

Singapore Government

# PRESS RELEASE

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## INCREASE IN FOREIGN MAID LEVY

The Government recognises that domestic maids fulfil a social need in Singapore. They make it easier for married women to work, look after their households, and bring up more children. Hence it introduced the Foreign Domestic Maid Scheme in 1978 to allow employers to recruit maids from neighbouring countries. It has also treated maids less stringently than other foreign workers in Singapore.

The number of foreign maids has increased from almost zero 10 years ago to more than 40,000 today. Maids already form a quarter of all foreign workers in Singapore. They impose the same social costs on our society as other foreign workers. As their number is still growing rapidly, the inflow has to be regulated.

In 1982 the Government imposed a Foreign Maid Levy to regulate the inflow of foreign maids. This levy has remained unchanged at \$120 per month since 1984, despite rising income levels and higher demand for maids. During this time, a Foreign Worker Levy has been imposed on other foreign workers, which has gone up as demand for foreign workers has increased. The Foreign Worker Levy is now \$170, and will be \$250 per month after 1 Jul 89. The Foreign Maid Levy of \$120 is out of line, and has to be adjusted.

The Government has therefore decided to raise the Foreign Maid Levy to \$200 in two stages : to \$160 per month from 1 Jan 89, and to \$200 per month from 1 Jul 89. The new rate will apply to all maids on the levy scheme. Even at \$200, the levy on maids will still be \$50 lower than the levy for other foreign workers.

From 1 Jan 89, persons seeking to employ foreign maids will no longer be allowed to provide an insurance guarantee of \$5,000 as a security bond. They will have to put up either a banker's guarantee or a cash deposit for the bond. Employers who already have insurance guarantees for their maids will be required to change them to banker's guarantees or cash deposits when they renew their maids' work permits. This move will ensure that when the Ministry has to forfeit the bond of an employer who is using his maid illegally for non-domestic duties, the full cost will fall on the employer himself. It will also help to dampen the demand for foreign maids.

Very few foreign maids are still on the CPF scheme. They will be converted to the levy scheme when they renew their work permits or change jobs. This is in line with the change for other foreign workers on the CPF scheme.

MINISTRY OF LABOUR

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