RECOMMENDATIONS OF THE TRIPARTITE CLUSTER FOR CLEANERS ON PROGRESSIVE WAGES

December 2016

Objective

1. This report sets out the recommendations of the Tripartite Cluster for Cleaners (TCC) to be implemented from 2017 onwards for the cleaning industry. The members of the TCC are listed in Annex A.

Introduction

2. Over the years, companies across different industries have granted wage increases to their workers, factoring in industry and company performance, guidelines of the National Wages Council (NWC) and labour market conditions. These efforts are important and continue to be necessary across all industries, including the cleaning industry.

Impetus for a Progressive Wage Model for the Cleaning Industry

3. Cleaning services in Singapore are predominantly outsourced. For workers in the cleaning industry, prior to 2012, wage increases over the years had been slow and wage levels remained low despite skills training and various efforts at improving productivity. Due to prevalent cheap-sourcing, market forces alone had not been sufficient to ensure that improvements in standards and productivity translate into wage increases for these workers. In June 2012, the National Trades Union Congress (NTUC) introduced its progressive wages approach to help low-wage workers in different sectors achieve sustainable real wage increases which correspond to their skills and productivity levels.

4. In August 2012, the TCC was set up to develop a Progressive Wage Model (PWM) for the cleaning industry. There are four components to the PWM: salary progression, skills upgrading, career advancements and productivity improvements. It comprises a series of wage points, and provides a clear pathway for the workers in the cleaning industry to earn higher wages and enjoy career progression as they upgrade and become more productive. The PWM wage points are determined by the unions and industry bodies in consultation with relevant government agencies and stakeholders such as service buyers and providers.

5. The TCC released its first set of recommendations on 18 October 2012. In November 2012, the PWM was included as part of the requirements for accredited cleaning businesses under the National Environment Agency (NEA)'s voluntary Enhanced Clean Mark Accreditation Scheme to raise the overall standards and professionalism of the cleaning industry. Other enhancements included requirements to enhance productivity and adopt better employment standards.

6. In February 2014, the Environmental Public Health Amendment Bill was passed in Parliament to introduce a licensing regime for all cleaning businesses offering general cleaning services at premises or public places in Singapore. One of the licensing conditions includes the payment of progressive wages to resident cleaners, which must be no less than the wage levels specified by the Commissioner for Labour based on the PWM. This licensing condition was first applied to resident cleaners deployed under new contracts[1] from 1 September 2014, and subsequently to all resident cleaners from 1 September 2015.

Impetus for PWM Review

7. Since the release of the TCC's report in 2012, the wages of cleaners have increased. Median basic and gross wages of full-time resident cleaners grew by 9% and 12% per annum respectively from 2012 to 2015[2]. In June 2015, the median basic and gross wages of full-time resident cleaners were $1,100 and $1,200 respectively. As the sector regulator, NEA has also continued working with the industry to build a culture of continuous productivity improvements through technology adoption and work process redesign, raise employment standards, and implement best sourcing practices such as performance-based contracting.

8. Despite the above-mentioned efforts to raise the standards and image of the sector, the industry continues to face manpower challenges such as high turnover rates. Cleaners may also experience a reset of their wages to the starting PWM wages when service providers are changed.

[1] New contracts refer to those entered into from the date when the Amendment Bill is passed.
[2] Source: Occupational Wage Survey, Manpower Research & Statistics Department, MOM

9. Hence, the TCC found it both timely and appropriate to review the PWM to ensure its relevance as well as to enhance the adoption of progressive wage practices in the cleaning industry.

Recommendations

10. For the PWM review, the TCC has consulted service buyers and providers covering about 70% of the total workforce of the cleaning industry. The TCC has considered factors including: i) the nature and working conditions of various cleaning jobs, ii) wages of occupations with workers of similar educational profiles as cleaners, iii) wages of cleaners working for responsible buyers who best source, and iv) inputs from the cleaning industry, including the Environmental Management Association of Singapore (EMAS).

11. The TCC has also taken into account the National Wages Council (NWC)'s guidelines from 2014 to 2016 in its recommendations. The TCC notes that NWC guidelines are formulated at the national level for all industries, including the cleaning industry. The TCC therefore calls upon the cleaning businesses and service buyers to work out ways to effectively apply future NWC guidelines relevant to the industry, especially where it pertains to low-wage workers.

12. The TCC recommends to retain a wage ladder for each of the three broad sub-sectors of cleaning jobs under the PWM, viz. "Office & Commercial buildings", "F&B establishments" and "Conservancy sector".

13. The TCC recommends to maintain the $200 wage differential in the entry-level basic wage between cleaners in the "Office & Commercial buildings" and "F&B establishments" sub-sectors, and cleaners in the "Conservancy" sub-sector. This takes into account the relatively tougher job nature of conservancy cleaning.

14. The TCC recommends to introduce (i) yearly wage adjustments to each wage point in the PWM from 2017 to 2019; and (ii) scheduled wage increases from 2020 to 2022, and (iii) an Annual Bonus (AB) from 2020. A summary of the new PWM recommendations is depicted in Table 1[3].

[3] The adjustment amount reflected is made to the PWM wage levels across all job types and levels in the Cleaning PWM.

Table 1: Changes to the Progressive Wage Model for Cleaners

Timeline	1st July 2017	1st July 2018	1st July 2019	2020	2021	2022
PWM Basic Wage Levels*	+$60	+$60	+$80	+3%	+3%	+3%
Annual Bonus	-	-	-	2 weeks	2 weeks	2 weeks

Note*:

1. In appraising cleaners for progressing up the wage ladders, employers can consider if the cleaners have met the suggested training requirements in Annex B.
2. The new PWM basic wages from 2017 to 2022 are depicted in Diagrams 1 to 6 in Annex C
3. A guiding principle to determine the job category and corresponding wage level of a worker whose job responsibilities fall into more than one job category and a description of all the different types of cleaning jobs referred to in the PWM is in Annex D.

15. The TCC also encourages cleaning businesses to adopt minimum-maximum wage ratios for each job category in the PWM. More elaboration can be found in paragraph 27 on the advisory on minimum-maximum wage ratios.

(I) Yearly adjustments to PWM wages from 2017 to 2019

16. The TCC recommends a total increase of $200 to the PWM basic wage levels across all the three cleaning sub-sectors by 2019, starting with a $60 increase in 2017 and in 2018, followed by $80 increase in 2019.

17. The revised wage ladders will provide cleaners with clarity on how they can achieve wage progression, thereby helping to motivate them. The TCC encourages cleaners to upgrade their skills through training, so that they can progress to higher value-added jobs, work more effectively and earn more.

