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## INTRODUCTION

- 1. This report highlights the state of Employment Standards in Singapore in 2024.
- 2. The overall incidence¹ of employment claims (consisting of salary claims and wrongful dismissal claims) and appeals lodged with the Ministry of Manpower (MOM) and the Tripartite Alliance for Dispute Management (TADM) increased to 3.12 per 1,000 employees in 2024, from 2.53 per 1,000 employees in 2023. This was slightly higher than the pre-COVID period in 2019 (3.04 per 1,000 employees). The increase is for both local and foreign employees. The rise in salary and dismissal claims reflects higher job turnover (from retrenchments, dismissals and business closures),² and failure or delays in salary payments due to financial difficulties in recent years, rather than a decline in employment standards.
- 3. A total of 11,685 employment claims and appeals were lodged with MOM and TADM in 2024. 5,420 (or 46%) were lodged by local employees while the remaining 6,265 (or 54%) were lodged by foreign employees. Most of the claims and appeals were salary claims (9,848) followed by dismissal claims (1,720).<sup>3</sup>
- 4. The resolution rate at mediation continues to be high, despite the higher volume of employment claims lodged. More than 80% of employment claims were resolved at TADM with more than 90% of claimants fully recovering their salaries and payments at TADM and the Employment Claims Tribunals (ECT).



<sup>1</sup> Total employment level (excluding migrant domestic workers) was used to compute the incidence rate. The figures as at December 2024 are available on MOM's website: https://stats.mom.gov.sg/Pages/Employment-Summary-Table.aspx

<sup>2</sup> A study by the Manpower Research and Statistics Department, MOM found a strong positive correlation between dismissals, retrenchments and business cessations, and both salary and dismissal claims. Employment claims have risen in recent years, in line with retrenchments, dismissals and business cessations trending up.

<sup>3</sup> 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.

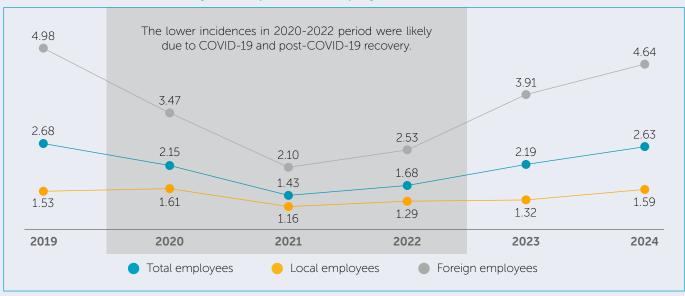


### SALARY CLAIMS

#### Incidence of salary claims increased but remained slightly lower than pre-COVID-19 period

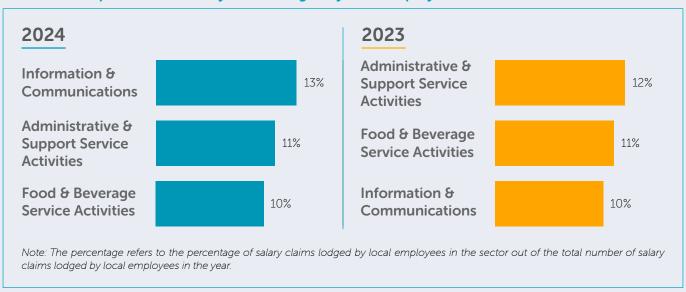
5. The incidence of salary claims increased to 2.63 per 1,000 employees in 2024, from 2.19 per 1,000 employees in 2023. This was slightly lower than the pre-COVID period in 2019 (2.68 per 1,000 employees). The incidence of salary claims has remained higher for foreign employees compared to local employees.

#### ▼ Chart 1: Incidence of salary claims per 1,000 employees, 2019 – 2024



6. Among local employees, the incidence of salary claims increased to 1.59 per 1,000 local employees in 2024 compared to 1.32 per 1,000 local employees in 2023. The top three sectors with salary claims lodged in 2024 were Information & Communications, Administrative & Support Service Activities and Food & Beverage Service Activities, similar to 2023. Information & Communications sector moved from third highest sector in 2023 to top sector in 2024 due to a high number of claims involving a few firms which had cashflow issues.

#### Chart 2: Top sectors for salary claims lodged by local employees



7. Among foreign employees, the incidence of salary claims increased to 4.64 per 1,000 foreign employees in 2024 compared to 3.91 per 1,000 foreign employees in 2023. The top three sectors in 2024 were Construction, Manufacturing and Food & Beverage Service Activities, same as 2023. The Construction sector continued to be a key contributor of salary claims, due to companies facing business failures, financial difficulties or undergoing liquidation.

