



Lee, Tsai & Partners

A GREATER CHINA LOCAL FIRM

Asia Employment Law: Quarterly Review

2020-2021

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Introduction

Asia's legal and human resources advisors are often required to function across multiple jurisdictions. Staying on top of employment-related legal developments is important but can be challenging.

To help keep you up to date, our firm produces the **Asia Employment Law: Quarterly Review**, an e-publication covering 15 jurisdictions in Asia.

In this thirty-first edition, we flag and comment on employment law developments during the first quarter of 2021 and highlight some of the major legislative, consultative, policy and case law changes to look out for in 2021.

This publication is a result of ongoing cross-border collaboration between 15 law firms across Asia with whose lawyers our firm has had the pleasure of working with closely for many years. For a list of contributing lawyers and law firms, please see the [contacts page](#).

We hope you find this edition useful.

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Federal Court provides guidance regarding the Fair Work Act's transfer of business provisions

On 20 January 2021, the Federal Court of Australia handed down its decision in *Community and Public Sector Union, NSW Branch v Northcott Supported Living Ltd* [2021] FCA 8 (**Northcott**).

Under the *Fair Work Act 2009* (Cth), a transfer of business occurs when the following requirements are satisfied:

1. the employment of an employee of the old employer has terminated;
2. within 3 months of the termination, the employee becomes employed by the new employer;
3. the work the employee performs for the new employer is the same, or substantially the same, as the work the employee performed for the old employer; and
4. there is a relevant 'connection' between the old employer and the new employer.

Where there is a transfer of business in the relevant sense, any enterprise agreement that applied to the transferring employees while they worked for the old employer would become binding upon the new employer in relation to those employees (and in very limited circumstances to non-transferring employees of the new employer).

Northcott was the first occasion upon which a court of tribunal has provided detailed guidance in relation to the 'same or substantially the same' requirement.

The Court determined that, when approaching this issue, courts and tribunals should not engage in a 'technical' comparison of the employee's duties for their first and second employer. Instead, they should focus upon whether the 'fundamental nature' of the employee's work had changed from what it had been before. This means, for example, that work can be regarded as the same or substantially the same even though:

- the manner in which employees perform their duties has changed;
- the new position includes additional duties;
- some duties are no longer required; and
- a typical working day in the new position has a 'different composition'.

If, however, the changes are 'fundamental' in character, then the work will be regarded as no longer being the same or substantially the same. This will be a question of fact and degree in each case.

Northcott concerned a group of employees who worked as 'Team Leaders' at disability care homes operated by a company called Northcott Supported Living Living (**NSL**). NSL was a subsidiary of Northcott Society Limited (**Northcott**). In July 2019 Northcott decided to restructure its operations. This included dissolving NSL and offering employment to most of NSL's employees with Northcott. For most employees there was to be no change in terms and conditions of employment, and the work was exactly the same as it had been at NSL. However, for one cohort of employees (**affected employees**) there were to be significant changes to terms and conditions of employment and in responsibility.

The Union which represented the affected employees applied to the Federal Court arguing that the proposed restructure constituted a transfer of business in the relevant sense, so that the affected employees would continue to enjoy the benefits of the enterprise agreement that had applied to them when they were employed by NSL. Northcott argued that there was not a transfer of business in the relevant sense because the work to be performed by the affected employees for Northcott was not the same or substantially the same as that performed for NSL.

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The Federal Court found in favour of the Union, determining that the transferring employees were performing substantially the same work in both positions. In reaching this conclusion, the Court took account of the similarities in seniority, duties, purpose, organisational context and position descriptions between the two positions.

In coming to this conclusion, the Court rejected the employer's argument that the employees were doing substantially different work due to the fact that the position description for the new role included additional managerial duties and limited patient-care responsibilities. The Court also took the view that the position description did not reflect the reality of a Service Coordinator's day-to-day duties.

The decision in *Northcott* is helpful in its rejection of an overly technical approach to the same or substantially the same requirement, but it is important to appreciate that to establish that positions are not the same or substantially the same there needs to be genuine differences of substance: differences of form are not enough.

Corrs Insight: 'Illuminating the operation of the transfer of business provisions in the Fair Work Act'

Community and Public Sector Union, NSW Branch v Northcott Support Living Limited [2021] 8, Federal Court of Australia, 20 January 2021

High Court of Australia will hear two appeals on whether workers were employees or independent contractors

On 12 February 2021, the High Court of Australia granted special leave to appeal two decisions of the Full Court of the Federal Court of Australia. Both appeals will require the High Court to determine whether the workers involved in the two disputes were employees or independent contractors. The appeals will be heard together, likely in the second half of 2021. ***Jamsek v ZG Operations Australia Pty Ltd ('Jamsek')***

In *Jamsek*, the Full Court found that two truck drivers who had been classified as contractors were, in fact, employees. The drivers had worked exclusively for ZG Operations (and its predecessors) for almost 40 years.

Amongst the factors that led the Full Court to conclude that the drivers were employees were the fact that:

- the business operated by ZG Operations was the drivers' sole source of income for the 40 year period;
- the drivers worked more or less regular hours with consistent duties and work arrangements;
- the drivers were first engaged as employees. In 1986 the drivers were faced with either redundancy or agreeing to a new contract describing them as independent contractors. Beyond the drivers having to purchase their own delivery trucks, the working arrangements following their re-engagement as contractors were substantially the same as those in place when the drivers were employees;
- the drivers had no capacity to generate goodwill in their own business;
- ZG Operations required them to work from 6 am until at least 3 pm each day with the consequence that the drivers' ostensible capacity to work for other business was, in practical terms, illusory.

Construction, Forestry, Maritime, Mining and Energy Union v Personnel Contracting Pty Ltd ('Personnel Contracting')

In *Personnel Contracting*, the Full Court determined that a young British backpacker engaged by a labour hire company to work on construction sites was an independent contractor. The Court was clearly not happy with this outcome, but felt constrained by earlier authority to reach the conclusion that it did.

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In the course of his judgment Chief Justice Allsop noted that if 'unconstrained' by previous authority, he would 'favour an approach which viewed the relationship ... as that of casual employment', whilst Justice Lee observed that the development of a dichotomy between employee and independent contractor 'has produced ambiguity, inconsistency and contradiction' and that this 'traditional dichotomy' may not easily comprehend or accommodate the increasing prevalence of trilateral labour hire relationships, as well as the 'evolution of digital platforms and the increasing diversity in worker relationships'. It will be interesting to see how the High Court responds to these expressions of dissatisfaction with the existing state of the law.

Jamsek v ZG Operations Australia Pty Ltd [2020] FCAFC 119

Construction, Forestry, Maritime, Mining and Energy Union v Personnel Contracting Pty Ltd [2020] FCAFC 122

Transcript – Personnel Contracting special leave application

Transcript – Jamsek special leave application

Special leave application results (12 February 2012)

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Federal Opposition unveils proposed industrial relations reforms ahead of likely 2021 election

The opposition Australian Labor Party has indicated a number of proposed industrial relations reforms amidst increasing speculation that there will be a federal election in 2021.

On 10 February, Anthony Albanese, leader of the Labor Party, delivered a speech in which he identified three major themes that would drive the program of a future Labor Government: addressing casualisation, giving more rights to gig economy workers and ensuring labour hire workers are paid at least as much as direct employees working alongside them. In doing so he averred that Labor is 'on the side of working families'.

In March 2021, the Labor Party followed up on these commitments by releasing what it described as the final draft of its National Platform, including proposals aimed at:

- achieving a national minimum standard for long service leave;
- introducing 26 weeks of fully paid parental leave;
- ensuring consistent treatment of public holidays between States and Territories;
- protecting gig economy workers;
- supporting penalty rates;
- establishing an independent umpire to adjudicate bargaining disputes; and
- expanding access to flexible working arrangements.

Opposition IR policy announcements pledged, as Burke retained, Workplace Express, (28 January 2021)

Albanese to unveil plan for contractors, Sydney Morning Herald, (9 February 2021)

Labor's expanded "employee" definition to encompass gig workers, Workplace Express, (10 February 2021)

Labor vow to favour firms that provide secure jobs, The Age, (10 February 2021)

IR blueprint points back to the future for Albanese, The Australian, (10 February 2021)

Anthony Albanese: Labor has a plan for job security in the gig economy, Daily Telegraph Online, (9 February 2021)

IR blueprint points back to the future for Albanese, The Australian, (10 February 2021)

ALP Special Platform Conference 2021, National Platform, Final Draft, pages 18 - 25

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Federal Parliament passes heavily amended Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020, dropping majority of proposed reforms

The Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2020 (Bill) was introduced into Federal Parliament on 9 December 2020. On 22 March 2021 a heavily amended version of this Bill was passed by both Houses of Parliament.

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- The amendments effectively removed four of the five principal reforms that were included in the original Bill, namely: changes in relation to additional hours agreements;
- the relaxation of the 'better off overall' test;
- the creation of criminal 'wage theft' offences; and
- the extension of the nominal life of Greenfields agreements relating to major projects.

What is left is a number of changes concerning the rights and obligations of employers in relation to their casual employees. The key changes :

- Give employers the ability to define an employee as a casual (with no leave entitlements or job security) at the time employment commences, provided that the offer of employment makes 'no firm advance commitment to continuing and indefinite work according to an agreed pattern of work' and the employee accepts this offer.
- Requires employers to offer permanent employment to casual employees, provided the employee concerned has been employed for a period of 12 months and has worked a regular pattern of hours for the last 6 months.
- Responding to the decision of the Full Court of the Federal Court in *WorkPac Pty Ltd v Rossato* [2020] FCAFC 84, where the Court held that that an employee who was ostensibly engaged as a casual was, in reality, a permanent employee and therefore entitled back pay for various entitlements.

The legislation purports to prevent such 'double-dipping' by clarifying that if a court finds an employee to be a permanent employee, it must offset any amount payable to the employee by an amount equal to any casual loading already paid by the employer. Many employers would welcome this change since it would relieve them of potential claims to back-payments totalling many millions of dollars. It has been suggested, however, that this aspect of the legislation may be susceptible to constitutional challenge on the grounds that it involves the acquisition of property without compensation.

Treasurer Josh Frydenberg has stated that the government may attempt to re-introduce some of the abandoned reforms at a future date – especially those relating to greenfields agreements for major projects.

