every employee covered by the Employment Act, together with the salary payment or within **three working days** of payment. On termination, the payslip is issued with the final salary. Payslips may be electronic or printed. They must show:

- Full name of employer
- Full name of employee
- Date of payment, or dates if paid in parts
- Basic salary
- Start and end date of the salary period
- Allowances paid for the salary period
- Any other additional payment
- Deductions made for the salary period
- Overtime hours worked
- Overtime pay
- Start and end date of the overtime payment period, if different
- Net salary paid

Employment records

Employers must keep detailed employee records and salary records:

- **Employee records** include the employee's name, NRIC or work pass number, residential address, date of birth, gender, start date and leaving date, working hours including breaks, and public holidays and leave taken.
- **Salary records** contain the items shown on the payslip.
- For **current employees**, keep records for the latest two years. For **former employees**, keep the records covering their last two years for one year after they leave.

Tax and accounting rules require payroll records to be kept for longer, generally five years. In practice, many employers keep payroll records for at least five years and personnel files for a defined period after exit, consistent with their data retention policy (Chapter 15).



PART C

Working conditions

Statutory minimums for hours, rest, holidays and leave, the Government-paid parental leave schemes, and the insurance and workplace obligations every employer carries.

06 Working hours, overtime and public holidays

07 Leave entitlements

08 Benefits, insurance and workplace obligations

CHAPTER 06

Working hours, overtime and public holidays

Hours of work, overtime and rest day rules apply to employees covered by Part 4 of the Employment Act. Public holiday entitlements apply to every employee under the Act.

Hours of work (Part 4 employees)

Rule	Requirement
Normal hours	Up to 44 hours a week. Up to 9 hours a day for a 5-day (or shorter) week, or 8 hours a day for a longer week.
Alternative schedules	Up to 48 hours in one week, provided the total over two weeks does not exceed 88 hours. Shift workers may average 44 hours over three weeks.
Maximum per day	12 hours, including overtime, except in specified circumstances such as emergencies.
Breaks	No more than 6 consecutive hours without a break. Where work must be continuous, up to 8 consecutive hours, including meal breaks totalling at least 45 minutes.
Overtime rate	At least 1.5 times the hourly basic rate of pay.
Overtime cap	72 hours a month.
Overtime payment	Within 14 days after the end of the salary period.
Rest day	One unpaid rest day a week (midnight to midnight, or a continuous 30 hours for shift workers). No more than 12 days between rest days.

Hourly basic rate for a monthly-rated employee = $(12 \times \text{monthly basic salary}) \div (52 \times 44)$. For non-workmen, the hourly basic rate used for overtime is capped at the rate for a monthly basic salary of S\$2,600, which is S\$13.60, so overtime is payable at up to S\$20.40 an hour.

Work on a rest day

Who asked for the work	Up to half normal daily hours	More than half normal daily hours	Beyond normal daily hours
Employer	1 day's salary	2 days' salary	2 days' salary plus overtime
Employee	Half a day's salary	1 day's salary	1 day's salary plus overtime

Public holidays

All employees covered by the Employment Act are entitled to **11 paid public holidays** a year. An employee who works on a public holiday is entitled to an extra day's salary at the basic rate of pay, plus overtime pay for any work beyond normal hours if covered by Part 4. Employer and employee may instead agree to substitute another working day for the public holiday, and employees outside Part 4 may agree to time off in lieu instead of the extra pay. When a public

holiday falls on a Sunday, the following Monday is a public holiday. When it falls on a non-working day such as Saturday, the employee is entitled to another day off or an extra day's salary in lieu. When it falls on an employee's rest day, the next working day is a paid holiday. An employee who is absent without consent or reasonable excuse on the working day immediately before or after a public holiday may lose the holiday pay.

Singapore public holidays 2026

Holiday	Date	Notes
New Year's Day	Thursday 1 January	
Chinese New Year	Tuesday 17 and Wednesday 18 February	
Hari Raya Puasa	Saturday 21 March	Falls on a Saturday
Good Friday	Friday 3 April	
Labour Day	Friday 1 May	
Hari Raya Haji	Wednesday 27 May	
Vesak Day	Sunday 31 May	Monday 1 June is a public holiday
National Day	Sunday 9 August	Monday 10 August is a public holiday
Deepavali	Sunday 8 November	Monday 9 November is a public holiday
Christmas Day	Friday 25 December	

Source: MOM. Public holidays for the following year are usually gazetted in the second quarter.

PRACTITIONER NOTE

Employees outside Part 4, namely all managers and executives, non-workmen earning a basic monthly salary above S\$2,600 and workmen earning above S\$4,500, have no statutory overtime or rest day entitlement. Their contracts should still state normal working hours and whether any overtime or time off in lieu applies. By agreement, employers may give time off in lieu for public holidays worked by these employees.

CHAPTER 07

Leave entitlements

Singapore's statutory leave combines Employment Act minimums, which the employer funds, with Government-paid parental and childcare leave, for which the employer pays the employee and then claims reimbursement.

Annual leave

Employees with at least **three months' service** are entitled to paid annual leave under the Employment Act:

Year of service	1	2	3	4	5	6	7	8 and after
Days of paid annual leave	7	8	9	10	11	12	13	14

For incomplete years, leave is pro-rated as $(\text{completed months} \div 12) \times \text{annual entitlement}$, rounding fractions of half a day or more up to one day. Most employers offer more than the minimum, commonly 14 to 21 days for professionals.

Sick leave

After three months' service, employees are entitled to paid sick leave certified by a registered doctor or dentist. The employee must inform the employer within 48 hours.

Months of service	Outpatient sick leave (days)	Hospitalisation leave (days, including outpatient)
3	5	15
4	8	30
5	11	45
6 and after	14	60

Government-paid parental leave

Most parental leave schemes apply where the child is a **Singapore Citizen** and the employee has served the employer for at least **three months**. The employer pays the employee as normal and claims reimbursement from the Government through the Government-Paid Leave portal, up to the caps shown.

Leave	Entitlement	Who pays	Reimbursement cap
Maternity Government-Paid Maternity Leave	16 weeks	1st and 2nd child: employer pays weeks 1 to 8, Government reimburses weeks 9 to 16. 3rd and later child: Government reimburses all 16 weeks.	S\$10,000 per 4 weeks, including CPF
Paternity Government-Paid Paternity Leave	4 weeks, which employers must grant (children born on or after 1 Apr 2025)	Government reimburses in full	S\$2,500 per week, S\$10,000 in total
Shared parental leave	6 weeks (children born 1 Apr 2025 to 31 Mar 2026); 10 weeks (born from 1 Apr 2026), shared between parents	Government reimburses in full	S\$2,500 per week
Adoption	12 weeks for the adoptive mother	1st and 2nd adoption: Government reimburses the last 8 weeks. 3rd and later: all 12 weeks.	S\$10,000 per 4 weeks
Childcare child under 7	6 days a year per parent	Employer pays the first 3 days, Government reimburses the last 3	S\$500 a day, including CPF
Extended childcare child aged 7 to 12	2 days a year per parent	Government reimburses in full	S\$500 a day
Unpaid infant care child under 2	12 days a year per parent	Unpaid	Not applicable

Parents with children in both age groups receive a maximum of 6 days of childcare leave a year in total. Where the child is not a Singapore Citizen, the Employment Act provides **12 weeks of maternity leave** (the first 8 paid by the employer if the conditions are met) and **2 days of childcare leave** a year for a child under 7, paid by the employer.

