15 November 2018
Updated as of 3 July 2019

RECOMMENDATIONS OF THE TRIPARTITE CLUSTER FOR CLEANERS ON THE IMPLEMENTATION OF PROGRESSIVE WAGE MODEL BONUS FROM 2020

Overview

1) In December 2016, the Tripartite Cluster for Cleaners (TCC) recommended enhancements[1] to the Progressive Wage Model (PWM) for the cleaning sector, **including a mandatory annual bonus** to be paid to eligible resident cleaners with effect from 2020. The PWM wage levels would also see an annual wage increase of 3% from 2020 to 2022 (details can be found in the 2016 TCC Report). The TCC's recommendations were accepted by the Government and implemented under the cleaning business licensing regime through the Order imposed by the Commissioner for Labour. The implementation of a mandatory annual bonus (termed as "**PWM Bonus**") came into legal effect when it was passed in Parliament in October 2018 under the Environmental Public Health (Amendment) Bill.

2) The TCC believes that the PWM Bonus will enable employers to better attract and retain their cleaners, as it serves as an incentive for the cleaners to stay with their employers for at least 12 months. Additionally, the PWM Bonus will help increase the total income of cleaners and provide additional savings for them. Besides being a retention tool to motivate cleaners to remain with the same employer, it would also encourage cleaning businesses to invest in workers' training and in turn raise productivity. In this regard, the PWM Bonus is not tied to the cleaner's performance.

3) This addendum to the 2016 TCC Report sets out the eligibility and details on the payment of the PWM Bonus, summarised as follows:

    a) The PWM Bonus will take effect from 1 January 2020 and payable to Singapore Citizen and Permanent Resident cleaners who have worked for the same cleaning business for at least 12 months[2]. The length of service eligibility will be waived for circumstances beyond the worker's control such as when there is a change of service provider.

    b) The total PWM Bonus quantum in a given year must be no less than two weeks of the cleaner's basic monthly wage[3]; and

    c) The PWM Bonus is to be paid at least once but not more than twice a year.

    Please refer to Annex A for further elaboration.

[1] The TCC had recommended for (i) yearly PWM basic wage increase ($60, $60, $80) from 2017 to 2019; and (ii) scheduled wage increases of 3% per annum from 2020 to 2022. For the full details, please refer to www.ntuc.org.sg/tripartiteguidelines.
[2] As at the company's cut-off date for PWM Bonus computation.
[3] Based on the current basic wage of the cleaner.

4) This addendum also clarifies the cleaning job types for workers who work in more than one job category, as well as expands on the definition of Healthcare Cleaner and Table-top Cleaner. The details can be found in Annex B.

5) The members of the TCC are listed in Annex C.

Implementation of PWM Bonus from 2020

6) Engagement sessions with both cleaning businesses and service buyers were conducted to explain the rationale and various scenarios on whether the payment of PWM Bonus is applicable.

7) The TCC recognises that some cleaning businesses may already provide some form of variable bonuses to their workers. A cleaning business would be deemed to have complied with the PWM Bonus requirements as long as the total quantum of such bonuses in a year amounted to no less than the stipulated two-week of the worker's basic monthly wage. Please refer to Annex A for further explanation.

8) The **PWM Bonus quantum payable in 2020 (i.e. year of implementation) will be computed from 1 January 2020**.

9) Cleaning businesses are given the flexibility to determine which month(s) of the year to be the cut-off date for PWM Bonus computation. However, they must make the PWM Bonus payment within one month from the cut-off date, or on the worker's last day of employment, whichever is earlier.

10) The PWM Bonus must be made at least once a year, but not more than twice a year. Cleaning businesses may also consider making the PWM Bonus payment on the employment anniversary date of their cleaners.

11) To ensure all eligible cleaners receive the PWM Bonus, such payment must be reflected in the salary slips and is subject to CPF contributions by both employer and employee.

12) In the event of a discontinuation of employment, cleaning businesses must ensure that all outstanding PWM Bonuses are paid to eligible cleaners by the final day of the cleaner's employment.