Fair Work Amendment (Supporting Australia's Jobs and Economic Recovery) Bill 2021 (Cth)

Schedule of Amendments made by the Senate

Labor sets up IR omnibus Bill roadblock, Workplace Express, (2 February 2021)

Porter negotiating IR Bill changes with crossbenchers, Workplace Express, (11 February 2021)

Morrison government dumps changes to Better Off Overall Test, The Age, (16 February 2021)

Government goes ahead with workplace bill, The West Australian, (12 March 2021)

Government abandons bulk of industrial relations package in effort to save definition of casual work, ABC (18 March 2021)

PM told to try again on IR laws, The Australian (19 March 2021)

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SPC Issues Judicial Interpretation (I) on Trial of Labor Dispute Cases

The Supreme People's Court ("SPC") has recently issued the Interpretation on Issues concerning the Application of Law in the Trial of Labor Dispute Cases (I) (the "Interpretation"), with effect from January 1, 2021. The Interpretation consists of 54 articles in total, specifying the scope, jurisdiction, prosecution and acceptance, and arbitration of labor disputes. Among others, the Interpretation stipulates that where an employee directly institutes a lawsuit on the strength of a slip on wage default issued by the employer as evidence, and the claims do not involve any other dispute over labor relationship, it shall be regarded as a dispute over the default on labor remunerations and shall be accepted by court as a general civil dispute; where, after the expiration of a labor contract, the employee still work for the original employer and the original employer does not express any objection, it shall be deemed that the parties agree to continue the performance of the labor contract in accordance with the original terms and conditions; if a party proposes to terminate the labor relationship, the court shall support it. The Interpretation also points out that where a labor contract is confirmed as invalid but the employee has already provided labor services, the employer shall pay the labor remuneration and financial compensation to the employee in accordance with the relevant provisions.

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Hong Kong Court Dismissed Former Director's Claim for Annual Commission and Housing Allowance

In *Ah Fat Jean Max v Xian Corp Ltd* [2021] HKCFI 22, the Court of First Instance (the CFI) dismissed the employee's claim for annual commission and housing allowance against his employer.

Background

The employee was the former managing director of the employer. The employment contract of the employee provided for, among other things, the payment of an annual commission of an amount equivalent to 10% of the net profit of a subsidiary of the employer to be incorporated (the Commission) and the payment of a monthly housing allowance (the Allowance). It was also expressly provided in the employment contract that its terms may not be modified or amended except by a written agreement signed by the parties.

Upon commencement of employment, the parties agreed to abandon the establishment of the Subsidiary. The parties also agreed that the employee be granted a licence to live in an apartment rented by the employee in lieu of the payment of the Allowance.

In January and November 2016, the employer made two advanced payments totalling US\$90,000 (the Advance Payments) for the employee's annual commission, covering the period from the commencement of his employment up to 30 June 2016.

In November 2017, the employer terminated the employment of the employee.

The employee commenced action in the Labour Tribunal against the employer for payment of the statutory severance pay, the Commission and the Allowance. Although the Labour Tribunal ordered the employer to pay severance payment, his other claims were dismissed. The employee lodged an appeal to the CFI against the Labour Tribunal's decision.

CFI's Decision

The CFI dismissed the employee's appeal.

1. The Commission Claim

As the Subsidiary was never incorporated, there is an obvious gap in the Commission Clause as to how the amount of the Commission should be calculated.

The employee contended that the Commission should be based on the audited results of the employer's net profit (inclusive of all its subsidiaries). However, the Labour Tribunal and CFI were in favour of the employer's construction that the Commission was calculated based on the employees' profit centres for which he had been responsible. In coming to this conclusion, the Labour Tribunal and CFI looked at the parties' pre-contractual negotiations and found an agreed objective, where:

- it was stated in the parties' correspondence prior to the entering of the employment contract that the Subsidiary would be set up for the purpose of recording the profit made at the employee's own profit centres (i.e., the Asian and PRC markets); and
- the employee did not raise any objection to the above suggestion and, by inference, he must have accepted that the Commission was calculated based on the profits of his own profit centres.

In any event, the employee had already received the Advanced Payments, which exceeded the amount that he would be paid by reference to the audited results of the employer. As such, he was not entitled to payment of the Commission.

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2. The Allowance Claim

The Labour Tribunal and CFI dismissed the employee's appeal on this ground since the definition of wages under the Employment Ordinance specifically excludes "the value of any accommodation".

Due to a variation in respect of the Allowance by the conduct of the parties in January 2015, the employee was granted a licence instead of being paid the Allowance. This was a benefit in kind and did not form part of his wages. Upon termination, he was no longer entitled to any wages or the licence granted ancillary to his employment.

Lessons for Employers

As this case illustrates, clarity of a term in the employment contract is as important as its flexibility, especially when it concerns an employee's entitlement calculated with reference to a formula and payable at a certain time. If the formula fails for some reason (e.g., the disposal of a subsidiary referred to in the formula) and no further variation is made to give effect to the parties' arrangement, such a term may only be enforceable with reference to pre-contractual negotiations or other available evidence. This adds to the uncertainty as to the employees' entitlement and is likely to attract dispute.

Further, the variation of any contractual term should be clearly documented and employers should comply with the prescribed method for variation provided under the employment contract. If the variation concerns the reduction of an employee's entitlement, other additional benefits should be given in order to make the variation valid. It is not always the case that the court will find a waiver or estoppel to validate variations made without complying the relevant variation clause.

[More...](#)**Are your employees required to be contactable outside Office Hours?**

In *Breton Jean v 香港丽翔公务航空有限公司* (HK Bellawings Jet Limited) [2021] HKDC 46, the District Court (DC) in Hong Kong allowed the statutory rest day pay claim by the employee, who was required to be accessible on his work phone, but dismissed his claim for wrongful dismissal against his employer.

Facts

The employee was a pilot. He joined the employer, a business jet management company, in July 2015 and was subsequently promoted to the position of Lead Captain. He had both flight duties and ground duties, such as monitoring aircraft maintenance.

The employee had no regular working hours and was required to work on demand. The employment contract provided that if he was designated on standby, he must answer the employer's calls within one hour and perform the necessary flying duties.

The employer's operations manual, which formed part of the contract of employment, provided that the employee was entitled to a certain duration of rest period for a corresponding number of consecutive working days. However, the employer had no roster system to inform him of these rest periods. The operations manual also provided that he had to return company phone calls and be ready to perform work duties within a specified time limit unless he was on scheduled annual leave or days off, and was prohibited from consuming alcohol 12 hours prior to reporting time.

The employee was asked to deal with some maintenance work on 8 December 2016 but he did not turn up to work. He could not be reached on his work phone either. The employer emailed him asking for his whereabouts but his response was evasive. He claimed that it was customary to be rostered with no duties two days prior to his annual leave, which was scheduled to commence

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on 14 December 2016. He was asked to attend a meeting on 13 December 2016 but he did not show up.

Upon returning to work from annual leave on 31 December 2016, the employee was summarily dismissed by the employer for his unauthorised absence from duty without a valid reason.

Court's Decision

The DC allowed the Rest Day Pay Claim but dismissed the Wrongful Termination Claim.

1. Rest Day Pay Claim

The DC accepted the employee's evidence that he was required to be contactable by his work phone whenever he was not flying. The employer's case was that the requirement of being contactable did not equate with being designated on standby and there was a "mutual understanding" that all of the employee's non-flight days were considered as rest days. However, the employer's evidence did not support the existence of the alleged "mutual understanding".

The issue was whether, on proper construction of the provisions in the employment contract and the operations manual, the requirement to be contactable equated to being on standby duty.

The DC considered that if the employee is truly on a rest day, he should be entitled to abstain from working. For example, the employee would be free to consume alcohol during his scheduled rest days and would refrain from doing so if he was put on standby duty.

The employment contract and the operations manual required the employee to answer his work phone, perform duties within a specific time limit and not consume alcohol 12 hours before the reporting time. The employee was effectively on standby duty when he was not on active duty, as he was not free to do whatever he wanted, like consuming alcohol.

The DC found in favour of the employee and held the employer liable for the Rest Day Pay Claim for more than 120 untaken rest days, which was assessed at over HK\$660,000.

2. Wrongful Termination Claim

The DC did not accept the employee's case that he was entitled to be absent from work from 8 to 13 December 2016 because he was taking his rest days. No contemporaneous evidence supported this position, which the employee had not articulated during his employment. Evidence did not support the alleged customary day off before the scheduled annual leave either.

The DC found that the employee's absence from 8 to 13 December 2016 was without valid reason and unauthorised, and dismissed the wrongful termination claim.

Takeaways for Employers

Employers must ensure that their employee is entitled to abstain from working for 24 hours on a statutory rest day. Any constraint that the employer imposes on what the employee may do during those 24 hours (e.g., the employee must be on standby to answer work calls, report for duty within a specified timeframe or must not consume alcohol), may disqualify it as being a statutory rest day.

Failure to grant at least one statutory rest day in every period of seven days is an offence. The EO does not require an employer to pay for a statutory rest day; that is a matter for the parties' agreement. However, uncertainty about the appointment of statutory rest days as well as whether those days are paid, can give rise to potential claims (and criminal liability), as the above case

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illustrates. Another area where liability may arise is if the employer grants more than one rest day in a period of seven days, say, two days off, and it is unclear which of those two days off is the statutory rest day. In this scenario, there may be a risk that both days may be treated as statutory rest days. This may give rise to additional liability if, for example, a statutory holiday falls on one of those two statutory rest days and the employer would need to grant another day off. Therefore, it is important for employers to appoint the statutory rest day clearly and set out whether it is paid, and if yes, how much will be paid for that day.

Summary dismissal is a serious step for employers to take against an employee. The courts regard it as akin to capital punishment (in the employment law world) as it deprives the employee of various entitlements, such as wages in lieu of notice. An employee is more likely to sue the employer not only to clear their name but also to recover the amounts they have been deprived of because of the summary dismissal. Employers should consider whether it makes commercial sense to summarily dismiss an employee, given the time and financial costs of defending a claim made by an employee will often be greater than the amount of wages in lieu of notice required to terminate the employee by notice. Of course, there may be situations where the employer must proceed with summary dismissal (e.g., when there is a statutory prohibition on terminating an employee entitled to statutory sickness allowance by notice). In those situations the employer should ensure that it has cogent evidence to support the summary dismissal before proceeding.

The judgment is available at the following link: https://legalref.judiciary.hk/lrs/common/ju/ju_frame.jsp?DIS=133147&currpage=T

More...

Hong Kong Government Launches Greater Bay Area Youth Employment Scheme

The Government has launched the Greater Bay Area Youth Employment Scheme (the "Scheme"), one of the measures announced during the Chief Executive's 2020 Policy Address to create employment opportunities for university graduates. The Scheme provides 2,000 places, with approximately 700 designated for innovation and technology (I&T) posts. Enterprises participating in the Scheme can apply for a monthly allowance for each eligible graduate.

The Scheme entails a cross-border employment arrangement under a Hong Kong contract. As such, apart from the obligations under the relevant Hong Kong legislation including the Employment Ordinance (e.g. to provide the statutory leave benefits) and Occupational Safety and Health Ordinance (e.g. to provide a safe and healthy work environment), employers will also need to comply with any applicable local PRC law. It is important that employers seek legal and tax advice to understand their obligations and structure the arrangement appropriately before sending the employees to work in GBA Mainland cities.

