

### KEY RECOMMENDATIONS FOR 1 DEC 2022 – 30 NOV 2023

## 01 | WAGE INCREASES SHOULD BE FAIR AND SUSTAINABLE, AND BASED ON THE FLEXIBLE WAGE SYSTEM (FWS)

In line with economic growth and the improvement in labour productivity, the NWC calls on employers to reward employees with wage increases or variable payments that are fair and sustainable. Employers should recognise the contributions of employees during the COVID-19 pandemic, where some employees had experienced wage cuts and freezes and supported other cost-cutting measures.

At the same time, the uncertainties ahead continue to underscore the need for resilience and flexibility in wage structures. **The NWC therefore also calls on all employers who have not yet done so to implement the FWS.**



To help employers and employees better understand how the FWS works and how to implement it, the NWC has published a FWS Guidebook which can be accessed at [go.gov.sg/fwsguidebook](https://go.gov.sg/fwsguidebook).

The NWC sets out the following wage guidelines for all employers:

#### EMPLOYERS WHO HAVE DONE WELL AND HAVE GOOD BUSINESS PROSPECTS SHOULD:



Reward their employees with built-in wage increases and variable components commensurate with the employers' performance and employees' contributions.

#### EMPLOYERS WHO HAVE DONE WELL BUT FACE UNCERTAIN BUSINESS PROSPECTS SHOULD:



Exercise moderation in built-in wage increases.



Still reward employees with variable payments commensurate with the employers' performance and employees' contributions.

#### EMPLOYERS WHO HAVE NOT DONE WELL SHOULD:



Exercise wage restraint with management leading by example.



Improve business processes and productivity, especially by upskilling their employees.



Set out future variable payments linked to appropriate business indicators if they face good business prospects.

# 02 | PRESS ON WITH SUSTAINED WAGE GROWTH FOR LOWER-WAGE WORKERS

We must press on with the national effort to uplift lower-wage workers\* so that our social compact remains strong and no worker is left behind as Singapore progresses.

The NWC sets out the following wage guidelines for all employers:

## EMPLOYERS WHO HAVE DONE WELL AND HAVE GOOD BUSINESS PROSPECTS SHOULD:



Provide their lower-wage workers with a built-in wage increase at the upper bound of 5.5 – 7.5% of gross monthly wage#, or a wage increase of at least \$80 – \$100, whichever is higher.

## EMPLOYERS WHO HAVE DONE WELL BUT FACE UNCERTAIN BUSINESS PROSPECTS SHOULD:



Provide their lower-wage workers with a built-in wage increase at the lower to middle bound of 5.5-7.5% of gross monthly wage, or a wage increase of at least \$80-\$100, whichever is higher.

## EMPLOYERS WHO HAVE NOT DONE WELL SHOULD:



Provide their lower-wage workers with a built-in wage increase at the lower bound of 5.5-7.5% of gross monthly wage.



Consider further wage increases if business prospects subsequently improve.

\*Workers who earn a gross monthly wage of  $\leq$  \$2,200.

#Gross monthly wage includes the basic monthly wage, and gross wage components such as allowances (including travel, food, housing), productivity incentive payments, and overtime payments, but excludes Annual Wage Supplement and bonuses.

# 03 | FORGE AHEAD IN TRANSFORMING JOBS AND UPSKILLING WORKFORCE

To ensure that wage growth is sustainable and supported by productivity growth, employers and employees should press on with business transformation and training. Tripartite partners should take decisive steps to **transform jobs and invest in upskilling and reskilling the workforce**, so as to ensure that wage growth is sustainable and supported by productivity growth.

Employers should:



Implement training and productivity initiatives, and tap on the various support measures available.



Recognise and support the acquisition and demonstration of skills in their decisions on hiring and career advancements.

Employees should:



Take a proactive approach towards training to ensure currency of skills, by staying abreast of skills needs in their sector and the broader economy.