<u>Part-Time Cleaners</u>

13) For part-time cleaners, the pro-rated PWM Bonus payable to these cleaners will be based on the contractual hours worked in a given year, as long as they have met the 12-month employment period as at the company's cut-off date of PWM Bonus computation. Part-time cleaners refer to workers who are under a contract of service and work less than 35 hours a week on a regular basis.

<u>Change in Service Provider</u>

14) As cleaning services are predominantly outsourced, the payment of PWM Bonus would need to account for the scenario when there is a change of service provider,

i.e. when an incumbent service provider did not get its contract renewed or lost in its bid for a new contract.

15) As the change of service provider is not within the control of the cleaners, the TCC recommends that pro-rated PWM Bonus be payable to a cleaner even if he/she does not have the minimum 12-month length of service, in the event that there is a discontinuation of employment with the incumbent cleaning business.

Termination of Employment Contract

16) When a cleaner's employment is ceased due to retirement or being medically boarded out[4], the TCC recommends that PWM Bonus be applicable to them as well.

17) If a cleaner resigns on his/her own accord, the employer is not required to pay the resigned worker the PWM Bonus. As the objective of the PWM Bonus is to retain and motivate cleaners to remain with the same employer, workers who resigned would not be eligible for PWM Bonus. However, any PWM Bonus already paid to the worker prior to notice of resignation must not be clawed back, as long as the cleaner had met the length of service eligibility as at the company's cut-off date for the last PWM Bonus computation.

18) If a cleaner is terminated due to misconduct[5], the TCC agrees that the employer is not required to pay PWM Bonus to such a worker. However, any PWM Bonus already made to the worker prior to the termination date must not be clawed back, as long as the cleaner had met the length of service eligibility as at the company's cut-off date for the last PWM Bonus computation. As termination due to misconduct is a serious disciplinary action that should be carefully considered, the TCC advises that a formal inquiry be conducted by the employer. Cleaning businesses may seek the advice of the unions or MOM if in doubt.

19) For cleaners whose employment was terminated due to circumstances not within his/her control and are unrelated to performance or conduct, such as the winding up of a company, a pro-rated PWM Bonus would be payable even if he/she does not fulfill the required 12-month employment period. The computation of the PWM Bonus would be the same as the scenario whereby employment was discontinued due to a change of service provider.

[4] Medically Boarded Out refers to cases where the medical board out statement comes after the exhaustion of Long-Term Illness (LTI) leave (e.g. cancer, tuberculosis).
[5] Misconduct is the failure to fulfil the conditions of employment in the contract of service. Examples include theft, dishonesty, disorderly or immoral conduct at work and insubordination. Source: MOM

20) A summary of the various scenarios and whether PWM Bonus is payable is depicted in the following table. Please refer to Annex A (Tables 1-7) for illustrative examples and computation of PWM Bonus quantum for the various scenarios.

Scenarios		**PWM Bonus Payable?**
1. Change of service provider *(this is not within the worker's control)*	(a) Worker declines re-deployment and resigns	Yes
	(b) Employer unable to redeploy worker and terminates worker	Yes
	(c) Worker stays with employer and gets redeployed (same for existing employees)	Yes
2. Part Time Worker		Yes
3. Retired / Medically Boarded Out		Yes
4. During contract period	(a) Worker resigns on own accord	No
	(b) Worker gets terminated due to misconduct	No
	(c) Worker is terminated by employer due to circumstances not within the worker's control and not related to performance/conduct	Yes

21) Cleaning businesses are advised to communicate clearly with their employees through a staff circular on the PWM Bonus eligibility and their policy on the payment schedule.

Implementation date of 3% annual wage increase to PWM Wage Levels from 2020 to 2022

22) The TCC agreed for the 3% annual wage increase to the PWM wage levels be implemented **from 1 July each year** from 2020 to 2022 across all three cleaning sub-sectors. This is to align with the 1 July implementation date of the yearly adjustments to PWM wage levels from 2017 to 2019. Please refer to Annex D for the PWM wage ladder.

Clarification on Cleaning Job Types

23) Under the Cleaning PWM F&B Establishment sub-sector, it was noted that cleaners who are stationed at tray return stations are not classified explicitly under the PWM wage ladder. In view that the nature of work for cleaners stationed at tray return stations is similar to those who do table-top cleaning, the TCC recommends that such cleaners be classified as Table-top Cleaners and be paid according to the corresponding wage ladder.

