CONTENT

An overview 3
The Employment Act 4
Termination of employment contracts and notice 4
Salary 6
Overtime Entitlements 7
Sick leave 7
Maternity leave 8
Retrenchment 9
Retirement 10
Disputes and Industrial relations 10
Workplace Safety and Health Act 11
Employer’s tax considerations 12
Central Provident Fund 13
National Service leave 14
Restrictive covenants: Non-competition and non-solicitation 14
Confidentiality and non-disclosure: Protection of Employer’s proprietary interests after termination of employment 16
Ministry of Manpower requirements 17
Revised Tripartite Guidelines on managing excess manpower 18
EA and CDCSA before and after the changes pursuant to the EPLOMA 18
Contact details 21
An overview

The relationship between employer and employee is regulated largely by the contract of employment between them. Generally under Singapore law, parties are free to contract as they choose and any matters arising between them would have to be resolved by looking at either the express and/or implied terms of the contract in question. However, the law does impose certain limits on this freedom to contract.

The sources of these limits include common law and statutes such as the Employment Act (Cap 91) ("EA"), first passed in 1968 and last amended on April 1, 2014. The EA does not cover all the terms and conditions of a given employment contract, but rather it sets a minimum standard. Therefore, the terms of one's contract of service must be at least equal to, or more favourable than the provisions in the EA.

Other pertinent statutes shaping employment law include the Workplace Safety and Health Act ("WSHA"), which came into effect on March 1, 2006; the Child Development Co-Savings Act (Cap 38A) ("CDCSA"); the Retirement and Re-employment Act (Cap 274A) ("RRA"); the Trade Unions Act (Cap 333) and the Industrial Relations Act (Cap 136) ("IRA"); and the Income Tax Act (Cap 134). Additionally, employers should be aware of the Central Provident Fund Act (Cap 36) and their monthly obligations to the Central Provident Fund ("CPF"), a comprehensive social security savings plan, as well as the Employment of Foreign Manpower Act (Cap 91A) ("EFMA"), which regulates the terms and conditions for the employment of foreign workers and is particularly relevant in the case of foreign workers who are not protected under the EA (e.g. foreign domestic workers).

In late 2012, the Singapore Ministry of Manpower embarked on an exercise to review the EA to ensure that it remains relevant and responsive to the changing labour market conditions and trends. The review of the EA was conducted in two separate phases. Phase 1 of the review was completed earlier in March 2013 and the Employment, Parental Leave and Other Measures Act (the “EPLOMA”) was subsequently enacted on 12 November 2013 to amend various provisions in the EA with a majority of the amendments taking effect from 1 April 2014. Phase 2 of the review, which was focused on further protection of vulnerable workers, particularly those in non-traditional work arrangements (e.g. term contract workers, outsourced workers and freelancers) and the EFMA, was closed in October 2013.

Please note that the following guide is a summary, aimed at aiding understanding of Singapore employment law as at the date of writing. It is not exhaustive or comprehensive and reading this memorandum is not a substitute for reading the text of the various statutes to fully understand the extent of the obligations owed.

May 2014
2. The Employment Act

(a) Scope

The EA covers every employee (regardless of nationality) who is under a contract of service with an employer, except:

- any person employed in a managerial or executive position earning more than $4,500 basic monthly salary;
- any seaman;
- any domestic worker; and
- any person employed by a Statutory Board or the Government.

Part IV of the EA, which provides for rest days, hours of work and other conditions of service, applies only to:

- workmen earning not more than $4,500 basic month salaries; and
- non-workmen covered under the EA earning not more than $2,500 basic monthly salaries;

but it does not apply to persons employed in a managerial or executive position.

Employees working less than 35 hours a week are covered by the Employment (Part-Time Employees) Regulations, which provide certain flexibility for both the employers and employees, including the pro-rating of employment benefits, encashment of annual leave and provision of rest days.

3. Termination of employment contracts and notice

The provisions relating to termination are set out in Part II of the EA. Where the EA does not apply, the terms of the employment contract will govern whether it can be terminated without cause and what period of notice must be given. If there is no express term specifying the amount of notice required, a reasonable period of notice will be implied.

The manner in which an employment contract may be validly terminated will depend on the form of employment contract (which may be oral, written or partly oral and partly written) and its terms, which may be implied (by custom or by statute) or express (which may be incorporated by reference, e.g. in the case of an employee handbook and the terms of a collective agreement, if any). An employment contract may come to an end by expiry (where the specified term has elapsed or the specified task or project is completed) or by termination.

Finally, termination agreements setting out agreed terms of the termination are common, particularly with executive staff. Provisions typically set out termination payments (entitlements and negotiated payout amounts), confidentiality/non-disclosure agreement and (where applicable) restrictive covenants.

(a) Termination without notice

Where the EA applies, either party may terminate an employment contract without giving a reason, and without notice, if the other party willfully breaches a condition of the contract. In addition, under the EA, an employer is entitled (after due inquiry) to dismiss an employee without notice on the grounds of misconduct. For instance, absence from work continuously for more than 2 days (a) without prior leave of the employer or without reasonable excuse; or (b) without informing or attempting to inform the employer of the excuse for the absence is deemed to be a repudiatory breach by the employee. Misconduct inconsistent with the fulfilment of the express or implied conditions of his service may be another ground for dismissing an employee without notice (after due enquiry).

(b) Termination by payment of salary in lieu of notice

A given contract may expressly provide that employment may be terminated by payment of salary in lieu of notice. However, even if not expressly provided for, each party is entitled to terminate the contract without notice by giving payment in lieu of notice. Additionally, an employer is entitled to terminate by notice referable to part of the total notice period together with salary in lieu of notice referable to the rest of the notice period.

It is important to note that the right to terminate without notice is subject to Part II (Contracts of Service) of the EA.

(c) Termination with notice

If there is a notice period specified in the employment contract, then notice is to be given in accordance with it. Where the EA applies, notice must be in writing and the day on which it is given must be included in the period of the notice. Payment of all outstanding salary and any sum due is to be made on the termination date or if this is not possible then within 3 days of it.

In the absence of any notice period specified in the employment contract and where the EA applies, the following statutory minimum period of notice is required:
Where the contract is silent on the notice period and the EA does not apply, in a contract for an unspecified term, a reasonable period of notice will be implied. In a contract for a fixed term or a specified purpose, no such period of notice will be implied – these contracts cannot be terminated on this basis.

A party may waive his right to notice.

Generally, there is no obligation on the employer to provide work to the employee during the notice period save for certain rare exceptions, such as where an employee’s position might be deemed specific and unique, where his skills require frequent exercise to preserve and enhance them, and where banning the employee from working would be inconsistent with the express terms of the contract. Where the general rule applies or if specifically provided for in the employment contract, it is open to the employer to put the employee on “gardening leave” during that time, effectively preventing the employee from having contact with clients.

