

HR & EMPLOYMENT COMPLIANCE GUIDE- SINGAPORE

“Every Business brings its human resource policies practices into the compliance with all the applicable federal, State and local laws with which that business and origination is required to comply”

HUMAN RESOURCES

TABLE OF CONTENTS

S. No.	CLAUSES	PAGE NO.
1	EMPLOYMENT CONDITIONS & REGULATIONS	2
1.1	SCOPE OF EMPLOYMENT REGULATIONS	2
1.2	WAGES, BONUSES, DEDUCTIONS FROM SALARY	3
1.3	TRADE UNIONS AND COLLECTIVE BARGAINING	5
1.4	TERMS & CONDITIONS OF EMPLOYMENT	5
2	EMPLOYMENT BENEFITS	8
2.1	SOCIAL SECURITY, FILING OBLIGATIONS AND BENEFITS	8
2.2	ISSUANCE OF PAYSLEIPS	9
2.3	GRATUITY AND RETIREMENT BENEFITS	10
3	EMPLOYMENT POLICIES	11
3.1	HOLIDAYS	11
3.2	LEAVE AND HOLIDAY, LEAVES DURING NOTICE PERIOD	12
3.3	HEALTH & SAFETY AT WORK	17
3.4	TIMESHEETS/ATTENDANCE	19
3.5	RESTRICTIONS ON WORKING TIME	19
3.6	CESSATION OF EMPLOYMENT (RESIGNATION/TERMINATION)	21
3.7	EMPLOYEE POLICIES	26
4	HIRING GUIDELINES	27
4.1	INTERVIEWING, HIRING AND EMPLOYMENT CONTRACTS	27
4.2	HIRING EXPATRIATE TO WORK	31

EMPLOYMENT CONDITIONS & REGULATIONS

SCOPE OF EMPLOYMENT REGULATIONS

1. Names and Sources of all employment laws, rules and guidelines prevailing, including Social Benefit Legislations favorable to an employee.

- Employment Act – Main legislation governing employment
- Employment of Foreign Manpower Act – Act regulating foreign workers in Singapore
- Work Injury Compensation Act
- Trade Union Act
- Industrial Relations Act
- Central Provident Fund Act
- Child Development Co-savings Act – Governing statutory benefits such as maternity, paternity, childcare leave etc.

2) Does the law distinguish between different categories of Employee? If so, what are the material differences in entitlement to statutory employment rights and are there any maximum time periods for which each category of Employee can be engaged?

The main piece of legislation governing employment in Singapore is the Employment Act ("EA"), which sets out certain statutory employment rights. However, the applicability of the EA is limited to a very small group of employees who fall under its scope of protection. The EA applies to every employee (regardless of nationality) who is under a contract of service with an employer, except:

Employees and Non-EA Employees may be employed by employers.

- ❖ Any person employed in a managerial or executive position who earns a basic monthly salary of more than S\$4,500;
- ❖ Any seafarer;
- ❖ Any domestic worker; and
- ❖ Any person employed by a Statutory Board or the Government.(collectively, "**EA Employees**").

Certain provisions of the EA only apply to a select group of EA Employees, namely (a) Workmen earning not more than S\$4,500 basic monthly salaries; and (b) Other employees (other than workmen) covered under EA earning not more than S\$2,600 basic monthly salaries (collectively, the "**Part IV Employees**"). These employees are covered under provisions for rest days, hours of work and other conditions of service. Employees not covered under the EA ("**Non-EA Employees**") are not entitled to any statutory employment rights under the EA. There are no maximum time periods for which both EA Employees and Non-EA Employees may be employed by employers.

3) Does the law distinguish between?

- ❖ **Local national and foreign national (Expatriate working on Employment permit) categories of Employee? If so, what are the material differences in entitlement to statutory employment rights?**

Yes. Foreign workers have to obtain the relevant Employment permits before being allowed to work in Singapore.

- ❖ **Fixed term, part-time and agency/contractual Employees? If so, what are the material differences in entitlement to statutory employment rights?**

Protection under the EA does not discriminate by nationality. However, certain statutory entitlements under the Child Development Co-savings Act ("CDCA") are generally only available to parents of Singapore citizens. Likewise, Central Provident Fund ("CPF") contributions are only payable for Singapore citizens and permanent residents. No difference in treatment under the law.

4) To what extent are temporary and agency Employees are entitled to the same rights and benefits as permanent Employees?

No difference in treatment under the law for temporary employees, except in calculation of statutory benefits. For agency employees, depending on the arrangement, they may either be considered to be normal employees, and if so they will be entitled to all statutory benefits (if they qualify), or they may be considered to be independent contractors, and if so they will not be entitled to CPF payments or any statutory entitlements under the EA. However, depending on their circumstances, they may still be eligible for their entitlements under the CDCA.

5) To what extent are part-time Employees entitled to the same rights and benefits as full-time Employees?

Part-time employees are entitled to the same statutory rights and benefits as full-time employees, subject to suitable pro-rata as to their quantum of benefits.

WAGES, BONUS, HOLDING / DEDUCTION FROM SALARY

1) What is a national (or regional) minimum wage? Does minimum wage is valid for a particular period after which it will be revised by the government?

There is no minimum wage in Singapore.

2) Does minimum wages varies from province to province?

Please see answer above in (1)(1.2)(1).

3) What is timeline to pay wages as per local law?

EA Employees

An employee must be paid at least once a month. However, employers are allowed to pay salaries at shorter intervals. In general, all salary component must be paid within 7 days after the end of the salary period, with the following exceptions:

- ❖ Overtime work: within 14 days from the end of the salary period
- ❖ Dismissal/termination by employer: on the last day of employment, if this is not possible, then within 3 working days

- ❖ Termination by employee with notice: on the last day of employment
- ❖ Termination by employee without notice: within 7 days of the last day of employment

4) What is timeline to pay wages as per local law, if any Employee joins in middle of the wage cycle?

Please see answer above in (1)(1.2)(3).

5) Is there any mandatory bonus, extra pay (13th month pay) which must be paid to Employees? If yes, details thereof and rules and regulations associated with it. Is the bonus payable on Base salary or gross salary (base, fixed allowances, performance linked pay, Bonus etc.? Can employer provide discretionary sale bonus, with a condition that bonus will be paid, if the Employee is on payrolls on the date of disbursement?

There are no mandatory bonus requirements in Singapore. Payment of bonuses (and how to structure such bonuses) is at the discretion of the employer.

6) Are there any restrictions on deductions from of Employee salary (including final pay at the time of cessation of employment), if employer has outstanding against the Employee (example – unsettled travel advance, loan, extra disbursement of salary, etc.)?

For EA Employees

The only authorized deductions that an employment may make are deductions :

- ❖ For absence from work.
- ❖ For damage to or loss of goods entrusted to an employee for his custody, or for loss of money which an employee is accountable for, where the damage or loss is directly attributable to his neglect or default. Except with the permission of the Ministry of Manpower, the total amount of such deductions must not exceed 25% of the employee's one month's salary, and such deductions may only be made on a once-off basis.
- ❖ For cost of meals supplied by the employer at the request of the employee.
- ❖ For house accommodation or for amenities and services supplied by the employer and accepted by the employee. Deductions must not exceed the value of the accommodation, amenity or service supplied and shall not exceed 25% of the employee's one month's salary.
- ❖ For the recovery of advances, loans or adjustment of overpayments of salary. Advances may be recovered in instalments by deductions from salary spread over not more than twelve months. Each instalment shall not exceed 25% of the salary due to the employee for the salary period.
- ❖ For Central Provident Fund contributions.
- ❖ For contributions to superannuation scheme or provident fund or any other scheme at the request of the employee in writing. However, these schemes must be lawfully established for the benefit of the employee and are approved by the Ministry of Manpower.
- ❖ For payments to any registered co-operative society with the written consent of the employee.
- ❖ For any other purpose which may be approved upon application from time to time by the Minister for Manpower.

