Employment 2022

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Singapore: Law & Practice
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1. Introduction

1.1 Main Changes in the Past Year

Workfare Income Supplement (Workfare) Scheme
It was announced at the 2021 National Day Rally speech that the Singapore government will increase the budget for the Workfare Income Supplement (Workfare) Scheme from SGD850 million to SGD1.1 billion over the next two years, allowing the pay-outs for all Workfare recipients to be raised, and allowing younger low wage workers (LWWs) to be helped (ie, by starting Workfare at a younger age: 30 rather than 35). Workfare functions as a negative income tax, where instead of taxing the incomes of LWWs, the government tops up their salaries in cash and Central Provident Fund contributions.

Local Qualifying Salary
Currently, companies hiring foreign workers have to pay some of their local employees the Qualifying Salary (SGD1,400 per month), and the number of these local employees depends on the number of work permits or s-passes the company requires.

It was announced at the 2021 National Day Rally speech that the above will be tightened, such that companies hiring foreign workers will be required to pay all their local employees a Local Qualifying Salary. The Local Qualifying Salary will also be adjusted from time to time.

Progressive Wage Model (PWM) and Progressive Wage Mark
It was announced at the 2021 National Day Rally speech that the PWM will be extended to cover more sectors, starting with retail next year and later, food services and waste management. Specific occupations will also be covered, across all sectors simultaneously, starting with administrative assistants and drivers.

The PWM currently covers cleaners, security guards, landscaping workers and lift maintenance workers.

It was also announced that the government will credit companies that are paying all their workers progressive wages with the “PW Mark”. The public sector, which is a major buyer of goods and services, will take the lead and purchase only from businesses with the PW Mark.

For more information on the PWM, please refer to 2.4 Compensation.

Proposed Enshrinement of Tripartite Alliance for Fair & Progressive Employment Practices (TAFEP) in law
The TAFEP Guidelines do not currently have force under Singapore law. However, at the 2021 National Day Rally speech, it was announced that the government intends to enshrine the TAFEP guidelines in law.

Central Provident Fund (CPF) Contributions
From 1 January 2022, the CPF contribution rates for employees aged above 55–70, and earning more than SGD750, have been increased. The old (prior to 1 January 2022) and new CPF contributions (from 1 January 2022) are as follows.

- For employees aged 55 and below, the contribution rates used to be 37% of wages (17% from the employer and 20% from the employee). The new contribution rates are the same.
- For employees aged 55–60, the contribution rates used to be 28% of wages (14% from the employer and 14% from the employee). The new contribution rates are 26% of wages (13% from the employer and 13% from the employee).
- For employees aged 60–65 and below, the contribution rates used to be 18.5% of wages (10% from the employer and 8.5% from the employee). The new contribution rates are
16.5% of wages (9% from the employer and 7.5% from the employee).
• For employees aged 65–70 and below, the contribution rates used to be 14% of wages (8% from the employer and 6% from the employee). The new contribution rates are 12.5% of wages (7.5% from the employer and 5% from the employee).
• For employees aged 70 and below, the contribution rates used to be 12.5% of wages (7.5% from the employer and 5% from the employee). The new contribution rates are the same.

**Tripartite Guidelines on Fair Employment Practices**
The Tripartite Guidelines on Fair Employment Practices (TGFEP) are issued by the Tripartite Alliance for Fair & Progressive Employment Practices, namely the Ministry of Manpower, Singapore National Employers Federation and the National Trades Union Congress (TAFEP).

The TGFEP is principally guided by the following five principles of Fair Employment Practices:

• Recruit and select employees on the basis of merit (such as skills, experience or ability to perform the job), regardless of age, race, gender, religion, marital status and family responsibilities, or disability.
• Treat employees fairly and with respect and implement progressive human resource management systems.
• Provide employees with equal opportunity to be considered for training and development based on their strengths and needs, to help them achieve their full potential.
• Reward employees fairly based on their ability, performance, contribution and experience.
• Abide by labour laws and adopt the Tripartite Guidelines on Fair Employment Practices.

Although the TGFEP is not presently legally binding, the government is expected to enact legislation to formally enshrine the TGFEP into law. This was announced during the National Day Rally speech on 29 August 2021.

**COVID-19 Crisis**
Numerous legislative and regulatory actions, as well as government initiatives have been taken to cope with the COVID-19 crisis from an employment perspective. These include the following.

**Safe Management Measures**
TAFEP has issued an advisory on Requirements for Safe Management Measures at the workplace, and this advisory has been updated a number of times over the past two years as the COVID-19 situation has continued to evolve. The advisory currently provides that all employees may now return to the workplace, but employers are encouraged to continue to offer flexible work arrangements such as telecommuting and staggered work hours. For employees (and contractors and vendors) who are physically onsite at the workplace, mask wearing is required indoors except when (i) not interacting in person with another individual present in that area, and (ii) not in customer-facing areas where interaction is likely to happen.