(d) **Termination in cases of redundancy or reorganisation**

Under the EA, there are no special requirements in relation to the length of notice to be provided in cases of termination for redundancy or reorganisation. The notice period specified in the contract or, in its absence, the minimum notice provisions applicable under the EA, will apply (as discussed above). However, in cases of retrenchment, the Ministry of Manpower (“MOM”) encourages employers as far as possible to inform affected employees of the impending retrenchment before notice of retrenchment is given (see below).

(e) **Payment of accrued but unpaid salary up to termination date, accrued and unused annual leave and salary in lieu of notice and timing of payment on termination.**

Amounts for each of these (if applicable) should be paid on termination and specified in the termination agreement if there is one. Where the EA applies, payment of all outstanding salary and any sum due to an employee is to be made on the termination date or if this is not possible then within three days of it.

(f) **Benefits**

Depending on the terms of the employment contract, an employee may have an entitlement to payment on termination in relation to a variety of benefits, including an incentive scheme or annual cash bonus plan or executive share option scheme (“ESOS”).

The terms of the contract may include payment of health insurance, school fees and housing costs. The exact terms need to be checked and payments or negotiated arrangements in relation to relevant items dealt with in the termination agreement.

(g) **Unfair dismissal by employer**

Where the EA applies, if an employee considers he has been dismissed without just cause or excuse, he may within one month of the dismissal make representations in writing to the Minister to be reinstated. The Minister may inquire into the reasons for the dismissal. The Minister may direct the employer to:

- reinstate the employee and pay back wages referable to the time between termination and reinstatement; or
- pay, as compensation, an amount of wages determined by the Minister instead of ordering reinstatement. It would be prudent for an employer to anticipate this by ensuring that reasons are well documented and evidenced in line with modern HR practices for continuing employee appraisal.

The above applies to all EA employees not employed in a managerial or an executive position and to a manager or executive earning not more than S$4,500 who have been working for that employer for at least 12 months in any position.

Where the EA does not apply, the terms of the employment contract will determine whether it can be terminated without reason. If there is no contractual term permitting this, then the employer can terminate the contract without notice or salary in lieu of notice provided the reason is an act of the employee which amounts to a repudiation of the contract. If the employer terminates the contract without such a reason, the employee may have an action for unfair dismissal.

(h) **Special considerations for terminating a director**

Under section 152 of the Companies Act (Cap 50) (“CA”), a public company may by ordinary resolution remove a director before the expiration of his period of office, notwithstanding any-

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<tr>
<th>Length of service</th>
<th>Minimum notice period</th>
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<tbody>
<tr>
<td>Less than 26 weeks</td>
<td>One day</td>
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<tr>
<td>26 weeks to less than two years</td>
<td>One week</td>
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<tr>
<td>Two years to less than five years</td>
<td>Two weeks</td>
</tr>
<tr>
<td>Five years and above</td>
<td>Four weeks</td>
</tr>
</tbody>
</table>
thing in the Memorandum or Articles of the company or any agreement between the company and the director.

However, in the case of a director appointed to represent the interests of any particular class of shareholders or debenture holders, the resolution to remove him is ineffective until a successor has been appointed.

Special notice must be given of a resolution to remove a director or to appoint a replacement director at the meeting at which he is removed. At the meeting to remove him, the director is entitled to be heard on the resolution. A listed public company must give the SGX-ST (i.e., the relevant listing authority) notice of receipt of a resolution to remove a director.

In the case of private companies, section 152 does not apply. Directors must be removed in accordance with the company’s Memorandum and Articles and, in addition, in the case of removal of an executive director, in accordance with the termination provisions of his employment contract with the company.

The resignation of removal of a director (whether pursuant to the termination of his employment in the case of an executive director or otherwise) will be deemed to be invalid unless at least one director ordinarily resident in Singapore (who may be the sole director) will remain on the board, under section 145(1) of the CA.

The removal of a director must be notified to ACRA through Bizfile within one month from the date of his ceasing to hold the office.

(i) Special considerations for making employees redundant or carrying out a reduction in force (RIF), i.e. terminating a number of employees at the same time, usually in connection with a reorganization or consolidation of functions in the same or a different office

Legislation does not provide an employee with any right to retrenchment benefits on termination for redundancy or reorganization of the employer’s business. In fact, in the case of an employee to whom Part IV of the EA applies (i.e. to a workman on a salary of $4,500 or less per month or a non-workman employee whose salary is not greater than $2,500 per month, if the employee has been employed for less than 2 years (reduced from 3 years with effect from 1 April 2015) continuously, the right to retrenchment benefits is specifically excluded under section 45 of the EA. Even where an employee has been continuously employed for 2 years or more, then, pursuant to Singapore case law, that employee still does not enjoy an automatic right to retrenchment benefits as an employer in Singapore has no legal obligation to provide retrenchment benefits in such cases. Irrespective of whether the EA applies, an employee has no right to retrenchment benefits unless his or her employment contract or an applicable collective agreement so provides.

In cases where an employee is a trade union member, no trade union intervention/collective bargaining is permitted in relation to termination for redundancy or reorganization or in relation to the criteria for such termination, per section 18(2)(d) of the IRA.

3. Salary

(a) Payment

Under the EA, an employee must be paid at least once a month. In general, an employer is required to pay his employees within seven days after the end of the salary period.

Salary must be paid on a working day and during working hours at the place of work, or at any other place agreed to between the employer and the employee. It may also be paid into an employee’s personal/joint bank account.

(b) Deductions

Employers may deduct salary only for reasons allowed under the Act, or if ordered by the Court. Such authorized deductions include that for absence from work, payment of income tax, CPF contributions, etc.

The maximum deduction amount in respect for any one salary period is 50% of the total salary. This does not include deductions for absence from work, payment of income tax, recovery of loans and payments made with the consent of the employee. Within the 50% cap, deductions for accommodation, amenities and services
also may not exceed 25% of the employee’s salary.9

(c) Non-compliance

The failure to pay salary in accordance with the EA constitutes an offence under the EA. A first-time offence will be liable to a fine of between $3,000 and $15,000 and/or 6 months’ jail. A subsequent offence will be liable to a fine of between $6,000 and $30,000 and/or 12 months’ jail. The maximum composition fine is $5,000.10

Individual officers and directors are accountable for the offences committed by the company. In particular, officers who are primarily responsible for the non-compliance will be presumed to be negligent and held accountable unless proven otherwise.11

Employment inspectors have the power to arrest, without warrant, any person whom he reasonably believes is guilty of the failure to pay salary.12 They are also allowed to enter any workplace to conduct checks. However, MOM has also clarified that the powers of inspecting officers, with the enhanced penalties, are to better facilitate the enforcement of the EA provisions and the arrest powers granted to the MOM officers are to be exercised in relation to the minority of employers who are persistently uncooperative or who wilfully refuse to comply with orders to attend investigation sessions.