(II) Schedule of Increases from 2020 to 2022

18. To ensure that cleaners enjoy sustained wage growth in line with productivity improvements and better service delivery, the TCC recommends an annual wage increase of 3% to the PWM wage levels from 2020 to 2022 across all three cleaning sub-sectors under the PWM. The TCC expects the recommended schedule of increases to help the industry to better plan and budget for future cleaning service contracts.

(III) Annual Bonus from 2020

19. In addition, the TCC recommends an Annual Bonus (AB) equivalent to two weeks of basic monthly wages to be paid out to workers from 2020. The TCC believes that the Annual Bonus will enable employers to better attract and retain their workers. Likewise, the Annual 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.

20. The TCC recommends that the Annual Bonus be paid on an annual or bi-annual basis to workers who have been employed by the same business for at least 12 months.

Coverage of the new PWM recommendations

21. The TCC's recommended progressive wage scales are meant for full-time resident[4] cleaners. Employers should endeavour to incorporate the key principles of progressive wages (as described in paragraph 4) in the wage structure of their foreign cleaners. For part-time cleaners[5], the TCC suggests that employers pro-rate their wages based on the number of hours that the part-timer is required to work, as compared to the typical contractual hours worked by a full-timer in the same job.

22. To ensure that the new PWM wage levels and Annual Bonus are implemented consistently across the industry and there is a level playing field for all cleaning businesses, the TCC recommends that the PWM wages, schedule of increases, and

[4] i.e. Singaporeans and Singapore permanent residents.
[5] A full-time employee, as defined under the Employment (Part-Time Employees) Regulations, is one who is required to work for 35 hours or more a week. Conversely, a part-time employee is one who is required to work for less than 35 hours a week.

Annual Bonus be implemented under the cleaning business licensing regime through the Order imposed by the Commissioner for Labour in the relevant years.

23. Taking into consideration industry feedback and the current wages of cleaners, the TCC further recommends providing a lead time of at least six months for the industry to adopt the new PWM wage levels. Hence, cleaning businesses with new service contracts that take effect from 1 July 2017 should adopt the PWM wage schedule for 2017. For existing service contracts that took effect before 1 July 2017, the TCC recommends that cleaning businesses will have until 1 July 2018 to pay their resident cleaners wages according to the PWM wage schedules for 2018 onwards.

Contracting Practices and productivity enhancements

24. The TCC also recommends that service buyers renegotiate existing contracts with their service providers to take into account the new PWM wages for cleaners. Service buyers are discouraged from exercising the option to extend existing contracts unless they are prepared to vary contract prices to take into account the new PWM wage schedules going forward.

25. Apart from the PWM, the tripartite partners are prepared to work together to explore new ways to uplift the cleaning industry. For instance, the Cleaning Sectoral Tripartite Committee has been established to provide inputs and feedback on the development and implementation of an Industry Transformation Map to transform the cleaning industry through strategies for productivity improvement, skills development, innovation and internationalisation.

26. The TCC strongly recommends that cleaning businesses and service buyers work together on performance-based contracts, improve and redesign job processes, implement efficient manpower deployment, and invest significantly in technology and productivity enhancement. There are already several schemes in place by the Government, NTUC and e2i to assist cleaning businesses and service buyers in embarking on the PWM and productivity improvements, and the TCC urges all stakeholders to make full use of these resources. Please refer to Annex E for details.

Advisory on Minimum-Maximum (Min - Max) Wage Ratio

27. The TCC recommends that cleaning businesses adopt a min-max ratio of

    i. 1.2 for all job tiers below multi-skilled cleaners cum machine operators
    ii. 1.3 for multi-skilled cleaners cum machine operators job tiers and above

These min-max ratios are derived in consultation with industry stakeholders and the union. The lower min-max ratio is recommended for rank-and-file cleaners as their work is less complex and requires fewer responsibilities. The TCC encourages cleaning businesses to adopt the min-max ratios to recognise and pay increments to better performing, more experienced and more productive workers, above the PWM wage levels.

Advisory on Allowances and Reimbursements

Allowances

28. In the cleaning sector, some employers include allowances and/or reimbursements, such as for laundry and meals, in the salary package to their employees. The TCC recognises that allowances may be used by employers to motivate employees to achieve the desired work performance (e.g. for attendance or punctuality) or compensate for less desirable working conditions (e.g. for shift work).

29. The TCC advises employers to structure the salary package such that employees can enjoy a predictable and fair basic pay. This is because under the Employment Act, the basic rate of pay (which excludes allowances) is used to compute the salary payment for overtime work, and work on rest days and public holidays. Hence, when the basic pay is low, the overall take-home pay (which includes payment for overtime, etc.) will be correspondingly lower. The TCC calls upon employers to consider building recurrent allowances into the basic pay, especially those that are not given only upon performance or meant to compensate for less desirable working conditions (e.g. for transport, laundry and hand phone).

Reimbursements

30. The TCC also urges employers to categorise payments to employees as reimbursements only if the expenses are actually incurred by the employee. To avoid disputes, employers should retain documentary proof such as receipts when making reimbursements.

31. For example, it is incorrect for an employer to classify a payment (computed based on laundromat fees) as a reimbursement for laundry, if the employer does not take steps to ensure that the employee washes his uniforms at the laundromats. This omission by the employer suggests that the employee does not necessarily need to incur such expenses for laundry and hence, the payment should be classified as "wages" instead.

32. Under the CPF Act, while reimbursements do not attract CPF contributions, salary components such as the basic wage, overtime pay and allowances do. For payments that are incorrectly categorised as reimbursements CPF Board will recover from the employer both the employer and employee portions of CPF contributions. Employer should note that the non-payment of CPF contributions on wages is an offence under the CPF Act.

33. Ensuring that local cleaners receive the CPF contributions that are due to them is important as it enables the cleaners to meet their retirement, healthcare and housing needs through the CPF system and also allows them to receive the correct amount of Workfare Income Supplement as computed based on their CPF contributions.

Conclusion

34. The TCC's new recommendations for the PWM will help cleaners earn higher wages that commensurate with improved training, higher standards and productivity. Cleaners will be more motivated to upgrade their skills, perform better and seek progression in their jobs. Service providers can improve their cleaning processes and operations planning to raise productivity. Buyers should review their cleaning requirements, adopt best sourcing practices and avoid headcount-based contracts. Buyers and end users of cleaning services will then enjoy services of higher quality. This will bring about a win-win-win outcome for all stakeholders.

