



Factsheet on Overtime Exemption for Security Industry

Background

The Employment Act regulates the provision of rest days and public holidays, and prescribes limits to overtime work. Working hours¹, including overtime, cannot exceed 12 hours a day, and on a monthly basis, overtime cannot exceed 72 hours.

2 Section 41A of the Employment Act provides the flexibility for the Commissioner for Labour to exempt companies from these requirements, after considering companies' operational needs as well as the workplace safety and interests of workers.

3 If an employer requires employees to work more than 12 hours a day (up to a maximum of 14 hours) or more than 72 hours of overtime a month, they must apply for an overtime exemption (OTE) from the Ministry of Manpower.

Overtime Exemption in Security Industry

4 OTE is generally granted only to companies with unexpected short-term business needs. The main exception is the security industry for which a Tripartite Committee has been working to make more and better use of technology to become more manpower-efficient. In the security industry, the nature of shift patterns involves security officers working on 12-hour shifts and the limit of 72 hours of overtime a month might be exceeded.

Removal of Overtime Exemption from 2021

5 In November 2017, the Security Tripartite Cluster issued a report on the recommended enhancements to the Progressive Wage Model (PWM) for the security industry, and removal of OTE from 1 January 2021. The recommendations were accepted by the Government.

6 Between 2017 and 2018, the number of licensed security agencies that applied for 72-hour OTE has decreased about 23%, from 174 in 2017 to 134 in 2018. To reduce their dependency on OTE, some security agencies implemented a shorter work week from the usual 5.5 or 6 days to 5 day work week (i.e. giving a non-working day

¹ Part IV of the Employment Act, which provides for rest days, hours of work and other conditions of service, only applies to: a) A workman (doing manual labour) earning a basic monthly salary of not more than \$4,500 and b) A non-workman who earns a monthly basic salary of not more than \$2,600.

in addition to the 1 rest day a week). The removal of OTE would help to improve the working conditions of security officers and support the provision of more manpower-efficient and technology-enabled security services. Thereafter, all exemptions will be issued on a case-by-case basis only to meet short-term needs, subject to assessment by the Ministry of Manpower.

7 While such exemptions provide flexibility to businesses, there are safeguards in place to ensure that workers' interests are well-protected. First, employers must obtain the written consent for the exemptions from all affected workers. Second, applications from employers with previous Employment Act infringements and poor workplace safety records will be rejected. Third, the unions must agree to the exemptions, where applicable. Lastly, for safety reasons, overtime exemptions are not granted for high-risk vocations, such as those which involve operations of heavy machinery.

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