As a regional business hub and open economy, Singapore has a broad and diverse workforce with an employment law framework that aims to balance the rights of employees and flexibility for employers. The increasing evolution of Singapore employment laws are evidence of the Singapore government aiming to offer further protection for the middle class.

The Employment Act (Cap 91), the ‘EA’ is the primary statute governing labour laws in Singapore. However, the EA does not apply to all employees in Singapore, but only to ‘employees’ as defined by the Act. As of 1 April 2014, new changes to the EA have been introduced which will ensure better protection for junior professionals, managers and executives, while still allowing flexibility for employers.

The following overview of the Employment Act aims to provide a basic understanding of the legislation so that both prospective entrepreneurs and employees are aware of their rights and duties under a contract of service in Singapore.
The relationship between employer and employee is determined 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 expressed and/or implied terms of the contract in question.

However, legislation is in place to regulate the terms of contract to prevent unreasonable constraints and limitations on the parties involved. Common law and specific statutes govern the terms of contracts of employment.

The principal statutes regulating employment in Singapore are contained in Employment Act. Other pertinent statutes shaping employment practices 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 Age Act (Cap 274A) (“RA”); the Trade Unions Act (Cap 333) and the Industrial Relations Act (Cap 136) (“IRA”).

The Employment Act (Cap 91) (“EA”) was first passed in 1968 and was recently amended with effect from 1 April 2014.
According to Section 2 of the EA, employees are defined as any person who works under a contract of service except:

- Seaman
- Domestic Workers
- Managerial and Executive Personnel *Now partly covered if earning $4,500 or less
- Statutory Board of Government Employee.

The EA also covers workmen, who are under a contract of service with an employer in Singapore. It does not make any distinction between a temporary employee, contract employee, daily-rated employee or employee on tenured employment. The term “workmen” includes manual laborers, drivers of commercial vehicles and certain other categories of workers.

**Exclusions & Partial Coverage**

The Act does not apply to persons holding positions such as manager or executive, and also excludes seamen, domestic workers, government employees or employees of statutory boards. Professionals with tertiary education and specialized knowledge/skills such as doctors and lawyers, and whose employment terms are comparable to those of managers and executives are not covered by EA.

However, professionals, managers and executives also known as PMEs earning basic monthly salaries of $4,500 or less are now covered by the EA, except for Part IV.

Part IV of the Singapore Employment Act, which prescribes certain minimum requirements regarding rest days, hours of work, holidays, annual leave, payment of retrenchment benefits, retirement benefits and certain other conditions of service, are applicable only to:

- Workmen earning a basic monthly salary of $4,500 or less, and
- Employees earning a basic monthly salary of $2,500 or less.

It must be noted that the Employment of Part-Time Employees Regulation covers part-time employees who work for less than 35 hours a week. Employees that do not fall within the Scope of the EA are referred to as common law employees. As the EA does not apply to common law employees, the terms and conditions governing the relationship are to be mutually agreed to between the parties themselves.

As discussed below, common law employees may be entitled to benefits under the CDCA relating to maternity and paternity leave etc.

**Summary of EA Coverage**

<table>
<thead>
<tr>
<th>EA Coverage / Staff</th>
<th>PMEs whose BMS are S$4,500 or less</th>
<th>Workmen whose BMS are S$4,500 or less</th>
<th>Other employees whose BMS are S$2,500 or less</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary protection</td>
<td>Yes, for basic payment of salary</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>General provisions such as unfair dismissal redress*, paid public holidays**, paid sick leave and hospitalisation leave</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Part IV (Protection for rest day pay, annual leave, hours of work and overtime)</td>
<td>N.A.</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Must have worked at least 12 months with employer if dismissed with notice

**Employers to grant off in lieu
UNDERSTANDING CONTRACT OF SERVICE (COS) OR EMPLOYMENT CONTRACT

What constitutes a Contract of Service

Commonly referred to as an Employment Contract, Letter of Appointment Letter or Offer Letter, a Contract of Service (CoS) is usually a written agreement about the terms of employment/service between an employer and employee. Although oral Contracts of Service are permissible, a written agreement is usually preferable so that the terms are clearly set out to rule out any ambiguity.