The maximum deduction amount in respect for any one salary period is 50% of the total salary. This does not include deductions made for:

- ❖ Absence from work;
- ❖ Recovery of advances/loans; and
- ❖ Payments with the consent of the employee, to registered co-operative society in respect of subscriptions, entrance fees, instalment of loans, interest and other dues payable.

However, when the contract of service is terminated, the deduction from the employee's last payment of salary may exceed 50%. Non-EA Employees Deductions subject to the employment contract and company policies of the employer

7) Are there any restrictions on holding employee's salary while he is serving notice of resignation?

Typically, an employer is not allowed to not pay an employee while he is serving notice of resignation.

8) Is it mandatory to give minimum salary increment after annual appraisal process? If yes, what is the minimum percentage or amount specified?

No such requirement under written law.

9) Is there any restriction in giving salary increment after annual appraisal process?, If yes, details thereof.?

No such restriction under written law.

TRADE UNION AND COLLECTIVE BARGAINING

1) Is there any law which mandate to have trade union / collective bargaining agreement? If yes, brief description thereof.

There is no provision under Singapore law mandating that a company must have a trade union or be a party to a collective bargaining agreement. However, if an existing trade union makes a claim for recognition to a company, and a company refuses to accept such a claim, the Ministry of Manpower has the discretion to order that a secret ballot be held, and if such a ballot is held, and the results show that a majority of the employees are members of that particular trade union, then the company will have to recognize the trade union within three (3) working days. A trade union that has been given recognition by a company may then enter into negotiations with the company to arrive at a collective agreement, which will then bind the company and all employees who are members of the trade union.

2) Is there any National collective agreement which is applicable to UNISON CONSULTING PTE LTD considering the nature of work?

To our knowledge, no such collective agreement exists.

TERMS & CONDITIONS OF EMPLOYMENT

1) What are the main points to consider if an employer wants to unilaterally change the terms and conditions of employment?

An employer may not unilaterally change the terms and conditions of employment. If not, all changes must have the approval of the employee.

2) What protection do Employees have from discrimination or harassment, and on what grounds?

The Tripartite Guidelines on Fair Employment Practices (TAFEP) recommends that employers only select employees based on merit and suitability for the job, and discourages discrimination based on age, gender, sex, race etc. However, while such guidelines are strongly recommended, they do not have force of law. Harassment is currently an offence under the Miscellaneous Offences (Public Order & Nuisance) Act. Under this act, any person who in a public place or in a private place uses threatening, abusive or insulting words or behavior; or displays any writing, sign or other visible representation which is threatening, abusive or insulting, within the hearing or sight

of any person likely to be caused harassment, alarm or distress thereby shall be guilty of an offence. Recently, the Protection against Harassment Act was also passed in parliament, strengthening protections against harassment. However, this act is not yet in force.

3) Any different treatment under local law for female Employees like restriction in working hours, night shift etc.

Please see answer in 3(3.5)(6) for special provisions applying to pregnant employees working night shifts.

Also, an employee is required to inform the Ministry of Manpower if a foreign female employee is pregnant.

4) Apart from women, are there any other special types of employees which are given special attention/benefits?

Children. Please see answer in 4(4.1)(4).

5) Is it mandatory to provide promotions to an employee after completing certain tenure with the Company? If yes, details thereof?

No such requirement under written law.

6) Any restrictions on (a) monitoring emails of an employee using official email ids or their personal email ids if employee use Company provided laptops & internet connections, (b) monitoring employees by close circuit TV in office premises? In brief procedural requirement for doing such activity?

No restrictions under written law, subject to the requirements of the Personal Data Protection Act 2012 .

7) Is it legally valid to release employment related HR communication like HR policies, circulars in English language? If not, please specify the languages in which employer can release such communication? Can employer issue bilingual communication (English and local language)?

No restriction against issuance of bilingual communication. English is used for Official Communication in Singapore

8) Is it mandatory to provide Employee handbook consisting of rules and regulations of the company to every Employee? Can we publish various company policies (rules and regulations) over website which is accessible to its Employees to fulfill this legal requirement?

No requirement under written law to provide an employee handbook. However, company policies that affect employees should be made known to them as part of good employment practices. Such policies may be provided electronically.

9) If Employees create IP rights in the course of their employment, who owns the rights?

Depends on the terms of the employment contract. Typically, the employer will own such rights.

Under the Patents Act, all inventions created during the course of employment by an employee will be taken as belonging to the employer if:

- ❖ The invention was made in the course of the normal duties of the employee or in the course of duties falling outside his normal duties, but specifically assigned to him, and the circumstances in either case were such that an invention might reasonably be expected to result from the carrying out of his duties; or
- ❖ The invention was made in the course of the duties of the employee and, at the time of making the invention, because of the nature of his duties and the particular responsibilities arising from the nature of his duties he had a special obligation to further the interests of the employer's undertaking. All other inventions will be taken as belonging to the employee.

10. Does period of employee's tenure in overseas group company while on deputation, should be considered while providing long service leave to employee's?

This is subject to the company's policies. No statutory restriction or requirement regarding this.

11. Can company ask an employee to sign a service bond of any value, whereby said employee is asked to work for the company for some agreed period? If yes, brief procedural requirements thereof.

No restrictions under written law, subject to the employment contract and the willingness of the employee to be subject to such an arrangement. Employer and employee to enter into a separate bond agreement, setting out the terms of such a service bond.

12. What are various Return and Report to be filed with regulatory authority under employment law, with name of form, due date of filing and name of statutory authority?

There are no statutory returns or reports that are required to be filed under local law.

13. What are various Employee records (personnel file) which should be maintained by an employer and can employer maintain it in an electronic format? What is timeline prescribed under local law for record retention under personnel file?

The EA stipulates that all employers must maintain a register of employees, stating the name, address, basic rate of pay and allowances, the amount earned, and the amount of deductions made from the earnings of each employee. There is no statutory prohibition against keeping such a register in an electronic format. Under the PDPA, an organization shall cease to retain its documents containing personal data, or remove the means by which the personal data can be associated with particular individuals, as soon as it is reasonable to assume that the purpose for which that personal data was collected is no longer being served by retention of the personal data; and retention is no longer necessary for legal or business purposes. Personnel records would constitute personal data, and as such, their retention will be subject to the requirements of the PDPA.

14. Any restrictions on sending Employees outside the country on deputation or transferring to another group company? In brief procedural requirement, including documentation for such transactions?

No restrictions under written law, subject to the employment contract and the willingness of the employee to be subject to such an arrangement. In cases of secondment, the employee, the employer, and the company that the employee is being seconded to will need to enter into a secondment agreement setting out each party's rights and obligations during the secondment. In cases of transfers, a transfer notice will typically need to be issued by the transferor company to the employee, informing the employee of such a transfer and the effective date of such a transfer. If the employee accepts the transfer, then on the transfer date, his employment with the transferor company will be terminated, and he will have to execute a new employment agreement with the transferee company. The parties can mutually agree that this will be a seamless step and that all the notice provisions or payment provisions under the existing employment contract may be waived.

15. What are the provision pertaining to collection, accessing and processing, personal data of Employees? What are the provisions for transferring and processing of such data outside the country?

Please see our responses above to questions 2(a)(6), 2(b)(3) and 2(b)(4).

EMPLOYMENT BENEFITS

SOCIAL SECURITY, PROVIDENT FUND, HEALTH INSURANCE, WITH DETAILED CALCULATIONS AND GOVT., FILING OBLIGATIONS

1) What are the mandatory benefits which must be provided to an Employee, with brief description, minimum / maximum limits if any specified in local laws?