**Job Support Scheme**
The Job Support Scheme (JSS) was introduced to provide temporary wage support to employers in retaining their local employees. Under the JSS, the government co-services a proportion of the first SGD4,600 of gross monthly wages (inclusive of employee CPF contributions but exclusive of employer CPF contributions) paid to each local employee up to March 2021. The level and duration of support provided depends on the employer’s sector. The JSS was first introduced in the Unity Budget in February 2020 and was later extended by up to six months for firms
enhanced in certain sectors, covering wages paid up to September 2021.

Enhanced JSS support was also provided from 22 November 2021 to 19 December 2021, for the sectors affected by the Phases 2 and 3 (Heightened Alert) measures, which were in force from 16 May to 31 August 2021.

From 31 March 2022, more than SGD145 million will be disbursed to employers in the final tranche of the JCC pay-outs. This pay-out will cover wages from November to December 2021.

**Jobs Growth Incentive**

The Jobs Growth Incentive (JGI) Scheme aims to provide temporary wage support to employers in expanding local hiring from September 2020 to September 2022.

The duration of JGI support will depend on when the local hire was hired and the characteristics of the local hire, such as the person’s age.

**Tightened Work Pass Requirements**

The Employment Pass and S Pass (see 5.1 Limitations on the Use of Foreign Workers for further detail) qualifying salary requirements will be tightened to support employment opportunities for locals in light of prevailing COVID-19 conditions. Very broadly, these include tightened salary requirements for Employment Passes (both for non-financial services sectors and the financial services sector) from 1 September 2022 for new applicants and 1 September 2023 for renewal applications; and for S Passes (both for non-financial services sectors and the financial services sector) from 1 September 2022 for new applicants and 1 September 2023 for renewal applications.

For Employment Passes, there will also be the introduction of a new Complementarity Assessment Framework (COMPASS), which will apply to new applications from 1 September 2023 and renewal applications from 1 September 2024. COMPASS will be an additional step in the EP application process; ie, once COMPASS takes effect candidates must pass a two-stage eligibility framework – stage 1 being the above-mentioned qualifying salary, and stage 2 being COMPASS.

Furthermore, the Fair Consideration Framework (FCF) advertising requirements (particularly that employers must first advertise jobs on MyCareersFuture.sg to make these positions known to local jobseekers) which previously only applied to Employment Pass applications, have been extended to S Pass applications submitted from 1 October 2020. The minimum FCF job advertising duration has been doubled to 28 days, from 1 October 2020 for both new Employment Pass and S Pass applications.

**Increased Foreign Worker Levy Rebates**

Foreign worker levy rebates for the construction, marine shipyard and process sectors were temporarily increased for the period of May to December 2021, from SGD90 to SGD250 per month, for each work permit holder in these sectors. This is to help these sectors, which have suffered greatly from significant manpower shortages and increased costs as a result of tighter border restrictions and stricter safety measures due to the COVID-19 situation.

It was further announced in March 2022 that the foreign worker levy rebate will be extended till the end of June 2022, at SGD250 per month for April and May 2022 and S$200 for June 2022.

2. Terms of Employment

2.1 Status of Employee

An employee is a person who has entered into or works under a contract of service with an
employer. On the other hand, a person who has entered into a contract for service is not an employee. Whether a person is an employee is determined by a flexible and fact-sensitive approach that considers, holistically, the parties’ working relationship with reference to factors such as the employer’s control over the person’s work and whether the person’s work formed an integral part of the employer’s business.

The Employment Act generally covers all employees (subject to very limited exceptions), but additional statutory protection of certain employment terms and benefits under Part IV of the Employment Act only applies to classes of employees who are considered more vulnerable in their ability to negotiate their terms of employment, as follows:

- workmen (ie, employees whose work mainly involves manual labour) earning a basic monthly salary of not more than SGD4,500; and
- employees (other than a workman or a person employed in a managerial or an executive position) earning a basic monthly salary of not more than SGD2,600.

2.2 Contractual Relationship
An employment contract may be for a fixed or indefinite period.

Terms That Must Be Included
An employer is required to provide employees (other than transient employees) with written records of at least the key employment terms, which include:

- employer’s full name;
- employee’s full name;
- job title, main duties and responsibilities;
- start date of employment;
- duration of employment;
- working arrangements, such as daily working hours, number of working days per week and rest day;
- salary period;
- basic rate of pay;
- fixed allowances;
- fixed deductions;
- overtime payment period;
- overtime rate of pay;
- other salary-related components such as incentives and bonuses;
- leave entitlement;
- medical benefits;
- probation period; and
- notice period for dismissal or termination.

Any term of an employment contract which is less favourable that the conditions of service prescribed by the Employment Act for an employee covered under the Act is deemed to be illegal, null and void to the extent that it is less favourable.

Terms Implied in Law
In addition to the agreed employment terms, a duty of mutual trust and confidence will be implied in every employment contract unless that duty is expressly excluded.

