

HIGHLIGHTS OF NWC'S RECOMMENDATIONS

01 | WAGE INCREASES SHOULD BE FAIR AND SUSTAINABLE, AND BASED ON THE FLEXIBLE WAGE SYSTEM (FWS)

Employers should ensure that wages reflect the increased labour productivity over the longer term. The NWC encourages employers to reward employees with wage increases that are fair and sustainable: built-in wage increases should be given in line with firms' business prospects, while variable payments should reflect firms' performance and workers' contributions.

At the same time, employers would need resilience and flexibility in wage structures due to the economic uncertainties ahead. **The NWC therefore calls on all employers to implement the FWS if they have not yet done so.**

The guidelines apply to all employees – professionals, managers, executives, technicians, rank-and-file, those employed in unionised and non-unionised firms, and in both the public and private sectors, and to those who are re-employed.



More details on the FWS and how to implement it:
<https://go.gov.sg/fwsguidebook>.

The NWC sets out the following wage guidelines **for all employers**:

EMPLOYERS WHO HAVE DONE WELL AND HAVE POSITIVE BUSINESS PROSPECTS:



Should reward their employees with built-in wage increases and variable payments commensurate with business performance and employees' contributions.

EMPLOYERS WHO HAVE DONE WELL BUT FACE UNCERTAIN BUSINESS PROSPECTS:



May exercise moderation in built-in wage increases but should still reward employees with variable payments commensurate with the employers' performance and employees' contributions.

EMPLOYERS WHO HAVE NOT DONE WELL:



May exercise wage restraint with management leading by example.



Should make greater efforts to improve business processes and productivity, especially by investing in employee upskilling.



May consider setting out future variable payments linked to appropriate business indicators if they face positive business prospects.

02

HELPING EMPLOYEES COPE WITH HIGHER COSTS OF LIVING

Government measures will help all employees, especially lower-wage workers, offset the higher costs of living. To further help employees cope, employers should consider **giving a one-off special lump sum payment** to employees, with more help given to **lower- to middle-income employees**. This should be done through mutual agreement between employers and the union for unionised companies.

03

PRESSING ON WITH SUSTAINED WAGE GROWTH FOR LOWER-WAGE WORKERS

We must press on with the national effort to collectively uplift lower-wage workers so that our social compact remains strong and no worker is left behind as Singapore progresses.

Taking into account the uncertain global economic outlook, NWC recommends the following **for workers earning a gross monthly wage¹ of up to \$2,500**:

EMPLOYERS WHO HAVE DONE WELL AND HAVE POSITIVE BUSINESS PROSPECTS SHOULD:



Provide their lower-wage workers with a built-in wage increase at **the upper bound of 5.5 – 7.5%** of gross monthly wage, or a wage increase of **at least \$85 – \$105**, whichever is higher.

EMPLOYERS WHO HAVE DONE WELL BUT FACE UNCERTAIN BUSINESS PROSPECTS SHOULD:



Provide their lower-wage workers with a built-in wage increase at **the lower to middle bound of 5.5 – 7.5%** of gross monthly wage, or a wage increase of **at least \$85 – \$105**, whichever is higher.

EMPLOYERS WHO HAVE NOT DONE WELL SHOULD:



Provide their lower-wage workers with a built-in wage increase at **the lower bound of 5.5 – 7.5%** of gross monthly wage.



If business prospects subsequently improve, employers should consider further wage increases.

¹The gross monthly wage includes the basic monthly wage (comprising the monthly fixed component and the monthly variable component), and gross wage components such as allowances (including travel, food, housing), productivity incentive payments, and overtime payments, but excludes Annual Wage Supplement and bonuses (which are usually paid on an annual basis). Gross monthly wage includes employee CPF contribution, but excludes employer CPF contributions.

UPLIFTING LOWER-WAGE WORKERS IN ADMINISTRATOR AND DRIVER OCCUPATIONS

In line with recommendations by the Tripartite Workgroup on Lower-Wage Workers, the NWC has set out the 2024 – 2025 schedule of Occupational Progressive Wages (OPW) wage requirements for Administrators and Drivers, which will apply from 1 July 2024 to 30 June 2026.

The 2024 – 2025 OPW wage schedule will apply to about **64,000** full-time lower-wage workers in Administrator and Driver occupations. Of these, about **52,000** can expect to see a wage increase from 1 July 2024.

OPW Job Level ²	PWM Baseline Gross Wage Requirements ³			Percentage Increase from 2023 – 2025
	1 Mar 2023 – 30 Jun 2024 [Current]	1 Jul 2024 – 30 Jun 2025 [New]	1 Jul 2025 – 30 Jun 2026 [New]	
Administrative Assistant	\$1,500	\$1,800	\$1,980	↑ 32%
Administrative Executive	\$2,000	\$2,390	\$2,580	↑ 29%
Administrative Supervisor	\$2,800	\$2,980	\$3,160	↑ 13%
General Driver	\$1,750	\$1,970	\$2,190	↑ 25%
Specialised Driver	\$1,850	\$2,085	\$2,320	↑ 25%

² Employers may refer to MOM's website for the detailed job descriptions of roles that are covered under OPW. Employers should classify and pay their employees the applicable Progressive Wage for the job role that best fits the employee's job scope, regardless of the job title of the employee. For an employee whose job scope straddles more than one job description, employers should classify the worker under OPW job role that the employee spends majority of his or her time, and pay the employee the applicable Progressive Wage for that job role.

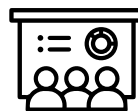
³ Applies to Singapore Citizen and Permanent Resident full-time employees (i.e., contractual working hours of 35 – 44 hours a week, based on regular contractual working hours), assuming no overtime worked. Employers who hire foreign workers are required to adhere to the OPW requirements for their resident administrators and drivers. Refer to the NWC Guidelines or MOM's website, for details on part-time and overtime requirements.

To ensure that wage growth is sustainable and continues to be supported by productivity growth, employers and employees should press on with business transformation and training. This is even more urgent given the economic uncertainty ahead, which will require both employers and employees to be agile and resilient in order to adapt to the changing environment and seize new opportunities.

EMPLOYERS SHOULD:



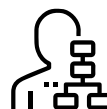
Upskill employees for future jobs.



Build up capability to train employees.



Redesign jobs to increase productivity.



Strengthen HR capabilities to support transformation.

EMPLOYEES SHOULD:



Upskill and reskill to ensure that their knowledge and skillsets remain in demand in their sector and broader economy.

