

EMPLOYMENT STANDARDS REPORT

2022





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Introduction

1. This report highlights the state of Employment Standards in Singapore in 2022.
2. The overall incidence¹ of employment claims and appeals lodged with the Ministry of Manpower (MOM) and the Tripartite Alliance for Dispute Management (TADM) increased slightly from 1.73 in 2021 to 1.97 per 1,000 employees in 2022, but remained lower than the pre-COVID period (2019: 3.04 per 1,000 employees). The increase is observed for both local and foreign employees, partly due to more challenging economic conditions in 2022.
3. A total of 7,140 employment claims and appeals were lodged with MOM and TADM in 2022. 4,079 (or 57%) were lodged by local employees while the remaining 3,061 (or 43%) were lodged by foreign employees. Most of the claims and appeals were salary claims (6,123) and dismissal claims (946).²
4. The overall resolution rate at mediation continues to be high. More than 80% of employment claims were resolved at mediation with more than 90% fully recovering their salaries and payments at TADM and the Employment Claims Tribunals (ECT). The minority of employers who were unable to pay was mostly due to financial difficulties.

¹ Total employment level (excluding migrant domestic workers) was used to compute the incidence rate. The figures as at December 2022 are available on MOM's website: <https://stats.mom.gov.sg/Pages/Employment-Summary-Table.aspx>

² The remaining were (i) dismissal appeals lodged under the Retirement and Re-employment Act and the Industrial Relations Act; and (ii) cases where TADM offered voluntary mediation for issues which were not covered under employment legislations, such as payment disputes between self-employed persons and their service buyers.

Salary Claims

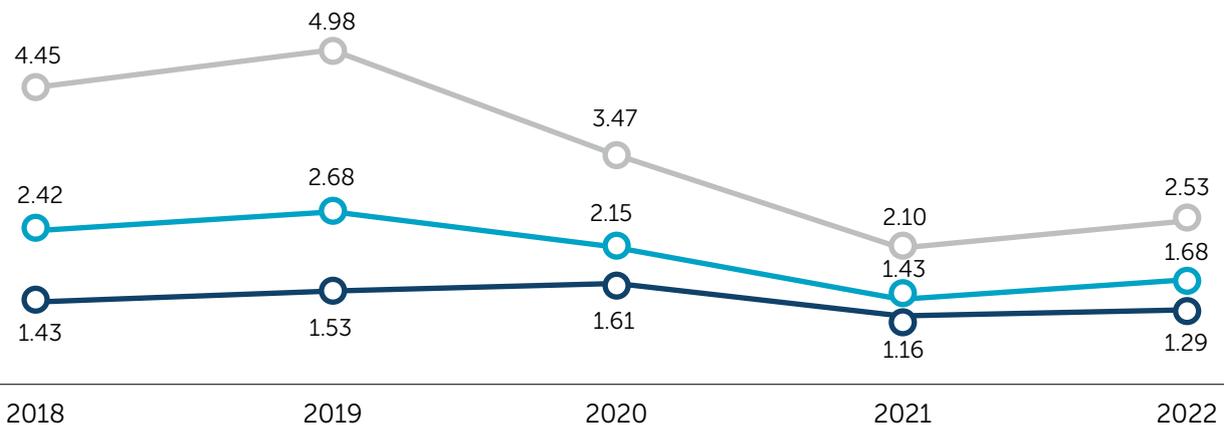
Incidence of salary claims increased but remained low

Overall incidence of salary claims increased to **1.68 per 1,000 employees** in 2022, but **remained lower than pre-COVID period** (2.68 in 2019)