(d) Work done during Public Holidays

Employees under the EA are entitled to one extra day’s salary on top of the day’s salary if they are required to work on a Public Holiday (or the day after a Public Holiday if the Public Holiday falls on a rest day). Alternatively, the employer may, by arrangement with the employee, substitute the holiday with any other day.

In addition, employees under the EA employed in a managerial or executive position, are permitted, in lieu of the extra day’s salary or a substituted day, any part of a day off on a working day comprising such number of hours as may be agreed between the employee and employer, in lieu of the extra day’s salary or a substituted day, or if there is no such agreement, either 4 hours off if the employee worked 4 hours or less on the Public Holiday or the entire day if he worked more than 4 hours.13

4. Overtime Entitlements

(a) Entitlement

Part IV of the EA, which provides for rest days, hours of work and other conditions of service, applies only to:

- workmen earning not more than $4,500 basic monthly salaries; and
- non-workmen employees earning not more than $2,500 basic monthly salaries

Generally, an employee covered under Part IV of the EA is not required to work more than eight hours in a day or 44 hours in a week. He is also not required to work more than six consecutive hours without a break. The duration of the break should not be less than 45 minutes.14

Overtime allowance is payable if the employee is required by the employer to work above the specified limits of working hours in the EA. An employee is permitted to work up to a limit of 72 hours of overtime in a month, excluding work done within his normal daily working hours on his rest day or public holiday.15

(b) Computation of Overtime Pay

An employee must be paid at least 1.5 times his hourly basic rate of pay for all work in excess of the normal hours of work.

The overtime rate payable for non-workmen is capped at the salary level of $2,250; i.e. non-workmen earning more than S$2,250 a month will be paid for overtime work at a rate based on a salary of S$2,250.16

(c) Payment of Overtime Entitlements

Payment for overtime work must be made within 14 days after the last day of the salary period.

5. Sick Leave

(a) Entitlement

An employee covered by the EA is entitled to paid sick leave, including medical leave issued by a dentist if:

- the employee has served the employer for at least three months;
- the employee has informed or attempted to inform the employer of his/her absence within 48 hours; and
- the sick leave is certified by the company’s doctor, or by a government doctor (including doctors from approved public medical institutions) if a company doctor is
not readily available (such as when company doctors are closed or very inconveniently located), or during emergency situations. 

This does not apply to any medical treatment which is for cosmetic purposes.

If the employee fails to duly notify or attempt to notify the employer or if the sick leave is not duly certified, the employee will be deemed to be absent from work without permission or reasonable excuse.

The number of days of paid sick leave a new employee is entitled to depends on his service period:

<table>
<thead>
<tr>
<th>No of months of service completed of a new employee</th>
<th>Minimum Paid Outpatient Sick Leave Entitlement per year where hospitalisation is not required (days)</th>
<th>Minimum aggregate Paid Sick Leave Entitlement per year where hospitalisation is required*</th>
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<tbody>
<tr>
<td>3 months</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>4 months</td>
<td>5 + 3 = 8</td>
<td>15 + 15 = 30</td>
</tr>
<tr>
<td>5 months</td>
<td>8 + 3 = 11</td>
<td>30 + 15 = 45</td>
</tr>
<tr>
<td>6 months</td>
<td>11 + 3 = 14</td>
<td>45 + 15 = 60</td>
</tr>
<tr>
<td>Thereafter</td>
<td>14</td>
<td>60</td>
</tr>
</tbody>
</table>

*An employee is deemed to be hospitalised if he/she is certified by a doctor to be in need of hospitalisation. He does not necessarily have to be warded in a hospital.

(b) Limit

The amount of paid outpatient and hospitalisation sick leave that an employee can take is capped at his sick leave entitlement (as indicated in the right-most column of the table above).

(c) Reimbursement of medical expenses

If an employee has worked for at least three months, his employer is legally obliged to bear the medical consultation fee except where the medical consultation is for cosmetic purposes. For other medical costs, such as medication, treatment or ward charges, the employer is obliged to bear such costs depending on the medical benefits provided for in the employee's employment contract, or in the collective agreement signed between the company and the union.

(d) Salary of employees on sick leave

If an employee is on paid hospitalisation leave, his employer has to pay him at his gross rate of pay. If an employee is on paid outpatient sick leave, his employer has to pay him at his gross rate of pay, excluding any allowance payable in respect of shift work.

(e) Sick leave on rest days, public holidays etc.

An employee is not entitled to paid sick leave on the following occasions, even if he is given a medical leave by the doctor:

- rest days;
- public holidays;
- non-working days;
- during annual leave;
- during no-pay leave.

However, he is entitled to claim for the medical examination fee. His entitlement to claim for other medical expenses would depend on the medical benefits provided in his employment contract or the collective agreement signed between the company and the employee's union.

6. Maternity Leave

(a) Eligibility

Part IX of the EA and Part III of the CDCSA provide maternity protection and benefits for eligible employees.

The CDCSA covers all parents of Singapore citizens, including managerial, executive or confidential staff. Under the act, an employee is entitled to maternity leave benefits if:

- the child is a Singapore citizen;
- the child's parents are lawfully married; and
- the employee has worked for the employer for at least three months before the child's birth.

(b) Entitlement/duration

A CDCSA eligible employee is entitled to absent herself from work for:

- a period of four weeks immediately before and twelve weeks immediately after delivery; or

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</tr>
<tr>
<td>Thereafter</td>
<td>14</td>
<td>60</td>
</tr>
</tbody>
</table>
• by agreement, a period of 16 weeks, beginning any time within 28 days prior to her confinement till the date of her confinement; or

• by agreement a period of 8 weeks, beginning any time within 28 days prior to her confinement till the date of her confinement, and such further period(s) of an aggregate duration no shorter than the prescribed period under the CDCSA (equivalent to 8 weeks’ worth of working days) to be taken flexibly anytime, over the 12 month period following the child’s birth.  

Under Part IX of the EA, employees covered by the EA, but not under the CDCSA, are entitled to:

• a total of 12 weeks of maternity leave during the period of 4 weeks before the confinement and 8 weeks after the confinement; or

• by agreement a total of 12 weeks of maternity leave commencing no earlier than 28 days prior to the confinement; or

• by agreement with her employer, 8 weeks of leave beginning any time within 28 days prior to her confinement till the date of the confinement and such further period(s) of an aggregate duration no shorter than the prescribed period under the EA (equivalent to 4 weeks’ worth of working days) to be taken flexibly anytime over the 12 month period following the child’s birth.  

(c) Salary

Under the EA, the employer is required to continue paying an employee her usual salary, i.e. her monthly gross rate of pay including allowances, for the first eight weeks of maternity leave if:

• the employee has been employed for at least 90 days before the date of delivery;

• the employee has less than two children of her own at the time of delivery. In the case of multiple births (e.g. twins, triplets etc) during the first pregnancy, the employer is still required to pay the next eight weeks of maternity leave;

• the employee has given her employer at least one week’s notice before going on maternity leave, and informed her employer as soon as practicable of her delivery. Otherwise, the employee is only entitled to half the payment during the maternity leave, unless she can show sufficient cause that prevented her from giving such notice to the employer.

