Guide on Employment Laws for Employers
For More Information

• www.fairemployment.sg
• www.mom.gov.sg
• Call the Ministry of Manpower at 6438 5122
• Email: mom_lrd@mom.gov.sg

This Guide is produced by the Tripartite Alliance for Fair Employment Practices to promote the adoption of fair and responsible employment practices. You may also download copies of this Guide from the websites of the Ministry of Manpower and the Tripartite Alliance for Fair Employment Practices.

All information in this Guide is correct as of May 2011. The information written in this Guide is written in general terms and is not a complete statement of the law. If in doubt, please refer to the Employment Act or contact Ministry of Manpower.
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Sample Employment Agreement Contract

28x559
The Employment Act

The Employment Act is Singapore’s main labour law. It specifies the basic terms and conditions of employment, and the rights and responsibilities of employers and employees under a contract of service.

This Guide will provide you with basic information on the Employment Act. It is written in general terms as a guide for employers and is not a complete statement of the law. If you need further assistance, please refer to www.mom.gov.sg or call the Ministry of Manpower at 6438 5122.

1) Are my employees covered under the Employment Act?

The Employment Act covers every employee (regardless of nationality) who is under a contract of service with an employer, except:

a) Managers and executives (Managers and executives who earn basic monthly salaries of $4,500 and below are only covered partially under the Employment Act, for payment of salary.)

b) Seamen;

c) Domestic workers; and

d) Statutory board and government employees.

The Employment Act covers both local and foreign employees. It does not make any distinction between a temporary employee, contract employee, daily-rated employee or employee on tenured employment.

2) Which sections of the Employment Act are applicable to my employees?

In general, all sections of the Employment Act are applicable to your employees if they are covered by the Employment Act. However, Part IV of the Employment Act, which deals with hours of work, rest days, annual leave, shift work and other conditions of service, only applies to workmen with basic monthly salaries not exceeding $4500 and other employees with basic monthly salaries not exceeding $2000.

Note:
A workman is an employee, whose work generally involves manual labour and who may either be skilled or unskilled. Some examples of workmen include cleaners, construction workers, labourers and drivers.
3) **What should be included in the Contract of Service?**

To avoid any misunderstanding, you are advised to have a written Contract of Service (in the form of an employment contract or appointment letter) that states the terms and conditions of employment. The Contract of Service should include the following:

- Title of job
- Scope of work, i.e. duties to be performed
- Start date of appointment/commencement for work
- Salary and allowances if any
- Salary payment period
- CPF contributions
- Hours of work per day/week/shift patterns
- Rate of overtime payment
- Rest day
- Employee’s benefits, eg. annual leave, sick leave and hospitalisation leave
- Termination of employment contract and notice period

4) **Can the terms of employment in a Contract of Service be less favourable than those stated in the Employment Act?**

No, any employment term which is less favourable than the relevant provisions in the Employment Act is illegal, null and void. The provision in the Employment Act will take precedence over any contractual term that is less favourable.
5) **What is the difference between Contract of Service and Contract for Service?**

A contract of service is an agreement whereby one person agrees to employ another as an employee and the other agrees to serve his employer as an employee. The employer would need to contribute CPF and provide relevant statutory benefits such as annual leave and sick leave.

On the other hand, a contract for service is an agreement whereby a person is engaged as an independent contractor, such as a self-employed person or vendor engaged for a fee to carry out an assignment or a project for the company. Under such an arrangement, there is no employer-employee relationship, and the person is not covered by the Employment Act.

Some of the following factors are to be considered in differentiating between a contract of service and a contract for service:

a) Control over recruitment and dismissal, payment of wages, determination of production process, and provision of work.

b) Ownership of tools, equipment, materials and working place.

c) Ownership of business, assignment of profits and losses, and derivation of earnings and profits.
Salary Matters

6) **How often do I have to pay my employees?**
Salary must be paid to your employees at least once a month and within seven days after the end of the salary period. In addition, all payments for overtime work must be made within 14 days after the end of the salary period.

7) **How do I calculate payment for overtime work?**
Overtime work must be paid at a rate of no less than 1.5 times the employee's hourly basic rate of pay. Based on the hourly basic rate of pay, the overtime pay is to be calculated as follows:

Hourly Basic Rate of Pay x 1.5 x Number of Hours of Overtime Worked

### Example of Overtime Pay Calculation

<table>
<thead>
<tr>
<th>Type of employee</th>
<th>Salary</th>
<th>Formula to calculate hourly basic rate</th>
<th>Calculation of hourly basic wage</th>
<th>No. of hours worked overtime</th>
<th>Overtime pay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly rated</td>
<td>$600 per month</td>
<td>12 x Monthly basic Rate of Pay 52 x 44</td>
<td>12 x $600 52 x 44 = $3.15</td>
<td>2 Hours</td>
<td>$3.15 x 1.5 x 2hrs = $9.45</td>
</tr>
<tr>
<td>Daily rated</td>
<td>$40 per day</td>
<td>Daily pay at the basic rate Daily hours of work $40 8 = $5</td>
<td></td>
<td>4 Hours</td>
<td>$5 x 1.5 x 4hrs = $30</td>
</tr>
</tbody>
</table>
Under Part IV of the Employment Act, it is mandatory to make overtime payment to an employee if his basic salary is $2000 or less a month, or to a workman if his basic salary is $4500 or less a month.

