

iGlobal Law 2024 Annual Alert : Singapore

Legal Change	Effective Date	Action required
<p>Requirement of Progressive Wage Mark accreditation for Government suppliers via quotation</p> <p>The Progressive Wage Mark (“PW Mark”) will be used to recognise companies that support better wages for lower-wage workers. This would help consumers discern between businesses that align with their values and guide consumers in their spending decisions and which businesses to support. All employers who hire at least one local worker covered by Sectoral or Occupational Wages may apply for the PW Mark.</p> <p>To receive accreditation, employers must pay the relevant workers Progressive Wages and pay all other local workers at least the Local Qualifying Salary, currently pegged at S\$1,400. Employers who further adopt practices that provide better support for lower-wage workers in, among others, workplace safety, health, and training, outlined in the Tripartite Standard on Advance Well-being of Lower Wage Workers, can receive the PW Mark Plus.</p>	<p>March 1st 2024 for procurement done via quotation</p> <p>(Applications for the PW Mark were initially introduced in December 2022 and were required for eligible suppliers and their subcontractors for the duration of their contract periods for new Government tenders called from March 1st 2023.)</p>	<p>Affected employers must apply for accreditation before applying to be Government suppliers.</p>
<p>National Wages Council (“NWC”) 2023/2024 Guidelines</p> <p>The NWC affirms that wage growth should be in line with productivity growth and encourages employers to reward employees with wage increases that are fair and sustainable – for example, built-in wage increases should be given in line with the firm’s business prospectus and variable payments should reflect firms’ performance and workers’ contribution. At the same time, the economic uncertainties ahead continue to show the need for resilience and flexibility in wage structures. Hence, the NWC has called on employers to implement the Flexible Wage System (“FWS”), within which:</p> <ul style="list-style-type: none"> - Employers who have done well and have positive business prospects should reward their employees with built-in wage increases and variable payments commensurate with the employers’ performance and employees’ contributions. - Employers who have done well but face uncertain business prospects may exercise moderation in built-in wage increases but should still reward employees with variable payments 	<p>December 1st 2023 to November 30th 2024</p>	<p>Recommendations in the NWC Guidelines on the implementation of FWS are applicable to all employees – professionals, managers, executives, technicians, rank-and-file, in unionised and non-unionised firms.</p>

<p>commensurate with the employers’ performance and employees’ contributions.</p> <ul style="list-style-type: none"> - Employers who have not done well may exercise wage restraint, with management leading by example. These employers should make greater efforts to improve business processes and productivity, especially by investing in upskilling their employees. They may also consider setting out future variable payments that are linked to appropriate business indicators. 		
<p>Enhancements to mandatory medical insurance (“MI”) for all new and existing Work Permit (including Migrant Domestic Workers) and S Pass Holders</p> <p>The annual coverage limit of the MI has been raised from S\$15,000 to S\$60,000 to cover the remaining approximately 5% of bills that exceeded the previous limit. The change minimises out-of-pocket expenses and the possible financial strain put on employers as it is estimated to cover over 99% of claimed medical expenses.</p> <p>Enhancements will be implemented in phases.</p>	<p>July 1st 2023 for increased annual claim limit of \$60,000 with co-payment by employers for claim amounts above the first \$15,000 to insurance policies</p> <p>July 1st 2025 for other enhancements, including standardisation of permissible exclusion clauses, age-differentiated premiums, and direct reimbursement by insurers.</p>	
<p>Continued Implementation of the Security Progressive Wage Model (“PWM”) and Occupational Progressive Wages (“OPW”) for Administrators and Drivers</p> <p>The NWC Guidelines provide that OPW wage requirements will be enforced through the employer’s eligibility for work passes. Employers who hire foreign workers on mainstream work passes (i.e. work permit, S Pass, Employment Pass) must comply with the stipulated OPW requirements, as well as any other applicable PWM requirements, in order to apply for new work passes or renew existing work passes.</p> <p>Between 2022 to 2023, PWM requirements were put in place for the Food Services, Retail, Waste Management sectors, as well as for administrators and drivers. This is in addition to PWM requirements that were already in place for the cleaning, security, and landscaping sectors.</p>	<p>January 1st 2024 for the Security PWM and Waste Management PWM annual bonus</p> <p>July 1st 2024 for the next stage in the OPW for Administrators and Drivers</p>	<p>Employers in the Food Services, Retail, Waste Management, and Security sectors should ensure that they are updated with the next stage of monthly gross wage requirements taking effect in 2024.</p> <p>Employers who employ administrators and drivers will also have to keep in mind the requirements of the OPW that come into effect in 2024.</p>

