



Guide to Hiring in Singapore

The Republic of Singapore is a Southeast Asian island that functions as an independent city-state. It consistently ranks high in lists of the best places to do business throughout the world. According to the World Bank, it is second only to New Zealand in the [easiest countries in which to do business](#). That's primarily because this cosmopolitan society gives the market plenty of free reign.

If you're looking to hire employees in Singapore, however, you'll find that the government does have some regulations you need to follow. Our guide to hiring employees in Singapore will cover some of the most important regulations and share some best hiring practices in Singapore to help you along the way.

What to Know Before Hiring in Singapore

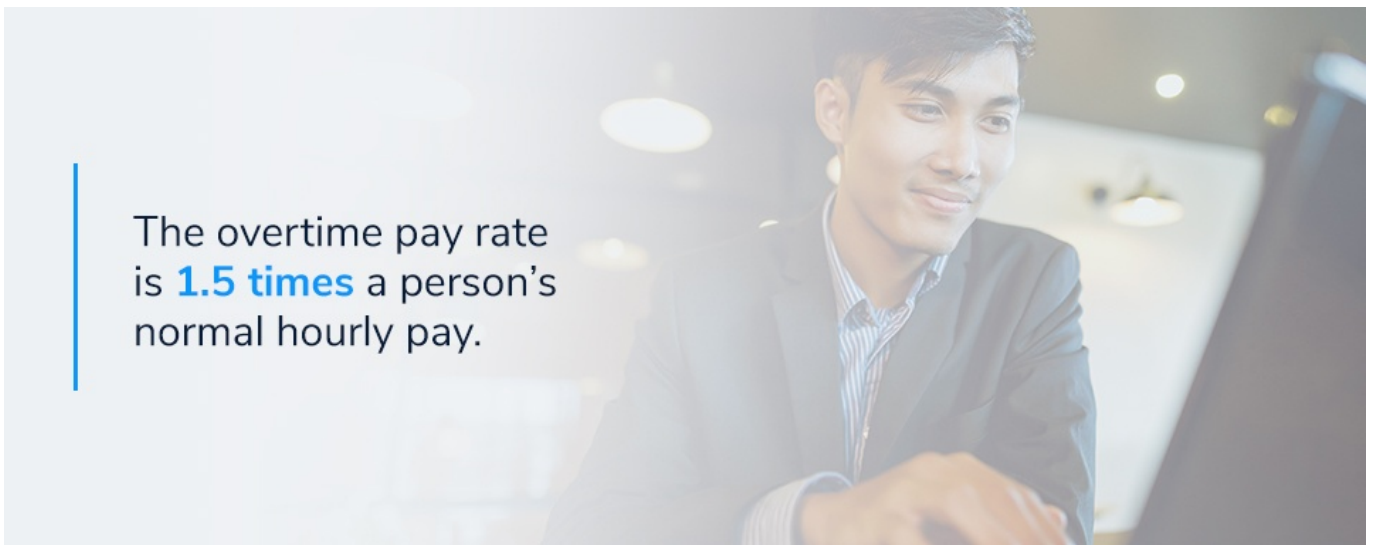
First, we have some tips for hiring in Singapore and for conducting business there, based on some key considerations regarding the language and employment laws.

1. Local Languages

Being home to such a diverse community, Singapore is also home to several languages. Businesses from English-speaking countries may want to expand into Singapore because English is the standard language in the workplace there. While English is the official working language in Singapore, Singlish is the staple language spoken by the majority, because it is a unique variant of English that includes local slang.

Other languages you are likely to hear in Singapore include Chinese, Malay, and Tamil. Many Singaporeans will speak two or more languages, which can be advantageous to companies who want English-speaking employees who can also communicate with people in China, India, or other countries.

2. Compensation and the Work Week



Singapore is atypical in that it **doesn't have a mandated minimum wage**. The Singapore government does specify other requirements for employment, however, in the Employment Act. For one, this act sets a limit on the number of **working hours per week to 44**, though there are exceptions. Any hours in excess of an employee's normal working hours qualify them for overtime pay, as long as they are a non-workman earning up to \$2,600 SGD or a workman earning up to \$4,500. The overtime pay rate is 1.5 times a person's normal hourly pay.

Some companies maintain a five-day workweek in Singapore while others may work six days. The Employment Act specifies that all employees are **entitled to one rest day** out of the week. Typically, this is Sunday, but employers can choose a different rest day as long as they inform their employees. Employers typically provide a **13th-month bonus** to their employees. 13th-month bonus is also known as Annual Wage Supplement (AWS). It is a single annual payment on top of an employee's total annual wage. AWS is not compulsory. Employers are

encouraged to give their employees AWS to reward them for contributing to the company's performance.