Paternity leave is taken as four continuous weeks within 16 weeks of the birth by default, or flexibly within 12 months by agreement. Shared parental leave can be taken flexibly within 12 months of the birth by agreement with the employer. Without agreement, it is taken as one continuous block immediately after the employee's maternity, paternity or adoption leave, within 26 weeks of the birth. Each parent is allocated half by default, and parents can agree a different split. For the Government-paid schemes, employees must give four weeks' notice before starting maternity, paternity, shared parental or adoption leave, unless the employer waives or shortens it. For Employment Act maternity leave the notice is one week. An employee who does not give the required notice may receive only half her maternity pay.

WATCH OUT

It is an offence to dismiss an employee while she is on maternity leave, and unlawful to dismiss or give notice of dismissal to an employee on Government-Paid Paternity Leave or adoption leave. If an employee who has served at least three months, and has been certified pregnant, is dismissed without sufficient cause or retrenched during her pregnancy, the employer must still pay the maternity benefits she would have received. Shared parental leave has no equivalent statutory protection, but dismissal during it may be challenged as wrongful.

WHAT'S CHANGING

At the National Day Rally on 23 August 2026, the Government announced that Government-Paid Childcare Leave and Extended Childcare Leave will be merged into a single scheme for parents of children aged 12 and below, providing **8 days a year for one child, 10 days for two and 12 days for three or more**. The Government will also reimburse employers for the full duration of Government-paid maternity, paternity, adoption, shared parental and childcare leave for all birth orders, up to the caps. The start date and details are still to be announced.

National Service leave

Many male Singapore Citizen and SPR employees have National Service (NS) reservist obligations. Employers must release them for NS duties and must not dismiss or disadvantage an employee because of NS liability. Make-up pay is computed automatically by MINDEF or MHA. Employers registered for the DIRECT Scheme continue to pay normal salary, including average variable pay, and are reimbursed the computed amount; employers not on the scheme deduct pay for the NS period, and the Government pays make-up pay to the employee directly. Registration is through the Employee Payment Management eService on the OneNS portal.

Other leave

Compassionate, marriage, examination and volunteer leave are not statutory in Singapore but are widely offered. Employers can adopt the Tripartite Standard on Unpaid Leave for Unexpected Care Needs. Whatever the policy, record it in the handbook and apply it consistently.

CHAPTER 08

Benefits, insurance and workplace obligations

Beyond pay and leave, employers carry obligations on insurance, workplace safety, flexible work requests, wages for lower-paid workers and the re-employment of older workers.

Work injury compensation insurance

Under the Work Injury Compensation Act, employers must buy insurance for:

- all employees doing manual work, regardless of salary; and
- all employees doing non-manual work who earn **S\$2,600 or less** a month, excluding overtime, bonuses and allowances.

This applies to local and foreign employees alike. Failing to insure is an offence punishable by a fine of up to S\$10,000, imprisonment of up to 12 months, or both. Many employers extend cover to all staff voluntarily.

WICA compensation limits for accidents on or after 1 November 2025

Type of compensation	Minimum	Maximum
Death	S\$91,000	S\$269,000
Permanent incapacity	S\$116,000	S\$346,000
Medical expenses	Not applicable	S\$53,000

Permanent incapacity limits are multiplied by the percentage of incapacity. Medical expenses are covered up to S\$53,000 or one year from the accident, whichever comes first.

During medical leave for a work injury, the employee receives full average monthly earnings for up to 14 days of outpatient leave or 60 days of hospitalisation leave, and two-thirds thereafter, for up to one year.

Medical insurance for S Pass and Work Permit holders

Employers must buy and maintain medical insurance for each S Pass and Work Permit holder, with coverage of at least **S\$60,000 a year** for inpatient care and day surgery. The employer pays the premium. Employees may be asked to co-pay medical costs only if the arrangement is reasonable, agreed in the contract, and capped at 10% of fixed monthly salary for no more than six months in every two years.

Other common benefits

There is no statutory requirement to provide health insurance for SCs, SPRs or EP holders, but group hospitalisation and surgical cover, outpatient benefits, group term life and personal accident insurance are market standard for professional roles. Employees' own CPF MediSave and MediShield Life provide a base level of hospital coverage for locals. Dental, wellness allowances and flexible benefits are common for mid-sized and larger employers.

Flexible work arrangement requests

The **Tripartite Guidelines on Flexible Work Arrangement Requests** have applied since 1 December 2024. They do not give employees a right to flexible work, but they require employers to:

- have a process for formal FWA requests and tell employees about it;
- consider requests properly and respond in writing **within two months**; and
- reject a request only on reasonable business grounds, such as cost, productivity or the nature of the role, and explain why.

Progressive Wages

Progressive Wage Models set mandatory minimum wages and training requirements for local workers in the **cleaning, security, landscape, lift and escalator, retail, food services and waste management** sectors, and for **administrators and drivers** in all sectors. Separately, all employers hiring foreign workers must pay every local employee at least the Local Qualifying Salary (S\$1,800 a month from 1 July 2026). Firms that meet both and employ at least one local worker covered by a Progressive Wage Model can apply for the Progressive Wage Mark; eligible firms must hold it to be awarded Government tenders and quotations.

Retirement and re-employment

From 1 July 2026, the **minimum retirement age is 64** and the **re-employment age is 69**. An employer cannot retire an employee before 64. It must offer re-employment up to age 69 to eligible SC and SPR employees: those with satisfactory work performance, who are medically fit to continue working and who have served the employer for at least two years before turning 64 (for employees hired at 55 or older).

- Discuss re-employment with the employee at least six months before they turn 64, and make the offer at least three months before.
- If no suitable job is available, the employer may transfer the obligation to another employer with the employee's consent, or pay a one-off **Employment Assistance Payment** of 3.5 months' salary, with a minimum of S\$6,250 and a maximum of S\$14,750. Where the employee has already been re-employed for at least 30 months, the payment is 2 months' salary, with a minimum of S\$4,000 and a maximum of S\$8,500.

The Government aims to raise the ages to 65 and 70 by 2030.

Workplace safety and health

The Workplace Safety and Health Act applies to all workplaces, including offices. Employers must take reasonably practicable measures to protect the safety and health of employees, including risk assessment. Corporate penalties for general offences reach S\$500,000 for a first offence and S\$1 million for repeat offences.



PART D

Payroll and tax

How to pay salary lawfully, calculate CPF and the statutory levies, meet employer tax reporting duties and make use of the Government's wage support schemes.

09 Running payroll

10 CPF, SDL and self-help group funds

11 Employee income tax and employer reporting

12 Government incentives and wage support

CHAPTER 09

Running payroll

Singapore payroll is monthly, paid in Singapore dollars and relatively simple by international standards. There is no monthly income tax withholding for employees, whether resident or non-resident, but CPF, the Skills Development Levy and self-help group funds must be computed correctly every month.

When salary must be paid

Payment	Deadline
Salary	At least once a month, within 7 days after the end of the salary period
Overtime pay	Within 14 days after the end of the salary period
Final salary: employee resigns with notice	On the last day of employment
Final salary: employee resigns without notice	Within 7 days after the last day of employment
Final salary: employer terminates or dismisses	On the last day of employment, or within 3 working days if that is not possible

Most employers pay by GIRO or bulk bank transfer in the last week of the month; for a calendar-month salary period, the 7th of the next month is the legal limit.

PRACTITIONER NOTE

Singapore has no pay-as-you-earn system. Employees, whether resident or non-resident, receive a Notice of Assessment from IRAS and pay their own income tax, usually by interest-free monthly GIRO instalments. The main cases where tax is collected through the employer are IR21 tax clearance when a non-citizen employee leaves, and withholding tax on fees paid to non-resident directors. Head offices used to monthly withholding often assume tax is being deducted when it is not, and new arrivals should be told to budget for their first tax bill.