<p>The Government also launched a 5-year Progressive Wage Credit Scheme in 2022, to support employers by co-funding wage increases of eligible lower-wage workers.</p> <p>Multi-year schedules of sustained PWM wage increases are currently in progress for the Food Services, Retail, and Waste Management sectors, and will continue on to their respective stages in 2024.</p>		
<p>Implementation of the Complementary Assessment Framework (“COMPASS”) to Employment Pass (“EP”) renewals</p> <p>EP renewal candidates must, in addition to meeting the qualifying salary and unless exempted, pass the points-based COMPASS, which considers a holistic set of individual and firm-related attributes in the evaluation process, with the focus on complementarity to Singapore’s workforce. The two bonus criteria under COMPASS, the Skills Bonus and Strategic Economic Priorities Bonus respectively, allow EP applicants possessing skills that are in shortage and firms that contribute to Singapore’s strategic economic priorities to earn bonus points towards their total COMPASS score and facilitate their eligibility for an EP. The bonus criteria help companies secure complementary foreign manpower necessary to seize economic opportunities in the immediate term in view of local manpower restraints.</p>	<p>September 1st 2024 for renewal of EP applications</p>	<p>Employers are to put in contingency plans to ensure that existing EP holders are able to satisfy the point-based COMPASS and if this is not possible, to implement succession planning for key employees.</p>
<p>Recommendations for Workplace Fairness Legislation (“WFL”)</p> <p>The Government has accepted the final set of recommendations by the Tripartite Committee on Workplace Fairness for WFL and will work with Tripartite Partners to implement the recommendations in 2024.</p> <p>Overarching recommendations include, among others: defining discrimination as making an adverse employment decision because of any protected characteristic, and for protection to cover all stages of employment, including pre-employment (recruitment), during employment (e.g. promotion, appraisals, training selections) and end-employment (e.g. dismissal) stages.</p> <p>Recommendations at the recruitment stage include: to prohibit the use of words or phrases in job advertisements that indicate a preference for a protected characteristic; to legislate the job advertisement requirement for submission of Employment Pass and S Pass applications under the</p>	<p>Definitive implementation date has not been announced but is expected to be in 2024.</p>	<p>Nothing at this stage but to keep abreast of updates, including from the Tripartite Committee and any draft legislation.</p>

<p>existing Fair Consideration Framework; and to support employers in hiring persons with disabilities and seniors (≥55 years).</p> <p>During employment, protections will be put in place to prohibit retaliation against those who report cases of workplace discrimination or harassment; to issue a Tripartite Advisory on providing reasonable accommodations to persons with disabilities; and to require employers to put in place grievance handling processes, and where possible, protect the confidentiality of the identity of persons who report workplace discrimination and harassment.</p> <p>Mediation will also be compulsory for workplace discrimination claims at the Tripartite Alliance for Dispute Management (“TADM”), with adjudication at the Employment Claims Tribunal (“ECT”) only a last resort. Measures will also be put in place to provide for monetary compensation of up to \$5,000 for pre-employment claims; and, up to \$20,000 for non-union members and \$30,000 for union-assisted claims, for in-employment and end-employment claims. The ECT may also be empowered to strike out frivolous or vexatious claims and to award costs against such claimants.</p> <p>However, exceptions and accommodations will also be made for certain groups, such as exceptions for religious organisations to make employment decisions based on religion and appropriate religious requirements, or to exempt small firms with under 25 employees from the legislation for a start, to be reviewed in five years. However, small firms are still subjected to the Tripartite Guidelines for Fair Employment Practices.</p>		
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