



P R E S S R E L E A S E

Annex B

**OUTCOME OF TRIPARTITE CONSULTATION:
CHANGES TO THE EMPLOYMENT ACT**

No	Current	Going Forward
A	Better protection for more workers	
1.	Non-workmen earning a basic monthly salary of up to \$2,000 enjoy working hours-related protection ¹ .	The salary threshold will be increased to <u>\$2,500</u> to be in line with increases in salary levels.
2.	Junior PME's earning a basic monthly salary of up to \$4,500 receive salary protection.	In addition, this group of junior PME's will receive <u>general protection</u> ² in view of the rising proportion of PME's in our workforce.
B	Flexibility for Employers	
3.	Employers are required to pay eligible employees for overtime (OT) work at a rate based on the employee's salary ³ .	Even though the salary threshold of non-workmen is increased to \$2,500, the overtime rate payable for non-workmen will be <u>capped at the salary level of \$2,250</u> to help employers manage costs.
4.	Junior PME's are not protected against unfair dismissal and for paid public holidays.	As we extend general protection to junior PME's: <ul style="list-style-type: none">• This group will need to <u>have served with the same employer for at least 1 year</u> to be eligible to seek redress against unfair dismissal. This will provide employers time to assess suitability of PME's to the job.

¹ This refers to protection against excessive working hours, right to rest days and to claim overtime payment etc.

² This includes protection against unfair dismissal, public holiday and sick leave benefits etc.

³ Currently, non-workmen earning up to \$2,000 and workmen earning up to \$4,500 can claim overtime pay.



P R E S S R E L E A S E

		<ul style="list-style-type: none">Employers will be allowed to <u>grant time-off in-lieu</u> for those who are required to work <u>on public holidays</u>, subject to mutual agreement. This takes into account the nature of PME work which are more outcome-based and often have in-built flexibilities arrangements. In the absence of mutual agreement, at least half a day off in-lieu has to be granted.
5.	Employers are obliged to provide paid sick leave and medical examination expenses of their employees.	Employers will be exempted from having to grant paid sick leave and bear medical examination expenses of employees for <u>cosmetic consultations and procedures</u> which are not medically necessary. This is to maintain the balance of responsibilities between employers and employees.
C	Raising Employment Standards	
6.	Employers are not required to provide payslips or maintain detailed employment records of all their employees. Currently, only employers of workmen are required to keep salary records.	Employers will be required to <u>provide written itemised payslips and maintain detailed employment records</u> (including salary) of all their employees. This not only protects employees, but also helps employers in the event of a salary dispute.
7.	Employees' salaries are protected from any deductions by employers other than those authorised ⁴ under the EA.	<u>A 25% sub-cap will be imposed for deductions for accommodation, amenity and services</u> (within the existing 50% total cap) to prevent excessive deductions.
8.	Employees with less than 3 years of service with the same employer are not entitled to	The <u>non-eligibility period for retrenchment benefits will be reduced to 2 years</u> , in line with shorter employment tenures.

⁴ For example, deductions for damage or loss of goods entrusted to employee, cost of food, accommodation, amenity and services provided by the employers etc.



P R E S S R E L E A S E

	retrenchment benefits.	
9.	When employees are transferred to another company in an event of a restructuring, employment terms of the affected employees are protected by their pre-existing collective agreement (CA) until it expires.	To provide greater certainty for such affected employees, their employment terms under their <u>pre-existing CA will be protected for at least 18 months</u> (even if the CA is expected to expire before that).