2.3 Working Hours
Working Hours and Overtime Regulations
Employees whose terms of employment are protected by the Employment Act (see 2.1 Status of Employee) are not required to work more than:

- six consecutive hours without a period of leisure; or
- eight hours a day or more than 44 hours a week.

If an employer requires a protected employee to work overtime, the employer has to pay the employee at least 1.5 times the employee’s hourly basic rate of pay.
In addition, a protected employee is not allowed to work overtime for more than 72 hours in a month. Working on a rest day or public holiday is not counted towards the 72-hour overtime limit except for work done beyond the usual daily working hours for those days.

**Part-Time Employment**
An employee who is required to work fewer than 35 hours a week is considered a part-time employee. Part time employees covered under the Employment Act are entitled to the same rights and benefits as full time employees, but their statutory entitlements (eg, to annual leave, sick leave and maternity leave) are pro-rated.

**Flexible Working Arrangements**
The Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP), which is a body with representation from the government, trade unions and employers, encourages employers to enable flexible working arrangements. Flexible working arrangements have become more accepted in workplaces.

**2.4 Compensation**
**No Minimum Wage – Progressive Wage Model**
There is no general minimum wage in Singapore.

However, employers in certain prescribed sectors which employ low-wage employees are required to implement a PWM.

In respect of each sector, the PWM provides for minimum basic wage requirements, minimum annual increases as well as the necessary certifications and qualifications that employees in these sectors would need to obtain to secure a higher minimum wage under the PWM.

The Singapore government is seeking to expand the PWM to cover more sectors over time.

**National Wages Council**
The National Wages Council is a tripartite body comprising representatives from employers, trade unions and the government. It formulates wage guidelines in line with Singapore’s long-term economic growth, which are used by both unionised and non-unionised companies as a framework or reference point to determine wage increases for their employees. The guidelines are in the nature of recommendations, and are not legal requirements.

**Bonuses**
Bonuses are payable depending on contractual terms and employers’ discretion.

**Annual Wage Supplement**
The Ministry of Manpower encourages employers to give employees an annual wage supplement (AWS) comprising of a single annual payment on top of an employee’s total annual wage, also known as a 13th month bonus. The AWS is not compulsory, unless it is provided for in the employment contract.

**2.5 Other Terms of Employment**
**Public Holidays**
Employees are entitled to paid holidays on public holidays. If the public holiday falls on a non-working day, employees will be entitled to another day off or one extra day’s salary in lieu of the public holiday. If an employee is required to work on a public holiday, the employee is entitled to another day off, time off (only for employees not covered under Part IV of the Employment Act), or one extra day’s salary.

**Annual Leave**
At the minimum, the Employment Act requires that employees who have worked for their employer for at least three months be entitled to seven days of paid annual leave within the first 12 months of continuous service with that same employer.
Thereafter, employees are entitled to one additional day of paid annual leave for every subsequent year of continuous service with the same employer, subject to a maximum of 14 days’ paid annual leave.

Sick Leave
The Employment Act requires that employees who have worked for at least three months are entitled to paid outpatient sick leave and paid hospitalisation leave. Employees who have worked for at least six months are entitled to 14 days of paid outpatient sick leave in each year and 60 days of paid hospitalisation leave. The amount of paid outpatient sick leave and paid hospitalisation leave is capped at the amount of the employee’s sick leave entitlement.

Where an employee has worked for an employer for less than six months but for at least three months, the employee’s entitlement to paid outpatient sick leave and paid hospitalisation leave ranges from five to 11 days and 15 to 45 days respectively, depending on the length of service.

Maternity Leave
Under the Child Development Co-Savings Act, female employees are entitled to 16 weeks of paid maternity leave provided that:

• the employee has worked for her employer for a continuous period of at least three months before the birth of her child; and
• the child is a Singapore citizen at the time of birth.

If an employee is not entitled to maternity leave under the Child Development Co-Savings Act, she will be entitled to 12 weeks of maternity leave provided that:

• the employee is covered under the Employment Act; and
• the employee has worked for her employer for at least three months before the birth of her child.

Eight of those 12 weeks of maternity leave will generally be paid leave unless, at the time of delivery, the employee has two or more living children and those children were born during more than one previous confinement.

Paternity Leave
Under the Child Development Co-Savings Act, male employees are generally entitled to two weeks of paid paternity leave provided that:

• the employee is the natural father of a child;
• the child is a Singapore citizen at the time of birth or becomes one within 12 months from the date of birth;
• the employee has worked for his employer for at least three months preceding the birth of a child; and
• the child’s mother is lawfully married to the child’s natural father at the time the child is conceived or becomes lawfully married to the child’s natural father before the child’s birth or becomes lawfully married to the child’s natural father within 12 months from the date of the child’s birth.