#### **▼** Chart 3: Top sectors for salary claims lodged by foreign employees



- 8. MOM and TADM have expanded proactive efforts in sectors with high numbers of salary claims lodged across local and foreign employees. In 2024, MOM enhanced education efforts in the Construction sector by sending regular electronic newsletters to educate employers on good practices to adopt when facing financial difficulties, common salary payment mistakes to avoid and tips to reduce employment disputes. MOM also sent reminders to foreign employees on their employment rights and ways to seek help. MOM stepped up inspections in the Construction sector, and worked with TADM to detect salary issues of foreign employees in the Construction sector. For the Food & Beverage Service Activities sector, MOM sent regular messages to employers and letters to the residences of lower-wage workers to educate them on key employment obligations and rights. MOM also carried out door-to-door engagements and stepped up inspections in the Food & Beverage Service Activities sector to ensure companies comply with employment requirements and rectify if lapses are detected.
- 9. The median amount claimed by local employees has increased over the years in tandem with the increase in median gross monthly income from employment.<sup>4</sup> The median duration of claims remains at 1 month. For foreign employees, education efforts over the years have led to them coming forward early, reducing the accumulation of arrears. The median duration of claims for foreign employees has decreased from more than 3 months in 2019 to around 2 months in 2024. The median amount claimed by foreign employees has consequently decreased over the years.
- 10. The top three claim items for local employees were basic salary, salary in-lieu of notice and encashment of unconsumed annual leave. For foreign employees, the top three claim items were basic salary, salary for overtime work and payment for work done on rest days and public holidays. The top three claim items for both local and foreign employees have remained consistent over the years. Collectively, they accounted for 91% of all salary claims lodged in 2024.

#### 9 in 10 salary claims were resolved at TADM

11. The proportion of salary claims that were resolved at TADM in 2024 was 90%, slightly higher than 88% in 2023. The remaining 10% were referred to the ECT for adjudication. This reflects the continued effectiveness of TADM's mediation process to resolve majority of claims amicably and expeditiously.

#### Chart 4: Percentage of salary claims resolved at TADM, 2020 – 2024



<sup>4</sup> Median gross monthly income from employment (excluding employer CPF) of full-time employed residents.

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

12. The proportion of salary claims that were concluded at TADM $^5$  within 2 months in 2024 was 87%, slightly lower than 90% in 2023.

#### ▼ Chart 5: Duration to conclude salary claims at TADM, 2020 – 2024



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

- 13. Of the salary claims lodged in 2024,
  - 94% of the employees fully recovered<sup>6</sup> their salaries at TADM and ECT, similar to 2023.
  - 4% recovered their salaries partially through settlement payments from security bond insurers<sup>7</sup> and main contractors or were assisted through financial assistance for lower-wage workers under Short-Term Relief Fund (STRF) or Migrant Workers' Assistance Fund (MWAF), administered by TADM and Migrant Workers' Centre respectively.
  - The remaining did not recover any salaries and were mainly higher income earners.
- 14. For employers who did not fully repay their employees, MOM did not allow them to apply or renew work passes for foreign employees until they rectified the payments. Less than 1% of the salary claims lodged in 2024 involved wilful employers who refused to make full payment for the salary arrears despite having the means to do so. MOM investigates such employers with a view of taking enforcement action against them.
- 15. The total recovered sum to employees increased to \$19 million in 2024, from \$14 million in 2023. The increase is consistent with the higher number of salary claims lodged in 2024.

<sup>5</sup> Cases that were concluded at TADM refer to cases that were resolved at TADM or were referred to the ECT for adjudication.

<sup>6</sup> Based on the amount agreed between parties involved in the dispute or the amount ordered by ECT.

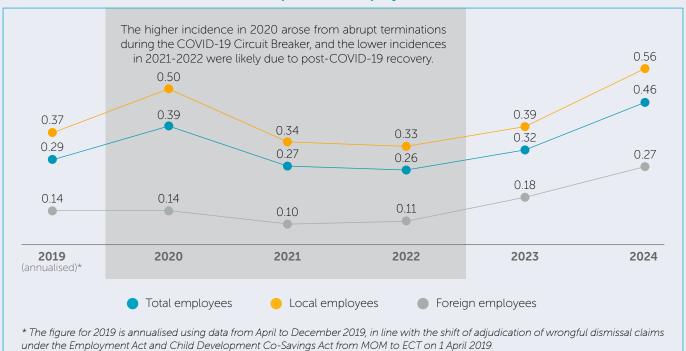
<sup>7</sup> Employers are required to purchase a security bond for each non-Malaysian Work Permit Holder that they employ. The bond may be forfeited under various circumstances, such as when the employer fails to pay his or her worker's salary on time. In the event of a salary claim, the security bond 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 increased from 2023

