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Key Updates to Singapore Employment Law in 2017

Introduction

Singapore's employment laws have seen a number of changes in 2017.

A summary of the key updates and changes is set out below.

Mandatory retrenchment notification

A new requirement on mandatory retrenchment notifications by employers took effect on 1 January 2017. Businesses that employ more than 10 employees are required to notify the Ministry of Manpower ("MOM") of retrenchments within 5 working days from the date of the notice of retrenchment to affected employees, if 5 or more employees are retrenched within a 6-month period. This mandatory notification will be done by way of an online submission to MOM [here](#).

The "Tripartite Guidelines on Mandatory Retrenchment Notifications" issued by the MOM and its tripartite partners, the National Trades Union Congress ("NTUC") and the Singapore National Employers Federation ("SNFE"), have clarified that retrenchments include dismissals on the ground of redundancy or by reason of any reorganisation of the employer's profession, business, trade or work. A copy of the guidelines is available [here](#).

The intention is that such notifications will provide more complete and timely retrenchment information to the relevant government agencies, to better enable them to assist retrenched local employees to find alternative employment and relevant training to enhance their employability.

Employment pass criteria

The qualifying monthly salary for Employment Pass ("EP") applicants was raised from S\$3,300 to S\$3,600 with effect from 1 January 2017. An EP is required for foreign professionals, managers and executives who wish to work in Singapore.

In addition to the qualifying monthly salary, EP applicants are generally required to:

- have a job offer in Singapore;
- work in a managerial, executive or specialised job; and
- possess acceptable qualifications (usually a good university degree, professional qualifications or specialist skills).

An EP self-assessment tool established the MOM for potential applicants to obtain an indication of their eligibility is available [here](#).

Family leave entitlements

- Maternity leave

With effect from 1 January 2017, Government-Paid Maternity Leave under the Child Development Co-savings Act of Singapore ("CDCA") was extended to unwed working mothers. Prior to this amendment, unwed mothers were previously not entitled to paid maternity leave.

- Paternity leave

With effect from 1 January 2017, the duration of Government-Paid Paternity Leave under the CDCA has been extended to 2 weeks. Previously, the second week of paid paternity leave was provided on a voluntary basis by employers.

- Shared parental leave

Under the Shared Parental Leave scheme, a female employee who is entitled to Government-Paid Maternity Leave can elect to transfer part of her entitlement to the natural father of the child. Working fathers, including those who are self-employed, are currently entitled to 1 week of shared parental leave, provided that the qualifying criteria is satisfied.

With effect from 1 July 2017, the duration of such shared parental leave will be increased to 4 weeks.

- Adoption leave

Under the Government-Paid Adoption Leave scheme, it was previously mandatory for employers to provide 4 weeks of paid leave to female employees who have adopted a child, to be taken within 12 months after the child is born.

With effect from 1 July 2017, the duration of such Adoption Leave will be increased to 12 weeks for adoptive mothers whose “formal intent to adopt” is on or after 1 July 2017, provided that the qualifying criteria are satisfied.

Employment claims tribunal

Industrial relations in Singapore are managed under a tripartite system in which the state, employers and unions are collectively involved in the decision-making process.

The Employment Claims Act 2016 (“**ECA**”) came into effect from 1 April 2017, and provides for the expeditious resolution of employment disputes by providing for (i) the mediation of employment disputes by the Tripartite Alliance for Dispute Management (“**TADM**”); and (ii) the constitution, jurisdiction and powers of the Employment Claims Tribunal (“**ECT**”).

As a first step to resolving employment disputes, the TADM will conduct mediation for salary-related claims and advisory services for employees. The ECT will only hear cases that have first undergone mediation at the TADM. Where the mediation is unsuccessful, parties will be given a claim referral certificate to file a claim at the ECT.

The ECT is responsible for hearing statutory and contractual salary-related claims from all employees, including managers and executives who earn more than S\$4,500 a month. Statutory salary-related claims include disputes on employee entitlements under the Employment Act, CDCA and the Retirement and Re-employment Act. The scope of contractual salary-related claims includes claims for unpaid salary, bonuses, allowances, employee assistance payments, commissions, overtime payment, unauthorised deductions from salary and termination benefits. Employers can also bring claims to the ECT where, for instance, an employee terminates his or her employment without notice.

Retirement and re-employment

The 3 key changes to the Retirement and Re-employment Act taking effect on 1 July 2017 are as follows:

- a. The statutorily-prescribed age of re-employment will be raised from 65 to 67. As long as an employee has satisfactory work performance and is medically fit to continue working, the employer has a statutory obligation to offer such employee re-employment up to the age of 67. The minimum retirement age remains unchanged at 62;

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- b. A new option to allow re-employment by another employer will be introduced. Where an employer is unable to provide re-employment, the employer can opt to (i) pay an Employment Assistance Payment; or (ii) transfer the employee to another employer, subject to mutual consent by both the transferee company and the employee; and
 - c. The existing option of employers to make salary adjustments for employees who attain 60 years of age will be abolished. Previously, employers were entitled to provide reasonable prior notice of a reduction in salary to employees who attained 60 years of age.

In connection with the above changes, the MOM and its tripartite partners, the NTUC and the SNFE, have released a revised version of the “Tripartite Guidelines on Managing Excess Manpower and Responsible Retrenchment” to provide further guidance to employers. A copy of the guidelines is available [here](#).

If you have any questions or require any additional information, please contact [Gregory Chan](#) or [Jaclyn Lee Hui Yee](#) or the ZICO Insights Law LLC partner you usually deal with.

This alert is for general information only and is not a substitute for legal advice.

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