You may also refer to the online e-Calculator service for help in calculating overtime pay: www.mom.gov.sg > Services & Forms > Labour Relations > e-Calculator

8) **How should salary be paid?**
   Salary should be paid on a working day and during working hours at the place of work or at any other place agreed to between you and your employee. It may also be paid into your employee's personal/joint bank account.

9) **When is salary payable to the employee when the contract of service has been terminated?**
   a) Dismissal on grounds of misconduct or termination of contract of service by employer:
      • The total salary due to the employee must be paid to him on the last day of employment. If it is not possible, it must be paid within three working days from the date of dismissal/termination.
   b) Termination of contract of service by the employee:
      • If the employee has served the required notice period, the employer must pay all due salary on the last day of employment;
      • If the employee leaves employment without notice or without serving the required notice period, his salary should be paid to him within seven days from the last day of employment.

10) **Am I allowed to make deductions from my employee's salary?**
   You are not allowed to make any deductions other than those permitted under the Employment Act. The deductions from salary permitted under the Act are:
   a) For absence from work.
   b) For damage to or loss of goods or money entrusted to the employee, where the damage or loss is directly attributable to his negligence or default. The amount to be deducted cannot exceed 25% of one month's salary and the deduction can only be made after establishing that the loss or damage is due to the employee's negligence or default.
   c) For cost of meals supplied by the employer at the employee's request.
   d) For house accommodation or for amenities and services supplied by the employer and which the employee has accepted.
   e) For the recovery of advances, loans or adjustment of overpayments of salary. The amount deducted should not exceed 25% of one month’s salary in the case of deductions for advances and loan.
   f) For income tax payment when directed by Inland Revenue Authority of Singapore.
   g) For CPF contributions.
h) For contributions to superannuation scheme or provident fund or any other scheme at the request of the employee in writing. However, these schemes must be lawfully established for the benefit of the employee and approved by the Commissioner for Labour.

i) For payments to any registered co-operative society with the written consent of the employee.

j) For any other purpose which may be approved upon application from time to time by the Minister for Manpower.

11) **What is the maximum amount of deductions that an employer can make from the employee’s salary?**

The maximum amount of deductions in respect of any one salary period is 50% of the employee’s salary but this does not include deductions made for:

a) Absence from work;

b) Payment of income tax;

c) Recovery of advances/loans; and

d) Payments with the consent of the employee, to registered co-operative society in respect of subscriptions, entrance fees, instalment of loans, interest and other dues payable.

12) **How do I calculate salary for less than a month of work?**

Salary payable to a monthly-rated employee for an incomplete month of work is calculated using the formula below:

\[
\text{Salary payable for incomplete month of work} = \frac{\text{Monthly gross rate of pay}^1}{\text{Total number of working days in that month}^2} \times \text{Total number of days the employee actually worked in that month}^3
\]

1 Refers to the total amount of money including allowances payable to an employee for working for one month, excluding:

a) Additional payments by way of:
   - Overtime payments;
   - Bonus payments; or
   - Annual Wage Supplements;

b) Any sum paid to the employee for reimbursement of special expenses incurred by him/her in the course of employment;

c) Productivity incentive payments; and

d) Travelling, food or housing allowances.

2 Excludes rest days, non-working days but includes public holidays.

3 Includes public holidays, paid hospitalisation leave or annual leave if entitled.
If the number of working hours in any working day is five hours or less, it shall be regarded as a half-day. If it is more than five hours, it shall be regarded as one working day.

**Example of Salary Calculation for Incomplete Month of Work**

Selvaraj worked a 5-day week from Monday to Friday. His monthly basic rate of pay was $700 and his monthly gross rate of pay was $800. Selvaraj had previously tendered his resignation and his last day of work was on 26 August. During the month of August, Selvaraj was on four days of paid annual leave from 11 to 14 August. Selvaraj's rest day falls on Sunday.

