

Globalization Partners provides outsourced global employment services for clients that want to hire employees and run payroll in Singapore. Our [Global Employer of Record Platform™](#) enables clients to run payroll in Singapore while HR services, tax, and compliance management matters are lifted from their shoulders onto ours. A candidate is hired via Globalization Partners in accordance with [Singapore's labor laws](#) and put on our [locally-compliant payroll](#). The individual is assigned to our client as a designated manager, working on your behalf in Singapore exactly as if he or she were your employee to fulfill your in-country requirements. We ensure that best HR practice is followed...leaving the employee to focus on managing the activity you wish to implement in Singapore rather than to negotiate with local lawyers and accountants on your company's behalf.

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Singapore is an island city-state located in Southeast Asia, just north of the equator. Its 278 square miles of land is home to 5.5 million people, making it the third most densely populated country in the world at 20,000 people per square mile. According to the World Bank, Singapore is the easiest country in the world in which to do business. Singapore's GDP is USD 307 billion and growing at an annual rate of 1.8%; its unemployment rate is 1.9%. Singapore is a financial and commercial center, and its major exports include electrical equipment, machinery, chemicals, medical equipment, and plastics.

Singaporeans are professional, tend to have a direct communication style, and work quickly. They value punctuality and see lateness as a sign of disrespect. Timelines are strictly followed and deadlines are expected to be met. In business meetings, do not be surprised by periods of silence, especially after a question is asked, as people reflect on their responses. Although directness is valued, Singaporeans also do not like giving an outright 'no' to a

question so you may hear 'maybe' or 'that would be difficult' instead. Pro tip: if your counterpart sucks in air through his/her teeth when asked a question, it's a sure sign the answer is no. Saving face is also important, so hard selling and confrontation are generally unproductive, if not offensive. However, if the right people are in the meeting, decisions can be made on the spot. Be aware that fines, jail sentences, and even death sentences can be given for violating laws and regulations including jaywalking, smoking in public, littering, or using chewing gum.

When negotiating terms of an employment contract and offer letter with an employee in Singapore, it may be useful to keep the following standard benefits in Singapore in mind:

Singapore Public Holidays

10 public holidays are celebrated in Singapore.

- New Year's Day
- Chinese New Year (2 days)
- Good Friday
- Labour Day
- Vesak Day
- Hari Raya Puasa
- National Day
- Hari Raya Haji
- Deepavali
- Christmas Day

Bonus

A 13th month or annual bonus is not required but is market norm in Singapore. A commission plan may replace this for a sales employee. An annual bonus may be equal to 2-3 month's salary when the economy is strong.

Singapore Working Hours

Working hours should not exceed 44 per week. Employees who work 5 or fewer days per week should not work more than 9 hours per day. Those who work 5 or more days per week should not work more than 8 hours per day.

Employees may be entitled to overtime at a rate of 1.5 times their usual wage depending on whether they are classified as a non-workman or a workman and if their salary is under the

applicable cap.

Vacation

The market norm for vacation is 14 days, although senior executives may command more (3-4 weeks). Statutory minimum is 7 days plus 1 day for each additional year worked with a company until the 8th year of service. From the 8th year of service onward, the legal minimum remains at 14 days.

Singapore Sick Leave

Employees are generally entitled to sick leave if:

- they have worked for the employer for at least three months
- they have informed their employer within 48 hours of their absence
- their sick leave is certified by the company's doctor, a company-approved doctor, or a government doctor

The number of days of paid sick leave is dependent on the length of service. Employees who have worked for at least six months are eligible for 14 days of outpatient, non-hospitalization leave and 60 days of hospitalization leave, which includes the 14 days of outpatient leave.

Employees with less than six months of service are entitled to paid leave on the following schedule:

Number of months of service completed	Paid outpatient non-hospitalization leave (days)	Paid hospitalization leave (days)
3	5	15
4	8	30
5	11	45
6 and thereafter	14	60

Singapore Maternity Leave

A female employee who:

- is a citizen of Singapore
- is legally married to the father
- has worked for her employer for at least three months

is entitled to 16 weeks of paid maternity leave. For the first two pregnancies, the employer pays for the first 8 weeks of leave and the government pays for the second 8 weeks. The government pays for the entire leave for additional pregnancies.

Employees who are not citizens of Singapore and/or are not legally married to the father are generally entitled to 12 weeks of paid leave, unless their employment contract states differently. It is likely that beginning in 2017, women no longer need to be married to be eligible for 16 weeks of paid maternity leave.

Beginning July 1st, 2017, wives may share up to 4 weeks of maternity leave with husbands.

Employees with less than three months of service are not entitled to paid maternity leave.

A father is generally eligible for two weeks of paid paternity leave, funded by the government, if:

- he is or was legally married to the child's mother between conception and birth
- his child is a citizen of Singapore
- he has been employed for a continuous period of at least three months before the birth

Paternity pay is capped at SGD2,500 per week.

Beginning July 1st, 2017, adoption leave will be increased to 12 weeks, but employers will not be eligible for reimbursement for the first four weeks of adoption leave for the first two children adopted.

Termination/Severance

A probation period of 3-6 months may generally be agreed to in the employment contract, during which there is a shorter notice period. This is not a statutory requirement.

One month's termination notice on behalf of the employer or employee is the generally agreed term, but this is not fixed. If the notice period is not specified in the employment contract, the following applies:

Length of service	Notice period
Less than 26 weeks	1 day
26 weeks to less than 2 years	1 week
2 years to less than 5 years	2 weeks
5 years and above	4 weeks

Retirement

Singapore has a mandatory minimum retirement age of 62, at which time employers must offer employees re-employment up to the age of 65, and beginning July 1st, 2017, up to the age of 67, as long as the employee:

- has worked for at least three years, beginning before the employee was 55
- is a citizen or permanent resident of Singapore
- can satisfactorily perform the work

Singapore Tax

CPF (Central Provident Fund) is the main nationally mandated benefit or social security expense. The amount varies, but we recommend budgeting 17% of the employee's salary (on top of the regular salary) as a benefit cost to be paid into the Central Provident Fund by the employer. CPF is similar to a retirement fund.

Health Insurance

Basic insurance is provided through the national system, however, supplementary health insurance may be provided to the employee as a supplementary benefit.

Additional Benefits

Most executives request supplementary health and life insurance, but a small company may provide an allowance in lieu of arranging insurance.

Stock options are often requested by executives working for US technology companies in Singapore.

Bottom Line on Benefits

Generally, we recommend [budgeting 20% for benefits](#) on top of the gross salary to allocate the total employer's cost including benefits in Singapore, including the CPF allocation.

Employment Contracts

Best practice is to put a strong, written employment contract in place in Singapore which spells out the terms of the employee's compensation, benefits, and termination

requirements. An offer letter and [employment contract in Singapore](#) should always state the salary and any compensation amounts in Singapore dollars rather than a foreign currency.

This information is provided as generally accepted information and is not intended as advisory services.

Why Globalization Partners

Hiring and managing benefits for employees in Singapore can be daunting. Globalization Partner's [Global Employer of Record Platform](#) can speed up your hiring and onboarding process and simplify your payroll into a monthly invoice. We process expense reports, take care of personal income tax issues, and set up the employee's statutory local benefits with the streamlined ease of a company that has done it hundreds of times before. Rather than trying to work through the red-tape from afar, you can rest assured that your payroll and benefits will be managed exactly as they would be for any local company, and your employees can focus on the role for which they were hired.

We would be happy to talk with you if you are interested in our employment leasing or Singapore PEO service, payroll services, or recruiting services in Singapore. Please [contact us](#).

[Request a Proposal](#)