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Refund of EA service fee

From 1 June 2022, employment agencies must refund at least 50% of the service fees paid by the employer, if the MDW's employment is terminated within the first six months of employment, and other refund conditions are met.

What is it

If a migrant domestic worker's (MDW's) employment is terminated within the first six months of employment, the employment agency (EA) engaged by the employer must refund at least 50% of the service fees paid by the employer if refund conditions are met. This is a legislative requirement under Rule 13A of the Employment Agencies Rules 2011.

When is it applicable

The policy applies to contracts entered into between employers and EAs on or after 1 June 2022.

The employer is entitled to a refund, except in any of the following scenarios:

- The employer engaged the EA to perform only administrative work relating to the hiring of the MDW, and the EA did not provide any matching services.
- The employer breached any employment law or committed an offence against the MDW during the MDW's employme



- The employer did not notify the EA within a reasonable time, that the employer intends to cancel the MDW's work permit, repatriate or transfer the MDW, or have cancelled the work permit, repatriated or transferred the MDW before notifying the EA, whichever is earlier.
- The employer had hired up to two replacement MDWs and any one of them lasted more than six months, or a third replacement MDW was provided.
- The MDW was hired as a caregiver, which must be clearly stated in the service agreement between the employer and EA. Nevertheless,
 caregiving is no longer needed, either because the person being cared for has passed away or has moved to alternative care and is no longer
 residing in the same residential address.

Note

EAs should not set their own terms for employers to qualify for the service fee refund.

The table illustrates some examples of refund scenarios related to replacement MDWs:

Employment duration of MDW (placed by EA to same employer)				Does refund policy
1 st MDW	1 st replacement MDW	2 nd replacement MDW	3 rd replacement MDW	apply?
3 months	-	-	-	Yes. The MDW's employment was terminated within the first six months of employment.
3 months	8 months	-	-	No. The 1 st replacement MDW's employment was terminated after six months.
3 months	3 months	3 months	-	Yes. All 3 MDW's employment were terminated within the first six months of employment.
3 months	3 months	3 months	3 months	No. This is the third Q Find & Summari

What are 'service fees'

'Service fees' refers to all fees paid by the employer to the EA, excluding:

- Costs of local requirements related to the entry and employment of MDWs such as work permit application and issuance, Settling-In Programme, medical examination, one-way air or ferry ticket for entry into Singapore, and serology tests.
- Costs of requirements imposed by the government of the MDW's home country / region such as the fees payable for the Overseas Employment Certificate (Philippines) or the fees payable for the Employment Contract (Indonesia).
- Fees charged by third-party providers for training provided to the MDW at the request of the employer.
- The MDW's placement loan.

Unless specified in the exclusion list above, all other fees paid are subjected to the refund policy.

How to get refund

Employers can approach their EA if the refund conditions are met.

To help the EA understand the reasons for termination and improve their matching, employers have to notify the EA, within a reasonable time, of their intention to cancel the MDW's work pass, repatriate, or transfer the MDW, before terminating the MDW's employment.

EAs must provide the refund within 14 working days after:

- · the employer's written request for the refund, or
- the MDW's work pass is cancelled, whichever is later.

More information

• EA Alert on Implementation of service fee refund policy for MDW employers from 1 June 2022 🗵

Related questions

Why did MOM introduce the service fee refund policy?

lam an EA. Can I pro-rate the amount of fees to be refunded to the employer based on the period of termination within the first six months?

I am an EA. Why do I need to ensure that it is stated in the service agreement signed with the employer if the MDW was hired as a caregiver for the household?

<u>I am an MDW employer. Am I eligible for the refund if I initiated the termination of my MDW's employment or if my MDW decided to quit?</u>

lam an MDW employer, Why do I need to notify the EA before cancelling the MDW's work permit in order to get a refund?

How is the first six months of the MDW's employment calculated?

<u>I am an EA. Why must I refund employers for situations where the termination of the MDW's employment is beyond my control?</u>

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