

Bird & Bird & Singapore Employment Act Changes

The Employment Act in Singapore will be expanded to cover all employees from April 2019. Here is what to expect:



Dismissal

- Constructive dismissal will be recognised as a statutory basis for claim
- All employees eligible to bring unfair dismissal claims to Employment Claims Tribunals
- Unfair dismissal could lead to reinstatement and/or compensation
- Statutory measure of damages for breach of employment contract



Benefits

- Statutory annual, maternity, childcare, sick leave for all employees
- Right to encash accrued unused annual leave on termination (except on ground of misconduct)
- Statutory right to paid public holidays (PH) and be paid for work done on PH



HR Records

- Will have to provide Key Employment Terms in writing to all employees
- Will have to provide payslips to all employees
- Obligation to make and keep employee records for prescribed retention period

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Salary Deductions

- All kinds of deductions generally allowed with employee's written consent
- Employees can withdraw consent at any time without penalty



Automatic Transfer

- All employees will automatically be transferred where the business is sold / in restructuring
- Continuity of service, rights and liabilities will be preserved
- Terms of service remain unchanged unless mutually agreed



Misconduct

- Companies may apply to the MOM for permission to suspend employee for more than 7 days pending misconduct investigation
- Suspension must be on at least half-pay

"Does the new employment regime mean that the ease of doing business in Singapore will become a thing of the past? Absolutely not.

I would argue that these changes make Singapore a more attractive place to work – which can only be good for business. The new regime removes the awkward divide between those who earned more than S\$4,500 per month and those who didn't and is a reflection of the current socio-economic climate. In a way too, the new regime simplifies things for HR by harmonising standards across all employee ranks.

These changes aren't just about changing the provisions in employment documentation (which is a given!); the real impact is the change in HR practices and thinking, which have stuck with us for generations."



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