Work Injury Compensation Claim Frequently Asked Questions (FAQs)

- Changes to WICA (effective 1 January 2016)
- General Coverage
- Compensation Benefits
- Insurance Requirement
- Accident Reporting Requirement
- Claim Application

Changes to WICA (effective 1 January 2016)

Updating of WICA Compensation Limits

1) What is the increase in compensation limits? When will an injured employee be entitled to the new compensation limits?
The new compensation limits are applicable to accidents that occurred on and after 1 January 2016. The existing compensation limits would continue to apply to all accidents that occurred before 1 January 2016.

The revisions in compensation limits are as follows:

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2) Why is there a need to set absolute limits for the cost of medical treatment?

As WICA seeks to strike a fair balance between compensation for employees and the obligations placed on employers and their insurers, MOM has to set a clear limit to the compensation for medical expenses in order to provide certainty to employers. The new limits for medical expenses will continue to fully cover more than 95% of claims where hospitalization is required. The one-year cap is adequate as most injuries typically stabilize within a year from the accident. Employees who wish to claim the full medical expenses beyond the cap can choose to do so under common law. Needy cases can also apply through the hospital’s medical social worker for assistance on a case-by-case basis.

Work-related Fights

3) Why is MOM disallowing compensation for employees injured in work-related fights, particularly if the fight arose over a dispute over work-related matters?

Given that WICA is a no-fault system, we need to ensure that the burden of compensation placed on employers is not an unreasonable one. While work-related disputes between co-workers may arise from time to time, they should not resort to fights to resolve them, and employers should not have to bear the cost of injury. With the amendment, employees injured in work-related fights will still be eligible for compensation, provided these injuries were sustained (i) in the act of self-defence, (ii) while defending another individual, (iii) while acting under the employer's/principal’s instructions or consent to break up the fight, safeguard lives or property, or maintain law and order or (iv) as a result of an assault to which he did not retaliate. Only employees who deliberately participate in fights at the workplace – whether due to a dispute over work-related matters or not – and sustain injuries in the process are not eligible for work injury compensation.

4) How would MOM determine if an employee injured in a fight is eligible for work injury compensation?

As with all work injury claims, MOM will examine the facts of the case to determine the admissibility of a claim.

Compensation for Diseases arising from prolonged exposures to work-related hazards

5) MOM is proposing to allow compensation claims for diseases resulting from prolonged exposures to work-related hazards and specifically cites chemical and biological agents. Would physical agents be considered work-related hazards and hence compensable?

Diseases arising from prolonged exposures to physical agents at work, such as radiation, noise and compressed air are well-established and already listed under the Second Schedule of WICA as compensable occupational diseases. To update the list, MOM is proposing to include diseases caused by excessive heat as a new occupational disease under the Second Schedule.

6) Will the amendment to compensate for diseases resulting from work-related exposure to biological or chemical agents potentially expose employers to claims which may not have a clear link to work?

MOM will only admit claims where the link to work can be proven. For claims involving diseases arising from prolonged exposure to work-related hazards, it must be proven that the exposure arose out of and in the course of employment. Claims without this link to work would therefore not be admitted. If employers are unclear as to whether a disease is work-related and hence eligible for work injury compensation, they are advised to notify MOM about the disease through iReport. MOM will examine the facts of the case to determine the admissibility of a claim.
7) Would notifying MOM of a possible work-related disease constitute admission of the claim?
No, notifying MOM of a possible work-related disease would not constitute admission of the claim. The claim would be admitted only after MOM has conducted its investigation and concluded that the disease is work-related.

**Occupational Diseases – Specific Amendments to Second Schedule of WICA**

8) Why is MOM introducing a new occupational disease of ‘Diseases caused by excessive heat’?
Currently, claims for injuries arising from exposure to excessive heat at work, e.g. heat stroke, are already admissible under WICA. The amendment to the Second Schedule provides greater clarity that such injuries are compensable as an occupational disease.

9) Why is MOM deleting two ODs, i.e. SARS and Avian Influenza, from the Second Schedule?
The Second Schedule lists occupational diseases that have a clear and well-established link to risk factors at work. Infectious diseases such as SARS and avian influenza can be readily contracted via community spread. Their link to work is not so clear, unlike the other diseases listed on the Second Schedule. However, should an employee contract SARS or avian flu arising from exposure at work, the amendment to allow compensation for diseases contracted as a result of prolonged exposures to work-related hazards (i.e. biological and chemical agents) will still allow him to receive work injury compensation.

10) What recourse does an employee have if he is diagnosed with an occupational disease within the time limit but the employer/insurer is no longer operating?
If the employer or insurer is no longer in operation and the employee is in financial hardship, he may approach MOM for assistance to apply for financial aid from the Workers’ Fund.

11) What happens if an employee who is exposed to a disease-causing agent is subsequently transferred to a job within the same company with no such exposure?

The employer will still be liable for compensation if the employee was diagnosed with the disease within one year from his last exposure to the disease-causing agent.

