

FAQs on the Manpower for Strategic Economic Priorities (M-SEP) Scheme

Updated as of 12 Dec 2022

A. On flexibilities offered

Q1: How many S Pass and Work Permit quota can I request?

You may request up to 5% of your base workforce headcount*, subject to a cap of 50 and the commitments under Condition 2. The quota can comprise any combination of S Pass and Work Permit quota within this total.

For example, a firm with a base workforce size of 100 and commitment to increase net hiring by four local workers under Condition 2 can qualify for four M-SEP quota.

We advise firms to be prudent about how much quota they need. Firms should take into account their ability to meet their commitment to local workforce development.

*Base workforce headcount = Local workforce earning \geq Local Qualifying Salary + S Pass holders + Work Permit holders. Firms can obtain the data on their current workforce profiles by logging onto Work Permit Online.

Q2: Which sources of Work Permit holders can I request under M-SEP?

You can only request Work Permit quota for approved sources of the sector your firm is in:

- Services and Manufacturing: Malaysia, North Asian sources (NAS)* and People's Republic of China (PRC)
- Construction, Marine Shipyard and Process: Malaysia, NAS, PRC and Non-Traditional sources (NTS)**

*North Asian sources refer to Hong Kong, Macau, South Korea and Taiwan

**Non-Traditional sources refer to India, Sri Lanka, Thailand, Bangladesh, Myanmar and Philippines

Q3: How many PRC Work Permit quota can I request?

Firms in the Services and Manufacturing sectors will still be subject to the respective PRC sub-DRCs*. Firms should only request additional PRC Work Permit quota on condition that the number of PRC Work Permit holders in your company will be within the prevailing PRC sub-DRC.

*For the Services sector, the PRC sub-DRC is 8%. For Manufacturing, it is 25%.

B. On eligibility criteria

Queries pertaining to M-SEP Condition 1: Support for Strategic Economic Priorities

Q1: How do I know if I am eligible for M-SEP under Condition 1: Support for Strategic Economic Priorities?

To be eligible for M-SEP, firms have to participate in key economic priorities, namely investment, innovation or internationalisation initiatives by economic agencies, or fulfil specified economic criteria, as listed on MOM's M-SEP information page.

Firms can check against the list of initiatives and criteria to determine if they qualify. Firms which require more information on their eligibility for economic initiatives can reach out to the respective supporting agencies for more information.

Q2: What supporting documents are required in the M-SEP application form to meet Condition 1: Support for Strategic Economic Priorities?

Firms are required to submit the following supporting documents as part of their application for M-SEP, to demonstrate their eligibility under Condition 1: Support for Strategic Economic Priorities.

<u>Qualifying Firms</u>	<u>Supporting Agency</u>	<u>Supporting Documents Required</u>
a. Recipients of Development and Expansion Incentive (DEI), including International Headquarters-DEI	EDB	Signed Letter of Award
b. Pioneer Certificate Incentive (PC) recipients	EDB	Signed Letter of Award
c. Research and Innovation Scheme for Companies (RIS(C)) participants	EDB	Signed Letter of Award
d. Manufacturers with significant activities in Singapore (i.e. hire at least 500 locals)	EDB	Firm's current workforce profile from WPOL showing that it hires at least 500 locals
e. Global Trader Programme (GTP) participants	EnterpriseSG	Signed award of Approved Global Trading Company Status
f. Scale-Up SG participants	EnterpriseSG	Signed Letter of Offer
g. Singapore Global Executive Programme (SGEP) participants	EnterpriseSG	Signed Letter of Offer
h. High-growth startups incorporated in Singapore with minimum investment amount of USD\$10 million over the past 36 months, and have received funding from EDBI, SEEDS Capital or other recognised investment firms. ¹	EnterpriseSG	1. At least one* of the following documents: <ul style="list-style-type: none"> - Investment Term Sheet - Investment Agreements/Contract - Pitchbook / Crunchbase company profile or information - Balance Sheets - Cap Table (e.g. Carta) - News Articles

