

Feedback to Public Consultation on the Employment Act Review

Feedback on sections of the Employment Act Review

No.	Section of Act	Proposed Regulation	Recommendations
1	S14 [Dismissal]	Today, where a relevant employee considers that he has been dismissed without just cause...he may appeal to the Ministry for Manpower to be reinstated to his former employment.	Members urge the government to redefine “reinstatement to former employment” and to consider the need for mediation between the employee and his ex-employer before determining whether he should be reinstated. Companies are concerned that future work arrangements may be hindered should there be a strained employer-employee relationship.
2	S21 [Time of Payment]	Additional payments for overtime work shall be paid within 14 days after end of salary period	<p>While members do recognize that the guideline by MOM is in place to ensure that employers pay their employees for overtime work, having a cutoff date can be administratively difficult in certain companies (<i>especially those with substantial number of employees who are entitled to OT and do not have an attendance tracking / time management system</i>) as in addition to payment, other aspects such as appropriate CPF contributions and capturing of additional payment information for IRAS tax purposes also needs to be considered. The payment process should be streamlined in such a way that administratively it is convenient, and all information is stored in 1 single system.</p> <p>To address such issues, members feel that MOM should revise the guideline to state that <u>OT payment for the current month must be made on or before the following month’s payday</u> and the details must be included in the pay slips. This will give sufficient time to employers to process OT, reduce administrative overheads,</p>

			save all payroll information in one system for CPF and IRAS computation and the pay slips will serve as evidence during audits.			
3	S37 [Work on Rest Day]	The current regulation stipulates that if work is done, remuneration should be made according to:		Members feel that it would be fairer if employees who work on their rest day be paid based on the Public Holiday rate x number of hours worked.		
		If work is done...	Up to half the normal daily working hours		More than half the normal daily working hours	Beyond the normal daily working hours
		At employee's request	Half day's salary		1 day's salary	1 day's salary + overtime pay
		At employer's request	1 day's salary		2 days' salary	2 days' salary + overtime pay
4	S38 [Hours of Work]	Current regulation covers only non-workmen earning up to \$2,500 per month and workmen earning up to \$4,500 per month.	Members are of the view that the cover for non-workmen should remain only at \$2,500 and not be extended to workmen earning up to \$4,500, so as to encourage higher-salaried workers to have the right mindset and ethics with regard to their work commitments.			
5	Part IV [Rest Days, Hours of Work and Other Conditions of Service]	<p>The provisions of this Part shall apply —</p> <p>(a) to workmen who are in receipt of a salary not exceeding \$4,500 a month (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) or such other amount as may be prescribed by the Minister; and</p> <p>(b) to employees (other than workmen) who are in receipt of a salary not exceeding \$2,500 a</p>	<p>Members propose to maintain the current threshold.</p> <p>Extending coverage beyond the threshold limit will impose additional costs for SMEs which employ approximately 65% of Singapore's working population. In addition, most SME employers adhere to the minimum requirements stipulated in the Act.</p>			

		month (excluding overtime payments, bonus payments, annual wage supplements, productivity incentive payments and any allowance however described) or such other amount as may be prescribed by the Minister.	Other than overtime hours/payment, employees in MNCs are adequately covered by provisions in Part IV, which have been determined via competitive industry benchmarking instead of the law. In fact, most of these provisions provide more coverage than those stipulated in the Act. While a threshold extension would be in the workers' monetary interests, members are concerned over how overtime hours would be regulated in light of calls for better work-life balance.
General Comments			
6	Core provisions that provide for public holiday, sick leave entitlements, timely payment of salary and allowable deductions, and redress for wrongful dismissal, etc.	At present, these core provisions cover all employees except managers and executives earning more than \$4,500 per month.	Such core provisions should be extended to all employees regardless of salary levels and job position.
7	Enhancing dispute resolution services	Currently, statutory and contractual salary-related disputes are heard by the Employment Claims Tribunals (ECT), while wrongful dismissal claims are heard by MOM.	Members agree that there should a single reference point. The ECT seems most well-positioned to handle such cases because MOM advises on policy-related issues whereas the claims procedure is a process.
8	Additional protection for more vulnerable employees	The current Act incorporating salary thresholds and the latest amendments came into effect in 2015. Since then, the overall gross monthly income has increased by approximately 4.3%.	Members urge the government to take reference from the percentage increment in determining revised salary thresholds for "vulnerable employees" i.e. \$2,600 for non-workmen and \$4,700 for workmen.