30 December 2024

STATEMENT BY THE SECURITY TRIPARTITE CLUSTER ("STC") TO ADDRESS SECURITY PROGRESSIVE WAGE MODEL ("PWM") 2024 POST-IMPLEMENTATION

1. OBJECTIVE

1.1 The STC has received stakeholders' feedback regarding certain industry practices in response to the implementation of Y2024 Security PWM wage requirements for security officers employed by security agencies ("**SOs**").

1.2 The STC noted two issues: the first concerns the use of pre-agreed or contractual no-pay leave ("**NPL**"), while the second concerns the counting of hours on statutory paid leave for SOs. Hence, the STC sets out the following clarification to address these two issues.

1.3 The members of the STC are listed in Annex A.

2. BACKGROUND

2.1 From January 2024, SOs must be paid a minimum of $2,650[1] in basic monthly wages. The total number of extra hours[2] above the 44-hour work week[3] will continue to be capped at a maximum of 72 hours per month under the Police Licensing Regulatory Department (PLRD) Licensing Conditions for Security Agencies (Condition 5(d)). This cap was recommended by the STC in its report released on 12 November 2021; to continue safeguarding SOs' working hours and ensure they do not work excessive hours under the new wage schedule. This, in turn, ensures all SOs are fit to discharge their duties in a professional and competent manner.

2.2 Since the new PWM wage schedule took effect from 1 January 2024, the STC has learned of a practice by some security agencies in which NPL is agreed between SOs and their security agencies in advance ("**pre-agreed NPL**"). This resulted in SOs being paid less than the PWM wage due to deductions arising from NPL.

2.3 The STC has also noticed instances of security agencies failing to include the hours of paid leave taken by SOs as part of their contractual working hours.

[1] The PWM monthly basic wage requirement is for full-time employment where contracted hours of work are at least 35 hours in a week, as defined under the Employment Act ("EA").
[2] An "*extra hour*" refers to every additional hour of work that is beyond 44 hours of work put in by an SO in one week.
[3] A "week" is defined under the EA as a continuous period of seven days. For the purposes of the Police Licensing Regulatory Department Licensing Conditions for Security Agencies, a "*week*" means a continuous period of seven days commencing at midnight on Sunday.

3. USING PRE-AGREED NPL RESULTING IN A VARIATION OF EMPLOYMENT TERMS TO PAY LESS THAN PWM WAGES IS NOT ALLOWED

3.1 In its 12 November 2021 recommendations report, the STC highlighted the industry's intent to move towards a 44-hour workweek while ensuring SOs do not experience a fall in gross wages. The STC's recommendations were to assure SOs of sustainable wage growth without needing to clock excessive hours for a higher gross wage.

3.2 On or around 1 January 2024, some security agencies amended their SOs' employment contracts for them to work the maximum allowable monthly hours under the 2024 PWM (i.e. 72 hours above the 44-hour workweek). For SOs who had been working less hours than this prior to 1 January 2024, some security agencies proposed pre-agreed NPL arrangements intending for the SO to work the same number of hours as before. The SO would otherwise have to work the full contracted number of hours.

3.3 Security agencies are cautioned that where pre-agreed NPL or any NPL arrangements with an SO result in a variation of the employment agreement such that the SO is being paid below the PWM wage floor, this is likely to contravene the PWM requirements, and the PLRD Licensing Conditions for Security Agencies (see Condition 5(b)). This includes situations where (i) such an arrangement is included in the employment agreement, or (ii) in a separate agreement that has the effect of varying the employment agreement.

3.4 **The STC strongly urges security agencies not to adopt pre-agreed NPL arrangements**. If a security agency has been found to have contravened the PWM or the EA, it will be subject to penalties under the Private Security Industry Act and/or the EA.

3.5 The STC would like to clarify the intent and use of NPL under the EA: "*no-pay leave*" means "*leave of absence without pay granted by the employer at the request of the employee*". NPL is usually taken due to the personal circumstances of the employee, and it is up to the employer and employee to agree on *individual* NPL arrangements on a needs-basis (as opposed to a pre-agreed NPL arrangement). Where employees' requests for NPL are granted, employers are allowed to prorate the employees' salaries for NPL taken for the *particular* month under section 20A(1) of the EA.

3.6 The STC further reminds security agencies that all employment contracts must include all applicable Key Employment Terms[4]. Any revision to employment terms must be mutually agreed and in writing and must be consistent with all prevailing laws and regulations.

3.7 Please refer to Annex B on the illustration on use of NPL to pay below PWM wage requirements.

[4] The exhaustive list of Key Employment Terms can be found within the Second Schedule to the Employment (Employment Records, Key Employment Terms and Pay Slips) Regulations 2016.

4. HOURS OF PAID LEAVE TAKEN BY SOs SHOULD BE INCLUDED AS PART OF CONTRACTUAL WORKING HOURS

4.1 The STC clarifies that the intent of the STC recommendations in 2021 was for hours of paid leave[5] to be counted towards an SO's agreed contractual working hours.

4.2 Accordingly, SOs should not be required to make up for the hours of paid leave taken by working additional hours, as such practices could compromise security outcomes if SOs are overworked.

4.3 The STC is further of the view that such practices have the effect of denying SOs their paid leave entitlements and is a violation of the EA for non-provision of leave entitlements.

4.4 Please refer to Annex B on the illustration of failing to include the hours of paid leave taken by SOs as part of their contractual working hours.