The Scheme's guidelines for employers are available at: https://www2.jobs.gov.hk/0/Doc/information/en/gbayes/gbayes_guidelines_en.pdf

For general guidance, the Labour Department has also published a guide for Hong Kong people who plan to work in the Mainland, which is available at: <https://www2.jobs.gov.hk/0/en/information/Mainland/Guide/>

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Hong Kong's Statutory Minimum Wage Remains at HK\$37.50 Per Hour

The statutory minimum wage (SMW) rate will remain at HK\$37.50 per hour following a review by the Minimum Wage Commission. Such rate will continue

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to apply until 30 April 2023 where the next round of review will be conducted in October 2022.

In determining the SMW rate, the Minimum Wage Commission took into account a wide range of factors, including the general economic conditions, labour market conditions, social inclusion and the views of members of the public and stakeholders. The key objective is to strike an appropriate balance between forestalling excessively low wages and minimising the loss of low-paid jobs and to sustain Hong Kong's economic growth and competitiveness.

In light of the contraction of the Hong Kong economy with a business outlook clouded by uncertainties and unemployment and having considered the potential impact on the earnings of the low-paid employees and the operation costs of the businesses, the Minimum Wage Commission recommended, for the first time since its implementation in 2011, that the prevailing SMW rate be frozen.

Employers are reminded of their legal obligations under the Minimum Wage Ordinance (Cap 608). In particular, employers must ensure their employees are paid not less than the SMW, failing which it may give rise to both civil and criminal liabilities.

The 2020 Report of Commission is available at: https://www.mwc.org.hk/en/downloadable_materials/2020_Report_of_the_Minimum_Wage_Commission_en.pdf

The government's press release on minimum wage is available at: <https://www.info.gov.hk/gia/general/202102/02/P2021020200476.htm>

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Employment (Amendment) Bill 202 Gazetted - Five More Statutory Holidays by 2030

Hong Kong's Employment (Amendment) Bill 2021 (the "Bill"), which seeks to increase the number of statutory holidays under the Employment Ordinance, was gazetted on 5 March 2021.

Under the Bill, the number of statutory holidays will increase from 12 days to 17 days progressively from 2022 to 2030. These five new statutory holidays are:

1. The Birthday of Buddha, being the eighth day of the fourth lunar month (starting from 1 January 2022);
2. The first weekday after Christmas Day (starting from 1 January 2024);
3. Easter Monday (starting from 1 January 2026);
4. Good Friday (starting from 1 January 2028); and
5. The day following Good Friday (starting from 1 January 2030).

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Passage of Anti-Breastfeeding Harassment Law in Hong Kong

The Legislative Council passed the Sex Discrimination (Amendment) Bill on 17 March 2021. It will amend the Sex Discrimination Ordinance to render it unlawful for a person to harass a breastfeeding woman. This new ordinance will work together with the protection against unlawful breastfeeding discrimination, which was introduced under the Discrimination Legislation (Miscellaneous Amendments) Ordinance 2020.

Both of the above ordinances will come into force on 19 June 2021.

The Sex Discrimination (Amendment) Ordinance 2021 is available at: <https://www.gld.gov.hk/egazette/pdf/20212512/es1202125123.pdf>

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Draft model standing orders issued for public comments under the IR Code

The Industrial Employment (Standing Orders) Act, 1946 (**SO Act**) requires employers to formulate standing orders, which are essentially service rules pertaining to an establishment. In most states, the SO Act applies to 'industrial establishments' which employ / had employed 100 or more workmen on any day in the last 12 months. However, in a few states such as, Karnataka and Maharashtra, this threshold has been reduced 50 or more workmen. The obligation on employers (whose establishments are covered) is to draft standing orders and have them certified by the labour authorities.

State governments (which are the appropriate governments in case of private companies) have issued model standing orders (**MSO**), and employers are required to ensure that their draft standing orders are aligned with the MSO to the extent feasible. In most states, the MSO is deemed to be adopted until the certified standing orders are obtained.

The IR Code will increase the threshold for the applicability of provisions relating to standing orders. Under that Code, corresponding provisions will apply to industrial establishments (which includes commercial establishments) having 300 or more workers. Unlike the SO Act, under the IR Code, only the central government has the authority to issue MSO. Accordingly, in exercise of such authority, the central government has released draft sector-specific draft MSOs for **(1)** manufacturing sector, and **(2)** service sector.

The draft MSOs for both sectors provides include provisions on classification of workers, publication of working conditions, payment of wages, maintenance of service records, termination of employment, disciplinary action for misconduct, grievance redressal and complaints, etc.

The central government had provided 30 days' time (i.e., from 31 December 2020) to the public/stakeholder to provide their comments on the draft MSOs.

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Change in the expected implementation date of the labour codes, and release of draft state rules under the labour codes

The Indian government is in the process of consolidating 29 existing central labour laws into 4 labour codes. The prime objective of the consolidation has been to facilitate the ease of doing business, the use of technology, and to eliminate multiplicity and inconsistency of definitions across laws.

The Code on Wages, 2019 (**Wage Code**) was passed by the Parliament and approved by the President on 8 August 2019. The remaining three codes, viz. Industrial Relations Code, 2020 (**IR Code**), Code on Social Security, 2020 (**SS Code**) and Occupational Health, Safety and Working Conditions Code, 2020 (**OSH Code**) were passed by the Parliament and were approved by the President on 28 September 2020. However, all four codes are yet to come into effect on a date to be notified by the central government. In accordance with the labour ministry's announcement last year, the codes were proposed to come into effect from 1 April 2021. However, since many state governments are yet to publish their respective rules under the four codes, the implementation date has been delayed. There is no clarity on the specific date for implementation - that said, they are expected to come into effect later in 2021.

Some states have released their draft state rules under some or all of the 4 labour codes.

a. Draft State Rules for Wage Code:

The state governments of Jammu & Kashmir, Bihar, Uttar Pradesh, Karnataka and Odisha have released the draft state rules under the Wage Code, for

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public comments. The draft rules, once finalized, will subsume the respective state rules under the subsumed laws. The Draft State Wage Code Rules provide manner of calculating and paying minimum wages, working conditions i.e. working hours, overtime, leave, etc., salary deductions and recovery of excess deductions, setting up a state advisory board, timely payment of wages, claims and dues, maintenance and filing of specific forms, registers and records.

b. Draft State Rules for Social Security Code:

The state governments of Jammu & Kashmir, Bihar, Uttar Pradesh have released the state rules under the Social Security Code, for public comments. The draft rules, once finalized, will subsume the respective state rules under the subsumed laws. The Draft State Social Security Code Rules provide for rules regarding setting up of Social Security boards/organizations, composition of Employee Insurance Courts (for disputes regarding Employees' State Insurance), manner of making an application to receive gratuity payments, social security for building and other construction workers, relevant authorities and compliances under the Social Security Code, manner of compounding offence, etc.

c. Draft State Rules for Industrial Relations Code:

The state governments of Madhya Pradesh and Uttarakhand have released the state rules under the Social Security Code, for public comments. The draft rules, once finalized, will subsume the respective state rules under the subsumed laws. The Draft State Social Security Code Rules provide for procedural rules regarding constitution of works committee, trade unions, standing orders, notice of change, mechanism of resolution of trade disputes, strikes and lock-outs, lay-off, retrenchment and closure, remittances to the worker-reskilling fund (a newly introduced contribution which an employer is required to make to in case of retrenchment or termination), etc.

d. Draft State Rules for Occupational Safety, Health and Working Conditions Code:

The state government of Uttarakhand has released the state rules under the Occupational Safety, Health and Working Conditions Code (**OSH Code**), for public comments. The draft rules, once finalized, will subsume the respective state rules under the subsumed laws. The draft state rules on OSH Code provides for rules on, among other things, constitution of advisory committee, specific committee on health and safety, working conditions, special provisions for employment of women, contract labour and inter-state migrant workers, social security fund, standard of health and safety in use of equipment and conducting industrial processes, maintenance of statutory documents, offences and penalties for non-compliance, etc.

Public and stakeholder comments can be submitted to the respective state governments on the provisions proposed under the draft rules. Such comments can be provided within a window of 30 to 45 days from the date of publication of the draft rules. The state governments will review the comments received by various stakeholder, assess the scope for making changes/revisions to the rules, and thereafter publish the final rules under the codes. Draft state rules under the other state governments are expected to be issued in the coming months.

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Guidelines on preventive and response measures at workplace.

In June 2020, MoHFW had issued guidelines outlining the preventive and responsive measures to be observed to contain the spread of COVID-19 in office. However, MoHFW has issued a revised set of guidelines on the same.

The revised guidelines are applicable to offices and other workplaces with a view to prevent the spread of infection due to employees working together in relatively close settings and shared workspaces. The guidelines provide for:

- general preventive measures like social distancing, hand hygiene, use of face masks, thermal scanning at the entrance, disinfection, avoidance of physical gathering etc.,
- specific measures like advising employees at higher risk i.e. older employees, pregnant employees, and employees who have underlying medical conditions, meetings as far as possible should be done through video conferencing, etc.
- responsive measures for occurrence of symptomatic cases at the workplace - that is it requires employers to immediately isolate the symptomatic person and provide her/him with face covers, call the nearest health authorities, etc.

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Exemption from and Online Self-Certification for labour law compliances in Telangana

The Government of India has suggested the state governments to examine various legislations for rationalizing and simplifying the existing process of implementation of those legislations. This was aimed at minimizing the burden of regulatory compliance to the industries for the Ease of Doing Business initiative. Pursuant to the central government's suggestions, the Telangana State Government has:

- a. granted exemption to establishments in the state from maintaining certain records and registers, requirements on displaying abstracts, allowed preservation of electronic records under various employment laws, including laws on shops and establishment, labour welfare fund, national and festival holidays, contract labour, inter state migrant workmen, minimum wages, SO Act, maternity benefit, etc..
- b. permitted online self-certification in respect of the certain compliances under the said state and central laws.

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Revised Guidelines on International Arrivals

The Ministry of Health and Family Welfare (MoHFW) has issued revised guidelines on international arrivals (MoHFW Revised Guidelines) in supersession of the earlier guidelines dated 2 August 2020.

The MoHFW Revised Guidelines require/provide that the following -

- travellers to submit a negative RT PCR test report on arrival or undergoing a RT-PCR test using the facility at the airport. There would be no obligation to quarantine (institutional or home) for travellers that submit a negative RT PCR test (conducted 72 hours prior to the journey) report on the airport portal, or the travellers opting RT-PCR test facility at the airport. However, they are still required to self-monitor their health.
- Travellers found to be symptomatic during screening on arrival at the airport will have to undergo 7 days' institutional quarantine, and/or home quarantine as per the order of the authorities and the existing protocol.
- Travellers may seek an exemption from submitting a negative RT-PCR test report on arrival if the reasons for arrival in India is death in family. However, such traveler will require to submit their test sample at the airport before exiting the airport.

