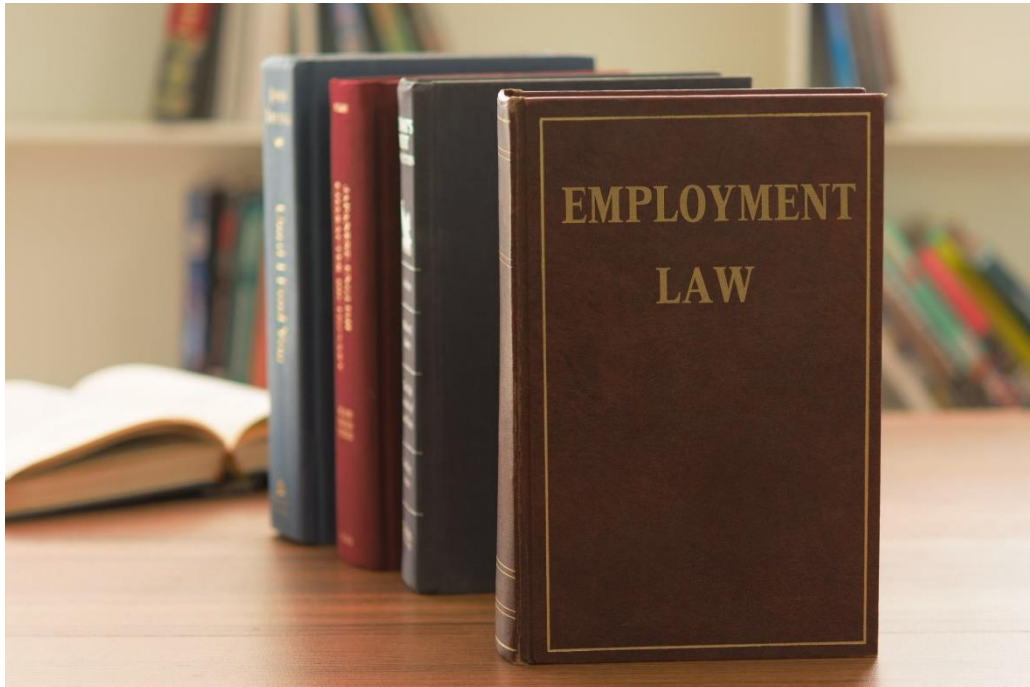


## Your Guide to the Top 5 Frequently Asked Questions About Changes to the Employment Act



Since the revised Employment Act (EA) came into effect on 1 April 2019, employers have approached TAFEP for advice on what these amended provisions mean to them and how they can implement the changes in a fair and progressive manner.

In this article, we share the Top 5 commonly asked questions along with our responses which we hope would be of help to align your organisation's policies and practices with the EA requirements, and be of benefit to your employees.

### **#1 – Expanded coverage of EA**

**Q:** *Does the expanded coverage of the EA include CEOs and CFOs?*

**TAFEP:** Yes, the core provisions of the EA have been extended to cover all employees\* including CEOs and CFOs. These include:

- Timely salary payments
- Paid annual leave
- Paid sick leave
- Paid public holidays
- Issuance of key employment terms and itemised payslips
- Protection against wrongful dismissal

There is no change to the coverage of Part IV<sup>#</sup>(which provides for hours of work, rest days and overtime payments), which continues to exclude managers and executives.

The most immediate thing that employers need to do to meet the EA requirements is to ensure that the key employment items<sup>^</sup> relevant to the senior management employees are duly captured in the employment contract, particularly the core provisions (as listed above).

If any of the items from the core provisions are missing from their employment contract, you have to regularise their terms in a policy and provide these as an addendum with the employment contract or refer them to the company handbook and/or website containing the relevant information.

If your senior management were not issued employment contracts when they started work, you must issue them with written KETs – you can either document all the relevant items (including the core provisions of the EA) in an employment contract duly signed by employee and employer, or refer to the [template](#) in the sample KETs and customise it according to the employee's working arrangement with the company before giving them a copy.

