

FACTSHEET

A. TWO-YEAR UPGRADING PHASE

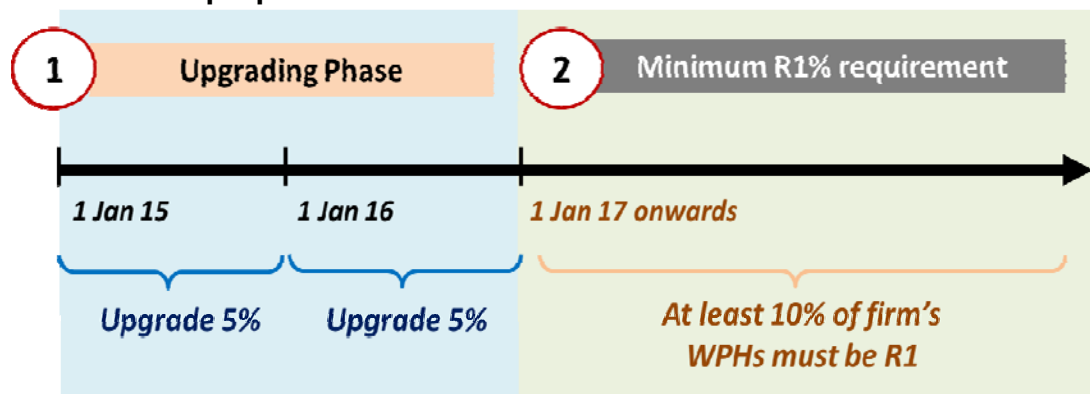
1. In Budget 2014, DPM Tharman Shanmugaratnam announced that the government will be looking into mandating a minimum proportion of R1 Work Permit Holders (WPHs) at the firm-level to improve the skills profile of the construction workforce. We will require all construction firms to have at least 10% of their WPHs qualified as “Higher Skilled” R1 workers from 1 January 2017.
2. To prepare construction firms for the minimum 10% R1 requirement from 1 January 2017, BCA will implement a two-year upgrading phase (from 1 January 2015 to 31 December 2016), requiring construction firms which have yet to build up their R1 pool to upgrade a stipulated percentage of their own workers.
3. Construction firms which have yet to build up their R1 pool will be required to:
 - a. Upgrade 5% of their firm’s own WPHs by end 2015.
 - b. Upgrade another 5% by end 2016.
4. Construction firms which fail to meet the upgrading requirement will be disallowed from hiring new R2 WPHs until they fulfil their obligations, or for a period of 12 months, whichever is shorter.

B. MINIMUM R1 PROPORTION AT FIRM-LEVEL

1. Starting from 1 January 2017, MOM will set the minimum R1 proportion at 10% per construction firm.
2. Construction firms below the minimum R1 proportion level will not be allowed to hire new R2 WPHs from 1 January 2017 onwards.
3. If any construction firm still fails to meet this requirement, it will not be allowed to renew the work permits for its R2 WPHs from 1 January 2018 onwards.

4. Eventually, non-compliant construction firms will have “excess” R2 WPHs revoked from 1 January 2019 onwards, until they fulfil the minimum R1 proportion requirement.
5. Please see [Figure 1](#) below for a summary on the implementation schedule of the upgrading phase and the minimum R1 proportion at the firm-level.

Figure 1: Implementation schedule of the upgrading phase and minimum R1 proportion at firm-level



C. PATHWAYS TO UPGRADE R2 WORKERS TO ATTAIN R1 STATUS

1. MOM and BCA have put in place various pathways for firms to upgrade their “Basic Skilled” R2 WPHs to “Higher Skilled” R1, as follows:
 - a. **CoreTrade scheme.** Workers who have at least four years of construction experience in Singapore and pass the stipulated skill assessments conducted by BCA can be registered under the Construction Registration of Tradesmen (CoreTrade) registration scheme to qualify as Higher Skilled R1 WPHs. As the government is introducing the firm-level minimum R1 proportion requirement in 2017, BCA will be phasing out the project-level CoreTrade deployment requirement for Tradesmen, and focus on building up key construction personnel at the Foremen and Supervisory levels.
 - b. **Multi-Skilling scheme.** Since July 2012, BCA implemented the Multi-Skilling scheme to allow construction firms to upgrade WPHs who have at least four years of construction experience in Singapore, and are certified in two or more trade skills, to the R1 tier.

- c. **Market-based Skills Recognition Framework (MBF)**. Since August 2014, MOM implemented the MBF to allow R2 WPHs to upgrade to R1 status if they have at least six years' construction experience in Singapore, and earn a fixed monthly salary of \$1,600 or more.
- d. **(NEW) Direct R1 pathway**. The Direct R1 pathway allows workers who pass the CoreTrade or Multi-Skilling equivalent skill test, and draw a fixed monthly salary of \$1,600 or more, to qualify for R1 status. This will benefit better quality workers from overseas, as well as existing skilled workers who are currently classified as R2 because they have not accumulated enough experience working in Singapore.

2. The eligibility criteria of the upgrading pathways are summarised in Table 1 below.

Table 1: Eligibility criteria of upgrading pathways

No	Criteria	Existing Pathways		New Pathway
		CoreTrade/ Multi-Skilling	Market-based Skills Recognition Framework	Direct R1
1	Work Experience	Min 4 years	Min 6 years	-
2	Skills Assessment (Test)	Pass	-	Pass
3	Minimum Fixed Monthly Salary	-	\$1,600	\$1,600

Note: Fixed monthly salary refers to the sum of basic monthly salary and fixed monthly allowances.