



CHANGES TO THE SINGAPORE EMPLOYMENT ACT

On 5 March 2018, the Minister for Manpower announced in Parliament that with effect from 1 April 2019, key changes will be made to the Employment Act (EA) to cover more employees in Singapore.

Notably, the current salary cap of S\$4,500 per month that excludes employees from the EA coverage will now be removed. This means that the EA will cover all employees (except public servants, domestic workers and seafarers) including professionals, managers and executives (PMEs) earning more than S\$4,500 which, before the removal of the salary cap, fell outside the ambit of the EA. PME's earning more than \$4,500 had to rely solely on the provisions in their contract of employment. The expanded coverage of the EA ensure that all PME's will enjoy protection relating to timely payment of salaries, holiday, sick leave entitlements as well as the ability to appeal against wrongful dismissal.

The core employee benefits in the EA include:

- A minimum of 7 days of annual leave;
- 11 days of paid public holidays;
- 14 days of paid sick leave and 60 days of paid hospitalisation leave;
- Maternity and childcare leave;
- Redress for wrongful dismissal; and
- Protection in relation to hours of work and overtime pay.

Changes in Dispute Resolutions

Wrongful dismissal claims will now be heard by the Employment Claims Tribunal instead of the Ministry of Manpower. This will offer employers and employees a “one-stop service” as most dismissal-related claims are often coupled with salary issues.

Hiring of Foreign Workers

1. Jobs Bank

With effect from 1 July 2018, companies with at least 10 workers and looking to hire for jobs paying under S\$15,000 per month is required to advertise such position on Jobs bank for at least 14 days before they can hire a foreigner. This is aimed to provide Singaporeans with a chance to apply for these jobs.

2. Tightening of Rules

The amendments to the EA also seek to tighten rules for hiring foreign workers. The minimum qualifying salary to apply for an S-pass for foreign mid-level skilled staff will be raised from S\$2,200 to S\$2,400. The hike will take place over two phases to take effect on 1 January 2019 and 1 January 2020.

Going forward, companies may find it harder to receive approvals for employment pass applications. Employment pass applications for foreign workers will also be scrutinised more closely and companies will be monitored closely if they:

- Are assessed to have been employing a high proportion of foreigners;
- Do not have plans to recruit and train more Singaporeans; and
- Have a low contribution to the economy or society.

If you wish to understand more on how these changes would affect your business and hiring practices, please feel free to approach:

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