Central Provident Fund ("CPF") Contributions All employers must make mandatory CPF contributions for all their Singaporean and Singapore Permanent Resident employees who earn more than S\$50 a month. Currently, the portion of wages that an employer has to contribute as the employer's CPF contribution (this is over and above salary payable to an employee) is as follows:

- ❖ Employees aged 55 and below: 17% of employee's monthly salary
- ❖ Employees between 55 to 60: 14.5% of employee's monthly salary
- ❖ Employees between 60 to 65: 11% of employee's monthly salary
- ❖ Employees between 65 to 70: 8.5% of employee's monthly salary
- ❖ Employees 70 and above: 7.5% of employee's monthly wage

The maximum amount of CPF contributions payable is based on a monthly salary ceiling of S\$6800 for ordinary wages (i.e. base salary). The additional wage (i.e. bonuses or any additional payments on top of base salary) ceiling is calculated based on the following formula:

2) Is it mandatory to provide benefits under social security and if yes, brief description and various component, thereof?

CPF contributions are mandatory. Please see answer above in (2)(2.1)(1) for details.

3) Can employer contribute extra under social security to any particular Employee or group of Employees, beyond mandatory contribution? If yes, any limits thereof.

Additional contributions to CPF may only be made by the employer upto the CPF Annual Limit set by CPFB.

4) What components of salary are considered while calculating above benefits / contributions?

Under the CPF Act, wages are defined as the remuneration in money, including any bonus that is due or granted to a person in respect of his employment. As such, all components of salary are considered (subject to the ceilings as detailed above) for calculation of CPF payments.

5) What are the obligations on employer when Employee joins & leaves the company?

All new employees must be registered as an employee of a company by the employer with the CPF Board. Similarly, all employees leaving an employer will need to be de-registered as an employee of the company upon leaving the company.

6) All statutory filing obligations along with timelines, associated with the above?

Process for payment of CPF

- ❖ Company to apply for a CPF Submission Number (done online, approval will take a few days)

- ❖ After obtaining the CPF Submission Number, may start making CPF contributions either via a monthly payment advice, or a direct debit arrangement with the CPF Board.
- ❖ Companies have 14 days to pay CPF contributions after the end of the month for which CPF Contributions are due.
- ❖ Registration of new employees/de-registration of old employees may be done online.

7) Is there any Social Security Agreement between the country and any other country which exempt social security contribution in the host country? Is there any such agreement with India?

No such agreement.

ISSUANCE OF PAY SLIPS

1) Is there any mandatory requirement to provide pay slips to Employees?

It is recommended under the Tripartite Guidelines for Issuance of Itemized Pay slips that all companies should issue pay slips to their employees.

2) Can employer disseminate pay slips in pdf version by email?

There is no prohibition under written law regarding this.

3) Is there any specified format to issue pay slip? What should be the content of pay slips?

No specified format. However, the following content should be stated in a pay slip:

- ❖ Name of employee
- ❖ Name of employer
- ❖ Date(s) of payment
- ❖ Mode of payment
- ❖ Start and end dates of each salary period within the month
- ❖ Basic salary for each salary period
- ❖ Allowances paid for each salary period
- ❖ Start and end dates of each overtime payment period within the month
- ❖ Overtime hours worked
- ❖ Overtime pay for each overtime payment period
- ❖ Any additional payment for each salary period
- ❖ Actual deductions made for each salary period
- ❖ Net salary paid in the month
- ❖ Employer's Central Provident Fund Contribution

4) Is it legally valid to issue pay slips in English language? If not, please specify the languages in which employer can issue pay slips? Can employer issue bilingual pay slips (English and local language)?

Yes, it is legally valid to do so.

5) Is there any fix timeline for issuance of salary slips?

It is recommended that pay slips be issued at least once a month. For a salary period ending in a particular month, employers should issue pay slips to their employees within 7 days after the last day of that month. For example, for payment for work done in January, employers should issue the pay slip by 7th February. Where there is more than one salary period within that month, employers could consolidate all the salary payment details in that calendar month into a single pay slip.

GRATUITY AND RETIREMENT BENEFITS

1) What is minimum retirement age as per local law? Is there any restriction of extension of retirement age?

The minimum retirement age is 63 years of age

2) If law doesn't recognize or is silent on retirement age, can Company fix retirement age in its employment contract?

Please see answer in (2)(2.3)(1) above.

3) What are various gratuity and retirement benefits which must be provided to various types of Employees?

There are no mandatory gratuity and/or retirement benefits that have to be paid under Singapore law. However, in the event that the employee wishes to continue working, employers have an obligation to assess whether or not an employee is fit for re-employment, and if he meets the criteria for re-employment, the employer is obliged to offer him such re-employment. If an employer is not able to find a suitable job for such willing employees who are eligible for re-employment, the employer will have to make a one-time employment assistance payment ("EAP") to the employee. Tripartite Guidelines on Re-employment of Older Employees recommends that such EAP be at least 3.5 months of salary. A minimum amount of S\$6,250 and a maximum amount of S\$14,750 could be considered. As for employees who have been employed for at least 30 months, a lower EAP amount of 2 months of salary could be considered, with a minimum amount of S\$4,000 and a maximum amount of S\$8,500.

4) How gratuity is calculated?

Please see answer in (2)(2.3)(3) above.

5) What is the timeline for disbursement of such payments?

Payment of the EAP may be made in a single lump-sum payment paid by an employer by the last day of employment of the eligible employee; or such other mutually agreed arrangements.

6) Can employer deduct any outstanding from the Employee against payment of gratuity / retirement benefits?

There are no mandatory gratuity payments under Singapore law for retirement. In the event that the EAP has to be paid, no deduction is allowed from such payment.

7) What are obligations to file any statutory returns & associated timelines?

Need to deregister employee by notifying CPF Board

8) What are the Employer's obligations in event of death of an Employee on job?

No statutory obligations, subject to terms of employment contract. However, if an employee dies in a work related incident, the estate of that employee is entitled to claim for work injury compensation.

9) What are the Employer's obligations in event of death of an Employee not on job, but on active employment with the Company?

No statutory obligations, subject to terms of employment contract.

EMPLOYMENT POLICIES

HOLIDAYS

1) What are minimum paid holiday entitlement for various types of Employees (Permanent, Fixed term, part-time and agency Employees, Expatriate Employees)?

There are no minimum annual leave entitlements under Singapore law, except for Part IV Employees who have served an employee for at least 3 months. Such employees are entitled to the following annual leave entitlements:

- ❖ 12 days of Annual leave

If an employee works less than 12 months with an employer, his/her leave entitlement will be pro-rated accordingly.

2) List of public holiday which must be given to Employees the 11 gazette public holidays are:

- ❖ New Year's Day
- ❖ Chinese New Year (two days)
- ❖ Hari Raya Puasa
- ❖ Hari Raya Haji
- ❖ Good Friday
- ❖ Labour Day
- ❖ Vesak Day
- ❖ National Day
- ❖ Deepavali
- ❖ Christmas Day

3) Any restriction to work on public holiday?

No restriction. However, for EA Employees work done on a public holiday must be compensated with payment or with time of in lieu of payment (for executive and managerial employees only).

LEAVE AND HOLIDAY, LEAVES DURING NOTICE PERIOD

1) Rules, regulations & conditions relating to all types of mandatory leaves, including but not limited to annual , maternity, paternity, parental leave, sickness, adoption, surrogacy, child and family care, marriage, bereavement leaves, long service leave, jury duty and so on. [Note-If any of the above stated leave does not exist in the country, kindly mark it as Not Applicable]

Annual Leave

No mandatory entitlement if not covered under Part IV of the EA. For Part IV Employees, they are entitled to the following annual leave entitlements:

- ❖ 12 Days of Annual leave

Maternity Leave

If covered under the CDCA, entitled to 16 weeks of paid maternity leave. If not covered by the CDCA, but covered under the EA, entitled to 8 weeks of paid maternity leave. An employee is covered by the CDCA if:

- ❖ The child is a Singapore Citizen.
- ❖ The child's parents are lawfully married; and
- ❖ The employee has served her employer for at least 3 months before the child's birth.

