

ADDENDUM TO THE RECOMMENDATIONS BY THE SECURITY TRIPARTITE CLUSTER ON THE PROGRESSIVE WAGE MODEL FOR THE SECURITY INDUSTRY

1. OBJECTIVE

- 1.1 This Addendum Report sets out the Security Tripartite Cluster's (STC) recommendations on the PWM wage requirements for In-house Security Officers (IHSO) from 1 January 2024 to 31 December 2025.
- 1.2 The members of the STC are listed in Annex A.

2. BACKGROUND

- 2.1 The Security Progressive Wage Model (PWM) was first announced in October 2014 and has been implemented as a licensing condition under the Police Licensing and Regulatory Department's (PLRD) licensing regime for private security agencies and security officers from 1 September 2016.
- 2.2 Any company, business entity, or a management corporation or MCST (Management Corporation Strata Title), should register as an In-House Employer (IHE) or obtain a Security Agency (SA) licence before employing any licensed security officer. Under Section 16 of Private Security Industry Act (PSIA) 2007, the Licensing Officer must be informed of the employment of the security officer.
- 2.3 In October 2020, the Tripartite Workgroup on Lower-Wage Workers (TWG-LWW) was formed to explore measures to further uplift the wages and well-being of lower-wage workers. The TWG-LWW report, published on 30 August 2021¹, sets out 18 recommendations to uplift lower-wage workers including the extension of the existing PWM to in-house workers in the cleaning, security and landscape maintenance sectors with effect from 1 September 2022.
- 2.4 Given that the Security PWM had been implemented since 2016, the TWG-LWW recommended that subsequent changes to the job roles, and PWM wage rungs, as decided by respective Tripartite Clusters, would similarly apply to in-house workers. The TWG-LWW report's recommendations were accepted by the Government.
- 2.5 On 12 November 2021, the STC released its recommendations on the review of the Security PWM, which included a 6-year wage schedule till 31 December 2028. From 1 January 2024, the PWM Baseline Wages for security officers in the outsourced sector will be at least \$2,650. This includes wages paid for extra hours worked above the 44-hour work week, with the total working hours to be negotiated between the security officers and their employers. As the Security PWM Baseline Wages will cross the current \$2,600 monthly basic wage threshold for coverage under Part 4 of the Employment Act (EA) (which provides basic protection on hours of work, rest days, and other conditions of service), the number of extra hours above the 44-hour work week will continue to be capped at a maximum of 72 hours

¹ The TWG-LWW report is available at www.mom.gov.sg/twg-lwwreport

per month under PLRD's licensing conditions. This is to ensure that security officers are not made to work excessive hours. The full details of the STC Report (November 2021)² can be found at www.ntuc.org.sg/tripartiteguidelines.

- 2.6 The STC recognised that the working hours of IHSO are generally lower than their counterparts in outsourced security agencies, and that employers of IHSO typically provide other non-wage staff benefits. The STC thus recommends a differentiated wage ladder for IHSO with effect from 1 January 2024.

3. SECURITY PWM WAGE LADDER FOR IN-HOUSE SECURITY OFFICERS

- 3.1 From 1 September 2022, employers who employ foreign manpower must comply with the stipulated Security PWM requirements, as well as any other applicable PWM or LQS requirements, in order to apply for new Work Passes (e.g., Work Permit, S Pass, Employment Pass) or renew existing Work Passes.
- 3.2 In deliberating the wage requirements for IHSO from January 2024, the STC had conducted extensive industry consultations since 2022 to seek stakeholders' feedback and suggestions. These stakeholders included industry associations, in-house employers, sector lead agencies as well as the unions and security officers.
- 3.3 The STC considered the following factors before putting forth its recommendations for an appropriate wage ladder for IHSO:
- a) One key difference between IHSO and outsourced SO is the number of working hours. Based on 2022 MOM data, the median IHSO usually works 12 fewer hours per week as compared to the median outsourced SO. While work is ongoing to continue to lower the working hours of outsourced SOs, in order not to disrupt the balance between in-house and outsourced security services, it is important to consider the different wage structure, including the variable payments (e.g. overtime pay), that constitute the total gross wage of IHSO.
 - b) Some employers of IHSO provide non-wage benefits, such as free meals and additional staff welfare benefits, as part of their overall compensation package to all their employees. As IHSO forms a very small percentage of their total workforce, in-house employers would generally need to ensure internal parity in their wage structure with the rest of their employees as well.
 - c) Taking reference from the TWG-LWW's recommendation for Progressive Wages to be expressed in gross terms³, the PWM Baseline Wages for IHSO will be stipulated in gross terms for regular contractual working hours, but will exclude overtime pay as it remains within Part 4 of the EA.

² The STC Report (Nov 2021) stated that one of the TWG-LWW recommendations include the extension of Security PWM to officers hired by in-house employers. As this provision was not within the previous STC's terms of reference (for the term from March 2019 to March 2022), further industry consultations were carried out by the new term of STC where in-house employers were represented.

³ Total Monthly Gross Wage refers to the sum of the Monthly Basic Wage, overtime payments, commissions, allowances, and other cash payments, and is before deduction of employee CPF. It excludes bonuses (e.g., AWS), stock options, other lump sum payments and payments-in-kind as well as employer CPF contributions.