- The overall incidence of salary claims increased to 1.68 per 1,000 employees in 2022 (2021: 1.43 per 1,000 employees). This was lower than the pre-COVID period in 2019 (2.68 per 1,000 employees).
 - Among local employees, the incidence of salary claims increased to 1.29 per 1,000 local employees in 2022 (2021: 1.16 per 1,000 local employees). This was partly driven by an increase in salary claims lodged by local employees in the Information and Communications, Construction and Administrative & Support Service Activities sectors, which saw a higher proportion of group claims from companies that experienced business failures or financial difficulties.
 - Among foreign employees, the incidence of salary claims increased to 2.53 per 1,000 foreign employees in 2022 compared to 2.10 in 2021. This was driven by an increase in salary claims lodged by foreign employees in the Construction sector, in particular group claims from Construction firms facing business failures, financial difficulties or undergoing liquidation.
 - The incidence of salary claims has remained higher for foreign employees compared to local employees, but lower than pre-COVID period (2019: 4.98 per 1,000 foreign employees). MOM and TADM have been making proactive efforts in educating employers and employees on their employment rights, as well as detecting salary issues of migrant workers in the Construction sector. The median duration of salary arrears for claims lodged in 2022 was 1 month for local employees and 2 months for foreign employees, similar to 2021.

Chart 1: Incidence of salary claims per 1,000 employees, 2018 - 2022



○ Foreign employees ● Total employees ● Local employees

6. The top 4 claim items lodged by local and foreign employees are shown in Chart 2 and Chart 3 respectively. Collectively, they accounted for 92% of all salary claims lodged in 2022. The top 4 claim items for both local and foreign employees have remained consistent over the years.

Chart 2: Proportion of salary claims lodged by local employees, 2018 - 2022

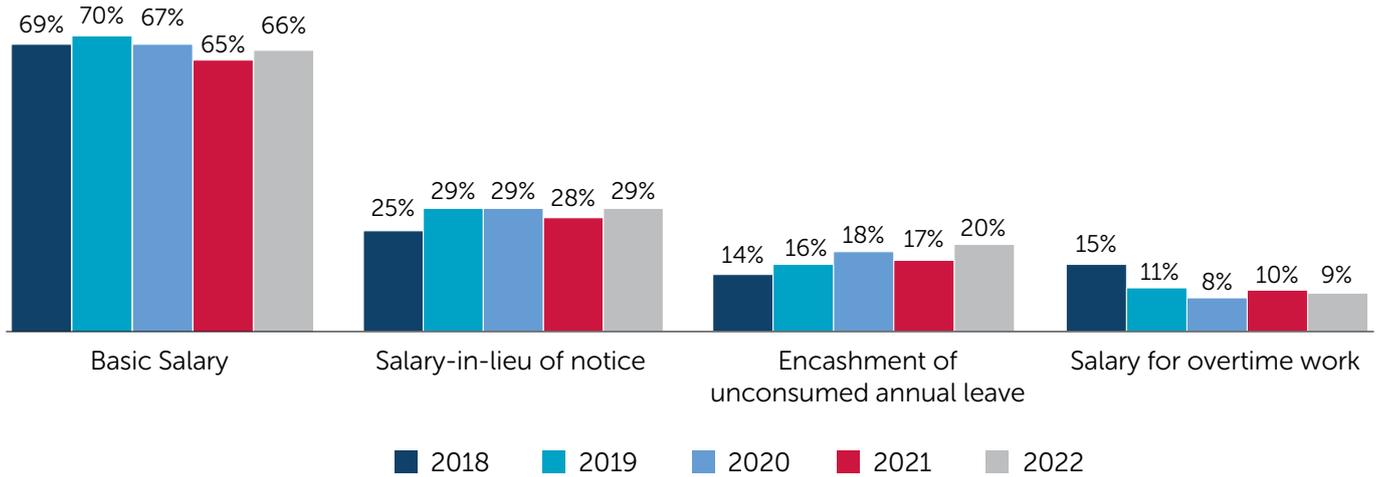
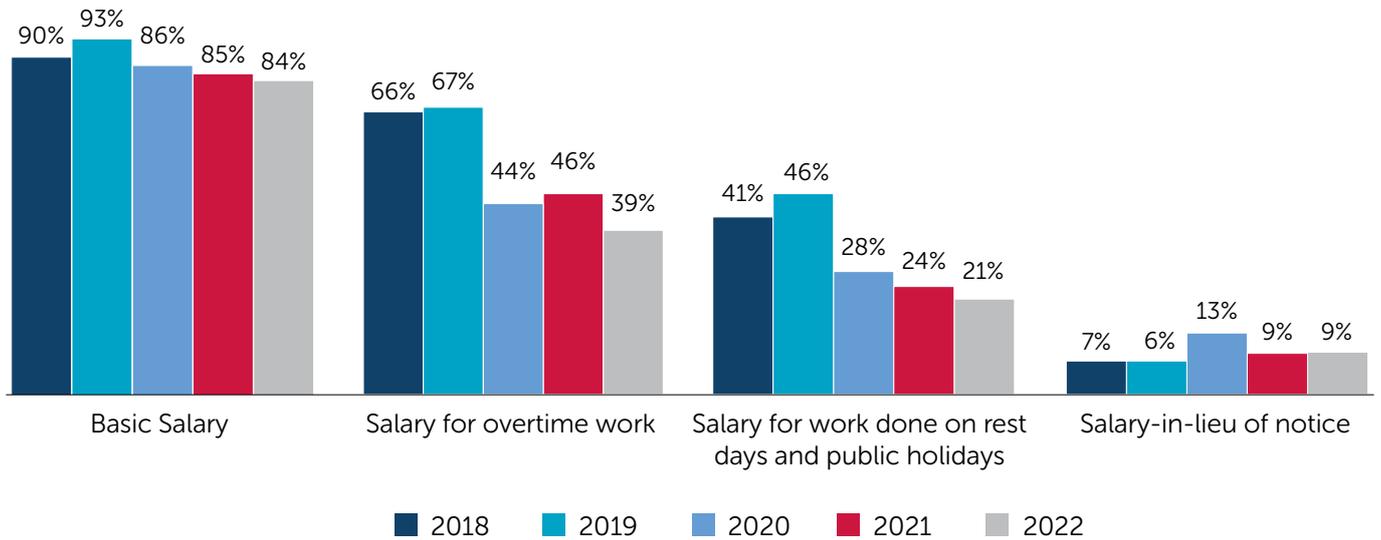


