

**COMMITTEE OF SUPPLY (SPEECH 1) BY MR TAN CHUAN-JIN, ACTING
MINISTER FOR MANPOWER, 14 MARCH 2013, 2:30 PM, PARLIAMENT**

“BETTER JOBS, BETTER WORKPLACES”

INTRODUCTION

1. Madam Chair
2. With your permission, may I ask the Clerks to distribute handouts to Members.
3. Let me begin by thanking Members for their thoughtful comments on Singapore’s increasingly complex manpower landscape.
4. The issues at hand have no straightforward answers and cannot be taken lightly because there is a very real impact on the lives of all Singaporeans.
5. I have always believed that we should see how best to tap on the broader public to shape some of our policies. The further upstream we go, the more space there is to do this. And indeed, in both my portfolios here in MOM and in MND, I have found that it is possible to incorporate much of the public’s perspectives into our policy-making. And in the process, it is important that we therefore come up with policies which will be very much people-focused with the interests of the people at heart, to make sure that the theoretical understanding of policies can be translated into practical and real ways that impact people’s lives. The “Our Singapore Conversation” (OSC) process is one way through which the Government can proactively do this as well. What seems clear from the OSC is that Singaporeans have a number of issues and questions they are concerned about:
 - a. First, can my children and I look to the future with Hope?
 - b. Second, will I see more Heart in our policies?
 - c. Third, am I still able to honestly call Singapore my Home, as we look to the future?
6. We must make sure that our answer for each question is an unequivocal ‘Yes’. This must be the focus of this Government. In this year’s budget, throughout this Committee of Supply (COS) debate, and our execution of policy, our various ministries aim to ensure that Singaporeans can look forward to the future with Hope and with many opportunities for them and for their children. And at the heart of all our

policies, we must be people-focused, and that Singapore will continue to be the best Home for Singaporeans. Our Manpower Ministry will do likewise.

LABOUR MARKET UPDATE

7. To start, let me provide an update on our overall labour market and unemployment situation.

8. We all know that it is not possible to have zero unemployment. Even if we had 1% unemployed, it'd represent about 18,000 Singaporeans who will be unemployed and their families who would be affected in the process. So we must look out for those who are affected. But we are fortunate that in Singapore, we have very low unemployment.

9. In 2012, our economy grew by 1.3%. But overall jobs growth was 4.0%, outstripping GDP growth by a considerable amount. So, it is not surprising that we ended up with negative productivity growth of 2.6%. To put it another way, we had a net increase of some 59,000 locals joining the workforce last year. Our economy generated about 130,000 jobs. The balance was filled by foreigners amounting to about 70,000.

10. One way to look at this data is to say that we can afford to be more manpower-efficient. To be sure, this is a happier problem than having too few jobs. We have a very low citizen unemployment rate of 3.0% (overall unemployment rate of 2.0%) in 2012. In the US, there is 8.1% unemployment rate. It is slightly over 10% average in the EU countries. In East Asia, it is slightly better - unemployment rate in Taiwan is 4.2%; Japan, 4.3%; and Hong Kong, 3.3%. We must not take unemployment for granted, something that we have here today, at very low rates.

11. Going forward, as we restructure our economy, this is what will happen - we will see higher frictional unemployment as Singaporeans transit from one workplace to another, and even more difficult sometimes, when they transit from one sector to another. Which is why it is very important for us to pay attention to how to help our people who are unemployed transit from sector to sector especially.

12. So what do we need to focus our minds on now? It's about improving the quality of jobs and not the quantity. In September 2010, less than 20% of job vacancies required only Primary education or below. This has increased to about 25% in 2011 and 2012. This is contrary to the educational profile of our workforce. This underscores why we need to intervene and force the market to restructure, to become more manpower-efficient and reduce demand for low-skilled workers. Besides our lower-wage workers, there are specific segments of the workforce that we really need to pay attention to, and some of you have shared your concerns - we

need to watch mature PMEs, young Tertiary Graduates and those who are economically inactive and wish to return to work.

