

Excerpt



A new levy scheme was put in place in 1982 to push for an all-Singaporean workforce by 1992 and to discourage the hiring of low-skilled foreign workers

Levy on hiring of foreign workers

IN A MOVE to build up a wholly Singaporean workforce, the Government has introduced a new Levy Scheme under which employers will be required to pay a monthly levy of 30 per cent of the wages of their foreign workers subject to a minimum of S\$150 per worker.

However, the burden on employers will be partially offset as they no longer need to contribute to their workers' Central Provident Fund. The Ministry of Labour said yesterday that as these workers will be phased out by 1992, they too will be exempted from contributing to the Central Provident Fund.

The minimum levy is to deter the employment of low-skilled foreign workers. However, the minimum levy will not apply to domestic help to avoid raising the cost of such workers which would then discourage married women from working.

The Levy Scheme will be implemented in phases.

Currently, all foreign workers on work permit are under the CPF

scheme except construction workers from non-traditional sources whose employers pay a straight levy of \$230 per month for each worker.

"The Government's plan over the next 10 years is to cease reliance on foreign workers and to build up a wholly Singaporean workforce by 1992," the labour ministry said.

"Foreign workers who are skilled and have imbibed good work ethics could be absorbed as part of our permanent workforce. These foreign workers will be given permanent residence with a view to citizenship.

"Low-skilled workers who have been allowed in as a temporary measure to relieve our industries of the acute labour shortage will be gradually phased out.

Since foreign workers will not become part of our permanent workforce, there is no need for them to contribute to the CPF, the ministry said.

However, the levy will ensure that the cost of employing foreign workers will not be less than that of employing Singaporeans.

MAY 18, 1982

AUGUST 13, 1982

Case for MRT strengthened

'SERIOUS PROBLEMS' OF BUS SYSTEM

Thumbs up for trade board plan