Paternity Leave

Working fathers, including those who are self-employed, will be entitled to 2 week of paid Paternity Leave for all births provided they meet the following criteria:

- ❖ Child is a Singapore Citizen.
- ❖ The child's parents are lawfully married; and
- ❖ Father must have served his employer for a continuous duration of at least 3 calendar months immediately preceding the birth of the child.

Childcare Leave

If covered under the CDCA, entitled to 6 days of paid childcare leave per year if:

- ❖ Child is below 7 years old.
- ❖ Child is a Singapore Citizen.
- ❖ Parent must have served his or her employer for a continuous duration of at least 3 calendar months.

If not covered by the CDCA, but covered under the EA, entitled to 2 days of paid childcare leave per year if:

- ❖ The child (including legally adopted children or stepchildren) is below seven years of age; and
- ❖ The employee has worked for the employer for at least 3 months.

Extended Childcare Leave

Under CDCA, working parents are eligible for 2 days of extended child care leave on top of their 6 days of childcare leave every year if:

- ❖ The youngest child is aged 7–12 years (inclusive).
- ❖ The child is a Singapore Citizen; and
- ❖ The parent has served the employer for a continuous period of at least 3 months.

Shared Parental Leave If the mother qualifies for maternity leave under the GPML, the father will be entitled to share 4 weeks out of the 16 weeks if:

- ❖ child is a Singapore Citizen born
- ❖ The child's mother qualifies for Government-Paid Maternity Leave (GPML).
- ❖ Father is lawfully married to the child's mother.

Infant Care Leave

Under CDCA, parents are entitled to 6 days of unpaid infant care leave a year if:

- ❖ The child (including legally adopted children or stepchildren) is below 2 years of age.
- ❖ The child is a Singapore Citizen; and
- ❖ The parent has served the employer for a continuous period of at least 3 months.

Adoption Leave

Mothers will be eligible for 12 weeks of paid adoption leave if:

- ❖ The adopted child is below the age of 12 months at the point of 'formal intent to adopt', i.e. Court Application to adopt (for local child) or issuance of in-principle approval for Dependent's Pass (for foreign child).
- ❖ The adopted child is a Singapore Citizen.
- ❖ If the child is a foreigner, one of the adoptive parents must be a Singapore Citizen.
- ❖ For a foreign child, the child must become a Singapore Citizen within 6 months of the child's adoption.
- ❖ The adoptive mother is lawfully married at the point of 'formal intent to adopt'.
- ❖ The mother has served the employer for at least 3 calendar months, or was engaged in the trade, business, profession or vocation preceding the point of 'formal intent to adopt'; and
- ❖ The Adoption Order is passed within 1 year from the point of 'formal intent to adopt'.

Sick Leave

No statutory prescriptions for sick leave if not covered by the EA. For EA Employees, entitled to sick leave 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. Otherwise, the employee will be deemed to be absent from work without permission or reasonable excuse.
- ❖ The sick leave is certified by the company's doctor, or by a government doctor (including doctors from approved public medical institutions).

Sick leave entitlements for EA Employees are as follows:

- ❖ 3 months: 5 days of non-hospitalization sick leave, 15 days of hospitalization leave;
- ❖ 4 months: 8 days of non-hospitalization sick leave, 30 days of hospitalization leave;
- ❖ 5 months: 11 days of non-hospitalization sick leave, 45 days of hospitalization leave;
- ❖ 6 months and thereafter: 14 days of non-hospitalization sick leave, 60 days of hospitalization leave;

2) Any difference in applicability of above mentioned leaves for different categories of Employees (Permanent, Fixed term, part-time and agency Employees, Expatriate Employees)?

No difference, subject only to the individual employee's eligibility under the various criteria for each type of leave.

3) What is the treatment of all types of leaves if a person joins in middle of year / month?

- ❖ Annual leave: Pro-rated accordingly
- ❖ Sick leave: Pro-rated accordingly
- ❖ Maternity, Adoption, Shared Parental & Paternity leave: If worked for at least 3 months, entitled to full quantum of leave notwithstanding if he/she joins in the middle of the year/month Childcare, Infant care & Extended Childcare leave: Pro-rated accordingly

4) Any restrictions in fixing leave accounting year like – can we keep Jan – Dec / July-June.

No restrictions under Singapore law

5) Will Employee accrue annual leave while such Employee is availing other leave, like maternity leave, or leave without pay granted by the company, sick leave etc.

An employee's leave entitlements for each different type of leave is separate (i.e. he/she is still entitled to annual leave notwithstanding that he/she may be entitled to maternity leave / paternity leave). As such, even if an employee is on a particular type of leave, he/she will still be entitled to his annual leave entitlement.

6) What are the obligations of payment during various types of leave? Is it on employer or local statutory authority?

- ❖ Annual & Sick Leave: Employer
- ❖ Infant Care leave: Unpaid Maternity, paternity, childcare, adoption, extended childcare, shared parental leave: Co-payment. Employer and government each to pay a portion.

7) If obligation of payment during any type of leave is on employer, can employer claim it back from any statutory authority? If yes, up to what limit and what is the process.

Annual & Sick Leave

No, cannot claim back from government

Maternity Leave

If employee is covered by the CDCA, employer can claim up to 8 weeks of her salary back from the government, subject to the following limits:

- ❖ 1st & 2nd confinements: S\$20,000
- ❖ 3rd & 4th confinements: S\$40,000

If employee is entitled to maternity leave under the EA, no reimbursement is allowed.

Paternity Leave

Each week of GPPL is capped at \$2,500, including CPF contributions

Childcare Leave

First 3 days of childcare leave to be paid by employer, last 3 days to be paid by government, capped at S\$500 a day (including Central Provident Fund contributions)

Extended Childcare Leave

Government to pay, capped at S\$500 a day (including Central Provident Fund contributions)

Shared Parental Leave

Each week of GPPL is capped at \$2,500, including CPF contributions

Adoption Leave

Adoptive mothers are entitled to 12 weeks of adoption leave, capped at \$10,000 per every 4-week leave taken, including CPF.

Procedure for claims

To claim government reimbursements, employers have to fill up a reimbursement form (and obtain all supporting documents stated in the form) and submit such a form online to the Central Provident Fund Board.

8) What rights do Employees have for time off in the case of illness or injury? Are they entitled to sick pay during this time off? Can an employer recover any of the cost from the government?

Please see answers above in 4(a) and 4(g)

9) Can we ask Employee to submit doctor certificate to allow sick leave? If yes, period within the certificate to be submitted?

Yes, employees may (and should) be asked to submit a doctor's certificate in order to take medical leave. Period within which the certificate has to be submitted is at the employer's discretion.

10) Can employer restrict Employee from going to leave during period where he has served a notice of resignation or employer has terminated the Employee?

There is no statutory restriction against such an arrangement.

11) Rules and regulations for carry forward of various types of leave? Like – annual leave must be availed during the year, else Employee loses the right.

Carrying forward of annual leave is subject to the employment contract. Statutory forms of leave may not be carried over. Sick leave may also not be carried over.

12) Can employer pay in lieu of accumulated leaves? If yes, will the leaves be encashed at base salary or gross salary, is there any restrictions on number of leaves that can be encashed at any time? Legally defined timeline for making payment of accumulated leaves. Is the leave encashment payable on Base salary or gross salary (base, fixed allowances, performance linked pay, Bonus etc.?)

Yes, an employer may pay in lieu of accumulated annual leave. For Part IV employees covered by the EA, leave encashment is based on the employee's gross salary. There are no restrictions on how much leave may be encashed at any one time, nor is there a legally defined timeline for making payment of accumulated leave, except in the case where such payment is made upon the termination of an employee for reasons other than misconduct. In such cases, payment for accumulated leave must be made on the employee's last day of employment (or within 3 business days after, if it is not possible to make such payment on his last day of employment. For employees not covered by Part IV of the EA, whether or not accumulated leave may be encashed, and all other issues relating to such encashment will be determined based on the employment contract and/or company policies of the employer.