13. So, to recap, what is the labour market telling us within the context of the current economic restructuring? There are two key points to note:

- a. First, we are in a good position to intensify the economic restructuring process and reduce our reliance on foreign labour. We can afford to and will forgo some level of economic growth in pursuit of more economically sustainable productivity growth, and still be assured at the same time of good job opportunities for Singaporeans.
- b. Second, we know that local workers are in short supply especially for rank-and-file jobs; so therefore it is not just about reducing the dependence on foreign labour, we should seek to restructure ourselves to be a manpower-lean economy as well. There are several industries which have low productivity levels by global standards, and there is a need to push them to reduce labour intensity by tightening on the foreign workforce front. That said, we are aware that there will be some structural unemployment, and that is why we will continue to up-skill and retrain Singaporeans to help them remain competitive and employable in the workforce.

BETTER JOBS, BETTER WORKPLACES

14. Against this backdrop, we must focus on sustaining and developing the Singaporean Core in a comprehensive way. I would like to thank Mr Zainudin Nordin, Mr Patrick Tay, Ms Foo Mee Har, Er Lee Bee Wah and Mr Liang Eng Hwa for raising this at previous Parliamentary Sittings and this COS. We will need to put in place a multi-pronged approach.

15. Madam Chair, let me start by sketching out my ministry's view on how we can develop and sustain a strong Singaporean Core in the workforce. We believe that one good way to do so is through the generation of Better Jobs and the development of Better Workplaces for our people. Why?

- a. Studies have shown that employees who are happier at their jobs tend to be more productive and motivated. This means a few things. First, it means that we need to work hard at creating jobs that would help Singaporeans fulfil their aspirations.
- b. That's only one part of the story. Employers must develop more progressive workplaces through better leadership and HR practices. Why?

This will enable Singaporeans to be fairly rewarded and to be able to balance work-life priorities if they so choose, but to also be better engaged and looked after. Motivated employees are better employees. Mr Laurence Lien also spoke about the importance of raising the level of job engagement amongst Singaporeans, and how employers should invest in better HR practices and developing their people.

- c. Singaporeans have to do their part too. When we upgrade our skills to remain relevant and competitive, it is not for its own sake, because we do operate in an increasingly globalised and competitive environment. This will also improve our employability and enable us to provide for our families. This keeps our economy vibrant and attractive, and in turn, helps to generate even better jobs with better prospects for Singaporeans today and our children tomorrow.
- d. This is the virtuous cycle which we should all work towards sustaining and strengthening – Better Jobs and Workplaces so that we can create a Better Singapore for Singaporeans.

16. Conceptually, I think we understand that, but how do we operationalise this to make it work? As part of the Quality Growth Programme, we will put in place new initiatives and strengthen existing programmes to support both employers and employees in different ways. Taken together, these measures form the multi-pronged approach towards developing and sustaining a strong Singaporean Core in the workforce.

EMPLOYEES

17. Let me begin with employees.

18. First, we will help our people remain competitive and employable. This will enable them to look after their own families and to have a stable base to pursue their various aspirations. Hence, we will continue to make substantial investments in upskilling and training for Singaporeans. This would include better Continuing Education and Training (CET) facilities and programmes, having avenues such as Caliberlink for Professionals, Managers and Executives (PMEs) to enhance their employability and introducing an individual learning portfolio to encourage Singaporeans to take greater ownership over their personal development. We believe this is a strong competitive edge we have here in Singapore.

19. Second, we will support Singaporeans in balancing work-life priorities by helping to restructure the work environment. We will consolidate schemes that

promote flexible work arrangements and the hiring of older workers and Back-to-Work-Locals under a stronger programme called “WorkPro” – a one-stop shop, not only pulling it all together but also strengthening it at the same time. We want to help both Singaporeans, and employers, manage work and family commitments in a more holistic manner. The Public Service will take active steps and we will lead the way. Our Tripartite Committee on Work-Life Strategy will seek to champion best practices, gather ideas so that we can think about how to implement them – individuals have to make their own choices about their own work-life priorities as well, and importantly, this is one space where employers play a very big part.

20. Third, we will look after our low-wage workers by fostering inclusive growth, boosting their retirement adequacy and helping to uplift their incomes. This is a recurrent theme and something all of us in this House are concerned about. Apart from incorporating the progressive wage model for the security and cleaning industry, we will enhance the Workfare Income Supplement and Training Support schemes and we will revise upwards the CPF contribution rates for low-wage workers.

21. Four, apart from incentives, we will provide better protection for our workers. We will extend employment protection for more of the resident workforce, including PMEs, to reflect the changing workforce profile. We will raise employment standards while giving employers flexibility in implementation. In addition, we will also enhance existing work safety regulations and programmes so that people can work with greater ease of mind.

