

A Guide to the **Work Injury Compensation Benefits and Claim Process**



Foreword



This booklet provides a brief guide to the Work Injury Compensation Act which replaces the Workmen's Compensation Act with effect from 1 April 2008.

The Act has been reviewed to ensure that it continues to safeguard the interests of injured employees, deter non or delayed payment of compensation by irresponsible employers, while at the same time, protect employers against fraudulent claims by errant employees.

The key amendments to the Act include expanding the coverage of the Act to cover more employees, updating the compensation levels and enhancing the efficiency and effectiveness of the compensation process.

Outlined in this guide are the compensation benefits provided for under the Work Injury Compensation Act as well as the procedures for making claims. This guide has no legal standing and should not be taken as a comprehensive reference to the Work Injury Compensation Act.

Contents



03 Overview of the Work Injury Compensation Act

03 Who are eligible to claim Work Injury Compensation ?

03 Who are not eligible to claim Work Injury Compensation ?

04 When is Work Injury Compensation payable ?

04 What are the compensation benefits ?

06 Is Work Injury Compensation insurance compulsory ?

07 Who, when and how to report an accident ?

07 Is legal representation required for purpose of claiming Work Injury Compensation?

08 Procedure for claiming Work Injury Compensation

08 Step 1 – Reporting an accident

08 Step 2 – Filing a Work Injury Compensation Claim

08 Step 3 – Undergoing Medical Assessment

09 Step 4 – Assessing Compensation Payable

10 Step 5 – Making an Election to claim Work Injury Compensation

10 Step 6 – Resolving and Adjudicating Dispute

12 Flowchart for the Work Injury Compensation Claims Process

13 Offences And Penalties

14 Appendix: Table 1 - List of multiplying factors

Overview of the Work Injury Compensation Act



The Work Injury Compensation Act provides an expedient, low-cost compensation system that is an alternative to claiming for damages under the common law. Unlike civil claims, compensation is generally payable under the Act regardless of who is at fault, as long as an employee suffers an injury by accident arising out of and in the course of employment. In exchange, the compensation under the Act is capped. Once he decides to pursue his claim under the Act, he will generally no longer be able to exercise his option to sue his employer under common law.

Who are eligible to claim Work Injury Compensation?

Employees who sustain injuries or died in a work-related accident are entitled to claim work injury compensation. Employees who contracted occupational diseases arising out of their work can also claim compensation under the Act.

The Work Injury Compensation Act covers all employees in general who are engaged under a contract of service or of apprenticeship, regardless of their level of earnings.

Who are not eligible to claim Work Injury Compensation?

Self-employed persons, independent contractors, domestic workers, members of the Singapore Armed Forces, officers of the Singapore Police Force, the Singapore Civil Defence Force, the Central Narcotics Bureau and the Singapore Prisons Service are not covered by the Work Injury Compensation Act.

When is Work Injury Compensation payable?

Compensation is payable when an employee suffers personal injury by accident arising out of and in the course of employment. An accident arising in the course of an employee's employment (i.e. during working hours or while on official duties) is regarded as having arisen out of that employment, unless there is evidence to prove otherwise.

Compensation is also payable under the following circumstances:

- An employee meets with an accident while traveling as a passenger to and from his place of work in a vehicle operated by or on behalf of his employer and the vehicle is not a public transport.
- An employee who is residing in Singapore and employed by an employer in Singapore, meets with an accident in a place outside Singapore where he is required to work.

What are the compensation benefits?

(The compensation benefits mentioned in this section are applicable to accidents that happened on and after 1 April 2008. The compensation benefits under the previous Workmen's Compensation Act will apply to accidents that happened before 1 April 2008).

Under the Act, an injured employee is entitled to claim medical leave wages, medical expenses and compensation for permanent incapacity or death, if applicable. Employers are liable to pay work injury compensation as follows:

Medical expenses

- Medical expenses incurred within one year from the date of the accident, or up to a cap of \$25,000, whichever is reached earlier.
- Within these limits, employers will be responsible for all the medical expenses incurred for treatment by any Singapore-registered medical practitioner or in any approved hospital. Employers are liable to pay such medical expenses directly to the hospital.

