

Social Protection in Singapore

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Migrant workers who are employed in Singapore on work permits are regarded as temporary residents. They are not eligible to become citizens and are only allowed to remain in Singapore while they are employed. These circumstances shape their access to social support and protection.

Under the regulations issued under the Employment of Foreign Manpower Act (EFMA), employers are responsible for the “upkeep and maintenance” of the work permit holders they employ. This includes providing “adequate food and medical treatment”. Employers are obliged to take out insurance to cover hospitalisation of a worker. This is currently \$15,000, but if a worker requires surgery or more than a few days’ hospitalisation, this can be quickly exhausted. However, legally, the obligation of the employer to provide for a worker’s medical care remains in force, and a conscientious employer may find bills stacking up. For the less scrupulous, or maybe more desperate employers, the expectation of facing such costs can encourage them to fire and repatriate a worker who falls ill, carefully preventing them from contacting the Ministry of Manpower for help in getting their rights protected. The \$15,000 can’t be used for outpatient treatment.

In addition, employers of domestic workers must purchase \$60,000 worth of personal accident insurance for their employees.

Many employers in the construction sector hire the service of doctors who seem to see their main duty as being to those who pay them rather than their patients, so that when a worker suffers an injury that ought to receive extended treatment, they issue a medical certificate for under three days of sick leave. This is primarily to maintain a good accident record for the companies, as accidents leading to workers being given more than three days’ medical certificate (MC) would be regarded as serious and result in the company getting demerit points. Sometimes, desperate workers will go to public services when they consider that they have not been given an appropriate assessment and treatment by a company-retained doctor, and the public hospitals generally provide a more objective assessment.

Of course, employers could choose to take out insurance policies that cover more than the legally mandated minimum, and some employers of domestic workers do exactly that.

If a migrant worker dies in Singapore, the employer is under a legal obligation to pay for the return to the country of origin of the employee’s body or ashes.

Singaporean employees benefit from two key social provisions that are not available to work permit holders. One is public housing, in which 80 per cent of Singaporeans live, and for which work permit holders are not eligible. The other is the Citizens’ Provident Fund (CPF). The CPF is a fund to which employees and employers contribute for each employee. Part of the monthly CPF payments go into a medi-save account which could be drawn upon to pay for an employee’s medical needs. Otherwise, it is a means to provide for employees when they retire. It can be drawn upon to help an employee to buy public housing.

CPF is specifically for citizens and permanent residents. Employers of work permit holders pay a monthly levy for their employment, and it has been argued that this helps to raise the cost of hiring migrant workers compared to hiring locals (which must include the

employer's CPF contribution) but whereas Singaporeans and PRs ultimately stand to benefit directly from CPF contributions, migrant workers see virtually no benefit from their employers' payment of the monthly levy. None of it is invested in a pension fund for the workers, for example.

TWC2 has pointed out in the past that the government's stated objective in operating a levy could be attained by setting a minimum wage that would be applicable to migrant workers as well as locals, or that the levy or part of it might be paid into interest-bearing accounts similar to those of the CPF scheme, which migrant workers might then either draw out upon leaving Singapore, or that might be "portable" into country of origin insurance schemes, but no such scheme has been introduced, and, given the low salaries of most migrant workers, some might well object that they'd rather have more pay than see money channelled into a fund that they could not access readily in the near future.