

SINGAPORE

2012

- Important: action likely required**
- Good to know: follow developments**
- Note changes: no action required**

KEY

National Wages Council ('NWC') Guidelines 2012/2013

On 23 May 2012, the NWC issued their wage and wage-related guidelines for 2012/2013. Some notable recommendations by the NWC were for companies to have built-in wage increases for 2012/2013 by taking into account the prevailing labour market conditions and respective business performance and prospects. Another recommendation was for companies to reward employees through variable wage components in line with the companies' performance and workers' contribution.

[More...](#)**Domestic Helpers:
External Cleaning Regulations**

On 4 June 2012, the Ministry of Manpower issued new rules under Regulation 2 of the Fourth Schedule to the Employment of Foreign Manpower (Work Passes) Regulations employers are prohibited from allowing their FDWs to clean the exterior facing of any window not located on the ground level or not facing a common corridor, unless the window is fitted with a safety grille that only allows extension of the arms beyond the window ledge. In addition, employers must ensure that during the cleaning process that the FDW remains inside the room and is supervised by the employer or a representative who can conduct such supervision. Employers who fail to comply may be prosecuted and upon conviction be fined up to S\$5,000 and/or jailed up to 6 months. They may also be permanently barred from hiring an FDW.

[More...](#)**A restrictive covenant for an indefinite period is necessarily unenforceable in the context of an employment contract**

In Smile Inc Dental Surgeons Pte Ltd v. Lui Andrew Stewart [2012] 4 SLR 308, The employment agreement contained a restrictive covenant prohibiting the respondent from practicing within 3 kilometres of the Smile clinic for an indefinite period of time. The respondent subsequently went on to set up a competing clinic a 5 minute walk away from the appellants. The court found in favour of the respondent and held that, save for exceptional circumstances, the absence of a time limit alone is sufficient to find a restrictive covenant unreasonable and unenforceable.

**Foreign Workers:
Regulations for Dependent Visas**

With effect from 1 September 2012, Work Pass Holders face tighter criteria when applying to sponsor dependents. For example, S Pass and Employment Pass (EP) holders need to earn a fixed monthly income of at least S\$4,000, which is an increase of S\$1,200 over the previous threshold. Furthermore, P1 and P2 Pass holders will no longer be able to sponsor their parents-in-law, although P1 and P2 pass holders may still sponsor their spouses and children.

[More...](#)**Professional Golf:
Prohibition Against Playing in Other Tournaments Deemed an Unreasonable Restraint of Trade**

Pilkadaris Terry and others v Asian Tour (Tournament Players Division) Pte Ltd and another and another suit [2012] SGHC 236

The High Court held that the doctrine of restraint of trade was not limited to employment contracts, sale of business contracts and that the doctrine applied equally to sports associations. The plaintiffs were professional golfers who had entered into agreements with the defendant golf association. The agreements had attempted to restrain the plaintiffs from taking part in any other tournament scheduled on the same day, or seven days immediately before, or after, a tournament organised by the defendant.

[More...](#)**Increase in CPF contribution rates for older workers from September 2012**

From September 2012, the government will raise CPF contribution rates for older workers aged 50 to 65. For employees aged between 50 and 55, their contribution rates will increase by 2.5 percentage points (2 percentage points from the employer and 0.5 percentage points from the employee) to bring their total CPF contributions up to 32.5% from 30%. For employees between 55 and 60, their contribution rates will increase by 2 percentage points (1.5 percentage points from the employer and 0.5 percentage points from the employee). Lastly, for employees between 60 and 65, their employer contribution rate will increase by 0.5 percentage points, with no increase in their employee contribution rate. Additionally, self-employed individuals who are aged 50 and above also had their Medisave contributions increased from 9 to 9.5 percentage points from 1 January 2013.

[More...](#)17
FEB23
MAY**Work Injury Compensation Act Amendments**

On 1 June 2012, the Singapore Parliament passed amendments to the Work Injury Compensation Act ('WICA'), which were made on the basis of striking a fair balance between compensation for injured employees and the obligations placed on employers/insurers.

[More...](#)1
JUN**Singapore Ratifies the Promotional Framework for Occupational Safety and Health Convention, 2006 (No. 187)**

The Government of Singapore deposited the instrument of ratification with the International Labour Office on 11 June 2012. Singapore is the 23rd member State to ratify the Convention. Singapore had already launched a comprehensive national "Workplace Safety and Health Strategy 2018" which outlines a strategic and long-term approach to achieve sustained and continuous improvement in WSH standards. The ratification will align Singapore's efforts with international labour standards, and provides Singapore with an international instrument and a normative system to guide implementation of Singapore's comprehensive "Workplace Safety and Health Strategy 2018".

[More...](#)4
JUN11
JUN**Deferred Bonus Forfeiture Clause Deemed an Unreasonable Restraint of Trade**

Mano Vikrant Singh v. Cargill TSF Asia Pte Lt [2012] 4 SLR 371

The employer's terms and conditions for deferred bonus payments, stated that a part of the bonus amount earned by the employee would be paid in stages over 3 years, the deferred portion accruing interest in the meantime. The deferred bonus portion was only payable if the employee did not join a competitor for 2 years. The Court of Appeal held that the deferred bonus scheme constituted an indirect restraint on trade and also that the restraint of trade was not reasonable and therefore unenforceable.