- d) Unlike the outsourced security sector where contract bidding would require some certainty of wage increases over a period of several years, especially for multi-year security contracts, it is not necessary to do so for IHSO wages. Setting a two-year wage requirement for IHSO would allow in-house employers to plan their manpower needs, and at the same time, provide flexibility for future wage negotiations to take into consideration fluctuations in the economy.
 - e) Taking reference from the TWG-LWW's recommendations to uplift lower-wage workers to ensure they gain ground on the median worker, the PWM wages for IHSO are in line with a median-plus wage growth model. This means that workers who earn at the bottom 20th percentile should have baseline Progressive Wage growth that outpaces median wage growth, and lower-paid lower-wage workers should have higher than baseline Progressive Wage growth.
- 3.4 To determine the PWM wages for the higher ranks, the STC had considered the job complexity and responsibilities, as well as the skillsets and higher training requirements of the Senior Security Officer (SSO) and Security Supervisor (SS). A wage differential of \$200 and \$230 for SSO and SS respectively was recommended to reflect the higher job responsibilities of the more senior ranks.
 - 3.5 For the job role of Senior Security Supervisor (SSS), the STC recommends that their wages be left to market forces as their wages are generally above the bottom 20th wage percentile.
 - 3.6 By stipulating the PWM Baseline Gross Wages (excluding OT pay), the STC believes the recommended wages will provide greater flexibility for in-house employers to structure their compensation package competitively to retain their IHSO while ensuring IHSO benefit from sustainable annual wage increments.
 - 3.7 Although the PWM Baseline Wages do not mandate a Basic Wage for IHSO, the STC recommends that in-house employers should minimally pay a basic wage not lower than the preceding year's basic wage levels⁴ if the job scope and the working hours remain the same.
 - 3.8 The following table summarises the recommended PWM Baseline Gross Wages (excluding OT pay) for all resident (Singapore Citizen/Permanent Resident) IHSO for the period from 1 January 2024 to 31 December 2025:

⁴ This applies only to employees covered under Part 4 of the Employment Act.

PWM Baseline Gross Wage (exclude OT)		
PWM Rank of IHSO	From 1 Jan 2024	From 1 Jan 2025
Senior Security Supervisor (SSS)	Left to market forces	
Security Supervisor (SS)	\$2,605	\$2,745
<i>Wage differential from preceding rank</i>	+ \$230	+ \$230
Senior Security Officer (SSO)	\$2,375	\$2,515
<i>Wage differential from preceding rank</i>	+ \$200	+ \$200
Security Officer (SO)	\$2,175	\$2,315

Requirements under Part 4 of the Employment Act for overtime rates of pay to be at least 1.5x the basic rate of pay continue to apply.

Note 1: Employees' basic wage should not fall below their basic wage of the preceding year if the job scope and working hours remain the same.

Note 2: A part-time (PT) employee is one who is under a contract of service and works less than 35 hours a week. Part-time hourly gross wage will be pro-rated based on a 44-hour work week basis. If a PT employee performs OT beyond his contractual working hours, Section 5 of the Employment (Part Time Employees) Regulations shall apply⁵.

- 3.9 For the avoidance of doubt, the PWM Baseline Gross Wages for IHSO may include allowances, and other cash payments, and is before deduction of employee CPF. It excludes overtime pay, bonuses (e.g., AWS), reimbursements, stock options, other lump sum payments and payments-in-kind as well as employer CPF contributions.
- 3.10 Please refer to Annex B for the full wage schedule for IHSO. The STC will carry out a review of the Security PWM in 2025.

4 CONCLUSION

- 4.1 Our security officers are essential workers who play an important role in keeping us safe and our premises secure. This was clearly demonstrated during the COVID-19 pandemic. They are usually the first responders to any incidents and are at the frontline to render assistance to the best of their ability.
- 4.2 The STC calls upon all stakeholders to do their part to recognise the critical role performed by our security officers and to accord them the due respect that they deserve.
- 4.3 A vibrant and technologically advanced security workforce will be the cornerstone for all Singaporeans to work, live and play in a safe and secure environment.

~ End ~

⁵ <https://www.mom.gov.sg/employment-practices/part-time-employment>

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

	Organisation	Name/Designation
Chairman	National Trades Union Congress (NTUC)	Mr Melvin Yong, Assistant Secretary-General <i>Concurrently Director, NTUC U Care Centre</i>
Co-Chair	Singapore National Employers Federation (SNEF)	Mr Jeffrey Chua, SNEF Representative <i>Concurrently Advisor, AAARYA Business College</i>
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 William Seak Chee Seng, President <i>Concurrently Director, JC Secure Pte Ltd</i>
	Certis Cisco	Mr Ng Boon Gay, Deputy Chief Executive, Singapore (Operations)
	AETOS	Ms Irene Tan Lai Yee, Vice President, HR
	Singapore Hotel Association	Ms Yasmin Akhtar, Member <i>Concurrently Director of Talent & Culture, RC Hotels (Pte) Ltd</i>
Service Buyers	Singapore International Facility Management Association	Mr Hansen Tan, Chairman, Sustainability Development <i>Concurrently Executive Director, Chambers Property Management Services Pte Ltd</i>
	Real Estate Developers' Association of Singapore (REDAS)	Mr Lee Liang Huat, REDAS Representative <i>Concurrently Chief Operating Officer, CBM Pte Ltd</i>
Government	Ministry of Manpower	Mr Lee Chung Wei, 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