5. CONCLUSION

5.1 The STC acknowledges that most security agencies are in full compliance with the Security PWM requirements. The STC reiterates that the PWM from Y2024 was intended, among others, to support industry transformation, raise wages and lower working hours of SOs. The STC urges security agencies to give effect to this spirit of the PWM, while ensuring compliance with the law.

5.2 In order to drive greater productivity, the STC also encourages the security industry and security buyers to make more productive use of manpower through outcome-based contracting and greater use of technology to enhance operations and meet security demands.

~ End ~

[5] This refers to the number of hours the SOs would have otherwise worked if the SO was not on paid leave. Paid leave refers to all leave of absence except for NPL.

ANNEX A: SECURITY TRIPARTITE CLUSTER (STC) FOR THE TERM OF APPOINTMENT FROM NOVEMBER 2022 TO NOVEMBER 2024

	Organisation	**Name/Designation**
Chairman	National Trades Union Congress (NTUC)	Mr Melvin Yong, Assistant Secretary-General *Concurrently Director, NTUC U Care Centre*
Co-Chair	Singapore National Employers Federation (SNEF)	Mr Jeffrey Chua, SNEF Representative *Concurrently Adjunct Professor, Singapore University of Social Sciences*
Labour Movement	Union of Security Employees	Mr Raymond Chin Ming Jie, General Secretary
	Union of Security Employees	Mr Steve Tan Peng Hoe, Executive Secretary
	Food, Drinks and Allied Workers Union	Ms Toh Hwee Tin, Executive Secretary
	Attractions, Resorts and Entertainment Union	Mr Hassan Bin Abdullah, Advisor
Associations / Firms (representing employers)	Security Association Singapore	Mr Raj Joshua Thomas, President
	Association of Certified Security Agencies	Mr V W Nathan, Deputy President *Concurrently Chief Executive Officer, Assured Protection & Consultancy Pte Ltd*
	Certis Cisco	Mr Ng Boon Gay, Deputy Chief Executive
	AETOS	Ms. Joanne Ng, Director, People & Culture
	Singapore Hotel Association	Ms. Alice Lee, Member *Concurrently Complex Director of Human Resources, South Beach International Hotel Management Pte Ltd*
Service Buyers	Singapore International Facility Management Association	Mr Hansen Tan, Chairman, Sustainability Development *Concurrently Executive Director, Chambers Property Management Services Pte Ltd*
	Real Estate Developers' Association of Singapore (REDAS)	Mr Lee Liang Huat, REDAS Representative *Concurrently Chief Operating Officer, CBM Pte Ltd*
Government	Ministry of Manpower	Mr Tan Li Sheng, Divisional Director, Workplace Policy and Strategy Division
		Mr Tan Fang Qun, Director, Employment Standards Enforcement Department, Labour Relations and Workplaces Division
	Ministry of Home Affairs	Mr Harris Rusdi Chai, Director, Security Policy Directorate, Joint Operations Group
	Singapore Police Force	Mr Jarrod Pereira, Director, Police Licensing & Regulatory Department
		Mr Andy Tan, Director, Centre for Protective Security
	SkillsFuture Singapore	Ms Loh Gek Khim, Director, Industry Development Division 1

ANNEX B: ILLUSTRATIVE EXAMPLES

ILLUSTRATION 1 – ON USE OF NPL TO PAY BELOW PWM WAGE REQUIREMENTS

SO was contracted and deployed to work for 5 days a week at XYZ building since Jan 2020, and paid the stipulated PWM basic wage by his employer. SO was subsequently informed of a change in his working hours, from Jan 2024. He was issued a new contract to work the maximum permissible hours, for a 6-day work week with extra hours capped at 72 hours a month, under the PLRD Licensing Conditions for Security Agencies, to earn the 2024 PWM basic wage (i.e. $2,650). However, his deployment site, duties and work hours remained unchanged from pre-2024.

As SO wished to maintain his previous 5-day work week arrangement, his employer proposed a pre-agreed NPL arrangement where he would take 2 days of NPL every month. There was therefore a variation of the employment agreement. With this arrangement, SO was paid a monthly wage less than $2,650, through NPL deductions from his wage.

- X Pre-arranged NPL should not be used as it varies the employment agreement, i.e. working hours.
- ✓ NPL is usually ad hoc and taken due to individual circumstances of the employee.
- ✓ NPL should be at the request of employees and not imposed by employers, and should not be built into the employment contract.

ILLUSTRATION 2 - ON THE CORRECT APPLICATION OF NPL

SO was contracted and deployed to work for 5 days a week at XYZ building since Jan 2020, and paid the stipulated PWM basic wage. He is also entitled to paid leave provisions as provided for under the EA. SO applied for 1-day leave from work to attend to urgent family matters or for other personal matters.

- ✓ SO can apply for leave from work using his paid annual leave entitlement, subject to approval by his employer.
- ✓ If SO has fully utilised his paid annual leave entitlement, **OR** chooses to save up his paid annual leave entitlement for future use, he can request and apply for NPL, likewise subject to approval by his employer. Should NPL be granted, the employer is allowed to prorate the SO's wage for absence in accordance with Section 20A(1) of the EA.

ILLUSTRATION 3 - ON FAILING TO INCLUDE THE HOURS OF PAID LEAVE TAKEN BY SOs AS PART OF THEIR CONTRACTUAL WORKING HOURS

SO was contracted and deployed to work for 5 days a week at XYZ building since Jan 2020. He was contracted to work 11-hours a day (with an hour break) totalling 55 hours a week.

The SO applied for leave.

- ✓ SO must be paid for the 11 hours for the day he took leave, as it is paid leave.
- ✓ The 11 hours of work must count towards the SO's total contractual hours in that week and month.