22. Finally, we will take a firm stand against employment discrimination. MOM will take strong action against cases of non-compliance with the Tripartite Guidelines on Fair Employment Practices. We will also look at how best to ensure fair consideration for Singaporeans in employers’ hiring practices. I will elaborate on this in greater detail later.

23. In sum, how are we helping Singaporeans?

- a. We will provide our people with the best chance and fullest support to up-skill and develop in their careers at the various stages in their lives;
- b. At the same time, we will promote and support work-life priorities of Singaporeans;
- c. We will strengthen employment protection for Singaporeans and ensure fair opportunities for our people. We will tackle employment discrimination; and

- d. We will ensure that we move up together as one country and nation, ensuring that vulnerable groups in our society are not left behind. To this end, the Workforce Development Agency (WDA) will work closely with strategic partners like the Singapore Corporation of Rehabilitative Enterprises (SCORE), Ministry of Social and Family Development (MSF) and National Council of Social Services (NCSS) to facilitate the skills training conversion, return and integration of special worker groups like ex-offenders, persons-with-disabilities and out-of-school youths through initiatives such as Project Phoenix and the Open Door Fund. This is one area which we need to pay attention to and we need to reach out to all the different Singaporeans in our society.

24. My colleagues and I will elaborate on what we are doing for each of these areas. Minister of State, Dr Amy Khor, will elaborate on our strategy to develop a strong Singaporean Core from the training and work-life perspectives. Senior Parliamentary Secretary, Mr Hawazi Daipi, will focus on how we are fostering greater inclusive growth and making workplaces healthier and safer. And I will elaborate later on how we are providing more workers with greater protection and our efforts to cultivate fair employment practices for Singaporeans thereafter.

EMPLOYERS

25. Madam Chair, let me now turn to the other important stakeholder – our employers. Employers are important because many of them are Singaporeans themselves. They create jobs and opportunities for all Singaporeans. And they also help keep Singapore going in many ways. In this restructuring process, we know that it will be painful and extremely challenging. But make no mistake, we want our employers, especially our Small and Medium Enterprises (SMEs), to succeed. It is only when employers succeed that we can have Better Jobs and they can focus on creating Better Workplaces for Singaporeans.

26. However, employers need to adapt to a manpower-lean environment, and the Government has committed to help them along with this transition, especially SMEs. The Government has set aside \$5.9 billion to support companies through the Quality Growth Programme. This would include schemes such as the Wage Credit Scheme and the Productivity and Innovation Credit (PIC) Bonus. As part of the Programme, the Ministry of Trade and Industry (MTI) has also released plans to encourage SMEs to develop Collaborative Industry Projects, with \$90 million made available. Taken together with other measures, it is a substantive effort we are putting out.

Adaptive and Targeted Approach to Raise Quality Profile of Foreign Workforce

27. At this juncture, I would like to reiterate two things. First, foreign manpower tightening is an adaptive, not arbitrary, process that evolves to raise the quality profile of our foreign workforce. We started the tightening in 2010 after the Government had accepted the Economic Strategies Committee's recommendations. We have taken deliberate and progressive steps to raise the quality profile of our foreign workforce and help businesses reduce their reliance on low-cost foreign labour.

28. Second, ours is a targeted rather than a blunt, "one-size-fits-all" approach, to raise productivity levels of different sectors. For example, we actually do make a distinction between the Manufacturing and Services sectors. On the whole, the Manufacturing sector has seen decent productivity growth. We have a tighter system on the Services sector as we face more challenges of low productivity and high foreign worker dependence. But within Services, we retain some flexibility (for example, Healthcare) because it is our social responsibility to cater to expanding needs of an ageing population. In addition, we also treat Construction, Marine and Process differently, as these three sectors find it more difficult to attract sufficient locals, and Construction serves important domestic needs.

Greater Clarity on Foreign Manpower Tightening

29. The business community has been asking for greater clarity on when the "Great Foreign Workforce Tightening" will end. Let me highlight the 3 factors that government will be monitoring while managing the pace of this tightening:

30. First, we are watching very closely the growth rate of our foreign workforce. We want to slow the growth of the foreign workforce significantly during this decade, so that its proportion does not increase significantly beyond the one-third ratio that we adopted in 2010. Last year, our foreign workforce grew by about 67,000 (excluding foreign domestic workers). This is still too large, and we have tightened our policies further to bring it down. We will be watching the numbers closely this year, sector by sector.

