

Newsletter

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Former Director of Harry's Fined S\$ 40,000 for False Declaration of Salaries

Overview

On 20 June 2016, the State Courts convicted a former director of bar and dining chain Harry's and sentenced her to a fine of S\$ 40,000 for the offence under the Employment of Foreign Manpower Act (Cap. 91A) ("EFMA") of making false declaration of salaries in 20 Employment Pass applications for foreign employees.

The former director had instructed her subordinate to declare the fixed monthly salaries for 20 foreign employees as S\$ 3,100 to meet the minimum salary requirement for an Employment Pass. However the former director had intended to pay the foreign employees a fixed monthly salary less than the declared amount in the Employment Pass application. The foreign employees were subsequently issued Letters of Offer stating they would be paid a monthly salary of S\$ 3,100 however they would have to reimburse the company S\$ 1,600 for meals and transportation. The meals and transportation were only provided to some employees and where provided, cost less than S\$ 1,600. The reimbursement practice continued for several months.

Conclusion

Since 2014, a total of 39 employers have been convicted for false salary declaration offences. The Ministry of Manpower will take stern actions against persons or companies for committing such offences, including barring the company from applying for new work passes and renewing their existing work passes. Under the EFMA, a conviction of the false declaration of salaries can carry a fine of up to S\$ 20,000 and/or jailed for up to 2 years.

Lower Foreign Worker Levy to Promote Workplace Safety and Health Training

In an effort to promote Workplace safety and Health ("WSH") matters, the Ministry of Manpower will re-categorise work permit holders as higher skilled workers, which will lower their levies of their employers. The change to the multi-skilling scheme comes as workplace accidents in the construction sector remain high, with the 17 deaths in the sector since the start of the year, nearly double the number in the same period last year.

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The change to the multi-skilling scheme under the Building and Construction Authority allows Basic Skilled R2 workers with at least 6 years of experience in Singapore and a Skills Evaluation Certificate (Knowledge) in the construction sector to be categorized as Higher Skilled R1 workers, provided at least 120 hours of training have been completed in approved safety-related courses, or obtained a Singapore Workforce Skills Qualification Advanced Certificate in WSH. Employers will have greater flexibility in deploying these multi-skilled workers on-site, reducing downtime and improving productivity.

The Ministry of Manpower has also stepped up on inspections and enforcement with respect to WSH standards. During an enforcement operation in May 2016, more than 800 workplaces in the construction and marine sectors were inspected. This resulted in over 22 Stop Work Orders and 300 fines being issued to 117 companies, after more than 1,000 WSH contraventions were discovered.