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There are also some variations for in the guidelines applicable to international travellers arriving from Europe, United Kingdom, Middle East, South Africa and Brazil. The MHA Revised Guidelines provide that international travellers from arriving from these countries would be required to undergo molecular testing and quarantine (home or institutional) according to the orders from the authority.

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Increase in the annual leave carry forward limit under the Karnataka Shops and Commercial Establishments Act, 1961 (Karnataka S&E Act)

The Karnataka S&E Act governs the working conditions of employees working in commercial establishments in the state of Karnataka.

Prior to the amendment, the Karnataka S&E Act provided for carry forward of up to 30 days' unused annual leave to the succeeding year. However, by an amendment on 19 February 2021, the Karnataka state government has increased this limit to 45 days. Given this, employees in shops and commercial establishments in Karnataka will be able to carry forward up to 45 days of unused annual leave.

The term 'year' under the Karnataka S&E Act is defined as a year commencing on 1 January. Given this, the impact of the amendment would become relevant when employees carry forward annual leaves from 2021 to 2022. However, organizations for which the leave calendar operates on a financial year (April to March) basis would need to be mindful that the increased threshold applies from February 2021.

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Reservation/quota under for local candidates under the Haryana State Employment of Local Candidates Act, 2021 (Local Candidates Act)

The Haryana State Legislative Assembly passed the Haryana State Employment of Local Candidates Bill, 2020 (Bill) on 5 November 2020. It was approved by the Governor on 26 February 2021, and the Local Candidates Act was published in the state gazette on 2 March 2021. It will come into effect on a date to be notified by the state government.

On coming into effect, the Local Candidates Act would apply to private companies, partnership firms, limited liability partnerships, etc. employing 10 or more employees, and would require them to provide 75% quota for locally domiciled candidates in posts where the gross monthly salary is INR 50,000 or less (or such other amount that may be notified by the State government). There is a provision for employers to claim an exemption from the reservation requirement if adequate local candidates of the required skill, qualification or proficiency are unavailable.

In order to be eligible for a reservation, a local candidate is required to register herself / himself on a designation government portal. There would also be an obligation on private employers to (a) register every employee earning a gross monthly salary of INR 50,000 or less on the government portal; and (b) submit a quarterly report with details of the local candidates employed by them during that quarter.

Non-compliance with this reservation obligation could be penalized with a monetary fine in the range between INR 50,000 to INR 2,00,000 (USD 700 to USD 2800) in the first instance.

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As part of its continued response to containing the coronavirus pandemic (COVID-19), the Ministry of Home Affairs (MHA) has issued new guidelines for testing, tracking and treating the virus (**TTT Guidelines**). These guidelines, which are applicable till the end of April 2021, permit all activities outside (micro) containment zones.

Standard Operation Procedures (SOPs) have been issued by various ministries in relation to reopening of schools, higher educational institutions, air travel metro rails, shopping malls, hotels, restaurants and hospitality services, religious places, yoga and training institutes, gymnasiums, cinema halls, assemblies, congregations, etc. All such activities are permitted outside containment zones under the TTT Guidelines, subject to compliance with the relevant SOPs issued by the central government and/or relevant state or union territory.

In the earlier guidelines (in recent months), the MHA had directed state governments to not impose any lockdown outside containment zones at the state, district, or city levels (without consulting the central government). However, in light of latest surge in positive cases, the TTT guidelines allow state governments to impose local restrictions at district/sub-district/ and city/ward level, with a view to contain the spread of COVID-19. District authorities can, in vulnerable and high incidence areas, demarcate containment zones at a micro level in their jurisdictions (based on parameters prescribed by MoHFW). Micro-containment zones would, for example be, an apartment building where a positive case is identified. Movement of people in and out of the (micro) containment zones is restricted, except for medical emergencies and essential services.

Further, State Governments and Union Territory Administrations are required to strictly enforce/ensure the following:

- Maximum testing, demarcation of containment zones, and quick isolation and treatment
- Strict perimeter control, and surveillance in the containment zones - only essential services should be allowed in the containment zone.
- COVID appropriate behaviour i.e. preventive measures such as, maintaining social distancing, wearing face masks, hand hygiene, etc. by citizens.
- Strict adherence of the SOP prescribed by various ministries for each activity
- Adequate vaccination measures for all the priority groups.

Further, the TTT Guidelines require State governments and Union Territories to strictly enforce the 'National Directives for COVID-19 Management'. The National Directives mandate the following for workplaces -

- Work-from-home, to the extent possible;
- Compulsory usage of face covers (masks) at the workplace;
- Ensuring thermal scanning at all entry exit points of the workplace;
- Having staggered work / business hours, lunch breaks, and shifts;
- Providing hand wash and sanitizers;
- Frequently sanitizing the workplace, all common facilities and points which come into human contact (such as door handles) including between shifts.
- Ensuring adequate social distancing at all times.

Since all activities are permitted outside containment zones under the TTT guidelines, the opening of private offices with full staff capacity would be allowed under those guidelines. However, given the spike of positive cases in recent weeks, a few state governments such as, Maharashtra and Delhi have ordered additional preventive measures till 30 April 2021.

Accordingly, in Maharashtra, private offices are required to remain closed till 30 April 2021 (except few essential services such as private banks, telecom service providers, insurance companies, pharmaceutical companies etc). In Delhi, a night curfew has been imposed (between 10 pm to 5 am). However,

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exemptions are given to some establishments from the night curfew - such as, telecommunications, IT/ITES services, internet services, broadcasting services, banks, private security services, etc.

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New Wage Rules for Some Labor-Intensive Industries Affected by Covid-19

The Indonesian Minister of Manpower ("MOM") issued MOM Regulation No. 2 Year 2021 on February 15, 2021, which concerns wages in specific labor-intensive industries (*padat karya*) during the ongoing Covid-19 pandemic. This regulation allows certain labor-intensive industrial companies affected by the pandemic to change how much employees are paid and the method of payment. Such changes, however, can only be introduced through an agreement with the employees.

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New Regulation Looks to Ease Hiring Process for Foreign Workers

The Indonesian Government has issued various implementing regulations for the recently enacted Job Creation Law. Among these new implementing regulations is Government Regulation No. 34 Year 2021 dated February 2, 2021 regarding the Utilization of Foreign Workers ("GR No. 34"). GR No. 34 was made available to the public on February 21, 2021 and is expected to come into force on April 1, 2021.

GR No. 34 introduces a significant change to the expatriate work permit application process, removing the Notification (*Notifikasi*) application from the process. Previously, employers were required to obtain a Foreign Worker Utilization Plan (*Rencana Penggunaan Tenaga Kerja Asing* or "RPTKA") and a Notification approved and issued by the Minister of Manpower ("MOM") prior to employing foreign workers. GR No. 34 removes the Notification requirement and adds one new step, the RPTKA appropriateness assessment ("RPTKA Assessment"). During the RPTKA Assessment, the MOM will determine within two business days whether the submitted information and documents are correct and complete.

The stated aim of GR No. 34 is to simplify the process for hiring expatriate workers in Indonesia and in turn attract more investment into the country.

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Changes to Employment Termination Process

Another implementing regulation for the Job Creation Law, Government Regulation No. 35 Year 2021 dated February 2, 2021 regarding Fixed-Term Employment, Outsourcing, Working Hours and Rest Times, and Termination ("GR No. 35") came into effect on February 2, 2021 but was only made available on February 21, 2021. GR No. 35 confirms significant changes to the employment law regime, including:

- new specific requirements for Fixed-Term Employment Agreements (*Perjanjian Kerja Waktu Tertentu* or "PKWT");
- new compensation for PKWT workers;
- new protections for workers at outsourcing companies;
- changes to business licensing for outsourcing companies;
- new provisions on working hours, overtime, and rest times for workers;
- new procedures for termination of employment; and
- changes to severance pay, long-service pay, and compensation rights.

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Regulation on Hourly Wages

Government Regulation No. 36 Year 2021 dated February 2, 2021 regarding Wages ("GR No. 36") is also an implementing regulation for the Job Creation Law. GR No. 36 came into effect on February 2, 2021 but was only made available to the public on February 21, 2021. GR No. 36 confirms that employers can pay part-time employees by the hour.

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New Job Loss Security Program

Another implementing regulation for the Job Creation Law is Government Regulation No. 37 Year 2021 dated February 2, 2021 regarding the Implementation of the Unemployment Benefits Program ("GR No. 37"), which came into effect on February 2, 2021 but was just made available on February 21, 2021. GR No. 37 introduces a new job loss security program. The contribution to the Job Loss Security Program is 0.46% of an employee's monthly salary. This will be paid by the Indonesian Government and the Job Loss Security Program funding resources (sourced from recompositing the occupational accident and death security contributions that are paid by employers). The benefits of this new program comprise cash, access to job market information, and job training.

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Time Off for Child Care and Time off for Family Care on Hourly Basis

The amendment to the Ordinance for Enforcement of Childcare Leave and Caregiver Leave Act became effective on January 1, 2021. Before the amendment, employees can take time off for child care and time off for family care on a half-day or daily basis. After the amendment, employees can take those time offs on hourly basis as well.

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Industrial Relations (Amendment) Act 2020

The Industrial Relations Act 1967 is an Act to promote and maintain industrial harmony and provide the regulation of relationship between employers and workmen and their trade unions. Most provisions of the Amendment Act have come into force on 01/01/2021. The Amendment Act introduced various changes to the procedures and powers of the Industrial Court, as well as powers of the Minister of Human Resources and Director General of Human Resources. Harsher penalties are also introduced on offences relating to picketing, illegal strikes and lockouts.

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Employees Provident Fund (Amendment of Third Schedule) (No. 2) Order 2020

Pursuant to the order, the statutory EPF contribution rate of employees is reduced from 11% to 9% from January 2021 to December 2021.

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Emergency (Employees' Minimum Standards of Housing, Accommodations and Amenities) (Amendment) Ordinance 2021

Further to the amendments made in 2019 to the principal Act (the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990), the Amendment Ordinance made further changes to the Act. The key changes include expanding application of the Act from only Peninsular Malaysia and Federal Territory of Labuan to the entire Malaysia, expanding the definition of "accommodation", and expanding the powers of the Minister and Director General of Labour to ensure better enforcement and stricter compliance in light of the pandemic to increase the standards of living conditions in accommodations provided to employees. The Amendment Ordinance has come into operation on 26/02/2021.

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Arachchige v Raiser New Zealand Limited and Uber B.V. [2020] NZEmpC 230.

The Employment Court has issued another decision relating to the status of contractors

Mr Arachchige was an Uber driver in Auckland and applied to the Employment Court for a declaration that he was an employee of Raiser New Zealand Limited and/or Uber B.V. (collectively, Uber), so that he could raise a personal grievance for unjustifiable dismissal.

