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Employment law in Singapore – an overview

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Introduction

Singapore's rapid economic development since it gained independence in 1965 is well documented. This economic success, combined with the country's lightly regulated business environment, has long made it a natural "hub" for many multinational employers. This in-brief provides an overview of some of the key aspects of employment law in Singapore.

Our Hong Kong office coordinates employment and immigration/global mobility support across the Asia Pacific region (including Singapore).

This publication provides general guidance only; expert advice should be sought in relation to particular circumstances. Our Hong Kong office can source Singaporean law advice through its links with local firms in Singapore.

The employment law landscape

Employment law in Singapore can be described as "employer friendly" and the relationship between the employer and employee is regulated largely by the contract of employment between them.

Generally, under Singapore law, subject to compliance with the statutory provisions, parties are free to contract as they choose and any matters arising between them would have to be resolved by looking at the express and/or implied terms of the contract in question.

The Employment Act 1968 of Singapore ("EA") is the primary statute regulating the employment relationship. This provides for the basic terms and conditions at work for all employees covered by the EA.

In terms of employment protection and rights, as at current date, except for specific categories of employees as stipulated under law (see below), the EA applies to all employees and provides for a minimum set of entitlements for employees.

While the employment environment remains lightly regulated to this day by European standards, recent years have seen an increasing flow of laws to address specific issues related to Singapore's maturing economy and workforce. Employees now receive more entitlements and protections including statutory leave entitlements such as the laws regulating paternity leave, maternity leave, adoption leave and shared parental leave, just to name a few.

The Workplace Fairness Act("WFA") passed on 8 January 2025 and is expected to take effect in 2026/2027. It prohibits discrimination based on the following:

- age;
- nationality;
- sex, marital status, pregnancy status, and caregiving responsibilities;
- race, religion and language; and
- disability and mental health conditions

Employers should be prepared for compliance with these new anti-discrimination laws, which will have wide-ranging implications.

Commencing employment

Structuring the employment relationship

A foreign entity is able to directly engage employees in Singapore, although it cannot carry on business in Singapore without first setting up a subsidiary, branch or representative office.

In outline, the EA covers every employee (regardless of nationality) who is under a contract of service with an employer, except:

- any seaman
- any domestic worker
- any person employed by a Statutory Board or the Government

Part 4 of the EA, which provides for rest days, hours of work and other conditions of service, applies only to:

- workmen earning not more than a basic monthly salary of S$4,500 (a workman being someone whose work mainly involves manual labour); and

- non-workmen covered under the EA, who are neither managers nor executives, earning not more than a basic monthly salary of S$2,600

Managers and executives are employees with executive and supervisory functions. They also include professionals with tertiary education and specialised knowledge or skills whose employment terms are like those of managers or executives – such as lawyers, accountants, dentists and doctors.

In addition, employees working less than 35 hours a week, are covered by the Employment (Part-Time Employees) Regulations which provide certain flexibility for both the employers and employees, including the pro-rating of employment benefits, encashment of annual leave and provision of rest days. From 1 January 2025, a set of protections was introduced for individuals engaged in platform-based work, particularly ride-hailing and delivery services, under the Platform Workers Act 2024. This has extended protections to platform workers, such as work injury compensation, ensuring that they have access to the same benefits as salaried employees. Types of employment

Contracts can be indefinite or for a fixed term. Unlike in many other Asian countries, there are no restrictions on the use of fixed-term contracts.

The employment contract

The EA requires all employers to issue key employment terms ("KETs") in writing. In outline, employers must issue KETs in writing to all EA Employees who:

- enter into a contract of service on or after 1 April 2016;
- are covered by the Employment Act; and
- are employed for 14 days or more

KETs must include as minimum certain specific items, covering details of key employment terms such as job title, working arrangements, salary and overtime payments, bonuses, leave entitlement, medical benefits and notice period. The EA does not contain any provisions relating to probationary periods, but probations of anywhere between one month and six months are common.

All employers are also required to make and keep employee records and give itemised pay slips to employees covered by the EA.

Key minimum employment rights

An employee's minimum employment rights are enshrined in the EA as well as other labour related legislation.

Working time

Only employees covered under Part 4 of the EA have limits on their working time. In general, an employee covered under Part 4 of the EA is not required to work more than eight hours (or nine hours if the employee works five or less days per week) a day or 44 hours per week. The employee is also not required to work more than six consecutive hours without a break. If the employee works overtime at the request of the employer, the employee shall receive overtime pay at the rate of not less than one and a half times his/her hourly rate irrespective of the basis on which his rate of pay is fixed.

Annual leave

An employee is eligible for annual leave under section 88A(1) of the EA. An employee who has served his/her employer for not less than three months shall be entitled to paid annual leave of seven days in respect of the first year of continuous service with the same employer, and one additional day for every subsequent year with the same employer, but subject to a maximum of 14 days' annual leave.

Sick Leave

EA employees who have worked for their employer for at least three months are entitled to paid sick leave of:

- up to 14 days per year (where hospitalisation is not required); and
- up to 60 days where hospitalisation is required

Maternity Leave

As part of a drive to boost Singapore's birth rate, all female employees are generally entitled to paid maternity leave and are protected from dismissal during maternity leave.

The EA and the Child Development Co-Savings Act 2001 of Singapore ("CDCA") provides maternity protection and benefits in Singapore. The CDCA provides extended maternity leave benefits beyond those laid out in the EA, but with more stringent eligibility requirements. A CDCA eligible employee is entitled to a total of 16 weeks of maternity leave whereas an employee who derives her maternity leave entitlements from the EA is entitled to 12 weeks of maternity leave.