31. Second, we study the productivity growth of our overall economy, and also look at specific sectors to see how they are lagging behind international standards. As outlined in the report of the Economic Strategies Committee, we hope to achieve a productivity growth rate of about 2-3% per annum on average this decade. We know it is not easy but it is something that we should strive and work towards. Clearly, we need to wean ourselves off this heavy reliance on manpower-driven growth and raise the quality profile of the foreign workforce.

32. Third, we continue to track the real wage growth of Singaporeans at all levels. This is something that all of us are concerned about and we should track this closely. Our foreign workforce is meant to complement, not substitute, our local workforce. We are also mindful that while there are benefits that come with it, there are also disamenities. We are mindful that the presence of a large pool of foreign workers who have lower reservation wages than locals could have a depressive effect on wages. By keeping the labour market tight and raising the cost of hiring foreign workers, which is one approach, among several, to ensure wage growth of Singaporeans also improves over time.

33. If we are not able to meet these targets, we are likely to continue the tightening and restructuring approach.

Additional Restructuring Measures

34. Madam Chair, the major further tightening of our foreign workforce polices via adjustments to levies and DRCs have been earlier announced. There are some additional measures that I would like to mention here.

EntrePass

35. We will tighten the EntrePass criteria to raise the quality bar for foreign entrepreneurs intending to set up businesses here. These changes will come into effect from 1 September 2013 and more details will be released on the MOM website.

Job Flexibility Scheme (Services Sector)

36. For the Services sector, there are measures to cut the Dependency Ratio Ceiling (DRC) and increase levies but it just represents one half of the policy. The aim is to increase productivity in the sector. The other, and equally, important half, is that we will allow Services companies to more flexibly deploy their foreign workers, and encourage them at the same time to retain and train their experienced Work Permit holders.

37. We have received feedback from businesses about extending the Jobs Flexibility Scheme to the rest of the Services sector, after our initial pilot run for the Hotel industry went well. We think this is a good idea and will extend the Jobs Flexibility Scheme for the rest of the Services sector.

38. We will work further with the Singapore National Employers Federation (SNEF) and National Trades Union Congress (NTUC) on a set of tripartite guidelines. It is important to set out our expectations, even as we allow for this flexibility, for how companies can utilise job flexibility in a responsible way, so that

there is no exploitation of workers, and also at the same time ensure fair sharing of productivity gains. We will finalise the guidelines with NTUC and SNEF over the next few months, and aim for this policy to be implemented on 1 July 2013.

Market-Based Skills Framework

39. Third, we will also introduce a market-based skills framework for the Services sector. Work Permit holders who have worked in Singapore for four years or more, and who earn at least \$1,600 a month, can qualify to become skilled Work Permit holders. This new framework is to supplement the current skills pathways in the Services sector. What this aims to do is to encourage employers to retain their Work Permit holders, train them up, so they are more skilled, more settled down in Singapore, more comfortable and familiar with the environment, and in the process this also increases productivity. This is important, rather than churning. We all are aware of how certain sectors do practice churning and I will be looking at clamping down on that through the EFMA (Employment of Foreign Manpower Act) measures. It is in the companies' interest to look at up-skilling the workers and keeping them here for as long as they can.

40. Put together, the Job Flexibility Scheme and market-based skills framework will allow Services companies to do more, to do better, and importantly, with fewer workers. And I urge Singaporeans to do their part to support businesses by adapting their consumer behaviour and expectations, such as returning their trays and embracing self-service processes in some sectors. Singaporeans can play a part in supporting that.

Salary Threshold for Full-Time Local Employment when Hiring Foreign Workers

41. Currently, a company needs to have the requisite number of full-time local workers under our DRC (Dependency Ratio Ceiling) framework to qualify for foreign workers. We want to ensure that local workers are actually employed meaningfully rather than being employed on token salaries just to allow the employer access to foreign workers. We will now adopt a threshold salary of \$1,000, from \$850. This will take effect from July this year.

42. I would like to thank Mr Gan Thiam Poh and Mr Teo Siong Seng for their thoughtful suggestions on how we can improve our foreign manpower policies further. We have been receiving much feedback and this is something we will continue to work with the different stakeholders, both the public and the companies as well in our regular schemes reviews. It will not remain static. I would also like to acknowledge the concerns that many of you expressed, particularly Mr David Ong and Ms Tan Su Shan about the unintended consequences of our foreign manpower tightening in terms of potential delays to public project works and inflationary pressures. With every policy, there will always be various consequences and this is

something that we will have to watch carefully. We are mindful of that and we thank you for the reminder.