If the employee qualifies for Government-paid maternity leave under the CDCSA, she will be paid by the employer during the entire 16 weeks of maternity leave, regardless of the birth order of the child. The employer is entitled to reimbursement from the Government for the last eight weeks for the first and second confinements and all 16 weeks for the third or subsequent confinements.

If the employee does not qualify for maternity leave under the CDCSA, payment beyond the first eight weeks is voluntary and subject to contractual agreement.

(d) Employer’s obligations

Employers are prohibited from dismissing an employee who is on maternity leave. An employer who does so is liable to a fine and/or imprisonment.

If a notice of dismissal is given without sufficient cause within six months of an employee’s confinement, the employer must pay her the maternity benefits she is otherwise eligible for.

If the employee is retrenched within three months of her confinement, the employer must pay her the maternity benefits she is otherwise eligible for. This payment is in addition to any retrenchment benefit which the employee is entitled to.

An employer cannot employ an employee at any time during the four weeks immediately following her confinement. An employer also cannot contract out the maternity benefits.

7. Retrenchment

(a) Benefits

An employee who has worked less than two years (reduced from three years with effect from 1 April 2015) in a company is not entitled to retrenchment benefits under the EA. However, an employee who has been employed in a company for at least two years can request for retrenchment benefits. As the law does not stipulate the quantum to be paid, the amount is subject to negotiation between the employee and employer. Note additionally that retrenchment benefits do not attract CPF contributions.
(b) Ex-gratia payments

In cases of termination for redundancy, an employer may make an ex-gratia payment to an employee. However, under Singapore common law an employer is not bound to make such a payment on the basis of its past practice of doing so.

(c) Length of notice of termination

As far as possible, affected employees should be informed of the impending retrenchment before notice of retrenchment is given. The duration of notice will depend on what is stipulated in the contract of service. If the notice period is not stipulated, the following will apply:

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Notice period</th>
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<tbody>
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<td>Less than 26 weeks</td>
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<td>26 weeks to less than 2 years</td>
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<tr>
<td>2 years to less than 5 years</td>
<td>2 weeks</td>
</tr>
<tr>
<td>5 years and above</td>
<td>4 weeks</td>
</tr>
</tbody>
</table>

The company is also advised to notify MOM of any retrenchments.

Notice can be given at any time, but it must be dated and given in writing. Either the employee or the employer can choose to waive this right to notice. Either party can also choose not to wait for the notice period to expire. In this case, the party who does not wish to wait for the expiry of the notice period must pay the other salary in lieu of notice.

Notice of termination need not be given if there has been a breach of the terms and conditions of the contract of service. Additionally, the employer need not give the employee notice if he or she is absent from work for more than 2 days without prior leave or without reasonable excuse or attempting to inform the employer.

8. Retirement

(a) Age

The RRA covers all employees who are Singapore citizens and permanent residents, including those in managerial, professional and executive positions, and makes it an offence for an employer to dismiss an employee below the prescribed age on the grounds of age, notwithstanding anything in any other written law, contract of service or collective agreement.

The minimum age of retirement is 62 years. An employee can be retired the day before his/her 62nd birthday. However, if the retirement age is not specified in the employment contract, the employer should give the employee advance notice as stipulated in the contract. Employers are required to offer re-employment contracts of at least one year, renewable up to age 65. MOM, in its guidelines, has also advised employers to offer a three year re-employment contract until age 65 at one stretch.

The RRA does not legislate compulsory retirement; neither does it prohibit an employee from continuing employment beyond the statutory retirement age. However, employees above age 62 are not covered by the RRA, regardless of whether they are employed on a contract or tenure basis. Thus, any extensions in an employee’s employment beyond age 62 will be based on mutual agreement between the employer and employee.

(b) Benefits

Irrespective of whether the EA applies, an employee has no right to retrenchment benefits unless his or her employment contract or an applicable collective agreement so provides.

(c) Dismissal

The RRA stipulates that employees who are below the prescribed retirement age cannot be dismissed by their employers because of their age. An employee will be deemed to be dismissed by the employer if:

- the contract under which he/she is employed is terminated by the employer, regardless of whether or not notice is given;
- the employer retires the employee; or
- the employer requires or causes the employee to retire or resign because of his/her age.

9. Disputes and Industrial relations

(a) Dispute Resolution

In individual cases, a Singapore employment dispute which cannot be resolved amicably through conciliation could be referred to the Commissioner for Labour (Ministry of Manpower) (also known as the Labour Court, which functions like a tribunal) for adjudication, provided the prescribed fee is paid and the
claim satisfies the following criteria:

- the employee is covered by the EA;
- the claim must relate to matters arising no earlier than one year prior to the date of lodging the claim; and
- if the employee has left the employment, the claim must be lodged within 6 months of leaving the employment.

Awards made by the Commissioner for Labour, for successful salary claims, will be capped at $20,000. An appeal can be made to the High Court, within 14 days of the decision or order of the Commissioner for Labour. Professionals and executives wishing to claim higher amounts will still have to pursue their claims in the civil courts through normal litigation.

The Industrial Relations Act offers tripartite mediation conducted by a conciliation officer appointed by the Commissioner for Labour as a dispute resolution mechanism to professionals, managers, and executive employees earning not more than $4,500 a month and who are a member of a trade union which has not been recognised by the employer. An employer who fails to take part in the mediation could be fined up to $5,000.

(b) Industrial relations legislation

Industrial relations are relatively stable in Singapore - the country has been virtually strike-free for decades. A key feature of Singapore industrial relations is the concept of ‘tri-partism’, which refers to workers (through unions), employers (through employer organisations) and the government, through the MOM, working together as collaborative partners.

Freedom of association and representation is guaranteed to all employees in the private sector by law. The main statutes are: the Trade Unions Act, which provides the formalities for the establishment of a trade union, and the IRA, which sets out specific procedures for the negotiation of collective agreements and the conciliation and arbitration of trade disputes.

(c) Role of trade unions

The major function of trade unions in Singapore is to carry out collective bargaining, negotiate terms for collective agreements and to represent members in resolving industrial disputes. Under the Trade Unions Act, trade unions must register with the Registrar of Trade Unions. Any person above the age of 16 may be a member of a registered trade union (with the exception of certain groups of government employees).

(d) Collective agreements

Under the IRA, collective agreements have to be certified by the Industrial Arbitration Court (“IAC”). In this case, they are binding on the employer (or its successor) and the relevant trade union and its members. The term of the collective agreement cannot be less than two years and not more than three years. In the event of a company restructuring, the collective agreement will remain valid for 18 months after the date of transfer or until the expiry of the collective agreement, whichever is later. If a collective agreement is unable to be concluded, the matter is referred to the IAC, which makes a determination on the dispute. Prior to referring to the IAC, parties may refer the matter for conciliation at the MOM to explore possible mediated outcomes.

