

In this rapidly evolving workplace, we recognise that Professionals, Managers and Executives (PMEs) are facing new opportunities and challenges. We at the Labour Movement (LM) have been proving we're serious about reaching out to you by successfully lobbying for various workplace causes and employment terms.

WHAT WE'VE BEEN DOING FOR U



FAIR & TRANSPARENT HIRING FOR LOCALS

- WHY:** Excessive foreign PMEs and unfair hiring practices in certain companies.
- WHAT:** LM pushed for Labour Market Testing in August 2011 and a National Jobs Bank in June 2013.
- RESULTS:** In September 2013, the Ministry of Manpower announced that the Fair Consideration Framework will be implemented in August 2014 together with the setting up of a National Jobs Bank.

- WHY:** Rapidly changing workforce profile with more PMEs.
- WHAT:** LM advocated for an increase in protection and coverage of PMEs under the Employment Act (EA) in 2011.
- RESULTS:** In October 2013, the EA Amendment Bill was introduced in Parliament which is targeted to come into effect in 2014. PMEs earning up to \$4,500 will be covered by the entire EA (except for Part IV of EA). About 300,000 PMEs will be entitled to general protection under the EA, including protection against unfair dismissal.

**ABOUT 300,000
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PROTECTED UNDER THE
EMPLOYMENT ACT**

YOU CAN BE REPRESENTED COLLECTIVELY BY A RANK AND FILE UNION

- WHY:** Despite a rapidly changing workforce profile, rank and file (R&F) unions cannot represent PMEs collectively and fully. They can only represent junior and mid-level PMEs individually in selected areas (limited representation).
- WHAT:** LM lobbied for R&F unions to be able to represent PMEs collectively and with more areas covered under the limited representation provisions for PMEs.
- RESULTS:** The Industrial Relations (IR) Act will be amended in 2014 so that R&F unions can represent PMEs collectively. The scope of limited representation will also be expanded.

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FAQs ON THE AMENDMENTS TO THE

EMPLOYMENT ACT



► Why was the Employment Act amended to cover Professionals, Managers and Executives (PMEs)?

It was necessary to amend the Employment Act to provide more protection to PME's so that the law remains relevant to the changing profile of the workforce.

The proportion of PME's in the workforce has been increasing steadily over the years. Today, PME's comprise about 31% of the workforce and this number is expected to continue to grow. It is thus necessary to ensure that PME's are adequately protected by the law as well.

The amendments will mean that there is now better protection and improved employment standards for PME's, especially the more junior PME's.

\$4,500

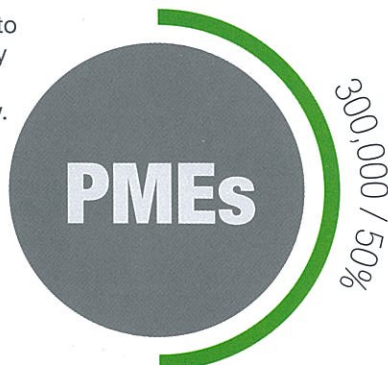
up to

Who are the PME's that will be covered by the Employment Act and to what extent will the Employment Act cover them?

The Employment Act will cover PME's earning not more than \$4,500 per month. They will be accorded general protection under the Act, such as sick leave benefits, compensation for work on public holidays, maternity benefits and protection against unfair dismissal. However, they will still not be covered under Part IV of the Employment Act.

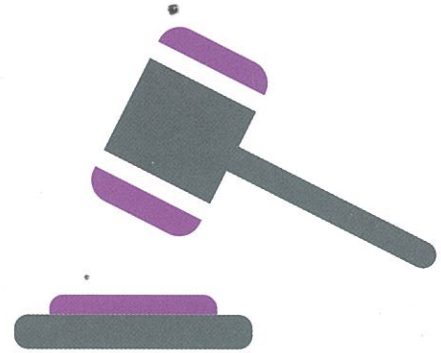
► Why is there a cap of \$4,500?

The amendments to the Employment Act are meant to ensure that PME's, especially the more junior PME's are adequately protected by law. At a salary cap of \$4,500, about 300,000 PME's or approximately 50% of the PME workforce will benefit from better protection and improved employment standards.



► What are some significant changes for PME's now that the Employment Act has been amended?

One significant change is the protection against unfair dismissal. A PME who has been unfairly dismissed can now appeal to the Minister for Manpower.



If the PME's employment has been terminated with notice or by payment of salary in lieu of notice, he must have served the employer for at least 12 months before he can appeal to the Minister. If he has been dismissed without notice, he may appeal to the Minister even if he has served the employer for less than 12 months.