Chart 3: Proportion of salary claims lodged by foreign employees, 2018 - 2022

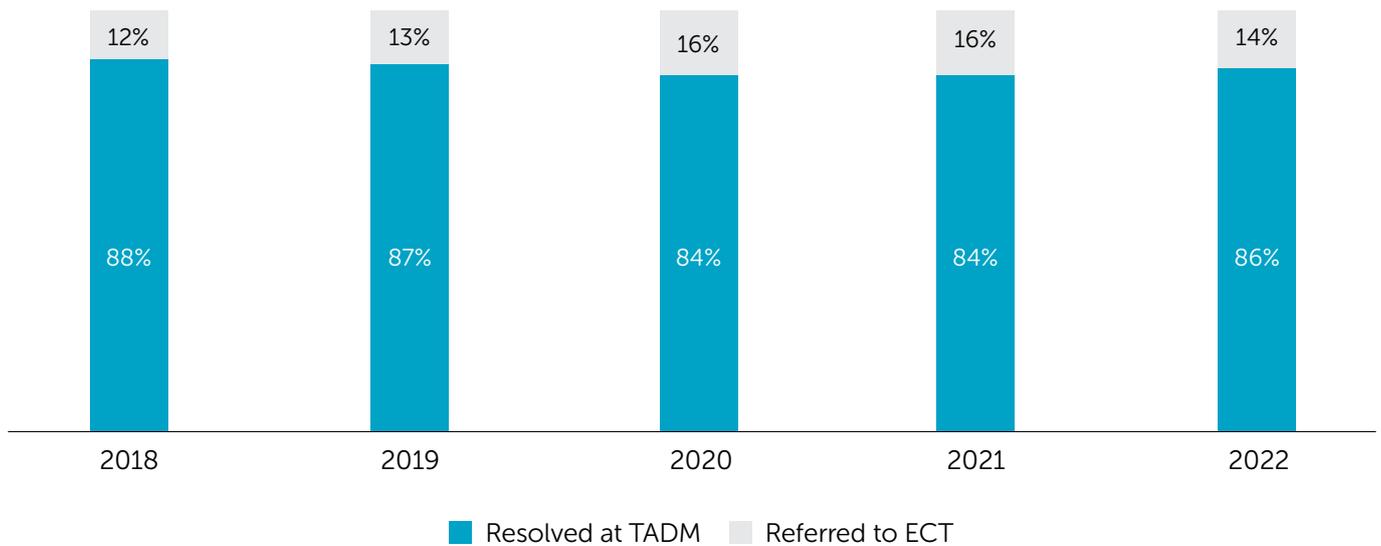


Note: An employee may lodge a salary claim containing multiple claim items (e.g. basic salary and salary-in-lieu of notice). The claim items listed are not exhaustive.

9 in 10 salary claims were concluded expeditiously within 2 months at TADM

7. 86% of salary claims were resolved at TADM, with the remaining 14% referred to the ECT for adjudication. This is similar to the proportion in 2021.

