



EMPLOYMENT IN SINGAPORE



Singapore is a sovereign island country in Southeast Asia, composed of one main island, 63 satellite islands and islets, and one outlying islat. It has the third highest population density in the world and a multicultural population necessitating four official languages: English Malay, Mandarin and Tamil. Singapore is a wealthy country, with a highly developed economy. The Employment Act is Singapore's main labour law and its key employment regulator is the Ministry of Manpower (MOM).



WORKING TIME AND OVERTIME

Working hours in Singapore should not exceed 44 per week. Employees who work five or fewer days per week should not work more than nine hours per day. Those who work five or more days per week should not work more than eight hours per day. Overtime is payable to:

- Non-workmen earning up to \$2,600
- Workmen earning up to \$4,500

The overtime rate payable for non-workmen is capped at the salary level of \$2,600, or an hourly rate of \$13.60. Employers must pay at least 1.5x their employee's normal hourly basic salary for overtime and payment must be made within 14 days of the last day of the salary period.

ANNUAL LEAVE

The legal requirement for annual leave is a minimum of seven days; however, it is common practice in Singapore to grant employees a minimum of 14 days of annual leave. An additional one day of annual leave will be granted for each full year of service.

TRIAL PERIOD

Though not legally stipulated, the standard probation (or assessment) period in Singapore ranges between three and six months, serving as an opportunity to gauge the performance level of the new employee.

RESIGNATION AND DISMISSAL

In the event of resignation, if the employment contract specifies a notice period, the employee must either serve the notice or pay compensation in lieu of notice. Notice can be waived by mutual consent of the employer and employee. If the employment contract does not specify the notice period, it is based on length of service as follows:

- Less than 26 weeks' employment: 1 day's notice
- 26 weeks to 2 years' employments: 1 week's notice
- 2-5 years' employment: 2 weeks' notice
- 5+ years' employment: 4 weeks' notice

In the event of redundancy, it is common practice for employers to pay between 2 weeks' and one month's salary per year of service as a severance payment. Employees with less than three years' service in a company are not entitled to retrenchment benefits under the Employment Act.

RESTRICTIVE COVENANTS

Covenants in restraint of trade, such as non-competes and non-solicits, are usually null and void in Singapore. They are only considered enforceable if they can be shown to be reasonable, such as by proving that they are required to protect the legitimate proprietary interests of the employer, and go no further than is reasonably necessary to protect those interests (especially in terms of duration, scope and geographic coverage). The courts have recognised three legitimate proprietary interests thus far: an employer's trade secrets and confidential information, the protection of trade connections, and the maintenance of a stable trained workforce.

CONTRACT OF EMPLOYMENT

All employers are required to issue key employment terms (KETs) in writing, as well as itemised payslips, to employees who will be employed for a continuous period of 14 days or more. KETs should be provided within 14 days from the start of employment and may be in soft or hard copy. Other than as set out above, there are no legal requirements for employers to have employment contracts in writing with employees, and there are no formalities that need to be complied with, although written contracts are recommended

MATERNITY AND PATERNITY

If her child is a Singapore citizen, a pregnant employee is entitled to 16 weeks of government-paid maternity leave. If her child is not a Singapore citizen, the employee is entitled to 12 weeks of maternity leave (provided she is covered by the Employment Act). In the latter case, only the first 8 weeks of maternity leave are paid by the government. All working fathers are eligible for two weeks of paid paternity leave, as long as they have been married to a Singapore citizen between conception and birth, and the baby is a Singapore citizen.

SICKNESS AND DISABILITY LEAVE

Employees are generally entitled to sick leave if: they have completed at least three months' continuous service; they have informed their employer within 48 hours of their absence; and their sick leave is certified by the company's doctor, a company-approved doctor, or a government doctor.

The number of days of paid sick leave is dependent on length of service. Employees who have worked for at least six months are eligible for 14 days of outpatient, non-hospitalisation leave and 60 days of hospitalisation leave, which includes the 14 days of outpatient leave.