Mr Arachchige's main argument that his status was one of employee was the lack of control that he had over building a customer base and over determining what fare to charge. Without the ability for the driver to establish a relationship with passengers, he argued there was an inability to attract future work.

Uber argued that it was a technology business with its value being in the lead generation software application it provides to connect people who need a transport service, with people that provide transport services. Uber's position was that it had a Service Agreement with Mr Arachchige and he was not an employee.

The Employment Court held that Mr Arachchige's work was not directed or controlled by Uber beyond some matters that might be expected given he was operating using the Uber 'brand' and Uber did not direct Mr Arachchige in connection with the provision of the transport services. Mr Arachchige also determined whether and for how long he undertook services, provided all the necessary equipment and tools to undertake the work, and was responsible for his tax obligations. Given all these factors the Employment Court held that Mr Arachchige was not employed by Uber.

The Employment Court at the outset of the decision noted its inquiry was intensively fact specific and only addressed Mr Arachchige's situation. The Court distinguished the facts of this case from two other recent decisions of the Employment Court, where the drivers had to work as directed and had little authority over the way in which they carried out their business activities.

Read the decision [here](#).

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Gate Gourmet New Zealand Ltd v Sandhu [2020] NZEmpC 237

This was the first Employment Court decision on COVID-19 issues, with the majority of the Full Court finding that the Minimum Wage Act did not require an employer to pay employees the minimum wage in circumstances where those employees did not perform work during New Zealand's Level 4 Lockdown in early 2020. This case concerned whether Gate Gourmet had breached the Minimum Wage Act 1983 (MWA) during New Zealand's Level 4 lockdown by paying employees who had not been rostered to work, at the rate of 80% of their normal pay (being 80% of the minimum wage).

On appeal, the majority of the Court found that the purpose of the MWA is to ensure that employees receive a base wage for their work to enable them to meet living expenses for themselves and their family, but that the MWA does not provide for a guaranteed minimum income. Instead, section 6 of the MWA provides for a minimum payment in exchange for work performed by an employee. The Court stated that accepting the employees' expansive interpretation of what constituted work (namely, the employees being ready, willing and able to work) "would undermine the core concept of section 6", which provides the exchange of payment for work.

While the Court acknowledged that Parliament has made it clear that the preservation of minimum employment rights is of the utmost importance, it saw no persuasive basis for departing from the well-established approach to assessing work for the purposes of section 6 of the MWA.

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Accordingly, the Court concluded that “when the defendants stayed home, they were not working for the purposes of the MWA, the MWA was not engaged, and no statutory minimum wage entitlements arose”.

Read the case [here](#). Read Simpson Grierson’s commentary [here](#).

A Labour Inspector of the Ministry of Business, Innovation and Employment v Tourism Holdings Limited [2021] NZCA 1.

In this case, the issue was, as a question of law, whether productivity or incentive-based payments were a regular part of an employee’s pay when calculating ordinary weekly pay under the Holidays Act 2003 (**Act**). Tourism Holdings Ltd employed “driver guides” for their tours. Among other tasks, these guides sold tourist experiences to their clients whilst on tour. The guides earned commission for each tourist experience they sold. The commission was paid in a lump sum after the end of that tour.

Commission is always included in the employee’s average weekly earnings, however the Labour Inspectors and THL disputed whether the guide’s commission should be included in the employee’s ordinary weekly pay.

Section 8(1) of the Act provides that ordinary weekly pay means the amount of pay an employee receives under his or her employment agreement for an ordinary working week. Section 8(1)(b)(i) of the Act stipulates that productivity or incentive-based payments in ordinary weekly pay “if those payments are a regular part of the employee’s pay”.

In allowing the appeal, the Court held that the purpose of the alternative approach found in section 8(2) is to provide for the calculation of “ordinary weekly pay” where the definition found in section 8(1) cannot be applied. One of those circumstances was, as in the case being considered, where there is no ordinary working week.

In relation to the qualifying word “regular” in section 8(1)(c)(i), the Court considered dictionary meanings for the word regular applied to commission as earned by the driver guides. The Court held that payments are “a regular part of the employee’s pay” if they are made:

- substantively regularly, being made systematically and according to rules; or
- temporally regularly, being made uniformly in time and manner.

If productivity or incentive-based payments are a regular part of an employee’s pay, those payments must be included when calculating ordinary weekly pay under section 8(2) of the Act. This was irrespective of whether the payments were part of pay for an ordinary working week (in the driver guide scenario the payments did not as there was no ordinary working week given the varying length of the tours).

While the commission payments were not part of the payment of daily rate compensation for each week, the Court held that it did form part of pay in the week after the tour when it was paid, and commission was paid regularly. This meant that the driver guide’s commission payments were regular payments and therefore not to be deducted as part of factor b in the section 8(2) formula.

[More...](#)
[Simpson Grierson’s commentary...](#)

Holidays Act Taskforce Final Report

In February 2021, the Minister for Workplace Relation released the Final Report of the Holidays Act Taskforce, and announced that the Government has accepted all 22 of the Taskforce’s recommendations.

The Holidays Act Taskforce was established by the Government following calls from unions and employers to suggest improvements to the Holidays Act

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2003, which has been difficult to interpret and apply. Many workplaces in New Zealand have found that payroll systems do not calculate all leave entitlements correctly, leaving employers in breach of the Holidays Act's requirements.

The Taskforce made 22 recommendations, all of which were jointly agreed to by union and business representatives. The key recommendations include:

- Retaining the current approach of providing and calculating annual holidays in "weeks" or portions of weeks, and retaining the current approach of providing and calculating FBAPS¹ leave in days;
- Re-working the methodologies for annual holidays and FBAPS leave, providing for a total of four methodologies;
- Defining "gross earnings" as including "all cash payments received, except direct reimbursements for costs incurred;
- On the sale and transfer of a business, employees would have a choice about whether to transfer all of their leave entitlements to the new employer or have them paid out and reset;
- Providing for "prescriptive processes" to determine how much leave needs to be taken for an employee to have a period of time away from work (ie where it is not clear what a "week" is for the employee) and to determine when a particular day is an "otherwise working day" for FBAPS purposes (eg if an employee has worked 50% or more of the corresponding days in the previous four or 13 weeks); and
- Amending closedown provisions to provide greater certainty for employees, including the removal of the requirement that holidays are paid out at 8% and that the employee's anniversary date should be reset (although it would still be possible for anniversary dates to be reset by agreement).

[More...](#)

[Simpson Grierson's commentary...](#)

1. Family violence leave, bereavement leave, alternative holidays, public holidays and sick leave

Holidays (Increasing Sick Leave) Amendment Bill

The Holidays (Increasing Sick Leave) Amendment Bill is with the Education and Workforce Select Committee, and the Select Committee is due to report back on the Bill by 6 April 2021. The main purpose of this bill is to increase the availability of employer-funded sick leave for employees.

[Holidays \(Increasing Sick Leave\) Amendment Bill](#)

Holidays (Bereavement Leave for Miscarriage) Amendment Bill

The Holidays (Bereavement Leave for Miscarriage) Amendment Bill was passed by Parliament on 24 March 2020. The Bill amends the Holidays Act 2003 to provide that the end of a pregnancy by miscarriage or still-birth constitutes grounds for bereavement leave for parents, their partners and parents planning to have a child through adoption or surrogacy, and that the duration of the bereavement leave should be up to 3 days.

[Holidays \(Bereavement Leave for Miscarriage\) Amendment Bill](#)

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Department of Labor and Employment (DOLE) Department Order (DO) No. 221, Series of 2021

Revised Rules and Regulations for the Issuance of Employment Permits to Foreign Nationals

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Philippine Overseas Employment Administration (POEA) Memorandum Circular No. 01, Series of 2021

Interim Protocols/Guidelines on the Recruitment, Deployment and Employment of Landbased Overseas Filipino Workers (OFWs)

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DOLE Labor Advisory (LA) No.01, Series of 2021

Waiver of Penalties for Alien Employment Permit (AEP) Renewal Applications in Areas Covered by Community Quarantine

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DOLE Department Order No. 224, Series of 2021

Guidelines on Ventilation for Workplaces and Public Transport to Prevent and Curtail the Spread of COVID-19

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DOLE Labor Advisory No. 03, Series of 2021

Guidelines on the Administration of COVID-19 Vaccines in the Workplace

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Unvaccinated employees will not need to have their work scopes reviewed

In response to a parliamentary question, Health Minister Mr Gan Kim Yong clarified that employees who have not received a COVID-19 vaccination will not have to have their work scope reviewed nor will deployment be necessary, unless there is a resurgence of local cases. However, employees should continue taking necessary precautions such as wearing of masks and, if necessary, donning of Personal Protective Equipment and Rostered Routine Testing.

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Workers from construction, process and marine sectors to be amongst groups prioritised for vaccination

During the third update on the Whole-of-Government response to COVID-19, Health Minister Mr Gan Kim Yong stated that the Government will prioritise vaccinations of groups that are most at-risk, which is in line with the World Health Organisation's guidelines.

Foremost, healthcare workers and staff working in the healthcare sector as well as COVID-19 frontline and other essential personnel with a higher risk of exposure would be prioritised for vaccination, followed by the elderly and those at greater risk of severe disease from COVID-19 infections. This is followed by employees who are holding jobs or work in settings where risk of a super-spreading event is high, such as those in the construction, process and marine sectors. Thereafter, vaccination will be opened to other Singaporeans as well as long-term residents who are medically-eligible.

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Multi-Ministry Taskforce establishes additional COVID-19 testing regime for newly arrived foreign workers staying in dormitories

The Multi-Ministry Taskforce implemented an additional 7-day testing regime for newly arrived migrant workers that are approved for entry into Singapore and staying in dormitories which takes effect from 6 January 2021. This entails an additional swab tests while staying at a designated facility, and workers will still be able to go to work. The new regime is in addition to completing a 14-day Stay-Home Notice. Workers will only be allowed to stay in their dormitories after the additional testing is complete.

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Multi-Ministry Taskforce mandates on-arrival COVID-19 tests for workers from Construction, Marine and Process sectors

The Multi-Ministry Taskforce has mandated that, from 18 January 2021 onwards, newly arrived work permit and S pass holders from the Construction, Marine and Process sectors from higher-risk countries/regions have to take additional COVID-19 tests on arrival. These include an On-Arrival Polymerase Chain Reaction test and an On-Arrival Serology Test. The cost of the tests is to be borne by employers. Workers that have recovered from COVID-19 and have antibodies will be exempted from the SHN, additional 7-day testing regime, and Rostered Routine Testing requirements.

