

EA Alert Dated: 3 September 2015

EA Alert: Changes to Employment Act - To Issue Itemised Payslips and Key Employment Terms to Employees

- 1 As you may offer advice on the Employment Act or other HR services (e.g. prepare contracts for employees, payroll etc.) to your clients, this advisory serves as a notification on the upcoming changes to the Employment Act.
- 2 From 1st April 2016, employers will be required to issue itemised payslips and Key Employment Terms (KETs) to their employees. This will enable employees to better understand their regular salary components, as well as employment terms and benefits. This will also help employers prevent misunderstandings and minimise disputes at the workplace. For more details on the requirements, you may refer to www.mom.gov.sg/ea-amendments.
- 3 Employers can find resources and guidance to help them implement the changes here: <http://www.mom.gov.sg/ea-assistance>.

Issue Itemised Payslips and Key Employment Terms to Employees

Do you know?

From 1 April 2016, all employers will be required to issue itemised payslips and key employment terms (KETs) to employees covered under the Employment Act.

- ◆ This enables employees to better understand their regular salary components, as well as employment terms and benefits.
- ◆ This also helps employers prevent misunderstandings and minimise disputes at the workplace.

I am an employee covered under the Employment Act. What can I expect?

Starting from 1 April 2016,

-  You should receive an itemised payslip at least once a month.
-  If you are continuously employed for at least 14 days, your employer should provide you with key employment terms at the start of your contract.

The infographic features a blue header with white text, a yellow background with an orange-bordered box for the 'Do you know?' section, and a purple-bordered box for the 'I am an employee...' section. It includes illustrations of a male character in a blue shirt with 'MOM' on it and a female character in a blue dress. Icons for a pay slip and KETs are used to illustrate the requirements.

I'm an employer, what do I need to take note of?

- ◆ Issue itemised payslips and key employment terms.
- ◆ Keep a record of all payslips issued.
- ◆ For more details, go to www.mom.gov.sg/ea-amendments.



What happens if an employer does not give itemised payslips or key employment terms?

- ◆ From 1 April 2016, MOM will set up an administrative penalty framework to enforce these new requirements.
- ◆ In the first year, MOM will take a light touch approach, focusing on employers' education.



WHERE CAN I GET HELP AND ADVICE?

Go to www.mom.gov.sg/ea-assistance to find out more about the assistance package!

You can also approach any SME Centres for one-to-one assistance.

Look out for detailed guides from MOM to help you better understand how to comply with these requirements!