24) Under the Office & Commercial sub-sector, the TCC recommends expanding the current definition of Healthcare Cleaners to include cleaners who are deployed at other medical/healthcare institutions (e.g. private clinics, dental clinics, kidney dialysis centres) other than “hospitals and polyclinics” only.

25) Please refer to Annex B for details.

Conclusion

26) With the strong support of the tripartite partners, the introduction of a mandatory PWM Bonus is indeed a positive change for our resident cleaners as it will uplift their overall wages and add to their savings. Our cleaners will thus be more motivated to stay longer with their employers, and their employers will in turn be more inclined to send them for training which will help to raise productivity. Service Buyers and end users of cleaning services can look forward to better service outcomes and standards. This will bring about a win-win outcome for all stakeholders.

~ End ~

Annex A – Further Explanation and Illustrative Examples

Eligible Workers

Cleaners who meet the following criteria are eligible for PWM Bonus:

a) Full-time and part-time resident (i.e. Singapore / PR) cleaners who have worked for minimum 12 months with the same employer;
b) Have not already received other forms of bonuses amounting to minimum 2 weeks of last drawn monthly basic wage. Examples of such bonuses include Performance Bonus and Annual Wage Supplement (aka “13 month” bonus).

Employed by the same cleaning business for at least 12 months

The employment period of 12 months will include paid and statutory leave. However, unpaid leave / absence without leave / missing in action should not be taken into consideration when calculating the PWM Bonus.

Cleaning businesses may already have some form of bonuses

A bonus would be deemed to have qualified as a PWM Bonus only if it is subject to prevailing CPF contribution rules (i.e. the bonus must be CPF-deductible).

The PWM Bonus can include the following payments made to the resident cleaner:

a) performance bonus;
b) retention bonus;
c) annual wage supplement (i.e. “13th month” bonus);
d) festive bonus; or
e) any such class of variable bonuses that a cleaning business may provide its cleaners.

The following <u>does not</u> constitute PWM Bonus made to the resident cleaner:

a) any basic wage;
b) any overtime payments;
c) any reimbursement for special expenses incurred by a cleaner in the course of his employment; and
d) any regular allowance or incentives however described.

Illustrative Examples

Table 1: Discontinuation of Employment **in Year 2020 (Year of Implementation)**

<table>
<tr><td rowspan="2">1. Change of service provider</td><td>(a) Worker declines re-deployment and resigns</td></tr>
<tr><td>(b) Employer unable to redeploy worker and terminates worker</td></tr>
<tr><td colspan="2">E.g. Contract ends on 31 Mar 2020, i.e. worker's last day of service.</td></tr>
<tr><td>Cleaner A has at least 12 months service as at 31 Mar 2020 (i.e. joined before 31 Mar 2019)

Cleaner B has less than 12 months service as at 31 Mar 2020 (i.e. joined date after 31 Mar 2019)</td><td>Cleaner A and Cleaner B are eligible for Pro-rated PWM Bonus, payable on 31 Mar 2020 for a total amount of:

$\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ [to derive weekly pay] X 2 weeks X $\frac{\text{no. of contractual hours worked from 1 Jan 2020 to 31 Mar 2020}}{\text{52 weeks x 44 hours a week}}$ [no. of hours exclude overtime as worker would get OT pay]</td></tr>
<tr><td>Cleaner C joined date is after 1 Jan 2020</td><td>Cleaner C is eligible for Pro-rated PWM Bonus, payable on 31 Mar 2020 for a total amount of:

$\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ [to derive weekly pay] X 2 weeks X $\frac{\text{no. of contractual hours worked from joined date to 31 Mar 2020}}{\text{52 weeks x 44 hours a week}}$ [no. of hours exclude overtime as worker would get OT pay]</td></tr>
</table>

Example A
Cleaner A works 5.5 days a week @8hrs/day (equiv. to 44hrs a week), monthly basic wage is $1300, has at least 12 months service as at last day of service (i.e. 31 Mar 2020).

Cleaner A will receive Pro-rated PWM Bonus = [$1300 x 12 / 52] x 2 x [71.5 days x 8hrs/day (1/1/20-31/3/20) / (52 x 44)] = $300 x 2 x [572 / 2288] = $150.00

Example B
Cleaner B works 5.5 days a week @8hrs/day (equiv. to 44hrs a week), monthly basic wage is $1300, has less than 12 months service as at last day of service (i.e. 31 Mar 2020).

Cleaner B will receive Pro-rated PWM Bonus = [$1300 x 12 / 52] x 2 x [71.5 days x 8hrs/day (1/1/20-31/3/20) / (52 x 44)] = $300 x 2 x [572 / 2288] = $150.00

Example C
Cleaner C works 5.5 days a week @8hrs/day, prevailing monthly basic wage is $1300, joined company on 3 Feb 2020.

PWM Bonus payable will be [$1300 x 12 / 52] x 2 x [46 days x 8hrs/day (3/2/20-31/3/20) / (52 x 44)] = $300 x 2 x [368 / 2288] = $96.50

Table 2: Discontinuation of Employment **from Year 2021 onwards**

1. Change of service provider	(a) Worker declines re-deployment and resigns (b) Employer unable to redeploy worker and terminates worker
E.g. Contract ends on 31 May 2022, i.e. worker's last day of service.	
Cleaner D has at least 12 months service as at 31 May 2022 Cleaner E has less than 12 months service as at 31 May 2022	Cleaner D and Cleaner E are eligible for Pro-rated PWM Bonus, payable on 31 May 2022 for a total amount of: $\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ *[to derive weekly pay]* X 2 weeks X $\frac{\text{no. of contractual hours worked from last PWM Bonus cut-off date to 31 May 2022}}{\text{52 weeks x 44 hours a week}}$ *[no. of hours exclude overtime as worker would get OT pay]*
Cleaner F joined date is after last PWM Bonus cut-off date	Cleaner F is eligible for Pro-rated PWM Bonus, payable on 31 May 2022 for a total amount of: $\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ *[to derive weekly pay]* X 2 weeks X $\frac{\text{no. of contractual hours worked from joined date to 31 May 2022}}{\text{52 weeks x 44 hours a week}}$ *[no. of hours exclude overtime as worker would get OT pay]*

Table 3: Continuation of Employment (Same for Existing Employees)

1. Change of service provider	(c) Worker stays with current employer and gets redeployed to another work site		
Company's Policy on PWM Bonus Payout Date	**Worker's Employment Anniversary Date**	**Once a year**	**Twice a year**
Cleaner G must have minimum 12 months service as at cut-off date for PWM Bonus computation	$\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ X 2 weeks		$\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ at each payout date

Example G
Cleaner G joined company on 2 Apr 2018 as a full-time employee and earns a monthly basic wage of $1300.

If company's policy is to pay PWM Bonus on
- Worker's anniversary date → Cleaner G would receive [$1300 x 12 / 52] x 2 = $600 on anniversary date
- Once a year in Dec → Cleaner G would receive $600 in Dec
- Twice a year → Cleaner G would receive $300 each time

Table 4: Part-Time Worker

2. Part-Time Worker	(a) Employed under contract of service (b) Works less than 35 hours a week (c) Excludes those who resigned or terminated due to misconduct
Step 1: Calculate monthly salary for part-time worker	$\frac{\text{Basic monthly salary of a similar full-time cleaner x 12 months}}{\text{52 weeks x 44 hours/week}}$ X No. of working hours the part-time cleaner is required to work under his contract of service **in a month**
Step 2: Find **Average BMS** of part-time worker over 6 months to smoothen irregularities	$\frac{\text{Sum of monthly salaries in Month 1 to Month 6}}{6}$ = **Average Basic Monthly Salary (BMS)**
Step 3: Pro-rate the monthly wage to obtain the Pro-rated 2 weeks' Salary	$\frac{\text{Average BMS x 12}}{\text{52 weeks}}$ X 2 weeks = **Pro-rated 2 weeks' salary**
Step 4: Calculate **Pro-rated PWM Bonus**	Pro-rated 2 weeks' salary X $\frac{\text{No. of contractual hours worked during computation period}}{\text{52 weeks x no. of contractual hours in a week}}$