Annex A

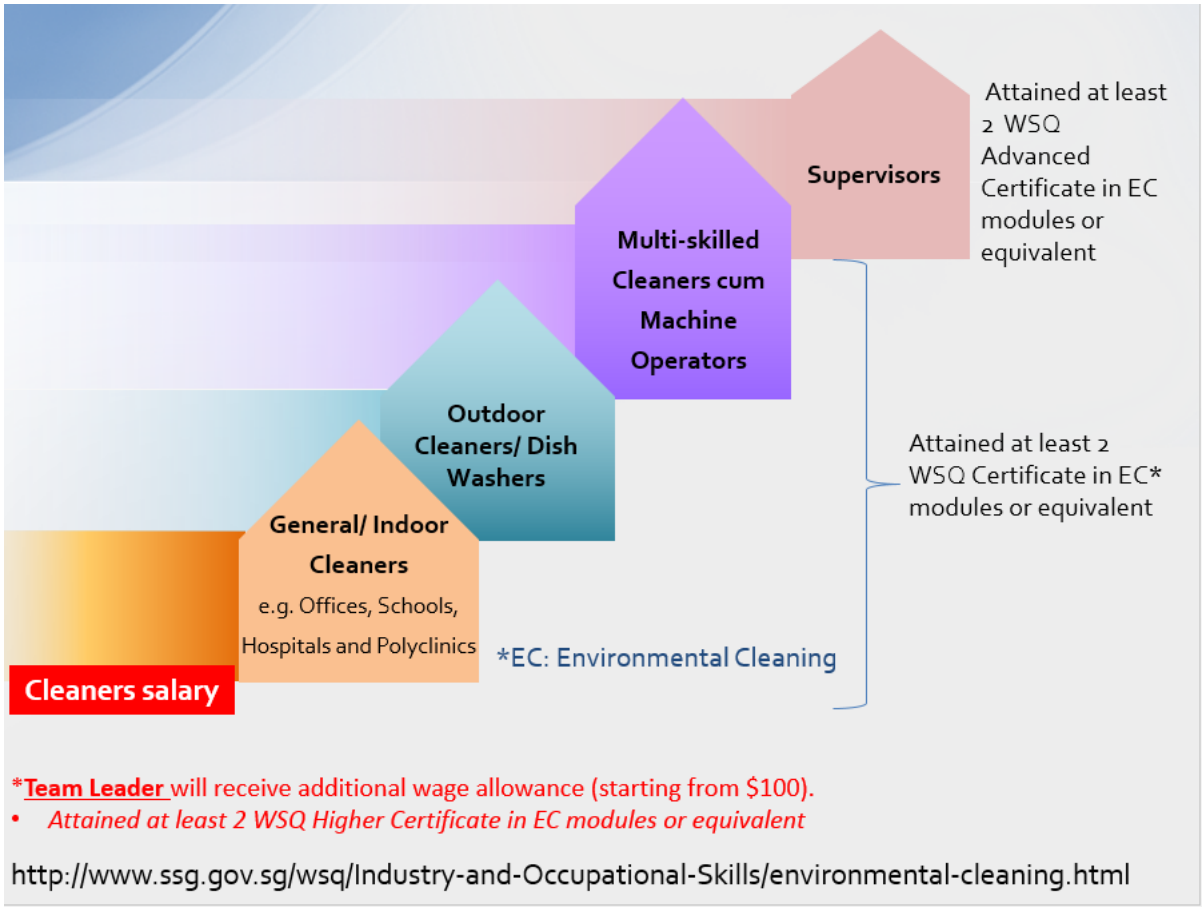
Members of the Tripartite Cluster for Cleaners

	Agency	Representative
Advisor	National Trades Union Congress (NTUC)	Mr Heng Chee How, Deputy Secretary-General
Chairman	National Trades Union Congress (NTUC)	Mr Zainal Sapari, Assistant Secretary-General
Co-Chairman	Singapore National Employers Federation (SNEF)	Mr Douglas Foo, Council Member Also Chairman and CEO of Sakae Holdings Ltd
Union	National Trades Union Congress (NTUC)	Mr Danny Tan, Deputy Director, Industrial Relations Department
	Employment and Employability Institute (e2i)	Mr Gilbert Tan, CEO
	Building Construction and Timber Industries Employees' Union (BATU)	Mr Nasordin Mohamad, President Also Chairman, Building and Facilities Management Cluster, NTUC
Employer/ Service Providers	Environmental Management Association of Singapore (EMAS)	Mr Milton Ng, President Also Director, Ramky Cleantech Services Pte Ltd
	ISS Facility Services Private Limited	Mr Woon Chiap Chan, Country Managing Director
	Integrated Property Management Pte Ltd	Mr Ding Chek Leh, General Manager
Service Buyers	CapitaLand Mall 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 of Manpower (MOM)	Mr Musa Fazal, Divisional Director

	National Environment Agency (NEA)	Mr Khoo Seow Poh, Deputy CEO
	Workforce Singapore (WSG)	Mr Toh Swee Chien, Director, Healthcare, Social and Business Services Division

