

NAVIGATING RETRENCHMENTS



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We understand the anxieties surrounding retrenchment exercises. This playbook endeavours to equip NTUC members with critical information on retrenchment processes, immediate areas to look for and the real assistance NTUC can provide for our members.

WHAT IS A RETRENCHMENT?

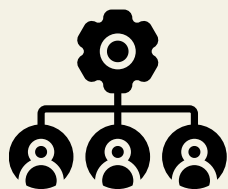
Retrenchment is the termination of employees due to redundancy or re-organisation of the employer's business.

Key reasons for retrenchment include:



Redundancy

- Retrenchment typically occurs when an employee's position becomes redundant, meaning the employer no longer needs someone in that specific role.



Reorganisation

- It can also happen when the employer reorganizes their business, leading to the elimination of certain roles or departments.



Economic Downturn

- Economic downturns or a fall in profitability can lead to retrenchments as companies seek to reduce costs.

**This section aims to bring to your attention important knowledge PME's should know regarding retrenchments and is divided into three parts:
Before a retrenchment, during a retrenchment, and post-retrenchment.**

WHAT SHOULD YOU BE LOOKING OUT FOR?

WHAT CAN YOU DO WHEN YOU THINK A RETRENCHMENT IS IMPENDING?



When a retrenchment is impending, there are usually hints within a company that you may pick up weeks, or even months earlier.

- Inability to pay salary or pay cut
- Hiring freeze
- Declining revenue or profits
- Mergers and Acquisitions
- Unusual performance appraisals

SHOULD SOMETHING FEEL OFF, HERE ARE THE STEPS YOU CAN TAKE:

1. NTUC members can contact an NTUC PME consultant for advice.
2. You can also refer to the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment (more on next page).

Scan here to contact us



TRIPARTITE ADVISORY: MANAGING EXCESS MANPOWER AND RESPONSIBLE RETRENCHMENT

The Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment is a set of guidelines the tripartite partners (MOM, NTUC and SNEF) have issued that employers should take reference to when faced with excess manpower.

The purpose is to provide clearer guidance to employers on conducting retrenchments responsibly, if unavoidable.

The advisory guides the consideration process of employers to ensure retrenchments are conducted in a responsible and sensitive manner. This includes:

- **Objective Selective Criteria**
- **Maintaining a Strong Singaporean Core**
- **Clear Communication and Notification**
- **Support for Affected Employees – Retrenchment Benefit and Job Support**

WHAT DO YOU DO IF YOU RECEIVE A RETRENCHMENT NOTIFICATION?

Clarify the reasons for your retrenchment by checking with your employer/HR on the following:

- **Have you considered any of the possibilities below before deciding to lay me off?**
 - **Redesigning my job scope?**
 - **Redeploying me to other roles?**
 - **Adjustments to my work arrangements with/without wage cuts?**
 - **No-pay leave for a period?**
- **Will the company be paying me retrenchment benefits in accordance with the tripartite advisory? (More on eligibility criteria in page 10)**
- **Will I receive outplacement support?**
- **Request to waive off non-compete clause (if applicable) since company is letting you go**

Note: You can request not to sign the retrenchment letter immediately if you deem the terms unfair. If possible, take some time to review it, and seek guidance from a NTUC PME consultant.

WHAT DO YOU DO IF YOU RECEIVE A RETRENCHMENT NOTIFICATION?

If your employer has proven that retrenchment is the last resort, here is your next course of action:

1. Read your retrenchment letter carefully.
2. Clarify all entitlements and benefits stated in the letter (More info on the next slide).
3. Put up a request for retrenchment benefit if it is not given to you (subject to company's agreement).
4. Check your pay slip.
5. Do not sign any document stating that the payment is a full and final settlement if you deem it questionable.
6. Contact NTUC PME if further assistance is required.

WHAT BENEFITS AM I ENTITLED TO IN A RETRENCHMENT?

