

# **Uplifting Lower-Wage Workers**

Uplifting lower-wage workers is a whole-of-society effort.

The Government is working hand-in-hand with employers, service buyers, consumers and workers, to progress together and ensure no worker is left behind.

## Strengthening Workfare

Supplements income and retirement savings of lower-wage workers, and encourages upskilling with training support.

#### From 2025:

<ul> <li>Raise qualifying monthly income cap from</li> <li>\$2,500 to \$3,000 for Workfare Income</li> <li>Supplement (WIS) Scheme and Workfare</li> <li>Skills Support (WSS) Scheme</li> </ul>		Maximum WIS Payments	
	Age Band	Before Enhancement (from Work Year 2023)	After Enhancement (from Work Year 2025)
Higher WIS payments of <b>up to \$4,900</b>	30-34	\$2,100	\$2,450
P	35-44	\$3,000	\$3,500
	45-59	\$3,600	\$4,200
Find out more at go.gov.sg/workfare	60 & above	\$4,200	\$4,900
	Persons with disabilities	\$4,200	\$4,900

Enhancements to WIS will benefit around **half a million lower-wage workers** with **\$1.4 billion** in payments in 2025. In 2023, WSS supported the upskilling of about **45,600** lower-wage workers with **\$12.1 million**.

# Raising the Local Qualifying Salary from 1 Jul 2024

Firms are required to pay all local workers at least the Local Qualifying Salary (LQS), or Progressive Wage Model (PWM) wages where applicable, before they can hire any foreign worker.

#### The LQS will increase:

- From **\$1,400 to \$1,600** per month for full-time locals
- From **\$9 to \$10.50** per hour for part-time locals

Over **105,000** full-time lower-wage workers are covered by the LQS requirement.

## Foreign worker quota computation with the new LQS

Local workforce



1 local workforce count



0.5 local workforce count

#### Salary requirement

Paid at least \$1,600 monthly

Paid at least \$800 to less than \$1,600 monthly



Find out more at **go.gov.sg/lqs** 

For example, a firm in the Manufacturing sector requires 2 local workforce count to hire 3 foreign workers with a dependency ratio ceiling of 60%.