<table>
<thead>
<tr>
<th>Mon</th>
<th>Tues</th>
<th>Wed</th>
<th>Thurs</th>
<th>Fri</th>
<th>Sat</th>
<th>Sun</th>
</tr>
</thead>
<tbody>
<tr>
<td>31</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
<td>2</td>
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<td>3</td>
<td>4</td>
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<td>6</td>
<td>7</td>
<td>8</td>
<td>9</td>
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<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>Annual leave</td>
<td>Annual leave</td>
<td>Annual leave</td>
<td>Annual leave</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
<td>21</td>
<td>22</td>
<td>23</td>
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<tr>
<td>24</td>
<td>25</td>
<td>26</td>
<td>27</td>
<td>28</td>
<td>29</td>
<td>30</td>
</tr>
<tr>
<td></td>
<td>Last day</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Total number of working days in August**
= 31 - 5 Saturdays - 5 Sundays
= 21 working days

**Number of days worked in August**
= 13 days (shaded) + 4 days of paid annual leave + 1 public holiday
= 18 days

**Salary for August**
= $800 (monthly gross rate of pay) \( \times \) 18 days
= 21 (no. of working days in Aug) (no. of days worked in Aug)
= $685.71
13) **How many hours are my employees expected to work in a day or week?**
   The contractual working hours of an employee cannot exceed eight hours in a day or 44 hours in a week (a week is defined as a continuous period of seven days commencing on Monday and ending on Sunday). These hours of work do not include break-time for tea/meals or rest. All work in excess of contractual working hours shall be considered as overtime work.

14) **Is there a limit to the number of hours that my employees can work in a day?**
   Yes, your employees are generally not allowed to work more than 12 hours in a day.

15) **Is there a limit to the number of overtime hours that my employees can work in a month?**
   Yes, an employee is permitted to work up to a limit of 72 hours of overtime in a month. The limit may be exceeded only if an exemption has been granted by the Commissioner for Labour through the Ministry of Manpower. You may apply for such exemptions by completing an application form available on the Ministry of Manpower’s website, www.mom.gov.sg.
Rest Days

16) **How many rest days are my employees entitled to in a week?**
Your employees are entitled to one rest day each week without pay. The rest day can be Sunday or any other day of the week. For employees on shift duty, the rest day can be a continuous period of 30 hours if it is not possible to grant them one whole day off as a rest day.

17) **Can I request my employees to work on their rest days?**
Yes, you can request but you cannot force your employees to work on a rest day unless under exceptional circumstances, such as when the nature of the work requires it to be carried on continuously across successive shifts. Employees’ agreement must be sought. If your employees work on a rest day at your request, you are required to pay them two days’ salary if they work for more than half of the daily contractual hours of work (please refer to question 18 for more details). Total working hours should also be within approved limits (please refer to questions 14 and 15).
18) **What is the payment due to my employees for work done on rest days?** 
The amount payable depends on the work duration and whether the request to work originated from you or your employee.

<table>
<thead>
<tr>
<th>Duration of Work</th>
<th>Employee works on rest day at his own request</th>
<th>Employee works on rest day at employer’s request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than half of daily contractual hours of work</td>
<td>Half day’s salary</td>
<td>One day’s salary</td>
</tr>
<tr>
<td>More than half, but not exceeding daily contractual hours of work</td>
<td>One day’s salary</td>
<td>Two day’s salary</td>
</tr>
<tr>
<td>More than daily contractual hours of work</td>
<td>a) One day’s salary, and b) Overtime pay of at least 1.5 times hourly basic rate of pay x number of hours beyond the contractual hours of work</td>
<td>a) Two day’s salary, and b) Overtime pay of at least 1.5 times hourly basic rate of pay x number of hours beyond the contractual hours of work</td>
</tr>
</tbody>
</table>
Example of Salary Calculation for Work Done on Rest Day:

John is paid a monthly basic salary of $1,000. He is required to work 5.5 days a week for eight hours daily from Monday to Friday and four hours on Saturdays. He was asked by his employer to work 10 hours on a Sunday which was his rest day. John’s pay for work done on that Sunday is computed as follows:

a) For the first eight normal working hours, John should be paid two days’ salary at the basic rate:

\[
\frac{12 \times \text{monthly basic rate of pay}}{52 \times \text{average no. of days an employee is required to work in a week}} \times 2 = \frac{12 \times $1000}{52 \times 5.5} \times 2 = $83.92
\]

b) For the additional two hours of overtime work, John should be paid 1.5 times of two hours’ salary at the basic rate:

\[
\frac{12 \times \text{monthly basic rate of pay}}{52 \times 44} \times 1.5 \times 2 = \frac{12 \times $1000}{52 \times 44} \times 1.5 \times 2 = $15.73
\]

Therefore, John should be paid a total of $99.65 ($83.92 + $15.73) for working 10 hours on his rest day.
Annual Leave