16. The incidence of wrongful dismissal claims was 0.46 claims per 1,000 employees in 2024, higher than 0.32 per 1,000 employees in 2023. Similar to previous years, the incidence was higher for local employees (0.56 claims per 1,000 local employees) compared to foreign employees (0.27 claims per 1,000 foreign employees).

#### ▼ Chart 6: Incidence of dismissal claims per 1,000 employees, 2019 – 2024



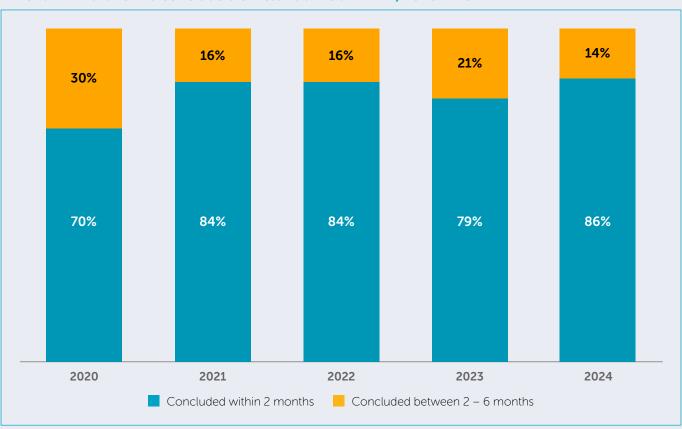
#### 7 in 10 dismissal claims were resolved at TADM

- 17. Of the wrongful dismissal claims lodged in 2024:
  - 71% of cases were resolved at TADM while the remaining 29% were referred to ECT for adjudication. This is slightly higher than 2023, where 70% of the cases were resolved at TADM.
  - In 61% of the cases that were resolved at TADM, employers were found to have fulfilled their contractual or statutory obligations, or the cases were withdrawn after mediation. The remaining 39% involved some form of settlement by the employer such as making goodwill payments, allowing employees to resign, issuing certificates of service, or clearing up miscommunications.
- 18. Employees and employers are encouraged to refer to the Tripartite Guidelines on Wrongful Dismissal for a better understanding of their employment rights and obligations, and to take steps to reduce misunderstandings through clear communication and grievance handling processes. They can approach MOM or TADM if they require further assistance.

# More than 8 in 10 wrongful dismissal claims were concluded at TADM within 2 months

19. The proportion of wrongful dismissal claims concluded at TADM<sup>8</sup> within 2 months was 86% in 2024, higher than 79% in 2023.

#### ▼ Chart 7: Duration to conclude dismissal claims at TADM, 2020 – 2024



20. The total payment by employers to employees amounted to about \$2.14 million in 2024, which is higher than \$1.72 million in 2023 due to higher volume of dismissal claims.

<sup>8</sup> Cases that were concluded at TADM refer to cases that were resolved at TADM or were referred to the ECT for adjudication.

# KEY INITIATIVES THAT ADVANCED EMPLOYMENT STANDARDS

21. Besides managing employment disputes, MOM has further advanced employment standards through key moves to improve protections for workers while balancing business needs. MOM has established guidelines on requesting flexible work arrangements, as well as implemented legislated protections for platform workers. We will also legislate protections against workplace discrimination. These initiatives seek to create workplaces that are fairer, more inclusive and harmonious, to benefit both workers and employers.

#### Better protections for platform workers

Singapore is among the first countries to formally recognise platform workers as a distinct group of workers and enact legislation to protect their rights. The Platform Workers Act (PW Act), which took effect from 1 January 2025, is a significant step forward in strengthening protections for platform workers whose services have become integral to the daily lives of Singaporeans.

Following extensive consultation with platform operators, platform workers and other stakeholders, this landmark legislation introduces protections in the three following areas while maintaining the flexibility that characterises platform work.