The EA prescribes the minimum standards for the terms and conditions of the employment contract and such terms must be equal to or more favorable than the conditions set out by the EA. Where the terms of a contract are less favorable than the provisions of the EA the provisions of the Act will take precedence.

Key Clauses of Contract of Service

A Contract of Service essentially contains the following key terms of service:

- Job designation and scope of job;
- Commencement date of work;
- Details of salary and allowances, if any;
- Hours of work per day/week/shifts;
- Rate of overtime payment;
- Rest days;
- Employee’s benefits, e.g. annual leave, sick leave and hospitalization leave;
- Termination of employment contract and notice period.
Typically, a CoS clearly lays out how the contract may be terminated, termination benefits (if any) and in the case of executive-level positions, Non-Disclosure Agreements and restrictive covenants are also applicable.

The provisions relating to the termination of employment contracts are set out in Part II of the EA. Where the terms of termination are not expressly mentioned in the contract, the provisions of EA will govern.

Both contracting parties - an employer and an employee - have the right to terminate a contract of service. Termination can be effected in one of the following manners as the situation warrants:

**A. With Notice**

Written notice is required and the notice period should be as agreed by the parties in the contract. The notice period commences on the day when the notice is given. The notice period must be same for both parties and on mutual consent, notice can be waived. It is also possible for the Employer to pay salary in lieu of notice.

In the absence of a previously agreed notice period, the parties shall comply with the following notice period as set out in the EA.

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 26 weeks</td>
<td>1 day</td>
</tr>
<tr>
<td>26 weeks to less than 2 years</td>
<td>1 week</td>
</tr>
<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>

**Key considerations**

- Any unutilized annual leave can be encashed by the employee.
- Either party can pay salary in-lieu of notice. Unused annual leave can be encashed used to pay (offset) the notice period and to bring forward the last day of work. In such instances the employee shall be paid only until his last day of work, upon which the contract will terminate.
- Typically annual leave cannot be used to offset the notice period as clear notice must be given. However, if agreed by both parties, an employee may use his annual leave during notice period if the employer approves such an application for leave. In such cases, the employee shall be paid for the full notice period and will still be classified as an employee up to the last day of the notice period, not the last day of work, as he is still an employee while on annual leave.
- An employer cannot force the employee to consume his annual leave during the notice period if the employee does not wish to do so.
- Sick leave taken during the notice period shall form part of the notice period.
- Salary-in-lieu of notice shall not be subjected to CPF deductions and contributions, but salary earned during the notice period shall be subjected to CPF deductions and contributions as usual salary.
- 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 thereof.

**B. Without Notice**

Both employer and employee may terminate a contract of service without giving a notice when a party of the contract commits a material breach of the contractual terms. An employee may terminate a contract of employment without giving a notice to the employer, if:

- The employer fails to pay salary within seven days after salary is due; or
- If the employee is required to perform duties that are not within the terms of the contract of service.

An employer may terminate an employee without giving notice, if:

- The employee is absent from work continuously for more than two working days, without approval or good reason or without informing or attempting to inform the employer of the reason for absence.
- After due enquiry, the employer establishes that the employee is guilty of misconduct.
Note

It must be noted that employers cannot change the terms of contract without the consent of the employee. Where there is no agreement, either party may choose to end the employment relationship by serving the appropriate notice to the other party.

Failure to accept notice of resignation by an employee is an offence and employers who are guilty shall be liable on conviction to a fine not exceeding $5,000 or to imprisonment for a term not exceeding six months or to both.

Termination of employment contract on grounds of Misconduct

If an employee is found guilty of misconduct upon proper enquiry, an employer has the right to terminate the employee without notice. Breach of duty, expressed or implied, will constitute misconduct and acts of misconduct would also include dishonesty, theft, willful negligence, willful disobedience, etc.

Employers must ensure proper enquiry is conducted on the allegations without any bias and the employee is provided with an opportunity to adequately present his case.

Under the Employment Act, the employer may suspend the employee from work during an inquiry, for a period not exceeding one week. The employee should be paid not less than half his salary for the suspended period. If the inquiry does not disclose any misconduct on the part of the employee, the employer must restore to the employee the full amount of salary that was withheld.