		<p>2. At least one* of the following documents:</p> <ul style="list-style-type: none"> - Company Pitch Deck - Business Plan - News articles clearly stating the product/ service <p>3. ACRA Bizfile* If applicant's company is owned by other holding companies: At least one* of the following documents:</p> <ul style="list-style-type: none"> - Certificate of Incumbency for holding company - Registry of Members for holding company
i. Accreditation@SG Digital recipients	IMDA	Certificate to verify being on the programme
j. SG:D Spark participants	IMDA	Certificate to verify being on the programme
k. Maritime Sector Incentive – Approved International Shipping Enterprise (MSI-AIS) Award recipients	MPA	Letter of Award
l. Maritime Sector Incentive – Shipping-related Support Services (MSI-SSS) Award recipients	MPA	Letter of Award
m. Maritime Sector Incentive – Maritime Leasing (ML) Award recipients	MPA	Letter of Award
n. Maritime Cluster Fund – Business Development (MCF-BD) recipients	MPA	Letter of Award and Letter of Acceptance
o. Selected Business Improvement Fund (BIF) grantees with innovative projects that bring about substantial transformation and/or productivity savings	STB	Signed Letter of Offer
p. Selected Singapore Tourism Accelerator (STA) participants with innovative projects that bring about substantial transformation and/or productivity savings	STB	Tourism firm in partnership with the tech company – signed letter of Intent/Project MOU/Collaboration Agreement with the tech company

¹ This is the same as the Tech@SG criteria. (See this page for more details on Tech@SG: <https://www.edb.gov.sg/en/how-we-help/incentives-and-schemes/tech-sg.html>)

Q3: Would I still qualify under Condition 1: Support for Strategic Economic Priorities if I had taken part in one of the listed programmes earlier, but have since completed that programme?

No, firms would generally need to be participating in the listed programmes or meet the specified economic criteria at the point of M-SEP application in order to qualify for M-SEP.

Q4: Should I apply for M-SEP if I do not meet any of the specified criteria under Condition 1: Support for Strategic Economic Priorities?

Firms which do not meet any of the specified criteria under Condition 1 are not eligible for M-SEP.

Queries pertaining to Condition 2: Support for Local Workforce Development

Q5: How do I know if I am eligible for M-SEP under Condition 2: Support for Local Workforce Development?

Firms on M-SEP will have to commit to developing their local workforce. To do so, firms will have to undertake any of the following commitments: (a) increase in net hiring; (b) training of workers which result in job enhancements; or (c) be an industry leader with training excellence.

Q6: What supporting documents are required in the M-SEP application form to meet Condition 2: Support for Local Workforce Development?

Firms are not required to submit supporting documents to demonstrate their eligibility under Condition 2: Support for Local Workforce Development. Instead, firms will be asked to undertake forward-looking commitments under this criterion. The intent is to give firms the flexibility to explore multiple ways to meet such commitments during the 2-year M-SEP support period.

Firms will only be asked to submit supporting documents to demonstrate that they have met these commitments at the end of the M-SEP support period. Failure to present the supporting documents will result in the suspension of firms' participation in M-SEP for two years.

Q7: When will I have to meet my commitments under Condition 2: Support for Local Workforce Development?

Firms will have to meet their commitments by the end of the M-SEP support period. The support period will be stated in the approval letter if the application is successful.

Q8: What documents would I have to submit to show that I have met my commitments under Condition 2: Support for Local Workforce Development?

At the point of M-SEP renewal, firms will be asked to submit the following documents to demonstrate that they have met their commitments under Condition 2: Support for Local Workforce Development.

