

Term Contract Workers

Who are 'Term Contract Workers'?

- Term contract workers refer to employees who are on fixed-term contracts of employment that will automatically expire unless it is renewed.
- In 2012, 192,200 or 11.5% of resident employees were on term contracts. Of these, 108,200 were on term contracts of less than one year¹.
- Term contract workers, like all other permanent employees, already enjoy the same protections and benefits of the Employment Act (EA)², Work Injury Compensation Act (WICA)³, the Central Provident Fund (CPF) Act and the Employment of Foreign Manpower Act (EFMA).
 - Key areas of protection of the EA include the protection for timely salary payment and against unauthorised deductions, unfair dismissals, and entitlements to sick leave and public holidays.
- Under the EA, all employees need to fulfil a minimum service period of three months, without a break in service, to qualify for paid sick leave, annual leave, maternity leave and child care leave. This provides employers with a reasonable timeframe to assess employees' suitability for employment before taking on the responsibilities for their leave benefits. While this qualifying period was intended to provide employers some flexibility, some have structured their short-term contracts to be renewed with a break every three or fewer months to avoid their EA obligations.
- Some employers offer recurrent term contracts to employees, even when the jobs offered are of a permanent nature. Disputes also happen when term contract employees whose contracts have been renewed multiple times with the same employer and who have come to expect continued renewal of their contracts, are not given notice for the non-renewal of contracts, in spite of the continuation of that job. These employees would perceive such non-renewal as unfair, even though employers are currently not legally obliged to renew their contracts.

¹ Source: Labour Force in Singapore, 2012. In this survey, employees on term contracts of less than one year include those on casual/on-call employment who are employed on ad hoc basis, as and when the company requires additional manpower.

² More information about the EA can be found at <http://www.mom.gov.sg/employment-practices/employment-rights-conditions/employment-act/Pages/default.aspx>

³ Self-employed persons, independent contractors, domestic workers, members of the Singapore Armed Forces, officers of the Singapore Police Force, the Singapore Civil Defence Force, the Central Narcotics Bureau and the Singapore Prisons Service are not covered under the Work Injury Compensation Act. More information about the WICA can be found at <http://www.mom.gov.sg/legislation/occupational-safety-health/Pages/work-injury-compensation-act-faqs.aspx#general>

- We are therefore reviewing how we can better protect the rights of such employees while ensuring that employers continue to have the flexibility to employ workers on short-term contracts when there are genuine business needs for them.

What are the other mechanisms to protect the interests of term contract workers today?

- *Government Paid Maternity Benefit (GPMB)* – Female contract employees who gave birth to a Singaporean child on or after 1 January 2013 and whose contracts expired before they can fully consume 16 weeks of maternity leave may be eligible for the GPMB⁴, provided they have been in employment for a total of at least 90 days in the 12 months preceding the birth of their child.

⁴ Details about the GPMB can be found at <http://www.profamilyleave.gov.sg>