Deductions from salary

The Employment Act allows only specified deductions:

- absence from work;
- damage to or loss of the employer's goods or property directly attributable to the employee's neglect or default, after the employee has been given a chance to explain, capped at 25% of one month's salary and deducted as a single lump sum;
- accommodation accepted by the employee, and amenities and services approved by the Commissioner for Labour, with total deductions for these not exceeding their value or 25% of salary for the salary period;
- recovery of advances, by instalments spread over no more than 12 months, and recovery of loans, by instalments; in both cases each instalment must not exceed 25% of the employee's salary for the salary period;
- the employee's share of CPF contributions and self-help group funds;
- recovery of salary overpaid by mistake or benefits not earned;

- payments to a registered co-operative society, and other deductions the employee has agreed to in writing, which they may withdraw consent for.

Total deductions in a salary period must not exceed **50% of the employee's total salary**. The 50% limit does not apply to deductions for absence, recovery of advances or loans, recovery of overpaid salary or unearned benefits, and co-operative society payments made with the employee's consent.

Payroll components in Singapore

Component	Treatment
Basic salary	Fixed monthly amount. Basis for leave pay, overtime and Employment Act thresholds.
Fixed and variable allowances	Part of Ordinary Wages for CPF if paid monthly; taxable.
Annual Wage Supplement (AWS)	The customary "13th month", usually paid in December. Additional Wage for CPF; taxable.
Bonuses and commissions	Additional Wages for CPF unless paid monthly as part of regular pay; taxable.
Reimbursements	Genuine business expense reimbursements are not wages and are not taxable.
Benefits in kind	Housing, cars and similar benefits are generally taxable and reported on Appendix 8A; not subject to CPF.
Share awards and options	Gains are taxable and reported on Appendix 8B. CPF is not payable where the employee receives shares, but cash-settled awards and cash paid in lieu of shares are wages and attract CPF.
Directors' fees	Taxable. CPF is not payable on directors' fees voted at a general meeting, but is payable on salary and bonus paid to a director who is also employed under a contract of service. Withholding tax applies if fees are paid to non-resident directors.
Salary in lieu of notice	Not subject to CPF. Generally taxable as employment income.

The monthly payroll cycle

- 1 Collect inputs:** new joiners and leavers, salary changes, overtime, unpaid leave, allowances, claims, bonuses and commissions.
- 2 Calculate gross pay,** separating Ordinary and Additional Wages.
- 3 Compute CPF** by age band and residency status, applying the Ordinary Wage ceiling and the Additional Wage ceiling.
- 4 Compute SDL** for all employees and self-help group fund deductions for eligible employees.
- 5 Pay net salaries** within 7 days after the salary period and **issue itemised payslips** within 3 working days of payment.
- 6 Submit and pay CPF, SDL and self-help group funds** to CPF Board by the 14th of the following month.
- 7 Claim Government-paid leave reimbursements** and reconcile any wage credits received.
- 8 Maintain records** for annual IR8A reporting, and track foreign employees' notice dates for IR21 tax clearance.

CHAPTER 10

CPF, SDL and self-help group funds

The Central Provident Fund is Singapore's mandatory social security savings scheme. Contributions are paid monthly for Singapore Citizen and Permanent Resident employees earning more than S\$50 a month, with an employee share once wages exceed S\$500.

Who contributes

- **CPF is mandatory** for Singapore Citizens and SPRs employed in Singapore and earning more than S\$50 a month, including part-time and casual employees.
- **Foreign employees** on an Employment Pass, S Pass or Work Permit do not contribute to CPF, and employers may not contribute for them. CPF becomes mandatory from the day an employee obtains SPR status.
- CPF is not payable on directors' fees approved at a general meeting. It is generally not mandatory for Singapore Citizens and SPRs employed to work overseas, where employer contributions are voluntary, but it remains payable for employees on a Singapore-based contract who work overseas temporarily, for example on business trips, training or temporary remote work.

Contribution rates from 1 January 2026

Singapore Citizens and SPRs from the third year of PR status, monthly wages above S\$750

Employee age	Employer	Employee	Total	Maximum total at S\$8,000 OW
55 and below	17%	20%	37%	S\$2,960
Above 55 to 60	16%	18%	34%	S\$2,720
Above 60 to 65	12.5%	12.5%	25%	S\$2,000
Above 65 to 70	9%	7.5%	16.5%	S\$1,320
Above 70	7.5%	5%	12.5%	S\$1,000

Source: CPF Board. Rates apply to total wages; the Ordinary Wage portion is capped at the OW ceiling.

Lower wage bands

Total monthly wages	Contributions
S\$50 or less	No CPF contributions
Above S\$50 to S\$500	Employer share only (for example 17% for employees aged 55 and below)
Above S\$500 to S\$750	Employer share plus a phased-in employee share (for employees aged 55 and below, $0.6 \times (\text{total wages minus S\$500})$)
Above S\$750	Full rates as above

New Permanent Residents

For the first two years of SPR status, lower "graduated" rates apply unless employer and employee jointly apply to contribute at full rates. For example, for an employee aged 55 and below, the graduated rates are 4% (employer) and 5% (employee) in the first year and 9% and 15% in the second year. Alternatively, employer and employee can jointly apply for the employer to contribute at the full employer rate while the employee continues at graduated rates. Check the CPF Board rate tables for the correct combination.

Wage ceilings

S\$8,000 Ordinary Wage (OW) ceiling per month from 1 January 2026	S\$102,000 Annual salary ceiling for total wages subject to CPF	S\$102,000 – OW Additional Wage (AW) ceiling: S\$102,000 less total OW subject to CPF in the year
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Ordinary Wages are wages due or granted wholly and exclusively for employment in a month and paid by the due date for that month, including regular allowances. **Additional Wages** are wage supplements not granted wholly for the month, such as annual bonuses, AWS, leave encashment and incentive payments. For an employee earning at least S\$8,000 a month for the whole year, total OW subject to CPF is S\$96,000, so the AW ceiling is S\$6,000: only the first S\$6,000 of bonus attracts CPF.

PRACTITIONER NOTE

The AW ceiling is calculated per employer, per employee and per calendar year. Bonuses paid early in the year are computed on an estimated AW ceiling and must be recomputed at year end or when the employee leaves. Any shortfall after recomputation must be paid with December's contributions or with the contributions for the employee's last month of employment; late payment interest applies if it is paid late. For overpaid contributions, the employer must first refund the employee's share to the employee, then apply to CPF Board for a refund no later than one year from the date of payment.

Paying CPF

- Contributions for a month are due by the end of that month, with a grace period to the **14th of the following month**. Late payment interest of 1.5% a month (minimum S\$5) is charged from the day after the due date if payment is not made by the 14th.
- Contributions are submitted through **CPF EZPay**, which calculates CPF and SDL automatically, or by payroll file upload, and paid by direct debit or PayNow QR.
- The employer pays both shares and recovers the employee's share by deduction from the salary for the month to which the contributions relate. Deduct in the correct month. If the employee's share was not deducted because of the employer's own error, it cannot be recovered from later wages. In other cases it can be recovered from later wages only after the contributions have been paid, with the employee's written consent or CPF Board's written permission, and within six months.
- Failing to pay CPF contributions by the due date is an offence. CPF Board may offer composition of up to S\$1,000 per offence. On a first conviction the fine is S\$1,000 to S\$5,000 per offence and/or up to 6 months' imprisonment; for later convictions it is S\$2,000 to S\$10,000 per offence and/or up to 12 months' imprisonment. Deducting the employee's share and not paying it to CPF Board is a more serious offence, and company directors can be held personally liable.

Skills Development Levy

The Skills Development Levy (SDL) is payable by the employer, not the employee, for **every employee working in Singapore**, including foreigners, part-timers and temporary staff. It is not payable for a month in which the employee works wholly outside Singapore, or for household domestic workers employed by individuals.