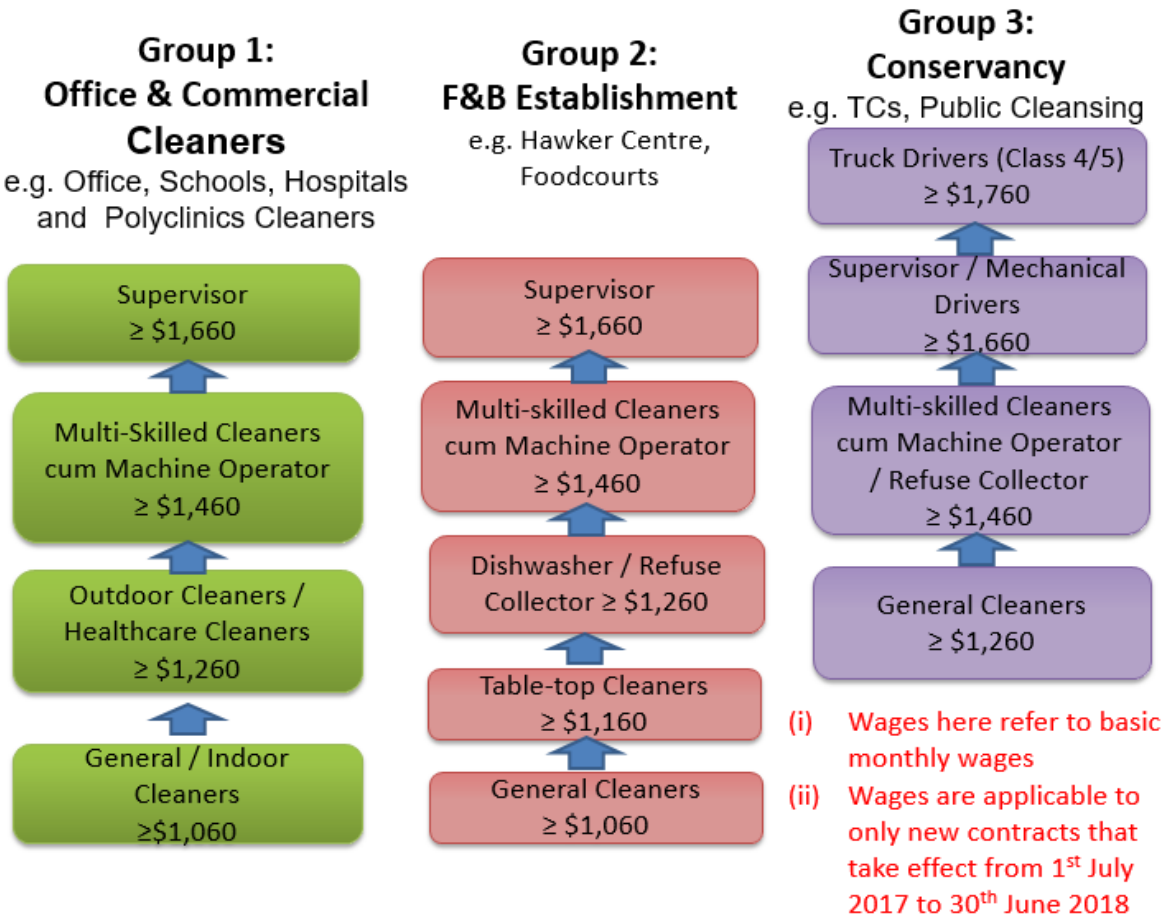
Annex B

Suggested Training Guidelines for Cleaners



Annex C

Diagram 1: Progressive Wage Model Schedule for Cleaners for 1st July 2017 to 30th June 2018



(i) Wages here refer to basic monthly wages

(ii) Wages are applicable to only new contracts that take effect from 1st July 2017 to 30th June 2018

Diagram 2: Progressive Wage Model Schedule for Cleaners for 1st July 2018 to 30th June 2019

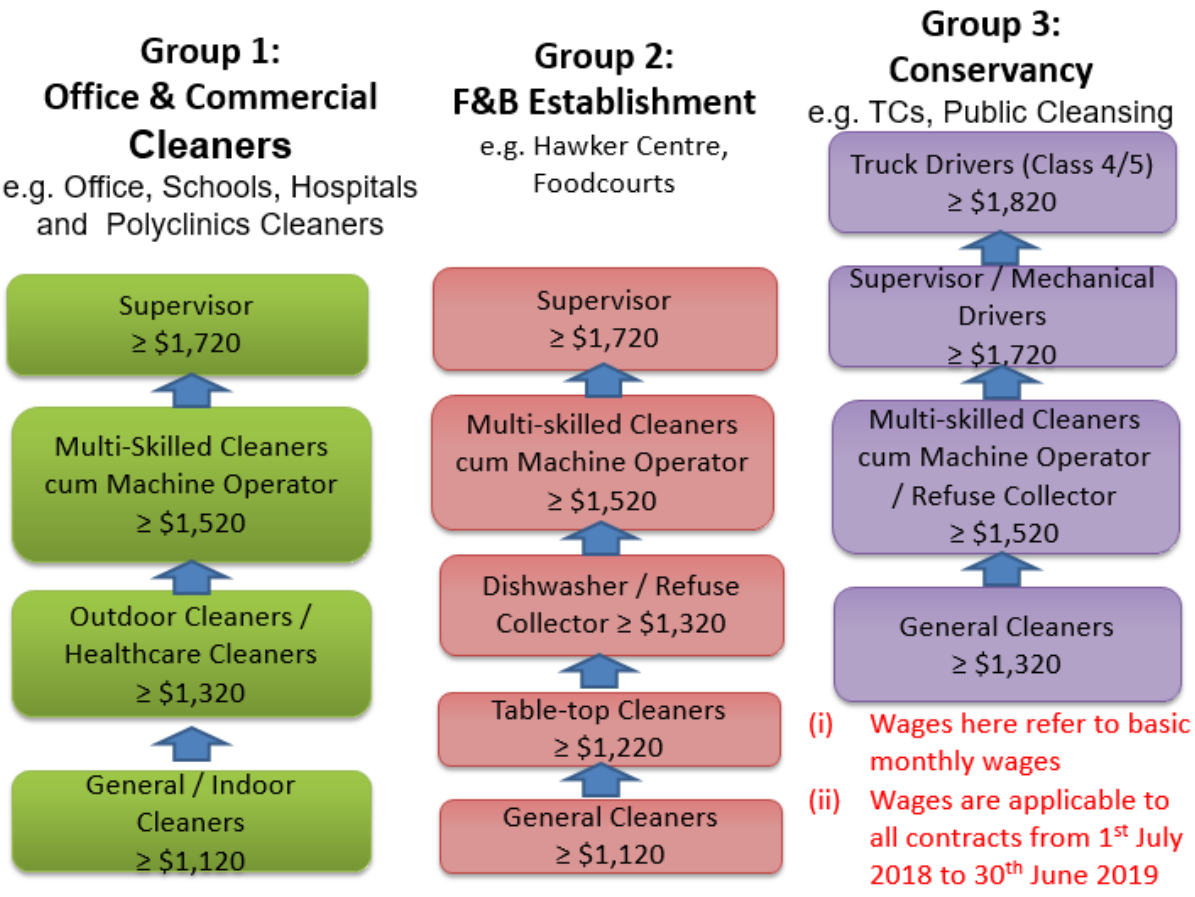


Diagram 3: Progressive Wage Model Schedule for Cleaners for 1st July 2019 to 30th June 2020

