16 JULY 2021

RECOMMENDATIONS OF THE TRIPARTITE CLUSTER FOR LIFT & ESCALATOR INDUSTRY ON THE PROGRESSIVE WAGE MODEL FOR THE LIFT & ESCALATOR MAINTENANCE SECTOR

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1. OBJECTIVE

1.1 This report sets out the recommendations of the Tripartite Cluster for Lift & Escalator Industry (TCLE) on the Progressive Wage Model (PWM) for the lift & escalator (L&E) maintenance sector.

1.2 The members of the TCLE are listed in Annex A.

2. BACKGROUND

2.1 In September 2018, the Lift & Escalator Sectoral Tripartite Committee[1] (L&E STC) had released its recommendations for the introduction of a PWM for the lift industry which was accepted by the Government.

2.2 The Lift PWM provides two career progression pathways for lift maintenance workers via either the supervisory or specialist tracks. Lift technicians can progress onto managerial roles to lead a group of technicians or deepen their mastery of lift maintenance skillsets to become a specialist in their field. The L&E STC recognised the need to ensure lift technicians are adequately trained and competent to handle lift maintenance work. Hence, a certification framework was introduced to certify lift technicians at the various PWM levels.

2.3 The Government is working towards mandating PWM adoption as a registration requirement for lift maintenance firms in 2022. In November 2018, BCA issued a circular to encourage lift firms to apply to be listed under the BCA's Contractors Registration System (CRS) ME09 workhead, which requires them to adopt the PWM as the public sector took the lead to procure lift maintenance services from such firms only. Firms that committed to adopt the PWM made progressive adjustments to the wages of their resident[2] lift maintenance workers to meet higher basic wage thresholds each year, based on the Transitional Wage Benchmarks (see Annex B).

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[1] The Lift & Escalator Sectoral Tripartite Committee (L&E STC) was formed in Jan 2017 to address several challenges facing the industry such as stagnant and low basic wages, demanding working conditions and poor public perception of the industry, and difficulty in attracting new entrants to the workforce.

[2] PWM is applicable to Singapore Citizens/Permanent Residents. For foreign manpower, employers are encouraged to adopt the key principles of progressive wages in their wage structure, considering other cost components such as Government levies, full medical treatment incurred and acceptable accommodation for their foreign workers.

2.4 As Singapore continues to grow its infrastructure to not only support its economic activities but also provide housing and recreational facilities for work and play, demand for L&E maintenance workers is anticipated to increase in the coming years. Hence, it is critical for the industry to be able to meet the higher demand with a strong and skilled L&E workforce.

2.5 It is estimated that half of the current resident L&E maintenance workforce is above 50 years old and is expected to retire within the next decade. Attracting more workers into the L&E maintenance workforce will help the industry meet the increasing demand for maintenance services.

2.6 In February 2020, the TCLE was formed to look further into improving the employment outcomes of L&E maintenance workers, with the following terms of reference:

a) develop a PWM for escalator maintenance workers,
b) review the Lift & Escalator PWMs to maintain its relevance in providing a pathway for lift and escalator maintenance workers' wages to progress in tandem with training and improvements in productivity and standards,
c) monitor the industry's compliance with the PWM, and
d) review ways to improve the working conditions of lift and escalator maintenance workers.

2.7 The TCLE has held several rounds of meetings, dialogues and focus group discussions to gather the views and feedback from all key stakeholders such as industry associations, service providers, service buyers, institutes of higher learning, sector lead agencies as well as unions and workers. The insights drawn from such engagement sessions were deliberated at TCLE meetings and led to a set of recommendations to transform and uplift the L&E sector.

3. REVIEW OF THE PROGRESSIVE WAGE MODEL

3.1 The TCLE's first priority was to extend the PWM to cover escalator technicians. Consultations were held to gather the views of the employers as well as the unions representing the workers. It was found that most L&E firms employ both lift and escalator maintenance personnel to provide one-stop service to their clients, thus it would be important that escalator technicians are covered under the same PWM for parity and cross-deployment of employees who work on both types of assets.