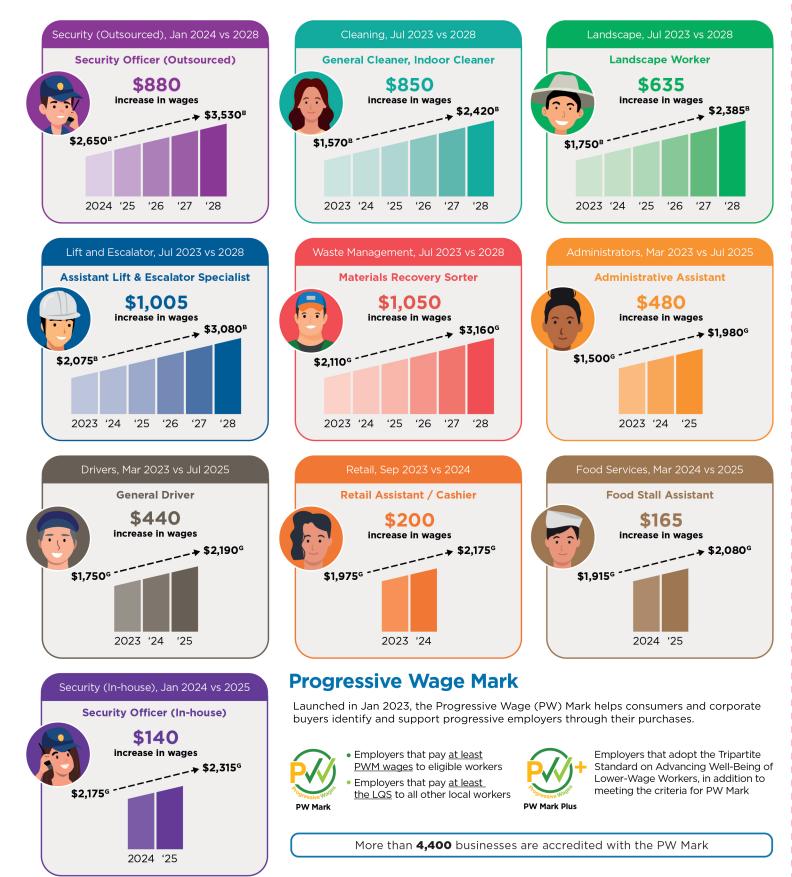


### Uplifting Lower-Wage Workers with Progressive Wages

#### **Progressive Wage Model**

More than **155,000** lower-wage workers currently benefit from the Progressive Wage Model (PWM), more than five times the coverage in 2020. Tripartite partners set multi-year wage schedules that take into account circumstances specific to each PWM sector and occupation, and review them regularly.

Under the PWM, workers can receive annual wage increases and expect to earn **at least** these wages:



Note: 'B' denotes basic monthly wage, 'G' denotes gross monthly wage. Eligible Government suppliers are now required to be accredited with the PW Mark for Government tenders and quotations.

Up to



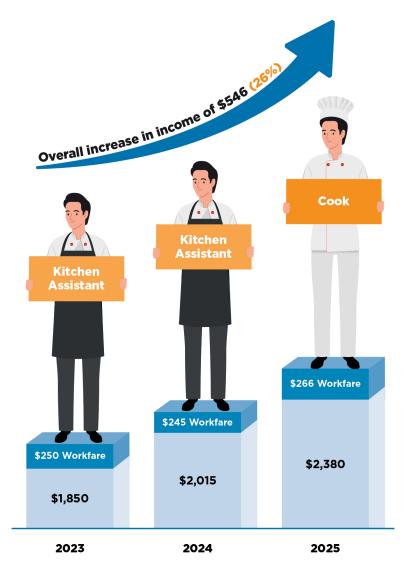
full-time lower-wage workers are benefitting from the Progressive Wage Model, the Local Qualifying Salary and the Progressive Wage Mark.



Real incomes of lower-wage workers at the 20<sup>th</sup> percentile have cumulatively risen by

**30**<sup>2</sup>/<sub>0</sub>

from 2013 to 2023, faster than the median worker at 22%.



## Mr Lin, 40, who works in the Food Services Sector can:

- Receive Progressive Wages with **annual wage increases**
- Benefit from higher Workfare Income Supplement payments in 2025
- **Upskill** with Workfare Skills Qualifications courses and benefit from **cash rewards** under Workfare Skills Support
- Progress up the career ladder under the Progressive Wage Model

#### Enhancing the Progressive Wage Credit Scheme

Provides transitional support for employers by co-funding wage increases given to lower-wage workers from 2022 to 2026.



### **Co-Funding Levels**

Qualifying Year (i.e. year that wage increase was given)	Payout period	<u>First Tier:</u> Gross Monthly Wage Ceiling ≤\$2,500	<u>Second Tier:</u> Gross Monthly Wage Ceiling >\$2,500 and ≤\$3,000
2022	Q1 2023	75%	45%
2023	Q1 2024	75%	45%
2024	Q1 2025	_ <b>30% 50%</b>	_1 <del>5</del> % 30%
		<u>Single Tier:</u> Gross Monthly Wage Ceiling ≤\$2,500 \$3,000	
2025	Q1 2026	30%	
2026	Q1 2027	15%	



Find out more at **go.gov.sg/pwcs** 

For wage increases given in 2022, the Government disbursed **\$1 billion** to over **70,000 employers**. This co-funded the wage increases for more than **345,000 employees**.

#### **Progressive Wage Portal**



Launched in Jan 2024 for workers to check if they are being paid the correct wages for their job level.



Log in via SingPass at go.gov.sg/pw-portal