Singapore | Legal | 20 January 2025



# Legal updates Overview of the Workplace Fairness Bill Experience the future of law, today

## Introduction

The Workplace Fairness Bill has been passed by Parliament on 8 January 2025 and is expected to take effect from the year 2026 or 2027. To assist local employers with the transition, small firms with under 25 employees will be exempted from complying with the Bill for a 5-year period after it takes effect.

A companion bill providing for private claims and employment claims is expected to follow.

This landmark legislation is a culmination of tripartite engagement and consultation since 2021, in particular the Tripartite Committee report and final recommendations on Workplace Fairness issued in March 2024. It aims to create a comprehensive framework for fair employment practices, with the following objectives:

- Protection against discrimination: To protect individuals from discrimination based on protected characteristics including age, nationality, sex, marital status, pregnancy, caregiving responsibilities, race, religion, language ability, disability, and mental health conditions.
- 2. **Fair employment practices:** To establish guidelines for handling grievances and to prohibit retaliation.
- 3. **Fair consideration for employment:** To ensure that Singapore citizens and permanent residents are fairly considered for job opportunities.
- 4. **Harmonious workplace relations:** To promote a harmonious work environment.

# **Employment decisions and discrimination**

The Bill broadly defines "employment decisions" to include almost all stages of employment, from hiring to firing and all things in between, such as performance appraisals, promotions, training opportunities, and termination. These decisions must be based on merit and relevant qualifications, not personal characteristics unrelated to job performance.

Discrimination occurs when an employer makes adverse employment decisions influenced by protected characteristics. For example, refusing to hire a qualified candidate due to their age or marital status, or denying a promotion based on race or religion, constitutes discrimination under the Bill.

# **Exceptions to discrimination**

The Bill recognises certain situations where it is not unlawful to discriminate against individuals, by direction, instruction or policy, or by advertisement or description, on the grounds of certain protected characteristics:

- Genuine job requirements: Where, having regard to the nature of the
  job, the job cannot be reasonably performed by an individual unless
  the individual has (or does not have) the protected characteristic. By
  way of illustration, a job requiring audio production skills cannot be
  performed by someone with a hearing impairment.
- Age preferences: Employers can prefer older workers for certain roles, which is an example of positive discrimination as older workers tend to be less favoured by employers.
- Local workforce preferences: Preferences can be given to Singapore
  citizens and permanent residents. This is in line with the
  Government's policy to ensure that citizens of Singapore and
  permanent residents of Singapore continue to form the core of the
  workforce in Singapore, with foreigners as a complement.
- Religious organisations: In line with Singapore's multi-racial and multi-religious background, religious organisations can make employment decisions based on religious beliefs for roles connected to religious activities.
- Disability preferences: Favoring individuals with disabilities in hiring is allowed, which is an example of positive discrimination as workers with disabilities tend to be less favoured by employers.

# Fair employment practices

Employers must adopt fair employment practices, including:

- Fair consideration: All candidates, especially Singapore citizens and permanent residents, must be fairly considered. Job vacancies should be publicly advertised, and applicants assessed objectively based on qualifications and experience.
- Grievance handling: Employers must have a process for handling grievances, including investigating and reviewing grievances, providing feedback, and maintaining confidentiality. This process must be clearly communicated to all employees.
- **Prohibition of retaliation:** Retaliation against employees for raising grievances or participating in investigations is prohibited. This includes

dismissal, salary deductions, withholding benefits, harassment, or any other detriment.

## **Penalties and directions**

The Bill outlines penalties for violations:

- Civil contraventions: Acts of discrimination or failure to implement fair practices can result in corrective orders and/or fines not exceeding SGD 5,000 for each occasion of a civil contravention, and SGD 10,000 in the case of a second or subsequent occasion of the civil contravention.
- Serious civil contraventions: Severe or repeated breaches can lead to legal action and fines up to SGD 250,000. The Commissioner for Workplace Fairness can issue directions to rectify discriminatory practices, such as revising policies or reinstating employees. Failure to comply with these directions is an offence.

#### **Our views**

The Bill represents a significant step forward in promoting workplace equality in Singapore.

Most companies in Singapore would already be familiar and compliant with the Tripartite Guidelines on Fair Employment Practices which was introduced in 2017. In addition, employers will now have to implement a grievance handling procedure and a non-retaliation policy to comply with the Workplace Fairness Bill.

It is essential for employers to review their internal policies to determine if there are any gaps to be addressed, such as incorporating anti-harassment policies, inquiry processes, disciplinary processes, or any other applicable update, and to conduct internal training on the updated policies.

## **Contacts**

Should you have any comments or questions arising from this newsletter, please contact anyone listed below or any member of <u>Sabara Law LLC</u>.



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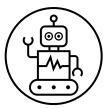
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