

SINGAPORE



Amendments to Singapore's Employment Act

By **Julia Loh**



Amendments to the Employment Act (the Act) will soon be passed to keep it up to date with today's labour market conditions. These amendments will provide a balance between protection of employees and maintaining the competitiveness and flexibility of Singapore's labour market.

The Act has been changed with the following aims: revising the coverage of the Act to keep pace with changes in the workforce profile; reviewing employment standards and benefits, especially for vulnerable workers; enhancing penalties and enforcement powers, and streamlining administrative processes to facilitate compliance with employment standards; rationalising existing provisions; and repealing outdated provisions to keep the Act up-to-date. The key provisions of the Act are as follows.

Confidential staff accorded protection under the Act

Under the new amendments, confidential staff will fall within the ambit of the Act, affecting employees such as accounts assistants, human resource clerks and secretaries. They were previously excluded from the Act because it was deemed that their access to company information could lead to potential conflicts of interest and allow trade unions an unfair bargaining advantage. However, since sensitive information is now largely handled by senior management, confidential staff will be accorded protection under the Act.

Executives and junior managers given access to the labour court

Executives and junior managers who earn up to \$2,500 a month can now go to the labour court for salary disputes, where previously they could not, as it was assumed that they could protect their own interests by going to the civil courts. However, as this process has proven to be long-drawn and costly, the manpower ministry will be expanding the categories of employees who will be allowed such access.

Revision of employment benefits

Employees who have worked at least three months instead of six months can now qualify for paid sick leave. The MOM has proposed that the qualifying period for paid sick leave be shortened to three months so as to bring this in line with the employee's entitlement to paid annual leave after working for three months.

Widening the ambit of the Act to take into account rising salaries

The manpower ministry is revising the salary ceiling, raising it from \$1,500 to \$2,000 for workers who come within the Act's ambit. This is to allow the Act to take into account the rising salaries of workers.

Repealing outdated provisions

Provisions that are outdated will be repealed. Part X on having an employment exchange for registration of persons seeking employment and assisting persons in gaining employment and Part XI on the provision of proper housing and sanitary arrangements have been repealed.

Increased penalties

Penalties against infringements, such as wrongfully detaining an employee whose contract has been determined, will also be increased from the maximum of S\$1,000 to S\$5,000 for first-time offenders and from S\$2,000 to S\$10,000 for subsequent offenders.

It is hoped that these much needed changes to the Act which has not been changed since 1995, will address the issues created by Singapore's changing labour market.

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