13) Does intervening holidays like Saturday/Sunday/public holidays, falling during the period an employee is on leave (Annual Leave, Sick Leave) will be counted in the overall entitled number of leaves?

Intervening holidays are not counted in calculating an employee's overall entitlement for above types of leave.

14) Does a period of continuous employment create any statutory rights for Employees? If an Employee is transferred to a new entity, does that Employee retain their period of continuous employment? If so, on what type of transfer?

Annual Leave

Part IV Employees will get statutory amounts of annual leave if they work continuously for more than 3 months. Longer periods of service will also increase their entitlements for annual leave, subject to a cap.

Sick Leave

EA Employees will get statutory amounts of sick leave if they work continuously for more than 3 months. Longer periods of service will also increase their entitlements for annual leave, subject to a cap.

Maternity, Paternity, Childcare, Infant care, extended childcare, and adoption Leave

Under CDCA, eligible employees who have worked continuously for more than 3 months will be entitled to the different types of leave mentioned above.

Transfers

If an EA Employee is transferred via an automatic transfer in the event of a business transfer, his previous period of employment will continue to be recognized as continuous employment at his new employer. For all other types of transfers, whether or not his previous employment will be recognized as continuous will depend on the agreement between the employee and employer.

HEALTH AND SAFETY(H&S) AT WORK

1) What are the obligations of employer under H&S?

Employers must as far as reasonably practicable, protect the safety and health of employees or workers working under their direct control, as well as all who may be affected by their work.

Their duties include:

- ❖ conducting risk assessments to remove or control risks to workers at the workplace
- ❖ maintaining safe work facilities and arrangements for the workers at work
- ❖ ensuring safety in machinery, equipment, plant, articles, substances and work processes at the workplace;
- ❖ developing and implementing control measures for dealing with emergencies;
- ❖ Providing workers with adequate instruction, information, training and supervision.

Employers must, as far as reasonably practicable, ensure that the workplace, all entrances to and exits from the workplace, and all machinery, equipment, plants, articles and substances within are safe and without risk to the health of any person within those premises, even if the person is not one of his employees. As an occupier, the employer may also be responsible for the common areas used by his employees and contractors. Occupier of the common area is responsible for the following:

- ❖ electric generators and motors located in the common area
- ❖ hoists and lifts, lifting gear, lifting appliances and lifting machines located in the common area
- ❖ means of entry into or exit from the common area
- ❖ any machinery or plant located in the common area

2) Do we need to frame any specific policy for compliance under H&S?

There is no requirement under written law for this.

3) Do we need to appoint any health officer / form any committee?

Companies are advised to form a risk assessment committee perform regular risk assessments to identify, evaluate and control risks at the workplace.

4) What are reporting obligations, if any along with timelines?

Employers have to report all accidents which result in a death of an employee to the Ministry of Manpower. These accidents must be reported to Ministry of Manpower within 10 calendar days from the incident. Occupiers of a workplace have to report all dangerous occurrences at the workplace to the Ministry of Manpower. These accidents must be reported to Ministry of Manpower within 10 calendar days from the incident. Employers have to report all accidents which render their employees unfit for work for more than three days, regardless of whether these were consecutive days. These accidents must be reported to Ministry of Manpower within 10 calendar days from the fourth day of medical leave. Employers of employees involved in work-related traffic accidents will be required to report such accidents to the Commissioner for Workplace Safety and Health.

5) What are proactive and preventative measures which an employer must put in place?

Apart from conducting regular risk assessments, employers should also monitor the hygiene of the workplace and the general medical health of their employees. All employers must also maintain adequate work injury insurance in the event that an employee suffers a work injury for:

- ❖ All employees doing manual work, regardless of salary level; and
- ❖ All employees doing non-manual work and earning S\$2,600 or less a month.

Compensation is payable under the Work Injury Compensation Act when an employee.

- ❖ suffered an injury by an accident arising out of and in the course of employment,
- ❖ contracted an occupational disease, or
- ❖ contracted a disease due to work-related exposure to biological or chemical agents

6) Are there any special provision applicable for people with disability or lactating mothers?

There is no requirement under written law for this.

7) If employer is having office in multi-tenant building, who will ensure safety drills and what obligation of H&S will not directly apply on employer?

There is no requirement under written law pertaining to safety drills. As for the obligation of H&S, an employer is likely to also be an occupier, as such, the obligations stated in 12a above pertaining to that of an employer and an occupier will likely pertain to a company that maintains a physical office in Singapore and employ's personnel.

TIMESHEET/ATTENDANCE

1) Can company mandate its Employee to compulsory fill the time sheet capturing actual hours spent on various official activities?

There is no prohibition under written law against this. However, time keeping is good practice to monitor regular attendance of the employees. All employees are required to submit the timesheets once a month.

2) If answer to the above is Yes and if any employee fails to fill the time sheet, after giving advance warning notice, can company legally withhold the salary till the time the Employee fills the time sheet?

For employees covered by the EA, an employer may not withhold such salary beyond the timeframes stipulated for salary payment. For employees not covered by the EA, there is no prohibition under written law against such an arrangement, subject to the terms of the employment agreement and company policies of the employer and the agreement of the employee to such an arrangement.

RESTRICTIONS ON WORKING TIME

1) What are normal working hours & any restrictions thereto?

There are no statutory prescriptions on normal working hours. Companies are free to decide what they wish to designate as their normal working hours. However, for certain EA Employees, namely (a) Workmen earning not more than S\$4,500 basic monthly salaries; and (b) Other employees (other than workmen) covered under EA earning not more than S\$2,600 basic monthly salaries (collectively, the "**Part IV Employees**"), they are entitled to the following statutory restrictions regarding their hours of work:

- ❖ Not allowed to work more than 12 hours a day, unless with his prior written consent or in the following circumstances:
- ❖ Accident or threat of accident;
- ❖ Work that is essential to the life of the community, national defence; or security;
- ❖ Urgent work to be done to machinery or plant; or
- ❖ An interruption of work which was impossible to foresee.
- ❖ In any case, not allowed to work more than 14 hours a day.
- ❖ Not allowed to work more than 6 hours continuously. If the nature of the work requires the employee to work more than 6 hours continuously, the employee may work up to 8 hours continuously. In such circumstances, a break of not less than 45 minutes must be given for the employee to eat
- ❖ Not required to work more than 8 hours a day or more than 44 hours a week, but
- ❖ The limit of eight hours per day may be exceeded when an employee is not required to work more than five days a week. However, he/she is not required to work for more than nine hours per day or 44 hours in a week.
- ❖ If the number of hours worked is less than 44 hours every alternate week, the limit of 44 hours a week may be exceeded in the other week. However, this must be stated in the contract of service and is subject to a maximum of 48 hours in one week or 88 hours in any continuous two week period.

2) What are statutory requirement for giving rest breaks?

For a Part IV Employee who is required to work more than 6 hours continuously, a rest break of no less than 45 minutes must be given for the employee to eat.

3) What are restrictions on deployment of Employees in shifts?

A shift worker that is also a Part IV Employee is allowed to work up to 12 hours a day, provided that the average working hours each week do not exceed 44 over a continuous three week period.

4) Is there any requirement of extra payment or allowances for working in night shift?

For Part IV Employees, all work in excess of the normal hours of work (excluding break time) is considered as overtime work, regardless of whether or not such excess occurs at night or in the day. Such an employee must be paid no less than 1.5 times his/her hourly basic rate of pay for overtime.

5) Is there any requirement to obtain Govt., approval to deploy Employees to work in night shift?

No such requirement

6) Is there any requirement to obtain Govt., approval to deploy female Employees to work in night shift?

No such requirement. However, a female workmen covered by the EA who is pregnant cannot be made to work during the night (11pm to 6am) unless she has consented to do so in writing and is not certified to be unfit by a medical officer or a registered medical practitioner.

7) Can Employee work Over Time (OT) and if yes, how much?