For more information on **the coverage of the EA**, refer to the guide at:

<https://www.mom.gov.sg/~media/mom/documents/speeches/2018/guide-to-employment-act-changes-1-april-2019.pdf>

*\*Seafarers, domestic workers and public servants will continue to be excluded, due to their nature of work, and separate coverage by other Acts and regulations.*

*#Part IV employees: Non-workman earning a monthly basic salary of not more than \$2,600 and workman earning a basic monthly salary of not more than \$4,500*

*<sup>^</sup>The full list of items to be included in the KETs can be found [here](#). The template can be downloaded and customised at this [link](#).*

## #2 – Timely payment of salary

**Q:** *Our existing employment contract states that all employees would receive their salary on the 15th of the following month, to which they have all agreed and signed on the contract. Can I continue to pay their salary based on this contractual agreement?*

**TAFEP:** No, this must be rectified. Employees should receive their salary at least once a month, and within 7 days after the end of their salary period. In this instance, the company's practice of paying salaries on the 15<sup>th</sup> of the following month has breached the EA's requirement for timely salary payment and failing to rectify the practice shall be guilty of an offence under the EA ([s34](#)).

For more information on **timely salary payment**, visit MOM's website at this following link: <https://www.mom.gov.sg/employment-practices/salary/paying-salary>

### #3 – Granting of Annual leave

**Q:** *Can I cap the number of unused annual leave to be carried over to the following year as part of my company's HR policy?*

**TAFEP:** This can be done subject to specific provisions in the Act. Carrying forward unused statutory annual leave to the following year is a legal requirement for employees [covered under Part IV of the EA](#). For employees not covered under Part IV of the EA, employers have the flexibility to decide how the unused leave should be treated, e.g. to encash the unused leave, allow them to carry over the statutory leave entitlements (similar to the employees covered under Part IV), or to cap the number of days they can carry over to the following year.

For the non-part IV employees, employers are encouraged to document the leave policy in the employee handbook, and/or to state it clearly on the employment contract so as to minimise any confusion or dispute.

For more information on **annual leave**, visit MOM's website at:  
<https://www.mom.gov.sg/employment-practices/leave/annual-leave>

### #4 – Recognition of sick leave

**Q:** *Do I have to provide paid sick leave if my employee visited a traditional Chinese medicine (TCM) practitioner?*

**TAFEP:** Employers are required to recognise medical certificates (i.e. MCs) issued by doctors registered under the Medical Registration Act (MRA) or dentists registered under the Dental Registration Act for the purposes of granting paid sick leave. If the TCM practitioner is also a registered doctor practising under the MRA, employers have to recognise the MC and grant paid sick leave to the employee.

As a progressive practice, employers have the discretion to also recognise MCs issued by [TCM practitioners](#) when granting paid sick leave to employees.

For more information on **sick leave**, visit MOM's website at:  
<https://www.mom.gov.sg/employment-practices/leave/sick-leave>

## #5 – Reimbursement of medical consultation fees

**Q:** *My employee went to seek medical treatment from a doctor who was neither a company-approved doctor nor a government doctor. Do I have to reimburse the medical consultation fee?*

**TAFEP:** Employers are required to reimburse medical consultation fees when the employee meets the following criteria:

- Medical consultation was with government doctors, or company-approved doctors,  
**and**
- Medical consultation results in paid sick leave

If the employee's medical consultation was not with a company-approved doctor or government doctor, **or** the medical consultation does not result in paid sick leave, the employer is not obliged to reimburse the medical consultation fees.

As a progressive practice, employers can choose to provide medical benefits beyond what the EA provides.

For more information on **medical reimbursements**, visit MOM's website at:

<https://www.mom.gov.sg/employment-practices/leave/sick-leave/medical-reimbursements-and-salary>

### **Compliance with the EA is the employer's responsibility**

The amended provisions in the EA came into effect on 1<sup>st</sup> April 2019, and it is the employer's responsibility to ensure that the company's HR policy and practices are reviewed and updated to ensure compliance with these changes.

Where the company's HR policy provides terms which are less favourable than the provisions in the EA, it will be deemed null and void and the provisions in the EA will take precedence. Non-compliance with the EA is an offence.

**EAS@TAFEP** - If you need further advice or have a specific scenario about which you would like to seek assistance, you may contact the Employer Advisory Service (EAS@TAFEP) at 1900 915 7633. Calls are charged at \$0.80 per minute or part thereof. For more information on EAS@TAFEP, please visit <https://www.tafep.sg/eastafep>