



# OPTIMISING YOUR HR OPERATIONS WITH THE EMPLOYMENT LEGISLATIONS IN SINGAPORE

MODULE 2: NAVIGATING TERMINATION, RETRENCHMENT,  
DISMISSAL & RE-EMPLOYMENT

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# AGENDA

- Tripartism In Singapore
- An Overview on Termination
- Resignation or Separation
- Buy-Out
- Retrenchment
- Dismissal
- Re-Employment

# TRIPARTISM IN SINGAPORE

- Collaboration among Unions, Employers and the Government



Guided by their Vision of “A Great Workforce A Great Workplace”, the Ministry of Manpower works to achieve a globally competitive workforce and great workplace for a cohesive society and a secure economic future for all Singaporeans.



The National Trades Union Congress (NTUC) is a national confederation of trade unions as well as a network of professional associations and partners across all sectors in Singapore.



The Singapore National Employers Federation (SNEF) was established in 1980. SNEF is a trade union of employers dedicated to preserving industrial harmony and helping employers achieve excellence in employment practices, thereby enhancing productivity, competitiveness as well as the quality of their employees' work life

# TRIPARTISM IN SINGAPORE

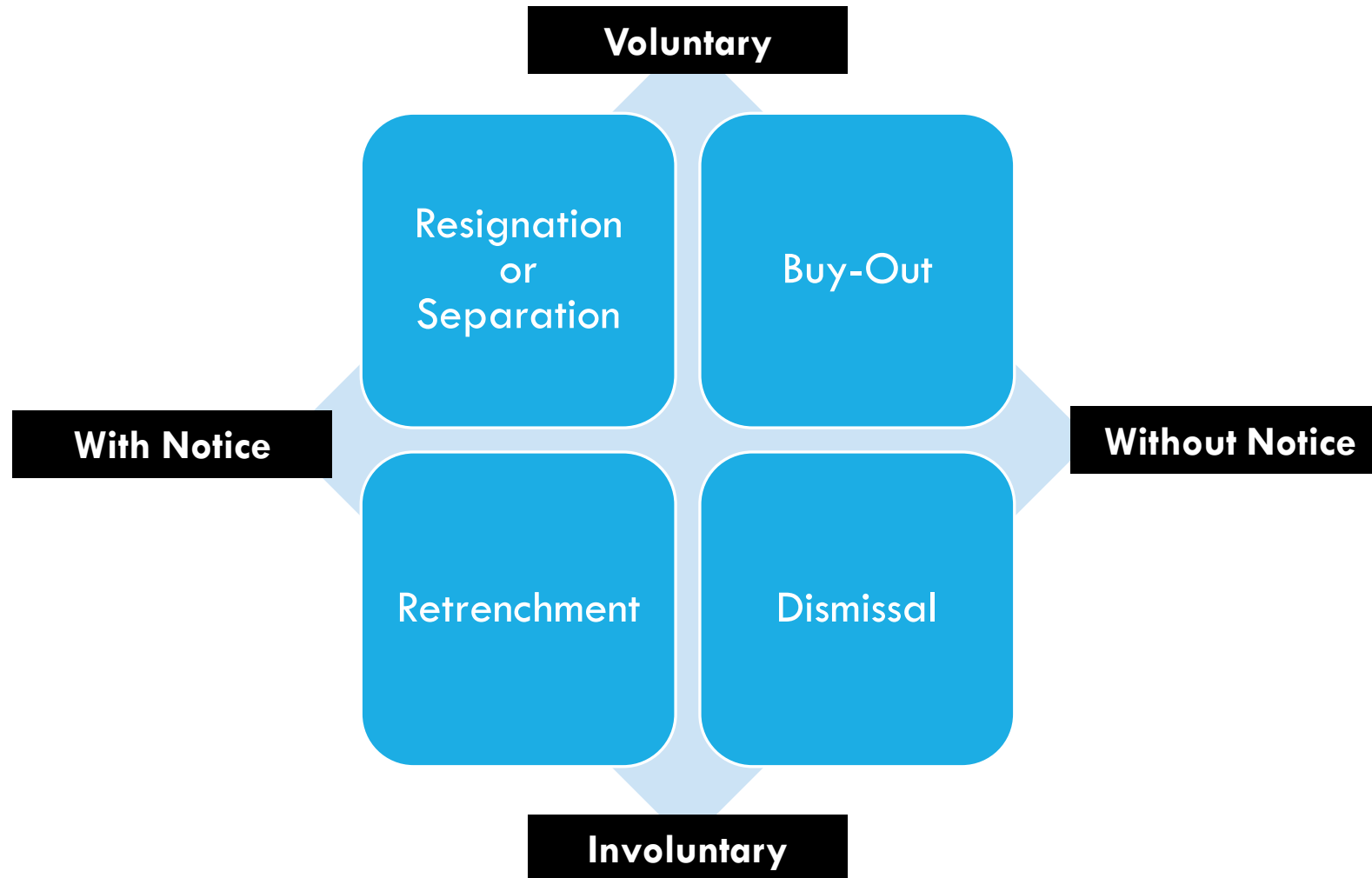


Tripartite Alliance  
for Dispute Management



Tripartite Alliance for  
Fair & Progressive Employment Practices

# TERMINATION — DIFFERENT TYPES



# TERMINATION — OVERVIEW

- Termination Letter is mandatory
- There must be a notice period before termination by either party

Length of service	Notice period
Less than 26 weeks	1 day
26 weeks to less than 2 years	1 week
2 years to less than 5 years	2 weeks
5 years or more	4 weeks

Ministry of Manpower ([www.mom.gov.sg](http://www.mom.gov.sg))

- Includes Public Holidays, rest days and non-workdays
- Either served, payment made in lieu, waived or denied

# TERMINATION — OVERVIEW

- Final salary payment must be made

In this situation	Your final salary must be paid
Employee resigns and serves the required notice period	On the last day of employment.
Employee resigns without notice and doesn't serve the notice period	Within 7 days of the last day of employment.
Dismissal on grounds of misconduct	On the last day of employment.  If this is not possible, then within 3 working days from date of dismissal.
Employer terminates the contract	On the last day of employment.  If this is not possible, then within 3 working days from date of termination.