Appeals against unfair terminations must be made in writing, within one month of such dismissal, to the Ministry of Manpower. If the appeal is justified, the Minister may consider reinstating the employee in his former employment or ordering a sum of money as compensation, as the Ministry deems fit.
**Payment of Salary**

Part II of the Employment Act (EA) contains the regulations regarding salary payment.

The Employment Act requires that salaries be paid to employees within seven days, from the end of salary period. Failure to do so is considered an offence.

Salaries must be paid at least once every month. However, the employers are allowed to make salary payments in shorter intervals.

The Act does not provide any stipulations regarding minimum wage/salary. The amount of salary and other accompanying allowances are to be mutually agreed by the parties of the contract of service.

Salary constitutes remuneration including allowances, if any, in exchange of the work performed according to the contractual agreements. However, the following does not constitute a salary:

- The value of accommodation or quarters, supply of light, water, medical attendance or other amenities;
- Pension or provident fund contribution paid by the employer;
- Travelling allowance;
- Reimbursed expenses;
- Gratuity payable on discharge or retirement; or
- Retrenchment benefits (if provided).

**Deductions from Salary**

The Act allows deductions from an employee’s salary for the following reasons only:

- Absence from work.
- Damage to or loss of goods or loss of funds entrusted to an employee, who is proven guilty on due enquiry. (Deductions for negligence must not exceed 25% of the employee’s one month’s salary, and such deductions may only be made on a once-off basis.)
- Cost of meals
- House accommodation or for amenities and services supplied by the employer and accepted by the employee. *25% sub-cap
- Recovery of advances, loans or adjustment of overpayments of salary. (To be made in installments, not spreading beyond 12 months and cannot exceed 25% of the salary due for the period) * 25% sub-cap
- Income tax payment. (Employer is not permitted to withhold salary except for the purposes of tax clearance for an EP holder.)
- CPF contributions.
- Contributions to superannuation scheme or provident fund or any other scheme at the request of the employee in writing.
- Payments to any registered co-operative society with the written consent of the employee.
- Any other purpose which may be approved upon application from time to time by the Minister for Manpower

**Note:** Maximum deductible sum is 50% of the salary due for the salary period, not including deductions made for absence from work, recovery of loans/advances, income tax or for the purpose of payments to be made to registered societies at the consent of the employee. As of 1 April 1 2014, a sub-cap of 25% within the 50% has been introduced for the deduction of accommodation, amenities and services. However, if the contract of service is terminated, then in order to recover all sums due from an employee, the deductions from his last salary may exceed 50%.
Central Provident Fund (CPF) is a social savings scheme, to uphold the financial security of Singaporeans and Permanent Residents. It is a comprehensive scheme addressing the needs of a person not only after retirement but also their ownership, medical requirements, asset enhancement and the protection of dependants.

Employers are required to pay the employer’s and employee’s share of CPF contributions every month for all employees (Singapore Citizens and Singapore Permanent Residents) at the rates set out in the CPF Act. The contributions payable should be based on the employee’s actual wages earned for the month. Payment to the CPF board must be made within 14 days from the end of the month for which CPF contributions are due.

The employer can deduct the employee’s share of the contribution from the salary at the time of payment of wages.
EMPLOYMENT OF CHILDREN & YOUNG PERSONS

Part VIII of the Employment Act and The Employment of Children and Young Persons Regulations contains the provisions regarding employment of children.

A child must be at least 13 years of age to be employed and must be engaged in suitable forms of work as defined by the Act. A child aged between 13 and 15 years of age cannot be engaged in any industrial undertaking or vessel unless it is under the personal charge of parents.

Employers engaging Young persons, aged between 15 and 16 years of age and engaged in industrial undertaking, must inform the Commissioner of Labor within 30 days of such employment and submit a medical report certifying the young person’s fitness for employment.

Persons below 16 years of age are not allowed to work in places with hazardous conditions or conditions that are injurious to health. They cannot be made to work in or near machineries in motion, or ineffectively insulated electrical equipment. They cannot be employed in underground work.

Subject to the following conditions, children can be employed as workmen, that is, work involving physical labor.