In a retrenchment exercise, companies are still obligated to pay the affected employees the following:

✳ NOTICE PERIOD (IF NOT STATED IN EMPLOYMENT CONTRACT)

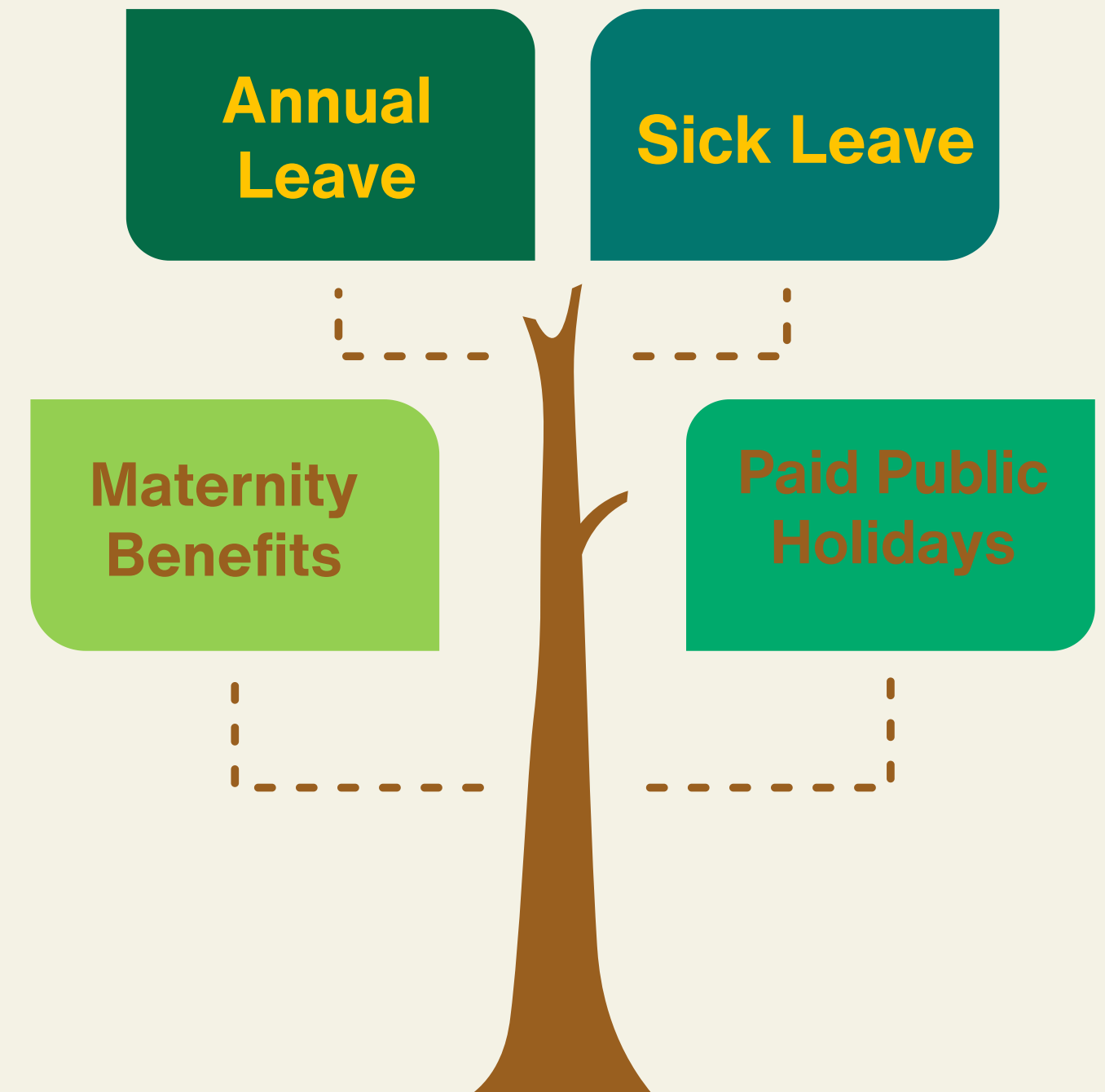
| Notice Period | Length of Service |
|---------------|--------------------|
| 1 day | less than 26 weeks |
| 1 week | less than 2 years |
| 2 weeks | less than 5 years |
| 4 weeks | 5 years and more |

✳ Salary Payments

The employment agreement includes the basic salary, fixed allowances, deductions like CPF contributions, bonuses, AWS, and the frequency of salary payments.