Employees would bear the excess medical expenses beyond such limits if they opt to claim for compensation under the act. Alternatively, employees can choose to seek damages at the civil courts if they wish to recover the full medical expenses, and should not file a Work Injury Compensation claim with the Ministry of Manpower (MOM).

- Medical expenses include the cost of medical consultation fees, treatment and expenses, medical report fees (for the initial assessment of the extent of injury suffered by the employee), and the costs of medicines, artificial limbs and surgical appliances as certified by the medical practitioner.

Medical leave wages

- These include (a) full pay up to 14 days for outpatient medical leave; and (b) full pay up to 60 days for hospitalization leave.
- Beyond the abovementioned periods, 2/3 salary is payable up to a maximum period of one year following the date of accident. Public holidays, rest days and non-working days should be excluded from the number of days of medical leave granted to the employee. For public holidays, while these are not granted as paid medical leave under the Work Injury Compensation Act, the employee may be paid for the public holidays as his entitlement under the Employment Act.

Employers are required to pay medical leave wages to the employees not later than the same date as their usual earnings would have been payable.

Compensation for permanent incapacity

The computation for permanent incapacity compensation is:

Compensation payable = [employee's monthly earnings] x [multiplying factor*] x [% loss of earning capacity]

** Refer to Table 1 for the list of multiplying factors i.e. number of months of earnings compensable.*

- The compensation amount payable is subjected to a maximum and minimum limit as follows:

Maximum limit = \$180,000 x [% loss of earning capacity]

Minimum limit = \$60,000 x [% loss of earning capacity]

- An additional 25% of the compensation amount is awarded if an injured employee suffered permanent total incapacity (i.e. 100% loss of earning capacity).

Compensation for death

- ***Compensation payable = [employee's monthly earnings] x [multiplying factor]***

The compensation amount payable to the dependents of a deceased employee is subjected to a maximum and minimum limit as follows:

Maximum limit = \$140,000

Minimum limit = \$ 47,000

Is Work Injury Compensation insurance compulsory?

Employers have some flexibility to manage their financial exposure arising from the potential liabilities under the Act. It is not mandatory for employers to buy insurance for employees who are newly covered under the Act (i.e. employees who are involved in non-manual work and have monthly earnings of above \$1,600). Nonetheless, employers will be required to pay compensation in the event of a valid claim, even if they do not buy insurance.

There is no change to the compulsory insurance requirement for employees who are already covered under the Act prior to 1 April 2008 (i.e. employees who are involved in manual work regardless of their level of earnings, or employees who are involved in non-manual work and have monthly earnings of \$1,600 or less). Employers are required by law to buy insurance for these employees, unless exempted.

Who, when and how to report an accident ?

Employers are required to report work-related accidents to MOM within the time stipulated below.

What to report	Reporting timeline
Where the accident results in death of an employee	Within 10 days of the occurrence
Where the accident results in any incapacity that renders the employee unfit for work for more than 3 consecutive days, or is admitted in a hospital for at least 24 hours for observation or treatment	Within 10 days of the occurrence

Failure to report a work-related accident is an offence which carries a fine of up to \$5,000 for a first-time offence, and a fine of up to \$10,000 and/or a jail term of up to six months for subsequent offences.

Employers can submit the accident report using the iReport system on the Internet at the following web address:

<http://www.mom.gov.sg/iReport>

Is legal representation required for purpose of claiming Work Injury Compensation?

Generally, legal representation is not necessary for claiming Work Injury Compensation. MOM will deal with the relevant parties to process the claim, and any party can approach MOM for advice or assistance on the claims procedures. However, if the claimant wants to assess whether to claim compensation under the Work Injury Compensation Act or under common law, he may wish to seek legal advice.