- They cannot work during the night.
- For a child, the hours of work cannot exceed six hours in a day and a break of 30 minutes must be provided after three hours of work.
- For a young person work cannot exceed seven hours in a day and a break of 30 minutes must be provided after four hours of work.
- They are not allowed to work on their rest days without the permission of the Commissioner for Labor.
**Normal Hours of Working**

The EA requires that every employee who is covered by the Act must be informed of the daily working hours, the number of working days in each week and the weekly rest days.

Normal work hours for an employee, as provided by the EA, are 8 hours a day or up to 44 hours a week. However, if an organization follows a five-day workweek, then the employee may have to put in more than the eight hours per day, yet are not required to work for more than nine hours per day or 44 hours in a week.

A shift worker is allowed to work up to 12 hours in a day, and average working hours per week cannot exceed 44 hours over a continuous three-week period.

**Maximum Hours of Working**

An employee is allowed to work for a maximum of 12 hours within a workday except under special circumstances. Employers, who require their employees to work more than the maximum daily working hours, are required to apply for overtime exemption from the Ministry of Manpower. Such overtime for an employee cannot exceed more than 2 hours beyond the maximum working hours.

**Break Time**

Employees are generally entitled to breaks between work hours. In general, they cannot be made to work continuously for more than six consecutive hours, but if the nature of work is such that it has to be performed continuously, then an employee may be required to work eight hours continuously, but must be provided with a break, of at least 45 minutes, for food and refreshments.

**Payment for Overtime**

Every employee who works beyond the normal work hours as provided under the EA must be paid for overtime work. The Act provides that such overtime pay must be at least 1.5 times the basic rate of pay and such payment must be made within 14 days of the last salary period. It is mandatory to make overtime payment to an employee if his basic salary is S$2,500 or less a month, or to a workman if his basic salary is S$4,500 or less a month.

**Rest Days**

Every employee is entitled to one whole day (midnight to midnight) of rest day in a week. If Sundays are not the rest days for an employee, then the employer must provide a monthly roster informing the employee of his rest days for the month at the beginning of each month.

If the employer is unable to give one whole day to a shift worker, the rest day can be a continuous period of 30 hours.

Rest days are not paid days and the employer cannot force an employee to work on the rest day unless there is a special circumstance. In such cases, the amount of OT paid will depend on whose behest the work was initiated and the number of hours worked. Work on a rest day will be paid as follows:

- Half the normal hours for one day
  - At the employers request = 1 day’s pay at basic rate of pay
  - At the employees request = 0.5 day’s pay at basic rate of pay
- More than half and up to the normal hours for one day
  - At the employers request = 2 day’s pay at basic rate of pay
  - At the employees request = 1 day’s rate at basic rate of pay
Provisions regarding Annual Leave, Hours of Work, Overtime & Rest Days are contained in Part IV of the Employment Act. It must be noted that these provisions are applicable to Workmen, whose monthly salary is no more than S$4,500, and other employees, whose basic monthly salary is no more than S$2,500. (PMEs are not covered by Part IV of the EA).

**Annual Leave**

Employees covered under the EA are entitled to annual leave according to their period of service with the employer and the employee must have been working for the employer for at least three months to be eligible for such entitlement. Where an employee is not eligible for annual leave, the employer may grant unpaid leave to the employee. Also, if an employee’s leave days have exceeded permitted number of annual leave, then the employer is allowed to deduct from the employee’s salary.

An employee who has completed one year of service, is entitled to 7 days of annual leave and thereafter 1 more day for every additional year of service until the eighth year of service and thereafter 14 days. Please refer to the table below for annual leave entitlement under Part IV of the Singapore Employment Act.

<table>
<thead>
<tr>
<th>Year of service</th>
<th>Days of leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>One</td>
<td>7</td>
</tr>
<tr>
<td>Two</td>
<td>8</td>
</tr>
<tr>
<td>Three</td>
<td>9</td>
</tr>
<tr>
<td>Four</td>
<td>10</td>
</tr>
<tr>
<td>Five</td>
<td>11</td>
</tr>
<tr>
<td>Six</td>
<td>12</td>
</tr>
<tr>
<td>Seven</td>
<td>13</td>
</tr>
<tr>
<td>Eight or more</td>
<td>14</td>
</tr>
</tbody>
</table>

Where an employee has been in service for less than a year, then the annual leave entitlement must be prorated in proportion to the service period.

