Frequently Asked Questions on Security Tripartite Cluster Recommendations (November 2021)

The Security Tripartite Cluster (STC) released its recommendations on the review of Security Progressive Wage Model (PWM) on 12 November 2021. The recommendations included a 6-year wage schedule from January 2023 to December 2028 which is implemented as a licensing condition under the Police Licensing and Regulatory Department's (PLRD) licensing regime for private security agencies. The members of the STC are listed in Annex A.

From 1 January 2024, the basic wages for local Full-Time Security Officers will be at least \$2,650 in the outsourced sector. This includes wages paid for any 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 all private security officers will cross the current \$2,600 monthly basic wage threshold for coverage under Part 4 of the Employment Act¹ (EA), the number of extra hours above the 44-hour work week will be capped at a maximum of 72 hours per month under PLRD's licensing conditions.

PLRD will continue to enforce the maximum cap of 72 extra working hours a month (above the 44-hour work week) to ensure that security officers do not work excessive hours. Security officers will continue to be protected by other Parts of the EA.

The full details of the STC Report (November 2021) can be found at www.ntuc.org.sg/tripartiteguidelines.

Hourly Basic Rate of Pay for Part-Time Work Arrangements

1. Who is considered as a Part-Time or Ad-Hoc Security Officer?

A Part-Time Security Officer is one who is under a contract of service to work less than 35 hours a week. Part-Time workers are covered by Part 4 of the Employment Act if they earn a monthly basic salary of \$2,600 or less.

An Ad-Hoc Worker is one who is hired to work on an ad-hoc basis such as for specific demands or events. Such a worker will be deemed as a part-time worker under the Employment Act if their working hours is less than 35 hours a week. Under Section 16 of the Private Security Industry Act (PSIA) 2007, the Licensing Officer must be informed of the employment of all security officers, including Part-Time Security Officers.

¹ Part 4 of the EA provides basic protection on hours of work, rest days, and other conditions of service.

2. How does the Security PWM benefit Part-Time Security Officers?

The Security PWM ensures that the wages of Full-Time Security Officers increase year-on-year, that also takes into account their skills and experience. Part-Time Security Officers can expect the amount they earn to increase as salaries for Full-Time Security Officers increase.

3. How are the PWM wages determined for Part-Time Security Officers?

The PWM wages for Full-Time Security Officers include work done in addition to the 44-hour regular work week, capped at up to a maximum of 72 extra working hours per month, with the total working hours to be negotiated between security officers and their employers. This ensures that Full-Time Security Officers receive at least the basic wage each month without needing to clock excessive hours.

For Part-Time Security Officers, the hourly basic rate of pay is calculated based on the corresponding hourly rate of a Full-Time Security Officer of the same rank who works 12-hour shifts 5.5 days a week or 5/6/5/6 shift pattern. This provides a baseline to determine the minimum basic hourly rate payable to Part-Time Security Officers.

The STC would like to remind all employers that the PWM rates are minimum basic wages, and not maximum limits.

4. What is the Mandated Hourly Basic Rate of Pay for Part-Time Work Arrangements?

The PWM Hourly Basic Rate of Pay applicable to Singapore Citizen or Permanent Residents who are Part-Time Security Officers are:

	PWM Hourly Basic Rate of Pay for Part-Time Work Arrangements					
PWM Rank	1 Jan 2024 – 31 Dec 2024	1 Jan 2025 – 31 Dec 2025				
Senior SS	\$13.55	\$14.40				
Security Supervisor (SS)	\$12.40	\$13.25				
Senior SO	\$11.25	\$12.10				
Security Officer (SO)	\$10.10	\$10.95				

Note: If a security officer earns an equivalent monthly basic salary of \$2,600 or less, requirements under Part 4 of the Employment Act for overtime rates of pay to be at least 1.5x the basic rate of pay continues to apply.

The STC will carry out a review of the Security PWM in 2025.

5. Can Part-Time Security Officers negotiate their wages under the PWM?

The PWM hourly basic rate of pay gives clarity to the hourly wage floor for Part-Time security officers; it is not a "recommended" rate, and <u>not a ceiling</u>. Employers can pay higher than the PWM hourly basic rate of pay to attract or retain its security officers. Similarly, security officers may negotiate for higher pay based on their skills, experience, and the specific requirements of the work.