Procedure for Claiming Work Injury Compensation



This section outlines the general procedure for claiming work injury compensation.

Step 1 **Reporting an accident**

- The injured employee is required to inform his employer of the accident as soon as practicable, failing which compensation may not be payable unless it involved a fatal accident.
- The employer is required to report the accident to MOM within the stipulated time period as well as notify his insurer(s).

Step 2 **Filing a Work Injury Compensation Claim**

- If an employee wishes to claim Work Injury Compensation instead of seeking damages under common law, he has up to one year from the date of the accident to submit a claim to MOM.
- The employee (i.e. claimant) should notify the MOM and his employer of any changes to his contact address while his claim is being processed.

Step 3 **Undergoing Medical Assessment**

- For claimants who are eligible for Work Injury Compensation, they will be required to undergo a medical assessment to determine the extent of the injury suffered. This is for the purpose of determining the amount of compensation payable.

- MOM will provide a medical report form to the employer or claimant for purpose of the medical assessment by the treating clinic/hospital.
- Upon receipt of the medical report form, the employer/claimant should send it promptly to the treating clinic/hospital, together with the medical report fees as stipulated by the clinic/hospital. The medical report fees should be borne by the employer.
- The claimant should pro-actively follow up with the clinic/hospital for appointment dates and undergo the medical treatment and medical assessment.
- The claimant should not work if he is certified to be medically unfit for work. If in doubt, the claimant/employer should seek advice from the treating doctor whether the claimant is fit for work. Should the claimant be compelled to work when he is unfit to do so, he can approach MOM for assistance.
- If the claimant failed to submit himself for the medical assessment and such failure extends beyond 3 months, his claim may be suspended, and compensation may not be payable.
- To ensure continuity in medical treatment and proper recovery of injury, the claimant should refrain from switching doctors unnecessarily without referral by the treating clinic/hospital.
- The claimant should inform his employer and MOM immediately if he changes the clinic/hospital where he receives treatment.

Step 4

Assessing Compensation Payable

- Upon receipt of the completed medical report form from the clinic/hospital, the Commissioner in MOM will assess the compensation payable and issue a Notice of Assessment (NA) to the claimant, employer and insurer. The NA will indicate the amount of compensation awarded, if any.
- Any party who wishes to object to the NA has up to 14 days from the date of service of the NA to give notice of his objection to the Commissioner. The objecting party is required to state precisely his grounds of objection using a prescribed form. Any ground of objection received beyond this period by the Commissioner may be disregarded.

Step 5

Making an Election to claim Work Injury Compensation

- If the claimant decides to claim Work Injury Compensation (by not objecting to the NA) and no party has objected to the NA, the employer (or his insurer) is required to pay the compensation amount within 21 days after the service of the NA.
- If there is an objection(s) to the NA, the claimant is to decide by the 28th day (after the service of the NA) whether he wishes to:
 - (a) Withdraw his claim so that he is able to pursue damages against his employer under common law; or
 - (b) Claim Work Injury Compensation by:
 - (i) Proceeding with the dispute resolution procedures under the Work Injury Compensation system (see step 6); or
 - (ii) Withdrawing his objection, if any, and accepting the NA. Upon accepting the NA and if there is no outstanding objection to the NA, the employer (or his insurer) is required to pay the compensation amount within 35 days after the service of the NA (ie within 7 days after the final date for the claimant to make his claim election).

Once the claimant decides to pursue his claim under the Act, he will generally no longer be able to exercise his option to sue his employer under common law.

Step 6

Resolving and Adjudicating Dispute

- MOM will hold pre-hearing conferences to facilitate the resolution of objections. Any objection that cannot be resolved amicably will be referred to the Labour Court for hearing.
- If the objection pertains to the percentage of the permanent incapacity awarded, MOM will refer the claimant to the Work Injury Compensation Medical Board whose decision on the medical assessment is final. The objecting party shall bear the medical report fees and any other expenses arising from tests that are deemed necessary by the Medical Board.