Paid Childcare Leave
Under the Child Development Co-Savings Act, both male and female employees are entitled to up to six days of paid childcare leave within a period of 12 months depending on their length of service, provided that:

• the employee has worked for the employer for at least three months;
• the employee has a child that is below seven years old; and
• the child is a Singapore citizen.
The Child Development Co-Savings Act also provides that both male and female employees are entitled to two days of paid extended childcare leave within a period of 12 months, provided that:

• the employee has worked for the employer for at least three months;
• the employee has a child that is between seven and 12 years old (inclusive); and
• the child is a Singapore citizen.

However, an employee is not entitled to more than six days of childcare leave and extended childcare leave within a period of 12 months.

If an employee is not entitled to child care leave under the Child Development Co-Savings Act, an employee covered by the Employment Act is entitled to two days of paid childcare leave within a period of 12 months provided that:

• the employee is covered under the Employment Act;
• the employee has worked for the employer for at least three months; and
• the employee has a child that is below seven years old.

Unpaid Infant Care Leave
Under the Child Development Co-Savings Act, employees are entitled to a maximum of six days of unpaid childcare leave within a period of 12 months, regardless of the number of children, provided that:

• the employee has worked for the employer for at least three months;
• the employee has a child that is below two years old; and
• the child is a Singapore citizen.

An employee’s entitlement to unpaid infant care leave is in addition to the entitlement to paid childcare leave.

3. Restrictive Covenants

3.1 Non-competition Clauses
Post-termination restrictive covenants, such as non-competition and non-solicitation clauses, which impose restrictions on an employee after they have ceased working for their employer, are enforceable if they satisfy the following criteria:

• The clause protects a legitimate proprietary interest, such as a trade secret, trade connection or a stable workforce.
• The clause is reasonable between the parties concerned (ie, the employer and employee), including in terms of the scope of limitation, geographical area of limitation and the period of limitation. This may also include whether consideration was paid in return for the clause, or whether it was negotiated between the parties.
• The clause is reasonable with reference to the public interest.

The reasonableness of a restrictive covenant is assessed as at the time the contract was made.

The reasonableness of a restrictive covenant will also be assessed with reference to other restrictive covenants in the employment contract. For example, if an employment contract contains a confidentiality clause and a non-solicitation clause, a court may take the view that the employer’s legitimate proprietary interest regarding its trade secrets and trade connections is sufficiently protected, and that a non-competition obligation on the employee is an unreasonable prohibition on competition unless it can be shown that there is some other reason that necessitates the non-competition clause.
This may be the case if it can be shown that the particular circumstances are such that it is much more difficult to enforce the non-solicitation clause or confidentiality clause compared to the non-compete clause.

If a restrictive covenant is found to be too wide, the court may apply a “blue pencil” test to sever parts of the clause that are unjustified. This can only be done if no words need to be altered or added and the remaining words of the clause continue to make grammatical sense.

However, it should be noted that a restrictive covenant containing cascading restrictions that are intended to accommodate the blue pencil test or the insertion of a modification clause that provides that restrictions will be modified in order to make the covenant valid, may not save an otherwise unenforceable restrictive covenant.

Enforcement
If an employee breaches a restrictive covenant, an employer can apply to court for an injunction to restrain the employee from continuing the breach. The employer can also seek damages.

The employer may also have a claim against the new employer if the new employer has induced the employee to breach the restrictive covenant clauses.

However, a restrictive covenant cannot be enforced by employers who have themselves committed a repudiatory breach of the contract that is accepted by the employee. Therefore, an employer who has wrongfully dismissed an employee cannot enforce any non-competition or non-solicitation clause.

3.2 Non-solicitation Clauses – Enforceability/Standards
The principles regarding restrictive covenants discussed in 3.1 Non-competition Clauses apply to non-solicitation clauses.

Non-solicitation of Customers
Clauses prohibiting the solicitation of customers protect an employer’s legitimate proprietary interest in its trade connections. For such clauses to be enforceable, there must be personal knowledge of and influence over the customers of the employer.

Non-solicitation of Employees
Clauses prohibiting the solicitation of employees protect an employer’s legitimate proprietary interest in maintaining a stable and trained workforce. The reasonableness, and consequently the enforceability, of such clauses may turn on whether the former employee has influence over the categories of employees that they are restricted from soliciting.

4. Data Privacy Law

4.1 General Overview
Applicability of the PDPA
There is no employment-specific data privacy law. In general, employee personal data is governed by the general data protection legislation in Singapore – ie, the Personal Data Protection Act 2012 (PDPA).

The PDPA governs the processing of individuals’ personal data by private sector organisations and is administered and enforced by the Personal Data Protection Commission (PDPC).

Under the PDPA, personal data is defined as data, whether true or not, about an individual who can be identified from that data, or from that data in conjunction with other information.
to which the organisation has or is likely to have access. This would include the personal data of employees (full-time and part-time) and job applicants.