Annual leave taken on a half working day such as a Saturday, will still be considered as one day of Annual leave. However, it is left to the employer’s discretion whether to treat it as half-day leave. Where an employee takes less than a full day’s leave, if the fraction is half or more, it will still be considered as one full day of annual leave.

Annual leave will be forfeited if the employee is absent from work without permission or reasonable excuse for more than 20% of the working days or if the employee is terminated on grounds of misconduct.

There is no express provision for marriage and compassionate leave and this will depend on the terms of the contract or mutual agreement between employer and employee.
SICK LEAVE & PUBLIC HOLIDAYS

Sick Leave

As of 1 April 2014, Sick Leave no longer falls under Part IV of the EA, and is now under Part X. This means that PMEs earning $4,500 or less are now also covered. Employees covered under the EA are allowed paid sick leave provided:

- He has worked for the employer for at least three months;
- Informs the employer or at least makes reasonable attempts to inform of his absence within 48 hours;
- He provides a medical certificate from an approved medical practitioner.

Salary to employees on paid sick leave must be paid at his gross rate of pay. If an employee has worked for at least three months, his employer is legally obliged to bear the medical consultation fees. Reimbursement of other charges depends on the terms of contract or the collective agreement signed between the employer and the union.

Public Holidays

All employees covered by the Employment Act are entitled to 11 paid public holidays in a year. Upon mutual agreement, the public holiday can be substituted for any other day. If the holiday falls on a rest day, the next working day will be a paid holiday or the employee must be paid a full day’s pay at the gross rate of pay, or the employee must be given a day off in lieu.

If an employee is required to work on a public holiday, then the employer is required to pay an extra day’s salary at the basic rate of pay for working on the public holiday, in addition to the gross rate of pay for that holiday.

An employee, who has worked for more than six months with an employer, is entitled to 14 days of paid outpatient sick leave and 60 days of paid hospitalization leave. New employees, who have worked for more than three months, are entitled to 5 days of paid outpatient leave and 15 days of paid hospitalization leave. Such new employees get 3 days and 15 days of paid outpatient and hospitalization leave respectively, for every additional month of service until they acquire six months of service.
The Singapore government is keen on fostering a pro-family environment and as part of its Marriage & Parenthood package 2013, several enhancements were announced to the existing entitlements to parents and would-be parents. In addition to the EA, the Child Development Co-Savings Act covers parents of Singapore Citizen children, including managerial, executive and confidential staff.

**Maternity Leave**

Part IX of the Employment Act and Part III of the Child Development Co-Savings Act provide maternity protection and benefits for employees.

**CDSA – Government Paid Maternity Leave**

Under the CDCA, an employee is entitled to Government-paid Maternity Leave benefits 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.

An eligible employee is entitled to 16 weeks of maternity leave - four weeks immediately before and 12 weeks immediately after delivery. Upon mutual agreement with her employer, an employee can take the last 8 weeks (9th to 16th week) of maternity leave flexibly over a 12-month period from the child’s birth. The number of days of maternity leave that can be taken flexibly is equivalent to eight weeks’ worth of working days, up to a maximum of 48 days.

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 may later claim reimbursement from the Government for the last eight weeks (capped at $10,000) for the first and second confinements and all 16 weeks for the third or subsequent confinements.

**EA Maternity Leave**

An employee who is covered under the EA, but not under the CDCA, will be entitled to 12 weeks of maternity leave. She will be paid by her employer for the first 8 weeks of maternity leave if she has fewer than two living children (excluding the newborn), and she has served her employer for at least 3 months before the birth of the child. The last four 4 weeks of maternity leave can be taken flexibly over a 12-month period from the child’s birth.

Payment beyond the first eight weeks is voluntary and subject to contractual agreement.
Shared Parental Leave & Paternity Leave

Working fathers who satisfy the below requisite criteria will be entitled to 1 week of Government-Paid Paternity Leave for all births.