Ministry of Manpower ([www.mom.gov.sg](http://www.mom.gov.sg))

# TERMINATION — RESIGNATION OR SEPARATION

- Termination With Notice, voluntary action by the employee
- Types of Separation
  - End of Contract
  - Frustration of Contract (e.g. on medical reasons, unable to perform)
- Notice Period
  - Either served or payment in-lieu (might include ex-gratia payment)
  - Waiver can only be granted by the non-initiating party
  - Sick leave is permitted
  - Annual leave can be taken or encashed



# TERMINATION — BUY-OUT

- Termination Without Notice, voluntary action by the employee
- Resignation without serving full notice
- Cannot be rejected by the employer
- Payment to be made by employee to employer

# TERMINATION — RETRENCHMENT

- Termination With Notice, involuntary action on the employee
- No compulsory retrenchment benefits
  - Common practice is 2 weeks to 1 month for 1 year of service capped at certain number of years (12 to 24)

Singapore

DFS offers retrenched employees better severance deal following talks with union



# TERMINATION — DISMISSAL

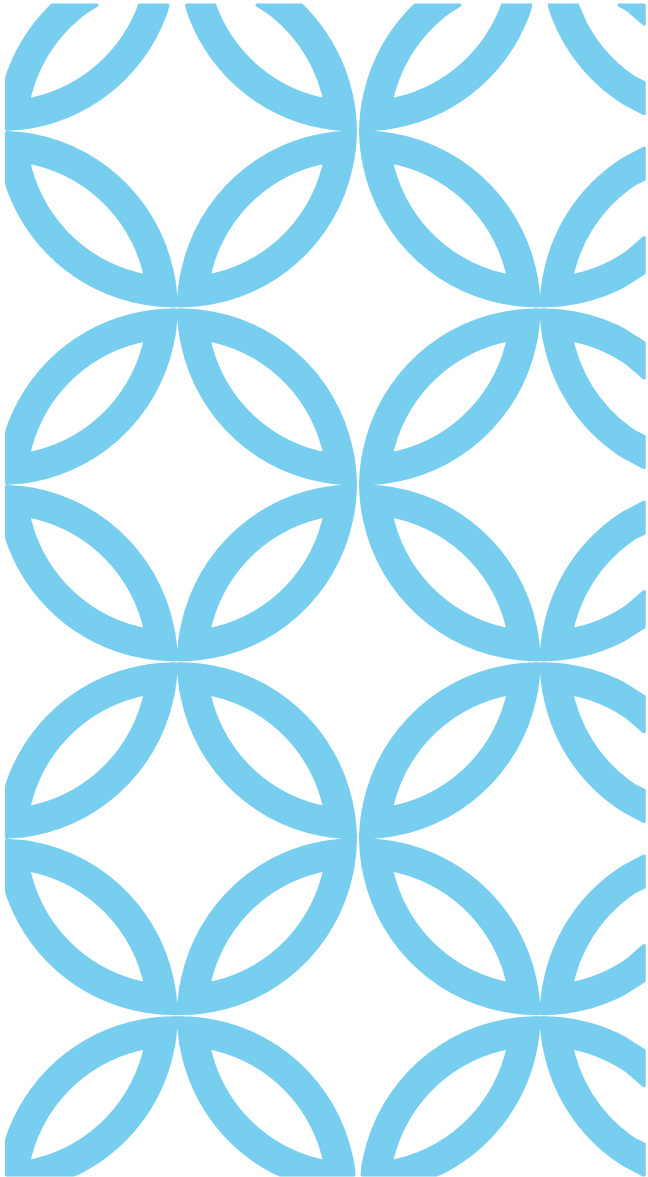
- Termination Without Notice, involuntary action on the employee
- “Burden of proof” on the employer
  - Poor Performance > Performance Improvement Plan (PIP)
  - Poor Behaviours (Misconduct) > Investigation & Inquiry
  - Cannot be contacted for more than 48 hours using reasonable methods
- Cannot be due to race, religion, medical conditions or pregnancy
- No need to give notice period nor make payment in-lieu
- TAFEP provide guidelines
- Dismissed employees can go to TADM to lodge an unfair dismissal claim
- Employment Claims Tribunal (ECT)

# RE-EMPLOYMENT

- Mandatory to offer re-employment to eligible employees
  - Are a Singapore citizen or Singapore permanent resident
  - Have served your current employer for at least 3 years before turning 62.
  - Have satisfactory work performance, as assessed by the employer
  - Are medically fit to continue working
  - Are born on or after 1 July 1952
- Job scope, salary and benefits can be adjusted and mutually agreed
- Can be transferred to another employer
- Re-employment offer must be accepted

# RE-EMPLOYMENT

- Employment Assistant Payment (EAP)
  - As a last resort
  - A one-off payment equivalent to 3.5 months' salary, subject to a minimum of \$5,500 and maximum of \$13,000
  - If employee has been re-employed for at least 30 months since age 62, a lower EAP amount of 2 months of salary could be considered, subject to a minimum of \$3,500 and maximum of \$7,500
- Commissioner of Labour (COL) & TADM to provide support to employees



**END OF MODULE 2**

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