19) **What is my employee’s annual leave entitlement?**
Your employee is entitled to paid annual leave if he has served you for at least three months. The number of days of leave depends on what is stated in their employment contracts but should not be less than the following:

<table>
<thead>
<tr>
<th>Years of Continuous Service</th>
<th>Days of leave</th>
</tr>
</thead>
<tbody>
<tr>
<td>1st</td>
<td>7</td>
</tr>
<tr>
<td>2nd</td>
<td>8</td>
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<tr>
<td>3rd</td>
<td>9</td>
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<td>4th</td>
<td>10</td>
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<td>5th</td>
<td>11</td>
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<tr>
<td>6th</td>
<td>12</td>
</tr>
<tr>
<td>7th</td>
<td>13</td>
</tr>
<tr>
<td>8th and thereafter</td>
<td>14</td>
</tr>
</tbody>
</table>
20) **Are my employees entitled to pro-rated annual leave?**

Yes. Your employee is entitled to annual leave in proportion to the number of completed months of service in that year provided that he has served for at least 3 months. The following formula should be used to pro-rate annual leave:

\[
\text{No. of months in service in the current year} \times \frac{12}{\text{Annual leave entitlement in the current year}}
\]

**Example of Pro-rated Annual Leave**

Hafiz has worked for his company for 8 months and 13 days. What is his pro-rated annual leave entitlement?

His pro-rated annual leave is calculated as follows:

\[
\frac{8}{12} \times 7 = 4.67, \text{rounded up to 5 days}
\]
Sick Leave

21) **When is an employee eligible for paid sick leave?**

An employee is entitled to paid sick leave, including dental leave if:

- **a)** The employee has served the employer for at least 3 months;
- **b)** The employee has informed or attempted to inform the employer of absence within 48 hours. Otherwise, the employee is deemed to be absent from work without permission or reasonable excuse; and
- **c)** The sick leave is certified by the company’s doctor or by a government doctor (including doctors from approved public medical institutions).

However, where appointed company doctors are available, the employee should consult them unless the clinics are inconveniently located or in emergency situations.

The employer also has the discretion to accept medical certificates from a private doctor or even a traditional Chinese medicine (TCM) practitioner.

<table>
<thead>
<tr>
<th>No of months of service completed</th>
<th>Paid Outpatient Sick Leave (working days)</th>
<th>Paid Hospitalisation Leave (working days)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 months</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>4 months</td>
<td>8</td>
<td>30</td>
</tr>
<tr>
<td>5 months</td>
<td>11</td>
<td>45</td>
</tr>
<tr>
<td>6 months and above</td>
<td>14</td>
<td>60</td>
</tr>
</tbody>
</table>

* includes any outpatient sick leave if taken
22) **Am I required to pay for my employee’s medical expenses?**
If the employee has worked for at least three months, the employer is legally obliged to bear the medical examination fee i.e. medical consultation fee. For other medical costs such as medication, treatment or ward charges, the employer is obliged to bear such costs depending on the medical benefits provided for in the employee’s employment contract or the collective agreement signed between the company and its union.

23) **Is your employee entitled to paid sick leave during annual leave/no-pay leave/rest day/public holiday/non-working day?**
Your employee will not be entitled to paid sick leave on these days as he is not required to work on these days.

24) **Are medical certificates issued by doctors in another country recognised?**
No, under the Employment Act, only medical certificates issued by the company’s doctors or government doctors in Singapore are recognised for the purpose of awarding paid sick leave. Nevertheless, the employer may, at his discretion, also choose to accept medical certificates issued by other private doctors in another country for allowing leave of absence. With respect to medical benefits, employers may also use their discretion to decide whether such leave of absence should be paid.
25) **What are the maternity benefits that female employees are entitled to?**

Under the Child Development Co-Savings Act, an employee is entitled to 16 weeks of paid maternity leave if:

a) The child is a Singapore Citizen;
b) The child’s parents are lawfully married; and
c) The employee has served the employer for at least 90 days before the child’s birth.

Employees who do not meet the above criteria but are covered under the Employment Act will be entitled to 12 weeks of maternity leave. The first eight weeks of maternity leave will be paid if the employee fulfills the following conditions.

a) Employed for at least 90 days before the date of delivery;
b) Has less than two children at the time of delivery (unless these children were all delivered during the same pregnancy, for example twins or triplets); and
c) Gave the employer at least one week’s notice before going on maternity leave, and informed the employer of her delivery as soon as practicable. Otherwise, the employee will only be entitled to half pay while on maternity leave.

26) **Are there any restrictions on the timing of maternity leave?**

Employees who are entitled to 16 weeks of paid maternity leave under the Child Development Co-Savings Act may absent themselves from work for four weeks immediately before and twelve weeks immediately after delivery. Where there is a mutual agreement with the employer, the last eight weeks (9th to 16th week) of maternity leave can be taken flexibly over a 12 month period after the child’s birth.