#	<u>Programmes</u>	<u>Supporting Agency</u>	<u>Supporting Documents</u>
If a firm had committed to an Increase in Net Hiring at the point of application:			
1	Not applicable, although firms can opt to tap on Government programmes to help them with the hiring, such as <ul style="list-style-type: none"> • Attach-and-Train Career Conversion Programmes • Career Trial • Place-and-Train Career Conversion Programmes • SGUnited Mid-Career Pathways Programme • SkillsFuture Career Transition Programme (SCTP) • Tech Skills Accelerator (TeSA) Company-Led Training (includes TeSA for ITE and Polytechnic apprenticeships) 	-	<ul style="list-style-type: none"> • Firm's current workforce profile from Work Permit Online
If a firm had committed to training workers with job enhancements at the point of application:			
2	Accelerated Pathways for Technicians & Assistant Engineers (Manufacturing) Grant "APT(M)"	EDB	<ul style="list-style-type: none"> • Signed Letter of Award • Details of trainees at the point of submission
3	Work-Study Degree (WSDeg) in-employment upgraders	IHLs (supported by MOE/SSG)	<ul style="list-style-type: none"> • Signed Letter of Offer • Certificate of Completion If trainees are in the midst of the training, company to provide the OJT logbook that captures trainees' WSP training progress.
4	Work-Study Diploma (WSDip)		
5	Work-Study Post-Diploma (WSPostDip)		
6	Work-Study Certificates (WSCerts)		

7	Redeployment/ Job Redesign Reskilling Career Conversion Programmes	WSG	<ul style="list-style-type: none"> • Screenshot of successfully approved AMS application
8	Capability Transfer Programme (CTP)	WSG	<ul style="list-style-type: none"> • Signed Letter of Offer
9	Maritime Leadership Programme	MPA	<ul style="list-style-type: none"> • Signed Letter of Offer
10	Global Talent Programme	MPA	<ul style="list-style-type: none"> • Signed Letter of Offer
11	Maritime Cluster Fund – Manpower Development (Management Associate)	MPA	<ul style="list-style-type: none"> • Signed Letter of Offer
Industry Leaders with Training Excellence			
12	National Centre of Excellence (NACE) for Workplace Learning Platinum/Gold-certified companies	Led by Nanyang Polytechnic	<ul style="list-style-type: none"> • NACE Platinum/ Gold Award Certificate awarded to company
13	SkillsFuture Queen Bees (SFQBs)	SSG	<ul style="list-style-type: none"> • Signed Funding Agreement between the SFQB and SSG, indicating the funding period and committed deliverables to be achieved within the period (e.g. number of enterprises adopting SSG supported training programmes).

Q9: What does it mean to “increase net hiring”?

There will need to be an increase in the overall local workforce size and an increase in the local workforce size earning \geq \$1,400/month*, compared to the point of M-SEP application.

This could include hires and placements from Government-supported programmes such as the Career Conversion Programmes. Alternatively, the company can hire through its own means.

*Locals earning \geq \$700/month will count as 0.5 headcount.

Q10: What counts as “Workforce Training with Job Enhancements”? Can I send my workers for programmes outside the specified list of training programmes?

“Workforce Training with Job Enhancements” would require firms to send their local workers to participate in whitelisted training programmes with job enhancement outcomes.* These programmes require companies to contribute significant effort in directly training the participating workers (e.g. structured on-the-job training, assigning dedicated mentors). Job enhancements for the trainees include providing career enhancement pathways (e.g. promotion or redeployment with wage increment), and expanding job scope or providing higher level of responsibilities for the worker.

*Firms with high quality in-house training programmes that deliver similar outcomes for local workers are encouraged to apply for the NACE Platinum or Gold certification. In this way, firms will be able to access M-SEP concessions under Category 2c. Industry Leaders with Training Excellence. Such firms may contact their sector lead agencies for further details.

Q11: Which firms count as “industry leaders with training excellence”?

This refers to specific whitelisted industry leaders with training excellence where the training benefits the sector at a significant scale in filling critical skill gaps or manpower shortages for the sector, or where the company has been recognised for having established workplace learning structures to support business growth and strategies.

Firms can refer to the M-SEP webpage for the list of whitelisted programmes. This will be refreshed from time to time.

Q12: What does it mean to maintain my local workforce share during the M-SEP support period?

The local workforce share (LWS) of a company is to be calculated using the below formula:

$$LWS = \frac{\# \text{ of Local Employees}}{\# \text{ of Local Employees} + \# \text{ of S Pass Holders} + \# \text{ of Work Permit Holders}}$$

A Singaporean or Permanent Resident employee employed under a contract of service, including the company’s director, is considered as (A) 1 local employee if they earn the Local Qualifying Salary (LQS) of at least \$1,400 per month; and (B) 0.5 local employee if they earn half the LQS of at least \$700 to below \$1,400 per month.

