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PROPOSED BY DS GROUP

Singapore - changes to the Employment Act from 1 April 2019

In accordance with the Employment (Amendment) Bill passed on 19 November 2018, changes to the Employment Act ("EA") and Employment Claims Act ("ECA") announced in our [previous Brève](#) are to take effect from 1 April 2019. The amendments to EA and ECA cover four key areas:

Extension of core provisions of the EA to protect all employees

Currently the core provisions of the EA cover all employees except managers and executives ("M&Es") earning above S\$4,500/month.

From 1 April 2019, the S\$4,500/month salary cap **will be removed**, thereby extending coverage of the EA to all employees. All employees will therefore be covered for core provisions such as minimum 7-14 days of annual leave, paid public holidays and sick leave, timely payment of salary and statutory protection against wrongful dismissal.

Public servants, domestic workers and seafarers will continue to be excluded as they are covered separately under other laws, due to the nature of their work.

Extension of Part IV of the EA to protect more employees

Besides the core provisions, Part IV of the EA provides additional protection of working hours, payment for overtime work and rest days. It currently benefits:

- workmen (i.e. blue-collar employees involved in manual labour, such as cleaners and construction workers) earning a basic salary of up to \$4,500/month; and
- non-workmen (i.e. white collar employees who are not in managerial or executive positions, such as clerks and receptionists) earning a basic salary of up to \$2,500/month.

From 1 April 2019, changes to Part IV of the EA will cover the following employees :

Before amendments to EA	After amendments to EA
Workmen earning up to S\$4,500/month	No change
Non-workmen earning up to S\$2,500/month	Non-workmen earning up to S\$2,600/month
Non-workmen: The cap for the monthly basic salary used to calculate the hourly rate for overtime work is \$2,250/month	Non-workmen: The cap for the monthly basic salary used to calculate the hourly rate for overtime work is now \$2,600/month

Enhancement of the employment dispute resolution framework

Adjudication of wrongful dismissal claims will be shifted from Ministry of Manpower to the Employment Claims Tribunals, which currently adjudicate only salary-related disputes.

Enhanced flexibility for employers

Extend option of time off for working on public holiday to more employees

Changes to the EA were also made to provide flexibility to employers to give time off to more employees for work on public holidays, while ensuring that those with lower bargaining power will continue to get either their extra day's salary or full-day off. Like other core provisions, compensation for work done on public holidays has been extended to all employees.

See the changes below :

Before amendments to EA	After amendments to EA
For all workmen and non-workmen, employers have two options for compensation for working on a public holiday: <ul style="list-style-type: none"> • Extra day's salary; or • A full-day off 	For workmen earning up to S\$4,500/month, and non-workmen earning up to \$2,600/month, employers have two options for compensation for working on a public holiday: <ul style="list-style-type: none"> • Extra day's salary; or • A full-day off
For M&Es earning up to S\$4,500/month, employers have three options for compensation for working on a public holiday: <ul style="list-style-type: none"> • Extra day's salary; or • A full day-off; or • Time off (less than full day) 	For all M&Es, workmen earning more than \$4,500/month, and non-workmen earning more than \$2,600/month, employers have three options for compensation for working on a public holiday: <ul style="list-style-type: none"> • Extra day's salary; or • A full-day off; or • Time off (less than full day)

Adopt less prescriptive approach for authorised deductions

Today, the EA limits the type of salary deductions that employers can make, such as absence from work or damaging or losing goods entrusted to the employee. After the EA is amended, salary deductions will also be allowed if it fulfils two conditions: (i) the employee must consent to the deduction in writing, and (ii) the employer enables the employee to withdraw his consent at any time, without penalty. This change gives employers flexibility while safeguarding employees' interests.

Other amendments to the EA

- > Requiring employers to recognise medical certificates for being unfit to work from all doctors, instead of only those issued by Government and company-appointed doctors;
- > Clarifying that paid hospitalisation leave is to cover :
 - The period requiring hospital care and the period of recuperation after being discharged;
 - Quarantine orders as required by law; and
 - Situations where the hospital doctor assesses that the patient is ill enough to require hospitalisation but is not hospitalised;

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