3.2 Given the age profile of existing technicians, the L&E sector will be facing a serious manpower shortage in the near future unless it is able to attract new and younger entrants from the resident workforce to join this essential services sector. After several rounds of industry consultations, the TCLE has reviewed the PWM wage ladder and proposed a six-year schedule of wage increases to the PWM baseline wages from 1st July 2023 to 30th June 2029 and will review the wage schedule in 2025.

3.3 TCLE has also recommended the introduction of an Annual Bonus (termed as "PWM Bonus") from January 2023 of no less than one month's basic wage to boost the L&E maintenance workers' income. The TCLE believes that the PWM Bonus will enable employers to better attract and retain their workers. Likewise, the PWM Bonus will help

uplift workers' total income levels and serve as a form of savings for them. Workers will also be more motivated to stay longer with the same employer when there are more training and upgrading opportunities. Employers will in turn be more incentivised to train their workers when there are better retention rates.

3.4 Ensuring the safe operations of L&E as well as the safety of the maintenance personnel are paramount. A Working Committee to look into improving the *Working Conditions & Technology Adoption* for lift maintenance had also concluded its work and their recommendations had been endorsed by the TCLE. The key recommendations aim to improve thermal comfort levels, increase illuminance levels and improve safety & ease of maintenance.

3.5 The PWM for L&E industry provides clarity to the workers on their career progression pathways and opportunities to earn better wages. The PWM's focus on uplifting wages of workers with training and improvements in productivity and standards helps L&E firms attract and retain talent. The TCLE encourages all L&E firms to invest in workers' training and upskilling to ensure a highly skilled and competent workforce to maintain the critical assets in the built environment ecosystem and in turn, improvements in productivity and standards.

3.6 The full details of TCLE's recommendations are elaborated in the following sections.

4. EXTENSION OF LIFT PWM TO COVER ESCALATOR MAINTENANCE PERSONNEL

4.1 The TCLE recommends that the Lift PWM be extended to cover escalator maintenance workers as many workers under Lift PWM are deployed to maintain both lifts and escalators. However, as the mechanical and electrical components of lifts and escalators differ to a certain degree, the TCLE recommends that the Skills Ladder for escalator maintenance workers be customised to ensure they are suitably trained.

4.2 The TCLE agrees to adopt the same Career Ladder and Wage Ladder for both lift and escalator maintenance workers, for clarity of progression and parity between both lift and escalator maintenance roles.

4.3 The TCLE recommends for the wages of escalator maintenance workers to be aligned to that of the lift maintenance workers and to take effect in 2022, when PWM for escalator maintenance workers will also be mandated as a registration requirement. This would mean that firms committed to PWM will have to pay resident workers for both lift and escalator maintenance the basic PWM wages as detailed in Annex B.

5. IMPLEMENTATION TIMELINE OF MANDATORY PWM FOR LIFT & ESCALATOR MAINTENANCE SECTOR

5.1 The recommendations for lift firms by the L&E STC had been accepted by the Government and work is in progress to mandate the adoption of the Lift & Escalator PWM as a registration requirement for lift maintenance firms in 2022.

5.2 As an industry that provides outsourced services, L&E contracts are typically multi-year agreements to provide certainty of prices, services and better allow for investments in technological solutions where applicable. The industry was given sufficient lead time to fulfil existing contractual obligations before the mandatory implementation of PWM wages.

6. SCHEDULE OF WAGE INCREASES FROM 1st JULY 2023

6.1 Beyond stipulating the baseline PWM wages that will be mandated in 2022, the TCLE is also recommending a six-year wage schedule effective from 1st July 2023 to ensure sustainable wage increases for the resident L&E maintenance workers, and will review the schedule in 2025.

6.2 In deciding on the baseline PWM wages, the TCLE had considered the current median wages of the resident L&E maintenance workers as well as took reference from other similar occupations, to ensure that our resident L&E workforce can look forward to remuneration that commensurate with the value and importance of their work.