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Updated advisory to employers with Malaysian employees entering Singapore under Periodic Commuting Arrangement

On 20 January 2021, the tripartite partners issued an updated advisory to employers with Malaysian employees entering Singapore under the Periodic Commuting Arrangement ("PCA"), which is a Safe Travel Lane that allows work and business-related travel between Singapore and Malaysia during the COVID-19 period subject to Malaysia Citizens and Malaysia Permanent Residents with valid work passes being required to remain in Singapore for at least 90 days before returning to Malaysia for home leave.

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The key changes in this update are as follows:

- **Applications for Malaysian employees to enter Singapore under the PCA can be made online.** Companies based in Singapore may now apply for their Malaysian employees to enter Singapore under the PCA online, through the Immigration and Checkpoints Authority (ICA) SafeTravel website.
- **Employees that enter Singapore under the PCA have to serve their SHN period.** PCA-approved employees have to serve a 14-day SHN, before taking a COVID-19 PCR test. This is as compared to the previous minimum SHN period of 7 days.

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Workplace Safe Management Measures continue even though Singapore has transited into Phase 3 of Safe Management Measures

On 22 January 2021, the Tripartite Partners clarified that despite Singapore having transited into Phase 3 of Safe Management Measures ("**SMM**"), work-from-home should still remain the default arrangement because of the higher risk of potentially more transmissible strains and recent trends of COVID-19 community cases. They also reminded employers that:

- Current SMM advisory entails employers implementing flexible and/or staggered work hours and allowing employees to report during off-peak periods, if employees have to return to the workplace.
- Companies are not allowed to organise any Chinese New Year gatherings and social events, as they are not considered as work-related events.

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Expansion of Progressive Wage Model ("**PWM**") to the Waste Management sector

On 26 January 2021, the Tripartite Partners announced the expansion of the Progressive Wage Model ("**PWM**") to a fifth sector of Waste Management. This will provide workers with a clear progression pathway to earn better wages as they increase their productivity and skills. The expansion of the PWM to the Waste Management sector is part of the effort by the Tripartite Workgroup for Lower-Wage Workers ("**TWG-LWW**")'s multi-year roadmap to improve the employment outcomes and well-being of lower-wage workers ("**LWWs**").

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Recommendations on Progressive Wage Model ("**PWM**") for the Landscape Maintenance sector accepted by the government

On 29 January 2021, the Government has accepted recommendations in the report of the Tripartite Cluster for Landscape Industry ("**TCL**") on the PWM for the landscape maintenance sector. Amongst things, the recommendations include:

- Introducing a Specialist Track under the PWM Career Ladder to attract new entrants and improve career progression.
- From 1 February 2021, expanding the list of Singapore Workforce Skills Qualification ("**WSQ**") courses that landscape employees can take under the enhanced PWM, keeping in mind digitalisation and job redesign.

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High Court clarifies employer's legal burden of proof in justifying summary dismissals

On 2 February 2021, the High Court issued its decision in *Wong Sung Boon v Fuji Xerox Singapore Pte Ltd and another* [2021] SGHC 24. The matter involved a claim by a former Senior Managing Director ("**Wong**") of Fuji Xerox Singapore Pte Ltd ("**FXS**") against FXS for having been summarily dismissed

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without cause, in breach of his employment contract. Wong also claims that Fuji Xerox Asia Pacific Pte Ltd ("FXAP"), FXS's parent company, wrongfully induced FXS to breach its employment contract with Wong. FXS in turn argues that the dismissal was lawful and counterclaimed against Wong for losses due to Wong's breach of fiduciary duties and other obligations under his employment contract, on the basis that Wong had caused FXS to enter into transactions with various companies which, amongst others, unnecessarily exposed FXS to risk and were carried out without the necessary approvals and credit-worthiness evaluations.

The High Court held that FXS wrongfully dismissed Wong as FXS and FXAP (collectively, the "**Defendants**") could not prove the allegations which formed the basis of summary dismissal. In particular:

- The Defendants could not prove that Wong had exposed FXS to unnecessary risk by causing FXS to enter into transactions outside the ordinary scope of its business since FXS did not have internal company restrictions on its scope of business and it did not inform Wong what constituted its ordinary scope of business. Further, Wong consulted his staff and mitigated risks before entering into the transactions.
- The Defendants could not prove that Wong had failed to comply with relevant credit evaluation processes before entering into the transactions, as Wong's witnesses testified that strict adherence to FXS's written policy in this regard is not required, and FXS's legal department did not raise issues on this although it could have done so.

The High Court also highlighted that save for a termination notice stating Wong's conduct in relation to the transactions with specific companies amounted to serious misconduct or negligence, Wong was not given any reasons for his dismissal until the suit was commenced. The Defendants' evidence was also lacking in strength compared to Wong's as unlike Wong, the Defendants did not call witnesses who had direct personal knowledge of FXS's internal processes.

The High Court thus awarded Wong damages equivalent to three months' of salary in lieu of notice, other employment benefits under his employment contract (including variable bonus and accrued leave that Wong would have been entitled if not for the summary dismissal) and an end of term payment valued at nearly S\$1.3 million in view of Wong's 37.9 years of service with FXS.

[More...](#)

High Court holds that it is legally permissible for multiple persons to be vicariously liable for negligence of a single worker

On 3 February 2021, the High Court issued its decision in *Munshi Mohammad Faiz v Interpro Construction Pte Ltd and others and another appeal* [2021] SGHC 26. The matter involved an industrial accident in which the plaintiff, a construction worker, was injured by an excavator operated by another construction worker ("**Sujan**"). The plaintiff was the employee of the first defendant, Interpro Construction Pte Ltd ("**D1**"), which was a sub-contractor of the second defendant, K P Builder Pte Ltd ("**D2**"). D1 and D2 share a common director. Sujan was employed by the third defendant, Hwa Aik Engineering Pte. Ltd. ("**D3**"), and D3 was engaged by D2 to supply an excavator and qualified excavator operator (i.e. Sujan) for the works. Sujan was to work under the directions of D1 at the worksite in question.

As the High Court had affirmed the lower court's finding that Sujan was negligent in causing the accident, a relevant issue was whether D1, D2 and D3 can in principle all be vicariously liable for Sujan's negligence. On this issue, the High Court held that it was indeed legally permissible for multiple persons to be held vicariously liable for the negligence of a single worker for the following reasons:

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- There is robust authority supporting the recognition of the principle of dual vicarious liability, where two employers may be dually vicariously liable for an employee's negligence.
- Based on first principles, dual vicarious liability ought to be permissible for various rationales, including ensuring effective compensation for the victim as an employer is likely to have deeper pockets than the primary tortfeasor and deterring future harm by encouraging an employer, who has the relevant control over the employee or the activities undertaken, to take steps to reduce the risk of such harm.

On the facts, the High Court found that both D1 and D3, but not D2, were vicariously liable for Sujana's negligence. This was based on a multi-factorial test which takes into account the control of each defendant over Sujana, the closeness of relationship between each defendant and Sujana and whether such risk created or enhanced the risk that led to the tort, amongst others.

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Multi-Ministry Taskforce (MTF) announces additional measures for newly arrived foreign workers

On 3 February 2021, the MTF announced additional measures for newly arrived foreign workers, which are in effect from 5 February 2021. Amongst others, the measures include:

- The additional 7-day testing regime will now apply to all newly arrived Work Permit and S Pass workers in Construction, Marine and Process sectors from higher-risk countries/regions, rather than only workers that stay in dormitories.
- There will be a mandatory On-Arrival Serology test for foreign domestic workers ("FDW") and confinement nannies ("CN") who have recent travel history to higher-risk countries/regions. This is in addition to the current PCR test requirement. FDWs who have recovered from COVID-19 will be released early from SHN in Singapore.

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Progressive Wage Model ("PWM") for food sector under study

On 4 February 2021, Senior Minister of State for Manpower Zaqu Mohamad said that the Tripartite Workgroup on Lower-Wage Workers, which he chairs, is exploring ways to improve the well-being of lower paid workers. Minister Zaqu also stated that the workgroup is exploring the possibility of extending the PWM, which sets out minimum salaries for local workers in various roles along a career and skills progression framework, to the food sector as well as other sectors. An interim update is expected in mid-2021 and the study is expected to be completed by the first quarter of 2022.

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Extension of SGUnited Traineeships programme until March 2022

During the Committee of Supply Debate 2021 on 3 March 2021, the Minister of State for Manpower, Mrs Gan Siow Huang, announced that the SGUnited Traineeships Programme would be extended by an additional year until 31 Mar 2022. Further, with effect from 1 April 2021, training allowances would be increased by 30% for ITE graduates, up to a maximum of \$1,800, and about 20% for polytechnic graduates, up to a maximum of \$2,100.

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Enhanced support to employers under the Jobs Growth Incentive

During his Budget 2021 speech, Deputy Prime Minister Heng Swee Kiat announced that an additional \$5.4 billion would be allocated to the second tranche of the SGUnited Jobs and Skills Package (the "SGU JS"), which would

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be extended till September 2021. SGU JS was initially introduced in May 2020 to provide job opportunities for workers affected by COVID-19. The second tranche of the SGU JS will focus on moving workers into growth areas and support employers to accelerate their hiring of local workers. Employers that:

- hire eligible locals will be given up to 12 months of wage support from the month of hire.
- hire mature workers (40 years old and above), persons with disabilities and ex-offenders will be given 18 months of enhanced wage support.

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Ministry of Manpower ("MOM") announces reduction of the S Pass sub-Dependency Ratio Ceiling ("sub-DRC") for the Manufacturing sector

On 16 February 2021, the MOM announced that they would be reducing the Manufacturing S Pass sub-DRC to incentivise restructuring and improve manpower resilience in the Manufacturing sector. With the reduction of the sub-DRC, which is the maximum permitted ratio of foreign workers to the total workforce that a company is allowed to hire, it is hoped businesses will be encouraged to reduce their reliance on foreign manpower at the S pass level and strengthen the Singaporean core in the sector.

This will be done in 2 steps:

- Reduction of sub-DRC from 20% to 18% from 1 Jan 2022; and
- Further reduction to 15% from 1 Jan 2023.

Upon the changes taking effect, employers will not be able to hire or renew their S-passes until they come within the new sub-DRC percentage. However, employers will be allowed to retain existing S Pass holders until the expiry of their work passes.

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Aviation industry to receive enhanced wage support

In order to help the aviation industry tide through the COVID-19 pandemic, the Job Support Scheme ("JSS") has been extended for 6-months from April to September 2021 for the aviation industry. The JSS, which provides wage support to assist employers in retaining local employees, will provide 30% wage support for local employees in the aviation industry from April to June 2021 and 10% wage support from July to September 2021. The Ministry of Transport also announced that, in addition to the JSS, it will top up support to 50% of wages from April to September to a cap of S\$4,600 of monthly wages. Companies eligible to receive the grant include those based principally at Changi Airport.

In addition, Singapore-based airlines will also receive support to convert existing pilots to operate other aircrafts to provide an adequate pool of pilots to support the eventual recovery.