SOCIAL SECURITY

The Central Provident Fund (CPF) is Singapore's national pension scheme. Contributions are payable to Singapore citizens and permanent residents only, aged 55 years and below. Employers and employees contribute 17% and 20%, respectively, of ordinary monthly wages, up to an income ceiling of SGD 6,000. Reduced rates apply for employees who are earning less than SGD 750 per month, as well as for those above 55 years of age, although these rates are being gradually increased.

The Supplementary Retirement Scheme (SRS) is a voluntary scheme to encourage employees and the self-employed to save for retirement over and above their CPF savings. The maximum amount to be contributed is subject to an income cap of SGD 102,000. Employers are allowed to contribute to their employees' SRS accounts, subject to contribution limits of 15% for Singapore citizens or permanent residents and 35% for foreign citizens. Employees will be taxed on these employer contributions, but are entitled to corresponding tax relief.

HEALTHCARE AND INSURANCE

Providing medical insurance is not a requirement for employing Singapore citizens or Employment Pass (EP) holders; however, employee health insurance is a common inclusion in most, if not all, benefits and compensation packages offered by companies in Singapore.



EMPLOYMENT OF FOREIGN NATIONALS



Foreign nationals who intend to take up employment or to engage in a business, profession or occupation in Singapore must first apply for a work pass. A Singapore entity, which is normally the employer, must sponsor the application. There are several different types of work pass available to foreign nationals including:

- Work permits (WP): May be granted to a skilled or unskilled foreign worker who holds qualifications and experience relevant to the position. Granted for up to two years at a time and are renewable (maximum employment period in Singapore may apply). WPs are subject to sourcing and quota restrictions, and employers are subject to monthly levies for each WP holder employed.

- S Passes: More experienced workers, with a minimum fixed monthly salary for SGD 2,300 and an acceptable tertiary qualification, may apply for an S Pass. The S Pass is subject to a quote and a monthly levy payable by the company.

- Employment Passes (EP): Workers who hold an acceptable degree, professional qualifications or specialist skills and have a fixed monthly salary exceeding SGD 3,600 are eligible to apply for an EP. The authorities reviewing the application may consider the applicant's professional and academic qualifications, special skills with respect to his or her employment and his or her anticipated economic contribution to Singapore. Under the Fair Consideration Framework, before the submission of a new EP application, the employer must post the job vacancy to the designated jobs database for a period of at least 14 calendar days. Small firms with fewer than 10 employees or jobs that pay a fixed monthly salary of SGD15,000 and above are exempt from the advertising requirement. Other exemptions are available.



SALARY TAXES

MINIMUM WAGE

Singapore has no minimum wage laws or regulations, apart from for cleaners and security guards.

SALARY PAYMENTS

The payroll cycle in Singapore is generally monthly, with wages paid before the last working day of each month. It is common for employees to receive an end of year bonus, which- in good economic times- could be two or three times their monthly salary.



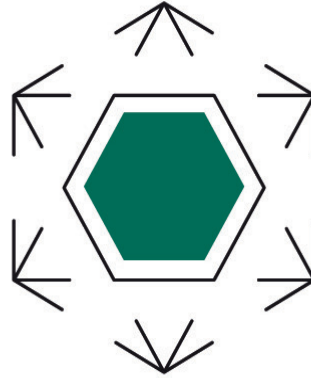
INCOME TAX

Effective from 1 January 2023, the graduated rates will be as follows:

Taxable Income	Tax Rate %
0 - 30,000	2%
30,000 - 40,000	3.5%
40,000 - 80,000	7%
80,000 - 120,000	11.5%
120,000 - 160,000	15%
160,000 - 200,000	18%
200,000 - 240,000	19%
240,000 - 280,000	19.5%
280,000 - 320,000	20%
320,000+	22%

SOCIAL SECURITY CONTRIBUTION

Employees contribute 20% of their monthly salary into the Central Provident Fund (CPF), in addition to a 20% contribution from their employer, up to an income ceiling of SGD 6,000.



EMERALD TECHNOLOGY

www.emerald-technology.com
info@emerald-technology.com
+44 (0) 870 889 0300

Europe

Somerset House
37 Temple Street
Birmingham
B2 5DP
United Kingdom

Asia Pacific

22 Malacca Street
#03-02
RB Capital Building
Singapore
048980

Middle East

Business Central
Towers
PO BOX 503055 2001A
Dubai Internet City
UAE