(e) Industrial action and disputes

The Trade Unions Act allows any registered trade union to commence, promote, organise or finance industrial action (including strikes), upon receipt of a majority consent of its members, obtained through a secret ballot. In general, industrial actions are lawful in Singapore; however, once a trade union dispute has been submitted to the IAC, any industrial action in connection with such a dispute becomes prohibited.

The IAC is empowered to resolve trade disputes through settlement and mediation proceedings. If the parties don’t reach an agreement, the IAC can issue orders (known as ‘awards’) which are final and binding and cannot be challenged or appealed against. The awards may cover many aspects of industrial relations, including such matters as wages, bonuses, medical benefits, retirement or retrenchment benefits, hours of work and overtime.

10. Workplace Safety and Health Act

Three fundamental principles supporting the Occupational Safety and Health (“OSH”) framework are:

- reducing risks at their source by requiring stakeholders to eliminate or minimise the risks said sources create;
- instilling greater ownership (i.e., sense of responsibility) of safety and health outcomes by industry; and
• preventing accidents through the imposition of higher penalties for poor safety management.

WSHA is the key legislation affecting the philosophy of this OSH framework. The WSHA covers all workplaces. The WSHA stipulates that every person must take “reasonably practicable steps” to ensure the safety and health of every workplace and worker. It goes beyond the prescriptive nature of the statute that it replaced (the Factories Act) to:

• specify liabilities for a range of persons at the workplace;
• focus (more) on workplace safety and health goals and systems; and
• stipulate greater penalties for actions that compromise employee safety and health.

11. Employer’s tax considerations

(a) Taxable income

All gains and profits derived by an employee in respect to his employment are taxable, unless they are specifically exempt from income tax or are covered by an existing administrative concession. The gains or profits include all benefits, whether in money or otherwise, paid or granted to an employee in respect of employment. Where employers also extend the benefits to the employee’s family members, relatives and friends, the benefits would be taxable in the hands of the employee as a benefit from employment.

(b) Required filings

Pursuant to section 68(2) of the Income Tax Act, the employers are required to file with the Inland Revenue Authority of Singapore (“IRAS”) the following returns:

• Form IR8A (Return of Employee’s Remuneration);
• Form IR8S (Details of Employer’s/Employee’s Contributions to CPF);
• Appendix 8A (Value of Benefits in Kind); and/or
• Appendix 8B (Value of Gains and Profits from Stock Options)

for all employees (who are employed in Singapore) by the 1st of March of each year.

IRAS encourages all employers to join the Auto-Inclusion Scheme (“AIS”) for employment income, whereby employers submit their employees’ income information to IRAS electronically. The employment income information will then be shown on the employees’ electronic tax return and automatically included in their income tax assessments.

From the year of assessment 2014 onwards, the AIS is compulsory for all employers which have 14 or more employees for the entire year ending the relevant preceding year or have received the “Notice to File Employment Income Electronically”.

(c) Flexible benefits

Under the flexible benefits scheme, employees are given a flexible benefits budget and can choose their own benefits from a range of benefits.

Offering benefits under the flexible benefits scheme does not change the tax treatment of the benefits. That is, if an employee seeks reimbursement for an item that has been granted concession or exempt from tax, the reimbursement is not taxable. However, reimbursement for an item that has not been granted concession or exempt from tax is taxable. For example, reimbursement to an employee for expenses incurred for medical treatment sought by the employee remains not taxable even if the reimbursement is claimed under the flexible benefits scheme. On the other hand, holiday reimbursement remains taxable even if it is one of the items which an employee can claim under the scheme.

Hence an employer offering the flexible benefits scheme would have to make a distinction between taxable and non-taxable benefits. The employer has to keep track of the taxable items so that the taxable benefits are reported in the Form IR8A.

(d) Withholding tax

A non-resident is liable to pay income tax on Singapore-sourced income. Under the law, when a person makes payment of a specified nature to a non-resident, he has to withhold a percentage of that payment and pay the amount withheld to IRAS.

(e) Tax clearance

Tax clearance is a process of ensuring that your non-citizen foreign employee pays all his taxes when he ceases employment with you in Singapore or plans to leave Singapore for more than three months. It is the responsibility of the em-
11. Central Provident Fund

(a) Current contribution rates

If the employee is a Singapore citizen or a Singapore permanent resident, contributions by both the employer and the employee will need to be made to the CPF. The present rates are 20% of the ordinary wages (up to a maximum of S$5,000 per month) from the employee and 16% of the ordinary wages (up to a maximum of S$5,000 per month) from the employer for employees who are up to 50 years of age and who are Singapore citizens or Singapore permanent residents who have been Singapore permanent residents for more than 2 years.

The contributions for Singapore permanent residents during the first two years of being Singapore permanent residents are at graduated rates to help them adjust to the lower take-home pay. The contribution rates reduce on a graduated scale for employees who exceed 50 years of age. Ordinary wages are generally the wages paid monthly, the wages due or granted wholly and exclusively in respect of an employee’s employment in that month. Contributions at the above rates also need to be made in relation to additional wages, for example, annual bonus which is not granted wholly and exclusively for the month but at intervals of more than one month and may, for example, be paid yearly. However, the maximum amount of wages including ordinary and additional wages on which contributions need to be made to CPF is S$85,000 which is equivalent to 17 months multiplied by the monthly CPF salary ceiling of S$5,000 which applies to all age groups.

(b) Increase in CPF contribution rates from January 2015

Singapore’s 2014 Budget Statement, presented on 21 February 2014, includes initiatives to raise the CPF contribution rates from 1 January 2015. The purpose of the increase is to help provide for the future healthcare and retirement needs of employees. This will apply to Singapore Citizens or Singapore Permanent Residents (“SPR”) from their third year of obtaining the SPR status and earning monthly wages of at least S$750. As per current practice, the employee contribution rates for employees earning more than S$500 but less than S$750 will be phased-in. The ordinary wage ceiling will remain unchanged, i.e. S$5,000.

From 1 January 2015, the CPF contributions from employers and employees will be increased by 1.5% (i.e. 1% employer contribu-
tion and 0.5% employee contribution), where
the employees are aged above 50 years to 55
years, and by 0.5%, where the employees are
aged above 55 years to 65 years (i.e. 0.5%
employer contribution). While the increase in
the employer contribution rates will be
allocated to the special account, the increase
in the employee contribution rates will be
allocated to the ordinary account.