Total monthly wages	SDL payable
Up to S\$800	S\$2 (minimum)
Above S\$800 to S\$4,500	0.25% of total wages
Above S\$4,500	S\$11.25 (maximum)

SDL is paid to CPF Board with CPF contributions by the same deadline; an employer with only foreign employees pays SDL directly to the Skills and Workforce Development Agency (SWDA). Late payment attracts a penalty of 10% a year on the amount outstanding. The levy funds the Skills Development Fund, which supports training grants for employers.

Self-help group funds

Employers must deduct monthly contributions to community self-help groups from eligible employees' salaries and pay them to CPF Board with CPF:

Fund	Who contributes	Monthly contribution
CDAC	Chinese SCs and SPRs	S\$0.50 to S\$3.00 by wage band
ECF	Eurasian SCs and SPRs	S\$2 to S\$20 by wage band
MBMF	Muslim employees, including SCs, SPRs and foreign employees	S\$3 to S\$26 by wage band
SINDA	Indian SCs, SPRs and Employment Pass holders	S\$1 to S\$30 by wage band

Eligibility for CDAC, ECF and SINDA is based on race; MBMF is based on religion. Employees who wish to opt out or change their contribution must use the relevant self-help group's opt-out or change form; for MBMF, MUIS issues a certificate that the employee gives to the employer. Continue deducting until the employee provides the completed opt-out form or certificate, and keep a copy on file.

WATCH OUT

A frequent error in new payroll set-ups is to treat SDL and self-help group funds as applying only to CPF members. SDL applies to every employee, MBMF applies to Muslim foreign employees and SINDA applies to Indian Employment Pass holders. Collect race and religion information at onboarding for this purpose, and explain why it is needed.

WHAT'S CHANGING

From **1 January 2027**, CPF rates rise again for senior workers: to 16.5% (employer) and 19% (employee) for those above 55 to 60, and 13% and 13% for those above 60 to 65. Rates for other age bands are unchanged. For 2027, the Government will pay employers a **CPF Transition Offset** equal to half of the employer rate increase, as it did for the 2026 increase.

CHAPTER 11

Employee income tax and employer reporting

Employees pay their own income tax in Singapore, but employers must report every employee's income to IRAS each year and must obtain tax clearance before a foreign employee leaves.

Tax residence

Singapore Citizens and SPRs who normally reside in Singapore are tax resident. Other individuals are a **tax resident** for a year of assessment if they were physically present or exercised employment (other than as a company director) in Singapore for **183 days or more** in the preceding calendar year. Under administrative concessions, a foreign employee who stays and works in Singapore for a continuous period of at least 183 days straddling two calendar years is resident for both years (this does not apply to directors, public entertainers or professionals), and one who stays or works in Singapore for three consecutive calendar years is resident for all three. Tax is assessed a year in arrears: income earned in 2026 is assessed in the Year of Assessment (YA) 2027.

Resident tax rates (YA2024 onwards)

Chargeable income	Rate
First S\$20,000	0%
Next S\$10,000	2%
Next S\$10,000	3.5%
Next S\$40,000	7%
Next S\$40,000	11.5%
Next S\$40,000	15%
Next S\$40,000	18%
Next S\$40,000	19%
Next S\$40,000	19.5%
Next S\$40,000	20%
Next S\$180,000	22%
Next S\$500,000	23%
Above S\$1,000,000	24%

Non-residents

Employment income of non-residents is taxed at a flat **15%**, or at resident rates without personal reliefs, whichever gives the higher tax. Directors' remuneration of non-residents is taxed at **24%**, which is also the rate for most other non-employment income; some payments, such as interest and royalties, carry different withholding rates.

Short-term visitors

Employment income of a non-resident who works in Singapore for **60 days or less** in a calendar year is generally exempt from tax. The exemption does not apply to directors, public entertainers or professionals.

Reliefs and rebates

Residents can claim personal reliefs, such as earned income, spouse, child and CPF reliefs, subject to an overall cap of S\$80,000 a year. No personal income tax rebate was announced for YA2026.

Annual employer reporting: Form IR8A

By **1 March each year**, employers must prepare Form IR8A for employees' previous calendar-year employment income. Employers in the Auto-Inclusion Scheme submit it electronically to IRAS and provide employees with their income information; other employers give the forms to employees. This covers full-time and part-time employees, resident and non-resident employees, directors (including non-resident directors receiving fees) and pensioners. Foreign employees who have left, and for whom Form IR21 has been or will be filed before 1 March, are excluded.

Form	Reports
Form IR8A	Salary, bonus, directors' fees, allowances, commissions, gratuities, compensation for loss of office and other employment income, and CPF contributions.
Appendix 8A	Benefits in kind, such as accommodation, home leave passages, cars and other non-cash benefits.
Appendix 8B	Gains from employee share options and share ownership plans.

From YA2026, Form IR8S is no longer required; voluntary or excess CPF contributions are reported within Form IR8A instead.

The Auto-Inclusion Scheme

Employers with **five or more employees**, and any employer that has received a notice from IRAS, must submit employment income data electronically under the **Auto-Inclusion Scheme (AIS)**. IRAS then pre-fills employees' tax returns, so employers do not need to give paper forms to employees but must provide the information. Smaller employers may join AIS voluntarily, which we recommend. Late or incorrect filing can lead to fines of up to S\$5,000; incorrect returns that result in tax being undercharged carry heavier penalties.

Tax clearance for foreign employees: Form IR21

Employers must seek tax clearance for any **non-Singapore Citizen employee** (including SPRs) who:

- ceases employment in Singapore;
- is posted overseas; or
- leaves Singapore for more than three months, other than for an overseas posting.

- 1 File Form IR21 at least one month before** the employee's last day of employment or departure. If less notice is given, file immediately and explain the delay.
- 2 Withhold all monies** due to the employee (salary, bonus, leave pay, allowances, gratuities) from the date the employer knows of the resignation, termination or posting.
- 3 Wait for IRAS's tax clearance directive**, usually within about 7 working days if e-filed. If the directive requires payment, pay the stated tax to IRAS within 10 days from the withheld amount, then release the balance to the employee.

IR21 is generally not required for employees who worked in Singapore for 60 days or less in the year (other than directors, public entertainers and certain professionals), or for employees earning less than S\$21,000 a year who are tax resident (183 days or more in the year, or under the two-year or three-year concession), subject to IRAS's conditions. SPRs who leave employment but remain in Singapore may give a letter of undertaking instead.

WATCH OUT

An employer that releases money without tax clearance can be held liable for the employee's tax, up to the amount that should have been withheld, and may also be penalised. The one-month filing deadline is easily missed when the notice period is short or the employee leaves abruptly. Build the IR21 step into every offboarding checklist for non-citizen employees (Chapter 13).

Non-resident directors' fees

Directors' fees and other remuneration paid to non-resident directors are subject to withholding tax at 24%. The company withholds the tax and pays it to IRAS by the 15th of the second month after the date of payment or accrual.