Employees who are entitled to 12 weeks of paid maternity leave under the Employment Act may absent themselves from work for four weeks immediately before and eight weeks immediately after delivery. With the consent of the employer, the last four weeks can be taken flexibly over a period of 12 months from the birth of the child.
27) **Do I have to continue paying the salaries of employees who are on maternity leave?**

For an employee who qualifies for maternity leave under the Child Development Co-Savings Act, the employer is required to continue paying her salary throughout the entire 16 weeks of maternity leave. The employer may later claim reimbursement from the Government for the last 8 weeks for the first and second confinements and all 16 weeks for the third or subsequent confinements.

For an employee who only qualifies for maternity leave under the Employment Act, the employer is required to continue paying her salary for the first eight weeks of maternity leave for the first two confinements. Payment of salary beyond the first eight weeks of maternity leave is voluntary and subject to contractual agreement.

28) **Am I allowed to dismiss an employee on maternity leave?**

No, it is an offence under the Employment Act.

29) **Am I allowed to dismiss a pregnant female employee?**

If a pregnant female employee is dismissed without sufficient cause within six months of the pregnancy, the employer must pay her the maternity benefits that she would otherwise be eligible for. If she is retrenched within the last three months of her pregnancy, the employer must pay her the maternity benefits as well as any retrenchment benefits that she is eligible for.

30) **Are my employees entitled to any childcare leave?**

An employee covered under the Child Development Co-Savings Act is entitled to six days of childcare leave per year if:

- The child (including legally adopted children or stepchildren) is below seven years of age; and
- The employee has worked for the employer for at least three calendar months.

The Child Development Co-Savings Act covers all parents of Singapore citizens, including managerial, executive or confidential staff if the parent satisfies the following conditions:

a) The child is a Singapore Citizen; and  
b) The child’s parents are lawfully married (including divorced or widowed parents).

The first three days of childcare leave will be employer-paid and the last three days Government-paid (capped at $500 per day, including CPF). Regardless of the number of children the total childcare leave entitlement for each parent is capped at six days per year.

Parents of non-citizen children or single (unmarried) parents covered under the Employment Act are entitled to two days of childcare leave per year if:

a) The child (including legally adopted children or stepchildren) is below seven years of age; and  
b) The employee has worked for the employer for at least three calendar months.

Childcare leave for each parent is capped at two days per year regardless of the number of qualifying children.
Retrenchment Benefits

31) In the event of retrenchment, are my employees entitled to any retrenchment benefits?

Under the Employment Act, an employee who has been employed in a company for at least three years can request for retrenchment benefits if he is retrenched. As the law does not stipulate the quantum to be paid, the amount is subject to negotiation between the employee and employer. The quantum will also depend on the company’s financial position.

At its discretion, the company may also choose to make ex-gratia payments to employees who have worked for less than three years. Both retrenchment benefits and ex-gratia payments do not attract CPF contributions.
Part-time Employment

32) **What is the definition of a part-time employee?**
A part-time employee is one who is required under his contract of service to work for less than 35 hours a week.

33) **Are part-time employees entitled to any benefits?**
Yes, under the Employment (Part-time Employees) Regulations, employers are allowed to pro-rate the employment benefits of a part-time employee to that of a full-time employee according to the hours worked. The benefits that can be pro-rated include paid annual leave, paid sick leave, paid public holiday and paid childcare leave. In addition, a part-time employee is also entitled to the same maternity benefits and protection as a full-time employee as long as she satisfies the qualifying conditions under the Employment Act or the Children Development Co-Savings Act.

34) **How do I calculate annual leave entitlement for part-time employees?**
A part-time employee who has completed three months of service is entitled to paid annual leave in proportion to the yearly entitlement of a similar full-time employee, on the basis of his/her working hours.

The leave entitlement is calculated as follows:

\[
\text{No. of working hours per year of a part-time employee} \times \frac{\text{No. of days of annual leave of a similar full-time employee with equal length of service}}{\text{No. of working hours per year of a similar full-time employee}} \times \frac{\text{No. of working hours in a day of a similar full-time employee}}{\text{No. of working hours per day of a similar full-time employee}}
\]

NOW HIRING PART-TIMERS
35) **How do I calculate overtime for part-time employees?**

For work that exceeds a part-time employee’s normal daily working hours, but not the normal hours of work for a similar full-time employee, payment should be at the part-time employee’s basic hourly rate of pay for each hour or part thereof.