Example H
Cleaner H works 4 hours/day, 5 days a week.
Total hours worked in a month is [4hrs x 5days/week] x 52weeks / 12months = 86.7 hours
Total hours worked in a year is 4hrs x 5days/week x 52weeks = 1040 hours

A similar full-time cleaner monthly basic pay is $1300.
Step 1: Monthly salary = [$1300 x 12] / [52 x 44] x 86.7 = $591.14 (BMS)
Step 2: Average BMS in 6 months = $591.14 (assume same amount for all 6 months)
Step 3: Pro-rated 2 weeks' salary = [$591.14 x 12 / 52] x 2 = $272.83
Step 4: Pro-rated PWM Bonus = $272.83 x [1040 / (52 x 20)] = $272.83

Table 5: Workers who retired or being medically boarded out

3. Retired / Medically Boarded Out	(a) Retired worker means workers who have reached official retirement age as legislated by law, and who are not offered re-employment. (b) Medically Boarded Out refers to cases where the medical board out statement comes after the exhaustion of Long-Term Illness (LTI) leave (e.g. cancer, tuberculosis).
E.g. Retirement date / medically board out date falls on 31 May 2022, i.e. worker's last day of service.	
Cleaner I has at least 12 months service as at retirement / medically board out date Cleaner J has less than 12 months service as at retirement / medically board out date	Cleaner I and Cleaner J are eligible for Pro-rated PWM Bonus, payable on 31 May 2022 for a total amount of: $\frac{\text{Monthly Basic Wage x 12 months}}{\text{52 weeks}}$ *[to derive weekly pay]* X 2 weeks X $\frac{\text{no. of contractual hours worked / on LTI leave from last PWM Bonus cut-off date to 31 May 2022}}{\text{52 weeks x 44 hours a week}}$ *[no. of hours exclude overtime as worker would get OT pay]*

Table 6: Resignation / Termination due to misconduct

4. Resigned / Terminated Due to Misconduct	(a) Resignation refers to worker who chooses to leave employment on his/her own accord. (b) Misconduct is the failure to fulfil the conditions of employment in the contract of service. Examples include theft, dishonesty, disorderly or immoral conduct at work and insubordination.
Regardless of length of service	Employer is not required to pay PWM Bonus

Table 7: Termination by employer due to circumstances not within his/her control and are unrelated to performance or conduct

The computation of PWM Bonus will be the same as per Table 1 and Table 2.

Annex B – Clarification on Cleaning Job Types

Guidelines and Definitions of Cleaning Job Types

For workers whose job responsibilities fall into more than one job category (e.g. an indoor and outdoor cleaner), the said cleaner shall be classified under the job category where he/she spends 50% or more of his/her time in and the corresponding wage level would apply.

Revised Definitions of Cleaning Job Types

Group 1: Office and Commercial Cleaners - Healthcare Cleaners

A person who performs housekeeping duties in hospital wards and intensive care units in hospitals and / or perform general cleaning duties in all areas of the hospitals / polyclinics, and at other medical/healthcare institutions such as private clinics, dental clinics, kidney dialysis centres, etc.