**Need to Obtain Consent from Individuals**

The PDPA requires organisations to obtain consent before collecting, using or disclosing an individual’s personal data, unless otherwise required or authorised under written law, or an exception under the PDPA applies (Consent Obligation).

Consent is validly given if the employer has provided the individual with information regarding the purposes for the collection, use or disclosure of the personal data (as the case may be) on or before collecting the personal data (Notification Obligation).

**Exceptions to Consent**

Section 95 of the Employment Act requires all employers to maintain detailed employment records of employees covered under the Employment Act, which includes the employees’ identity card number or foreign identification number, residential address, date of birth, gender, and other relevant information as specified under the Employment (Employment Records, Key Employment Terms and Pay Slips) Regulations 2016. Thus, to the extent that the collection of personal data is authorised or required under these laws, employers may collect such employee personal data without their consent.

Employers may also collect, use and disclose employee personal data without consent where an exception applies, for example:

- where the collection, use or disclosure of the employee’s personal data is for the purpose of or in relation to (i) entering into an employment relationship with the individual or appointing the individual to any office, or (ii) managing or terminating an employment relationship; or
- where the collection, use or disclosure of personal data is necessary for evaluative purposes (i.e., for the purpose of determining the suitability, eligibility or qualifications of the individual for employment, appointment to office, promotion, removal, etc).

For job applicants, deemed consent may also apply when they voluntarily provide their personal data to the organisation during the application process, provided it was reasonable for them to have provided such data.

**Need to Notify Employees of Collection**

However, while consent may not be required in certain scenarios, the employer is still required to notify the individual of the purpose of such collection, use or disclosure, and, on request by the individual, the business contact information of a person who is able to answer the individual’s questions relating to such processing.

For new and existing employees, organisations may choose to provide them with notice of such collection, use or disclosure in the employment contract, employee privacy policy, employee data protection handbook, or data protection notices on the company intranet. For job applicants, organisations may include a data protection notice in the job application form.

**Other Obligations under the PDPA**

Employers must also comply with several other data protection obligations under the PDPA, as set out below.

*Purpose limitation obligation*

Employers must only collect, use, or disclose employee personal data for purposes that a reasonable person would consider appropriate in the circumstances.
Access and correction obligation
While there is a general requirement for organisations to provide individuals with the right to access and correct their personal data, there are some exceptions to this requirement. For example, employers do not need to provide job applicants with the opinions formed in the course of determining the applicant’s suitability and eligibility as this would be considered opinion data kept solely for evaluative purposes.

Retention limitation obligation
While employers can retain personal data of former employees and job applicants for future job opportunities, they should cease the retention of such personal data where it no longer serves the purpose for which it was collected and is no longer necessary for legal or business purposes. This includes the minimum statutory retention period under the Employment Act.

Accuracy obligation
Employers must make reasonable efforts to ensure the accuracy and completeness of employee personal data.

Protection obligation
Employers must protect employee personal data that they possess or control by making reasonable security arrangements to prevent unauthorised access, collection, use, disclosure, copying, modification, disposal or similar risks, as well as the loss of storage mediums or devices on which personal data is stored.

Transfer limitation obligation
Employers must not transfer employee personal data to a jurisdiction outside Singapore except in accordance with the requirements set out in the PDPA and the Personal Data Protection Regulations 2021 to ensure that transferred personal data is accorded a standard of protection comparable to the PDPA.

Data breach notification obligation
In the event of a data breach involving employee personal data, employers must assess whether a data breach is notifiable and notify the PDPC and/or affected individuals where it is assessed to be notifiable.

Accountability obligation
Employers must appoint a person responsible for ensuring compliance with the PDPA (typically called a data protection officer). Employers must also implement policies and practices necessary to meet their PDPA obligations, including a process to receive complaints. In addition, employers must communicate information about such policies and practices to their employees and make such information available upon their request.

5. Foreign Workers
5.1 Limitations on the Use of Foreign Workers
All foreigners must generally have a valid work pass before they start work in Singapore.

Employing a foreigner without a valid work pass is an offence. Where a foreigner is found at any premises, the occupier of the premises is presumed, until the contrary is proved, to have employed the foreigner.

Types of Work Passes
There are three main types of work passes.

Employment Pass
The Employment Pass (EP) is for foreign professionals, managers and executives who earn at least SGD4,500 a month (for non-financial services sectors) or SGD5,000 a month (for the financial services sector) and have acceptable qualifications. Older, more experienced candidates will require higher salaries to qualify (the
qualifying salaries increase progressively with age, up to SGD8,400 for a candidate in their mid-40s. The minimum qualifying salary will be revised to SGD5,000 (for non-financial services sector) and SGD5,500 (for financial services sector) for new applications from 1 September 2022, and for application renewals from 1 September 2023.

A new points-based Complementarity Assessment Framework (COMPASS) will also be introduced from 1 September 2023 – COMPASS will apply to new applications from 1 September 2023 and renewal applications from 1 September 2024. COMPASS will be an additional step in the EP application process; ie, once COMPASS takes effect candidates must pass a two-stage eligibility framework – stage 1 being the above-mentioned EP qualifying salary, and stage 2 being COMPASS.