For work that exceeds the normal hours of work of a similar full-time employee,

- **a)** Payment should be at the part-time employee’s basic hourly rate of pay, for each hour or part thereof up to normal hours of work for a similar full-time employee;
- **b)** Payment should be at 1.5 times the part-time employee’s basic hourly rate, for each hour or part thereof that exceeds the normal hours of a similar full-time employee.

Other information on the statutory benefits for part-time employees is available at www.mom.gov.sg.
Termination of Contract

36) I have decided to terminate the employment of one of my employees. Do I need to notify him in advance?

Yes, if you decide to dismiss an employee, you are required to provide him with a written notification in advance. The length of the notice period is in accordance with the terms in the employment contract.

If the notice period is not stated in the employment contract, the following shall apply:

<table>
<thead>
<tr>
<th>Length of Service of Employee</th>
<th>Notice Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 26 weeks</td>
<td>1 day</td>
</tr>
<tr>
<td>26 weeks to less than 2 years</td>
<td>1 week</td>
</tr>
<tr>
<td>2 years to less than 5 years</td>
<td>2 weeks</td>
</tr>
<tr>
<td>5 years and above</td>
<td>4 weeks</td>
</tr>
</tbody>
</table>

37) If the dismissal is without notice, that is, an “instant” dismissal, what are my obligations as an employer?

While management has the right to dismiss an employee, this should not be done lightly. An inquiry to establish whether the employee has indeed been guilty of a serious offence or gross misconduct needs to be conducted (please refer to question 44). If the inquiry does find the employee guilty and it is of a serious nature, then the company can dismiss him/her without notice. However, an employee who feels that he/she has been unfairly dismissed can appeal to the Minister for Manpower who may order reinstatement or compensation if the investigation finds that the dismissal was without just cause.
38) **When is an employment contract deemed to be broken?**
An employer is deemed to have broken the employment contract if he fails to pay the employee’s salary within seven days after salary is due. An employee is deemed to have broken the employment contract if he has been continuously absent from work for more than two working days without approval or good reason, or without informing or attempting to inform the employer of the reason for absence.

The party who breaks the contract will have to pay to the other party salary in lieu of notice.

39) **Can my employee use his annual leave to offset the notice period for termination of contract?**
Yes, if an employee’s annual leave is used to offset the notice period and to bring forward the last day of work, he will only be paid till the last day of work. The annual leave used to offset the notice period will not be paid. However, if an employee applies to go on annual leave during all or part of the notice period and approval has been granted by the employer, the employee’s salary would be paid for the full notice period. Nevertheless, the employer cannot force the employee to consume his annual leave during the notice period if the employee does not wish to do so.

40) **Can I terminate my employee’s contract of service while he is serving notice?**
Yes, you may terminate your employee’s services without waiting for the notice period to expire by paying a sum equal to the amount of salary which he would have earned during the required period of notice.

41) **Can I terminate my employee’s contract of service while he is still under probation?**
Yes, you may terminate the services of your employees while they are still under probation. The Employment Act does not contain any provisions on probation or confirmation. You should refer to the terms stated in the employment contract for specific details on your employee’s probation and confirmation.

42) **Can I terminate my employee’s contract of service while he is on hospitalisation leave?**
Although the Employment Act does not forbid termination of service during hospitalisation leave, as a responsible employer, you should have strong reasons to justify why such action needs to be taken while he is on such leave. Otherwise, termination of service should be done only after the employee returns to work.
Employee Misconduct

43) What actions can I take if my employee is guilty of misconduct?
You should first hold an inquiry to determine if the employee is guilty of misconduct. After the inquiry, if the employee is found guilty of misconduct, you may:

a) Dismiss the employee without notice; or
b) Instantly downgrade the employee; or
c) Instantly suspend the employee from work without pay for a period not exceeding one week.

44) How do I conduct an inquiry into an act of misconduct?
While there is no prescribed procedure for conducting an inquiry into an act of misconduct, as a general guideline,

a) the employee should be told of his misconduct;
b) the person hearing the inquiry should not be in a position which may suggest bias; and
c) the employee being investigated for misconduct should have the opportunity to present his case.

Under the Employment Act, the employer may suspend the employee from work during an inquiry, for a period not exceeding one week. The employee should be paid not less than half his salary for the suspended period. If the inquiry does not disclose any misconduct on the part of the employee, the employer must restore to the employee the full amount of salary that was withheld.