6.3 After taking in the industry stakeholders' views and feedback, the TCLE recommends making wage adjustments to the PWM wage ladder and for it to take effect from 1st July 2023. L&E firms and service buyers should take into account the implementation date to plan their contract pricing and budget respectively.

6.4 The TCLE notes that the job roles of Master Specialist and Senior Supervisor involve greater mastery of specialised skillsets and years of experience in managing a team of technicians respectively, and is thus proposing that the wages for these two job roles be left to market forces. This approach recognises that employers would offer competitive wages congruent with market conditions to attract and retain their senior and very experienced L&E maintenance workers, negating the need to set PWM baseline wages.

6.5 The TCLE has also considered the complexity of each job role and has proposed a Min-Max ratio for each of the PWM job levels.

6.6 As L&E maintenance contracts are outsourced in nature, the TCLE is cognisant that the wage recommendations must provide greater certainty to the industry for them to prepare their contract pricing and for the service buyers to plan their budget in advance. Hence, the wage ladder will map out the basic wage floors of L&E maintenance workers for the periods from 1st July 2023 to 30th June 2029.

6.7 The table below details the proposed enhanced PWM wage ladder for the resident L&E maintenance workers. The PWM Baseline Wage refers to monthly basic wage paid to a full-time resident employee[3] and excludes overtime pay and other payments.

PWM Baseline Wage Floor (*Monthly Basic Salary excluding overtime pay and other payments*)								CAGR	Min – Max Ratio
PWM Job Level	**2022**	**Effective from 1st July each year**							
		2023	**2024**	**2025**	**2026**	**2027**	**2028**		
Assistant L&E Specialist	$1,850	+ $225	+ $225	+ $225	+ $225	+ $165	+ $165	**8.9%**	**1.3**
		$2,075	**$2,300**	**$2,525**	**$2,750**	**$2,915**	**$3,080**		
L&E Specialist	$2,250	+ $210	+ $210	+ $210	+ $210	+ $190	+ $190	**7.5%**	**1.5**
		$2,460	**$2,670**	**$2,880**	**$3,090**	**$3,280**	**$3,470**		
Senior L&E Specialist	$2,600	+ $205	+ $205	+ $205	+ $205	+ $200	+ $200	**6.6%**	**1.5**
		$2,805	**$3,010**	**$3,215**	**$3,420**	**$3,620**	**$3,820**		
L&E Supervisor	$2,800	+ $215	+ $215	+ $215	+ $215	+ $215	+ $215	**6.5%**	**1.5**
		$3,015	**$3,230**	**$3,445**	**$3,660**	**$3,875**	**$4,090**		
Principal L&E Specialist	$3,200	+ $130	+ $130	+ $130	+ $130	+ $215	+ $215	**4.4%**	**1.5**
		$3,330	**$3,460**	**$3,590**	**$3,720**	**$3,935**	**$4,150**		

Note: L&E firms that engage part-timers are required to pro-rate the workers' wage against a full-timer in accordance with the prevailing PWM wage schedule.

6.8 Please refer to Annex C for a graphical illustration of the PWM Wage Ladder.

7. INTRODUCTION OF MANDATORY PWM BONUS

7.1 In addition to the wage increments, the TCLE also recommends a mandatory annual bonus (termed as "PWM Bonus") to be paid to eligible resident L&E maintenance workers with effect from January 2023.

7.2 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 workers:

a) annual wage supplement (commonly known as "13th month" bonus);
b) performance bonus;
c) retention bonus;
d) festive bonus; or
e) any such class of variable bonuses that a L&E firm may provide its workers.

7.3 The PWM Bonus will enable employers to better attract and retain workers, as it is an incentive for workers to stay with their existing employers for at least 12 months. This in turn encourages employers to invest in workers' training which can lead to enhanced

[3] A full-time employee is one who is under a contract of service to work 35 hours or more a week.

productivity. The PWM Bonus is payable to all eligible resident L&E maintenance workers.