12) For an employee who contracted an occupational disease which was diagnosed after the time limits specified in the Second Schedule of WICA, what recourse does he have in obtaining compensation?
The injured employee has the option to seek damages against his employer under common law. To do so, he would be required to prove that the negligence of his employer contributed to his injury. In cases of financial hardship, the employee may approach MOM for assistance to apply for financial aid from the Workers’ Fund.

**Time Bar for reversion to WICA from Common Law**

13) What recourse does an employee have if he commences a common law suit and realizes that he is unlikely to succeed in his common law claim?
Under WICA, injured employees have one year from the date of the accident to decide whether to pursue their claim under WICA or under common law. Employees may choose to revert to WICA even after filing a claim under common law, as long as this is done within one year of the accident. Beyond that, if the common law suit was initiated within one year of the accident, and the accident is assessed to be compensable under WICA, the employee can request that the court assess the WICA compensation due the employee, minus costs, and direct the employer to pay compensation.
Insurance – Clarifying the Liability of the Employer’s Insurance Policy

14) How would the amendment to make the employer’s insurance policy responsible for claims when there are multiple insurance policies impact industries where the prevailing practice is to rely on the project insurance policy and not the employer’s?

Under WICA, employers are liable to compensate their employees for any injury they sustain out of and in the course of employment. This amendment is intended to align the provision of work injury compensation insurance with this principle. Employers should ensure that their insurance policies provide sufficient coverage for all their workers and liabilities under WICA, rather than relying on the project insurance policy.
However, to take into account industry practice where the principal’s insurance policy compensates workers injured at the project site, a third party’s insurance policy may be used to compensate the injured worker. This is provided the insurer commits in writing to MOM, before the notice of assessment is issued, his intention to do so.

Insurance – Prohibiting Work-related Exclusions from WIC Insurance Policies

15) Why does MOM propose to prohibit all work-related exclusion clauses from WIC insurance policies? How would this impact employers?

The intent of WIC insurance is to ensure that employees are compensated when they are involved in a work-related accident. However, MOM has seen numerous cases of insurance policies with exclusions on work-related activities or conditions, e.g. working at heights, hot works, etc. The transfer of liability to pay compensation from the insurers to employers who lack the necessary financial resources would result in delayed payments or non-payments to injured workers. With the prohibition of work-related exclusion, the insurer will remain liable to pay compensation even if these exclusion clauses are present. Exceptions are made for clauses pertaining to asbestos, war and terrorism, i.e. these 3 types of exclusion clause will still be allowed.
Notwithstanding the prohibitions, the insurers may seek recovery on the compensation paid to the employee for accidents contractually, if such recovery is provided for in the insurance policy. Employers should examine the policy clauses thoroughly so as to ensure an understanding of their liability that they are subjected to in the insurance contract.
Insurers could possibly conduct more stringent checks/audits on employers to ensure that the nature of work carried out is aligned with how the insurance premiums have been priced.

16) Would insurers be able to seek recovery of the compensation paid out to injured workers from the employer, should the accident fall within any exclusion clause?

Insurers would be able to seek recovery from the employers via contractual means (i.e. if such a recovery was stated in the insurance contract).

General Coverage

17) Who are covered under the Work Injury Compensation Act? Are self-employed persons covered under the Work Injury Compensation Act?

The Work Injury Compensation Act covers all employees in general, who are engaged under a contract of service or apprenticeship, regardless of their level of earnings.
Self-employed persons, independent contractors, domestic workers, members of the Singapore Armed Forces, officers of the Singapore Police Force, the Singapore Civil Defense Force, the Central Narcotics Bureau and the Singapore Prisons Service are not covered under the Work Injury Compensation Act.

Compensation Benefits
18) What are the compensation benefits under the Work Injury Compensation Act?

Under the Work Injury Compensation Act, an injured employee is entitled to claim the following compensation benefits:

- **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 these two periods, 2/3 salary is payable up to a maximum period of one year following the date of accident;
- **Medical expenses.** These include the medical treatment received by an employee in relation to his injury by accident arising out of and in the course of employment. It shall be the lower of the following amounts: (a) the cost of medical treatment received by the employee, up to one year from the date of the accident; or (b) $25,000 per accident per employee (for accidents that happen before 1 June 2012) or $30,000 per accident per employee (for accidents that happened on and after 1 June 2012) or $36,000 per accident per employee (for accidents that happened on and after 1 January 2016); and
- **Lump sum compensation for permanent incapacity (PI) or death, if any.**

The compensation amount payable is subjected to the following limits:

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* This excludes the additional 25% compensation that is paid to workers with total permanent incapacity to offset the cost of care for the injured worker.

Employers remain liable to pay the above compensation, including medical leave wages, to the employees even if their employment or work passes have been terminated.

19) Under the Work Injury Compensation Act, is the employer liable for costs of medical treatment received overseas?