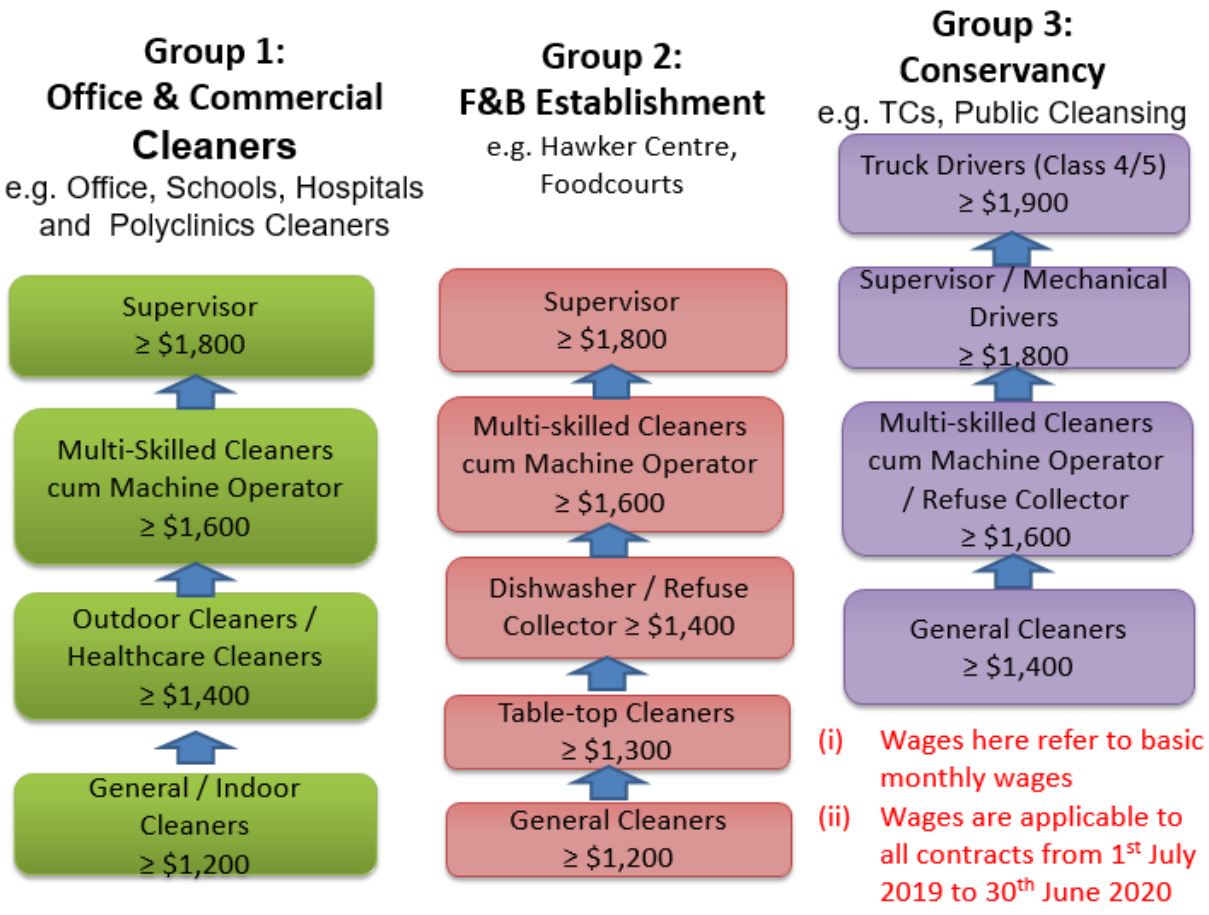
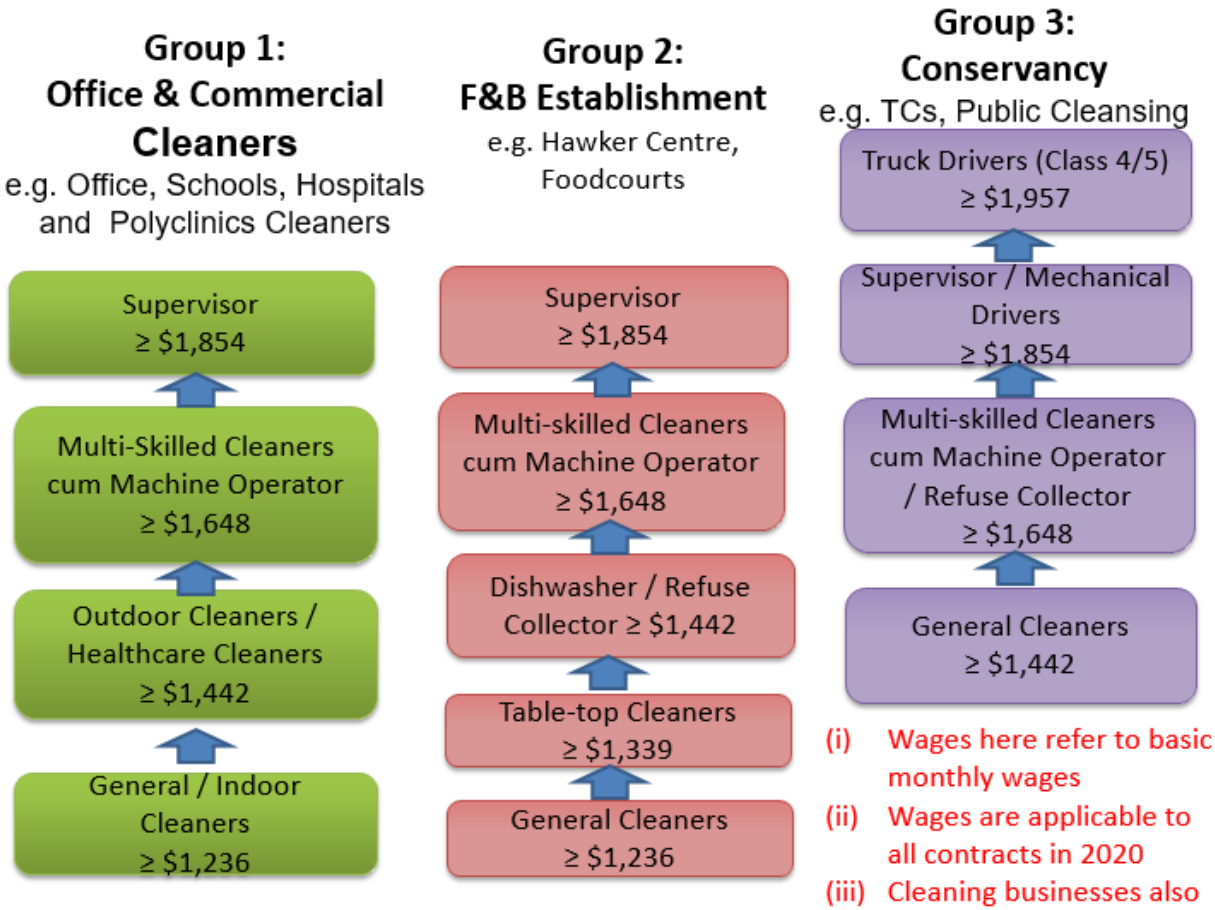