Firms can obtain the number of local employees, S Pass holders and Work Permit holders hired by the firm from Work Permit Online.

To be eligible for renewals, a firm would have to demonstrate that its local workforce share has not decreased between the point of M-SEP application and the point of M-SEP renewal.

Q13: What happens if I fail to meet my commitments by the end of the M-SEP support period?

Failure to meet commitments by the end of the M-SEP support period will result in the suspension of eligibility for M-SEP renewal for 2 years.

Q14: What happens if I do not utilise the quota that I had applied for? Do I still have to meet my commitments?

Yes, in order to renew the M-SEP support, firms will have to meet their commitments even if they do not end up utilising the additional quota within the M-SEP support period.

C. On application process**Q1: Should a firm with available DRC and/or S Pass sub-DRC headroom apply for M-SEP?**

No, firms should utilise their existing DRC and/or S Pass sub-DRC headroom first before applying for additional quota under M-SEP.

Work Permit or S Pass holders hired by the firm will always draw down on a firm's mainstream quota first before tapping on the additional flexibility provided by M-SEP.

Firms which applied for and successfully obtained M-SEP support are required to meet the training and/or hiring commitments even if they do not end up utilising the M-SEP support.

Q2: Should a firm with multiple business activities submit a single application or separate applications for each CPF account?

Should a firm require additional S Pass and Work Permit quota across its different business activities, the firm should submit separate applications for each CPF account. The firm should ensure that each individual application fulfils the necessary conditions.

Q3: How long will it take for a firm to find out the outcome of the application?

Firms will receive the outcome of their application within 4 weeks from the date of submission. Applications without the required supporting documents will require a longer processing time.

Given that M-SEP is a new scheme, and applications are assessed individually by the various economic agencies, sufficient time is needed to facilitate a thorough assessment of a firm's eligibility for M-SEP, and the specific quantum of support it is eligible for.

Q4: After a firm's M-SEP application is approved, when does the firm need to exercise its flexibility to hire the additional S Pass or Work Permit holder?

Firms can exercise the flexibility to hire the additional S Pass or Work Permit holders as soon as their M-SEP support is approved, for the duration of the support period listed in the approval letter.

Q5: I am already receiving M-SEP support currently. If I require more support under M-SEP than I had previously anticipated, can I apply for a second tranche of M-SEP quota that will run concurrently with the first tranche?

No, firms are eligible for only one tranche of M-SEP support at any one time.

D. On renewal process

Q1: When should a firm apply for the renewal of M-SEP? When should a firm apply for the work pass renewal of an employee hired through the additional quota granted via M-SEP?

Firms should apply for the renewal of their M-SEP support prior to applying for the renewal of their M-SEP-tagged employees, if firms would like to retain them.

Firms are encouraged to apply for M-SEP renewal early, i.e. at least 4 months prior to the expiry of their M-SEP support. Upon successful renewal of M-SEP, firms can then apply for a renewal of their M-SEP-tagged employees.

Q2: What should a firm do leading up to the M-SEP renewal?

We advise firms to continuously track their commitments to ensure that they are on track to fulfil their commitments by the end of the M-SEP support period. For example, firms should track the number of workers that they had sent for training programmes, with demonstrable job enhancement outcomes.

Should firms anticipate that they would require more time to meet their commitments, firms should reach out to their supporting economic agencies early prior to applying for the renewal of M-SEP. MOM will not consider any appeal for extension in the last 4 months leading up to the firm's renewal.

Q3: What happens if a firm's M-SEP renewal is unsuccessful?

Should a firm's M-SEP renewal be unsuccessful, the firm will be expected to comply with the prevailing DRCs and S Pass sub-DRCs upon the expiry of their M-SEP support.

Firms that have exceeded their DRC or S Pass sub-DRC will not be able to renew the work passes of foreign workers or hire new foreign workers. However, they will be allowed to retain the foreign workers above the DRC/S Pass sub-DRC until their work passes expire, to avoid disrupting existing operations.