7.4 The total PWM Bonus quantum each year must be no less than one month of the worker's prevailing basic monthly wage.

7.5 Please refer to Annex D on the implementation details of PWM Bonus.

8. CLOSE CO-OPERATION AND COLLECTIVE COMMITMENT ARE KEY SUCCESS FACTORS

8.1 The TCLE strongly urges all stakeholders to play their part in ensuring our essential services workers such as our L&E maintenance workers can work with dignity and their job worth and skills be valued. It is important that the society at large recognises the importance of L&E maintenance work and not take for granted that the L&E they use frequently would operate smoothly without fail. Thus, TCLE calls upon the whole-of-society to better appreciate the work and to continue to uplift the lives of our resident L&E maintenance workers.

8.2 Government

(a) The industry had provided feedback of existing L&E contracts that have been committed prior to the wage schedule being announced by the TCLE. There are existing L&E maintenance contracts that stretch over a few years which were entered into prior to this latest wage recommendations. Hence, the industry seeks the support from the Government to consider providing transitional wage support to enable the industry to mitigate the impact on their labour costs, should the service buyers be unwilling to re-negotiate on the existing contracts.

(b) COVID-19 is unprecedented and has impacted many industries including the L&E maintenance sector. This industry had traditionally augmented its resident workforce with foreign manpower due to the tight labour shortage. As a result of various travel restrictions and precautionary measures, COVID-19 has exacerbated the manpower crunch even further. The industry urges the Government to adopt an empathetic approach by deferring any further adjustments to the Dependency Ratio Ceiling (DRC) during this challenging period to give the industry time to adjust to the prevailing DRC requirements.

8.3 Service Providers

(a) TCLE would like to call upon the L&E firms to encourage their workers to embrace lifelong learning and to be proactive in improving their skillsets and competencies. TCLE recommends L&E firms to reward their workers appropriately if their workers had shown strong desire to upgrade themselves to improve their productivity and efficiency.

(b) TCLE also encourages employers to identify the training needs of their workers and plan for the workers to undertake training courses that can improve their effectiveness. Employers may seek out the various training subsidies and grants available to leverage such training support in upskilling their workers. By equipping their workers with the relevant and core competencies, the TCLE believes companies would then benefit from a more productive and effective workforce which delivers greater value to their customers and gives them a competitive edge.

(c) When bidding for new tenders, TCLE advises the service providers to be transparent with their service buyers in explaining how the increase in labour costs due to the PWM wage recommendations translate to higher contract pricing. This will help service buyers better understand how the increase in contract pricing come about and thus will not perceive the service providers as trying to profiteer.

8.4 Service Buyers

(a) TCLE recommends for service buyers to support their service providers in sending their workers for upgrading. Service buyers may consider placing greater emphasis in their tender evaluation criteria to recognise service providers who invest in their workers' upskilling beyond what is stipulated as minimum requirements. Service buyers who recognise such service providers will stand to gain from a highly competent maintenance workforce which in turn will ensure their L&E assets will be well maintained.

(b) TCLE also encourages service buyers to review their existing tender specifications to allow L&E firms to adopt more technology-enabled solutions such as remote monitoring system and a predictive maintenance regime. By leveraging more advanced equipment and job redesign methodology, L&E maintenance workers will be able to deliver better service outcomes more productively and safely.

(c) As L&E maintenance would involve the changing of L&E parts and components, the TCLE encourages service buyers to provide proper storage facilities to allow for frequently used equipment (e.g. barricades, ladder, etc.) be stored on site, particularly for deployment sites that have many L&E assets. This would help to improve responsiveness.

8.5 L&E Maintenance Workforce

(a) While the PWM Wage Ladder aims to set sustainable annual wage increments for L&E maintenance workers , the TCLE recognises that it is equally important for workers to keep pace to be more productive and upskill themselves to stay relevant. The TCLE strongly urges workers to embrace upskilling and be ready to accept new methods and work processes to improve their productivity and

employability. This is especially so in the L&E industry, where technology is rapidly evolving.