- The first area is to improve workers' housing and retirement adequacy through mandating Central Provident Fund (CPF) contributions by both platform operators and workers. The CPF contribution rates will be gradually increased to match that for employees and employers.
- The second area is to provide on-the-job protection and ensure financial compensation for the workers if they get injured while working. Platform operators must provide Work Injury Compensation (WIC) at the same level of coverage as employees.
- The third area is to provide workers with a legislated framework for representation. Platform Work Associations (PWAs) will now be able to represent platform workers in a similar manner to how trade unions represent employees.

The implementation of the PW Act shows our commitment to strengthen our social compact by ensuring that labour standards are enhanced for this distinct group of workers.



# A structured process for Flexible Work Arrangement requests through Tripartite Guidelines

The Tripartite Guidelines on Flexible Work Arrangement Requests (TG-FWAR), developed by tripartite partners — MOM, National Trades Union Congress (NTUC) and Singapore National Employers Federation (SNEF) — sets out the process for employers and employees to navigate discussions about Flexible Work Arrangements (FWAs) and arrive at mutually beneficial arrangements. The TG-FWAR took effect from 1 December 2024

Under the TG-FWAR, employees can submit formal requests for FWAs, such as Flexi-Place, Flexi-Time, and Flexi-Load. Employers are required to evaluate these requests based on business grounds and provide a timely written response within 2 months. Employers are also encouraged to discuss alternatives with the employee, if the FWA request is rejected.

To implement FWAs effectively, employers can tap on resources and training programmes developed by tripartite partners (NTUC and SNEF), the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) and the Institute for Human Resource Professionals (IHRP), to build up HR capabilities to manage a flexible workforce. Employers can also tap on the Productivity Solutions Grant to offset the costs of adopting FWAs, such as to purchase HR technology to implement flexible scheduling, or to engage consultancy services to advise them on how to redesign jobs to accommodate FWAs.

The introduction of these Guidelines marks a significant step towards building norms surrounding FWA requests in Singapore. FWAs allow more workers to return to and remain in employment and allow employers to tap into a larger talent pool amidst a tight labour market. When employees are able to balance their career and personal aspirations, and businesses can harness the full potential of the workforce, win-win outcomes can be achieved for all.

#### Advancing workplace fairness

In 2024, TAFEP received 263 workplace discrimination complaints, higher than the 220 received in 2023. Even though most employers have fair employment practices, we must not take fair workplace conditions for granted. The passing of the first Workplace Fairness Bill in January 2025 represents a significant milestone in Singapore's efforts to foster fair and harmonious workplaces. The new Workplace Fairness Act sets out the scope of protection against discrimination and MOM's levers to deal with egregiously unfair unemployment practices. The Act is designed to improve protections for employees against workplace discrimination, while preserving workplace harmony and giving employers flexibility to meet genuine business needs. The Act also complements the Tripartite Guidelines on Fair Employment Practices (TGFEP) to protect workers from workplace discrimination.

The Act protects against workplace discrimination by prohibiting adverse employment decisions on the grounds of any protected characteristic. Such adverse employment decisions include hiring, appraisal, training, promotion and dismissal decisions. The five categories of specified protected characteristics are (a) age; (b) nationality; (c) sex, marital status, pregnancy status and caregiving responsibilities; (d) race, religion, and language; and (e) disability and mental health conditions. The TGFEP will continue to cover workplace discrimination based on other characteristics. The Act also provides protection from retaliation for employees who step forward to report cases of workplace discrimination.

Employers are required to develop grievance handling processes to encourage parties to settle disputes internally within the firm. Employers who need help to set up such processes can refer to resources on TAFEP's website. For cases that cannot be resolved through the firms' grievance handling processes, parties should go through mediation first to resolve the dispute, with adjudication as a last resort.

There will be calibrated enforcement levers that allow the Government to take action based on the severity of the breach. This balanced approach aims to deter misconduct and promote compliance among the small group of errant employers. These levers complement the education-first approach where MOM and TAFEP will support firms to understand their obligations under the Act.

A second Bill will be introduced to legislate the procedural rights and processes for individuals to make private claims under the Act. If the second Bill is passed, the Government intends to implement the Workplace Fairness Act sometime in 2026 or 2027.



# CONCLUSION

22. In 2024, the incidence of employment claims increased from 2023 and was slightly higher than the pre-COVID-19 period. Despite the higher volume of cases, employers continued to be responsible and we resolved disputes between employees and employers effectively and efficiently. Besides resolving employment disputes, we made significant improvements to raise employment standards through initiatives such as the PW Act, TG-FWAR, and Workplace Fairness Act. Together with tripartite partners, NTUC and SNEF, we will strive to build fairer and more harmonious workplaces in Singapore.



#### A publication by:



