

Frequently Asked Questions (FAQs)

DISMANTLEMENT OF MAN-YEAR ENTITLEMENT (MYE) FRAMEWORK



Question: Why is the MYE framework being dismantled and what does this mean to contractors?

The MYE framework is dismantled in response to industry feedback for a simplified levy framework, which will also make the process to hire or renew NTS and PRC WPHs easier for the industry.

From 1 Jan 2024, main contractors will no longer need to apply for MYE to hire or renew Non-Traditional Sources (NTS) or People's Republic of China (PRC) Work Permit holders (WPHs) based on the value of their projects or contracts awarded. There will also no longer be MYE and MYE-waiver differentiated requirements and levy rates.

Firms can continue to apply for and use their MYE quotas up to 31 Dec 2023. For project contracts that have already been awarded or undertaking projects with tender calling dates on or before 18 Feb 2022, firms will be allowed to use their MYE quotas up to 31 Dec 2024 or their project completion date, whichever is earlier. This group of firms must apply for the MYE quotas by 31 Dec 2023 in order to utilise these MYE quotas in 2024.



Question: How do I know if my company will be affected by the MYE dismantling?

Firms can continue to apply for and use their MYE quotas up to 31 Dec 2023.

For firms whose contracts were awarded or undertaking projects with tender calling dates **on or before 18 Feb 2022**, in view that the announcement to dismantle the MYE framework was made after their contracts are finalized, the firms can utilize their MYE for an additional year (i.e. their MYEs will expire on 31 Dec 2024 or their project completion date, whichever is earlier)

For all other projects (i.e. projects **awarded after 18 Feb 2022**), their MYEs will expire on 31 Dec 2023 and their WPHs will be subjected to the new levy rates from 1 Jan 2024. (Click [here](#) for the new levy rates)

Firms are encouraged to plan ahead and use up their remaining MYE quota prior to expiry.

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Question: How can I check the expiry date of the MYE?

Firms can find out more information on the MYE allocated to them by logging onto Work Permit Online or [WPOL](#), click on the **‘Enquire’** module on the side bar and search for the MYE details by entering the MYE certificate number. Below is a screenshot of the interface for reference.

Search MYE Result

Results Found: 4

MYE Certificate No. ▼	Date Of Application ▼	Date Of Decision ▼	MYE Approved	MYE Balance ▼	Commencement Date	Expiry Date	Status ▼
	11/04/2022	13/04/2022	9	8	17/05/2022	04/10/2024	APPROVED
	01/04/2022	04/04/2022	91	-109	04/05/2022	03/05/2025	APPROVED
	03/07/2019	10/07/2019	500	354	03/06/2019	01/05/2024	APPROVED
	29/03/2018	04/04/2018	472	-93	20/11/2017	10/05/2024	APPROVED

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For project contracts with **tender calling date after 18 Feb 2022**, their **MYE expiry date will be up to 31 Dec 2023**. Firms can refer to their MYE application form for the tender calling date.

Some of the project contracts that have already been **awarded or with tender calling date on or before 18 Feb 2022**, may have their MYE expiry date indicated on WPOL as later than 31 Dec 2024. Notwithstanding this, firms can only use their MYE quota up to 31 Dec 2024 or their project completion date, whichever is earlier.

Frequently Asked Questions (FAQs)

DEPENDENCY RATIO CEILING (DRC) REDUCTION



Question: Why is the DRC being reduced and what are the changes?

The significant and repeated disruptions to manpower inflows for the Construction sector during the period of pandemic reaffirm the need for the sector to press on with productivity improvements to become more manpower-lean. This will make Construction firms more resilient against future disruptions. The Government has been working with the industry for some time to help it become more productive and manpower lean. To support this transformation, MOM and BCA reduced the DRC to incentivise firms to hire higher-skilled foreign workers.

From 1 Jan 2024, the Dependency Ratio Ceiling (DRC) will be reduced from 1:7 (87.5%) to 1:5 (83.3%) for the Construction sector i.e. 1:7 (1 local employee to 7 WPHs or S Pass holders) to 1:5 (1 local employee to 5 WPHs or S Pass holders)

Under the existing quota, the number of S Pass holders a company can hire is capped at 15% of your total workforce. (Click [here](#) for more information on S-Pass quota)



Question: How will this DRC Reduction affect me?

From 1 Jan 2024 onwards, firms should keep the share of Work Permit holders (WPH) and S Pass holders in their workforce within the DRC of 1:5 (83.3%).

For example, if a Construction firm has a workforce of 100 (where workforce refers to the sum of the local workforce, WPHs and S Pass holders), up to 83 employees can be WPHs and S Pass holders. If the firm exceeds the 1:5 (83.3%) DRC as at 1 Jan 2024, they will not be allowed to hire new or renew existing WPHs or S Pass holders, and they will have to hire more locals to qualify for a higher foreign worker quota. The firm will still be allowed to keep the excess WPHs and S Pass holders until their work passes expire, so long as they remain within the previous DRC of 1:7 (87.5%).

Firms can check their quota balance for S Pass and WPHs on MOM's website. (Click [here](#) to access the foreign worker quota calculator)

Frequently Asked Questions (FAQs)

DEPENDENCY RATIO CEILING (DRC) REDUCTION



Question: My workers' work passes expire after 2023. Do I have to reduce my DRC before 1 Jan 2024?

No, firms exceeding the new DRC on 1 Jan 2024 will be allowed to retain their incumbent WPHs and S Pass holders until their work passes expire, so long as they remain within the previous DRC of 1:7 (87.5%).

However, these firms will not be able to renew, or apply for new WPHs and S Pass holders, until their firm's workforce have been adjusted to be within the new DRC of 1:5. Firms are encouraged to plan ahead in preparation for the new requirements.

Frequently Asked Questions (FAQs)

LEVY RATES



Question: What are the new Levy Rates?

New levy rates for Construction WPHs from 1 Jan 2024:

Skills Level	NTS	Malaysia, NAS, PRC	Off-site Construction
Higher-skilled (R1)	\$500	\$300	\$250
Basic-skilled (R2)	\$900	\$700	\$370



Question: Will the new levy rates apply to all WPHs from 1 Jan 2024, or only to the new WPHs that are employed after that date?

The new levy rates will apply to all WPHs from 1 Jan 2024. This includes all existing WPHs and WPHs employed after 1 Jan 2024.

However, for firms whose contracts were awarded or are undertaking projects with tender calling date on or before 18 Feb 2022, such firms may use the awarded MYE quotas to hire NTS workers at a lower levy rate. The levy rates for these NTS workers are as follows:

Source country or region / Tier	Up to 31 Dec 2024 or project completion date, whichever is earlier	From project completion date or 01 Jan 2025, whichever is earlier
NTS - Higher-skilled (R1)	\$300	\$500
NTS - Basic-skilled (R2)	\$700	\$900