

FACTSHEET ON THE ENHANCED DEMERIT POINTS SYSTEM FOR THE CONSTRUCTION INDUSTRY

Changes to the Demerit Points System

MOM has made four key changes to the Demerit Points System (DPS)¹ to enhance workplace safety in the construction sector, which accounted for 45% of workplace fatalities in 2014.² The changes will take effect from 1 July 2015. For details, please refer to Annex.

- (a) **Single-stage system** – the DPS will be simplified into a single-stage system where accumulation of a pre-determined number of demerit points will result in debarment from employment of foreign workers. Under the current two-stage DPS, a contractor that has received more than 18 demerit points within a 12-month period will receive a formal warning from MOM. Thereafter, his points will be reset to 0 and contractor will enter Stage 2. Only after a further accumulation of 18 new demerit points will the contractor be debarred from hiring foreign workers. Under the enhanced single-stage DPS, an accumulation of 25 demerit points would immediately trigger a 3 months debarment for the contractor. Continual accumulation of more demerit points will result in longer periods of debarment.
- (b) **Number of demerit points will be calibrated to deter employers from putting their workers to unnecessary risks at work** – For example, under the current DPS, a contractor would be issued 12 demerit points for a fatal accident that led to the death of one person, which would not trigger debarment. Under the enhanced DPS, the contractor would be issued 25 demerit points at the point of the Ministry's decision to prosecute. This will result in a 3-month debarment of company's access to foreign workers.

¹ The DPS is used to identify construction companies with unsafe work practices and administer corrective actions and penalties should their safety records show no improvement.

² The construction sector accounted for 27 out of 60 fatalities in 2014.

(c) **Demerit points' validity extended to 18 months** – To ensure that adherence to good workplace safety and health practices are sustained, companies will only exit the enhanced DPS after 18 months without further safety lapses, up from the current 12 months.

(d) **Restrictions on employment of foreign workers to be imposed at a company level** – Companies that are debarred from employing foreign workers will have such restrictions imposed company-wide, and not just at the affected worksites.

Information on contractors with Demerit Points is made public

2 Currently, MOM publicises the names of contractors that have accumulated demerit points and those that have been debarred under the DPS. The list is posted on MOM's website at www.mom.gov.sg/wshdps.

IMPLEMENTATION OF THE ENHANCED DEMERIT POINT SYSTEM

Demerit Points to be issued

The number of demerit points issued to contractors will be based on the severity of the offences committed. The following table indicates the number of demerit points issued for each offence:

Type of Incident	Demerit Points	Effective Date
Composition Fines	1 point per fine from the 4 th Composition Fine onwards	Date of MOM's decision to offer Composition Fines
Stop Work Order (Partial)	5	Date of Stop Work Order issued
Stop Work Order (Full)	10	
Prosecution action taken for accident that led to serious injuries to any person	18	Date of MOM's decision to prosecute
Prosecution action taken for dangerous occurrence (<u>potential</u> for multiple fatalities)	18	
Prosecution action taken for accident that led to death of one person	25	
Prosecution action taken for accident that led to death of more than one person	50	

Penalties to be imposed

2 When demerit points are issued to contractors, they will be informed in writing. The letter will include the total number of demerit points that the contractor has accumulated thus far, and a breakdown of these demerit points. In calculating the demerit points for a contractor, the points accumulated from all the worksites under the same contractor will be considered together.

3 A contractor who accumulates a pre-determined number of demerit points within an 18-month period will be debarred from employing foreign workers. The accumulation of more demerit points will result in longer periods of debarment:

Phase	Number of Demerit Points Accumulated	Scope of Debarment	Duration of Debarment
Phase 1	Accumulation of greater than or equal to 25 points but less than 50 points i.e. $25 \geq \text{Points} \leq 49$	No hiring of new workers but allow renewal of existing workers	3 months
Phase 2	Accumulation of greater than or equal to 50 points but less than 75 points i.e. $50 \geq \text{Points} \leq 74$	No hiring of new workers but allow renewal of existing workers	6 months
Phase 3	Accumulation of greater than or equal to 75 points but less than 100 points i.e. $75 \geq \text{Points} \leq 99$	No hiring of new workers but allow renewal of existing workers	1 year
Phase 4	Accumulation of greater than 100 points but less than 125 points i.e. $100 \geq \text{Points} \geq 124$	No hiring of new workers but allow renewal of existing workers	2 years
Phase 5	Accumulation of greater than or equal to 125 points i.e. ≥ 125 points	No hiring of new workers and <u>no</u> renewal of existing workers	2 years