

Once you recruit the perfect candidate, a well-crafted compensation and benefits plan can help seal the deal. Singapore's compensation and benefits laws impact all workers, and you can also offer additional benefits that are not required but are common practice.

Singapore Compensation Laws

Singapore doesn't have a minimum wage law. Therefore, compensation is at your discretion, but it is best practice to put the terms of the employee's compensation in a written employment contract. Always make sure you list the salary in Singapore dollars rather than US currency.

Annual bonuses are also not required but are a market norm. Sales employees may get a commission plan instead of a yearly bonus, but other employees typically receive a bonus of two or three months' salary during a strong economy.

Compensation laws under Singapore's Employment Act also specify how much employees should make while working overtime. The employer has to make overtime payment to the employee if the employee is covered under Part IV of the Employment Act.

- The person is working for the company under a contract of service and does not hold managerial and executive positions in the company.
- Workman earning not more than \$4,500 basic monthly salary. Generally, a workman is an employee whose work involves manual labor. Some examples of workmen are lorry drivers, construction workers, kitchen helpers, machine operators.
- Employee not earning more than \$2,500 basic monthly salary.
- The employee will not be covered under the Act if he/she is holding a managerial or executive position, seaman, domestic worker, and employed by a Statutory Board or the Government.

Guaranteed Benefits in Singapore

Understanding what is guaranteed to your employees and what you can provide as a

supplement is an essential part of Singapore benefit management.

All employees receive basic insurance through the national system, but you can choose to provide additional health benefits. It's common practice in Singapore to provide supplementary health and life insurance or a small allowance meant for supplemental insurance.

You can lump additional benefits into the employment contract, such as sick leave, time off, maternity leave, housing allowance, childcare benefits, and more.

Singapore Benefits Management

You can either manage your employees' benefits yourself or look into Singapore benefit outsourcing:

- If you choose to manage benefits alone, you'll need to find additional insurance options for your workers and ensure your continued compliance with Singapore employment laws.
- [A global PEO such as Globalization Partners](#) takes care of everything from hiring employees to finding additional health benefits that ensure you are exceeding [Singapore's employment laws](#).

Restrictions for Benefits and Compensation

Singapore compensation laws stipulate that employees [must be paid at least once a month](#) and also within seven days of the end of the period. Whenever an employee earns overtime pay, you must pay them within 14 days of the stipulated salary period.

The Singapore Employment Act outlines work and overtime hours, paid and public holidays, sick leave, and paid maternity leave benefits. Before hiring an employee or drafting an employment contract, make sure you feel well-versed on the Singapore Employment Act and understand the area's different employment laws.

Instead of navigating the process on your own, try Globalization Partners' Singapore benefit outsourcing. We can make sure your employees get great benefits that keep them happy at your company for years. [Contact us](#) today to learn more about our services.

Singapore Competitive Benefits Planning

When you're expanding your business overseas, designing a Singaporean employee benefit plan that fits both your company's goals and your employees' needs is critical. You'll need to manage several key aspects of benefits administration, including legal regulations, standard practice in the local markets, and industry-specific requirements.

Singapore Employee Benefits Plan

As an employer, you have legal obligations to meet specific needs. You can also offer various other benefits to help your business stay competitive in the hiring market and take care of current employees. Common supplemental benefits employers in the country offer include:

- Relocation packages to cover shipping costs, air or road travel, subsidized housing, and other moving expenses
- A private medical insurance plan to cover the employee and dependents
- Stock purchase plan options for employee investments
- Per diem reimbursement or allowances for business-related traveling expenses
- Critical illness insurance
- Employer-sponsored retirement plans

Requirements for Employee Benefits in Singapore

National labor laws include established mandatory requirements to facilitate fair working conditions for employees. The requirements differ slightly depending on your employees' classification as workmen, non-laborers, or executives and managers.

In general, however, the country stipulates that employers provide these benefits for full-time

employees across industries:

- Paid annual leave based on years of service with your company
- Paid sick leave based on months of service
- 11 paid public holidays, which workers can choose to substitute with other days if desired

Other benefits are not required by law. If supplemental benefits are standard practice within your business's industry, though, you may need to offer them to remain competitive.

How to Design Your Employee Benefits Program

As you build a Singapore employee benefits plan, you have several critical considerations to navigate. Strategic planning will help you ensure you cover everything you need to.

1. Determine Your Company's Goals and Parameters

When you begin the benefits program planning process, you'll want to take time to evaluate your company's current situation. Assess the resources you have available for providing employee benefits and articulate your goals for providing these benefits. Set a budget and prioritize the essentials. Consider whether employees in your industry may have specialized needs your benefits program could meet or if you have specific ways you want to make your open positions more competitive.

2. Assess Employee Needs

Before you can create a program, you need to understand what your employees value and need most from you as an employer. Take the time to interview local employees and send out questionnaires to professionals in the region. Complete a comparative benefits analysis and identify the top priorities of employees in your industry. Legal research is also a critical step, so ensure you do your due diligence regarding regional requirements for benefits programs.

3. Develop an Employee Compensation and Benefits Plan

After you've gathered in-depth data on employee needs, legal responsibilities, and market standards, your next step is to begin building your benefits program. Use your research to inform your planning decisions, priorities for benefits, and budgetary restrictions. Be sure to factor in logistics such as outsourcing needs, cost containment features, administration expenses, and employee contributions as you create your program.

Average Cost of Benefits Per Employee

The average cost per employee will vary depending on the benefits program you build. Be sure to consider your budgetary requirements and operational costs as you develop your plan. Using a percentage of revenue as your budget will make it easy to scale your offerings as your company grows. Including employee contributions in your benefits calculations can help you manage costs as well.

How to Calculate Employee Benefits

National labor laws do not stipulate benefits beyond paid leave allocations. You can determine the appropriate rates for employee benefits based on local market standards.

As an employer, you are responsible for providing annual leave, public holiday leave, and sick leave with full pay.

How Are Employee Benefits Taxed in Singapore?

You are responsible for paying these taxes on benefits for your employees:

- CPF pension: 7.50 percent to 17.00 percent tax based on pension amount
- Skills Development Levy (SDL): Up to 0.25 percent tax

Employee Health Benefits Plans

Singapore provides a universal, government-funded healthcare system for residents. To supplement this coverage, many employers also offer private health insurance for employees. Research local standards and expectations within your industry to determine the best option for your company.

Choose Globalization Partners Today

As your Employer of Record (EOR), Globalization Partners offers worldwide resources and expertise to help you build your benefits plan. To learn more, [contact us](#) to request a quote.