Chart 4: Percentage of salary claims resolved at TADM, 2018 - 2022

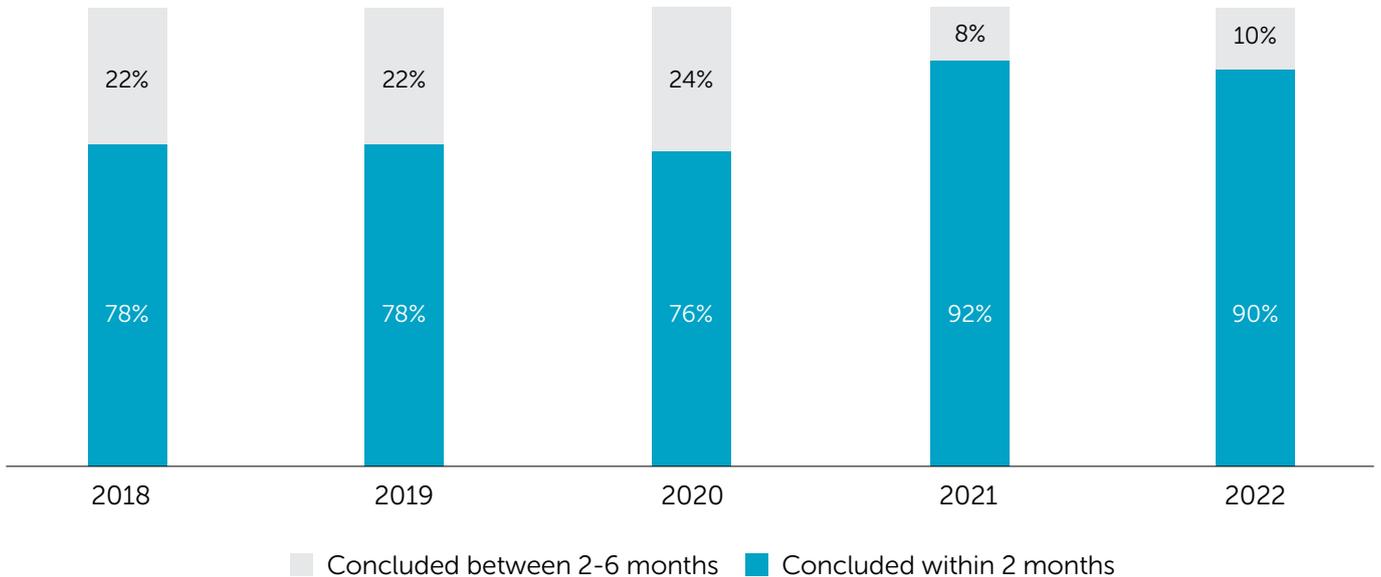




90%
of salary claims
in 2022 were
concluded
at TADM
**within 2
months**

8. The proportion of salary claims that were concluded at TADM within 2 months in 2022 was 90%, similar to 92% in 2021.

Chart 5: Duration to conclude salary claims at TADM, 2018 - 2022



9 in 10 employees fully recovered their salaries at TADM and ECT



9. Of the salary claims lodged in 2022, 93% of the employees fully recovered³ their salaries at TADM and ECT, similar to 95% in 2021. 4% recovered their salaries partially through settlement payments from security bond insurers⁴ or main contractors, or assisted through financial assistance for lower-wage workers under the Short-Term Relief Fund (STRF) or Migrant Workers' Assistance Fund (MwAF). The remaining 3% did not recover any salaries and were mainly higher income earners.
10. MOM suspended the work pass privileges of all employers who did not fully repay their employees. Less than 1% of the salary claims lodged in 2022 involved wilful employers who refused to make full payment for the salary arrears despite having the means to do so. MOM is investigating such employers with a view of taking enforcement action against them.
11. The total recovered sum to employees increased to \$12 million in 2022, from \$8.6 million in the previous year. The increase is consistent with the higher number of salary claims lodged in 2022.

³ Based on the amount agreed between parties involved in the dispute or the amount ordered by ECT.

⁴ Employers are required to purchase a security bond for each non-Malaysian Work Permit Holder that they employ. The bond may be forfeited under various circumstances, such as when the employer fails to pay his or her worker's salary on time. In the event of a salary claim, the security bond insurers may offer to provide the worker with a settlement payment in lieu of having the security bond forfeited.

Wrongful Dismissal Claims

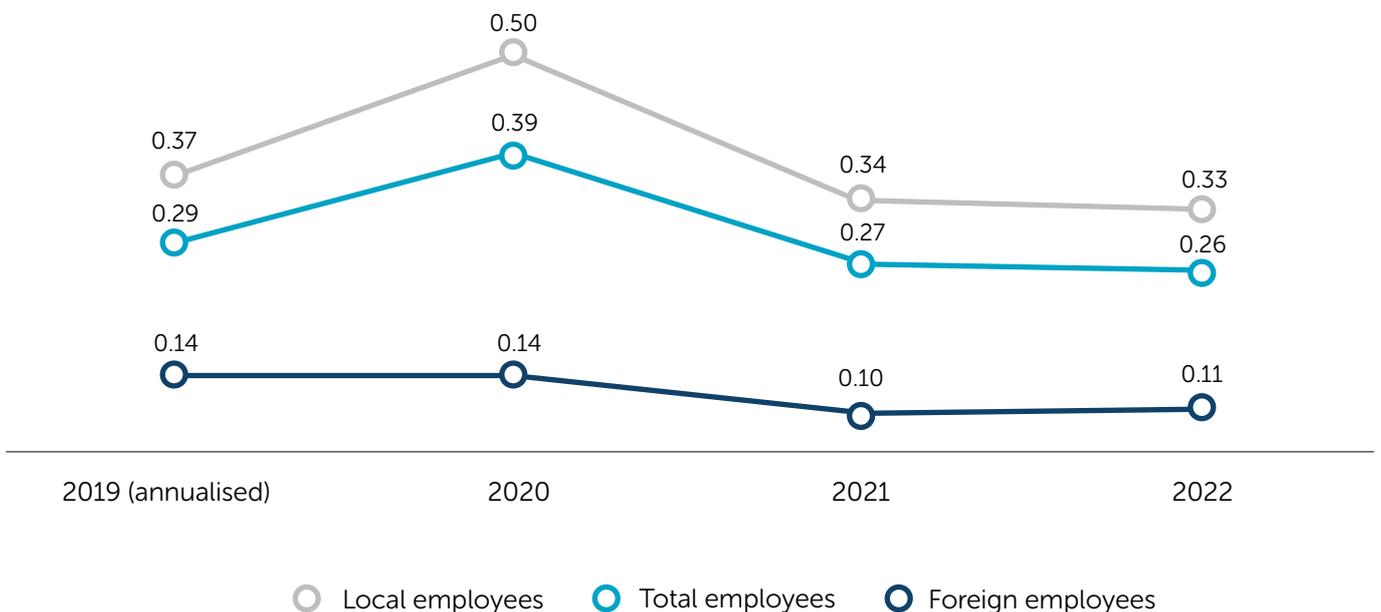
Incidence of wrongful dismissal claims remained similar to 2021



The overall incidence of wrongful dismissal claims **remained relatively constant** at **0.26 per 1,000 employees** in 2022

12. The overall incidence of wrongful dismissal claims was 0.26 claims per 1,000 employees in 2022, similar to the 0.27 claims per 1,000 employees in 2021. The incidence was higher for local employees (0.33 claims per 1,000 local employees) as they are more likely to file wrongful dismissal claims compared to foreign employees (0.11 claims per 1,000 foreign employees).

Chart 6: Incidence of dismissal claims per 1,000 employees, 2019 - 2022



About 1 in 4 dismissal claims lodged at TADM were assessed to be substantiated, similar to 2021

13. Of the wrongful dismissal claims assessed by TADM:

- About 25% of wrongful dismissal claims lodged in 2022 were assessed to be substantiated, similar to the proportion in 2021 (26%). For such cases, TADM worked with the employer to address the claim, such as clearing up any miscommunications and/or assisting in the employee's job search, or facilitating reasonable compensation to the affected employee. In 2022, 70% of these claims were resolved at TADM, with the remaining 30% referred to ECT for adjudication.
- For the remaining 75% of claims that were assessed to be unsubstantiated, these claims mainly involved disputes over work performance or arose due to miscommunication between the employers and employees. These employers had fulfilled their contractual or statutory obligations of employment termination with notice. 63% of these claims were resolved at TADM, with the remaining 37% referred to ECT for adjudication.

14. Employees and employers are encouraged to refer to the Tripartite Guidelines on Wrongful Dismissal for a better understanding of their employment rights and obligations. Employers are also encouraged to take steps to reduce misunderstandings with employees through clear communication. They may also approach MOM or TADM if they require further assistance.