COMPASS evaluates EP applications based on a holistic set of individual and firm-related attributes, and applicants are scored on four foundational criteria (ie, salary, diversity, qualifications and support for local employment). There are also two bonus criteria: a skills bonus (for candidates in jobs where skills shortages exist) and strategic economic priorities bonus (for partnership with the Singapore government on ambitious innovation or internationalisation activities).

There are certain exemptions to COMPASS; ie, a candidate will be exempted from COMPASS if they fulfil any of the following conditions:

• earning at least SGD20,000 a month (similar to the prevailing Fair Consideration Framework job advertising exemption);
• applying as an overseas intra-corporate transferee under the World Trade Organisation’s General Agreement on Trade in Services or an applicable free trade agreement to which Singapore is a party; or
• filling a role on a short-term basis (ie, for one month or less).

Generally, employers submitting Employment Pass applications must first advertise the job vacancy on the national jobs bank, MyCareersFuture, for at least 28 calendar days and consider all candidates fairly.

S Pass
The S Pass is for foreign mid-level skilled staff who earn at least SGD2,500 a month and meet the assessment criteria in terms of qualifications and work experience. Older, more experienced candidates will require higher salaries to qualify. The minimum qualifying salary will be revised to SGD3,000 (for non-financial services sectors) or SGD3,500 a month (for the financial services sector) for new applications from 1 September 2022, and for application renewals from 1 September 2023.

The minimum qualifying salary will be revised again to at least SGD3,150 (for non-financial services sectors) or at least SGD3,650 a month (for the financial services sector) for new applications from 1 September 2023, and for application renewals from 1 September 2024. The minimum qualifying salary will be revised yet again to at least SGD3,300 (for non-financial services sectors) or at least SGD3,800 a month (for the financial services sector) for new applications from 1 September 2025, and for application renewals from 1 September 2026. The qualifying salaries mentioned in this paragraph are not yet the finalised figures, and the finalised figures will be announced closer to the implementation date.

Employers are limited by a quota and subject to a levy for each S Pass holder employee.

Generally, employers submitting S Pass applications must first advertise the job vacancy on
the national jobs bank, MyCareersFuture, for at least 28 calendar days and consider all candidates fairly.

**Work Permit**
The Work Permit is generally for foreign semi-skilled workers in the construction, manufacturing, marine shipyard, process or services sector. There is no minimum salary for employees on a Work Permit, but employers are limited by a quota and subject to a levy. Depending on the sector, there may also be restrictions based on source country or region, minimum age, maximum period of employment and other restrictions.

See 1. Introduction (COVID-19 Crisis section) for further discussion of how work passes in Singapore have been affected by the pandemic.

### 5.2 Registration Requirements
Applications for work passes are made to the Ministry of Manpower. When making work pass applications, the prospective employer needs to get the worker’s written consent.

When making an Employment Pass application, the prospective employer needs to provide particulars of the foreign worker’s passport, the foreign worker’s educational certificates and the employer’s latest business profile information. The employer may also be required to verify the foreign worker’s educational certificates through a global verification agency.

For Work Permit applications and S Pass applications, the employer is required to buy and maintain medical insurance providing coverage of at least SGD15,000 per year.

When making a Work permit application, the employer will be required to post an SGD5,000 security bond for each worker (with the exception of Malaysians).

### 6. Collective Relations

#### 6.1 Status/Role of Unions
Trade unions are associations of workers or employers with the regulation of employer-employee relations as their main aim, for the purposes of:

- promoting good industrial relations between workers and employers;
- improving the working conditions, alongside economic and social statuses, of workers; and/or
- increasing productivity for the benefit of workmen, employers and Singapore’s economy.

Trade unions are required to apply to the Registrar of Trade Unions to be registered. They are regulated under:

- the Trade Unions Act (Chapter 33) and Trade Unions Regulations;
- the Trade Disputes Act (Chapter 331);
- Part III of the Criminal Law (Temporary Provisions) Act (Chapter 67);
- the Singapore Labour Foundation Act (Chapter 302); and

Trade unions play a key role in representing their members in collective bargaining and negotiating with employers for collective agreements (see discussion in 6.3 Collective Bargaining Agreements).

Although uncommon in Singapore, trade unions may take industrial action. They may do so only if they have obtained the consent of the majority of members who would be affected through a secret ballot.
6.2 Employee Representative Bodies
Trade unions are the representative bodies for employees in Singapore.

6.3 Collective Bargaining Agreements
Collective agreements are agreements between an employer and the trade union on the employees’ employment terms. They are valid for a minimum of two years and a maximum of three years.