A Part IV Employee is permitted to work up to a limit of 72 hours of overtime in a month. Employers requiring their employees to work more than 72 hours overtime in a month have to seek an exemption from the Ministry of Manpower. Non Part IV Employees may work overtime in accordance with the terms of their employment contracts.

8) How much OT payment must be made to an Employee if they work (a) extra hours on a normal day, (b) work on a rest day, (c) work on a holiday (d) work on a rest day, which fall on a holiday (f) any other conditions??

Extra Hours on a normal day

1.5 times his hourly basic rate of pay

Work on a rest day

- ❖ Work done at employer's request.
- ❖ One day's salary when the employee works up to half the normal daily working hours or.
- ❖ Two day's salary when the employee works more than half the normal daily working hours.

Work done at employee's request

- ❖ Half day's salary when the employee works up to half the normal daily working hours or.
- ❖ One Day's salary when the employee works more than half the normal daily working hours.

If an employee works beyond the normal daily working hours on a rest day, he/she should be paid at least 1.5 times the hourly basic rate of pay.

Work on a holiday (for all EA Employees, not just Part IV Employees)

- ❖ An extra day's salary at the basic rate of pay for working on the public holiday.
- ❖ The gross rate of pay for that holiday.
- ❖ The rate of payment for overtime work beyond normal working hours on a public holiday is at least 1.5 times the employee's hourly basic rate of pay.

Work on a rest day which falls on A HOLIDAY

- ❖ Please see above.

9) Is the OT payable on Base salary or gross salary (base, fixed allowances, performance linked pay, Bonus etc.)

Please see answer to Question (3)(3.5)(8) above.

10) Is OT applicable to all type of Employee (Permanent, Fixed term, part-time and agency Employees, Expatriate Employees)?

Statutory OT provisions are only applicable to Part IV Employees (if they so fall under that definition). For Non -EA and Non-Part IV Employees, whether or not OT provisions are applicable will depend on their employment contracts.

11) What is a timeline to make OT payment to Employees?

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

12) Can OT payment be compensated with extra holiday or time in lieu?

OT payment may not be compensation with extra holiday or time off in lieu of such payment. Time off in lieu of payment is only applicable in the following circumstance:

- ❖ Employers may grant time-off-in-lieu to an employee in a **managerial or executive position** covered by the EA who is required to work on a public holiday, comprising such number of hours as mutually agreed.
- ❖ If there is no mutual agreement on the duration of time-off-in-lieu to be granted for work on a public holiday, the employer can decide on one of the following:
- ❖ Pay an extra day's salary at the basic rate of pay for one day's work;
- ❖ Grant time-off-in-lieu on a working day comprising 4 hours if the employee worked on that public holiday for a period not exceeding 4 hours; or
- ❖ Grant a full day off on a work day if the employee worked on that public holiday for more than 4 hours.

CESSATION OF EMPLOYMENT (RESIGNATION/TERMINATION), FULL AND FINAL SETTLEMENT, TERMINATION BY EMPLOYER AND SERVICE PAY

Background: As per our standard employment contract, either party (employer and Employee) can terminate the employment contract by serving 2 month notice to each other (**Notice Period**). In case if an Employee doesn't work for entire 2 months after serving notice of termination or if any Employee stops reporting to work, employer has contractual right to deduct the pay for period not worked out of the said 2 months from final amount payable to Employee. If amount to be deducted is more than final amount payable to any Employee, then Employee must pay to the employer.

1) Is it legally permissible for an employer to terminate an employment of any Employee by serving 2 month notice of termination?

Yes, it is legally permissible to do so if the employment contract so allows.

2) Can an employer terminate an employment of an Employee who is not reporting to work (absconding) without any information / notice for continuous period of say, 7 days? If yes, any process / procedure need to be followed by employer.

EA Employees

An employer may terminate an employment relationship without giving notice to the other party, if:

- ❖ The employee is absent from work continuously for more than two working days, without approval or good excuse;
- ❖ The employee is absent from work continuously for more than two working days without informing or attempting to inform the employer of the reason for absence.

Non-EA Employees

Subject to the terms of the employment contract

Procedure for both will follow requirements stipulated in the employment contract.

3) Is it legally permissible to deduct pay for period not worked under Notice Period, in case of resignation by Employee or not reporting to work? What are rules and regulations associated with this?

EA Employees

EA Employees may resign immediately during his notice period by paying the required salary in lieu of notice to the employer. In such a situation, the employer will not need to deduct salary as no salary will be required to be paid. In the event that the EA Employee does not turn up for work during his notice period, the employer is entitled to deduct salary as deductions from salary for absences from work is an authorized deduction under the EA

Non-EA Employees

Whether or not deductions may be made for absences from work during notice period will be subject to the terms of the employee's employment contract.

4) What is minimum notice period in case of probation (initial temporary period) / regular Employee/fixed term Employee. Can Employee and employer agree to higher notice period and if yes, is it enforceable under local law?

There is no minimum probation period under Singapore law. Length of probation period is subject to the employment contract.

5) Can employer and Employee pay salary in lieu of notice period?

EA Employees

Yes, payment in lieu of notice is allowed.

Non-EA Employees

Yes, if the employment contract so allows for this.

6) Can employer mandate its Employee to work for complete notice period and not accept payment in lieu of notice period?

While there is no restriction under written law against this, it is generally not a recommended course of action, unless it is explicit in the employment contract that the employer has such a right, or that the employee is not allowed to terminate the contract by payment in lieu of notice. For EA Employees, an employee may either terminate by serving the required notice, or by payment in lieu of notice. An employer may not reject an employee's resignation. While it is not explicitly stated as to whether or not an employer may reject an employee's method of resignation, it is highly unlikely to be allowed unless the employment contract explicitly allows it.

7) What rights do Employees have when their employment contract is terminated? Any mandatory payments which must be paid to Employee as full & final settlement at the time of cessation of employment?

An employee is entitled to all rights that is stipulated under his employment contract as rights that are enduring after termination of the said contract. Other than such rights, an employee is not statutorily entitled to any rights upon termination of his employment contract. Upon termination, an employer is required to pay to an employee all such sums as the employer is contractually obliged under the employment contract to pay to the employee (i.e. salary in lieu of notice, salary for notice period, severance payments if any).

8) Can employer terminate any Employee whose BGV is negative, (like – if someone fails the drug test, education certificate is forged, claim of previous employment is wrong etc.). If yes, brief procedural requirements thereof?

Typically, it will be a condition precedent of the employment agreement that the employee pass all BGV to the satisfaction of the employer. As such, if the employee does not pass such BGV, the employment contract never even comes into effect. If however, the employee's BGV is only discovered to be unsatisfactory after he has commenced his employment, the employer is entitled to terminate him on such grounds if provided for in his employment contract. Termination procedural requirements will depend on the contract (i.e. either immediate termination with no pay in lieu of notice, termination with notice, or payment in lieu of notice)

9) Can employer terminate any Employee on non-performance grounds, (like – if someone is not performing and executing works in right manner). If yes, brief procedural requirements thereof. What are Employer's obligations is such termination?

There is no prohibition under written law against this, subject to the terms of one's employment contract. Termination procedure on such grounds will depend on the terms of the employment contract and/or company policies.

10) Can employer terminate any Employee on violation of Company Policy / Disciplinary issue. If yes, brief procedural requirements thereof. What are Employer's obligations is such termination?

There is no prohibition under written law against this, subject to the terms of one's employment contract. Termination procedure on such grounds will depend on the terms of the employment contract and/or company policies.

11) What are the substantial and procedural requirements for dismissal?

Substantial Requirements

An employer may dismiss an employee on grounds such as misconduct, conviction for a criminal offence, dishonesty etc., and subject to the terms of the employment contract and/or company policies.

Procedural Requirements

An EA Employee may be dismissed after an inquiry, without notice and payment in lieu of notice terminate an employee's services if the employee is found guilty of misconduct by failing to fulfill the expressed or implied conditions of employment.

