



EMPLOYMENT STANDARDS REPORT 2023



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Introduction

1. This report highlights the state of Employment Standards in Singapore in 2023.
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 from 1.97 in 2022 to 2.53 per 1,000 employees in 2023, 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, due to more challenging economic conditions in 2023. In particular, the increase is driven by a higher number of salary claims involving foreign employees in the Construction sector.
3. A total of 9,397 employment claims and appeals were lodged with MOM and TADM in 2023. 4,318 (or 46%) were lodged by local employees while the remaining 5,079 (or 54%) were lodged by foreign employees. Most of the claims and appeals were salary claims (8,125) and dismissal claims (1,194).²
4. The overall 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% 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 2023 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 lower than pre-COVID period

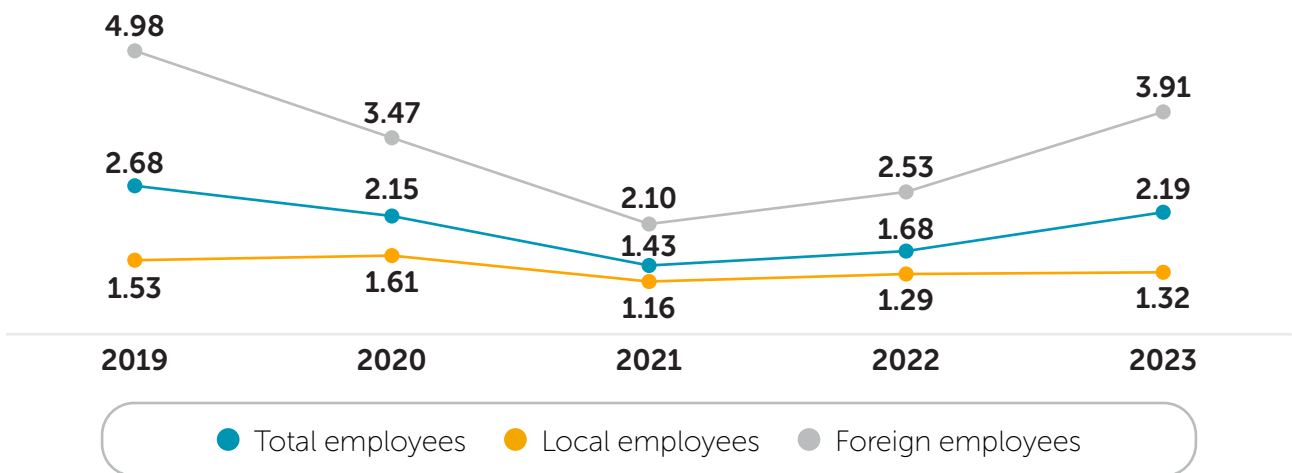


Overall incidence of salary claims increased to **2.19** per 1,000 employees in 2023. This was **lower than the pre-COVID period** (2.68 in 2019)

5. The overall incidence of salary claims increased to 2.19 per 1,000 employees in 2023 (2022: 1.68 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 slightly to 1.32 per 1,000 local employees in 2023 (2022: 1.29 per 1,000 local employees). This was driven by an increase in salary claims lodged by local employees in the Wholesale & Retail Trade, Food and Beverage Service Activities and Information & Communications sectors, which saw slower economic growth in 2023 compared to 2022.³
- Among foreign employees, the incidence of salary claims increased to 3.91 per 1,000 foreign employees in 2023 compared to 2.53 in 2022. 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 has been making proactive efforts in educating employees and employers on their employment rights and obligations, as well as working with TADM to detect salary issues of migrant workers in the Construction sector. The median duration of salary arrears for claims lodged in 2023 was 1 month for local employees and 2 months for foreign employees, similar to 2022.