43. Madam Chair, I would like to reiterate that

- a. Our approach to moderating foreign manpower growth is an adaptive and flexible one, which seeks to raise the quality profile of foreign workforce and help businesses restructure.
- b. The pace of our tightening will be guided by indicators such as overall foreign workforce growth, productivity growth and importantly, the real wage growth of Singaporeans.
- c. Apart from the tightening that have been announced, there are further measures to raise the quality bar for foreign entrepreneurs, allow employers to optimise the deployment of their foreign manpower and retain those who are more experienced. This is something that the industry has been calling for for some time. We will also ensure that the vulnerable groups in our society are not left behind as we pursue quality growth.

BETTER PROTECTION FOR WORKERS

44. On better protection for workers, particularly with regard to the Employment Act, Mr Zainudin Nordin and Mr Patrick Tay asked about this – how to better protect our low wage workers and accord more protection to the increasing number of Professionals, Managers and Executives (PMEs). The character of our labour force is changing and employment norms are also evolving. Hence, we do need to update our employment legislation to ensure that our workplace standards and practices remain relevant and effective.

45. Since April last year, we have received encouraging responses from the public when we called for ideas and suggestions in the Employment Act review. The suggestions were debated carefully between employers, unions and the government. I will outline today the key outcomes of this Tripartite consultation, and release the details in a factsheet which I will distribute to Members. I thank all who have given their views. In many ways, many of your ideas have been incorporated and you have played an active role in shaping the Employment Act that will make a difference to our Singaporeans.

46. We will essentially better protect our workers while providing employers' flexibility to implement these changes. Let me outline the key points:

- a. Better protection for more workers. We will cover more workers on working hours-related protection by raising the salary threshold of non-workmen from \$2,000 to \$2,500 in line with the general increase in salary levels. What does this mean? Approximately 150,000 more workers will be eligible for Over-Time payment should they be asked to work OT.
- b. Today, junior PME's earning up to \$4,500 receive only salary-related protection under the EA. In view of the rising number of PME jobs in our economy, our laws should provide these same junior PME's with employment protections beyond just basic salary claims. We have therefore decided to extend the general provisions of the EA such as protection against unfair dismissal and sick leave benefits to these PME's. This will benefit approximately 300,000 PME's.
- c. Taken together, about 450,000 or close to half a million workers would receive better protection with the changes I just mentioned.
- d. But the enhancements to employment protection will also have to be balanced by allowing employers some flexibility to implement these changes and stay competitive. If they are not able to do that, this will in turn have an impact on our workers.
- e. A proposal that has received wide public support is on legislating mandatory payslips and salary records for all employees. Some MPs also raised this and we are supportive. We will allow some time for smaller companies to adjust.
- f. Another pertains to PME's. Even as we extend unfair dismissal protection to them, we will also set a one-year qualifying service period before they are eligible to seek redress. This is to give employers a reasonable time to assess the suitability of their employees.
- g. There are quite a few other specific issues such as caps on OT payments and qualifying periods for retrenchment benefits. These details are found in the Annex of the handouts. It is important to strike a balance between protecting workers and addressing employer's concerns that affect the employability of the Singapore workforce. We believe that the final outcome achieves such a balance.
- h. We will also give the Government more teeth to ensure compliance of our laws. This includes enhancing the penalties for failure to pay salary as well as other measures to facilitate investigations and enforcement.

47. Mr Patrick Tay also asked about Industrial Relations Act. We share his view that the Act should be updated to reflect the changing workforce profile and workplace norms. We are in discussions with tripartite partners to review the Act.

48. There were other issues that, while important, are inherently more tricky:

- a. One area that I am also particularly concerned about is the employer-employee dispute resolution mechanisms for contractual disputes, many of which are non-statutory in nature. I spoke about this recently in Parliament.
- b. A second area which is echoed by Mr Patrick Tay that is particularly important for us to watch out is really workers in non-traditional work arrangements such as contract workers, freelancers and self-employed persons.

49. These are complex issues and require more time for study. We will deal with them in Phase 2 of the EA review that will begin later this year. Given our long history of trust and constructive engagement between unions, employers and the Government, as what we have seen in the course of the EA review, I am sure we will be able to work out something that is practical and useful so that we can move forward to something that is Better for employees; Better for employers; and ultimately, Better for Singapore.