(b) L&E maintenance workers are encouraged to approach their supervisors or company's HR personnel to proactively discuss their training needs and highlight any skills gap that they may have. Workers should recognise the importance of continual upgrading to uplift their professionalism, instil a sense of pride in their work and carry out their work as safely as possible. They should not underestimate the important role that they play in ensuring efficiency and safety in the provision of L&E maintenance services in Singapore.

8.6 A highly competent and productive workforce will ensure the L&E maintenance industry can continue to thrive and provide the essential services that everyone needs. Without the smooth running of lifts and escalators, there will be great inconvenience and difficulty to everyone, particularly the seniors in our community.

8.7 Expecting lifts and escalators to be functioning every time they are needed requires a robust maintenance regime that only L&E maintenance workers can provide. Hence, it is important to ensure the resident L&E workforce can earn better wages, have better welfare and enjoy better work prospects.

9. CONCLUSION

9.1 The TCLE recognises the unprecedented challenges caused by the COVID-19 pandemic. Many L&E maintenance workers continue to perform their duties in the frontline and attend to emergency breakdowns as usual despite more stringent precautionary measures and increase in service demands.

9.2 Given that L&E maintenance forms an integral part of our living and working environment and are required to function round the clock, the value of L&E maintenance work must be recognised accordingly. The close partnership and mutual trust among all stakeholders must continue to be nurtured and supported for the industry to deliver better quality outcomes that enhance the accessibility of our urban infrastructure.

~ End ~

ANNEX A: TRIPARTITE CLUSTER FOR LIFT & ESCALATOR (TCLE) INDUSTRY FOR THE TERM OF OFFICE FROM FEBRUARY 2020 TO MARCH 2022

Description	Organisation	Representative
Chair	National Trades Union Congress (NTUC)	Mr. Zainal Sapari, Assistant Director-General and Director, U Care Centre
Co-Chair	Singapore National Employers Federation (SNEF)	Mr. Tony Khoo, SNEF Representative *Concurrently CEO, EM Services Pte Ltd*
Labour Movement	Building Construction and Timber Industries Employees' Union (BATU)	Mr. Rohaizad Bin Ab Rahman, Executive Committee Member & Branch Chairman of Surbana Jurong Consultants Pte Ltd
	Metal Industries Workers' Union (MIWU)	Mr. Tong Dickson, Executive Committee Member & Branch Chairman of Hitachi Elevator Asia
	The Singapore Manual & Mercantile Workers' Union (The SMMWU)	Mr. Mohd. Hanifar Bin Mohd Abdul Kader Malim, Branch Chairman of Mitsubishi Elevator
	United Workers of Electronics & Electrical Industries (UWEEI)	Mr. Tamil Maran s/o Nadesen, Executive Council Member & Branch Secretary of Fujitec Singapore
	Employment and Employability Institute (e2i)	Ms. Vicky Wong, Deputy CEO, Employability Accounts Group 2
Industry Association / Service Providers	Singapore Lift & Escalator Contractors & Manufacturers Association (SLECMA)	Mr. James Lee, President *Concurrently Asia Head, Hitachi Ltd, Building Systems Business Unit*
		Ms. Jenny Tan, Member *Concurrently HR Director, KONE Pte Ltd*
		Ms. Anna Cheong, Member *Concurrently HR Director, Schindler Lifts (S) Pte Ltd*
		Mr. Aw Chan Kiak, Member *Concurrently General Manager, Service Group, Fujitec Singapore Corporation Ltd*
Service Buyers / Managing Agents	Real Estate Developers' Association of Singapore (REDAS)	Mr. Chia Ngiang Hong, President *concurrently Group General Manager, City Developments Ltd*
	Association of Property & Facility Managers (APFM)	Dr. Lim Lan Yuan, President
	Association of Strata Managers (ASM)	Mr. Chan Kok Hong, Immediate Past President *Concurrently Managing Director, Savills Property Management Pte Ltd*
	Jurong Town Corporation (JTC)	Mr. Mark Koh, Group Director, Facilities & Estate Management
	Town Councils	Mr. Clarence Tan Kok Cheow, General Manager, Chua Chu Kang Town Council
Government	Ministry of Manpower (MOM)	Mr. Lee Chung Wei, Divisional Director, Workplace Policy and Strategy Division
	Building and Construction Authority (BCA)	Mr. Teo Orh Hai, Group Director, Electrical and Mechanical Engineering Group
	Workforce Singapore (WSG)	Ms. Safrah D/O Eusoof, Director, Healthcare, Social and Business Services Division
	SkillsFuture Singapore (SSG)	Ms. Loh Gek Khim, Director, Industry Development Division 1
	Institute of Technical Education (ITE)	Mr. Alfred Tan, Director, School of Engineering