- Child is a Singapore Citizen born on or after 01 May 2013;
- The child’s parents are lawfully married;
- Father must have served his employer for a continuous period of at least 3 calendar months immediately preceding the birth of the child

Such leave is to be taken within 16 weeks of the birth of the child and it can be flexibly taken within 12 months of the birth of the child upon mutual agreement between the employer and employee.

The government funding for the paternity leave and shared parental leave for qualifying fathers is capped at $2,500 including CPF contributions.

From 1 May 2013, working fathers, including those who are self-employed, are entitled to share 1 week out of the 16 weeks’ maternity leave, subject to the agreement of the mother and provided that they meet the following criteria under CDCA:

- The child is a Singapore Citizen born on or after 1 May 2013;
- Mother qualifies for Government-Paid Maternity Leave;
- Father is lawfully married to the child’s mother.

The shared parental leave is to be consumed as a continuous block within 12 months of the birth of the child. Upon mutual agreement with the employer, it can be taken flexibly within the first 12 months of the child’s birth.

Extended Protection During Maternity Period

In order to prevent unfair dismissal and retrenchment of pregnant employees, an enhanced protection scheme has been announced. From 1 May 2013, if a pregnant employee is retrenched or dismissed without sufficient cause during any point of her pregnancy, the employer will be required to pay her the maternity benefits. To qualify for such coverage during the entire pregnancy period, the employee must have worked for a minimum period of three months with the employer.

Currently, the law requires payment of such benefits for termination or retrenchment of an employee within three months or six months respectively from the date of estimated delivery or confinement.

Maternity Benefit for Short-term Contract Workers

Working women who currently do not qualify for maternity leave, such as those on short-term contract work, can now benefit from the Government-Paid Maternity Benefit scheme which allows them to enjoy Government-Paid Maternity Leave, in the form of a cash benefit which is capped at S$10,000.

It is equivalent to the government-paid portion of maternity leave and calculated based on the mother’s income in the 12 months before childbirth. Working mothers will be entitled to the new benefit as long as they have worked for a total of 90 days in the 12 calendar months before giving birth. The child must be Singaporean and born on or after 1 January 2013.
**Childcare Leave**

**CDCA**

An employee is entitled to 6 days of childcare leave per year if he/she is covered under CDCA, which Act covers all parents of Singapore citizens, including managerial, executive or confidential staff if all 3 of the following conditions are met:

- 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.

The first 3 days of childcare leave will be employer-paid and the last three days Government-paid (capped at $500 per day, including CPF). Regardless of the number of children, the total childcare leave entitlement for each parent is capped at six days per year until the year the child turns seven years old.

**Extended Childcare Leave**

From 1 May 2013, each parent will be entitled to 2 days of Government-Paid Child Care Leave per parent, annually, if they have a Singapore Citizen child between the ages of 7 and 12 years.

The following criteria must be met in order to qualify

- Youngest child is between 7 and 12 years of age on or after 1 May 2013;
- Child is a Singapore Citizen;
- Parents are lawfully married;
- Parent must have served his or her employer for a continuous duration of at least 3 calendar months;

The Government’s funding is capped at S$500 per day including CPF contributions.

Note: Parents with children in both the age groups, that is, children aged under 7 years and children aged between 7 and 12 years are entitled to total of six days leave annually per parent.

**EA**

Parents of non-citizens covered under the Employment Act are entitled to 2 days of 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.

Childcare leave for each parent is capped at 2 days per year regardless of the number of qualifying children.

**Adoption Leave**

Mothers of adopted infants will be entitled to 4 weeks Government-Paid adoption leave provided they satisfy the following criteria:

- 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 Dependant’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’;
- The Adoption Order is passed within 1 year from the point of ‘formal intent to adopt’.

Qualifying mothers are entitled to consume the leave from the date of Court Application to Adopt or from the date of issuance of In-Principal Approval of Dependent Pass for the child, as the case may be.

Government-Paid Adoption Leave has to be consumed before the child’s first birthday. The Government will reimburse employers up to a cap of $10,000 for the 4 weeks.
The Retirement and Re-employment Act (RRA) stipulates that the statutory minimum retirement age is 62; however employers are required to make an offer of re-employment to eligible employees who turn 62, up to the age of 65. The employees must have satisfactory work performance and must be medically fit to be eligible for this. All Singapore Citizens and Permanent Residents, unless exempted by MOM, are eligible for this re-employment provision.

