

ADVISORY ON FOREIGN WORKER QUOTA COMPLIANCE

Dear Employer,

This advisory reminds all construction companies of their obligations under the Employment of Foreign Manpower Act (“the Act”).

2 The Ministry of Manpower (MOM) conducts regular checks to ensure firms’ adherence to the Act. In October 2023, MOM conducted checks on five construction companies and their local employees. Preliminary investigations revealed that some companies had hired Singaporeans who were not working for the companies. Instead, the companies had fraudulently submitted CPF contributions to these local employees to inflate the qualifying foreign worker quota. Investigations of the cases are ongoing.

3 The Act prohibits employers from making false CPF contributions to Singaporeans who are not employees of the company to inflate the foreign worker quota. This is a serious offence that would result in a financial penalty of up to \$20,000 per charge. For severe cases, employers may be prosecuted and if convicted, employers would be fined up to \$20,000 or jailed for up to 2 years or to both, per charge. Employers may also be debarred from employing new migrant workers.

4 The authorities will continue to conduct regular checks on companies for fraudulent CPF contributions that inflate the foreign worker quota.

Productivity support measures

5 Employers should comply with all prevailing the work pass rules and regulations when employing migrant workers. From 1 January 2024, MOM will remove the Man-Year Entitlement framework and reduce the Dependency Ratio Ceiling, or the foreign worker quota, from 1:7 to 1:5 [i.e., 1 local employee to 5 Work Permit Holders or S Pass holders] in the Construction sector.

6 To drive transformation and reduce reliance on foreign labour, employers are encouraged to adopt robotics & automation, productive technologies, and upskill their workforce. Employers may refer to BCA’s website for details on existing support measures that may defray the cost of technology adoption to raise productivity.¹

¹ Please refer to the following link for information on the Productivity Solution Grant: <https://www1.bca.gov.sg/buildsg/buildsg-transformation-fund/productivity-solutions-grant> and the following link for information on the Productivity Innovation Project: <https://www1.bca.gov.sg/buildsg/buildsg-transformation-fund/productivity-innovation-project>

Yours sincerely

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Yours sincerely

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