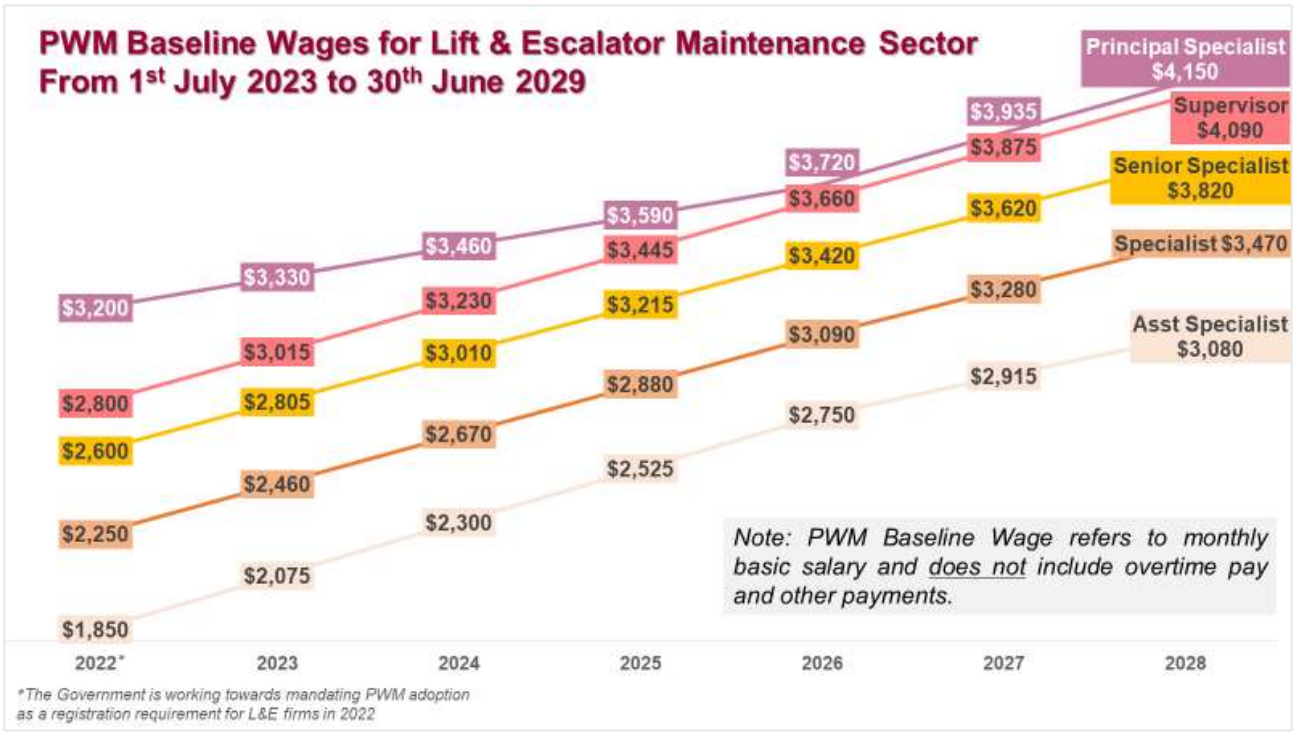
ANNEX B: TRANSITIONAL WAGE BENCHMARKS FOR L&E MAINTENANCE PERSONNEL - APPLICABLE FOR L&E FIRMS REGISTERED UNDER BCA'S CRS ME09 WORKHEAD