31
JUL7
AUG**Foreign Workers:
Amendment to Employment of Foreign Manpower Act**

The Employment of Foreign Manpower Act ('EFMA') prescribes the responsibilities and obligations regarding the employment of foreign workers. Substantial amendments were made to the act in 2012 that were aimed at enhancing the government's ability to allow for a calibrated and appropriate response to different types of contraventions and to allow the Ministry of Manpower to step up enforcement actions against errant employers, foreign workers and syndicates expeditiously and effectively.

[More...](#)1
SEP9
NOV27
NOV

CONTRIBUTED BY:

RAJAH
TANN*Lawyers who know Asia*

SINGAPORE 2013

- Important: action likely required**
- Good to know: follow developments**
- Note changes: no action required**

KEY

Maritime Labour Convention Ratified

Singapore ratified the 30th ratification of the Maritime Labour Convention, 2006 ("MLC 2006") on August 2012 which will come into force 20 August 2013. The MLC 2006 establishes minimum requirements for almost all aspects of working conditions for seafarers including, but not limited to, conditions of employment, minimum wages, hours of work and rest, accommodation, recreational facilities, food and catering, health protection, medical care, welfare and social security protection.

[More...](#)

Employment Act 2013: Public Consultation

The Ministry of Manpower announced that it would review the Employment Act ("EA") to ensure that the EA remains relevant to the changing workforce profile. For example, the increasing proportion of professionals, managers and executives ("PME's) in the workforce; rising salary levels, and evolving employment norms and practices. A public consultation was held from 19 November 2012 through 11 January 2013 to seek feedback on the issues for review.

[More...](#)

2013

Work Pass: Administrative Fee Changes

From 1 April 2013, administrative fees will rise sharply for applications of all work passes, as the Ministry of Manpower seeks to address rising costs and to bring the fees closer to the actual costs of providing work pass services. Key changes include increasing application fees from a flat S\$20 for all passes, to S\$70, S\$60 and S\$30 for Employment Pass, S Pass and Work Permit applications respectively.

[More...](#)

2013

Weekly Rest Days for Foreign Domestic Workers (FDW)

Following an amendment to the Fourth Schedule to the Employment of Foreign Manpower (Work Passes) Regulations 2012, all FDWs who are issued with a Work Permit on or after 1 January 2013 will be entitled to one rest day every week. Employers may compensate their FDWs in lieu of the weekly rest day if there is a mutual written agreement between both parties. The amendment also requires that any such compensation should amount to at least one day's salary or a replacement rest day taken within the same calendar month.

[More...](#)

2013

Proposed Workplace Safety and Health (Work-at-Heights) Regulations

In 2012, a review conducted by the Ministry of Manpower revealed that, in comparison to other countries, current legislation in Singapore on safety for employees who work at heights was inadequate in many areas. This includes organization and planning requirements, authorization to carry out activities at heights and the use of an industrial rope access system. The proposed "Workplace Safety and Health (Work-at-Heights) Regulations 2013" will come into effect in April 2013 and will impose additional duties on employers on this front.

[More...](#)

2013

CONTRIBUTED BY:

**RAJAH
TANN**

Lawyers who know Asia

SINGAPORE

MORE

1 JUN
2012

Work Injury Compensation Act Amendments

1. Compensation limits for death, total permanent incapacity and medical expenses were all increased from their last revision in 2008. For example, the previous limit for death was S\$47,000 to S\$140,000 while the new limit is S\$57,000 to S\$170,000. This is in line with the Ministry of Manpower's regular review to ensure that WICA compensation matches increase in nominal wages and rising medical costs.
2. Compensation will not be allowed for work-related fights. As such, employers will generally not be liable under WICA to compensate workers who are injured in work-related fights, except in certain scenarios such as when the worker was a victim and did not participate in the fight, or when he was injured while exercising private defence, or instructed to break up the fight, safeguard life/property or maintain law and order.
3. The scope of compensable diseases was expanded. Previously, diseases were compensable only when they were listed in the Second Schedule, for example noise-induced deafness, or as a result of a specific accident at work. With the change, diseases contracted due to work-related exposure to chemical or biological agents will be compensable. The Second Schedule will also be refined to include a new occupational disease (exposure to excessive heat) and broaden the scope of some of the existing occupational diseases.
4. Work-related exclusion clauses in insurance policies, with the exception of clauses relating to asbestos, will be prohibited for the purpose of WICA insurance. With these changes, insurers will be liable to make payment of the compensation even if work-related exclusions exist in the insurance policy. Insurers will continue to be able to seek contractual recovery from the employer if such recovery is allowed in the insurance policy.
5. In the event that there are multiple parties providing insurance coverage for workers, the employer's insurance policy will first be used to satisfy a claim. This clarification will avoid undue delay in processing compensation for the injured worker as previously, various insurers tended to dispute liability in the event of a claim.

[More...](#)

[Back...](#)

CONTRIBUTED BY:

**RAJAH
TANN**

Lawyers who know Asia