

# Linklaters

## Key Changes to the Singapore Work Injury Compensation Act

5 September 2019



The Work Injury Compensation Bill 2019 was passed in Parliament on 3 September 2019. This Bill repeals and re-enacts with amendments the Work Injury Compensation Act (“WICA”).

The new WICA 2019 will take effect on 1 September 2020 but certain amendments (as highlighted below) will take effect starting from January 2020.

The key changes to the current WICA regime are as follow:



### (A) Enhanced Protection for Employees

- > From 1 January 2020, the compensation limits under the WICA will be raised to S\$225,000 for death, S\$289,000 for permanent incapacity and S\$45,000 for medical expenses.
- > The expansion of compulsory insurance coverage will be implemented in two phases:
  - 2020** From 1 April 2020, all employees doing non-manual work and earning up to S\$2,100 per month (instead of S\$1,600 per month) will need to be covered by work injury compensation insurance.
  - 2021** From 1 April 2021, the above monthly salary threshold will be further increased from S\$2,100 to S\$2,600 to cover more employees.
- > Employees on light duties, as well as medical and hospitalisation leave, due to work injury will be compensated for their lost earnings for up to one year starting from the date of the accident that caused the work injury and employers are required to report all work-related medical leave or light duties to the Commissioner for Labour (the “**Commissioner**”). The Commissioner can allow employees to change doctors if there are strong concerns of unfair assessment of their injuries by the employer’s doctor.



### (B) Greater Certainty for Employers

- > The Commissioner will prescribe a core set of standard terms for WICA-compliant policies to ensure adequate coverage for WICA liabilities. Only work injury compensation (“**WIC**”) insurers that are approved by the Commissioner can sell WICA-compliant policies.
- > Employers can seek to recover full compensation paid to claimants due to error, or false or misleading information.



### (C) Streamlining of Claims Processing

- > Designated WIC insurers will process all insured claims for streamlining and efficiency purposes. Currently, death and permanent incapacity claims are being processed by the Commissioner.
- > To expedite claims pay-out, compensation for permanent incapacity can be based on the employee’s prevailing state of incapacity, to be assessed as soon as possible after six months from the date of accident.
- > Claim processing for cases of fatal or serious injuries will commence automatically once the Commissioner or the insurer is notified of the accidents, without the need for the employee to submit a separate claims application.
- > Where there is no readily available and reliable evidence to compute the employee’s average monthly earnings, the Commissioner can order compensation to be computed based on a multiple of the employee’s basic monthly salary.



## (D) Greater Transparency of Information

- > Designated WIC insurers are required to share policy and claims data with the Commissioner. Such data will be made available to all approved designated insurers to facilitate more accurate premium pricing so that employers with good safety records will enjoy lower premiums.



## (E) New Offences and Enhanced Penalties

- > New offences will be created for (i) any person who fails to provide information or document necessary for claims processing when directed by the Commissioner and (ii) any employer which fails to deposit compensation with the Commissioner when directed.
- > The maximum fine for the existing offence of non or late payment of compensation to the employee will be increased from S\$10,000 to S\$15,000 whilst the maximum fine for second or subsequent conviction of WICA offences will be doubled.

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