PWM Job Level	Minimum Basic Monthly Wages		
	By 1 July 2020	By 1 July 2021	By 1 July 2022
Master Specialist	$2,800	$3,200	$4,000
Senior Supervisor	$2,450	$2,800	$3,500
Principal Specialist	$2,240	$2,560	$3,200
Supervisor	$1,960	$2,240	$2,800
Senior Specialist	$1,820	$2,080	$2,600
Specialist	$1,580	$1,800	$2,250
Assistant Specialist	$1,300	$1,480	$1,850

CAREER AND SKILLS LADDERS FOR LIFT & ESCALATOR MAINTENANCE



ANNEX C: PWM WAGE LADDER FOR LIFT & ESCALATOR MAINTENANCE SECTOR



Additional Note:
The monthly gross wages of L&E maintenance workers would typically be about 25% ~ 30% higher than the stipulated PWM Baseline Wages after taking into account individual company's renumeration package which may include other variable wage components.

Example:
An Assistant Specialist earning a monthly basic wage of $2075 may receive a monthly gross wage of about $2700 in 2023.

ANNEX D: IMPLEMENTATION OF PWM BONUS FROM JANUARY 2023 – ELIGIBILITY CRITERIA AND COMPUTATION

1. Eligible Employees

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

1.1 Full-time and part-time resident (Singapore Citizen / Permanent Resident) workers who have worked for minimum 12 months with the same employer.

1.2 Have not already received other forms of bonuses amounting to minimum 1 month of last drawn monthly basic wage. Examples of such bonuses include Performance Bonus and Annual Wage Supplement (commonly known as "13th month" bonus).

1.3 The table below shows the other scenarios on whether PWM Bonus is payable:

Scenarios	PWM Bonus Payable?
a) Part Time Worker / Casual Worker	Yes (pro-rated)
b) Retired / Medically Boarded Out	Yes (pro-rated)
c) Worker resigns on own accord	No
d) Worker gets terminated due to misconduct	No

2. Employed by the same employer for at least 12 months

The employment period of 12 months will include paid and statutory leave. Any absence without leave / missing in action shall not count towards employment period when calculating the PWM Bonus.

3. Companies 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 worker:
a) performance bonus;
b) retention bonus;
c) annual wage supplement (commonly known as "13th month" bonus);
d) festive bonus; or
e) any such class of variable bonuses that a L&E firm may provide its workers.

The following does not constitute PWM Bonus made to the resident worker:
a) any basic wage;
b) any overtime payments;
c) any reimbursement for special expenses incurred by a worker in the course of his employment; and
d) any regular allowance or incentives however described.

4. Computation of PWM Bonus for Part-Time Employees and Pro-Rated PWM Bonus

Part-Time Employee	(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 employee	$\frac{\text{Basic monthly salary of a similar full-time worker x 12 months}}{\text{52 weeks x contracted hours/week}}$ X No. of working hours the part-time employee is required to work under the contract of service **in a month**
Step 2: Find **Average BMS** of part-time employee 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: Calculate **Pro-rated PWM Bonus**	BMS X $\frac{\text{No. of contractual hours worked during computation period}}{\text{52 weeks x no. of contractual hours in a week}}$

5. Employees who retired or being medically boarded out are eligible for PWM Bonus

Retired	Retired employee means employees who have reached official retirement age as legislated by law, and who are not offered re-employment.
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)

6. Resignation / Termination due to misconduct

Resigned / Terminated Due to Misconduct	a) Resignation refers to employee 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. c) Regardless of length of service, employer is not required to pay PWM Bonus.