

## Your Responsibilities

Do ensure you understand your responsibilities and read any fine print to avoid unnecessary disputes. Maximise your potential by developing and honing your skills with your employer, and you will do just fine.

Here's wishing you a happy and successful career!

### About the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP)

Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) promotes the adoption of fair, responsible and progressive employment practices among employers, employees and the general public. Leveraging its unique tripartite identity, TAFEP works in partnership with employer organisations, unions and the government to create awareness and facilitate the adoption of fair, responsible and progressive employment practices. TAFEP provides tools and resources, including training workshops, advisory services, and educational materials, to help organisations implement these employment practices.

For more information on fair, responsible and progressive employment practices, please refer to [tafep.sg](http://tafep.sg).

Produced by: **T**ripartite  
**A**lliance for  
**F**air & Progressive  
**E**mployment  
**P**actices

This guide is produced by the Tripartite Alliance for Fair and Progressive Employment Practices.

You may also download a copy of this guide from the website of Tripartite Alliance for Fair and Progressive Employment Practices.

All information in this guide is correct as of October 2016.

All rights reserved. No part of these contents may be reproduced in any form or by any electronic or mechanical means, including information storage and retrieval systems without permission in writing from the publisher.

[tafep.sg](http://tafep.sg)



## A Graduate's Guide to Understanding Employment Contracts

**T**ripartite  
**A**lliance for  
**F**air & Progressive  
**E**mployment  
**P**actices

# Getting ready for your first step into the working world?

It is an exciting time, especially when you receive your job offer and contract.

But what do all these terms, conditions and jargon in your contract mean and what should you be looking out for?

This guide highlights the key areas of your employment contract that will help you understand and assess it with the right questions.

Use this simple checklist to ensure you are aware of all your commitments and entitlements when you sign your new contract of service.

As companies' practices may vary, this checklist is not exhaustive, but we hope that it will provide you with the right perspective when you assess the offer.

## What is a Contract of Service?

It is an agreement in which one person, or company, agrees to employ another as an employee, and the employee agrees to work for the employer. The agreement can be written, verbal, expressed or implied – in the form of a letter of appointment or employment, or an apprenticeship agreement.



Consider these 8 points when you read through your contract:

### 1. Type of Contract

- Is this a permanent position or a contract where you will be employed for a fixed duration?
- Does your contract state when your employment should start?
- If it is a fixed contract, does it state when your contract should start and the duration of the contract?
- Does your contract state that your employment is subject to other terms and conditions? e.g. Those found in your employer's staff handbook.
- Do ask for a copy of the staff handbook when you begin employment.

### 2. About the Job

- Does the contract state the title of your position?
- Have you been given a job description?
- Are there aspects of the job, work conditions or performance targets that you need to pay attention to?

### 3. Salary and Payments

- Does the contract state the basic salary as agreed during the course of engagement?
- Are there any fixed allowances which were agreed upon, and are these in the contract?
- Are the payment conditions, if any, clearly spelt out?
- Are you entitled to bonuses and other incentives?
- What is the frequency of salary payment?
- If you are employed as a Manager or Executive with a monthly basic salary of more than \$4,500, you are not covered under Part IV of the Employment Act.<sup>1</sup>

### 4. Leave and Other Benefits

- Does the contract state the statutory leave entitlement<sup>2</sup> which should cover the following?
  - Annual leave
  - Outpatient sick and hospitalisation leave
  - Maternity leave
  - Paternity leave
  - Childcare leave

- Does the company provide medical benefits? e.g. Health insurance, dental benefits etc.
- What other benefits does the company offer?

### 5. Working Arrangements

- What are your working arrangements?
  - What are your daily working hours?
  - Will you be required to work on shift? If so, what is the shift roster and does it provide sufficient rest days?
  - What are the number of working days per week, and rest days?
- If you are covered by the Employment Act, do refer to Part IV of the Employment Act<sup>1</sup> which will give you the minimum requirements for rest days, hours of work, annual leave and other conditions of service.

### 6. Probation Period

- Is there a probation period?
- Which terms and conditions are different during the probation period?

### 7. Termination

- What is the notice period for termination of contract, before and after employment confirmation?
- Are the notice periods for terminating the contract equal for both parties?
- Are there clauses in the contract which restrict your employment in a similar position in other companies or industry when you leave the company?

### 8. Penalties

- Do look out for any penalties, e.g. Early termination of contract, failing to meet performance targets or misconduct.

<sup>1</sup> Part IV of the Employment Act, which provides for rest days, hours of work, annual leave and other conditions of service, and only applies to a workman (doing manual labour) earning a basic monthly salary of not more than \$4,500; or an employee who is not a workman, but who is covered by the Employment Act and earns a monthly basic salary of not more than \$2,500.

<sup>2</sup> The Employment Act is Singapore's main labour law. It provides for the basic terms and working conditions for all types of employees for all types of employees please refer to the website of Ministry of Manpower.