Chart 1: Incidence of salary claims per 1,000 employees, 2019 – 2023



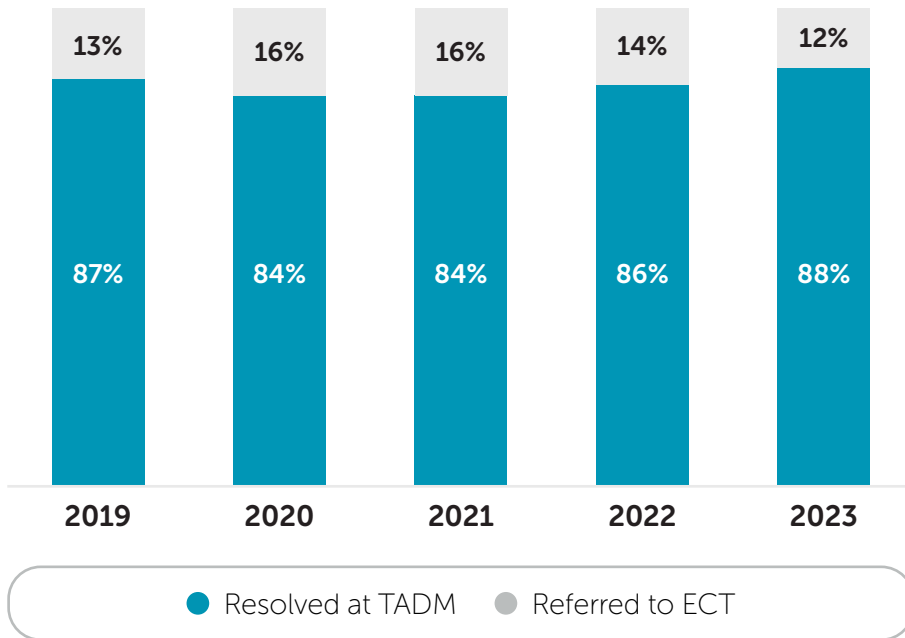
³ Based on the Economic Survey of Singapore 2023 (Ministry of Trade and Industry Singapore), the GDP growth for Wholesale Trade, Retail Trade, Food & Beverage Services, and Information & Communications sectors were 0.8%, 1.3%, 4.1% and 5.7% respectively in 2023 (compared to 4.0%, 8.5%, 15.4% and 8.1% in 2022).

6. In 2023, the top 3 claim items for local employees are basic salary, salary in lieu of notice and encashment of unconsumed annual leave. For foreign employees, the top 3 claim items are basic salary, salary for overtime work and salary for work done on rest days and public holidays. The top 3 claim items for both local and foreign employees have remained consistent over the years. Collectively, they accounted for 81% of all salary claims lodged in 2023.

About 9 in 10 salary claims were resolved at TADM

7. The proportion of salary claims that were resolved at TADM in 2023 was 88%, higher than 86% in 2022. The remaining 12% were referred to the ECT for adjudication.

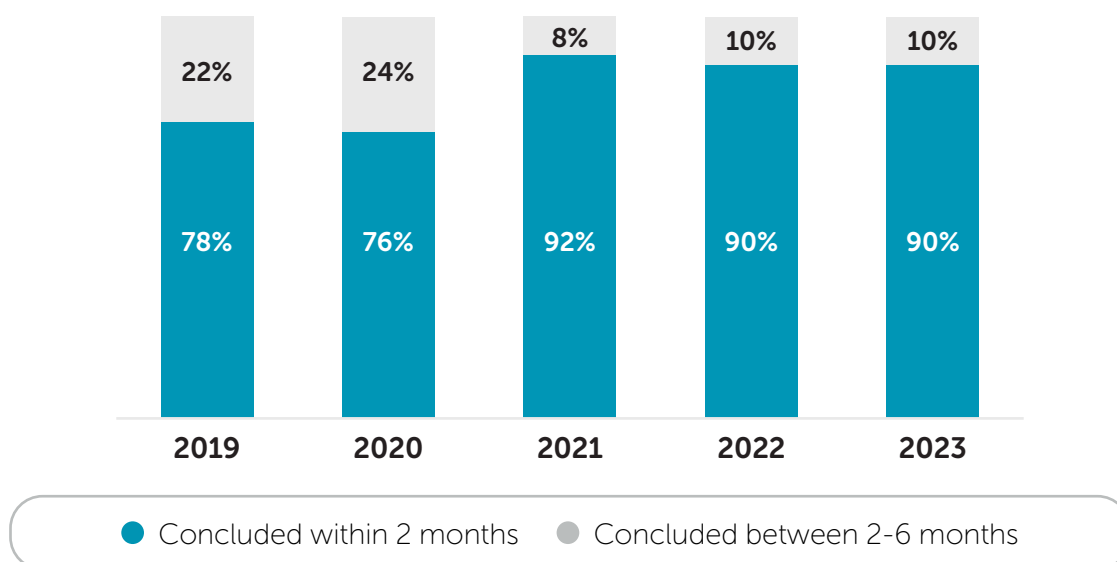
Chart 2: Percentage of salary claims resolved at TADM, 2019 – 2023