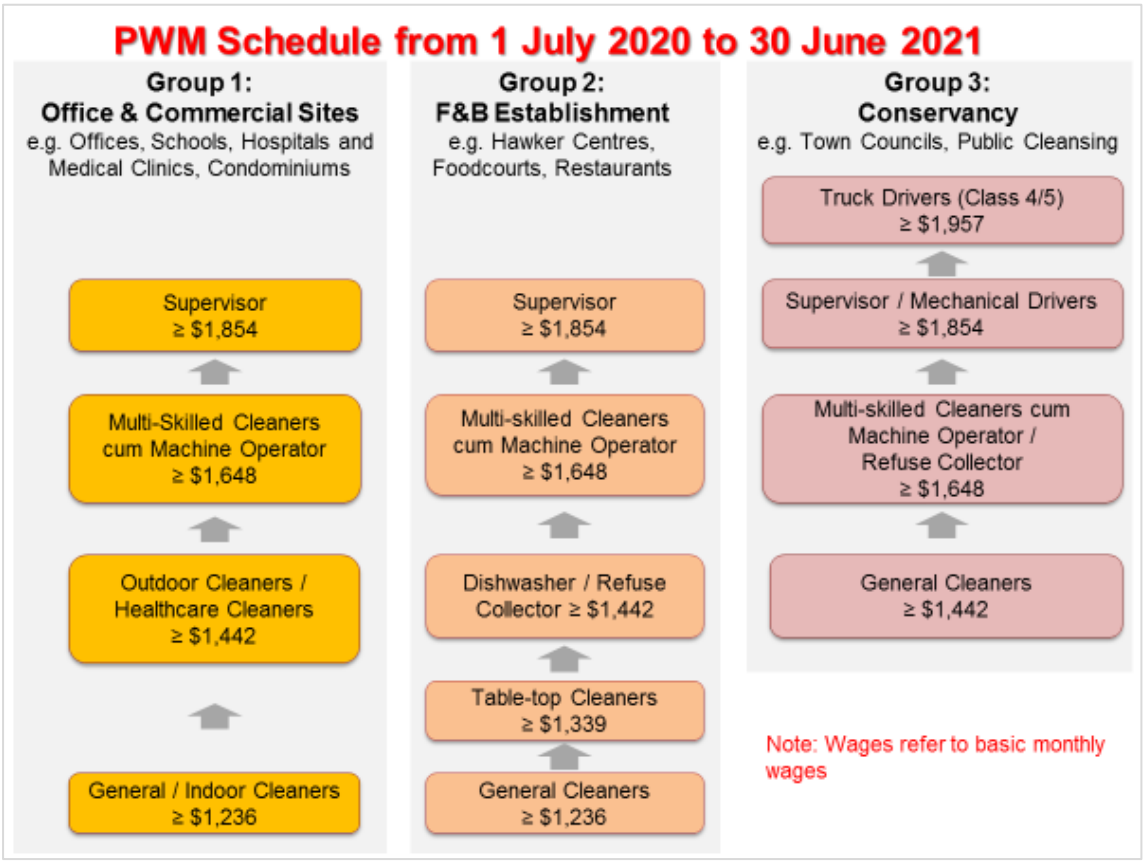
Group 2: F&B Establishments - Table-top Cleaners

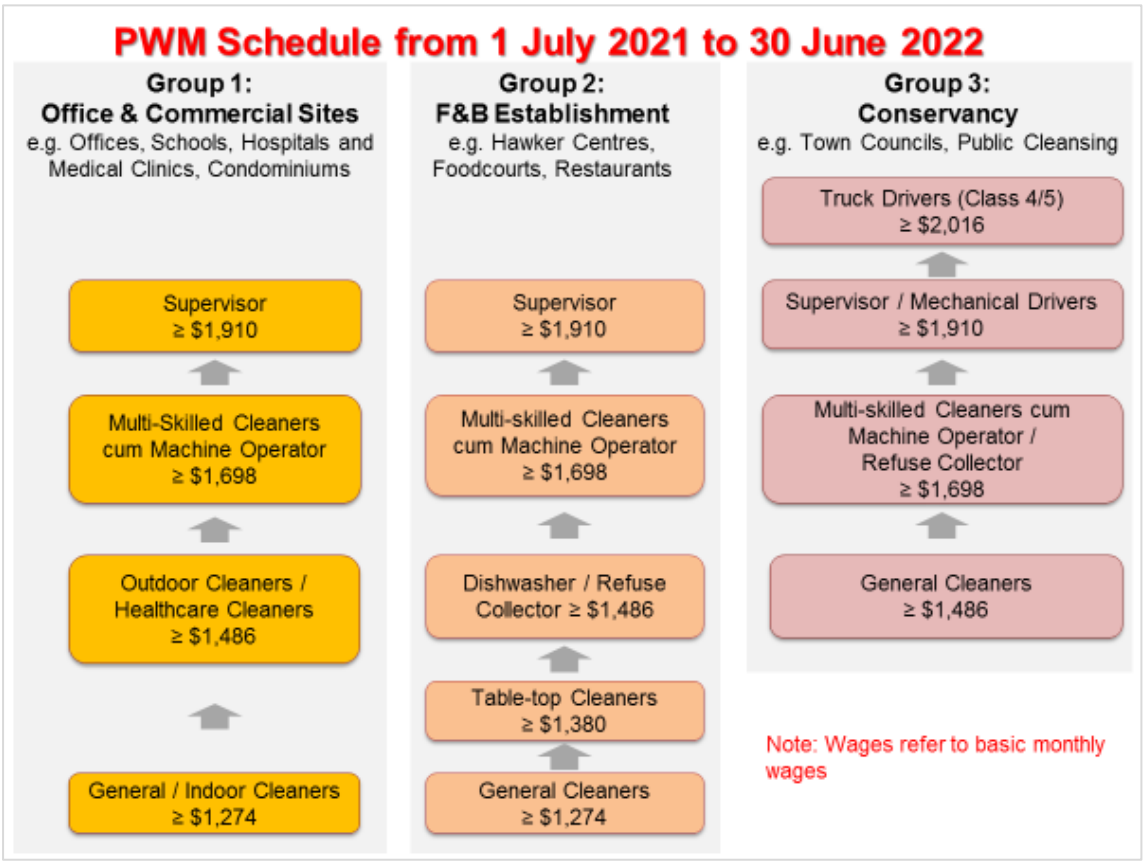
A person who is stationed at the tray-return station and/or assigned to collect plates and utensils and cleaning tables.