It also covers the commission structure, reimbursement entitlements for work expenses, medical and dental benefits, and the termination clause.

Note: Retrenchment benefit is not mandated by law



AM I ELIGIBLE FOR RETRENCHMENT BENEFIT?

In accordance with the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment,

Employees with 2 years' service or more are eligible for the retrenchment benefit.

The quantum depends on what is provided for in the collective agreement (if company is unionized) or contract of service. If there is no provision, companies can refer to the prevailing norm, which is to pay a retrenchment benefit between 2 weeks to 1 month salary/year of service.

However, in unionized companies where the quantum is stipulated in the collective agreement, the norm is one month salary per year of service.

If you are still unsure about your eligibility, do contact a NTUC PME consultant.

BOUNCING BACK FROM A RETRENCHMENT

with NTUC by your side.

EMPLOYMENT RESOURCES AND JOB SEARCH SUPPORT

**NTUC Job Security Council (operated by e2i)
provides employability support**

- Access career coaches to help you make successful transitions into your next role.
- Attend employability workshops to gain insights into your job search journey.
- Sign up for career fairs to meet potential employers.
- Join NTUC PME events, such as professional networking, to discover new possibilities.

**Scan to join us on Telegram to
receive alerts on PMET jobs**



RESKILLING RESOURCES AND TRAINING SUPPORT



NTUC LearningHub

- NTUC LearningHub (LHUB) is a leading continuing education and training provider in Singapore that focuses on lifelong learning and transforming the employability of working people.



Union Training Assistance Programme (UTAP)

- NTUC members enjoy 50% unfunded course fee support for up to \$250 per calendar year when you sign up for courses supported under UTAP.
- NTUC members **aged 40 and above** can enjoy **Enhanced UTAP support of \$500** per member per calendar year for courses attended between 1st July 2020 to 31st December.

FINANCIAL RELATED SUPPORT

SkillsFuture Jobseeker Support Scheme

The SkillsFuture Jobseeker Support scheme provides temporary financial support of up to S\$6,000 over 6 months to involuntarily unemployed individuals, to support them in finding a job that makes better use of their skills and experiences.

e2i provides eligible jobseekers with job search and related activities that may enable them to qualify for the financial support. Check out the list of relevant activities and portals below:



[SkillsFuture Jobseeker Support \(JS\) Scheme - Employment and Employability Institute](#)

More support for NTUC Members

Singtel × **ntuc**

FREE 3-month, no contract SIM Only plan* from Singtel including:

- ✓ No contract
- ✓ 20GB of 4G data
- ✓ 150 mins Talktime
- ✓ 500 SMS
- ✓ FREE Caller-ID (chargeable at \$5.45/mth thereafter)

