

# EMPLOYMENT AGENCY BULLETIN

News bulletin by the Ministry of Manpower for employment agencies.



## EA Fined for overcharging workers and also ordered to compensate workers \$6,600 in total

The Ministry of Manpower (MOM) has recently prosecuted an EA – Gateway Employment Agency (Gateway) for collecting excessive agency fees from three foreign workers. The EA was fined \$3,000 and also ordered to compensate the workers a total of \$6,600. MOM has also suspended the EA's licence.

Investigations revealed that the employment agency personnel, who facilitated the employment of the foreign workers, charged each applicant RMB 15,000 (equivalent to approximately SGD \$3,000) as payment for agency fees. He also collected RMB 18,000 (equivalent to approximately SGD \$3,600) from another foreign worker for finding him a job. The amounts are more than what the EA can charge under the law. On 20 June 2013, Gateway was found guilty of overcharging by the court.

Please refer to our press release on the MOM website for more details.

A fee cap is in place to protect vulnerable rank and file workers who have weak bargaining power. EAs cannot charge employees a fee exceeding one month of their salary, for each year of the approved work pass duration or employment contract, whichever is shorter, subject to a maximum of two months' salary.

MOM would like to remind all EAs that it is your responsibility to comply with the law. You should not be collecting excessive agency fees from clients, including the foreign workers. EAs are also required to issue itemised receipts that show the charges for all services provided to your clients.

Under the EAA, licensees and employment agency personnel who are convicted of overcharging agency fees face a fine of up to \$5,000. Those who re-offend may be jailed for not more than six months in addition to being fined. EAs which have been convicted of any offence are liable to have their licences revoked. Key appointment holders from these EAs will also be barred from entering the EA industry in future.

MOM will not hesitate to take stern actions against EAs who excessively charge applicants for recruitment services.



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