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

8. The proportion of salary claims that were concluded at TADM⁴ within 2 months in 2023 was 90%, similar to 2022.

Chart 3: Duration to conclude salary claims at TADM, 2019 – 2023



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

9. Of the salary claims lodged in 2023,
- 94% of the employees fully recovered⁵ their salaries at TADM and ECT, slightly higher than 93% in 2022.
 - 4% recovered their salaries partially through settlement payments from security bond insurers⁶ and main contractors or were assisted through financial assistance for lower-wage workers under the Short-Term Relief Fund (STRF) or Migrant Workers' Assistance Fund (MwAF).
 - The remaining did not recover any salaries and were mainly higher income earners.
10. For employers who did not fully repay their employees, MOM did not allow them to apply or renew work pass for foreign employees until they rectified the payments. Less than 1% of the salary claims lodged in 2023 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.
11. The total recovered sum to employees increased to \$14 million in 2023, from \$12 million in the previous year. The increase is consistent with the higher number of salary claims lodged in 2023.

⁴ Cases that were concluded at TADM refer to cases that were resolved at TADM or were referred to the ECT for adjudication.

⁵ Based on the amount agreed between parties involved in the dispute or the amount ordered by ECT.

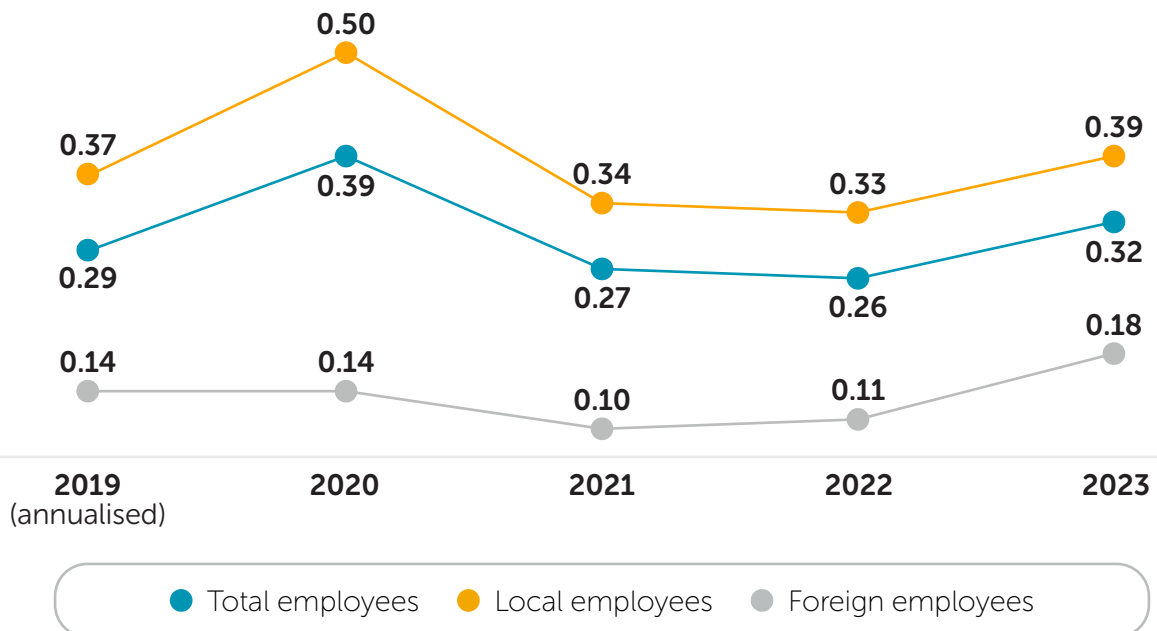
⁶ Employers are required to purchase a security bond for each non-Malaysian Work Permit Holder that they employ. The bond may be forfeited under various circumstances, such as when the employer fails to pay his or her worker's salary on time. In the event of a salary claim, the security bond insurers 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 slightly from 2022