CHAPTER 12

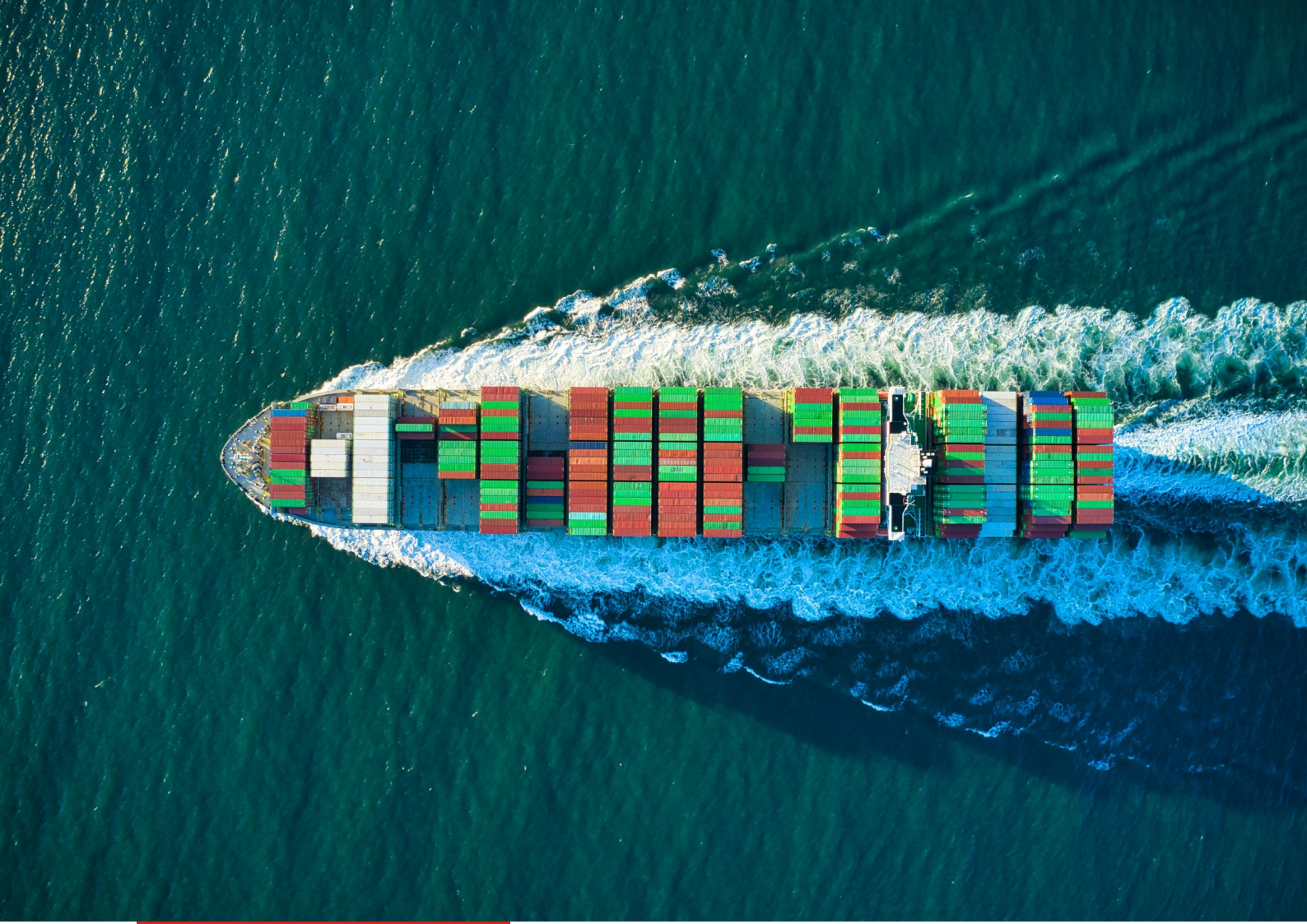
Government incentives and wage support

Singapore offsets part of the cost of hiring and upskilling local employees through automatic wage credits and training grants. Most are paid without application, but only if payroll data is accurate.

Scheme	What it provides	Status
Senior Employment Credit	Wage offsets of up to 7% for employing Singaporean workers aged 60 and above earning under S\$4,000 a month; the offset rises with age.	Extended to 31 Dec 2027. Automatic.
CPF Transition Offset	Half of the employer CPF rate increase for senior workers, for one year after each increase.	For 2026 and 2027 increases. Automatic.
Progressive Wage Credit Scheme	Co-funds wage increases for Singaporean workers earning up to S\$3,000 a month (up to S\$4,000 after the increase): 30% for qualifying increases in 2026 and 2027 and 20% in 2028, with a minimum increase of S\$100 in 2026 and S\$200 in 2027 and 2028.	Extended to 2028. Automatic.
Enabling Employment Credit	Up to 20% of wages (capped at S\$400 a month) for employees with disabilities earning under S\$4,000, plus an additional 20% (capped at S\$400 a month) for six months when hiring a person with disabilities who has been unemployed for six months or more.	Extended to 31 Dec 2028. Automatic.
Uplifting Employment Credit	Up to 20% of wages (capped at S\$600 a month) for the first nine months for employing ex-offenders earning under S\$4,000.	Extended to 31 Dec 2028. Automatic.
SkillsFuture Enterprise Credit	One-off credit of up to S\$10,000 covering up to 90% of out-of-pocket costs of approved enterprise and workforce transformation programmes, for employers that qualified in the Budget 2020 or Budget 2022 qualifying periods and have been notified.	Current credit expires 30 Nov 2026 (training completed and claims submitted); a redesigned credit administered by SWDA applies from 1 Dec 2026.
Course fee and absentee payroll funding	Subsidies for approved training courses and salary support while employees attend training.	Ongoing. Apply per course.
Career Conversion Programmes	Salary support of up to 70% of salary (up to 90% for mature or long-term unemployed hires) for employers who hire and reskill mid-career Singapore Citizens and PRs into new roles. Administered by SWDA.	Ongoing. Apply per hire.

PRACTITIONER NOTE

Automatic wage credits are calculated from CPF submissions. Late or inaccurate CPF data, for example wrong dates of birth or citizenship status, can reduce or delay payouts. IRAS sends letters of notification before payments, so keep the company's GIRO and correspondence details current.



PART E

Exits, disputes and data

How to end employment lawfully and fairly, what happens when an employee brings a claim, and how to handle employee personal data.

13 Ending employment

15 Personal data in HR

14 Employment disputes

CHAPTER 13

Ending employment

Either party can end a Singapore employment contract by giving notice or paying salary in lieu. Dismissal for misconduct and retrenchment carry additional procedural requirements, and foreign employees add work pass and tax clearance steps.

Termination with notice

Either the employer or the employee may terminate the contract by giving the notice stated in the contract. Notice periods must be the same for both parties. Where the contract is silent, the Employment Act sets minimum notice:

Length of service	Minimum notice
Less than 26 weeks	1 day
26 weeks to less than 2 years	1 week
2 years to less than 5 years	2 weeks
5 years or more	4 weeks

- Notice must be in writing and can be given on any day; the day notice is given counts toward the notice period, as do weekends and public holidays.
- Either party may end the contract without notice by paying **salary in lieu of notice**. Notice can also be waived by mutual agreement.
- An employee may offset notice against annual leave only if the employer agrees.
- Common contractual practice is one month's notice after probation, and one to three months for senior roles.

Dismissal for misconduct

An employer may dismiss an employee without notice for misconduct, but only after a **due inquiry**. In practice this means informing the employee of the allegations, giving them a fair opportunity to respond, and having the decision made by someone impartial. During the inquiry, the employee may be suspended for up to one week on at least half pay; longer suspension needs approval from the Commissioner for Labour. If misconduct is proven, the employer may dismiss, downgrade, or suspend without pay for up to one week. If it is not proven, any salary withheld during suspension must be restored.

Wrongful dismissal

An employee who believes they were dismissed without just cause or excuse can file a wrongful dismissal claim with TADM within **one month** of the last day of employment or, for maternity-related dismissals, within two months of the date of delivery. Managers and executives dismissed with notice or salary in lieu need at least six months' service to bring a claim. The Tripartite Guidelines on Wrongful Dismissal, issued by MOM, NTUC and SNEF, illustrate what is considered wrongful: for example, dismissal for discriminatory reasons, to avoid paying entitlements, or as punishment for exercising employment rights. Remedies include reinstatement or compensation.