Procedural requirements for dismissing a Non-EA Employee will depend on the terms of the employment contract and/or company policies.

12) What protection do Employees have against dismissal? Are there any specific categories of protected Employees?

EA Employees

Employees who feel that they have been unfairly dismissed by their employers may appeal to the Minister for Manpower to be reinstated to their former employment. Managers and executives earning basic monthly salaries of not more than S\$4,500 who are dismissed with the necessary notice or salary-in-lieu of notice must have at least 12 months of service with the same employer before they can seek redress. Appeals must be made in writing within one month of dismissal. If the employer has given notice and the contractual terms of termination are complied with, the onus would be on the employees to show proof that the dismissal is unfair. The Ministry of Manpower will continue to be stringent in assessing such appeals. If it can be established that an employee was unfairly dismissed, the Minister may consider reinstating the employee in his former employment or ordering a sum of money as compensation, as the Minister deems fit.

Non-EA Employees

May sue for unfair dismissal.

13) Timeline for paying full & final payment to Employee on termination?

EA Employees

- ❖ Dismissal/termination by employer: payment on the last day of employment, if this is not possible, then within 3 working days
- ❖ Termination by employee with notice: payment on the last day of employment
- ❖ Termination by employee without notice: payment within 7 days of the last day of employment

Non-EA Employee

Subject to the terms of the employment contract or any severance agreement, payment is usually made on the last day of employment.

14) Does the Employer need to inform any authority (including but not limited to Tax authority) before paying full and final payment to an Employee?

If the employee is not a Singapore citizen, the Company will have an obligation to seek tax clearance from the Inland Revenue of Singapore ("IRAS") at least 1 month prior to the date the employee ceases employment with the Company. The Company has to notify IRAS of the expected date of cessation of his employment (by filing a Form IR21 with IRAS). Pending tax clearance by IRAS, the Company is required to withhold any monies (this includes salary, bonus allowances, gratuities, lump sum payments, etc.) due to the employee from the date of notification of cessation of employment. IRAS will then assess whether there is any tax payable by the employee, and will inform the Company accordingly of the amount of tax payable (if any). If there is tax payable by the employee, the Company will pay to IRAS on his behalf, the tax payable, out of the monies withheld by the Company. Upon the issuance by IRAS of a final tax clearance letter to the Company, confirming that all of the employee's tax obligations have been satisfied in full, the balance of the monies withheld can then be paid to the employee.

15) What are the events where an employer can terminate the employment contract either on immediate basis or by serving notice period as per local law and court judgments?

Singapore recognizes both fault-based and no-fault termination. Fault-based termination
The grounds that an employer may terminate an employee for will depend on the employment contract and/or

company policies. No-Fault termination The employer may terminate the employment contract at any time without a reason either by giving the required notice, or by payment in lieu of notice.

16) What are the events where an Employee can himself terminate the employment contract either on immediate basis or by serving notice period?

EA Employees

An employee may terminate an employment relationship without giving notice to the other party, if:

- ❖ The employer fails to pay his/her salary within seven days after salary is due; or
- ❖ He/she is called upon to do work that is not within the terms of the contract of service. Additionally, an employee may terminate a contract for any reason whatsoever either by giving notice, or payment in lieu of notice.

Non-EA Employee

Subject to the terms of the employment contract and/or company police, an employee may terminate an employment contract for any reason whatsoever either by giving notice or payment in lieu of notice.

17) Obligation on employer to inform any statutory authority in case of cessation of employment either under termination of employment by employer or resignation by Employee?

Will need to inform the Ministry of Manpower and the Inland Revenue Authority of Singapore for foreign employees. Will need to deregister the employee by notifying the CPF Board

18) How redundancies/layoffs are defined, and what rules apply on redundancies/layoffs?

Redundancies or retrenchment refers to a portion of employees being discharged due to surplus.

EA Employees

Part IV Employees who has been employed in a company for at least three years may request for retrenchment benefits if he/she is retrenched, the amount of which subject to negotiation between the employee and employer. However, do note that such a payment is not mandatory unless stipulated in the employment contract.

Non-EA Employees

No mandatory retrenchment/redundancy payments.

19) Are Employees entitled to management representation (such as on the board of directors) or to be consulted about issues that affect them? Is Employee consultation or consent required for major transactions (such as acquisitions, disposals or joint ventures)?

Please refer to our answer in Question (6)(6.1)(8) below.

20) Restrictive covenants in employment contract

A) Can company restrict activity of an Employee's during employment and after termination by putting restrictive covenants in employment contract?

B) If so, does it have any ramification to the employer?

C) Are there any pre-conditions associated with this?

D) To enforce restrictive covenants after termination of employment does an employer need to pay the former Employee?

Restrictive covenants such as non-competition and non-solicitation clauses are generally not enforceable under Singapore law unless they are reasonable in respect of the interest of the parties concerned and also reasonable in the interest of the public. In general, the Singapore courts will only uphold such clauses if they are reasonably required for the protection of the legitimate proprietary interest of the party seeking to enforce such a covenant. Such proprietary interests include:

(a) Trade secrets - a trade secret is generally defined as information that affords the owner a competitive advantage and is not available to the general public; and that the owner has taken reasonable steps to keep confidential.

(b) An employee's "unique or extraordinary service". In order to meet this criterion in (b), the employee must be impossible to replace or the loss of such employee must cause the employer irreparable injury. Employees with unique customer relationships or particularly comprehensive knowledge of the employer's strategic goals and businesses have been found to meet this criterion. As for reasonableness, a Singapore court will consider whether the clause as drafted is no wider than is necessary to protect the employer's legitimate proprietary interests. The factors a Singapore court would consider are amongst other things, the scope, duration and geographical extent of the restriction.

At present, if the Singapore courts find that a certain restrictive covenant is unduly wide, it will "cut down" the ambit of the clause. As such, it is advised that such a clause be drafted no wider than is necessary to protect the employer's legitimate proprietary interests.

21) Is there any special compliance which needs to be done in case of Expatriate working with the company under Secondment visa / work permit/Agency Employee, in case of cessation of employment?

Please see response in question (3)(3.6(11)).

EMPLOYEE POLICIES

1) What are various Employee policies which are mandated under law which an employer must publish?

There are no policies that have to be published under law.

2) Can employer publish such policies on its website which can be accessed by any Employee?

There is no restriction under written law for such an arrangement.

3) Can employer without taking any consent from its Employee, modify such policies, if enabling provision are stated in such policies like "employer reserves the right to modify this policy....."?

There is no restriction under written law for such an arrangement, but in general, employee consent is required for any change of the terms and conditions of his employment contract.

HIRING GUIDELINES

INTERVIEWING, HIRING AND EMPLOYMENT AGREEMENT

A. Selection Process

1. Any legal restriction in asking information while screening any candidate?

No legal restriction, however, it is generally recommended that only information relevant to assessing a candidate's suitability for the job be asked. Consent of the employee for the collection, use and disclosure of such information should also be obtained.

2. Any legal restriction in obtaining supporting documents like previous employment contract, educational certificates, past pay slips, etc, while screening any candidate?

No legal restriction, subject only to confidentiality obligations that may arise in the candidate's previous contract of employment.

3. Any legal restriction in conducting health check and not selecting a candidate on health ground, while screening any candidate?

No legal restriction. However, as a matter of good practice, it is advisable to state at the onset that the offer of employment will be conditional upon the candidate undergoing a satisfactory health examination.

4. Minimum age for hiring a candidate as Employee?

The minimum age for employment is 13 years old. A child who is 13 years old and above but has not completed his 15th year of age can engage only in light work suited to his/her capacity. He/she cannot work in any industrial undertaking or vessel unless such undertaking or vessel is under the personal charge of his/her parent. A young person, who has completed his 15th year of age but has not completed his 16th year of age, may be employed in an industrial undertaking. However, the employer must:

- ❖ Notify the Commissioner for Labor within 30 days of the young person's employment; and
- ❖ Before employment, submit a medical certificate certifying the young person's fitness for employment.

