

RETIREMENT

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Employment Law Guide

Retirement



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Category: [Employment Law Guide](#)

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(a) Age

The Retirement and Re-employment Act (Cap. 274A) (“RRA”) covers all employees who are Singapore citizens and permanent residents, 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 current 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 starting from the day the employee turns 62 unless the parties agree to a shorter period, which suggests it is still possible under the RRA to provide for the contract to be terminable by notice before the expiry of a one year term, and renewable up to age 67. By 2030, the minimum age of retirement will be increased to 65 and employers will be required to offer re-employment contracts up to age 70. In the *Tripartite Guidelines On The Re-Employment Of Older Employees*, the *Tripartite Committee on the Employability of Older Workers* has also recommended employers to offer a five year re-employment contract to employees from 62 until age 67 at one stretch and at least a fixed term of one year. The job scope and the terms and conditions may vary from those in the previous contract of service, based on reasonable factors set out in the RRA.

Employees who are recruited at the age of 55 or above are not afforded the statutory protection under section 4 of the RRA, which prevents dismissal of any employee below 62 years of age on the ground of age. However, employees who have at least 3 years of service upon reaching the age of 62 are eligible for re-employment. Other groups of employees who are not afforded the statutory protection under section 4 of the RRA include (but are not limited to) a person below 55 years of age who has less than 2 years of service with his employer reckoned from the initial contract date for his employment with that employer, as well as any person working by virtue of a work pass issued by the Controller of Work Passes under the EFMA.

Employers of these employees are also exempted from the statutory re-employment obligations under sections 7 to 8 of the RRA.

Employers who are unable to re-employ eligible employees have the following options:

- Transfer the re-employment obligations to another employer with agreement from both the employee and the new employer (the employee is not obliged to accept a re-employment offer by the new employer and is entitled to Employment Assistance Payment (“EAP”) from his present employer if the employee turns down the re-employment offer by the new employer); or
- Offer a one-off EAP. In addition, employers are encouraged to provide outplacement assistance to help eligible employees whom they cannot re-employ find alternative employment.

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EAP is offered only after a thorough review, as a last resort and is a one-off payment equivalent to 3.5 months' salary, subject to a minimum of S\$5,500 and maximum of S\$13,000. With effect from July 2022, this will be increased to a minimum of S\$6,250 and a maximum of S\$14,750. For employees who have been re-employed for at least 30 months since age 62, a lower EAP amount of 2 months' salary could be considered, subject to a minimum of S\$3,500 and maximum of S\$7,500. With effect from July 2022, this will be increased to a minimum of S\$4,000 and a maximum of S\$8,500.

(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.

Please note that this section of the Employment Law Guide is a summary provided for general information purposes, aimed at aiding understanding of Singapore's 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. This guide should also not be relied upon as legal advice.

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