Retrenchment

Retrenchment is termination because the employer has excess manpower. The Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment sets the expected standards:

- **Consider alternatives first**, such as redeployment, reduced hours or temporary lay-offs.
- **Select fairly**, on objective criteria such as the needs of the business, and not on nationality, age or other discriminatory grounds.
- **Consult early**. If the company is unionised, notify and consult the union early, before affected employees are informed; where the collective agreement provides for it, the norm is at least one month before notifying employees. Discuss the selection criteria and the retrenchment benefit with the union.
- **Pay retrenchment benefits** to employees with at least two years' service. The prevailing norm is **two weeks' to one month's salary per year of service**, depending on the company's financial position and industry practice. Employees with shorter service may receive an ex gratia payment.
- **Support affected employees** with outplacement assistance and flexibility to attend job interviews during notice.

MANDATORY RETRENCHMENT NOTIFICATION

Employers registered in Singapore with **at least 10 employees** must notify MOM within **five working days** after informing an employee of their retrenchment, even if only one employee is affected. Notification is made online through MOM's e-services.

Resignation

An employee resigns by giving the contractual notice in writing. If the employer wants the employee to leave before the notice period ends, it must pay salary in lieu of notice for the remaining period, unless both parties agree in writing to waive the remaining notice. Where the contract allows, the employer can place the employee on garden leave during notice. If an employee leaves without serving notice or paying salary in lieu, the employer may claim the salary in lieu of notice: it must first register the claim with TADM within six months of the employee's last day, and may then take it to the Employment Claims Tribunals.

Final pay and exit steps

Item	Requirement
Final salary	On the last day, or as set out in Chapter 9 depending on how employment ended.
Unused annual leave	Pay out, or allow the employee to use it during notice, according to the contract. An employee dismissed for misconduct can forfeit their statutory annual leave entitlement; contractual leave above the minimum follows the contract.
CPF on final pay	Leave encashment and bonuses are Additional Wages; salary in lieu of notice is not subject to CPF.
Itemised payslip	Issued with the final salary payment.
Certificate of employment	Not required by law but good practice on request.

Additional steps for foreign employees

- 1 **File Form IR21 with IRAS** at least one month before the last day, and withhold all monies from the date notice is given or received (Chapter 11).
- 2 **Cancel the work pass within one week** after the last day of employment. An employer cannot refuse to cancel a pass as leverage in a dispute.

- 3 **Arrange repatriation** and pay for the journey home, unless an EP or S Pass holder has agreed in a signed document to bear the cost. On cancellation, the employer can request a Short-Term Visit Pass so the employee can remain in Singapore for a limited period: up to 90 days for EP holders and up to 30 days for S Pass holders. Work Permit holders are issued a Special Pass until they depart.
- 4 **Close out insurance and the security bond.** Keep medical insurance for S Pass and Work Permit holders in force until the pass is cancelled and the employee has left, and end any Primary Care Plan with the Anchor Operator. For non-Malaysian Work Permit holders, MOM discharges the security bond after it verifies that the worker has left Singapore.
- 5 **Release withheld monies** once IRAS issues tax clearance.

PRACTITIONER NOTE

Mutual separation agreements are widely used in Singapore, particularly for senior employees. They typically combine an ex gratia payment with a waiver of claims, confidentiality and non-disparagement terms. Allow the employee reasonable time to consider the agreement and to take advice, and remember that any term less favourable than the Employment Act is void to that extent, so pay accrued statutory entitlements, such as salary to the last day and pay for unused statutory leave, in full rather than relying on the waiver.

CHAPTER 14

Employment disputes

Most individual employment disputes in Singapore are resolved through mandatory mediation. Claims that are not settled go to the Employment Claims Tribunals, a fast and inexpensive forum without lawyers.

How a claim progresses

- 1 **Internal resolution.** Employees are encouraged to raise concerns through the company's grievance procedure first, although this is not a condition for filing a claim with TADM. A clear, documented process resolves many issues early. Once the Workplace Fairness Act takes effect, expected by end-2027, employers with 25 or more employees must have a grievance handling process.
- 2 **Mediation at TADM.** Salary-related and wrongful dismissal claims must be registered with the Tripartite Alliance for Dispute Management, which mediates between the parties. Union members may be assisted by their union.
- 3 **Employment Claims Tribunals (ECT).** If mediation fails, TADM issues a claim referral certificate and the claim may be filed with the ECT, part of the State Courts. Lawyers are not allowed to represent parties at the ECT; parties present their own cases, and an employer is represented by an authorised officer or employee.

Claim type	Time limit to file with TADM
Salary claim, still employed	Within 1 year of the dispute arising
Salary claim, employment ended	Within 6 months of the last day of employment
Wrongful dismissal	Within 1 month of the last day of employment (maternity-related: within 2 months of the date of delivery)

The ECT hears statutory and contractual salary-related claims, including bonuses, commission and retrenchment benefits, and wrongful dismissal claims. The claim limit is **S\$20,000**, or **S\$30,000** where the claim has gone through union-assisted mediation or the Tripartite Mediation Framework. Employers can also bring claims for salary in lieu of notice against employees who left without notice. Claims above the limit must be pursued in the civil courts, unless the claimant abandons the excess, which then cannot be recovered in any court.

Collective disputes between unions and employers are handled through conciliation by MOM and, if necessary, the Industrial Arbitration Court, which also certifies collective agreements.

PRACTITIONER NOTE

The most common ECT claims are for unpaid salary, overtime, notice pay and unused leave. Good records are the best defence: signed KETs, itemised payslips, time records for Part 4 employees, leave records and written notices of termination. Employers who cannot produce records are at a clear disadvantage.

CHAPTER 15

Personal data in HR

HR holds more personal data than any other function. The Personal Data Protection Act applies to employee data, with specific exceptions that make everyday employment administration workable.

Consent and notification

Organisations normally need consent to collect, use or disclose personal data. The PDPA provides exceptions that allow employers to collect, use and disclose employee personal data without consent where it is reasonable for the purpose of **managing or terminating the employment relationship**, and for **evaluative purposes** such as assessing a candidate's suitability for a role. Employers must still **notify** employees of the purposes for which their data is collected, used and disclosed, typically through an employee privacy notice.

Core obligations

Obligation	What it means for HR
Data Protection Officer	Designate at least one person responsible for PDPA compliance and make their business contact information publicly available.
Protection	Restrict access to HR and payroll systems, encrypt sensitive files, and secure data shared with payroll providers and insurers through contracts.
Retention limitation	Stop retaining personal data once it is no longer needed for legal or business purposes. Set retention periods for candidate data, personnel files and payroll records.
Transfer limitation	Transfers of employee data to head office or overseas service providers must be protected to a standard comparable with the PDPA, for example through intra-group agreements.
Access and correction	Employees may ask for access to their personal data and for corrections, subject to exceptions such as opinion data kept for evaluative purposes.
Data breach notification	Assess a suspected breach promptly, and within 30 calendar days. If it is likely to cause significant harm to individuals, or affects 500 or more individuals, notify the PDPC as soon as practicable and no later than 3 calendar days after determining that it is notifiable. Where significant harm is likely, also notify the affected individuals, on or after notifying the PDPC.

Financial penalties for breaches of the PDPA can reach 10% of annual turnover in Singapore for organisations with turnover above S\$10 million, or S\$1 million otherwise.

NRIC numbers

Organisations may collect NRIC numbers, and copies of NRICs, only where required by law or where it is necessary to establish or verify identity to a high degree of accuracy. Employment is one such case: employers need NRIC or FIN numbers for CPF, tax and work pass purposes. No law requires NRIC numbers for job applications, so do not collect them from applicants unless it is necessary, for example for a background check that needs the NRIC number as an identifier. Collect them once the candidate is hired, and do not retain physical NRICs.