To qualify for paid maternity leave under the CDCA, the child must be a Singaporean citizen and the employee must have worked for her employer for at least three months before the child's birth. Prior to 1 January 2017, it was a requirement for the child's parents to be lawfully married.

However, since 1 January 2017, single mothers can now benefit from the 16-week paid maternity leave under the CDCA.

Paternity Leave

From 1 April 2025, eligible working fathers with Singapore citizen children born on or after 1 April 2025 will be entitled under the CDCA to 4 weeks of paid paternity leave. To qualify for this leave, the male employee must be legally married to the child's mother at the time of conception or becomes lawfully married between conception and birth or within 12 months of the child's birth. The child must also be a citizen of Singapore.

Shared Parental Leave

From 1 April 2025, a new shared parental leave scheme has been introduced. The new shared parental leave scheme has been implemented in two phases: (a) from 1 April 2025, eligible working parents will be entitled to a total of 6 weeks of shared parental leave; and (b) from 1 April 2026, eligible working parents will be entitled to a total of 10 weeks of shared parental leave. Under the new shared parental leave scheme, each parent will be allocated half of the shared parental leave and can re-allocate their share of their shared parental leave to each other to suit caregiving needs.

Childcare, Unpaid Infant Care and Adoption Leave

Childcare, Unpaid Infant Care and Adoption leave is also available to employees if certain criteria are met under the CDCA.

Wages and social insurance

There remains no formal law on minimum wage despite a continuing debate as to whether or not one should be implemented. Many employers nonetheless choose to have regard to guidance provided by the National Wages Council when setting wages.

Singapore has a comprehensive social security system called the Central Provident Fund ("CPF"). It was established to provide financial security to employees when they retire, but also provides housing, education, medical and death benefits. Coverage is mandatory for Singaporean citizens and permanent residents and the employer is required to make contributions to its employees' CPF accounts. The contribution rates vary depending on factors such as the employee's age and salary. It is common for employers to offer additional benefits to more senior employees.

From 20 March 2025, eligible working seniors can receive an 'Earn and Save Bonus' package (between S$400 to $1000 depending on monthly income) as an additional boost for retirement.

Terminating employment

It is relatively straightforward to terminate employment in Singapore, which has what could be described as a US-style "at will" termination regime. An employer is not required to state its reason for terminating employment, so long as termination is effected in accordance with the contract.

Statutory minimum notice periods apply to employees, ranging from one day to four weeks, depending on their length of service. Termination notice is generally set out in the contract for which shall be no less than what is prescribed in the EA. It is possible for an employer to pay the employee salary in lieu of notice and vice versa. There is no form of statutory severance payment and it is not common for employers to make such payments.

There is no legislation specifically relating to collective or individual redundancies although the tripartite partners (comprising the Ministry of Manpower ("MoM"), the National Trades Union Congress, and the Singapore National Employers Federation) have produced guidance which employers are expected to follow in such situations.

On 1 April 2017, the Employment Claims Tribunal ("ECT") was set up for the purposes of providing employees and employers with an accessible and expeditious platform to resolve salary-related disputes. The ECT is a division of the State Courts and replaces the role of the Commissioner for Labour in adjudicating statutory salary-related claims under the EA, CDCA and the Retirement and Re-employment Act of Singapore. Claims in the ECT are heard by legally qualified Tribunal Magistrates in accordance with the Singapore court processes. The ECT covers all employees (except domestic workers, public servants and seafarers) regardless of salary levels.

With the introduction of the WFA, wrongful dismissal claims based on discrimination are expected to be more prevalent. The WFA will provide legal protections against wrongful dismissal based on discriminatory practices related to protected characteristics such as age, nationality, sex, marital status, caregiving responsibilities, race, religion, language, disability, and mental health conditions.

In addition to resolving salary-related claims, the jurisdiction of the ECT was expanded to enable it to determine wrongful dismissal claims (which had initially been determined by the MoM). Employees can also claim for a breach of contract in the civil courts.

Discrimination

At present, Singapore does not have any overarching discrimination legislation. However, the upcoming WFA will introduce legal protections against discrimination on the basis of age, nationality, sex, marital status, pregnancy status, caregiving responsibilities, race, religion, language, disability, and mental health conditions. Sexual harassment is a criminal offence in Singapore regardless of whether or not it takes place at work. The national constitution provides generally for equal protection of the law, but challenges on constitutional grounds are rare. Employers should also bear in mind guidelines for good employment practices issued by the Tripartite Alliance for Fair Employment Practices (set up by the tripartite partners). Whilst such guidelines have no force of law, they should be adhered to by employers as the MoM may take administrative action against employers that do not comply with tripartite guidelines and advisories.

Protecting the business

Non-compete, non-solicitation and non-poaching restrictions are generally unenforceable, unless they are regarded as reasonably necessary to protect the employer's legitimate business interests.

Employee representation

Employees are not obliged to join unions but union membership and collective agreements are common in certain industries, such as transport and manufacturing. There are some 60 registered employee trade unions, most of which are affiliated with the national federation of trade unions, the National Trade Union Congress.Business transfers

Employees are protected on business or asset transfers and their employment will automatically be transferred to the buyer on the basis of their existing terms of employment.

Data protection

Under the Personal Data Protection Act 2012 an employer is permitted to collect, use and disclose an employee's personal data if it is necessary for evaluative purposes in the course of managing or terminating the employment relationship.

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