- After all objections are resolved and the claim is concluded at a pre-hearing conference or hearing, the Commissioner will order the compensation amount to be paid **within 21 days** (after the order is made).
- The claimant can approach the Ministry for assistance if the employer or insurer fails to pay the compensation amount determined.

Failure to pay compensation is an offence which carries a fine of up to \$10,000 and/or a jail term of up to twelve months.

Flow chart for the Work Injury Compensation claims process

Step 1 : Reporting an Accident

- Employer files a report of the accident using the iReport system on the internet (<http://www.mom.gov.sg/iReport>).



Step 2 : Filing a Work Injury Compensation Claim

- Employee to file a claim within 1 year from the date of the accident if he chooses to claim compensation under the Work Injury Compensation Act.



Step 3 : Undergoing Medical Assessment

- Employee undergoes medical assessment to determine the extent of his injury.
- Medical Report to be submitted by the treating clinic/hospital to MOM.



Step 4 : Assessing Compensation Payable

- Upon receipt of the completed medical report, the Commissioner in MOM issues a Notice of Assessment (NA) which states the amount of compensation awarded, if any.
- Any objection has to be made within 14 days from the date of service of the NA. The objecting party(s) is required to state precisely his grounds of objection using a prescribed form.



Step 5: Making an Election to Claim Work Injury Compensation

- If no objection is raised within the 14-day period, payment of compensation is to be made within 21 days from the date of service of the NA.
- If there is objection(s) raised, the employee has up to 28 days from the date of service of the NA to decide whether to withdraw his claim so as to pursue damages under the common law or continue his claim for work injury compensation under the Act.



Step 6: Resolving and Adjudicating Dispute

- Pre-hearing conferences are held to facilitate resolution of any objection(s) raised. Any dispute that cannot be resolved will be referred to the Labour Court for hearing.

Offences and penalties

The key offences and related penalties provided under the Work Injury Compensation Act are as follows:

	Offences	Maximum penalty (fine and/or imprisonment)
1.	Failing to pay compensation or interest	\$10,000, and/or 12 months
2.	Making a fraudulent claim	\$15,000, and/or 12 months
3.	Providing false information or statement	\$5,000, and/or 6 months
4.	Wilfully obstructing or delaying the Commissioner or Investigation Officer in exercising his powers	\$5,000, and/or 6 months
5.	Abetting an offence	Same penalty as for the offence that is abetted
6.	Making illegal deduction of salary to defray insurance costs	\$5,000, and/or 6 months
7.	Failing to insure an employee with adequate insurance	\$10,000, and/or 12 months
8.	Failing to report an accident	First offence, \$5,000 Second or subsequent offence, \$10,000 and/or 6 months

Appendix: Table 1 - List of multiplying factors

Age of employee at next birthday	Permanent Incapacity	Death	Age of employee at next birthday	Permanent Incapacity	Death
14	181	136	40	144	108
15	180	135	41	142	107
16	179	135	42	140	106
17	178	134	43	138	105
18	178	134	44	136	104
19	177	133	45	134	103
20	176	132	46	132	102
21	175	132	47	130	101
22	174	131	48	128	100
23	173	130	49	126	98
24	172	129	50	124	96
25	170	128	51	122	94
26	169	127	52	120	92
27	168	127	53	118	90
28	167	125	54	116	88
29	165	124	55	114	86
30	164	123	56	111	84
31	162	122	57	108	82
32	160	121	58	105	80
33	159	120	59	102	78
34	157	118	60	99	75
35	155	117	61	96	72
36	153	115	62	92	68
37	151	114	63	87	63
38	149	112	64	82	58
39	146	110	65	77	53
			66+	72	48

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The information provided in this guidebook is accurate as at time of printing.

The notes are aimed at providing basic information on work injury compensation so that employers and employees can have an overview of their rights and obligations under the Work Injury Compensation Act. As a guide, this booklet has no legal standing. In all cases of doubt, reference should be made to the Work Injury Compensation Act itself.

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