Certain matters are statutorily excluded from the scope of collective bargaining, such as:

- the promotion of an employee;
- an internal transfer, which does not entail a detrimental change to the transferred employee’s employment terms;
- the employer’s hiring decisions;
- the termination of an employee by reason of redundancy or the employer’s reorganisation;
- the dismissal and reinstatement of an employee who considers that they have been wrongfully dismissed; and
- the assignment or allocation of duties to an employee that are consistent or compatible with the employee’s employment terms.

A trade union must be accorded recognition by the employer under the Industrial Relations (Recognition of a Trade Union of Employees) Regulations before it may engage in collective bargaining.

Either the employer or the trade union may initiate the collective bargaining process through serving a notice.

If a collective agreement cannot be reached within the prescribed timeframes, any party to the negotiations may make a request to the Ministry of Manpower for conciliation assistance. If no agreement can be reached between the parties through conciliation, the trade dispute can be referred to the Industrial Arbitration Court as a last resort.

7. Termination of Employment

7.1 Grounds for Termination
An employment contract may be terminated by agreement, including by way of notice (see 7.2 Notice Periods/Severance), or by a fundamental breach on the part of the other party, including dismissal for cause (see 7.3 Dismissal For (Serious) Cause (Summary Dismissal)).

Managing Excess Manpower and Responsible Retrenchment
The TAFEP’s Tripartite Guidelines on Managing Excess Manpower and Responsible Retrenchment strongly encourage employers to take a long-term view of their manpower needs, including the need to maintain a strong Singaporean core, and preserve jobs as far as possible.

Retrenchment should be the last resort and, if all other feasible options have been exhausted, should be conducted in a responsible and sensitive manner. This includes providing a longer notice period beyond the contractual or statutory requirements, where possible.

Employers who have businesses registered in Singapore and have at least ten employees must notify the Ministry of Manpower if any employee is notified of their retrenchment, within five working days after such notification.

7.2 Notice Periods/Severance

Notice Period
The Employment Act provides that either party to an employment contract may, at any time, give to the other party notice of their intention to terminate the employment. The length of the notice must be the same for both the employer and employee and is determined by the employ-
ment contract or, if there is no such provision, the statutory notice period is up to four weeks depending on the length of service.

The employment may also be terminated by either party without notice by paying a sum to the other party equal to the salary which would have accrued to the employee in lieu of notice.

The Tripartite Guidelines on Wrongful Dismissal (last updated on 28 April 2022) provides that where the employment contract provides for termination with notice, the employer is entitled to terminate the employment with notice without providing a reason.

Formalities
The Employment Act requires that notice of termination must be in writing. Even where the Employment Act does not apply, it is usually prudent to give notice in writing.

The notice should generally contain the date of termination, or make it ascertainable by computation. In addition, where an employer is giving notice, it is generally useful to state the employer’s expectations of the employees’ work and conduct up to the last day of work.

Severance Payments
Generally, there is no statutory requirement for an employer to pay retrenchment benefits/severance payments. However, an entitlement to retrenchment payments/severance payments may be provided in the terms of employment contracts.

Employees who fall under Part 4 of the Employment Act will not be entitled to any retrenchment benefit if they have not been in continuous service with their employer for two years or more. Non-Part 4 employees are not statutorily entitled to any retrenchment benefit.

The quantum of severance benefits will often depend on the terms of the employment contract or, where the employee is unionised, the collective agreement.

Where there is no contractual provision for the quantum of severance benefits, the TAFEP’s Tripartite Guidelines on Managing Excess Manpower and Responsible Retrenchment recommend that employers pay severance benefits of between two weeks’ to one month’s salary per year of service, depending on the financial position of the company and taking into consideration the industry norm. The TAFEP’s recommendation represents the prevailing norm for the quantum of severance benefits.

7.3 Dismissal for (Serious) Cause (Summary Dismissal)
An employee may be summarily dismissed for cause, without notice or salary in lieu of notice, if the employee commits a fundamental breach of the employment contract, such as where there is disobedience, negligence, incompetence or disloyalty.

An employee may also be summarily dismissed if the employment contract provides for the immediate termination of the contract on the occurrence of certain events and such an event occurs. For example, an employment contract may provide that an employer may immediately terminate the contract if the employee is convicted of a criminal offence involving fraud or dishonesty.

Procedure Under the Employment Act
Where an employee is covered by the Employment Act, an employee can only be summarily dismissed for misconduct after a due inquiry. The requirement for there to be a due inquiry only applies if the employee is summarily dismissed for misconduct, and not for wilful breach
of the employment contract or some other reason (eg, gross incompetence).

A due inquiry requires that the employee concerned be properly informed about the allegation(s) and the evidence against them so that they have an opportunity to defend themselves by presenting their position and any other evidence.

A failure to carry out a due inquiry does not invalidate the dismissal, but will leave the employer liable to pay damages for wrongful dismissal.

Procedure Under Common Law
There is no general common law prescription of procedural due process or requirement for the application of natural justice.

