

AMENDMENTS TO THE SINGAPORE EMPLOYMENT ACT

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Asia Labor, Employment and Workplace Safety Alert

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The Employment Act, which is Singapore's main employment legislation, has recently been amended, with the changes taking effect from 1 April 2019. The changes are very extensive, and every employer in Singapore is likely to be affected.

WHAT ARE SOME OF THE CHANGES?

Some of the major changes introduced on 1 April 2019 include:

- Before 1 April 2019, professionals, managers and executives ("PMEs") earning more than S\$4,500 a month were not covered by the Employment Act. Since 1 April 2019, these PMEs are also covered.
- Part IV of the Employment Act, which provides for rest days, hours of work and some other conditions of service, previously applied only to (a) workmen earning a basic monthly salary of up to S\$4,500 and (b) non-workmen earning a salary of up to S\$2,500. The threshold in (b) has been amended to include non-workmen, non-managers or executives who earn up to S\$2,600.
- The Employment Claims Tribunal now has wider jurisdiction to hear salary-related disputes as well as wrongful dismissal cases.
- Subject to certain exceptions, employers are now able to make salary deductions so long as they have their employee's consent. Previously, the Ministry of Manpower's approval was required in most cases.
- Claims for wrongful dismissals will be extended to include constructive dismissals.
- Employers must recognize medical certificates issued by any registered doctor or dentist.

WHAT SHOULD COMPANIES DO?

Due to the extensive nature of the amendments, it is likely that training will be required for Human Resources ("HR") personnel, in addition to a review of HR practices, policies and documents.

As a start, the following are some ways in which employers can bring their employment practices in line with the new regulations:

- Provide all employees (including PMEs) with a copy of their key employment terms (to the extent not already incorporated in their employment agreements)
- Review company policies and existing employment terms to ensure that these are no less favourable than those mandated under the applicable regulations
- Liaise with payroll service providers to ensure that HR and other payroll software have been updated in line with the new regulations
- Provide training for directors, managers and HR executives to ensure that they understand the new changes to the law, including protection around employee dismissals
- Review employee insurance policies to ensure that they provide the requisite medical coverage

WHAT WE CAN DO TO ASSIST

We are able to perform an audit of your employment practices to determine your overall compliance with current Singapore employment laws, as well as assist with any necessary modifications or changes. This includes:

- reviewing employment terms and policies;
- conducting training sessions for HR personnel and employees; and
- advising employers on how the amendments to the Employment Act will affect them.

If you would also like to take this opportunity to review your global HR policies, K&L Gates has lawyers in 45 jurisdictions who would be happy to assist you.

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