45) Does an employee dismissed for misconduct have any redress if he feels that the dismissal is without just cause or excuse?
If the employee considers that he has been dismissed without just cause, he may appeal to the Minister for Manpower within one month of his dismissal. The appeal must be in writing and should state the reasons why he feels that he has been dismissed without just cause. If it can be established that an employee was unfairly dismissed, the Minister may reinstate the employee in his former employment or order a sum of money as compensation, as the Minister deems fit.
46) **What are the penalties for failure to comply with the Employment Act?**

In general, any person who fails to comply with the Employment Act shall be fined up to $5,000 or imprisoned up to 6 months or both. For a subsequent offence under the same section, offenders will be fined up to $10,000 or imprisoned up to one year or both. Specific sections of the Employment Act may state different penalties for offences.
Sample of Employment Contract

This sample contract is designed to help you draft an employment agreement. It includes all the essential elements of a typical contract. You may modify it to suit your specific needs and situations. Keep in mind that this document is a starting point and not a finished product. You need to make sure that the actual agreement reflects the relationship between you and your employee. This sample contract may also be downloaded from TAFEP’s website at www.fairemployment.sg.

This Employment Agreement dated this (date) day of (month) 20xx is made between:

(herein after referred to as “the employer”)
Address of employer:

and

(herein after referred to as “the employee”)
Address of employee:

1. Commencement of Employment
This employment contract will begin on __________ and continue until terminated as set out in clause 14 (below).

2. Place of work

3. Job description
3.1. Job Title

(e.g. Teacher, Security Officer, Security Supervisor, Driver, Cleaning Specialist, Child Minder, Gardener, etc)

3.2. Duties
4. **Remuneration**

4.1 The employee’s basic salary shall be paid in cash/by cheque or through GIRO on (date) $__________ per month/day/week

4.2 The employee shall be entitled to the following allowances/payment in kind (if any):

4.2.1 A weekly/monthly fixed transport allowance or reimbursement (based on days worked) at a rate of __ per day $__________

4.2.2 A weekly/monthly fixed meal allowance or reimbursement (based on days worked) at a rate of __ per day $__________

4.2.3 A weekly/monthly fixed laundry allowance of $__________

4.2.4 A weekly/monthly fixed site allowance of $__________

4.2.5 A weekly/monthly fixed shift allowance of $__________

4.2.6 Accommodation per week/month to the value of $__________

4.3 The total value of the above remuneration shall be $__________ (The total of clauses 4.1 to 4.2.6) (Modify or delete clauses 4.2.1 to 4.2.6 as needed)

4.4 The employee shall also be paid the overtime (OT)\(^1\) for work beyond 8 hours in a day or 44 hours in a week. The total amount of OT paid every week/two weeks/month will be made on (date).

4.5 The employer shall review the employee’s remuneration/salary upon confirmation in the appointment and subsequently once a year.

5. **Working Days / Hours of Work / Overtime**

5.1 Working days will be 4/ 5 / 5.5 / 6 / _____ days a week.

5.2 The normal working hours will be as follows:
(i) First shift: XXXX — XXXXhrs
(ii) Second shift: XXXX — XXXXhrs
(iii) Third shift: XXXX — XXXXhrs

5.3 Rest day __________

5.4 Overtime will only be worked if authorised or agreed upon between the parties from time to time\(^2\).
6. **Meal Intervals**  
6.1 The employee shall have a meal (lunch/dinner) break of 45 minutes/1 hour (delete the one that is not applicable).

Meal break timings will be as follows:
- Lunch: __________ to __________ daily;
- Dinner: __________ to __________ daily.

6.2 The employee engaged in shift work shall have a meal break of 45 min/1 hour for every 8 continuous hours of work from time to time. [S38(b)(i) EA]

7. **Sunday or Rest Day Work**  
7.1 Any work on Sundays/rest days will be by agreement between the parties from time to time.

7.2 If the employee works on a Sunday/rest day at the request of the employer, he/she will be paid 1 day's basic salary for working up to half the normal daily working hours or 2 day's basic salary for working for more than half the normal daily working hours. [S37(3) EA]

7.3 If the employee works beyond his/her normal daily working hours on his/her rest day, he/she shall be paid 1½ times his hourly basic rate of pay.

7.4 If the employee works on a Sunday/rest day at his/her own request, he/she will be paid ½ day's basic salary for work up to half the normal daily working hours or 1 day's basic salary for working for more than half the normal daily working hours. [S37(2) EA]

8. **Public Holidays**  
8.1 The employee will be entitled to all official public holidays on full pay.

8.2 If the employee works on a public holiday he/she shall be paid an additional one day's basic pay and travel allowance (if any) for that day. [S88(4) EA]
9. **Annual Leave**
9.1 The employee, who has served for at least 3 months, is entitled to _______ days of paid leave for every 12 months of continuous service.

For each completed year of service, the number of days of annual leave will increase by _______ days until a maximum of _______ days. (This clause can be deleted if the number of days of annual leave provided is already above the statutory requirement.)