Diagram 4: Progressive Wage Model Schedule for Cleaners for 2020

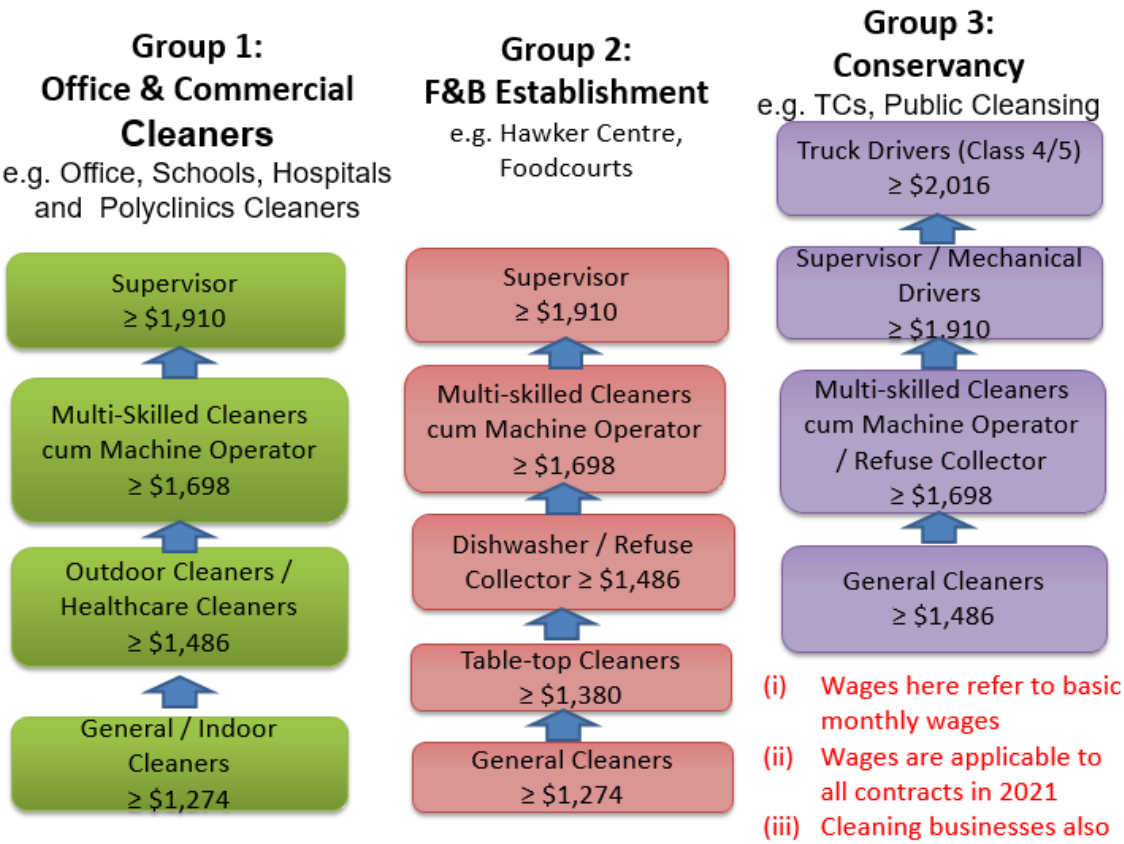


(i) Wages here refer to basic monthly wages

(ii) Wages are applicable to all contracts in 2020

(iii) Cleaning businesses also have to pay the workers an Annual Bonus equivalent to 2 weeks of basic monthly wages

