

Tripartite Standard on the Employment of Term Contract Employees

Purpose

1. Term contract employees form a small but important part of our workforce. Progressive employers provide such employees with leave benefits commensurate with the cumulative length of their contracts and give appropriate notice in instances of early termination or non-renewal of contract. They also ensure that term contract employees are adequately trained to perform their roles effectively.

Specifications

2. All term contracts of service of 14 days or more, which are renewed within 1 month from the end of the previous contract, are treated as continuous service. The following statutory leave benefits under the Employment Act and the Child Development Co-Savings Act are awarded based on the cumulative length of such “continuous service”:

- a) Annual leave
- b) Sick leave
- c) Maternity Leave
- d) Paternity Leave
- e) Adoption leave
- f) Child-care leave and extended child-care leave

3. In instances of early termination or non-renewal of the term contract, the cumulative length of service is used for purposes of calculating the notice period, as follows:

Cumulative length of service	Notice period shall not be less than
Less than 26 weeks	1 day
At least 26 weeks but less than 2 years	1 week
At least 2 years but less than 5 years	2 weeks
At least 5 years	4 weeks

4. Employees are trained¹ to perform their jobs effectively.

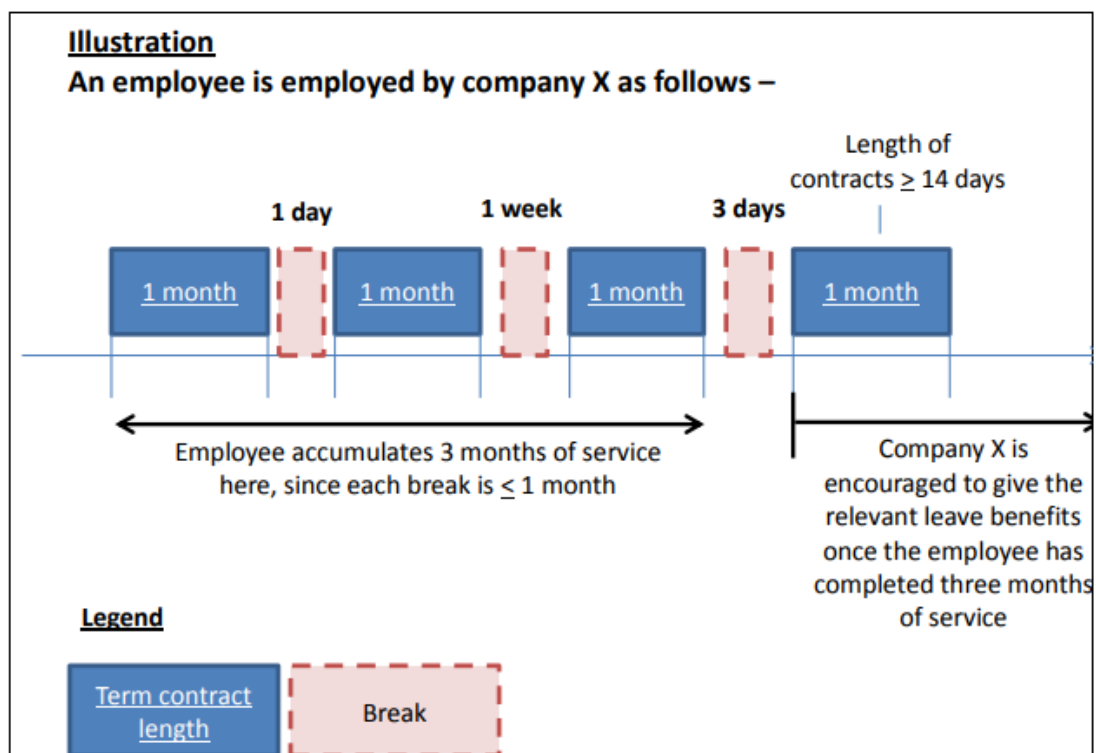
Glossary

a) **Term contract employees** are those who are on fixed-term contracts of employment that will terminate upon the expiry of a specific term unless it is renewed.

¹ Training includes on-the-job training, online courses and workshops.

How it works:

Term contract employees on shorter-term, separate contracts of less than the statutory minimum service period of 3 months will be able to enjoy leave benefits and notice period should their cumulative period of contracts be at least three months. Term contract employees with longer contract terms, such as one year, would also benefit as they can accumulate a longer leave entitlement or notice period after each year of service.



In the above example, during the 4th one month contract where the employee has completed 3 months of service with company X, he will be entitled to:

- 2 days of paid annual leave (pro-rated based on $\frac{3}{12} \times 7$)
- 5 days of paid sick leave (non-hospitalisation leave); or if hospitalisation is necessary, the lesser of the following: (i) 15 days of hospitalisation leave; (ii) the aggregate of 5 days plus the number of days on which he is hospitalised
- 2 days of paid childcare leave