

## **FACTSHEET ON THE TASKFORCE FOR RESPONSIBLE RETRENCHMENT AND EMPLOYMENT FACILITATION**

### **1. About the Taskforce**

The Taskforce for Responsible Retrenchment and Employment Facilitation was formed in March 2016 with the objectives of better assisting retrenched individuals and to encourage responsible retrenchment amongst employers. Chaired by Mr Tan Choon Shian, Chief Executive of Workforce Singapore (WSG), the Taskforce also comprises representatives from the Ministry of Manpower (MOM), WSG, National Trades Union Congress (NTUC) and NTUC's Employment and Employability Institute (e2i).

### **2. About the Mandatory Retrenchment Notification (MRN)**

The MRN came into effect on 1 January 2017. Employers who employ at least 10 employees are required to notify MOM if five or more of their employees are retrenched within any 6-month period beginning 1 January 2017. Retrenchments are defined as dismissal on the ground of redundancy or by reason of any reorganisation of the employer's profession, business, trade or work. This applies to permanent employees, as well as contract workers with full contract terms of at least 6 months.

### **3. Support rendered to Retrenched Individuals**

Support that is rendered by WSG and NTUC's e2i to retrenched individuals include:

- Briefings at the retrenching companies' premises on the range of employment facilitation and career coaching help available
- Matching of retrenched individuals with hiring employers
- Linking retrenched individuals to networking and job fairs
- Providing further assistance through career matchmaking services at career centres where retrenched individuals can sign up for workshops, receive job referrals and get one-on-one coaching from career coaches

### **4. Engaging with Retrenching Employers**

The Taskforce proactively encourages employers to carry out retrenchment exercises in a fair and responsible manner, bearing in mind the impact on the retrenched employees. In line with the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment, there are six key areas which employers should take note of when planning for a retrenchment exercise:

#### **a) Fair selection of employees for retrenchment**

When carrying out a retrenchment exercise, the selection of employees for retrenchment should be conducted fairly, based on an objective criteria.

#### **b) Early consultation with unions**

If the company is unionised, the relevant unions should be consulted early.

**c) Early communication with affected employees**

Communication to affected employees should be early and before formal notice is given, so they have sufficient time to make alternative arrangements.

**d) Notify the Ministry of Manpower**

Employers are encouraged to notify MOM of any impending retrenchment exercise as soon as possible, above the requirements of the mandatory retrenchment notification. This will enable WSG and NTUC's e2i to provide even more timely employment facilitation assistance.

**e) Provide fair compensation to retrenched workers**

The prevailing norm is to pay a retrenchment benefit varying between two weeks' to one month's salary per year of service, depending on the financial position of the company and industry norm. In unionised companies, where the quantum of retrenchment benefit is stipulated in the collective agreement, the norm is one month's salary for each year of service. An employee who has served less than two years could be granted an ex-gratia payment. For those who have served two years or more, payment of retrenchment benefits is mandatory if it is specified in their individual employment contracts or the collective agreements negotiated by their unions.

**f) Extend employment facilitation assistance**

As responsible employers, companies should offer support to retrenched employees to look for alternative jobs. Employers can work with WSG and NTUC's e2i to provide employment facilitation assistance to retrenched employees.