12. The overall incidence of wrongful dismissal claims was 0.32 claims per 1,000 employees in 2023, slightly higher than 0.26 claims per 1,000 employees in 2022. Similar to previous years, the incidence was higher for local employees (0.39 claims per 1,000 local employees) compared to foreign employees (0.18 claims per 1,000 foreign employees).

Chart 4: Incidence of dismissal claims per 1,000 employees, 2019 – 2023



7 in 10 dismissal claims were resolved at TADM

13. Of the wrongful dismissal claims lodged in 2023:

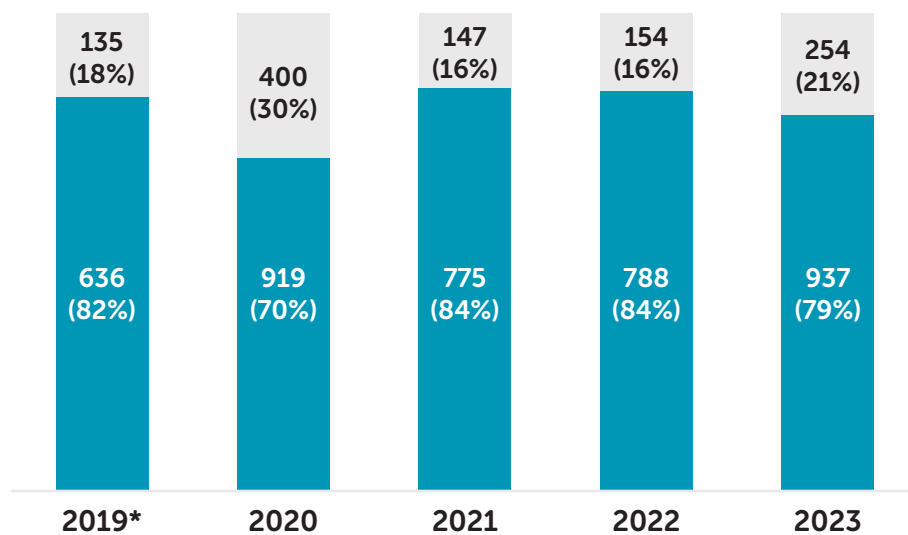
- 70% of cases were resolved at TADM while the remaining 30% were referred to ECT for adjudication. This is similar to 2022, where 69% of the cases were resolved at TADM.
- In 56% of the cases that were resolved at TADM, employers were found to have fulfilled their contractual or statutory obligations or were withdrawn after mediation. The remaining 44% 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.

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

15. The proportion of wrongful dismissal claims concluded at TADM⁷ within 2 months was 79% in 2023, lower than 86% in 2022.

Chart 5: Duration to conclude dismissal claims at TADM, 2019 – 2023



● Concluded within 2 months ● Concluded between 2-6 months

*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.