Complete the e-form with your NTUC e-card & retrenchment letter

FairPrice

Earn **4%²** FairPrice member benefits in Linkpoints

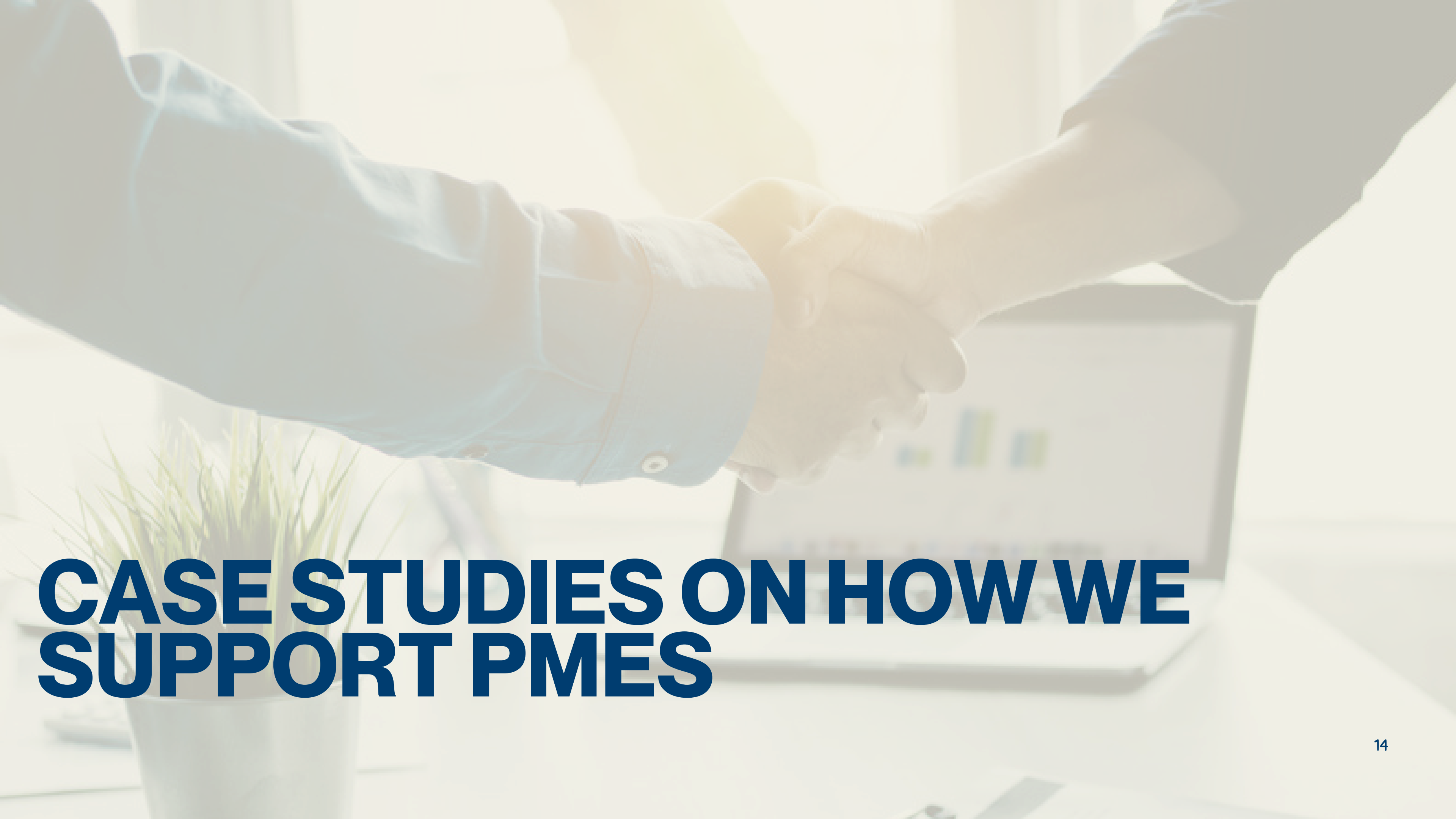
trust

Enjoy up to **21% savings** on your FairPrice Group spend³ with NTUC Link Credit Card

Play

Exclusive access to **members' rates⁴** on a wide range of leisure and lifestyle experiences

Find out more ntuc.co/LXP2025



CASE STUDIES ON HOW WE SUPPORT PMES

HE LOST A JOB YET FOUND NEW HOPE

Background

Arulnathan John, a veteran writer with 20 years of experience at SPH, had witnessed multiple rounds of layoffs in the company since 2003.
In 2020, he was eventually retrenched along with 140 others.

Issue


Despite his rich writing background, Arul struggled with adapting to a modern job market that demanded digital skills like SEO and LinkedIn branding. He had not updated his resume in years and lacked familiarity with current job application processes.

Action

He received support from the Creative Media and Publishing Union (CMPU) and connected with a career coach from NTUC's PME Centre. They helped him revamp his resume for Applicant Tracking Systems (ATS), refreshed his LinkedIn profile, and explored interim job options while he searched for a new full-time role.

Outcome

Within two months, Arul secured a six month contract with Mediacorp via a friend's referral.
Since then, he continued freelance writing and advocates for better support for mature workers.
He also shared advice with fellow PMEs on reskilling, accepting interim roles, and the importance of union support during transitions.

 Read the full story [here](#)

DIGNITY IN DISMISSAL: HOW NTUC SECURED TRIPLE THE RETRENCHMENT PAYOUTS FOR AN IT PROFESSIONAL

Background

Mr Eng Seng, a 59-year-old IT professional, worked 16 years at a Japanese MNC. In October 2023, he was suddenly informed of his retrenchment. He was an NTUC member for 9 years.

Issue

The company offered only two months' ex-gratia payment, despite his long service. The company was non-unionised and also lacked a formal severance policy.

Action

Mr Eng sought help from NTUC and was individually represented by NTUC to mediate with the employer. Open communication was established to work toward a fair solution.

Outcome

NTUC successfully negotiated a six months payout, over triple the original offer. Mr Eng received \$34,000+, giving him greater financial stability. The case highlights the value of NTUC support, even in non-unionised settings.



Read the full story [here](#)

I WAS BEING SHORTCHANGED — UNTIL NTUC STEPPED IN

Background

Max, a loyal employee of an American MNC and an NTUC member, had served the company for 27 years. A sudden internal memo announced that retrenchment benefits (RB) for APAC staff would be 1 month salary per year of service, capped at 6 months (previously 12).

Issue


Max was retrenched shortly after the memo, receiving only 6 months of RB. He believed the decision to terminate him was made before the new cap was introduced, and the company had just delayed execution. His attempts to negotiate internally failed, and he refused to sign the termination letter.

Action

Max lodged a case with NTUC, seeking representation. An NTUC PME consultant reviewed the case and prepared for formal mediation. Key argument: The retrenchment decision preceded the benefits policy change, and Max’s treatment was unfair and retroactive.

Outcome

During mediation, the company agreed to pay the full 12 months of RB. Max received an additional \$72,000 in compensation. He credited the success to NTUC PME’s expertise, negotiation skills, and empathy. Max gained justice and closure, reaffirming the importance of representation, not resistance.

 [Read the full story here](#)

JOIN US NOW

Retrenchment may feel like an end, but with the right support, it can be a fresh beginning. Empower yourself today—your future self will thank you.



Scan me

- **Ensure you are fairly treated and that your voice is heard!**
- **Receive end to end support:**
 - Provide guidance on navigating a fair retrenchment outcome.
 - NTUC PME consultants can initiate mediation with your employer.
 - Participate in workshops to upskill and enhance your employability.
 - Gain access to career development resources such as mentorship and coaching.

Don't wait until retrenchment begins. Seek guidance as soon as you hear about business restructuring.

Frequently Asked Questions

FAQ



FREQUENTLY ASKED QUESTIONS

Q1: Where can I get help with job search and training?

A: You can approach:

- NTUC PME for workplace advice
- e2i for job matching, resume/interview clinics
- WSG / SkillsFuture for training and upskilling
- NTUC LearningHub for career courses

Q3: Can my employer retrench me without notice?

A: Only if they provide payment in lieu of notice. Otherwise, proper notice must be given as stated in your employment contract or under the Employment Act.

Q2: Can I refuse retrenchment?

A: You can seek clarification from HR. If you feel the process was unfair or discriminatory, consult the Tripartite Alliance for Dispute Management (TADM) or contact NTUC PME if you are an NTUC member.

Q4: Do I get retrenchment benefits if I resign before being officially retrenched?

A: No. If you resign voluntarily, you typically forfeit retrenchment benefits unless otherwise stated in a company policy or collective agreement.

FREQUENTLY ASKED QUESTIONS

Q5: How do I know if my retrenchment is legal?

A: Check that the company followed the Tripartite Advisory on Managing Excess Manpower and Responsible Retrenchment, provided fair notice, informed MOM (if required), and treated you consistently with other employees.

Q7: Can I be retrenched while pregnant or on maternity leave?

A: You cannot be retrenched because you're pregnant. However, if the retrenchment is due to business closure or genuine redundancy and applied fairly across the company, it may proceed—but with statutory maternity protections in place.

Q6: Will retrenchment affect my future job prospects?

A: No. Retrenchment is a business decision and not a reflection of your performance. Many employers understand and view it as part of today's economic reality.

Q8: Who can I speak to if I need more help?

A: You may speak to:

- HR Department – for company-specific details
- For NTUC member, you may contact NTUC or your respective Union for advise and support
- TADM – for dispute resolution
- e2i – for employment and training assistance



We are here to help!



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