6. Are there penalties for employers who do not comply with the PWM Hourly Basic Rate of Pay for Part-Time Security Officers?

Yes, employers may face penalties for non-compliance with the PWM for Part-Time Security Officers. Penalties may include fines or other regulatory actions, as determined by the relevant authorities. The severity of penalties depends on the nature and extent of the non-compliance.

7. Some security officers are deployed for ad-hoc events or to provide coverage due to manpower shortages. These security officers may occasionally work more than 35 hours a week. Should security agencies pay this officer the PWM Hourly Basic Rate?

A Part-Time Security Officer is one who is under a contract of service to work less than 35 hours a week. Employers should state clearly in the contract of service the weekly hours of work for the Part-Time Security Officer, which should be less than 35 hours.

If a Part-Time Security Officer is contracted to work less than 35 hours a week, and is <u>occasionally</u> requested by the employer to work 35 hours a week or more, the employer should pay the security officer based on the wages stated in the contract of service, including overtime pay where applicable.

However, if the security officer <u>regularly</u> works more than 35 hours a week, the security officer should be deemed as a Full-Time Security Officer in the contract of service and be paid the applicable full-time PWM wages. Security officers may contact their unions if they are unsure if they should be deemed a Full-Time Security Officer.

Security agencies may consider providing a contract of service for security officers for the duration of ad-hoc events and pay the officer at least the PWM Hourly Basic Rate.

<u>Example:</u> A security officer is deployed for ad-hoc events or to provide coverage for manpower shortages. This officer is a Part-Time Security Officer, as they work less than 35 hours a week. This officer is scheduled to be deployed for an ad-hoc event for 5 days of 12-hour shifts. The security agency may consider providing a contract of service for this ad-hoc event and pay the officer at least the PWM Hourly Basic Rate of Pay for hours worked during this event.

Computation of Extra Hours

8. Can employers make the security officers work more than 72 extra hours a month?

No. The extra hours worked in a calendar month² cannot exceed 72 hours regardless of the number of days in the month as required under PLRD's licensing conditions.

With the PWM wage of local Full-Time Security Officers in the outsourced sector being set at \$2,650 from 1 Jan 2024, they would move out of Part 4 of the Employment Act and are free to negotiate their working hours, paid leave, benefits, and other conditions with their respective agencies. However, the agencies will need to abide by the relevant provisions of the Employment Act including Part 10 requirements on holidays, annual leave and sick leave, and comply with the PLRD's licensing conditions.

Regardless of the contractual agreement on their working conditions, Security Officers will still need to be paid at least the PWM basic wage requirements (for example, local Full-Time Security Officers at the "Security Officer" rank should be paid at least \$2,650).

9. How are the extra hours under the PLRD's licensing conditions computed?

An "extra hour" refers to every additional hour of work that is beyond 44 hours of work put in by a security officer in one week. A "week" for the purposes of this condition means a continuous period of seven days commencing at midnight on Monday morning (i.e. starting on 0000h on Monday morning to 2359h on Sunday night).

Example 1: A security officer worked a 5-day work week of 12-hour shifts. The security officer worked a total of 55 hours in a week. 11 hours are counted as extra hours.

5-day shift pattern	Mon	Tue	Wed	Thu	Fri	Sat	Sun	
Total hours worked (with 1 hour break)	11	11	0	11	11	11	0	
Total hours: 44-hour work week: Extra hours:	,							

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² Employers may also fix a period ("salary period") which must not exceed one month. An example is a salary period "starting on the 15th of a month to 14th of the next month".

Example 2: A security officer worked this following shift pattern:

- 31 Dec (Sun) 8pm to 1 Jan (Mon) 8am, with a break at 1am to 2am
- 3 Jan (Wed) 8am to 8pm, with a break at 1pm to 2pm
- 4 Jan (Thu) 8pm to 5 Jan (Fri) 8am, with a break at 1am to 2am
- 7 Jan (Sun) 8am to 8pm, with a break at 1pm to 2pm

The security officer worked a total of 39 hours in a week. 0 hours are counted as extra hours.

5-day shift pattern	Mon	Tue	Wed	Thu	Fri	Sat	Sun
Total hours worked (with 1 hour break)	7	0	11	4	7	0	11
Total hours: Extra hours:	40 hours 0 hours (Total hours are less than 44 hours)						

Worked examples on counting the number of extra hours can be found in Annex B.

10. How are the hours calculated if the week spans across two different months?

The first 44 hours in a week are considered regular working hours. Any hours beyond the 44 hours are considered as extra hours.

Example	Mon	Tue	Wed	Thur	Fri	Sat	Sun
	26 Feb	27 Feb	28 Feb	29 Feb	1 Mar	2 Mar	3 Mar
Total hours worked	11	11	11	0	0	11	11
(with 1 hour break)							
Total hours:	55 hours						
44-hour work week:	44 hours (Maximum of 44 hours a week)						
Feb regular working hours:	33 hours	3					
Feb extra hours:							
Mar regular working hours:	11 hours	3					
Mar extra hours:	11 hours	3					

11. Do hours worked on non-working days and public holidays count towards the total number of hours worked a week or the maximum cap of 72 extra hours per month?

Yes. In line with STC's recommendations to reduce overall working hours for the security industry, all hours worked count towards the total number of hours worked in a week, regardless whether the hours worked were on rostered non-working days and/or public holidays. Any additional hours worked beyond 44 hours a week count towards extra hours.

<u>Example 1:</u> A security officer is contracted to work 35 hours a week (7 hours a day from Monday to Friday). The security officer continues to work on a public holiday that falls on a Monday. The total hours worked in the week is 35 hours, with no extra hours., there is no extra hours worked.

Example 2: A security officer is contracted to work 55 hours a week (11 hours a day from Monday to Friday). The security officer continues to work on a public holiday that falls on a Monday. The total hours worked in the week is 55 hours, and 11 hours are counted as extra hours.

<u>Example 3:</u> A security officer is contracted to work 55 hours a week (11 hours a day from Monday to Friday). The security officer works on a public holiday or on a non-working day that falls on a Sunday. The total hours worked in the week is 66 hours, and 22 hours are counted as extra hours.

Security agencies are to pay security officers who work on public holidays based on gross daily rate of pay³ or provide one day off-in-lieu.

12. Can security agencies impose additional working days on security officers to "make up" for days officers are on paid leave (e.g. annual leave, sick leave, off-in-lieu for public holidays)?

No. When a security officer goes on paid leave, he should be deemed as if he is working and receive his full basic monthly salary. Security agencies should not require security officers to work additional hours to "make up" for days they are on such paid leave.

Annual and sick leave entitlements continue to be protected under Part 10 of the Employment Act.

<u>Authorised Deduction and Pro-ration of Salary for Full-Time Private Security Officers</u>

13. Can employers deduct or pro-rate Full-Time Security Officers' salary if they work less than the hours agreed in the contract?

From 1 January 2024, Full-Time Security Officers will be paid at least the PWM wage stipulated for their rank regardless of the number of hours the Full-Time Security Officer is contracted to work (i.e., contractual working hours).

Employers are <u>not</u> allowed to deduct or pro-rate full-time security officers' salary when:

- The security officer worked less than the contractual working hours because the security agency did not roster the officer to work enough hours; OR
- b. The security officer took paid annual leave or is on medical leave.

³ According to Section 88(1)(c) of the Employment Act.

The gross daily rate of pay is (12 x monthly gross rate of pay) / (52 x average working days a week). Example: A security officer works 5-day shifts and earns \$2,650 basic wage and \$200 in allowances. The officer's gross daily rate of pay of (12 x \$2,850) / (52 x 5) = \$131.54.

Employers are only allowed to deduct full-time security officers' salary in accordance with Employment Act stipulations, such as when:

- a. The security officer took no pay leave⁴; OR
- b. The security officer is absent without leave⁵.

Clarification on Contract Of Service (COS) or Contract For Service (CFS)

14. Can Security Officers be engaged on a Contract for Service (CFS)?

A Contract of Service (COS) is an agreement between an employer and an employee. This relationship is subject to the provisions of the Employment Act, CPF Act and other relevant statutory provisions.

In a CFS, an independent contractor, such as a self-employed person or vendor, is engaged for a fee to carry out an assignment or project. There is no single conclusive test to distinguish a contract of employment from a contract for services.

A non-exhaustive list of factors as to whether a contract is a CFS or COS is as follows:

- a) **Is the officer paid a regular salary or a commission?** If the officer is paid a regular salary, the contract is more likely to be a contract of service.
- b) Are there stipulations as to working hours? If working hours are stipulated, it is more likely to be a contract of service. If the officer can choose when he wants to work, it is more likely to be a contract for service.
- c) Is the work of the officer done as an integral part of the business of the agency? Where the work done is integral, the contract is more likely to be a contract of service. Where the work done can be considered an accessory, it is more likely to be a contract for service.

Important Notes

Employers are reminded that CPF contributions must be made for all employees under a COS if the wages are at least \$50, even if the employee is hired on an ad-hoc or non-permanent basis.

Employers are further reminded that in instances where employers attempt to disguise their employees as being under a CFS to avoid making CPF contributions, they may be liable to prosecution and penalties under the CPF Act.

For no pay leave, the salary for an incomplete month of work is (monthly gross rate of pay) / (total number of working days in that month) x (total number of days worked in that month).

Example: A security officer earns \$2,650 basic wage with \$200 in allowances took one day of no pay leave in a month with 22 working days. The salary for the incomplete month of work is $($2,850 / 22 \times 21) = $2,720.45$. This is a deduction of \$129.55.

For absence without leave, the salary deduction for one day is one gross daily rate of pay. To calculate one gross daily rate of pay, see the previous footnote on the gross daily rate of pay.

⁴ According to Section 20A of the Employment Act.

⁵ According to Section 28 of the Employment Act.

Under the Private Security Industry Act (PSIA), the employers of all Security Officers must notify the Licensing Officer prior to employment. This applies regardless of whether the employer is an agency or in-house employer.

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 Concurrently Director, NTUC U Care Centre		
Co-Chair	Singapore National Employers Federation (SNEF)	Mr Jeffrey Chua, SNEF Representative Concurrently Advisor, AAARYA Business College		
Labour	Union of Security Employees	Mr Raymond Chin Ming Jie, General Secretary		
Movement	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	Security Association Singapore	Mr Raj Joshua Thomas, President		
(representing employers)	Association of Certified Security Agencies	Mr William Seak Chee Seng, President Concurrently Director, JC Secure Pte Ltd		
	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 Concurrently Director of Talent & Culture, RC Hotels (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 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: WORKED EXAMPLES ON COUNTING THE NUMBER OF EXTRA HOURS IN A MONTH

The first 44 hours of each week are considered part of the 44-hour work week. All hours worked after the first 44 hours are considered extra hours.

Example 1: A security officer who works 5-day, 12-hour shifts on Monday-Friday

Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total hours worked	44-hour work-week	Extra hours
29 Jan -	- 31 Jan		1 Feb - 4	4 Feb			Jan: 33	Jan: 33	Jan: 0
Total: 33	3h		Total: 22	Total: 22h			Feb: 22	Feb: 11	Feb: 11
33h + 0h	n extra		11h + 11	h extra					
5 Feb –	11 Feb						55	44	11
12 Feb -	- 18 Feb						55	44	11
19 Feb -	- 25 Feb						55	44	11
26 Feb -	- 29 Feb			1 Mar –	3 Mar		Feb: 44	Feb: 44	Feb: 0
Total: 44	l h			Total: 11	h		Mar: 11	Mar: 0	Mar: 11
44h + 0h	n extra			0h + 11h	extra				
						Total	Feb: 231	Feb: 187	Feb: 44

Note: Extra hours in each month cannot be more than 72 hours.

Example 2: A security officer who works a 5-6-5-6 shift pattern with 12-hour shifts. The security officer works Monday-Friday (5-day work week) and Monday-Saturday (6-day work week).

Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total hours worked	44-hour work-week	Extra hours
29 Jan -	- 31 Jan		1 Feb - 4	4 Feb			Jan: 33	Jan: 33	Jan: 0
Total: 33	3h		Total: 22	h			Feb: 22	Feb: 11	Feb: 11
33h + 0h	n extra		11h + 11	h extra					
5 Feb –	11 Feb						66	44	22
12 Feb -	- 18 Feb						55	44	11
19 Feb -	- 25 Feb						66	44	22
26 Feb -	- 29 Feb			1 Mar – 3	3 Mar		Feb: 44	Feb: 44	Feb: 0
Total: 44	₽h			Total: 11	h		Mar: 11	Mar: 0	Mar: 11
44h + 0h	n extra			0h + 11h	extra				
						Total	Feb: 253	Feb: 187	Feb: 66

Note: Extra hours in each month cannot be more than 72 hours.