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SINGAPORE NEWS FLASH

THINKING GLOBALLY

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CURRENT POSITION:

Currently, the general protections under the Employment Act (“EA”) cover all employees except managers and executives earning more than SGD 4,500, domestic workers, seamen, and statutory / government board workers.

Part IV of the EA (which provides for rest days, hours of work, annual leave and other conditions of service) provides further protection to those who are workmen earning not more than SGD 4,500 and non-workmen employees earning not more than SGD 2,500.

POSITION AS OF 1 APRIL 2019:

As of 1 April 2019, the general protections under the EA will apply to all managers and executives regardless of salary threshold. It is estimated that 430,000 executives, professionals and managers will be covered under the revised EA.

Further, the salary threshold under Part IV for non-workmen employees will be raised to SGD 2,600. It is estimated that the new salary threshold will benefit approximately 100,000 employees.

Annual leave will be taken out of Part IV of the EA and apply to all employees.

WHAT IT MEANS FOR YOUR ORGANIZATION IN SINGAPORE:

Under the current position, many foreign expatriates are not covered under the EA as they are considered managers or executives and earn more than SGD 4,500. However with the removal of the salary threshold, the EA will soon cover all such foreign expatriates as well as all local executives, professionals and managers.

It is crucial that your organization reviews (and amends, where necessary) all employment contracts to ensure that they are in compliance with the new provisions of the EA.

In practice, the following aspects will become relevant:

All employees will be required to have a written employment contract with Key Employment Terms (“KETs”). KETs include the name of the employer and employee, job title, main duties and responsibilities, start date of employment, working arrangements, salary period, basic salary, fixed allowances, type of leave, other medical benefits, probation period, notice, period, etc.

All employees will be entitled* to a minimum of:

- 7 days of paid annual leave (up to 14 days)
- 11 days of paid public holidays
- 14 days of paid sick leave and 60 days of hospitalization leave
- 12 weeks of maternity leave (8 weeks of which ought to be paid maternity leave)
- 2 days of paid childcare leave

*Please note that other criteria need to be met in order to benefit from some of these entitlements.

In relation to annual leave, please note that upon termination of the employment relationship, employees will be entitled to either encash or clear their annual leave (unless the employee in question was terminated for misconduct).

In relation to sick leave and paid hospitalization leave, please note that your organization will need to pay its employees for their medical consultation fee if it results in at least 1 day of paid sick leave or paid hospitalization leave, arising from a medical certificate given to them. Employees will also benefit from other protections, including timely payment of salary, statutory protection against wrongful dismissal, and the right to preserve existing terms and conditions for employment transfer resulting from sale of business and business restructuring.

We are pleased to assist you in such review and to ensure that your organization is in compliance with the revised Employment Act.

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