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MOM pilots one-stop Migrant Worker Onboarding Centre for newly-arrived migrant workers

On 3 March 2021, MOM announced in a press release that with effect from 15 March 2021, they will be piloting a non-stop Migrant Worker Onboarding Centre ("MWOC") at five dedicated Quick Build Dormitories ("QBD") – located at Punggol, Eunos, Choa Chu Kang and two at Tengah. The pilot will allow all newly-arrived migrant workers from the Construction, Marine and Process (CMP) sectors from higher-risk countries/regions who clear their On-Arrival Tests to complete their SHN, additional 7-day SHN testing regime, medical examination and Settling-In Programme ("SIP") at a MWOC. Prior to clearing their On-Arrival Tests, workers have to serve SHN for four days at a SHN Dedicated Facility while awaiting the results of their On-Arrival Tests. If

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the worker has recovered from COVID-19 before, he will only need to undergo the medical examination at the MWOC.

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Dependant's Pass holders who wish to work have to apply for work pass from 1 May 2021

During her speech at the Committee of Supply 2021 on 3 March 2021, Minister for Manpower, Mrs Josephine Teo announced that from 1 May 2021, Dependent's Pass holders who want to work in Singapore will have to apply for a work pass (e.g. Employment Pass, S Pass or Work Permit). The previous requirement for Dependant's Pass holders to obtain a Letter of Consent ("LOC") to seek employment in Singapore will no longer suffice. However, existing DP holders working on an LOC would be given sufficient time to transit to this new requirement.

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Statutory minimum retirement age and re-employment age to be increased from 1 July 2022

During her speech at the Committee of Supply 2021 on 3 March 2021, Minister for Manpower, Mrs Josephine Teo announced that the Government will push ahead with its plan to increase the statutory minimum retirement and re-employment ages by 1 July 2022, with the exception of the public service which would implement the changes one year ahead of schedule. The following changes would take effect from 1 July 2022:

- The statutory minimum Retirement Age will go up from 62 to 63.
- The statutory Re-Employment Age will go up from 67 to 68.

In addition, the Tripartite Partners will raise senior worker CPF contribution rates from 1 Jan 2022. In tandem with this, the CPF Transition Offset scheme will absorb half of the increase for employers during the first year, and the Senior Employment Credit will provide a wage offset of up to 8% to employers of senior workers for the next two years until the end of 2022.

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Ministry of Manpower ("MOM") issues advisory on Red AccessCode status at worksites and report any non-compliance via the SnapSAFE mobile application

On 5 March 2021, the MOM issued an advisory relating to foreign employees on worksites with a Red AccessCode status. For background, a Red AccessCode may be assigned to foreign employees if they are on stay-home notices or they have been tested positive for COVID-19. In the Advisory, the MOM reminded everyone that:

- As part of safe management measures in worksites, foreign employees with a Red AccessCode status are not allowed to leave their residence for work. Foreign employees can check their AccessCode status on the SGWorkPass mobile application.
- Foreign employees with a Red AccessCode status should be turned away at the worksite, and employers should report any instances of non-compliance via the SnapSAFE mobile application.
- Failure to comply will result in strong enforcement action by MOM against all parties, including prohibiting worksites from operating, imposing fines, and revoking employer's work pass privileges as well as errant employees' work passes.

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Vaccination to be extended to essential services personnel and higher risks groups

On 8 March 2021, the Ministry of Health ("MOH") announced that, further to the earlier extension of the vaccination programme to personnel involved in providing essential services such as security agencies and those involved in the provision of utilities such as water and energy, it will be also extending the vaccination programme to include:

- Essential personnel involved in other critical functions, such as postmen, delivery staff, news reporters, and bank operation staff engaged in critical banking and financial systems operations.
- Persons with multiple touch points with the community such as workers in hawker centres and food delivery industry
- Educators and staff who come into prolonged contact with children and youth.
- Migrant workers who have never been infected by COVID-19 and are living the five largest dormitories.
- Selected cargo drivers and accompanying personnel who enter Singapore from Malaysia on a regular basis.

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Ministry of Manpower ("MOM") issues advisory on easing of restrictions on foreign employees' visits to Recreation Centres

Prior to 10 March 2021, foreign employees were given only one Exit Pass a week. Exit Passes give foreign employees the opportunity to visit Recreation Centres ("RCs") for 3 hours, for their leisure and mental well-being. With MOM's new advisory, foreign employees will be given three Exit Passes a week instead from 10 March 2021. Foreign employees will be allowed to use multiple Exit Passes on the same day to spend a longer time at the RCs and will be given one hour of travelling time per visit. In addition, employers cannot restrict or disallow their foreign employees from visiting the RCs as long as they have a valid Exit Pass. The advisory also stipulates the following:

- **Application for Exit Pass.** For their assigned rest day, foreign employees may apply for the Exit Pass 7 days in advance. However, on other days, foreign employees may only apply on the day itself.
- **Contract tracing devices on hand.** When visiting the RCs, foreign employees must have their contract trading devices on themselves visibly all the time.
- **Safe Living and Safe Distancing Measures in the RCs.** This includes a limited time period for interaction at the RCs, a maximum group size of 8 people with Safe Distancing between each group, and only allowing employees from cleared dormitories or those that have recovered or tested negative for COVID-19 to leave their dormitories to visit the RCs.

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Work from home no longer the default mode as Ministry of Manpower ("MOM") issues update to Safe Management Measures ("SMM")

Education Minister Mr Lawrence Wong, who co-chairs the multi-ministry taskforce tackling COVID-19, announced that from 5 April 2021, working from home will no longer be the default and more employees will be able to return to the workplace. Under the update to the SMM issued by the MOM, from 5 April 2021 onwards:

- Up to 75% of employees may work at the workplace at any given time, although employers are encouraged to support as many employees to work from home as possible;
- Work-from-home measures should enable employees to maintain work-life harmony;

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- Split-team arrangements are no longer mandatory, although such practices may be maintained for business continuity purposes;
- Employers are to stagger start times and allow flexible workplace hours to reduce congregation of employees and reduce congestion in public places;
- Work-related events are subject to the SMM with a cap of 50 persons to limit exposure with meals at such events being discouraged;
- Social and recreational gatherings at the workplace will be allowed, with a maximum gathering size limit of 8 persons;
- Employees must continue to wear masks to minimise exposure; and
- Common spaces must continue to be cleaned regularly.

The Ministry of Health also warned that employers to continue observing the SMM and that any employers who fail to comply with the SMM will risk workplace closure and that, in the event of an increased risk in resurgence of local cases, stringent measures at the workplace may be reintroduced.

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(Ministry of Employment and Labor Notice under the Minimum Wage Act) Increase in minimum wage

Under Article 6(4) and Article 10, and Notice of 2021 Minimum Wage, the minimum wage for 2021 has been increased to KRW 8,720 which is a 1.5% increase compared to 2020 (the 2020 minimum wage was KRW 8,590). Among regular bonuses and cash welfare benefits, bonuses exceeding 15% of and welfare benefits exceeding 3% of the monthly calculated sum (KRW 1,822,480 based on 209 hours) of the 2021 minimum hourly wage (KRW 8,720) will be counted in calculation of the minimum wage (this is part of the phased expansion of application of such payments to the minimum wage calculation from 2019 to 2024).

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(Amendment to the Labor Standards Act) Guarantee of public holidays as paid holidays

Under the amendment to Article 55(2) and Article 30(2) of the Enforcement Decree of the Labor Standards Act ("LSA"), businesses with 30 or more permanent/regular employees are required to provide public holidays as paid holidays (they were previously not required to do so). For businesses with more than 5 and fewer than 30 full-time employees, this requirement will be effective from January 1, 2022. Upon reaching an agreement with the Employee Representative, employers may substitute work on public holidays.

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(Amendment to the Equal Employment Opportunity and Work-Family Balance Assistance Act) Reduction of working hours

Under the amendment to Article 22(3) and 22(4) of the Equal Employment Opportunity and Work-Family Balance Assistance Act, the reduced work hours for family care, etc. shall be applicable for businesses with 30 or more permanent/regular employees (for businesses with 30 or fewer employees, this shall be applicable from January 1, 2022). Under this system, employees may apply for a reduction in working hours for family care, prepare for retirement (if the employee concerned is 55 years old or older) and/or to allow an employee to pursue his/her studies. The reduced working hours shall be 15 - 30 hours per week within one year, and the wages may be reduced in proportion to the reduced working hours.

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Notice of the Ministry of Employment and Labor regarding the Employment Promotion and Vocational Rehabilitation of Disabled Persons Act

If the number of persons with disabilities employed by an employer does not meet the number of persons obligated to be employed, the sum of the number of lacking individuals multiplied by the base amount (monthly) to be paid must be reported and paid. The annual base amount for 2020 was 1,078,000 KRW and was increased to KRW 1,094,000 for 2021.

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Amendment to the Occupational Safety and Health Act

In order to induce the establishment of a systematic industrial accident prevention system at the corporate level, representative directors must establish a plan for safety and health and report it to the board of directors and obtain approval. If a representative director fails to fulfil this obligation, an administrative fine of up to 10 million KRW shall be imposed.

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Amendment to the Enforcement Decree of the Employment Insurance Act

The employment maintenance subsidy is a system that provides subsidies when employers which inevitably have to adjust their workforce due to a decrease in sales, etc. maintain the work force through employment maintenance measures such as business suspension or leave of absence instead of reducing employees. Nonetheless, as it was stipulated that support shall be provided to a business or business owner basis in cases where employment maintenance measures are implemented, it was difficult to provide support for employers which dispatch/provide services to various other companies. Under this Amendment, if an employer which uses dispatched workers, etc. implements reduction of working hours or paid leave of absence for its employees, the dispatch agency or subcontractor may implement employment maintenance measures with respect to the dispatched workers, etc. without having to prove the inevitability of workforce adjustment measures.

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Amendment to the Enforcement Decree of the Industrial Accident Compensation Insurance Act

Previously, the Korea Workers' Compensation & Welfare Service required that nursing care benefit applicants undergo medical examination at an industrial accident insurance medical institution, if necessary to determine whether nursing care is required, but the relevant statutory grounds for such examinations were lacking. Accordingly, this Amendment clarified the legal grounds by adding "examination to determine if nursing care is necessary after the healing" to the grounds in which Korea Workers' Compensation & Welfare Service may request a special medical examination.

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(Amendment to the Occupational Safety and Health Act, OSHA) Preparation and submission of material safety data sheets (MSDS) and displaying and training etc. regarding MSDS

Under the amendment to Article 110-115, Article 162, Item 9-10, Article 165(2)25-27, Article 166(1)9 of the OSHA, employers are required to prepare and submit MSDS when manufacturing/importing chemical substances or mixtures classified as hazardous factor to the Ministry of Employment and Labor. In addition, employers are required to display MSDS in an area where workers handling the substances can easily access and provide training to workers handling the materials.

