

# Thinking globally

## Singapore News Flash

Latest News on law, tax and business in Singapore

Issue: December 2016 · [www.roedl.com](http://www.roedl.com)

### > News on Employment in Singapore – Relevant Changes in 2017

In this December Singapore News Flash allow us to update you on the latest developments regarding employment in Singapore which might be relevant for your operations in 2017.

#### 1. Employment Claims Tribunal

The new Employment Claims Act introduces the Employment Claim Tribunal (ECT), which will be established under the State Courts and will start its work on 1 April 2017.

The ECT aims to provide a salary-related dispute settlement forum, which is accessible to all levels of employees and which offers a cost-efficient avenue to resolve employment disputes. The claims that can be lodged with the ECT are capped at SGD 20,000 or under certain circumstances SGD 30,000. The ECT will also be available for claims of professionals, managers and executives (PMEs) who earn more than SGD 4,500 per month. Currently, PME's have to claim in the civil courts in Singapore.

Before a party can lodge a claim, the claimant must submit a mediation request. The mediation request must be submitted no later than 6 months after the last day of employment or no later than 1 year from the date of dispute.

The introduction of the ECT makes claims for PME's more affordable and easier. As such, employers might face PME employees that are more litigious. Employers should consider responding by establishing contractual requirements on internal employment-related mediation and by trying to mitigate potential disputes swiftly and carefully.

#### 2. Mandatory Notification of Retrenchments

From 1 January 2017, Singapore employers that employ at least 10 employees and retrench 5 or more employees within a 6-month period are obliged to notify the Ministry of Manpower (MOM) of the retrenchments. The notification must be made within 5 working days. Employers who do not notify the MOM in time might face warnings and penalties, including a fine of up to SGD 5,000.

The notification shall enable the tripartite partners (i.e. the MOM, the National Trades Union Congress and the Singapore National Employers Federation) to help the affected employees in finding alternative employment.

#### 3. Maternity and Paternity Leave

As of 1 January 2017, new fathers of children with Singaporean citizenship will be entitled to 2 weeks of government paid paternity leave instead of the current 1 week. Further requirements are that the parents are lawfully married and that the father has been employed for a continuous period of at least 3 months before the birth.

As of 1 January 2017, unwed mothers will be entitled to 16 weeks of maternity leave, equal to their married counterparts.

As of 1 July 2017, changes relating to shared parental leave will be effective. Currently, a working father is entitled to share one week of the 16 weeks Government-Paid Maternity Leave with his wife, if the wife is agreeable to this shared parental leave. Upon July 2017, this 1 week shared parental leave will be extended to up to 4 weeks. This applies only to fathers of children with Singaporean citizenship who were born on or after 1 July 2017. Thinking globally

Employers need to comply with these new leave entitlements and might need to consider temporary short-term replacements.

#### 4. Employment Pass

As of 1 January 2017, new Employment Pass (EP) applicants will have to earn a fixed monthly salary of at least SGD 3,600 (instead of the current SGD 3,300 salary threshold), depending on their respective qualifications and professional experiences.

Employers need to be aware of these changes as non-compliance might lead to refusal of EP applications. Furthermore, employers, and in particular the directors of the respective employing companies, are obliged to make a correct declaration. There have been several cases in which company directors have been heavily fined for falsely declaring salaries in work pass applications.

#### 5. Re-Employment

As of 1 July 2017, employers will be obliged to offer re-employment to eligible employees from age 62 to 67 years.

In order to be an eligible employee, the respective employee, who must be born after 1 July 1952, must be a Singapore citizen or a Singapore permanent resident and must have worked for the respective employer for at least 3 years before reaching the age of 62. The employee must also have shown a satisfying performance and must be medically fit for the job.

Employers might consider potential risks at the respective workspace and insurance coverage.

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*„The great artistry of the human towers lies in its variety. Our towers thus always differ by height, width and shape. The foundation however, remains unchanged, acting as a reliable, unyielding and open advocate of change.“*

*Castellers de Barcelona*



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„Força, Equilibri, Valor i Seny“ (strength, equilibrium, valour and common sense) is the Catalan motto of all Castellers, describing their fundamental values very accurately. It is to our liking and also reflects our mentality. Therefore Rödl & Partner embarked on a collaborative journey with the representatives of this long-standing tradition of human towers – Castellers de Barcelona – in May 2011. The association from Barcelona stands, among many other things, for this intangible cultural heritage.

#### Imprint Singapore News Flash, Issue December 2016

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