

## CASE STUDIES OF COMPANIES WITH RESPONSIBLE RETRENCHMENT PRACTICES

### 1. Coca-Cola Singapore Beverages (MNC, unionised)

In 2016, Coca-Cola Singapore Beverages (CCSB) outsourced their warehousing operations to local beverage distributor and released 38 employees in May 2017.

#### Responsible retrenchment practices

##### *Notifying Government and unions of retrenchment*

- CCSB notified the Food, Drinks & Allied Workers Union early of their intention to retrench and worked with the union to assist the workers and to negotiate the retrenchment package.
- Union membership fees for existing union members were also paid by CCSB for the period of a year to ensure continuity of assistance.

##### *Employment facilitation*

- CCSB funded a month-long work trial at the local beverage distributor for affected employees. Of the 38 affected employees, 33 accepted fixed-term employment contracts with the distributor, four found jobs on their own and one retired from the workforce.
- Each affected employee was given a \$500 training grant to up-skill/re-skill themselves after leaving Coca-Cola Singapore Beverages.

##### *Retrenchment benefits*

- CCSB's retrenchment package for affected employees exceeded the prevailing norm in the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment. Depending on their years of service, affected employees were given the following retrenchment benefits:

<b>Years of service (YOS)</b>	<b>Retrenchment benefit/ex-gratia payment</b>
Less than 2 years	Ex-gratia payment of 0.5 month salary per yos
2 years to <10 years	1 month salary per yos
10 years to <15 years	1.4 months' salary per yos
16 years and above	1.6 months' salary per yos, capped at 25 years

##### *Other responsible retrenchment practices*

- CCSB extended the medical, hospitalisation and dental benefits of affected employees for six months after their last day of service.

- Counselling support was made available to all 38 retrenched employees through counsellors from Raffles Counselling Centre to ensure that impacted employees had specialised psychological support available if needed.
- An additional retention bonus of 30% of basic monthly salary per completed month of service from date of retrenchment notification to the last day of service was paid to affected employees who met their performance KPIs. Affected employees also received pro-rated Annual Wage Supplement (i.e. “13-month payment”).

## **2. Company X\* (SME, non-unionised)**

*\*Company has asked to remain anonymous*

Company X has a total workforce of 75 employees in Singapore. In November 2017, five local employees were retrenched due to sale of one of Company X's business units. All five affected employees found new employment within six months of the date of their retrenchment.

### Responsible retrenchment practices

#### *Managing excess manpower*

- Company X considered re-deploying affected employees internally to other fashion business lines prior to retrenchment.

#### *Retrenchment notice period*

- Although Company X gave advance notice in May 2017 (more than a month) to affected employees, the employees were still paid salary in-lieu of notice based on their employment contract.

#### *Retrenchment benefits*

- In line with the prevailing norm in the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment, Company X paid affected employees a retrenchment benefit of one month's salary per year of service.
- Retrenched employees were also paid an additional one month's salary and pro-rated performance bonus for the financial year.

#### *Employment facilitation*

- Affected employees were granted time-off to attend job interviews.
- Company X engaged and paid for outplacement experts to provide employment facilitation help with resume writing, interview skills, networking and job placements.