3. Annual Leave Policies

The Ministry of Manpower [lays out requirements for leave](#) for employees in Singapore. There are 11 paid holidays for employees. In addition, employers must give their employees seven days of vacation leave during their first year of employment and then add an additional day of leave for each year the person has worked for your company. The minimum requirement caps off at 14 days of leave from a person's eighth year with a company. Although the MOM stipulated requirement is a minimum of seven days of annual leave, it's a common practice in Singapore to grant employees at least a minimum of 14 days of annual leave.

Employees also receive two types of paid leave for medical issues: outpatient sick leave and hospitalization leave. Employees who have worked six months or more for your company are entitled to 14 days of sick leave if they need it and up to 60 days of paid hospitalization leave.

4. Income Tax and Benefits

The one mandatory withholding is contributions to the Central Provident Fund (CPF), a savings and pension plan for Singaporeans and Singapore Permanent Residents only. Employers contribute to this fund, as well. The [amount employees and employers contribute](#) depends on the employee's age. For employees under 55, employers contribute an amount equal to 17% of the employee's wages, and the employee contributes 20% of their wages. Employers can offer non-mandatory benefits, such as supplemental health plans and life insurance. Be sure to include these benefits in your employment contract.

5. Key Employment Terms

The Employment Act mandates that employers must give their employees [written Key Employment Terms](#) (KETs) within 14 days of hiring them. These are the basic terms of employment employees need to know. You should include them in an employment contract.

KETs should address the following topics:

- **Details of employment:** This includes identifying information for both the employer and employee and the details of the employee's position, including their job title, responsibilities, and start date.
- **Working hours and rest day:** Let employees know what their workweek will look like. How many days and hours will they work during the week, and which day is designated as the required rest day?
- **Salary:** Include all the details surrounding an employee's compensation - including their annual salary or hourly, daily, or pro-rated pay rate - along with overtime rate and any bonuses or incentives they should be aware of.
- **Leave and medical benefits:** If you offer a health plan, you should include that in the KETs, as well. Also state your policies regarding every type of leave, including the types we discussed above and parental and childcare leave.
- **Other details:** There are a few other details you should include in this miscellaneous category. Specify the place of work - especially if it differs from the employer's address - probation period, and notice period.

The Cost of Hiring an Employee in Singapore



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- ✓ Legal services
- ✓ Business registration
- ✓ Job advertisement
- ✓ Staffing agencies
- ✓ Hiring committee
- ✓ Travel costs
- ✓ Verification and background checks

Hiring staff in Singapore [can help your business grow](#), but hiring involves an upfront investment of finances. Some of the aspects of the hiring process that can add to the total cost to take on new employees include the following:

- **Legal services:** Singapore is known as being one of the easier places to do business since there is relatively little red tape for companies to navigate. However, there are still important laws your business must follow in your hiring practices and your role as employer to Singaporean employees. This is why many companies expanding internationally hire legal firms in the new country to ensure they draft legal documents correctly and comply with all the relevant regulations.
- **Business registration:** Legally establishing your business involves a cost, too. You must register your business with the necessary agencies and pay the fees involved. You may also hire a company to help you with legally establishing your branch or subsidiary in Singapore.
- **Job advertisement:** Advertising your new job openings can add to your cost, as well, whether you take out newspaper ads or pay fees for online job postings. You may find some job board sites that allow you to post your ad for free.
- **Staffing agencies:** When you're ready to begin the recruiting process, you may choose to use a hiring agency or headhunter company to help you find the right candidates. This can simplify the process and save you a lot of time, but it also comes with a price tag.
- **Hiring committee:** If you choose to handle hiring internally, you'll need to form a committee to handle creating a job description, screening applications, conducting interviews and other important hiring tasks. The time the hiring committee spends on hiring tasks is a large part of a company's financial investment to take on new employees.
- **Travel costs:** To establish your business in Singapore within legal parameters, your business will need to send a representative to Singapore. You may also need to cover travel expenses for your hiring committee to attend hiring events or conduct interviews in Singapore.
- **Verification and background checks:** The hiring process also typically involves some steps to verify candidates' credentials, including conducting a background check. Completing these screening checks can add to your total hiring costs.

What Does a Company Need to Hire Employees in Singapore?

