

Singapore: Retirement and Re-employment Amendment Bill

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Tetsuo Kurita

Lawyer (Singapore, Japan and NY, USA)

On 1 November 2021, the Ministry of Manpower (MOM) announced amendments to the Retirement and Re-employment Act¹. The amendment will raise the retirement age and re-employment age in Singapore to 65 and 70 respectively by 2030.



1 Overview of the Amendment

In Singapore, the minimum retirement age and re-employment age are currently 62 and 67, respectively. However, in line with the recommendations made by the Tripartite Workgroup on Older Workers, the minimum retirement age and re-employment age will be raised to **65 and 70 respectively by 2030.**

Through this amendment, the government aims to support older workers to continue working for longer if they wish to do so and improve the quality of life after their retirement. As agreed by the Workgroup, the minimum retirement age and re-employment age will be raised in stages. The first shifts of the retirement age to 63 and re-employment age to 68 will take effect from Jul 2022, while the timing of subsequent shifts will be subject to tripartite partners' agreement.

	Retirement Age (lower limit)	Re-employment Age
Current	62	67
From July 2022	63	68
By 2030	65	70

2 Overview of the Laws and Regulations before the Amendment

This section explains retirement age and re-employment before the amendment.

¹ <https://www.mom.gov.sg/newsroom/press-releases/2021/1101-retirement-and-re-employment-amendment-bill-2021-and-cpf-amendment-bill-2021>

- Retirement age (minimum retirement age)²

Under the Retirement and Re-employment Act (RRA), it is prohibited to dismiss an employee based on their age. This protection applies to Singapore citizens and permanent residents who are employed before they reach the age of 55.

- Re-employment³

An employee who meets the requirements below may, after retirement, seek a re-employment contract for a minimum contractual period of one year, renewable annually until re-employment age or until the employee no longer meets the requirements below. An employer must begin discussions with eligible employees six months prior to their retirement date and offer them a re-employment contract three months in advance.

- (1) Are a Singapore citizen or permanent resident
- (2) Have served the current employer for at least 3 years before turning 62
- (3) Have satisfactory work performance, as assessed by the employer
- (4) Are medically fit to continue working
- (5) Are born on or after 1 July 1952

If the above requirements are met and the employee is not re-employed, the employer can transfer re-employment obligations to another employer with the employee's consent. If the employee does not agree to this, or if the organisation has considered all possible redeployment possibilities and is unable to offer a suitable job, the organisation is obliged to pay an Employment Assistance Payment (EAP), which is intended to support the employee during the period of searching for alternative employment.

The EAP is equal to 3.5 months of salary, with a minimum of \$5,500 and a maximum of \$13,000, but may be two months of salary, with a minimum of \$3,500 and a maximum of \$7,500 for those who have been re-employed for 30 months or more since age 62.

3 Comparison with Japan

In Japan, the Amended Act on Stabilization of Employment of Elderly Persons enacted in 2013 has raised the retirement age from 60 to 65. This is currently a transitional measure period, and from April 2025 an employer must raise or abolish the mandatory retirement age or introduce a continuous employment system. If an employer sets the mandatory retirement at 60 years of

² <https://www.mom.gov.sg/employment-practices/retirement>

³ <https://www.mom.gov.sg/employment-practices/re-employment#eligibility>

age or more but under 65 years of age and introduces a continuous employment, it must be open to all employees who wish to continue working. Since the 1998 amendment mandating a mandatory retirement age of 60, the retirement and reemployment ages have been raised in stages. The amendment on April 2021 has obliged employees to make an effort to offer continue employment or raise the retirement age.

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info@oneasia.legal

Author



Tetsuo Kurita

Representative Lawyer, One Asia Lawyers Group Lawyer (Singapore, Japan and NY, USA)

After working at a leading law firm in Japan, Tetsuo joined one of Singapore's top law firms as a partner. He then became the head of Asian operations of an international law firm. Since the establishment of One Asia Lawyers Group in July 2016, he has provided legal advice on various cross-border legal transactions, including M&A and international trade disputes. In 2014, he became the first qualified Japanese lawyer to advise Singapore commercial law (Foreign Practitioner certificate for Foreign Lawyer to Practise both Singapore Law and Foreign Law in Singapore (Section 36B)).

tetsuo.kurita@oneasia.legal

+65 8183 5114