Diagram 5: Progressive Wage Model Schedule for Cleaners for 2021

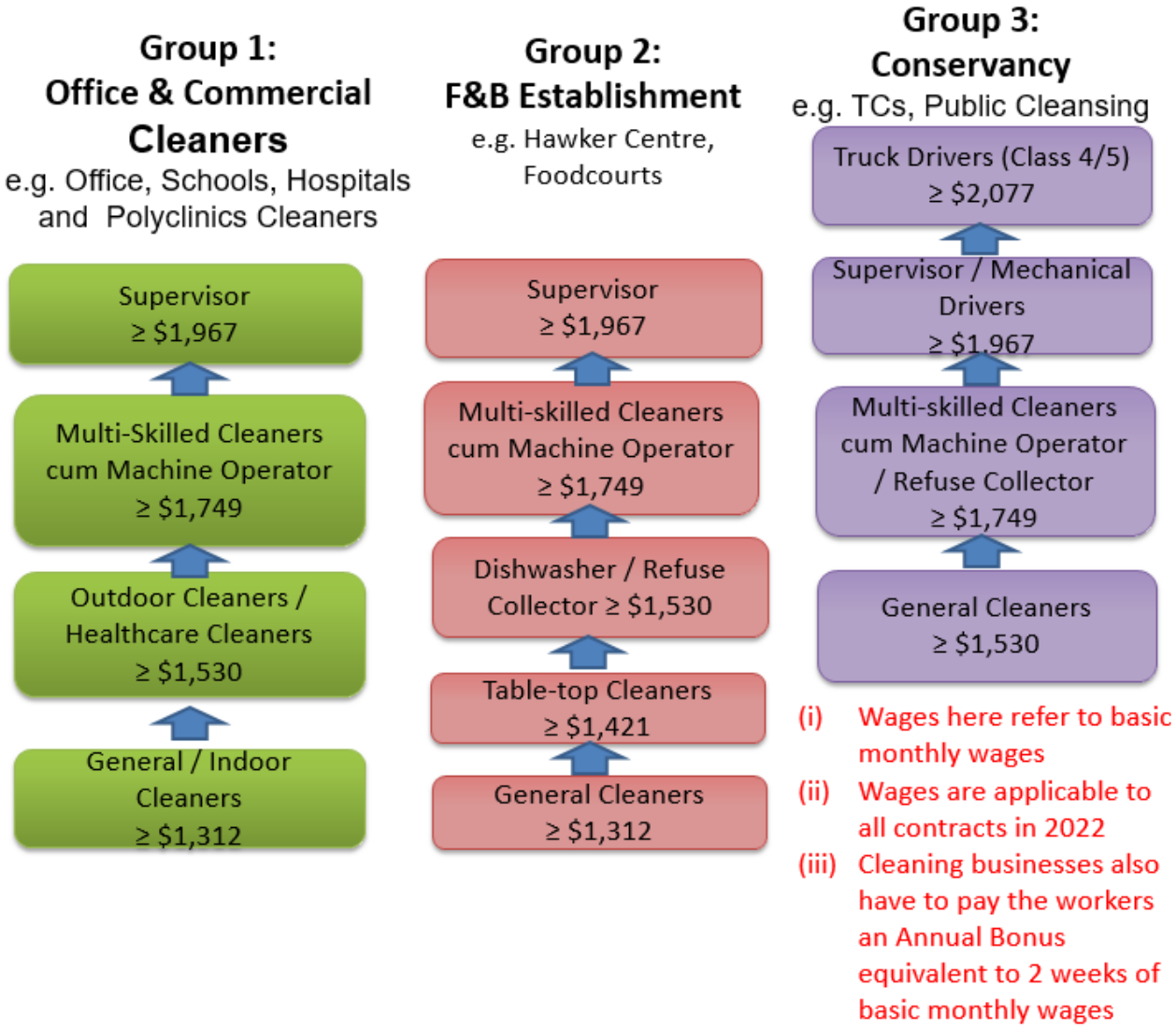


(i) Wages here refer to basic monthly wages

(ii) Wages are applicable to all contracts in 2021

(iii) Cleaning businesses also have to pay the workers an Annual Bonus equivalent to 2 weeks of basic monthly wages

Diagram 6: Progressive Wage Model Schedule for Cleaners for 2022



(i) Wages here refer to basic monthly wages

(ii) Wages are applicable to all contracts in 2022

(iii) Cleaning businesses also have to pay the workers an Annual Bonus equivalent to 2 weeks of basic monthly wages

Annex D

Guidelines and Definitions of Cleaning Job Types

Guiding Principle

For workers whose job responsibilities fall into more than 1 job category, he shall be classified under the job category where he spends majority of his time and the corresponding wage level applies.

Revised Definitions of Cleaning Job Types

Group 1: Office & Commercial Cleaners

General Cleaners

A person assigned to basic cleaning duties.

Job duties may include: Office cleaning duties such as wiping tables, wiping windows, vacuuming carpets, pantry cleaning, clearing trash bins.

Examples of equipment used may include: Blower, vacuum cleaner, household cleaning equipment

Indoor Cleaners

A person assigned to work in a sheltered environment. He/she may also be required to do outdoor cleaning on a routine basis.

Job duties may include: Office cleaning such as wiping tables, wiping windows, vacuuming carpets, pantry cleaning, mopping of lift and lift landing.

Examples of equipment used may include: Blower, vacuum cleaner, household cleaning equipment.

Outdoor Cleaners

A person assigned to work in an unsheltered environment.

Job duties may include: Performing outdoor compound area cleaning jobs, sweeping of car park(s), mopping of lift and lift landing and clearing trash bins.

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.

Job duties may include: Clearing rubbish, sweeping and mopping the floor.

Multi-Skilled Cleaner cum Machine Operator

Multi-skilled Cleaner cum Machine Operator should be able to:

- Use at least 1 motorized ride-on machinery or
- Use at least 1 lifting equipment or
- Use specialized cleaning agents as part of Job scope or
- Use at least 3 handheld machines (other than vacuum cleaner, blower and general household cleaning equipment)

Job duties may include: Carpet shampooing, marble polishing, leaf blowing, using of motorized equipment for the following: Sweeping of access road, turf area, open and contained space such as areas within shopping centres, supermarkets, cleaning high areas of dust and cobwebs, and glass panes or any height- cleaning that requires an access of > 2m, sweeping of surrounding road-side drain, submerge drain and drop-inlet chamber, refuse collection.

Examples of hand-held equipment may include: Burnisher, single-disc scrubber, hi-pressure jet machine, carpet cleaner, escalator cleaner, mini auto scrubber, steam cleaner, walk-behind auto scrubber, leaf blower, glass cleaning system, jettison pump, rest room cleaner, grass-cutter.

Examples of motorized ride-on machineries may include:

Battery-operated cart with refuse compactor, all-terrain-litter-vacuum (ATLV), ride-on road sweeper, integrated scrubber-sweeper (Ride-on), Ride on scrubber, sweeper (Ride-on), Battery operated carts without refuse compactor, ride-on grass cutter, ride-on vacuum cleaner and boat operator.

Examples of lifting equipment may include:

Scissor lift, boomlift, spider boomlift, personal lift for cleaning purpose.

Supervisor

A person who oversees works execution and the performance of other workers. This person must be in charge of operational and manpower planning and deployment and should have a team of workers under him/her.

Group 2: F & B Establishment

General Cleaners

A person assigned to basic cleaning duties.

Job duties may include: Sweeping and cleaning floors, vacuuming carpets, wiping windows

Table-top Cleaners

A person assigned to collect plates and utensils and cleaning tables.

Dishwasher

A person assigned to the washing of plates, trays and utensils. He/she may be required to operate dishwashing equipment.

Dishwashers can include both manual dishwashers and dishwashing machine operators.

Job duties may include: Pushing cart in and out of dishwashing bay, washing of plates, trays and utensils. May include use of conveyor belts in the transportation.

Refuse Collector

A person deployed to collect refuse at the refuse collection point within an F&B premise and to dispose of the refuse at a designated refuse collection point outside of the F&B premise.

Multi-Skilled Cleaner cum Machine Operator

Multi-skilled Cleaner cum Machine Operator should be able to:

- Use at least 1 motorized ride-on machinery or
- Use at least 1 lifting equipment or
- Use specialized cleaning agents as part of Job scope or
- Use at least 3 handheld machines (other than vacuum cleaner, blower and general household cleaning equipment)

Job duties may include: Both indoor & outdoor cleaning, carpet shampooing, marble polishing, using of motorized equipment in Sweeping of access road, turf area, cleaning high areas of dust and cobwebs, and glass panes or any height- cleaning that requires an access of > 2m, Sweeping of surrounding road-side drain, submerge drain and drop-inlet chamber.

Examples of hand-held equipment may include: Burnisher, single-disc scrubber, hi-pressure jet machine, carpet cleaner, escalator cleaner, mini auto scrubber, steam cleaner, walk-behind auto scrubber, glass cleaning system, jettison pump, rest room cleaner, grass-cutter.

Examples of motorized ride-on machineries may include:

Battery-operated cart with refuse compactor, all-terrain-litter-vacuum (ATLV), ride-on road sweeper, integrated scrubber-sweeper (Ride-on), Ride on scrubber, sweeper (Ride-on), Battery operated carts without refuse compactor, ride-on grass cutter, ride-on vacuum cleaner and boat operator.