Background checks, monitoring and references

- **Background checks.** Collecting personal data to assess a candidate's suitability falls within the evaluative purpose exception, but checks should be proportionate to the role and candidates should be told what will be checked.
- **Workplace monitoring.** Monitoring of company email, devices, systems and CCTV is common, but employees should be told about it clearly in the handbook or IT policy, including what is monitored and why.
- **References.** Disclosing personal data in a reference for a former employee should be limited to what is reasonable for the purpose. Many employers confirm only dates of employment and job title unless the employee agrees otherwise.
- **Sharing with head office and vendors.** Map where employee data goes, including group HR systems, payroll providers, insurers and benefits platforms, and put data protection terms in place with each.

WHAT'S CHANGING

The PDPC has directed organisations to stop using NRIC numbers, full or partial, to authenticate individuals, for example as passwords or default login credentials, by **31 December 2026**. Enforcement is expected to step up from 1 January 2027. Review HR systems, payslip portals and password-protected payslip files that use NRIC numbers as the password.



PART F

Toolkit

Practical tools to keep you compliant through the year: a compliance calendar, working checklists, a horizon scan of announced changes, and a glossary of Singapore HR terms.

16 HR and payroll compliance calendar

17 Checklists

18 Common pitfalls for new employers

19 What's changing: 2026 to 2028

20 Glossary and official resources

CHAPTER 16

HR and payroll compliance calendar

Recurring deadlines for a calendar-year payroll. Event-driven deadlines, such as KETs, IR21 and work pass cancellations, follow the tables below.

Every month

When	What
By the 7th	Pay the previous month's salary (for a calendar-month salary period) and issue itemised payslips within 3 working days of payment.
By the 14th	Pay the previous month's overtime. Submit and pay CPF, SDL and self-help group funds for the previous month.
Monthly	S Pass and Work Permit levies for the previous month are debited by GIRO on the 17th. Submit Government-Paid Leave reimbursement claims. Review upcoming work pass expiries (EP and S Pass renewals can be submitted up to six months ahead; Work Permit renewals open closer to expiry).

Through the year

January - New CPF rates, ceilings and other annual changes take effect - Prepare the previous year's employment income data for IR8A - Confirm AIS registration	February - Singapore Budget statement: review employer measures - Issue IR8A information to employees	March 1 March: deadline to submit IR8A, Appendix 8A and 8B data to IRAS and provide forms to employees - MOM Committee of Supply debate: work pass and manpower changes
April - Employees file personal tax returns (e-filing usually by 18 April) - Parental leave changes often take effect 1 April	May to June - IRAS issues Notices of Assessment to individuals, generally from end-April to end-September - MOM announces next year's public holidays (usually in June) - Mid-year salary and bonus reviews	July - Changes to retirement age, Local Qualifying Salary and Progressive Wages often take effect 1 July - Renewals of EPs expiring from 1 July use updated COMPASS C1 benchmarks
August - MOM publishes next year's COMPASS C1 salary benchmarks - National Day Rally announcements	September to October - S Pass changes took effect on 1 September in recent years; the next increases apply from 1 January 2027 (new applications) and 1 January 2028 (renewals) - Plan headcount and work pass needs for next year	November to December - Pay the Annual Wage Supplement and year-end bonuses; check the AW ceiling - Update payroll for next year's CPF rates and ceilings - Review leave carry-forward and encashment

Event-driven deadlines

Event	Deadline
New employee starts	Written KETs within 14 days of starting
Job advertised for EP or S Pass	At least 14 consecutive days on MyCareersFuture before applying
Work pass holder's address or mobile number changes	Update MOM within 5 days
Salary reduction for EP or S Pass holder	Submit a request to MOM at least 1 month before
Flexible work request received	Written decision within 2 months
Employee gives birth (GPML)	Employee gives at least 4 weeks' notice; employer claims reimbursement after paying
Employee turns 64 (SC or SPR)	Discuss re-employment 6 months before; offer 3 months before
Retrenchment (employers with 10 or more staff)	Notify MOM within 5 working days of informing employees
Non-citizen employee leaving or posted overseas	File IR21 at least 1 month before the last day; withhold monies
Foreign employee's employment ends	Cancel work pass within 1 week after the last day
Employee dismissed	Wrongful dismissal claims can be filed with TADM within 1 month of the last day of employment (maternity-related: within 2 months of delivery)
Notifiable data breach	Notify PDPC within 3 calendar days after determining the breach is notifiable; notify affected individuals if significant harm is likely

CHAPTER 17

Checklists

Working checklists for the four processes new employers most often ask us about.

New employer set-up

- ☐ Entity incorporated or registered; UEN issued
- ☐ Two Corppass Admins appointed (the maximum), plus Sub-Admins as backup
- ☐ Corporate bank account opened; GIRO arranged
- ☐ CPF Submission Number obtained (if employing SCs or SPRs)
- ☐ MOM e-service access assigned (EP eService, myMOM Portal)
- ☐ WICA insurance in place (where required)
- ☐ Group medical and insurance benefits arranged
- ☐ IRAS AIS registration (five or more employees)
- ☐ Data Protection Officer appointed and published
- ☐ Contract, KET and offer letter templates localised
- ☐ Employee handbook: leave, FWA requests, grievance, disciplinary, data protection
- ☐ Payroll system configured for CPF, SDL, self-help groups and AIS
- ☐ Payroll calendar set: pay date, CPF date, approval cut-offs

Monthly payroll close

- ☐ Joiners, leavers and changes captured before cut-off
- ☐ Age band and residency status checked for each CPF employee
- ☐ Newly-granted SPRs switched to CPF from the date of PR
- ☐ OW and AW ceilings applied correctly
- ☐ SDL computed for all employees, including foreigners
- ☐ Self-help group funds deducted where applicable
- ☐ Deductions within the 50% limit
- ☐ Salaries paid within 7 days; payslips issued within 3 working days
- ☐ CPF, SDL and funds paid by the 14th
- ☐ Government-paid leave claims submitted

Hiring a foreign employee

- ☐ Pass type confirmed against salary, role and qualifications
- ☐ Salary checked against qualifying salary for age and COMPASS C1 benchmark
- ☐ COMPASS score estimated (or exemption confirmed)
- ☐ MyCareersFuture advertisement run for 14 days (unless exempt); local applicants assessed and records kept
- ☐ Qualifications verified; documents collected
- ☐ Offer made conditional on work pass approval
- ☐ Application submitted; in-principle approval received
- ☐ Medical examination completed if required
- ☐ Medical insurance bought (S Pass and Work Permit); security bond lodged (non-Malaysian Work Permit)
- ☐ Pass issued before the first day of work
- ☐ KETs issued within 14 days of start
- ☐ Dependant's Pass applications, if eligible

Offboarding a non-citizen employee

- ☐ Written notice received or given; last day confirmed
- ☐ All monies withheld from date of notice
- ☐ IR21 filed at least 1 month before last day
- ☐ Final pay calculated, including leave encashment and pro-rated bonus
- ☐ CPF on final pay (SPRs) computed with AW ceiling
- ☐ Work pass cancelled within 1 week after last day
- ☐ Short-term visit pass requested if needed
- ☐ Repatriation arranged where required
- ☐ Tax clearance received; tax paid; balance released
- ☐ Company property, system access and data returned
- ☐ Personnel records retained per retention policy

CHAPTER 18

Common pitfalls for new employers

The issues we see most often when foreign companies start employing in Singapore, and how to avoid them.