16. The total payment by employers to employees amounted to about \$1.72 million, which is higher than 2022 due to higher volume of dismissal claims in 2023.

⁷ Cases that were concluded at TADM refer to cases that were resolved at TADM or were referred to the ECT for adjudication.

New Digital Services for Effective Dispute Resolution

17. TADM has transformed its services to provide end-to-end digital services via its new online platform ("EmPOWER") in August 2023. This new suite of digital services provides greater convenience to employees and employers to navigate the dispute resolution process quickly and effectively. These services include:
- (i) An integrated chatbot that provides personalised advice on employment matters, diagnoses issues and options, calculates claim amount and assists to e-file an employment claim in a seamless manner.
 - (ii) e-Negotiation, which is the first stage of Online Dispute Resolution, where employees and employers are encouraged to resolve their claims privately and expeditiously. New features such as guided questioning and e-calculators empower the parties to reach a fair settlement, without going through mediation. From October to December 2023, 166 out of 438 eligible claims were resolved this way. Compared to 32% in the interim portal, the e-Negotiation resolution rate involving employees' claims is now higher at 38%.
 - (iii) e-Mediation, where both parties could work with the mediator virtually via the chat and upload functions, as well as video conferencing.
 - (iv) Signing of Settlement Agreements digitally and securely from March 2024 onwards. This allows the parties to resolve their claims at a place and time of their convenience.
 - (v) A personalised dashboard that allows both parties to track the claim progress and take prompt actions.



Uplifting Lower-Wage Workers

18. To uplift local lower-wage workers, MOM has taken steps to ensure that employers comply with the sectoral or occupational progressive wage requirements for local workers in applicable job roles and the local qualifying salary (LQS) requirements for all other local workers. Between April 2023 and March 2024, MOM carried out proactive checks on over 4,000 firms in the retail and food services sectors which hired a significant number of local lower-wage workers. The vast majority of the firms were compliant following MOM's engagement. MOM has also launched a Progressive Wage Portal in January 2024 that allows lower-wage workers to check if they are getting the correct wages.



Promoting Fair and Progressive Workplace Practices

19. We have also made progress in efforts to uphold workplace fairness. The number of workplace discrimination complaints lodged with the Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) dropped further from 264 in 2022 to 220 in 2023. Nonetheless, workplace discrimination remains a concern amongst some job seekers and employees. The upcoming Workplace Fairness Legislation will complement the existing Tripartite Guidelines on Fair Employment Practices to build fairer and more harmonious workplaces in Singapore.⁸

20. Taking effect on 1 December 2024, the Tripartite Guidelines on Flexible Work Arrangement Requests will shape the norms and expectations around flexible work arrangements (FWAs) by setting out how employees should request for FWAs and how employers and supervisors should handle such requests. To foster harmonious workplaces built on trust, we will be taking an enabling and educational approach to implementing these Guidelines. Resources and training are available through TAFEP and the Institute for Human Resource Professionals (IHRP) to equip employees, employers and HR professionals with the knowledge and capabilities to implement the Guidelines and FWAs well. More resources are being progressively rolled out and scaled up through key employer and business associations, and employee groups and unions in 2024, ahead of the implementation of the Guidelines.



⁸ On 4 August 2023, the Government announced that it has accepted the final set of recommendations by the Tripartite Committee on Workplace Fairness. Information on the recommendations can be found at go.gov.sg/wflreport.

Conclusion

21. In 2023, we saw a higher incidence of employment claims that remained lower than the pre-pandemic level in 2019. Despite the higher volume of cases, we resolved the disputes between employees and employers effectively and efficiently. Amidst challenging economic conditions, majority of employers continue to treat their employees responsibly. Together with tripartite partners, the National Trades Union Congress and the Singapore National Employers Federation, we will strive to improve workplaces through adoption of fairer and more progressive workplace practices.



A publication by:

