

## LOWER-WAGE WORKERS POLICY ANNOUNCEMENTS AT COS 2025

The Ministry of Manpower (MOM) will be updating our policies relating to lower-wage workers to:

- a. Encourage lower-wage workers to embark on more substantial reskilling and upskilling; and,
- b. Support employers to sustain wage increases for lower-wage workers, while transforming their businesses for greater productivity.

Details on the updates to our lower-wage worker policies are outlined below.

### ENHANCEMENTS TO WORKFARE SKILLS SUPPORT (WSS) SCHEME

2 From early 2026, WSS (Level-Up) will provide enhanced support for self-sponsored trainees, to encourage substantial reskilling and upskilling.

3 The upcoming enhancements are as follows:

- a. **Wider catalogue of long-form courses**
  - i. E.g. Nitec/Higher Nitec, Diplomas, Post-Diplomas, undergraduate degrees
- b. **Higher Training Allowance for long-form training**
  - i. Full-time training: 50% of average income over the latest available 12-month period, with minimum allowance of \$300/month
  - ii. Part-time training: \$300/month
- c. **Coverage for multiple bouts of long-form training across career stages**

- i. Covers up to 24 months<sup>1</sup> of long-form training done before the age of 40<sup>2</sup>, and another 24 months of long-form training from the age of 40<sup>3</sup>

	[NEW] WSS (Level-Up)		[Existing] WSS (Basic)
	Full-time <sup>4</sup>	Part-time <sup>5</sup>	
	<b>For Self-Sponsored Trainees</b>		
<b>Supported Courses</b>	<ul style="list-style-type: none"> <li>- SkillsFuture Singapore (SSG)'s full-time SkillsFuture Career Transition Programme (SCTP)</li> <li>- Full-time Full Qualifications up to the undergraduate degree-level offered by the Institutes of Higher Learning (IHLs)</li> <li>- Full-time Ministry of Education-subsidised Full Qualifications up to the undergraduate degree-level offered by the University of the Arts and Arts Institutions</li> </ul>	<ul style="list-style-type: none"> <li>- SSG's part-time SCTP</li> <li>- Part-time Full Qualifications up to the undergraduate degree-level offered by the IHLs, and micro-credentials that can be stacked to these Full Qualifications</li> </ul>	<ul style="list-style-type: none"> <li>- Courses for entry and progression into PWM sectors</li> <li>- Workforce Skills Qualifications (WSQ) Workplace Literacy and Numeracy courses</li> <li>- Other SSG-funded courses</li> </ul>

<sup>1</sup> Both full-time and part-time training will count towards the training allowance cap of 24 months for each of the 24-month provisions. For WSS (Basic), the existing cap of 180 training hours/year will continue to apply, and it is independent of the 24-month cap for WSS (Level-Up).

<sup>2</sup> This 24-month cap for those aged 30-39 expires once the individual turns 40.

<sup>3</sup> For individuals aged 40 and over, the cap is shared between WSS (Level-Up) and the SkillsFuture Level Up Programme (SFLP) Training Allowance.

<sup>4</sup> Targeted at individuals who take time off work to pursue full-time, long-form training which are generally conducted during working hours.

<sup>5</sup> Targeted at employed individuals who take up part-time, long-form training which are generally scheduled after working hours.

<b>Training Allowance</b>	<b>50% of average income over the latest available 12-month period, with a minimum payout of \$300/month</b>	<b>\$300/month</b>	<b>\$6/hour</b>
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\*Note: There is no change to Absentee Payroll (AP) for sponsoring employers. They may still receive AP of up to 95% of trainee's basic hourly salary, capped at \$13 per hour. Sponsoring employers may find the list of courses supported for AP on the [MySkillsFuture website](#).

## Eligibility Criteria

4 Eligibility criteria for the existing WSS scheme will continue to apply:

- Singapore Citizen
- Aged 30 years old or above on 31 December of the Work Year
- Earning an average gross monthly income<sup>6</sup> of not more than \$3,000<sup>7</sup> for the past 12 months; and
- Fulfils the Workfare Income Supplement (WIS) scheme eligibility criteria of housing annual value (AV), property ownership, and spousal income, as follows:
  - Lives in a property with an annual value of \$21,000<sup>8</sup> or less assessed as at 31 December of the preceding year
  - Owns less than two properties
  - If the individual is married:
    - The individual and his/her spouse own less than two properties together; or
    - The assessable income of the individual's spouse for the preceding Year of Assessment is \$70,000 or less.
- If the individual is a Self-Employed Person (SEP), s/he must also have declared his/her net trade income for work done in the Work Year and made Medisave contributions.

## ENHANCEMENTS TO PROGRESSIVE WAGE CREDIT SCHEME (PWCS)

5 The Progressive Wage Credit Scheme (PWCS) was introduced at Budget 2022 to provide transitional support from 2022 to 2026 to help employers adjust to

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<sup>6</sup> Gross monthly income includes basic salary and additional wages such as overtime pay and bonuses.

<sup>7</sup> Applicants must also have earned an average gross monthly income of not more than \$3,000 in the past 12 months.

<sup>8</sup> Annual value is the estimated gross annual rent of the property if it were to be rented out, excluding furniture, furnishings and maintenance fees. It is determined based on estimated market rentals of similar or comparable properties.

mandatory wage increases under the Progressive Wage Model and Local Qualifying Salary requirements, and encourage them to voluntarily raise wages of lower-wage employees.

6 The PWCS co-funds the wage increases that employers give to resident lower-wage employees with gross monthly wages of up to \$3,000. The average gross monthly wage increase must be at least \$100 in each qualifying year. Wage increases given in each qualifying year will be co-funded for two years, if the wage increase is sustained. This is to help employers manage the compounding effect of wage increases year on year.

### Increase in PWCS Co-Funding Support for 2025 and 2026

7 To strengthen support for employers in uplifting lower-wage employees, the PWCS co-funding support will be enhanced for wage increases given in the qualifying years 2025 and 2026 (see Table 1). The enhanced co-funding support will also apply to wage increases given in the preceding qualifying year, if sustained.<sup>9</sup>

Table 1: PWCS Co-Funding Levels for Eligible Wage Increases from 2022 to 2026

Qualifying Year (i.e. year that wage increase was given)	Payout Period	PWCS Parameters	
		<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	50%	30%
		<u>Single Tier:</u> Gross Monthly Wage Ceiling ≤\$3,000	
2025	Q1 2026	<del>30%</del> <u>40%</u> (+10%-pt)	
2026	Q1 2027	<del>15%</del> <u>20%</u> (+5%-pt)	

## End of Factsheet ##

<sup>9</sup> E.g. Wage increase given in qualifying year 2024 and sustained in qualifying year 2025 can qualify for the enhanced 40% PWCS co-funding support for 2025.