Examples of lifting equipment may include:

Scissor lift, boomlift, spider boomlift, personal lift for cleaning purpose.

Supervisor

A person who oversees works execution and the performance of other workers. He/she must be in charge of operational and manpower planning and deployment and should have a team of workers under him/her.

Group 3: Conservancy

General Cleaners

A person assigned to basic cleaning duties in conservancy areas.

Job duties may include: General sweeping of apron and apron surrounding drains, sweeping of staircases and common corridor, clearing of cobweb, sweeping of outdoor and car park/s, mopping of lift and lift landing, clearing trash bins.

Refuse Collector

A person who is deployed for the collection of refuse (both dry and wet waste) at refuse collection areas such as main refuse chute of each HDB block or at the central bin chute. This person may be required to clean refuse chute and transport heavy loads.

Job duties may include: Clearing and removal of bulky waste (both dry and wet waste), sweeping of car park and cleaning of refuse chute

Examples of equipment used may include: Battery cart for refuse collection, ATLV, high pressure jet.

Multi-Skilled Cleaner cum Machine Operator

Multi-skilled Cleaner cum Machine Operator should be able to:

- Use at least 1 motorized ride-on machinery or
- Use at least 1 lifting equipment or
- Use specialized cleaning agents as part of Job scope or
- Use at least 3 handheld machines (other than vacuum cleaner, blower and general household cleaning equipment)

Job duties may include: Pressure jet washing and leaf blowing, Sweeping of access road, turf area, open space, road side drains, drop-inlet chamber, submerged drain, cleaning high area of dust and cobwebs or any height- cleaning that requires an access of > 2m.

Examples of hand-held equipment may include: Burnisher, single-disc scrubber, hi-pressure jet machine, carpet cleaner, escalator cleaner, mini auto scrubber, steam cleaner, walk-behind auto scrubber, leaf blower, glass cleaning system, jettison pump, rest room cleaner, grass-cutter.

Examples of motorized ride-on machineries may include:

Battery-operated Cart with refuse compactor, all-terrain-litter-vacuum (ATLV), ride-on road sweeper, integrated scrubber-sweeper (ride-on), ride on scrubber, sweeper (ride-on), Battery operated carts without refuse compactor, ride-on grass cutter, ride-on vacuum cleaner and boat operator.

Examples of lifting equipment may include:

Scissor lift, boomlift, spider boomlift, personal lift for cleaning purpose.

Mechanical Drivers

A person who operates mechanical motorized vehicles whose un-laden weight does not exceed 2,500 kg* [6]for road/pavements cleaning purpose.

Job duties may include: Operating motorized vehicles to sweep access road/ pavements.

Examples of equipment used may include: Any type of road sweeper ≤ 2,500 kg*(Please refer to Footnote 6) in un-laden weight

Supervisor

A person who oversees works execution and the performance of other workers. He/she must be in charge of operational and manpower planning and deployment and should have a team of workers under him/her.

Truck Drivers

A person who possesses Class 4/5 driving license and who operates mechanical motorized vehicles whose un-laden weight exceed 2,500 kg* (Please refer to Footnote 6).

Job duties may include:

Operating motorized vehicles for sweeping of access road and waste management

Examples of mechanical motorized vehicles may include: Any type of road sweeper > 2,500 kg*(Please refer to Footnote 6) in un-laden weight, garbage truck

Applies to all Groups:

Team Leader

A person who oversees works execution but who is not involved in planning, reviewing, manpower deployment and assessing performance of the cleaners.

With more job responsibilities, the team leader should be entitled to at least $100 more in allowances.

[6] *The stated 2,500kg is based on the "Classification of motor vehicles" in the Road Traffic Act and may be reviewed, from time to time, by the relevant authorities.

ANNEX E

PRODUCTIVITY SCHEMES

1. Inclusive Growth Programme (IGP)

The Inclusive Growth Programme (IGP) is a $100-million programme to catalyse industry re-development, promote inclusive growth and to ensure sharing of productivity gains with local workers through higher wages. Companies may receive up to 70% funding for technology and equipment improvement.

2. Productivity Innovative Credit (PIC)

Companies embarking on PIC scheme[7] are eligible to claim 400% tax deduction on the qualifying expenditure up to $600,000, as long as the companies invest in any of the six qualifying activities:

a. Research and development

b. Approved design

c. Acquisition of intellectual property

d. Registration of intellectual property

e. Purchase or lease of prescribed automation equipment

f. Training of employees

Instead of claiming for the 400% tax deduction, companies may also choose to convert up to $100,000 of the qualifying expenditure into a maximum payout of $60,000 for each year of assessment.

3. Workfare Training Support Scheme (WTS)

The Workfare Training Support (WTS) scheme is introduced to complement the Workfare Income Supplement (WIS). While WIS encourages older low-wage workers to work by supplementing their income and retirement savings, WTS encourages them to upgrade their skills through training so that they can improve their employability, upgrade to better jobs and earn more. Together, they make up Workfare, a key pillar of Singapore's social security landscape to provide support for low-wage workers so they have the best chance to progress.

[7] https://www.iras.gov.sg/irashome/Schemes/Businesses/Productivity-and-Innovation-Credit-Scheme/

WTS covers training courses offered under the Singapore Workforce Skills Qualifications (WSQ) System, including Environmental Cleaning WSQ training courses. All WSQ courses receive funding support for 95% course fees[8] under WTS. This means that older low-wage workers[9], or their employers, only need to pay 5% of course fees for all WSQ courses.

4. Lean Enterprise Development Scheme (LEDS)[10]

The Lean Enterprise Development Scheme (LEDS) helps progressive companies to transform and grown in the new manpower-lean landscape. LEDS supports companies that want to become more manpower-lean, develop a stronger Singapore core, and develop a better quality workforce. Companies could tap on relevant existing assistance schemes and training programmes coordinated by a cross-agency LED taskforce comprising various government agencies, and benefit from grants like Capability Development Grant (CDG), Inclusive Growth Programme (IGP), Enhanced iSPRINT to support its upgrading efforts. Companies could also apply for transitional foreign manpower support to implement LEDS projects.

[8] https://www.workfare.gov.sg/Pages/WTS.aspx
[9] Singaporean workers who are 35 years old and above and earn not more than $2,000 per month (with effect from January 2017)
[10] http://www.wsg.gov.sg/programmes-and-initiatives/manpower-lean-productivity/lean-enterprise-development.html