

## **ANNEX A-5: CHANGES TO FOREIGN WORKER LEVIES**

In Budget 2015, we will recalibrate foreign worker levies to adjust the pace of our foreign worker tightening measures.

### **(A) Defer 2015 levy increases for S Pass and Work Permit Holders**

Levy increases for both S Pass and Work Permit Holders that were previously scheduled for 1 July 2015 will be deferred by one year, to 1 July 2016, with the exception of Work Permit Holder levies in the Manufacturing and Construction Sectors (Tables 1 and 2).

### **(B) Further adjust Work Permit Holder levies in Manufacturing and Construction**

#### *Manufacturing Sector*

- Levy rates for all tiers and skill levels will be kept unchanged at 1 July 2014 rates till 30 June 2017.

#### *Construction Sector*

- The following levy changes will be made to incentivise the upgrading of existing R2 workers and hiring of higher skilled R1 workers:
  - a) Basic tier levy for R2 workers will be raised from \$550 currently to \$650 on 1 July 2016 and \$700 on 1 July 2017 to reduce the dependence on basic skilled R2 workers.
  - b) The MYE-waiver levy rate for R1 workers will be lowered from \$750 to \$600 from 1 July 2015 onwards.
  - c) The other levy rates for this sector will remain at 2014 levels (Table 2).

**For all queries**, please contact the MOM hotline at 6438 5122.

Table 1: S Pass Holders Levy Schedule

<b>Tier (Sector)</b>	<b>Sector Dependency Ratio (DR)</b>	<b>Levy Rates (\$) Current</b>	<b>Levy Rates^ (\$) 1 July 2015</b>	<b>Levy Rates^ (\$) 1 July 2016</b>
Basic Tier (All)	≤ 10%	315	<b>315</b>	<b>330</b>
Tier 2 (Services)	10-15%	550	<b>550</b>	<b>650</b>
Tier 2 (Other Sectors)	10-20%	550	<b>550</b>	<b>650</b>

^Items in red are the revised levy rates

Table 2: Work Permit Holders Levy Schedule

<b>Sector</b>	<b>Tier</b>	<b>Sector Dependency Ratio (DR)</b>	<b>Levy Rates (\$) (R1/ R2) Current</b>	<b>Levy Rates^ (\$) (R1/ R2) 1 July 2015</b>	<b>Levy Rates^ (\$) (R1/ R2) 1 July 2016</b>	<b>Levy Rates^ (\$) (R1/ R2) 1 July 2017</b>
<b>Construction</b>	Basic Tier	≤ 87.5%	300/550	300/ <b>550</b>	300/ <b>650</b>	300/ <b>700</b>
	MYE-Wavier		700/950	<b>600/950</b>	<b>600/950</b>	<b>600/950</b>
<b>Services</b>	Basic Tier	≤ 10%	300/420	300/ <b>420</b>	300/ <b>450</b>	
	Tier 2	10-25%	400/550	400/ <b>550</b>	400/ <b>600</b>	
	Tier 3	25-40%	600/700	600/ <b>700</b>	600/ <b>800</b>	
<b>Marine</b>	Basic Tier	≤ 83.3%	300/400	<b>300/400</b>	<b>350/500</b>	
<b>Process</b>	Basic Tier	≤ 87.5%	300/450	300/ <b>450</b>	300/ <b>500</b>	
	MYE-Wavier		600/750	600/ <b>750</b>	600/ <b>800</b>	
<b>Manufacturing</b>	Basic Tier	≤ 25%	250/370	250/ <b>370</b>	250/ <b>370</b>	
	Tier 2	25-50%	350/470	350/ <b>470</b>	350/ <b>470</b>	
	Tier 3	50-60%	550/650	550/ <b>650</b>	550/ <b>650</b>	

^Items in red are the revised levy rates