Additionally, the employer contribution rates to
the Medisave Account (“MA”) will be
increased by 1%

The aggregate increase in the CPF contribution
rates from 1 January 2015 is demonstrated be-
low:

<table>
<thead>
<tr>
<th>Employee age (Years)</th>
<th>Current position (1% of wage)</th>
<th>Proposed increase (1% of wage, increases in brackets) from 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Employer contribution</td>
<td>Employee contribution</td>
</tr>
<tr>
<td>50 and below</td>
<td>16 (+1)</td>
<td>20</td>
</tr>
<tr>
<td>Above 50 to 55</td>
<td>14 (+2)</td>
<td>18.5</td>
</tr>
<tr>
<td>Above 55 to 60</td>
<td>10.5 (+1.5)</td>
<td>13</td>
</tr>
<tr>
<td>Above 60 to 65</td>
<td>7 (+1.5)</td>
<td>7.5</td>
</tr>
<tr>
<td>Above 65</td>
<td>6.5 (+1)</td>
<td>5</td>
</tr>
</tbody>
</table>

(c) Related assistance measures for employers
in 2015

To help employers better adjust to the increase
in the CPF contribution rates in 2015, the
Special Employment Credit for employers hiring
older Singaporean employees will be
enhanced for one year. Employers hiring
Singaporean employees aged above 50
earning up to S$4,000 a month in 2015 will
receive an additional offset of up to 0.5% of
wages, making it a total offset of up to 8.5% of
an employee’s monthly wage.

In addition, the employers will also receive a
Temporary Employment Credit in 2015 to help
them cope with the increased Medisave contri-
bution rates. This one-year offset will amount to
0.5% of wages for Singaporean and SPR
employees, up to the CPF salary ceiling of
S$5,000 per month, based on employees’

(d) Penalties for non-payment/late payment of
CPF

The fine for first time offenders is $5,000, and a
mandatory minimum fine of $1,000 will be
imposed for each charge.

12. National Service leave

(a) Requirements

All male Singaporean citizens and second-
generation permanent residents who have
reached the age of 18 are required to render
National Service. The employer is under
obligation to allow the male employees to ren-
der National Service. No employer shall dismiss
an employee solely or mainly by reason of any
duty or liability which that person is, or may
become, liable to perform or discharged by
reason of his being liable to be, called up for
National Service.

When a person performs such a service, in so
far as his civilian remuneration is reduced, that
person may claim a reimbursement in respect
of that reduction from the designated author-
ity, less any service remuneration which he may
get in respect of that service. If, instead of re-
ducing the civilian remuneration, the employer
continues to pay the employee during the pe-
riod of service, the employer can in tum claim
reimbursement from the designated authority
provided certain conditions are satisfied.

13. Restrictive covenants:Non-Competition
and non-solicitation

(a) Abstract

Employers are increasingly inserting non-
competition and non-solicitation (referred to
broadly as “restrictive covenants” or
“covenants in restraint of trade” or “restraint of
trade clauses”) into employment contracts in
an attempt to further exercise control over an
employee’s actions or obligations following the
termination of said contract, to protect itself
from unfair competition and to maintain a
stable workforce. Otherwise, such provisions
may be included in a termination agreement. Note, however, that there is no obligation on an employee to agree to sign non-compete, non-solicitation covenants and/or a confidentiality undertaking on termination of employment. If he does so, it is likely to be after negotiation on the basis that an ex-gratia payment amount will be paid at a level compensating him for the detriment he incurs in doing so.

A restrictive covenant is not valid and will be void unless it is reasonable as a matter of both private and public interests. There must be a legitimate proprietary interest that the employer seeks to protect in imposing a restrictive covenant. Moreover, the restriction must not be wider than is reasonably necessary to protect the interest.

Finally, it is worth noting that express acceptance by the employee that the clause is reasonable does not prevent the Court from holding that the clause is not reasonable and thus unenforceable. Moreover, restrictive covenants will not be upheld in the event of a repudiation of the contract by the employer. For example, where an employee is wrongfully dismissed, the employee may treat the contract at an end and not be bound by the obligations in the restrictive covenants. Thus, a term in the contract of employment stating that the restrictive covenant will be enforceable even if the employee is wrongfully dismissed is invalid.

(b) Theory

The validity of a restrictive covenant depends on both:

- its reasonableness between the contracting parties; and
- its reasonableness in so far as the public interest is concerned.

Note that the courts place the burden of proof on the employer to show that the covenant is reasonable between the parties, whereas the burden lies on the employee to show that the covenant is against the interests of the public. Specifically, when considering the above test the courts look to reconcile the following core interests:

- the expectation of the employer that the knowledge and skills which have been imparted to or acquired by its employee during the course of its employment are not subsequently used by that employee to the employer's detriment following termination;
- the right of a former employee to use and exploit the skill, experience and knowledge acquired by him during the term of employment to make a living and to advance his chosen trade or profession; and
- the public interest in securing an environment in which freedom of trade and competition can flourish.

While the courts have increasingly upheld restrictive covenants in various commercial contexts, the same trend does not extend to restrictive covenants in employee contracts. In CLAAS Medical Centre Pte. Ltd. v. Ng Boon Ching, the court has contrasted the liberal approach adopted in respect of restrictive covenants in the context of a sale of business with that adopted in the context of an employee contract and asserted that the disparity in bargaining power demands a stricter approach in the context of restrictive covenants in contracts of employment.

(c) Practice

A specific and contested clause must pass both hurdles. Thus, while the courts may find that a given restraint of trade provision is reasonable as between the parties, they may nevertheless invalidate it on the ground that it is against public policy and hold the clause in question to be unenforceable.

Between the parties

There are two main points that the employers must keep in mind in determining whether the agreement is reasonable vis-à-vis the contracting parties.

First, there must always be a legitimate proprietary interest to protect that would warrant the Court's protection by way of the restraint of trade doctrine. One of the more important interests in the Court's eyes is the need for employers to maintain a stable workforce. Another interest relates to the confidential information and trade secrets of the employer.

An employee is subject to a general duty of fidelity and confidentiality, the effect of which is to require him to keep the affairs of his employer secret both during and after his employment. During employment, the duty of confidentiality is usually construed more widely. After the termination of employment, however, the duty extends only to information which is strictly confidential and in the nature of a trade
secret. This latter standard hinges on the identification of some advantage or asset which can properly be regarded as the employer's property, and which it would be unjust to allow the former employee to appropriate for his own purposes. This protection, however, cannot be legitimately claimed in respect of the skill, experience, know-how and general knowledge acquired by an employee as part of his job during his employment.\(^{42}\)

Second, the agreement must not be wider than is necessary to protect the interest concerned. To ascertain whether the clause as drafted is no wider than is reasonably necessary to protect the legitimate interest of the employer, the following factors are important:

(a) Period of restraint: To be reasonable, the period of the restraint should not exceed the period that is necessary for the protection of the legitimate interests of the employer.

The duration must not be longer than necessary for the protection of the employer's interest; enough time to start a new employee at the task and for the new employee to have a reasonable opportunity to demonstrate his effectiveness to customers.

The employee's seniority, degree of influence on the clients and access to confidential information are relevant in judging whether the period of restraint is reasonable.

(b) Geographical area: The rule with regard to the geographical area of a restrictive clause is that the area should be co-extensive with the protection of the legitimate interests of the employer.