CONCLUSION

50. Madam Chair

51. I began by observing from the OSC and feedback that we have received from Singaporeans, that there are concerns moving forward. Can we provide hope and opportunities for the future? Can we ensure that our people must always remain at the heart of all our policies? Can we ensure that our people can feel proud to call Singapore their home? I believe we can.

52. This is where it is not just the Government, all of us can play a part. Employers should develop more progressive workplaces through better HR practices. It is not just our HR managers, this is the function and responsibility of leaders, including the CEOs. Even as we encourage dedication and good performance, we should also enable Singaporeans at all levels to achieve work-life harmony as they so choose. As individuals, all Singaporeans have to do our part too. Upgrading our skills is important - we are putting aside facilities, programmes, funding support, but we must take that step to move forward. With all these different efforts by Government, businesses and workers, working hand in hand, we can actually build a Better Workforce and nurture Better Workplaces, and at the same

time generate Better Jobs and opportunities for our people, and ultimately, to build A Better Singapore for Singaporeans.

53. Thank you.

National Archives of Singapore

**OUTCOME OF TRIPARTITE CONSULTATION:
CHANGES TO THE EMPLOYMENT ACT**

No	Current	Going Forward
A Better protection for more workers		
1.	Non-workmen earning a basic monthly salary of up to \$2,000 enjoy working hours-related protection ¹ .	The salary threshold will be increased to <u>\$2,500</u> to be in line with increases in salary levels.
2.	Junior PME's earning a basic monthly salary of up to \$4,500 receive salary protection.	In addition, this group of junior PME's will receive <u>general protection</u> ² in view of the rising proportion of PME's in our workforce.
B Flexibility for Employers		
3.	Employers are required to pay eligible employees for overtime (OT) work at a rate based on the employee's salary ³ .	Even though the salary threshold of non-workmen is increased to \$2,500, the overtime rate payable for non-workmen will be <u>capped at the salary level of \$2,250</u> to help employers manage costs.
4.	Junior PME's are not protected against unfair dismissal and for paid public holidays.	As we extend general protection to junior PME's: <ul style="list-style-type: none"> • This group will need to <u>have served with the same employer for at least 1 year</u> to be eligible to seek redress against unfair dismissal. This will provide employers time to assess suitability of PME's to the job. • Employers will be allowed to <u>grant time-off in-lieu</u> for those who are required to work <u>on public holidays</u>, subject to mutual agreement. This takes into account the

¹ This refers to protection against excessive working hours, right to rest days and to claim overtime payment etc.

² This includes protection against unfair dismissal, public holiday and sick leave benefits etc.

³ Currently, non-workmen earning up to \$2,000 and workmen earning up to \$4,500 can claim overtime pay.

		nature of PME work which are more outcome-based and often have in-built flexibilities arrangements. In the absence of mutual agreement, at least half a day off in-lieu has to be granted.
5.	Employers are obliged to provide paid sick leave and medical examination expenses of their employees.	Employers will be exempted from having to grant paid sick leave and bear medical examination expenses of employees <u>for cosmetic consultations and procedures</u> which are not medically necessary. This is to maintain the balance of responsibilities between employers and employees.
C	Raising Employment Standards	
6.	Employers are not required to provide payslips or maintain detailed employment records of all their employees. Currently, only employers of workmen are required to keep salary records.	Employers will be required to <u>provide written itemised payslips and maintain detailed employment records</u> (including salary) of all their employees. This not only protects employees, but also helps employers in the event of a salary dispute.
7.	Employees' salaries are protected from any deductions by employers other than those authorised ⁴ under the EA.	A <u>25% sub-cap will be imposed for deductions for accommodation, amenity and services</u> (within the existing 50% total cap) to prevent excessive deductions.
8.	Employees with less than 3 years of service with the same employer are not entitled to retrenchment benefits.	The <u>non-eligibility period for retrenchment benefits will be reduced to 2 years</u> , in line with shorter employment tenures.
9.	When employees are transferred to another company in an event of a restructuring, employment terms of the affected employees are protected by their pre-existing collective agreement (CA) until it expires.	To provide greater certainty for such affected employees, their employment terms under their <u>pre-existing CA will be protected for at least 18 months</u> (even if the CA is expected to expire before that).

⁴ For example, deductions for damage or loss of goods entrusted to employee, cost of food, accommodation, amenity and services provided by the employers etc.