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Amendment to the Enforcement Decree of the Industrial Accident Compensation Insurance Act

The effective period of the Night Work Special Health Examination Institution System, which was to expire on January 17, 2021, was extended for another two years (until January 31, 2023). Accordingly, workers who work at night in areas where there is no special health checkup agency may receive a checkup at special health checkup agencies for night-time work for two more years.

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Amendment to the Employment Insurance Act and Industrial Accident Compensation Insurance Act

This amendment is to reduce the burden of employers who cannot pay the premiums for employment insurance and workers compensation within the deadlines by reducing the penalty charge ratio and the maximum limits. Previously, after the payment deadline, an amount equivalent to 1/1000 was

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added as a penalty charge per day within 30 days, and after 30 days and until 210 days, an amount equivalent to 1/3000 was added per day as a penalty charge, and the limit was up to 9% of the premium. Under the Amendment, after the payment deadline, an amount of 1/1500 is added a penalty charge per day within 30 days, and after 30 days and until 210 days, an amount of 1/6000 is added per day as a penalty charge and the limit is up to 5% of the premium.

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Amendment to the Enforcement Decree of the Industrial Accident Compensation Insurance Act

Under this amendment, a subcommittee may be established under the Occupational Diseases Determination Committee to effectively determine the recognition of occupational diseases, and the application period for vocational training has been extended from one (1) year to three (3) years as of when the level of disability is determined to promote the hiring of trainees who have received disability levels. Also, previously, when foreign workers applied for lump-sum payment of insurance benefits, they could only receive physical testing for calculating insurance benefits at higher-level large-size hospitals but can now receive testing at medical institutions of the Korea Workers Compensation & Welfare Service.

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Amendment to the Enforcement Decree of the Wage Claim Guarantee Act

Under this amendment, the limit of loans that the employer can apply for to pay unpaid wages, etc., has been increased from 70 million KRW to 100 million KRW per employer, and the limit of the loans for individual employees eligible for loan payments has been increased from 6 million KRW to 10 million KRW, respectively. This amendment is intended to protect workers by supporting the payment of overdue wages by employers, etc.

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Amendment to one provision of the Order containing the compensation formula referred to in section 6D of the Termination of Employment of Workmen (Special Provisions) Act no. 45 of 1971 (TEWA)

By an Order dated 19th February 2021, published in Gazette Extraordinary no. 2216/17 of 25th February 2021, an important amendment to one provision of the Order containing the compensation formula referred to in section 6D of the Termination of Employment of Workmen (Special Provisions) Act no. 45 of 1971 (TEWA) has been made.

The previously operative Order under section 6D, containing the formula for the computation of the amount of compensation payable to an employee "on a decision or order made by the Commissioner under this Act" which was published in Gazette Extraordinary no. 1384/07 of 15th March 2005 – provided [in paragraph (2) thereof] that-

"No amount in excess of Rupees One Million Two Hundred and Fifty Thousand shall be paid to any workman (i.e., employee) as compensation computed according to the above formula."

The Order dated 19th February 2021, referred to above, amends the above provision by the substitution of the words "Two Million Five Hundred Thousand" for the words *One Million Two Hundred and Fifty Thousand*.

Thus, the maximum amount of compensation that may be awarded to an employee on an order by the Commissioner under the TEWA is now Rupees Two Million Five Hundred Thousand.

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The Ministry of Labor's interpretation regarding "Subject to the employer's consent, employees who are unable to use up all wedding leave within the time specified in the Lao-Dong-Tiao-3-Zi-1040130270 Circular due to COVID-19 may use up such leave within an year after the end of the pandemic " .

Issued by: The Ministry of Labor

Ref. No.: Lao-Dong-Tiao-3-Zi-1100130044

Issue date: February 2, 2021

1. Pursuant to the Ministry's Lao-Dong-Tiao-3-Zi-1040130270 Circular dated October 7, 2015, an employee shall use all of his or her wedding leave in a three-month period starting from ten days before the wedding. However, with the employer's consent, it may be used up over a year's time."
2. As the global pandemic situation is still serious, in order to provide employees with more flexibility in planning wedding leaves, if the employee cannot use up all the wedding leave within the time stipulated in the above Circular, then with the employer's consent, the employee may use up such leave within an year after the end of the pandemic.
3. The "end of the pandemic" above refers to the date the Central Epidemic Command Center is disbanded.

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COVID-19 : Provident Fund Measures

Pursuant to the Notification of the Ministry of Finance on the Determination of the Type of Business, Duration, and Conditions for Employees or Employer to Cease or Postpone the Submission of Savings or Contributions to the Provident Fund in Areas Affected by Economic Crisis, Disaster, or Other Severe Events Affecting Economic Conditions published on April 29, 2020, a second edition of the Notification was promulgated due to the prolonged effects caused by the Pandemic.

This Notification permits both employers and employees to cease, or postpone, the duty to submit contributions to the provident fund between January and June of 2021, with no effect on the membership status of such provident fund. However, the employees may continue to contribute to the provident fund, even though the employer did not.

Such temporary cessation, or the postponement, of the contribution of the provident fund must obtain a resolution from a general meeting of the provident fund's members, which is held in accordance with the fund's regulations, or resolved with a simple majority vote of the attendees, if the fund regulations did not explicitly specify the vote counting. In the event that a general meeting cannot be held, the fund committee shall unanimously pass a resolution to cease or postpone the contributions temporarily. If the provident fund is a pooled fund consisting of more than one employer, the resolutions must be obtained from the meetings of the members of each employer, or from the fund committee of each employer.

The employer, or the fund committee, must notify the registrar that they have resolved to make use of the exemption, and attach the following documents:

- (a) A certification, signed by the employer's director(s), certifying that the business is facing operational and financial difficulties due to the Pandemic; and
- (b) Minutes of the general meeting, or minutes of the meeting of the Fund Committee, with details in relation to the employer's operational and financial difficulties caused by COVID-19, and a resolution approving the cessation or postponement of the contributions and the duration, but not exceeding June 2021.

The employees and employers may notify the registrar, in order to resume their contributions to the provident fund.

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SEC's Waiver on the Obligation to Submit Financial Statement and the Auditing Report

The Office of the Securities and Exchange Commission (SEC) has imposed a waiver on the preparation and submission of provident fund's financial statements and auditing reports for fiscal year 2020 for private fund management companies, due to the coronavirus outbreak situation 2019 (COVID 19).

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Additional requirements for tax exemptions for hiring STEM workers

The Notification of the Director-General of the Revenue Department on the Criteria, Procedure, and Conditions for Corporate Income Tax Exemptions for the Hiring of Employees in Science, Technology, Engineering, and Mathematics (STEM) Areas (No.392) was issued on November 3, 2020 and published in the Government Gazette on January 28, 2021. The Revenue Department provides further details in addition to the Royal Decree issued under the Revenue Code on the exemption of tax rates (No. 711) B.E. 2563, which offers fifty percent corporate income tax deductions for up to

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judgment of the Labour Court - on the reasons for termination in the case of unemployment resulting from termination of employment - is no longer mandatory under the new Regulation. Consequently, employees that are dismissed by employers, who specify that the cause for termination is one of the abovementioned causes, shall be able to receive the SSO's unemployment benefits.

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Changes to the submission methods for Social Security Fund contributions

The Ministry of Labour issued a notification (Notification of the Ministry of Labour regarding the Rate of Contributions, the Procedures for Payment, and the Minimum and Maximum Wage used as the Base for the Calculation of Skill Development Fund contributions) to facilitate the monthly payment of Social Security Fund (SSF) contributions, by providing an alternative electronic platform or e-service system for the Department of Skill Development. Section 9 of this notification has repealed and replaced Section 9 of the Notification of the Ministry of Labour regarding the Rate of Contributions, the Procedures for Payment, and the Minimum and Maximum Wage used as the Base for the Calculation of Skill Development Fund contributions dated July 1, 2558 (2015), which provides that the contribution payment shall only be made by submitting the Contribution Form under Section 8 to the Bangkok Skill Development Institute or the Provincial Skill Development Institute. The payment of contributions to the fund can now be made via the e-service system, unless such submission is impossible or there is a system error.

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Updates on the Social Security Contribution Rate 2021

The Ministerial Regulation prescribing the Rate of Contributions to the Social Security Fund (No.2) B.E. 2564 (2021) was published in the Government Gazette on February 5, 2021. Having been reduced, the new contribution rates of 0.5% in total, shall apply to contributions which are paid between February 1, 2021 and March 31, 2021 by the employees who are insured person under Section 33 of the Social Security Act B.E. 2533 (SSA).

The employee's contribution rates in each category are as follows:

- 0.2% of the monthly salary for benefits relating to injury, sickness, disability, death, and childbirth;
- 0.2% of the monthly salary for benefits relating to old age and child allowance; or
- 0.1% of the monthly salary for benefits for unemployment.

However, Employers and the Government are obliged to pay total social security contributions at the same rates.

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Additional financial measures to remedy the impact of the Coronavirus 2019 (COVID-19)

The Thai Cabinet has passed a resolution which imposes financial measures to alleviate the debt burden of people, and to help SMEs so they are able to continue their business, with the details as follows:

- (1) Improving the implementation of Loans for the Expenses Program for self-employed people who are affected by the Coronavirus (COVID-19) at the Government Savings Bank and the Bank for Agriculture and Agricultural Cooperatives (BAAC), with a total credit limit of 40 billion Thai baht (20 billion Thai baht per Bank) to people who are self-employed, with a flat interest rate of less than 0.10% per month, by extending the grace period for the principal and interest payments to no more than 12 months, from the original 6 months, in accordance with the criteria and conditions set by

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the Government Savings Bank and BAAC, including the extension of the loan period to no more than 3 years from the original 2 years 6 months; and

- (2) The SMEs low-interest loan program has funds for tourism businesses totalling 10 billion Thai Baht. The Government Savings Bank will provide low-interest loans to SMEs entrepreneurs in the tourism sector, and supply chain sectors using vacant land and/or land and buildings with the title deed as collateral, with no requirement for credit bureau due diligence. The credit limit per individual shall not exceed 70% of the government's land appraisal value, with a maximum of 50 million Thai baht, a loan term 3 years, and interest rate of 0.10 percent per annum in the first year, 0.99 percent per annum in the second year, and 5.99 percent per annum in the third year. The loan applications can be filed until June 30, 2021.

The Ministry of Finance is confident that the implementation of such financial measures will help to alleviate the burden of the public, and help resolve the financial difficulties of entrepreneurs and enable them to operate their businesses and maintain employment. In order for the economy to continue to be driven forward in the midst of the COVID-19 Pandemic, the Ministry of Finance will closely monitor the situation, and it will be ready to issue appropriate measures to take care of the Thai economy in a timely manner when the situation changes.

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There are no significant policy, legal or case developments within the employment space during 2021 Q1.

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