Pitfall	How to avoid it
Offering a salary before checking work pass eligibility	Check the qualifying salary for the candidate's age and the COMPASS C1 benchmark for the sector before the offer, not after the candidate has resigned from their current job.
Letting a new hire start before the pass is issued	In-principle approval is not permission to work. Build the 14-day advertisement, assessment and issuance into the start date.
Using head office contract templates unchanged	Localise templates for Singapore law: statutory leave, notice, KETs, governing law and reasonable restrictive covenants.
Assuming tax is withheld from salary	Explain to employees and head office that employees pay their own tax, and that the employer's role is reporting and tax clearance.
Missing the IR21 deadline	Trigger IR21 automatically when a non-citizen gives or receives notice, and withhold monies from that date.
Overlooking SDL for foreign employees	Pay SDL every month for every employee, including foreigners. An employer with only foreign staff pays SDL directly to SWDA.
Not switching new PRs to CPF	Ask employees to inform HR immediately when PR is granted, and apply graduated rates from that date.
Treating the job advertisement as a formality	Assess local applicants genuinely and keep records. Unfair hiring can lead to watchlisting and work pass debarment.
Single point of access to Government portals	Keep two Corppass Admins with Singpass access, plus Sub-Admins, so the company is not locked out if one person leaves.
Using NRIC numbers as payslip passwords	Replace NRIC-based authentication before 31 December 2026.

CHAPTER 19

What's changing: 2026 to 2028

Announced changes that HR and payroll teams should plan for. Dates are as announced at the time of writing and may be refined by the authorities.

Effective	Change	Detail
Announced, date to follow	Employment Act review	Tripartite Workgroup recommendations on coverage, leave, overtime and compliance costs were expected in the second half of 2026.
Announced, date to follow	New childcare leave scheme	8, 10 or 12 days a year depending on number of children aged 12 and below; full Government reimbursement of child-related leave up to caps.
30 Nov / 1 Dec 2026	SkillsFuture Enterprise Credit	Current credit expires: supported training must be completed and final claims submitted by 30 November 2026. A redesigned credit administered by SWDA applies from 1 December 2026.
31 Dec 2026	NRIC authentication	Organisations must stop using NRIC numbers to authenticate individuals.
1 Jan 2027	CPF rates for senior workers	Above 55 to 60: 16.5% employer, 19% employee. Above 60 to 65: 13% and 13%. CPF Transition Offset for employers in 2027.
1 Jan 2027	EP and S Pass qualifying salaries (new applications)	EP from S\$6,000 (S\$6,600 financial services). S Pass from S\$3,600 (S\$4,000 financial services).
1 Jan 2027	COMPASS C1 benchmarks	Updated benchmarks for new applications; renewals from 1 July 2027.
January 2027	ONE Pass (AI and Tech)	New track replacing the Tech.Pass.
End-2027	Workplace Fairness Act	Anti-discrimination law and dispute resolution framework expected to take effect; employers with 25 or more employees must have grievance handling processes.
31 Dec 2027	Senior Employment Credit	Scheme currently extended to end-2027.
1 Jan 2028	EP and S Pass qualifying salaries (renewals)	Higher qualifying salaries apply to renewals of passes expiring from this date.
2028	Work Permit levies	Simplified levy tiers for manufacturing and services; higher levies in marine shipyard and process sectors.
By 2030	Retirement and re-employment ages	Government aims to reach 65 and 70.

CHAPTER 20

Glossary and official resources

Singapore HR and payroll has its own vocabulary. The terms below appear throughout this guide.

ACRA	Accounting and Corporate Regulatory Authority, the company registrar.
AIS	Auto-Inclusion Scheme for electronic submission of employment income to IRAS.
AW	Additional Wages: bonuses, AWS and other non-monthly wage payments for CPF purposes.
AWS	Annual Wage Supplement, the customary "13th month" payment.
COMPASS	Complementarity Assessment Framework, the points test for Employment Passes.
Corppass	Corporate digital identity for transacting with Government agencies.
CPF	Central Provident Fund, Singapore's mandatory social security savings scheme.
CSN	CPF Submission Number used to pay CPF and SDL.
DRC	Dependency Ratio Ceiling: the maximum share of foreign workers in a company's workforce.
ECT	Employment Claims Tribunals, part of the State Courts.
EP	Employment Pass, for foreign professionals, managers and executives.
FCF	Fair Consideration Framework, including the job advertising requirement.
FWA	Flexible work arrangement.
GPML, GPPL	Government-Paid Maternity Leave and Government-Paid Paternity Leave.
IR8A	Annual return of employee remuneration submitted to IRAS.
IR21	Tax clearance form for non-citizen employees leaving employment or Singapore.
KETs	Key Employment Terms that must be issued in writing.
LQS	Local Qualifying Salary, the minimum pay for locals to count toward work pass quotas.
NRIC / FIN	National Registration Identity Card number (citizens and PRs) and Foreign Identification Number.
OW	Ordinary Wages: wages for the month, for CPF purposes.
Part 4	The part of the Employment Act on rest days, hours and overtime, for lower-paid employees.
PDPA	Personal Data Protection Act 2012.
PMET	Professionals, managers, executives and technicians.
PWM	Progressive Wage Model: sectoral wage ladders for lower-wage local workers.
SC / SPR	Singapore Citizen / Singapore Permanent Resident.
SDL	Skills Development Levy.
TADM	Tripartite Alliance for Dispute Management.
TAFEP	Tripartite Alliance for Fair and Progressive Employment Practices.
UEN	Unique Entity Number, a company's registration number.
WICA	Work Injury Compensation Act and the insurance it requires.

Official resources

Organisation	Website
Ministry of Manpower	mom.gov.sg
CPF Board (employers)	cpf.gov.sg/employer
Inland Revenue Authority of Singapore	iras.gov.sg
Tripartite Alliance (TAFEP and TADM)	tal.sg
MyCareersFuture	mycareersfuture.gov.sg
Government-Paid Leave schemes	profamilyleave.msf.gov.sg
Personal Data Protection Commission	pdpc.gov.sg
Employment Claims Tribunals	judiciary.gov.sg
Skills and Workforce Development Agency	swda.gov.sg (SkillsFuture programmes: skillsfuture.gov.sg)
Singapore Statutes Online	sso.agc.gov.sg
Accounting and Corporate Regulatory Authority	acra.gov.sg

ABOUT MERIDIUM

How Meridium can help

Meridium Management Consultants is a Singapore-based corporate services firm registered with ACRA as a corporate service provider. We help foreign companies establish and run their Singapore operations, and support established businesses across Singapore and the wider region.

HR and payroll services

Payroll processing

Monthly payroll, itemised payslips, bonus and final pay calculations, and payroll reporting to head office.

CPF and statutory submissions

CPF, SDL and self-help group fund submissions, CPF Submission Number set-up and Government-paid leave claims.

Employer tax reporting

Form IR8A, Appendices 8A and 8B under the Auto-Inclusion Scheme, and IR21 tax clearance for departing foreign employees.

Work passes and immigration

Employment Pass, S Pass and dependant applications, COMPASS assessments, renewals and cancellations, for candidates you have already selected.

HR advisory

Guidance on the Employment Act, fair employment, flexible work requests, disciplinary processes, retrenchment and exits.

Employment templates and handbooks

Template employment contracts, KETs, offer letters and handbooks, with advisory on aligning them with Singapore requirements and group policies.

Employer of Record for local hires

Employ Singapore Citizens and Permanent Residents before your own entity is set up, with Meridium as the legal employer. Foreign hires on a work pass need your own Singapore entity, which we can incorporate for you.

Corporate services

Incorporation, company secretarial, accounting, corporate tax and GST, so that HR, payroll and compliance work together.

Talk to us about your Singapore workforce

Book a complimentary 30-minute call: calendly.com/enquiries-meridium/30min

Email enquiries@meridium.sg | Web meridium.sg

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