Another change is in relation to the notice period. Where there is no notice period stated in the employment contract, the notice period stated in the Employment Act will apply. The notice period will be the same for both employers and employees.



In addition, PME's who have been employed for at least three months are now entitled to paid sick leave, and their employers must bear the medical examination expenses. However, employers will not have to grant paid sick leave or bear medical examination expenses for cosmetic consultations and procedures.

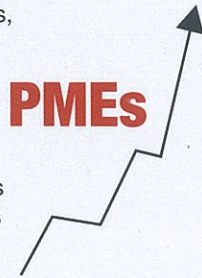
Another important change is that PME's are now entitled to compensation if they are required to work on public holidays. Employers have the option of giving time-off in lieu of payment. Where there is no mutual agreement on the number of hours of time-off, the employer must grant either a half day off or one day off, depending on the number of hours worked by the employee on the public holiday.



FAQs ON THE PROPOSED CHANGES TO THE INDUSTRIAL RELATIONS ACT

► Why is there a need to amend the Industrial Relations Act?

Our workforce profile is changing and there is an increasing proportion of Professionals, Managers and Executives (PMEs). In 2013, there were 638,500 PMEs. This is 31% of the resident workforce. For the unions to stay relevant, it is vital to reach out to PMEs whose proportion in the workforce will continue to increase. Unions can do this by offering PMEs more options for representation at the workplace. Reaching out to the PMEs will also enable unions to increase their membership base.



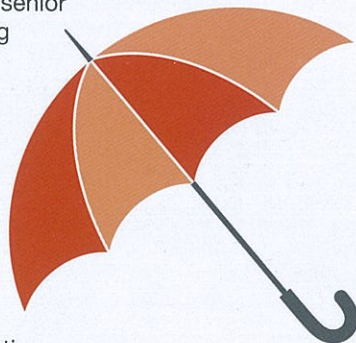
► What are the proposed changes to the Industrial Relations Act?

There are two proposed changes to the Industrial Relations Act. One proposed change is to allow rank-and-file unions to collectively represent PMEs. This will enable rank-and-file unions to cover PMEs in their collective agreements.

The other proposed change is to amend Section 30(A) of the Act to include re-employment as one of the areas in which rank-and-file unions may provide limited representation for their PME members on an individual basis. The current areas of representation are breach of contract, victimisation, retrenchment and unfair dismissal.

► Who are the PMEs that unions will be able to extend full representation to?

Generally, unions will be able to provide full representation to all PMEs except for those who have substantial managerial responsibilities, such as persons employed in senior management positions making decisions on or having the ability to substantially influence decisions on major business operations or policies or on employment-related matters. The main consideration in determining whether the union can represent a particular PME collectively is the PME's job scope and function.



► How will the proposed changes affect unions?

The proposed changes will mean that there will now be better protection and wider scope of representation for PMEs. Rank-and-file unions will be able to increase their scope of representation to cover PMEs in their collective agreements. This will enable the unions to negotiate on a wider range of matters for their PME members, such as annual increment, bonuses and various non-statutory benefits.

► What will happen if a rank-and-file union decides not to extend full representation to cover PMEs?

If the union does not wish to extend full representation to cover PMEs, it can continue to provide limited representation on an individual basis to its PME members.

Alternatively, the PMEs are still able to form their own union. Under the Trade Unions Act, a minimum of seven members may apply to the Registrar to register a new trade union.

► Must the union seek recognition from the company if it wants to extend full representation to PMEs?

Yes, the union must seek recognition from the company for the PME job grades that it wishes to represent collectively, either through direct recognition or through a secret ballot.

► When the Industrial Relations Act has been amended and rank-and-file unions are allowed to represent PMEs collectively, does it mean that there is no longer limited representation for PMEs?

No, rank-and-file unions can choose to either extend full representation to PMEs or maintain the status quo of providing limited representation to PMEs.

► Since the Employment Act has been amended to cover PMEs earning not more than \$4,500 for general protection except under Part IV, why would the PMEs join a rank-and-file union as they are now empowered by the Employment Act to approach Ministry of Manpower (MOM) directly for redress when they face workplace disputes?

Although these PMEs can approach MOM directly to settle their workplace disputes, it is still advantageous for them to join the union as the union will have greater bargaining power when it negotiates with the management for a settlement. The union is also able to tap on its expertise to represent the PMEs at MOM.

In addition, only unions are able to represent members at the Industrial Arbitration Court. The PME who is a non-member will not have this advantage. This means that in the event that the dispute cannot be settled by conciliation at MOM, the only recourse available to the PME is to pursue the matter at the civil courts, which will be very costly.

Apart from assisting PMEs to settle disputes with management, the union is able to negotiate with management on matters such as annual increment and bonuses for the PMEs.