However, where there is an employment contract or other terms, which are incorporated into the employment contract, that set out the procedure for inquiry into misconduct, the employer will have to comply with such procedure for dismissal on the grounds of misconduct.

7.4 Termination Agreements
It is common for employers and departing employees to enter into termination agreements, which may contain obligations in the remaining period of employment and post-employment obligations. Some of the provisions in such agreements include severance payments, arrangements for employee stock options plans (ESOPs) and other benefits payments, mutual waivers and releases, non-disparagement clauses, and post-termination restrictive covenants. These agreements provide clarity and closure at the end of the employment relationship and minimise the risk of disputes.

Employers need to handle the presentation of termination agreements with care. For example, employers will want to avoid their employees apprehending discussion of such agreements as constructive dismissal from employment or perceiving that they are under duress or other undue pressure to enter into the agreements.

7.5 Protected Employees
The dismissal of an employee because of discrimination on the basis of that employee’s age, race, gender, religion, marital status and family responsibilities, or disability is wrongful. It is wrongful to dismiss an employee to deprive them of benefits/entitlements that they would otherwise have earned (eg, maternity benefits), or to punish the employee for exercising an employment right (eg, filing a mediation request, or declining a request to work overtime) (Tripartite Guidelines on Wrongful Dismissal).

It is an offence under the Industrial Relations Act for employers to discriminate against members of trade unions.

8. Employment Disputes

8.1 Wrongful Dismissal Claims
Wrongful dismissal is the dismissal of an employee without just or sufficient cause. The termination of an employment with notice and without giving any reason is presumed not to be wrongful. However, if an employer chooses to give a reason, the dismissal can be wrongful if the reason given is proven to be false (Tripartite Guidelines on Wrongful Dismissal).

Damages for Wrongful Dismissal
The normal measure of damages in a case of wrongful dismissal is for the amount which the employee would have received under the employment contract had the employer lawfully terminated the contract by giving the required notice or paying salary in lieu of notice.
Reinstatement of Employment
For employees covered under the Employment Act, an employee who considers that they have been dismissed without just cause or excuse may lodge a claim with the Employment Claims Tribunal for the reinstatement of their former employment, or compensation.

However, under common law, specific performance for the reinstatement of former employment is generally not granted and will typically be compensated by damages.

8.2 Anti-discrimination Issues
The dismissal or retrenchment of an employee because of discrimination on the basis of that employee’s age, race, gender, religion, marital status and family responsibilities, or disability is wrongful (Tripartite Guidelines on Wrongful Dismissal; Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment).

Employers who have wrongfully dismissed employees on discriminatory grounds may be made to compensate the employees beyond their salaries payable in lieu of notice. Furthermore, the Ministry of Manpower may also take action against employers found to have discriminatory practices by curtailing work pass privileges for such employers.

9. Dispute Resolution

9.1 Judicial Procedures
Employment Claims Tribunal
The Employment Claims Tribunal provides an alternative, low-cost forum for employees and employers to resolve salary-related claims or wrongful dismissal disputes. For a claim to be heard in the Employment Claims Tribunal, the following preconditions must be satisfied:

- the claim must either be a specified statutory or contractual salary-related dispute or a wrongful dismissal dispute;
- the claim cannot exceed the prescribed claim limit of SGD20,000 unless it involves a union (recognised under the Industrial Relations Act 1960), in which case the limit is SGD30,000;
- a mediation request must first be lodged with the Tripartite Alliance for Dispute Management, the claim must have failed to be resolved through mediation, and a claim referral must have been issued by the mediator;
- the claimant is an employer who has a salary in lieu of notice termination claim; and
- the claimant is claiming against a party who is residing, or has a registered office or place of business, in Singapore.

All proceedings before the Employment Claims Tribunal are conducted in private. Parties must act in person and cannot be represented by lawyers.

Litigation
Parties may choose to bring their employment disputes before the Singapore Courts. Claims not exceeding SGD60,000 are filed in the Magistrate’s Court, while claims not exceeding SGD250,000 are filed in the District Court. Claims exceeding SGD250,000 are filed in the High Court.

There are no specific processes under Singapore law for bringing class action claims.

9.2 Alternative Dispute Resolution
Arbitration
Parties can agree to have disputes arising between them determined through arbitration. If an action is brought before a court where the parties have entered into an arbitration agreement, the court will generally stay the court proceedings.
Mediation
The Tripartite Alliance for Dispute Management provide mediation services for salary-related claims, wrongful dismissal claims and appeals under the Retirement and Re-employment Act. Only disputes that cannot be resolved via mediation may then be referred to the Employment Claims Tribunal.

Parties can also agree to refer employment disputes to private mediation service providers, such as the Singapore Mediation Centre.

9.3 Awarding Attorney’s Fees
Costs are generally awarded to the successful party at the discretion of the court, taking into account the conduct of all the parties (including before and during the proceedings) and the parties’ conduct in relation to any attempt to resolve the dispute through mediation or any other means of dispute resolution.
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