**Re-employment Terms**

An offer of annually renewable re-employment contract can be made until the employee turns 65 years of age. However, employers are advised to enter into a three-year contract to provide a greater sense of certainty to the employees.

The terms of re-employment must be fair and measures must be taken to avoid disputes. The employer must carry out re-employment process in a congenial manner and a consultative approach with the employee who must present an open mind for the proposal discussed.

Salary/wages can be adjusted based on the revised nature of duties and responsibilities, productivity etc. Where there is a seniority-based wage and benefits scheme in place, it may impose high costs on the employer; therefore they are allowed to renegotiate the salary & benefits part of the employment and such adjustments must be reasonable and just.

If the employer is unable to accommodate the employee on retirement to a suitable job, the employer may make a one-time Employment Assistance Payment (EAP) to enable the employee to financially manage himself until he finds another job. For employees with more than 18 months service, the EAP amount could be 3 months of salary. A minimum amount of $4,500 and a maximum amount of $10,000 could be considered.

Employers are advised to refer to the Tripartite Guidelines on Re-employment of Older Employees, to ease the re-employment process for their retiring workers.

In the event of any concerns that the employee has with the re-employment, he may seek the union’s assistance or report to the Commissioner of Labor. If the employee is not offered a re-employment contract, a report must be made within 1 month of last day of employment; and for unacceptable terms of contract of re-employment or non-payment or inadequacy, EAP reports must be lodged within six months of last day of work.
A retrenchment exercise must be carried out responsibly and all efforts must be taken to ensure that the affected employees receive all payments and compensation according to the contract or as agreed mutually by the trade union and employer.

**Notice of Retrenchment**

Any impending retrenchment program must be made known to the affected employees prior to serving the notice of retrenchment. The notice period of retrenchment must meet the minimum stipulation set out by the EA as below:

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 26 weeks</td>
<td>1 day</td>
</tr>
<tr>
<td>26 weeks to less than 2 years</td>
<td>1 week</td>
</tr>
<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>

**Retrenchment Benefits**

As of 1 April 2014, Employees covered by the EA who have a minimum service period of 2 years are entitled to benefits on retrenchment. Though employees who have less than 2 years of service are not entitled to benefits, the company may provide some benefits on grounds of compassion.

The benefits are not stipulated by the Act and depend on the mutual agreement between the employer and employee and the financial situation of the company. Benefit payments do not attract CPF contributions.

**Temporary Lay-offs & Shorter work weeks**

As an alternative to retrenchment, which will adversely affect employees, employers have the option of implementing temporary lay-offs and shorter workweeks to mitigate the impact.

Shorter workweeks cannot last more than two months and the reduction cannot be more than two days in a week.

Employees must be paid at least half of their gross salary during the lay-off period. Companies paying half-day salary during layoffs may allow their employees to go on half-day paid annual leave, thus the employees will get their full salary. However, employees are not allowed to consume more than 50% of their annual leave for this purpose.
THE WORKRIGHT INITIATIVE

Work Right

In order to protect vulnerable worker groups such as elderly and low-waged workers from unfair treatment and deprivation of the rights they are entitled to, the Ministry of Manpower (MOM) and Central Provident Fund (CPF) Board have embarked on a two-pronged strategy to ensure compliance with the CPF Act and Employment Act (EA).

The WorkRight Initiative undertaken by the two bodies employs an educational and enforcement approach to ensure compliance with the provisions and aims to promote prompt payment of CPF contributions, on-time payment of salary, overtime payment, provision of paid annual and sick leave, and adherence to working-hour requirements, among others.

It also enforces heftier punishments on employers who do not comply with said regulations and serves as a platform to educate workers to act as whistleblowers against errant employers.
The information contained herein is intended for general information purposes only and shall not be regarded as professional advice. Readers are therefore advised that before acting on any matter arising from these notes, they should discuss their particular situation with the Firm. No liability can be accepted for any action taken as result of reading the notes without prior consultation with regard to all relevant factors.