Annex C – Members of the Tripartite Cluster for Cleaners (TCC) *[Term ended February 2019]*

	Organisation	Representative
Chair	National Trades Union Congress (NTUC)	Mr Zainal Sapari, Assistant Secretary-General
Co-Chair	SNEF	Mr Douglas Foo Peow Yong, Council Member; concurrently Chairman and CEO of Sakae Holdings Ltd
Labour Movement	Building Construction and Timber Industries Employees' Union (BATU)	Mr Nasordin Mohamad, President; concurrently Chairman, Building and Facilities Management Cluster, NTUC
	Employment and Employability Institute (e2i)	Mr Gilbert Tan, CEO
Employers/Service Providers	Environmental Management Association of Singapore (EMAS)	Mr Milton Ng, President; concurrently Director, Ramky Cleantech Services Pte Ltd
	ISS Facility Services Pte Ltd	Mr Woon Chiap Chan, Country Managing Director
	Integrated Property Management Pte Ltd	Mr Ding Chek Leh, General Manager
Service Buyers	CapitaMalls Asia Limited	Mr Jason Loy, Head, Operations, Singapore
	City Developments Limited	Mr Chia Ngiang Hong, Group General Manager
	Town Councils	Ms Juliana Lim, General Manager/Secretary, Holland-Bukit Panjang Town Council
Government	Ministry for Manpower (MOM)	Mr Lee Pak Sing, Divisional Director, Workplace Policy and Strategy Division
	National Environment Agency (NEA)	Mr Khoo Seow Poh, Deputy CEO
	Workforce Singapore (WSG)	Ms Janice Foo, Director, Healthcare, Social and Business Services Division

Annex D – PWM Wage Schedule with effect from 1 July 2020






PWM Schedule from 1 July 2022 to 30 June 2023
Group 1:
Office & Commercial Sites
e.g. Offices, Schools, Hospitals and Medical Clinics, Condominiums
Supervisor
≥ $1,967
Multi-Skilled Cleaners cum Machine Operator
≥ $1,749
Outdoor Cleaners / Healthcare Cleaners
≥ $1,530
General / Indoor Cleaners
≥ $1,312
Group 2:
F&B Establishment
e.g. Hawker Centres, Foodcourts, Restaurants
Supervisor
≥ $1,967
Multi-skilled Cleaners cum Machine Operator
≥ $1,749
Dishwasher / Refuse Collector ≥ $1,530
Table-top Cleaners
≥ $1,421
General Cleaners
≥ $1,312
Group 3:
Conservancy
e.g. Town Councils, Public Cleansing
Truck Drivers (Class 4/5)
≥ $2,077
Supervisor / Mechanical Drivers
≥ $1,967
Multi-skilled Cleaners cum Machine Operator / Refuse Collector
≥ $1,749
General Cleaners
≥ $1,530
Note: Wages refer to basic monthly wages