Before you can take on new employees in Singapore, you will either need to partner with an employer of record in the city-state, which can allow you to start hiring employees in Singapore right away, or [take the steps](#) to legally establish your business in Singapore. Some of the things you'll need to have in place to legally hire employees on your own include:

- **Company registration:** To register your business in Singapore, you'll need to approve your company name with the Accounting and Corporate Regulatory Authority (ACRA) and submit the necessary documentation. To meet the requirements for registering your company, you must have at least one shareholder, a director who resides in Singapore, a Singaporean secretary, a minimum amount of capital in the bank, and a physical address for your business in Singapore.
- **CPF registration:** You'll also need to register with the Singapore Central Provident Fund Board so you are prepared to contribute to employees' pension funds. If you instead use an employer of record, they can handle your payroll and withholdings for the CPF.
- **Licenses or permits:** Some types of businesses may need to obtain licenses or permits from the government to legally conduct business in Singapore. Some examples include travel agencies, money lenders, financial advisers, and liquor wholesalers and distributors.

5 Steps to Hiring in Singapore

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To hire someone in Singapore, even if it's just one employee, you'll have to go through a series of steps, starting with advertising the job and ending with onboarding your new hire.

1. Advertise Job Openings
2. Refine the Applicant List
3. Interview Top Candidates
4. Make Job Offer and Draft a Contract
5. Onboard Your New Hire

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1. Advertise Job Openings

First, you have to create job ads that will attract compatible candidates for your new positions. Include a description of the position and the nature of your new Singapore establishment. Will the employee be working in a physical office in Singapore, or will they work remotely?

Be sure to advertise the job online, and consider taking out ads in local newspapers, as well. [The Straits Times is especially popular](#) for classified ads in Singapore. Company representatives can also attend hiring events like job fairs to connect with potential candidates.

2. Refine the Applicant List

Once applications come in, you may have an overwhelming number to look through. This is where a hiring agency or your hiring committee can help create a shortlist of the most qualified candidates. You can also build skills tests or questionnaires into the application process that may help you more quickly identify which applicants would not be a good fit and which merit an interview.

Make sure any screening methods you use are non-discriminatory and purely focus on a person's abilities to perform the job duties rather than personal characteristics like sex or race. As with many other governments, the Singapore government requires non-discriminatory hiring practices to be upheld in Singapore.

3. Interview Top Candidates

When you've determined which candidates you want to move forward in the hiring process,

you should reach out to schedule interviews. You can either have your team travel to Singapore to conduct interviews in-person or conduct them remotely. In-person interviews are generally a good idea if you're establishing a physical presence with an office in Singapore. If you're only hiring remote employees in Singapore, however, it's perfectly acceptable to opt for a virtual interview.

For phone or video interviews, be sure to take the time difference into account. If your company is headquartered in New York City, for example, you'll notice that [Singapore Time \(SGT\)](#) is 12 hours ahead. That means you may need to schedule interviews early in the morning so they will still be during daytime hours for your job candidates.

4. Make Job Offer and Draft a Contract

Once you've identified which candidates you interviewed are the best fit for the positions you created, you should contact these top candidates to extend a job offer. If a candidate accepts your offer or wants more information, now is the time to send them an employment contract with all the details of their employment. You can also include the contract in a formal job offer letter.

Remember, these contracts must include all the KETs the Singapore government specifies. You should also ensure that the terms of the contract do not violate any of the requirements in the Employment Act or any other relevant legal mandates.

5. Onboard Your New Hire

Now, you can begin onboarding your new hire. This process is simplified in Singapore compared to some other countries since you don't have to arrange for tax or health insurance withholdings. However, you will need to arrange for CPF withholdings and make sure you fill out any important documentation for your company internally.

If you work with an employer of record in Singapore, like Globalization Partners, your part is finished once you make job offers. Our team will handle the onboarding process and make

sure everything complies with Singapore employment law.

Hire New Employees in Singapore With Globalization Partners as Your Employer of Record



If you want to hire employees in Singapore quickly and don't want to invest time and energy into establishing a legal presence in the city-state and ensuring you meet all the necessary legal standards as an employer, you can entrust these responsibilities to Globalization Partners. We are a global professional employment organization (PEO) that can serve as your employer of record in 187 countries across the world.

You can still handle the hiring process to identify the right employees for your business, but then our team will handle important technicalities like onboarding, payroll, and benefits. Most importantly, we are the [employer of record for your Singapore employees](#), so you don't have to interact with the Singapore government or establish a branch or subsidiary in Singapore. [Contact us](#) today to learn more about expanding globally with Globalization Partners.