Thus, a restriction without geographical limit is generally not valid; an area must be clearly defined.

There must also be a connection between customers and the defined area.

The restrictions must be to countries or areas in which the employee had actual and significant customer contact.

(c) Scope of activities prohibited: A restraint in trade clause is not considered reasonable unless it is confined to protecting the legitimate interest of the employer.

Note that where the clause is considered too wide to be enforceable, it may be possible to sever the clause if “the part so enforceable is clearly severable, and even so, only in cases where the excess is of trivial importancelonger than necessary to protect the interest concerned. To ascertain whether the clause as drafted is no wider than is reasonably necessary to protect the legitimate interest of the employer, the following factors are important:

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Note that where the clause is considered too wide to be enforceable, it may be possible to sever the clause if “the part so enforceable is clearly severable, and even so, only in cases where the excess is of trivial importance or merely technical and not part of the main substance of the clause.”

Furthermore, in such a case, the two clauses must be intended to be two separate and independent obligations so that the part severed does not change the meaning of the part remaining.

Public policy

There is one broad question: is it in the interests of the community that this restraint should, as between the parties, be held reasonable and enforceable? This standard has hitherto primarily referred to anti-competitiveness. In one seminal case, for instance, the Court held that a given clause would be detrimental to the community at large since it created a virtual monopoly of a certain type of work in Singapore on the part of the employer.\(^{43}\)

(d) Enforcement of restrictive covenants

The two primary remedies available to an employer who has suffered loss by reason of a former employee’s breach are:

- injunction against said employee; and/or
- damages to compensate for the injury or loss suffered. Note that as an alternative to damages, the remedy of an account of profits may in some instance be available.

15. Confidentiality and non-disclosure: Protection of Employer’s proprietary interests after termination of employment

(a) Confidential information

An employee has a duty of good faith during the course of employment. This includes an implied duty not to disclose confidential information to persons who are not entitled to receive it and not to make unauthorized use of trade secrets or confidential information for his own benefit.

This obligation of non-disclosure or confidentiality continues after the employee has left the employment of the employer. However the obligation is limited in scope after termination of employment. Only in so far as the information is a trade secret or is highly confidential in nature so as to amount to a trade secret can the employee who has left the employment be restrained from disclosing or using it.

An employee’s employment contract and/or a
termination agreement may provide that the duty of non-disclosure or confidentiality in relation to the employer’s confidential information survives the term of the employment. A clear definition of confidential information should be included.

For contractual restrictions on disclosure of an employer’s confidential information to be enforceable:

- the information must be of such a nature that the employer believes would be injurious to him if it were released;
- the employer must believe that the information is confidential or secret and is not already in the public domain;
- the employer’s belief above must be reasonable;
- the information must be judged in the light of the usage and the practices of the particular industry; and
- the employer must limit the dissemination of the information and not encourage its widespread publication.

**(b) Duration of a non-disclosure or confidentiality obligation**

There is no specified legal limit to the duration of a confidentiality obligation binding on an employee after termination of employment. On an application for an injunction restraining the breach of a non-disclosure or confidentiality obligation, if the court’s view was that the protected information had lost its quality of confidence with the passing of time or it was already in the public domain, then it would not grant an injunction restraining disclosure.

If the court took the view that the information ought to continue to be protected but for a limited time, then it could grant an injunction to prohibit disclosure for a specified further period, based on what it considered reasonable in the particular circumstances. A confidentiality or non-disclosure clause would not be void if it was for an indefinite period or for a period the court considered excessive, but it would be enforced only for the period the court held was reasonable. In certain circumstances restraint for an indefinite period may be reasonable.

16. Ministry of Manpower requirements

**(a) Work pass requirements**

Non Singapore resident individuals are required to hold a valid work pass before they can work in Singapore. Foreigners performing certain activities in Singapore for short durations may engage in these activities without a work pass provided they submit an e-notification to inform MOM.

There are various work passes an individual can apply for depending on the nature of their work:

**Professionals** - managerial, executive or specialised jobs

- Employment Pass: Fixed monthly salary of at least S$3,300 and acceptable qualifications. Must be cancelled on termination of employment.
- Personalised Employment Pass: Granted to existing EP holders, granted on applicant’s merit and not tied to employer.
- EntrePass: For foreign entrepreneurs intending to start a business in Singapore.

**Mid-level** - e.g. technicians

- S Pass: Applicable to mid-level skilled workers who earn a fixed monthly salary of at least $2,200. Applicants are assessed bases on salary, education, skills, job type and work experience.

**Skilled & Semi Skilled workers** - workers from an approved source country/territory

- Work Permit: Issued to foreign unskilled workers generally for 2 years depending on worker’s passport validity, Banker’s/Insurance Guarantee, worker’s employment period.

**Others**

- Dependant’s pass: Issued to legally married spouse or unmarried children under 21 years of EP or S Pass holders.
- Long Term Visit pass: EP and S Pass holders earning at least $4,000 can apply for a LTV pass for their spouse, unmarried step children or unmarried handicapped children above 21 years.

The Employment of Foreign Manpower (Work Passes) Regulations 2012, effective as of 3 September 2013, provide that work passes (whether work permit (including a training work permit), S pass, employment pass (including a training employment pass), any of which may be relevant to an employer) may be cancelled.
on application to the Controller of Work Passes ("Controller") made (a) by the employer of the foreign employee or on behalf of the employer by an authorised representative, and (b) in such form and manner as the Controller may determine.

The MOM guidelines indicate that:

- a work pass must be cancelled within 7 days of the date of termination of employment by either the employer or an authorised representative of the employer. The cancellation may be completed electronically through WP Online, in the case of a work permit (including a training work permit), or through EP Online, in the case of an S pass or an employment pass (including a training employment pass), both accessible through the website of the MOM;

- the MOM will issue a 30-day short term visit pass upon cancellation of an S pass or an employment pass (including a training employment pass) to enable the pass holder to prepare for his/her departure from Singapore;

- when the main employment pass or S pass is cancelled, all other related passes (i.e. dependant's pass and/or long term visit pass) are deemed cancelled. The dependant's pass and/or long term visit pass may be cancelled along with the main employment pass or S pass electronically through EP Online.

(b) Fair Employment Practices

Effective 1 August 2014, firms submitting employment pass applications are required to advertise the job vacancies on a jobs bank administered by the Singaporean Workforce Development Agency for 2 weeks before opening the position up to foreigners. The advertisements have to comply with the Tripartite Guidelines on Fair Employment Practices and should avoid stating a preference for age, race, language, gender, marital status and religion.

However, small firms with 25 or fewer employees and jobs which pay a fixed monthly salary of $12,000 and above will be exempted from the advertising requirements, unless MOM receives complaints of nationality-based or other discriminatory hiring practices. If firms are not responsive towards improving their recruitment and training practices, MOM may impose additional requirements. These firms may expect greater security and a longer review period for their employment pass applications and may also have their work pass privileges curtailed.

