

Employment (Amendment) Bill

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Bill No: 28/1972

Read the first time: 17th October 1972

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Employment (Amendment) Bill

Bill No. 28/1972

Read the first time on 17th October 1972.

An Act to amend the Employment Act (Chapter 122 of the Revised Edition).

Be it enacted by the President with the advice and consent of the Parliament of Singapore, as follows: —

Short title and commencement

1. This Act may be cited as the Employment (Amendment) Act, 1972 and shall be deemed to have come into operation on the 1st day of July 1972.

Amendment of section 38

2. Section 38 of the Employment Act is hereby amended by deleting the word “forty-eight” appearing in subsection (4) thereof and substituting therefor the word “seventy-two”.

Repeal and re-enactment of section 46

3. Section 46 of the Employment Act is hereby repealed and the following new sections substituted therefor: —

“Payment of annual wage supplement, bonus or annual wage increases

46.—(1) A contract of service or collective agreement made before or after the commencement of this Act between an employer and his employees or a trade union representing his employees may contain a provision for the payment of any one of the following or such combination thereof as is mentioned in subsection (2) of this section —

- (a) an annual wage supplement of an amount not exceeding the equivalent of three months’ wages of the employee;
- (b) an annual bonus of an amount not exceeding the equivalent of three months’ wages of an employee;
- (c) annual wage increases.

(2) Where a notice is served by a trade union of employees in accordance with the provisions of section 17 of the Industrial Relations Act (Cap. 124) upon an employer in the prescribed form setting out proposals for a collective agreement in relation to any of the matters referred to in paragraph (a) or (b) or (c) of subsection (1) of this section or a combination thereof as is referred to in this subsection, an employer may at his sole discretion opt to negotiate for the payment of either both an annual wage supplement and an annual bonus or both an annual wage supplement and annual wage increases and the trade union of employees shall be bound by the decision of the employer in respect of the option so exercised.

(3) Where no notice is served by a trade union of employees upon an employer for the purpose referred to in subsection (2) of this section, an employer may at his sole discretion make an option between negotiating for the payment of both an annual wage supplement and an annual bonus or both an annual wage supplement and annual wage increases and the employer may, in any case where his employees are represented by a trade union, serve a notice in accordance with

section 17 of the Industrial Relations Act in the prescribed form setting out proposals for a collective agreement in relation to those matters and the trade union of employees shall be bound by the decision of the employer in respect of the option so exercised.

(4) Where an employer has made an option under subsection (2) or (3) of this section to negotiate for the payment of either both an annual wage supplement and an annual bonus or both an annual wage supplement and annual wage increases, as the case may be, the employer shall be bound by his choice of option during the negotiations which take place between the employer and the trade union of employees regarding these payments and where an award is made binding on, or a collective agreement is made between, the employer and the trade union of employees regarding these payments, the employer shall be bound by his choice of option for the duration of that award or agreement.

(5) Where a notice is served under section 17 of the Industrial Relations Act by an employer or a trade union of employees in respect of the annual wage supplement referred to in subsection (1) of this section and that employer —

- (a) has paid annual bonuses of an amount exceeding one month's wages to his employees prior to the commencement of this Act the annual wage supplement that shall be payable by the employer shall be equivalent to the average of the bonuses paid in respect of the last three years preceding the commencement of this Act or to the last annual bonus paid, whichever is the greater subject to a maximum amount equivalent to three months' wages of the employees:

Provided that where such bonuses were based on exceptionally favourable trading results or increased productivity and the employer subsequently finds such level of trading results or productivity diminished to a significant degree, the employer may invite the trade union representing his employees to negotiate for a lower quantum of the annual wage supplement to be paid to the employees; or

- (b) has not paid any bonus to his employees or has paid a bonus of one month's wages or less at any time prior to the commencement of this Act, the annual wage supplement to be payable by the employer may be equivalent to such amount, not exceeding one month's wages of the employees, as may be recommended by the Minister and published in the *Gazette*; such recommendation being intended to serve as a basis for negotiation between the employer and his employees or a trade union representing his employees.

(6) Where a notice is served under section 17 of the Industrial Relations Act by an employer or a trade union of employees in respect of the annual wage supplement, annual bonus or annual wage increases referred to in subsection (1) of this section or a combination thereof as is referred to in subsections (2) and (3) of this section and no agreement is reached between the parties on any of those matters either of the parties may, notwithstanding the provisions of the Industrial Relations Act, refer the matter to a Court which may make a decision thereon.

(7) Nothing in this section shall prevent an employer from making a proposal to negotiate for the payment of an annual wage supplement or an annual bonus or annual wage increases only.

(8) All the provisions of the Industrial Relations Act shall apply to any notice served pursuant to section 17 of that Act by a trade union of employees upon an employer or by an employer upon a trade union of employees in connection with proposals for a collective agreement under subsections (2) and (3) of this section as that Act applies to any other proposal for a collective agreement in relation to an industrial matter.

(9) For the removal of doubts it is hereby declared that all disputes, questions and matters arising out of or relating to the matters referred to in subsection (1) of this section shall be adjudicated upon only by a Court and all the provisions of the Industrial Relations Act (Cap. 124) shall apply *mutatis mutandis* thereto as they apply to the negotiation, conciliation or arbitration of any other industrial matter thereunder.

(10) Any person who, or a trade union of employees which, invites negotiations for the payment of an annual wage supplement or annual bonus of an amount which is in excess of the amount specified in paragraph (a) or (b) of subsection (1) of this section shall be guilty of an offence and shall be liable on conviction to a fine not exceeding five thousand dollars or to imprisonment for a term not exceeding six months or to both such fine and imprisonment.

(11) This section shall not apply to the Government or any statutory body or a private school receiving a grant-in-aid from the Government or employees thereof.

Variation of collective agreement or award

46A.—(1) Notwithstanding the provisions of the Industrial Relations Act or any written law or collective agreement or award, an employer may invite a trade union of employees and a trade union of employees may invite an employer to negotiate for the variation of a collective agreement or award made before or after the commencement of this Act by including therein a provision for the payment of the