

Issue 1/2014

For further information, please contact

**Doris Chia**  
**Litigation Partner**  
**+65 63201187**  
**doris@dlplaw.com.sg**

**David Lim & Partners LLP**  
 50 Raffles Place #17-01  
 Singapore Land Tower  
 Singapore 048623  
 Tel : (65) 65322122  
 Fax : (65) 65320122

## CHANGES TO THE EMPLOYMENT ACT (CAP 21) WITH EFFECT FROM 1 APRIL 2014

In November 2013, Parliament passed a Bill that proposed changes to the Employment Act ("EA"). The changes took effect on 1 April 2014. We set out in a table below some of the main changes.

	Old position under the EA	Position with effect from 1 April 2014 under the EA
<b>A</b>	<b>Protecting Employees</b>	
1.	Non-workmen (e.g. admin and sales staff) earning <b>above \$2,000</b> did not enjoy working-hours related protection such as that relating to excessive working hours, overtime ("OT") and right to rest days. They only enjoyed salary and general protection (see [B2] below).	Non-workmen earning up to <b>\$2,500</b> enjoy working-hours related protection on top of salary and general protection. This is similar to the protection afforded to workmen (as defined in the EA) earning up to \$4,500. But see [B4] below.
2.	PMEs (see section 2 of the EA) did not enjoy general protection i.e. redress for unfair dismissal, paid sick leave and paid public holidays. They only enjoyed salary protection (see Part III of the EA).	PMEs earning up to \$4,500 enjoy <b>general protection</b> . But see [B5] below.
3.	Employers were allowed to deduct 50% of an employee's salary for deductions authorized under the EA, such as damage or loss of goods, cost of food, accommodation, amenity and services provided. There was no cap on specific components.	There is a <b>sub-cap of 25%</b> for accommodation, amenity and services provided, within the 50% cap for authorized deductions.
<b>B</b>	<b>Flexibility for Employers</b>	
4.	For employees who were entitled to working-hours related protection, employers had to pay OT at the employee's salary rate.	Although non-workmen earning between \$2,000 and \$2,500 can now claim OT pay, the OT rate payable to them is <b>capped at \$2,250</b> .

	Old position under the EA	Position with effect from 1 April 2014 under the EA
5.	For employees who were entitled to general protection, they could seek redress for unfair dismissal even if they had served with the employer for less than 1 year.	Although PME's earning up to \$4,500 can now seek redress for unfair dismissal, they (PME's only) can only do so if they have <b>served with the employer for more than 1 year</b> .
6.	For employees who were entitled to general protection, employers were obliged to let them enjoy paid public holidays.	Although PME's earning up to \$4,500 now have a statutory right to paid public holidays, their (PME's only) employers have the option to grant <b>them time-off in-lieu</b> if they are required to <b>work on public holidays</b> .
7.	For employees who were entitled to general protection, employers were obliged to provide paid sick leave to and bear medical examination expenses of their employees.	Employers do not need to provide paid sick leave to and bear medical examination expenses for <b>cosmetic consultations and procedures</b> .
<b>C</b>	<b>Enhancing Compliance by Employers</b>	
8.	For failure to pay salaries, a first offence carried with it a maximum sentence of a \$5,000 fine and/or 6 months' jail. A subsequent offence led to a maximum sentence of a \$10,000 fine and/or 12 months' jail.	For failure to pay salaries, a first offence carries with it a fine between \$3,000 and \$15,000 and/or up to 6 months' jail. A subsequent offence leads to a fine between \$6,000 and \$30,000 and/or up to 12 months' jail.
9.	The maximum composition fine was \$1,000.	The maximum composition fine is <b>\$5,000</b> .
10.	Employment inspectors had no power of arrest.	Employment inspectors now have the <b>power to arrest</b> any person whom they reasonably believe is guilty of the failure to pay salary.

Disclaimer : Although we endeavour to ensure that the information contained herein is accurate, we do not warrant its accuracy or accept any liability for any loss or damage arising from any reliance thereon. The information herein should not in any manner be regarded as a substitute for specific legal advice concerning a particular situation.

David Lim & Partners LLP (UEN/Registration No. T11LL0047G) is a limited liability law partnership registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A)