9.2 Where the employee’s period of employment is more than 3 months but less than 12 continuous months of service, the annual leave entitlement will be in proportion to the number of completed months of service in that year. [S43(2) EA]

10. **Sick Leave**
10.1 The employee will be entitled to paid sick leave not exceeding:

10.1.1 14 days in each year if no hospitalisation is necessary; or

10.1.2 60 days (including the 14 days in 10.1.1) in each year if hospitalisation is necessary.

10.2 During the first three months of employment the employee will not be entitled to paid sick leave and any sick leave taken during the period will be considered as unpaid leave.

10.3 The employee is to notify the employer as soon as possible in case of his/her absence from work through illness after certification of his sick leave by company’s doctor or a Government doctor or any other certified medical practitioner or medical officer.

11. **Maternity Leave (to include if applicable)**
11.1 The female employee will be entitled to 16 weeks of paid maternity leave if she fulfills the following conditions:-

i) The child is a Singapore Citizen;
ii) The child’s parents are lawfully married; and
iii) The employee has served the employer for at least 90 days before the child’s birth.

11.2 The female employee who does not fulfil criteria (i) and (ii) of 11.1 may still be entitled to 12 weeks maternity leave if she meets criterion (iii) of 11.1 and is covered under the Employment Act.

11.3 The 16-week maternity leave is to be distributed in the following manner:

i) 4 weeks immediately before the delivery of her child; and
ii) 12 weeks immediately after the delivery of her child.

11.4 Alternative distribution of the 16-week maternity leave will be by agreement between the female employee and the employer and be guided under Section 9 of the Child Development Co-Savings Act (Cap. 38A). [S9 CDCA]
11.5 The eligible female employee will also be entitled to receive payment from the employer at the gross rate of pay for the entire 16 weeks of maternity leave.

11.6 Any work that the female employee is required to perform during her maternity leave shall be by agreement between parties from time to time.

11.7 Where the female employee is required to work for any day during the period that she is on maternity leave before she delivers, she is entitled to receive an additional amount equivalent to a day's pay at the gross rate of pay or to absent herself from work on another day at the end of her maternity leave. [S76(3) EA]

11.8 The employer should be given at least one week’s notice by the female employee before she goes on maternity leave. Where possible, the employee should inform the employer in advance how she intends to consume the maternity leave. Where the employee has delivered, she should inform the employer of the date of her delivery as soon as practicable.

12. Childcare Leave

12.1 The employee (working parent) with any child below seven years of age, will be entitled to 6 days paid Childcare leave per year, to a maximum of 42 days, provided he/she has worked for the employer for at least 3 months. Employees who are only covered under the Employment Act will be entitled to 2 days paid Childcare leave per year, if the child is below 7 years of age and the employee has worked for the employer for at least 3 months. [S12B(1) & (2) CDCA, S87A EA]

12.2 The employee is entitled to be paid by the employer at the gross rate of pay for every day of such leave taken by the employee. [S87A(5) EA]

12.3 Any childcare leave unconsumed at the end of the calendar year (or any period of 12 months as agreed between parties), or upon cessation of the employer/employee relationship, will be forfeited and no payment in lieu will be paid to the employee. [S12B(8,11) CDCA, S87A(4,6) EA]

13. Deductions from remuneration

13.1 The employer may not deduct any monies from the employee's wage other than those allowed under the Employment Act or ordered by the Court.
14. **Termination of employment**

14.1 Either party can terminate this agreement with (1 day/1 week/2 weeks/1 month) written notice or by paying salary in lieu of notice for the relevant period. In the case where an employee is illiterate, notice may be given by that employee verbally (delete if not applicable).

15. **Uniform (Delete this clause if not applicable)**

15.1 _____________ sets of uniforms will be supplied to the employee by the employer and will remain the property of the employer.

16. **Workmen’s Insurance**

16.1 Where personal injury is sustained by the employee in the course of his employment, the employer will be liable to pay compensation where applicable under the Work Injury Compensation Act (Cap. 354). [S3(1) WCA]

16.2 The employer will insure and maintain insurance under one or more approved policies with an insurer against any liability that he would incur to any workmen employed by him where applicable under the Work Injury Compensation Act (Cap. 354). [S23(1) WCA]

17. **Other conditions of employment or benefits**
18. **General**

18.1 Any changes to this agreement will only be valid if they are in writing and have been agreed and signed by both parties.

THIS AGREEMENT SIGNED AT ______ ON THIS ______ DAY OF _____ 20____

(Signature)                     (Signature)

___________________   ____________________
Name of Employer:    Name of Employee:

Witness By:
Signature: __________________  Name: ______________
Designation: ________________

Enclosed: (relevant instructions / company policy guidelines)
e.g: Standing Operation Procedure and Standard Operating Instructions

1: The overtime will be calculated at the rate of not less than one and a half times the employee's hourly basic rate of pay.

2: The employee will not be permitted to work overtime for more than 72 hours a month.