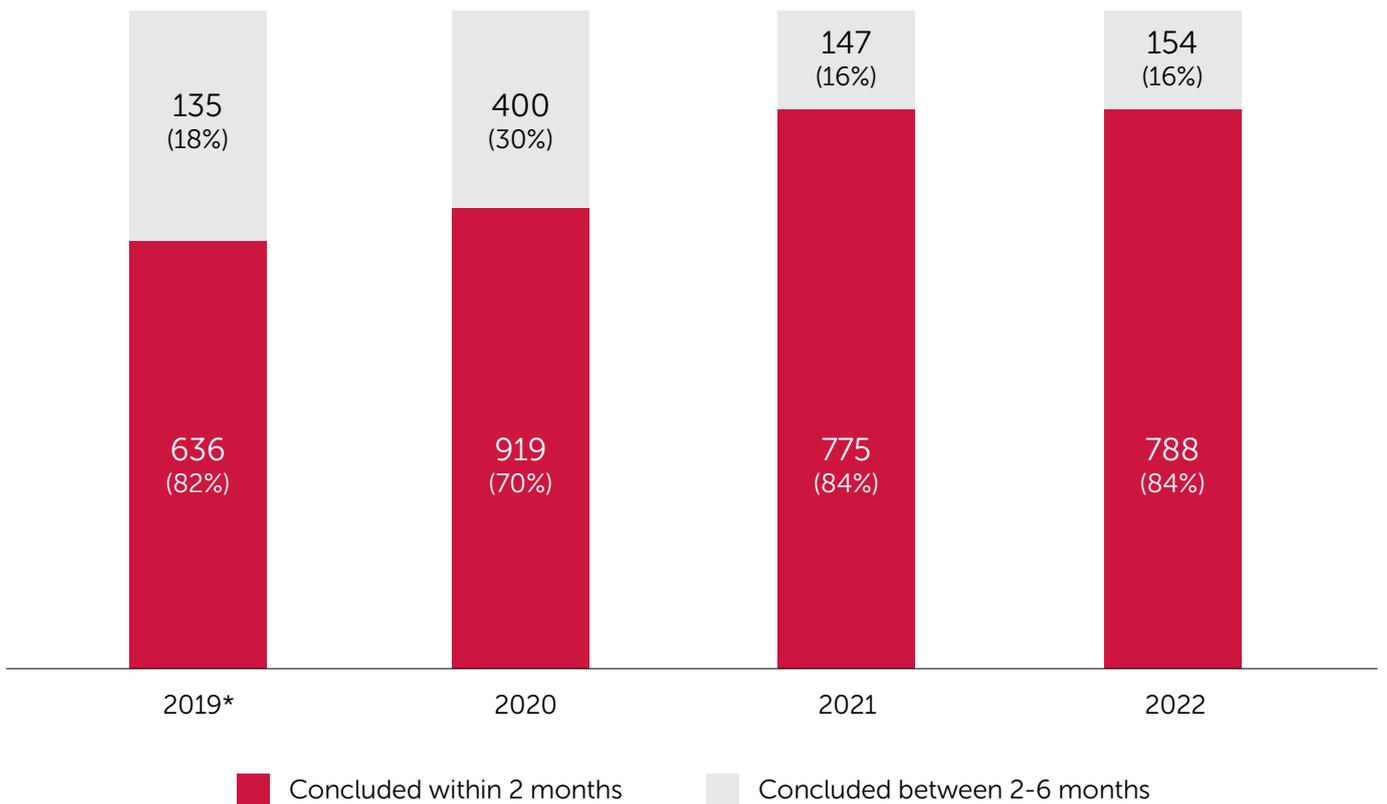
Most wrongful dismissal claims were concluded at TADM within 2 months

84%
of wrongful dismissal claims in 2022 were concluded at TADM **within 2 months**



- 15. The proportion of wrongful dismissal claims concluded at TADM within 2 months was 84% in 2022, similar to 2021.
- 16. The total payment by employers to employees amounted to about **\$1.29 million**.

Chart 7: Duration to conclude dismissal claims at TADM, 2019 - 2022



*Data is for the period from April to December 2019, in line with the shift of adjudication of wrongful dismissal claims under the Employment Act and Child Development Co-Savings Act from MOM to ECT on 1 April 2019.

Continued efforts to improve the dispute resolution process

17. In March 2021, TADM launched the interim Online Dispute Resolution (ODR) portal to allow employers and employees to resolve single claims employment disputes virtually. Through this ODR, both parties can resolve their dispute anytime and anywhere without having to travel physically to TADM service centres. This portal was enhanced in 2022 to process disputes involving multiple claims. As a result, the volume processed on the portal increased from 430 in 2021 to about 1,000 in 2022. TADM also started to pilot more cases via ODR involving migrant workers in 2022, providing the necessary resources to help them resolve their employment disputes virtually.
18. Through ODR, 32% of employers and their respective employees were able to successfully resolve their claims amicably amongst themselves through the ODR portal, similar to the proportion in 2021. Another 52% (comparable to 56% in 2021) were concluded virtually at the e-mediation stage with the assistance of the mediator. Face to face mediation continues to be available for those who are not IT savvy.
19. TADM also extended partnerships with more ServiceSG centres to deliver basic advisory services and e-services islandwide. TADM currently has partnerships with ServiceSG Centres at Nee Soon Central Community Club, Kampong Chai Chee Community Club, The Frontier Community Club, Our Tampines Hub and One Punggol. The variety of locations has made it easier for members of public to gain access to TADM's services.