17. Revised Tripartite Guidelines on managing excess manpower

Certain guidelines agreed by tripartite partners the MOM, National Trades Union Congress ("NTUC") and Singapore National Employers Federation ("SNEF") state that employer companies should notify the MOM of impending retrenchments as soon as possible if a decision to this effect has been made and that as far as possible employing companies should inform affected workers of their impending retrenchment before notices of retrenchment are given.

Note that the guidelines are not mandatory but amount to strong recommendations to employers. Employers should follow the guidelines set out in the relevant paragraphs to the extent it is practical to do so taking account of the requirements of their business.

18. EA and CDCSA before and after the changes pursuant to the EPLOMA

The salient changes made to the EA and CDCSA pursuant to the amended EA which took effect on 1 April 2014 are tabulated below: (refer to next page)
<table>
<thead>
<tr>
<th>Sections</th>
<th>Before 1 April 2014</th>
<th>From 1 April 2014</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Employment Act</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applicability of the EA to employees in professional, managerial or executive positions (“PMEs”) receiving salary not exceeding S$4,500</td>
<td>Not covered by the EA, except for a few provisions</td>
<td>The entire EA, except for Part IV (Rest Days, Hours of Work and Other Conditions of Service) applies</td>
</tr>
<tr>
<td>Section 2(2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overtime payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 38(6) and new Fourth Schedule</td>
<td>Non workmen employees earning up to S$2,000 can claim overtime pay</td>
<td>Non workmen earning up to S$2,500 can claim overtime pay but the overtime rate payable for non-workmen will be capped at the salary level of S$2,250</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unfair dismissal</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Section 14</td>
<td>PMEs terminated in accordance with terms of their contacts have no recourse even if they believe they have suffered unfair dismissal</td>
<td>PMEs (along with all other EA employees) who have served their employers for 12 months can have their claims addressed whether they have been dismissed with or without notice</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductions for accommodation, amenity and service</td>
<td>Total deductions not to exceed 50% of salary</td>
<td>Deductions for accommodation, amenities and services shall not exceed the 25% sub-cap of the total 50% cap</td>
</tr>
<tr>
<td>Section 30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Enforcement of and compliance with employment standards</td>
<td>Penalty for failure to pay salary for first time offenders a fine not exceeding S$5,000 and for a second or subsequent offence to a fine not exceeding S$10,000 or to imprisonment for a term not exceeding 12 months or both</td>
<td>A first time offence will be liable to a fine of between S$3,000 and S$15,000 and/or 6 months’ jail. A subsequent offence will be liable to a fine of between S$6,000 and S$30,000 and/or 12 months’ jail</td>
</tr>
<tr>
<td>Section 53</td>
<td></td>
<td>Employment inspector power to arrest person guilty of failure to pay salary and allowed to enter workplace to conduct checks</td>
</tr>
<tr>
<td>Retrenchment</td>
<td>An employee who has worked less than three years in a company is not entitled to retrenchment benefits under the EA</td>
<td>Reduced two years with effect from 1 April 2015</td>
</tr>
<tr>
<td>Section 45</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Child Development Co-Savings Act</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 weeks flexible maternity leave</td>
<td>Employee may with agreement of employer take a period of 8 weeks any time within 28 days of her confinement till the date of the confinement</td>
<td>The extended duration will be for such period as agreed between the employee and her employer but in aggregate no shorter than 48 days or the number of days to be computed according to the new formulae set out in the schedule to the CDCSA, whichever is shorter</td>
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<tr>
<td>Section 9</td>
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*Note: This information is provided to you for your general information and should not be relied upon as legal advice.*
Note:
1. Section 2(1), Employment, Parental Leave and Other Measures Act, which deletes and substitutes Section 2 (2), Employment Act
2. Section 2(10), Employment, Parental Leave and Other Measures Act, which amends Section 33(1)(b), Employment Act
3. Regulation 66B, Employment (Part-Time Employees) Regulations, Employment Act
4. Section 11, Employment Act
6. Section 2(2)(b), Employment, Parental Leave and Other Measures Act, which amends Section 14, Employment Act
8. Sections 20(1) and 21(1), Employment Act
9. Section 2(7), Employment, Parental Leave and Other Measures Act, which repeals and substitutes Section 30, Employment Act
10. Section 2(11), Employment, Parental Leave and Other Measures Act, which amends Section 34, Employment Act
11. Ibid
12. Section 2(20), Employment, Parental Leave and Other Measures Act, which introduces a new Section 105, Employment Act
13. Section 2(17), Employment, Parental Leave and Other Measures Act, which amends section 88, Employment Act
14. Section 38, Employment Act
15. Sections 38(4) and 38(5), Employment Act
16. Section 2(13), Employment, Parental Leave and Other Measures Act, which amends section 38(6), Employment Act and Section 2(29) which includes a new Fourth Schedule (Employee’s hourly basis rate of pay for calculation of payment due for overtime) to the Employment Act
17. Section 89(1), Employment Act
18. Section 89(5), Employment Act
19. Section 3(9a), Child Development Co-Savings Act
20. Section 9(1)(b) and 9(1)(c), Child Development Co-Savings Act
21. Section 76(1)(c), Employment Act
22. Section 45, Employment Act
23. Section 4(1), Retirement and Re-employment Act
24. Section 8, Retirement and Re-employment Act
25. Section 7(3), Trade Unions Act
26. Section 28, Trade Unions Act
27. Section 25(5), Industrial Relations Act
28. Section 4, Employment, Parental Leave and Other Measures Act, which amends Section 25, Industrial Relations Act
29. Section 35(1), Industrial Relations Act
30. Section 27(9), Trade Unions Act
31. Section 37, Trade Unions Act
32. First Schedule” of the Central Provident Act
33. Ibid
34. Section 23(1) of the Enlistment Act
35. Section 25(1) of the Enlistment Act
36. Stratech Systems Ltd v Nyam Chiu Shin (alias Yan Qiu Xin & Ors) [2005] 2 SLR 579
37. Buckman Laboratories (Asia) Pte Ltd v Lee Wei Hoong [1999] 3 SLR 333
38. Asiwawerks Global Investment Group Pte Ltd v Ismail Bin Syed Ahmad [2004] 1 SLR 234
39. [2010] SGCA 3
40. Stratech Systems Ltd
41. Heller Factoring (Singapore) Ltd v. Ng Tong Yang [1998] 3 SLR 299
42. Stratech Systems Ltd
43. Thomas Cowan & Co Ltd v Orme [1961] MJL 41
44. North Asia Sources (NAS) – Hong Kong, Macau, South Korea and Taiwan Non-Traditional Sources – India, Sri Lanka, Thailand, Bangladesh, Myanmar and Philippines PRC
45. Sections 4(7), 5(2) and 6(4), Employment of Foreign Manpower Act (Work Passes) Regulations 2012
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