5. Is there any requirement of intimating local employment Bureau regarding open vacancies?

Generally, there is no such requirement. However, under the Fair Consideration Framework, if an employer wishes to hire a foreigner holding an employment pass for a position, the employer must first advertise the position on a government jobs portal. The advertising requirement is compulsory for all jobs except:

- ❖ Jobs in firms with 25 or fewer employees; or
- ❖ Jobs that pay a fixed monthly salary of S\$12,000 and above;
- ❖ Jobs to be filled by intra-corporate transferees (i.e. secondees from overseas offices); or
- ❖ Jobs that are necessary for short-term contingencies (i.e. period of employment in Singapore for not more than one month)

6. Any legal restriction in sharing personal data (as defined in Data Protection Legislations) of a candidate looking for a job, with group companies registered in another country?

Under the Personal Data Protection Act 2012 ("PDPA"), companies are not allowed to collect, use or disclosure the personal data of any individual without their consent. If the company wishes to transfer such personal data outside of Singapore, the company must ensure that a comparable standard of protection as afforded by the PDPA is maintained for such data after it is transferred out of Singapore.

"Personal Data" is defined as data, whether true or not, about an individual who can be identified (a) from that data; or (b) from that data and other information to which the organization has or is likely to have access to.

B. Background Verification (BGV)

1. Any legal restrictions on conducting BGV like (drug test, financial/credit check, criminal check, academic qualification, previous employment) of a candidate (individual looking for a job with the company) before giving him an employment in the company and of an Employee (individual already in employment with the company) during the period of employment?

No legal restrictions on type of BGV that may be conducted.

2. Is it mandatory to take consent from the candidate and Employee before we conduct BGV?

Yes, under the PDPA, it is mandatory to seek the individual's consent before collecting his personal data.

3. Is there any compliance /restrictions related to Data Protection and Privacy while conducting BGV?

Apart from the obligations discussed above regarding obtaining of consent for the collection, use and disclosure of personal data, organizations also have to comply with the following:

Accuracy of Personal Data

An organization shall make a reasonable effort to ensure that personal data collected by or on behalf of the organization is accurate and complete, if the personal data (a) is likely to be used by the organization to make a decision that affects the individual to whom the personal data relates; or (b) is likely to be disclosed by the organization to another organization.

Protection of Personal Data

An organization shall protect personal data in its possession or under its control by making reasonable security arrangements to prevent unauthorized access, collection, use, disclosure, copying, modification, disposal or similar risks.

Access to Personal Data

In the event that individuals request for access to their personal data, an organization must, as soon as reasonably possible, provide the individual with (a) personal data about the individual that is in the possession or under the control of the organization and (b) information about the ways in which the personal data referred to above has been or may have been used or disclosed by the organization within a year before the date of the request.

Correction of Personal Data

If an individual makes a request to an organization for the organization to correct his personal data, the organization shall do so as soon as practicable, unless the organization has reasonable grounds to believe that such a correction should not be made.

4. What are the provisions for maintaining / holding / purging BGV data of the Employee and unsuccessful candidates (individual on whom we conducted BGV, but were not selected for giving offer of employment)?

Under the PDPA, an organization shall cease to retain its documents containing personal data, or remove the means by which the personal data can be associated with particular individuals, as soon as it is reasonable to assume that (a) the purpose for which that personal data was collected is no longer being served by retention of the personal data; and (b) retention is no longer necessary for legal or business purposes. There is no legal definition of what is considered to be "reasonable" under the PDPA, however, as a general guide, once the retention of such data is no longer necessary (i.e. for example, if the candidate is unsuccessful), such data should cease to be retained by the company.

C. Hiring

1. Are there any provisions under law which specifies what should be the Joining documents an employer should obtain before employing any candidate?

No such provisions under written law. Typically, the employer will issue a letter of offer of employment/letter of appointment/employment agreement which suffices as the contract of employment setting out the terms and conditions of employment as agreed between the employee and employer.

2. Is it legally valid to issue employment contract in English language? If not, please specify the languages in which employer can issue valid employment contract? Can employer issue bilingual employment contract (English and local language)?

No prohibition under Singapore law to issue bilingual employment contract.

3. Any restriction in executing employment agreement in electronic mode, by affixing electronic signature (scan pdf signature, not digital signature) & exchanging with the candidate under electronic mode via email?

No restrictions under Singapore law for electronic mediums of execution of employment contracts.

4. Who can sign employment contract on behalf of employer? Is there any restriction, if person signing the employment contract on behalf of employer is Employee of another foreign group company, but has a proper authorization to sign employment contract?

Any employee of the company with the proper authorization may sign an employment contract on behalf of the company. An employee of a foreign group company but with proper authorization (for e.g. regional CEO Etc.) may also sign the employment contract.

5. Any special procedure / process which must be followed to give valid authorization to sign employment contract on behalf of employer?

Typically, so long as the individual is validly appointed to a position of authority in the company, no formal procedure is required to give authorization. Alternatively, a power of attorney may be issued by the company to authorize an individual to sign on behalf of the company. However, this practice is uncommon and only used if such person is not an employee of the company.

6. What is legally recognized probation/temporary period for fixed period contract and indefinite period contract of employment?

Probation periods are subject to the employment contract. There is no statutorily prescribed probation period.

7. What are the legal obligations / restrictions for renewal / non-renewal of fixed period contract? For example if (a) company don't serve notice for termination, will it be treated as auto renewed, (b) company renew it for multiple (say 3rd time) time will it be treated as regular Employee?

For a fixed term contract, the contract will terminate at the end of the fixed term (i.e. if the contract is for a year, it will terminate automatically a year from the effective date). If the company wishes to renew the fixed term contract, the company may either enter into a new contract with the employee, or, if the fixed term contract allows it, renew the said contract. Upon termination of a fixed term contract, if the company does not serve notice of termination, and continues to pay the employee and the employee continues to work for the company in the same manner as during the term of the contract, then the contract may be implied to be renewed automatically by conduct of the parties.

8. What are the various rights of Employees on fixed term contract? Like – providing information on new permanent vacancies in the company etc.

Fixed term employees are entitled to the same statutory rights as a full time worker (if he so qualifies), subject to the applicable pro-rations.

9. Is there any minimum or maximum period for which the fixed term employment contract can be executed?

There is no minimum or maximum period for fixed term employment contracts.

10. Is there any special provision for hiring paid / unpaid Interns?

There are no special provisions for the hiring of paid/unpaid interns.

11. Is there any obligation on an Employer to hire minimum percentage of people with special category (e.g. minority population or people belonging to particular race, religion or with special needs) ?

If a company wishes to hire foreign workers holding S Passes (semi-skilled workers earning not less than S\$2,200 per month) and work permits (i.e. unskilled workers), then there will be certain quotas that the company needs to adhere to.

For S pass holders

Companies in the services sector may only hire S Pass holders up to 15% of their total workforce
Companies in all other sectors may only hire S Pass holders up to 20% of their total workforce

For Work permit holders

The following quotas apply to the hiring of Work Permit holders:

- ❖ Companies in the manufacturing industry: up to 60% of their total workforce
- ❖ Companies in the manufacturing industry: up to 40% of their total workforce
- ❖ Companies in the construction industry: 7 Work Permit holders for every 1 Singaporean full time employee
- ❖ Companies in the process industry: 7 Work Permit holders for every 1 Singaporean full time employee
- ❖ Companies in the marine industry: 5 Work Permit holders for every 1 Singaporean full time employee

12. What are the main points to consider if an employer wants to unilaterally change the terms and conditions of employment?

Generally, an employer may not unilaterally change the terms and conditions of employment unless the employee consents to such a change. Statutory terms and conditions (if applicable) are not allowed to be contracted out of, and as such, the employer is not allowed to change such terms as well.