Under the Work Injury Compensation Act, the employer is liable for the costs of medical treatment received overseas if the accident happened when the employee was working overseas and immediate medical treatment was needed.
Insurance Requirement

20) Is it mandatory for employers to buy insurance for all employees eligible for compensation under the Work Injury Compensation Act (WICA)? Who are required to be insured under the WICA?

Employers are required under WICA to maintain work injury compensation insurance for (i) all employees doing manual work and (ii) non-manual employees earning $1,600 or less a month. Failure to do so is an offense punishable by a maximum fine of $10,000 and/or imprisonment of up to 12 months. It is not mandatory for employers to maintain insurance for non-manual employees earning more than $1,600 a month. Nonetheless, employers will be required to pay compensation in the event of a valid claim, even if they do not buy insurance. As such, employers can decide whether or not to buy insurance for this group of employees, after weighing their risks with the cost of insurance premiums.

21) If employees are already covered by existing insurance policies (e.g. group personal accident insurance), is the employer still required to buy Work Injury Compensation Insurance?

Employers are allowed to use one or more insurance policies to cover all the liability that they may incur under Work Injury Compensation Act. Companies with existing insurance policies may therefore choose to switch to Work Injury Compensation Insurance Policies or adjust their existing policies (e.g. by adding riders) to ensure that their overall insurance coverage meets the requirements under the Work Injury Compensation Act.

22) What are the penalties if I fail to insure my employees?

Every employer is required by law to maintain adequate work injury compensation insurance for all (i) employees doing manual work, regardless of salary level, and (ii) employees doing non-manual work and earning $1,600 or less a month. Failure to do so is an offense punishable by a maximum fine of $10,000 and/or imprisonment of up to 12 months. If you did not maintain adequate insurance (e.g. you have 10 manual workers but bought insurance for only 8 workers), you would have committed an offense.

Accident Reporting Requirement

23) Under the Work Injury Compensation Act, when must an employer report a work-related accident? How do employers report a work-related accident to MOM?

The accident reporting requirements under the Work Injury Compensation Act has been simplified and aligned with those under the Workplace Safety and Health Act. Employers are required to report work-related accidents to MOM within 10 days of the occurrence of the accident:
- Where it results in the death of an employee.
- Where it renders an employee unfit for work for more than 3 days (consecutive or otherwise) or hospitalized for at least 24 hours.

The reporting requirement for the less severe injuries has been removed but the obligation to compensate an injured employee remains. For example, if an employee is granted 3 days (or fewer) of medical leave, the employer is not required to report the accident. However, the employer remains liable to pay compensation to the employee. Failure to report a work-related accident is an offense which carries a fine of up to $5,000 for a first-time offense, and a fine of up to $10,000 and/or a jail term of up to six months for subsequent offenses. Employers are also required to update the report when the employee furnishes more MCs related to the injury. With effect from 6 Jan 2014, employers are required to notify MOM all work-related accidents with lost time from work for more than 3 days instead of 3 consecutive days. These accidents must be reported to MOM within 10 days from the 4th day of medical leave. All other reporting criteria remains unchanged.
Claim Application

24) When must an injured employee file a claim if he wishes to seek compensation under the Work Injury Compensation Act?

An employee has up to one year from the date of the accident to submit a claim for work injury compensation to MOM.

25) How does an injured employee file a claim under the Work Injury Compensation Act? What does the overall claim process include?

The employee is required to fill a claim application form and submit it to MOM within one year from the date of accident. MOM will extend a copy of the claim application form to the injured upon receipt of an accident report by the employer. For more information on the claim process, please refer to the Guide to Work Injury Compensation Benefits and Claim Process.

26) Can an injured employee file a claim under the Work Injury Compensation Act as well as sue his employer in the civil courts for damages arising from the injury?

An employee who has been injured in a workplace accident may either file a claim for compensation under the Work Injury Compensation Act or sue his employer in the civil courts for damages, but is not entitled to do both. Notwithstanding this, if the injured employee has filed a claim for work injury compensation under the Act, he may still withdraw his claim under the Act to initiate civil action. However, his claim has to be withdrawn within 28 days after the Commissioner serves him with a Notice of Assessment (NA) to inform him of his compensation amount. After the Commissioner serves the NA, the employee and employer (and the insurer, if applicable) have up to 14 days to accept or object to the NA. The following three scenarios are possible at the end of the 14-day period:

Scenario 1:
All parties accept the NA. The employer (or the insurer, if applicable) is required to make payment to the employee within 21 days after the date of service of the NA. The case is resolved and the employee will no longer be able to sue his employer in the civil courts subsequently.

Scenario 2:
One or more parties object to the NA. The employee will have a further 14 days (or up to 28 days after the service of the NA) to decide if he wishes to proceed with his claim under the Act, or withdraw his claim. Once the employee decides to proceed with his claim under the Act, he will generally no longer be able to sue his employer in the civil courts subsequently.

Scenario 3:
The employee decides that he would like to sue his employer instead of claiming work injury compensation. He should then withdraw his claim from under the Act in order to commence civil action.