Legislating workplace fairness, expanding the Progressive Wage approach to uplift lower-wage workers and raising adoption levels for progressive workplace practices



20. Beyond management of employment claims and appeals, we are making significant steps to create better workplaces. Workplace fairness standards have improved over time. In recent years, the number of discrimination complaints received by the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) has come down from an average of 379 between 2014 and 2021 to 264 in 2022. MOM's Fair Employment Practices Survey also showed a decline in the proportion of resident job applicants who said that they experienced discrimination. Nonetheless, we are strengthening our legislative framework against workplace discrimination while aiming to preserve a non-litigious workplace culture that focuses on mediation as the primary dispute resolution mechanism. The Tripartite Committee on Workplace Fairness⁵ is continuing to engage stakeholders in developing its recommendations to enact workplace fairness legislation, and will be releasing them in due course.

⁵ On 13 Feb 2023, the Tripartite Committee on Workplace Fairness issued an interim report recommending that the new legislation provide stronger protection against discrimination on the grounds of nationality, age, sex, race, religion, disability and mental health conditions.



21. To uplift local lower-wage workers, we have progressively expanded coverage of the Progressive Wage Model (PWM) which is developed by tripartite committees to increase wages of local lower-wage workers through upgrading skills and improving productivity. Sectoral progressive wages (PWs) were expanded to retail sector and in-house workers of existing PW sectors of security, cleaning and landscape from 1 Sep 2022, food services sector from 1 Mar 2023, and waste management sector from 1 Jul 2023. Occupational PWs for administrators and drivers were also introduced from 1 Mar 2023. Firms employing foreign workers have to pay at least the relevant Sectoral or Occupational PWs to local workers in applicable job roles, and at least the Local Qualifying Salary (LQS) to all other local workers. To ensure local lower-wage workers benefit, MOM set up a dedicated team to help employers meet the new requirements. MOM engaged approximately 400 retail firms between April and June 2023 and guided them to comply with the requirements. Employers with gaps were cooperative and we helped them to rectify their practices. We recognise that the requirements are new and will focus on educating both employers and employees to increase their awareness of PWM, and helping employers to comply with the PWM. Recalcitrant firms will have their work pass privileges curtailed.
22. Today, we continue to have a high level of compliance with employment standards because of sustained efforts in safeguarding employment standards and resolving disputes. Employers continue to be responsible by paying employees in accordance with the law and adopting progressive HR practices. Employees are also more aware of their employment rights. Both employers and employees are prepared to resolve disputes amicably at mediation to maintain a harmonious workplace. When there are employment disputes or breaches of the law, TADM, TAFEP and MOM step in to quickly resolve them. This puts us in a good position towards the greater ambition of fostering progressive workplaces. With fair and progressive employment practices, there will be more engaged employees who are more productive, and in turn bring economic benefits to both the employer and the overall economy. To this end, MOM and TAFEP will focus on driving the adoption of Tripartite Standards, especially on Recruitment Practices, Grievance Handling, Flexible Work Arrangements and Age-Friendly Workplace Practices. In partnership with tripartite partners and stakeholders, we aim to drive up adoption of progressive workplace practices and build workplaces that are harmonious, with a high degree of trust between employers and employees.



Conclusion

23. 2022 saw the further easing of community and border measures with improvements in the global and local COVID-19 situation. Although incidence of salary claims increased slightly with the resumption of economic activities and more challenging economic conditions, it remained lower than the pre-COVID period. Employers continue to be responsible and employees are more aware of their employment rights and are reporting disputes early. MOM, TADM, and TAFEP are committed to safeguarding basic employment standards through effective dispute resolution, education of both employees and employers on their rights and obligations and strong enforcement actions where warranted. Against the backdrop of improved compliance in basic employment standards, we will work closely with tripartite partners, the National Trades Union Congress (NTUC) and the Singapore National Employers Federation (SNEF), to encourage greater adoption of inclusive and progressive workplace practices, and foster inclusive and harmonious workplaces.

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