

## **ADDENDUM TO THE TRIPARTITE CLUSTER FOR LANDSCAPE INDUSTRY REPORT ON THE IMPLEMENTATION OF PROGRESSIVE WAGE MODEL (PWM) BONUS FROM YEAR 2020**

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### **Overview**

- 1) In November 2018, the Tripartite Cluster for Landscape Industry (TCL) recommended enhancements<sup>1</sup> to the Progressive Wage Model (PWM) for the landscape maintenance sub-sector, **including a mandatory annual bonus (“PWM Bonus”)** to be paid to eligible resident landscape employees with effect from 2020. The PWM basic wage level across all PWM job roles would also see a minimum annual increment of 3% (subject to review) from 2023 to 2025 (refer to the 2018 TCL Report for details). The TCL’s recommendations were accepted by the Government. Landscape companies on the Landscape Company Register (LCR) administered by the National Parks Board (NParks) have to ensure that their resident landscape maintenance employees are trained according to their job roles and paid according to the PWM.
- 2) The TCL believes that the PWM Bonus will enable employers to better attract and retain their workers, as it serves as an incentive for their workers to stay with the employers for at least 12 months. This in turn encourages employers to invest in workers’ training which raises workers’ productivity. The PWM Bonus is also intended to increase the total income of landscape maintenance employees and provide additional savings for them. In this regard, the PWM Bonus is not tied to the employee’s performance.
- 3) This addendum to the 2018 TCL Report sets out the eligibility and details on the payment of the PWM Bonus, summarised as follows:
  - a) The PWM Bonus will take effect from 1 January 2020 and is payable to Singapore Citizen and Permanent Resident landscape maintenance employees who have worked for the same employer for at least 12 months<sup>2</sup>. The eligibility requirement on length of service will be waived for circumstances beyond the worker’s control such as when there is a change of service provider.
  - b) The total PWM Bonus quantum in a given year must be no less than two weeks of the worker’s basic monthly wage<sup>3</sup>; and
  - c) The PWM Bonus is to be paid at least once but not more than twice a year.Please refer to Annex A for details.
- 4) The members of the TCL are listed in Annex B.

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<sup>1</sup> The TCL had recommended for (i) yearly PWM basic wage increase (\$150, \$100, \$100) from 2020 to 2022; and (ii) scheduled wage increases of minimum 3% per annum (subject to review) from 2023 to 2025. For the full details, please refer to [www.ntuc.org.sg/tripartiteguidelines](http://www.ntuc.org.sg/tripartiteguidelines).

<sup>2</sup> As at the company’s cut-off date for PWM Bonus computation.

<sup>3</sup> Based on the current basic wage of the landscape maintenance employees.

## Implementation of PWM Bonus from Year 2020

- 5) Engagement sessions with landscape companies and service buyers were conducted to explain the rationale of the PWM Bonus and the various scenarios for which PWM Bonus is payable.
- 6) The TCL recognises that some landscape companies may already provide some form of variable bonuses to their workers. A landscape company would be deemed to have complied with the PWM Bonus requirements as long as the total quantum of such bonuses in a year amounted to no less than the stipulated two weeks of the worker's basic monthly wage. Please refer to Annex A for details.
- 7) **The PWM Bonus quantum payable in 2020 (i.e. year of implementation) will be computed from 1 January 2020.**
- 8) Landscape companies should stipulate a company policy to determine which month(s) of the year to be set as the cut-off date for the PWM Bonus computation. However, they must pay the PWM Bonus within one month from the cut-off date, or on the worker's last day of employment, whichever is earlier.
- 9) The PWM Bonus must be paid at least once a year, but not more than twice a year. Landscape companies can also consider paying the PWM Bonus on the employment anniversary date of their landscape maintenance employees.
- 10) To ensure all eligible landscape maintenance employees receive the PWM Bonus, such payment must be reflected in the salary slips and subject to CPF contributions by both employer and employee.
- 11) In the event of a discontinuation of employment, landscape companies must ensure that all outstanding PWM Bonuses are paid to eligible employees by the final day of the employee's employment.

### Part-Time Landscape Maintenance Employees

- 12) For part-time landscape maintenance employees, a pro-rated PWM Bonus is payable as long as workers have met the 12-month length of service as at the company's cut-off date of PWM Bonus computation. The pro-rated quantum will be calculated based on the contractual hours worked in a given year. Part-time landscape maintenance employees refer to employees who are under a contract of service and work less than 35 hours a week on a regular basis.

### Change in Service Provider

- 13) As landscape maintenance services are predominantly outsourced, payment of the PWM Bonus would need to account for the scenario where there is a change of service provider, i.e. when an incumbent service provider did not get its contract renewed or lost in its bid for a new contract.
- 14) As a change of service provider is not within the control of the workers, the incumbent service provider must pay a pro-rated PWM Bonus to landscape maintenance

employees even if they do not have the minimum 12-month length of service.

### Termination of Employment Contract

- 15) The TCL recommends that the PWM Bonus be payable to landscape maintenance employees whose employment are ceased due to retirement or as a result of being medically boarded out<sup>4</sup>.
- 16) An employer is not required to pay PWM Bonus to landscape maintenance employees who resign on their own accord. As the objective of the PWM Bonus is to retain and motivate landscape maintenance employee to remain with the same employer, workers who resigned would not be eligible for PWM Bonus. However, any PWM Bonus already paid prior to the notice of resignation must not be clawed back, as long as the worker had met the length of service eligibility as at the company's cut-off date for the last PWM Bonus computation.
- 17) An employer is also not required to pay PWM Bonus to a landscape maintenance employee who is terminated due to misconduct<sup>5</sup>. However, any PWM Bonus already paid to the worker prior to the termination date must not be clawed back. As termination due to misconduct is a serious disciplinary action that should be carefully considered, the TCL advises that a formal inquiry be conducted by the employer. Landscape companies may seek the advice of the unions or MOM if in doubt.
- 18) For landscape maintenance employees whose employment were terminated due to circumstances not within his/her control and are unrelated to performance or conduct, such as the winding up of a company, a pro-rated PWM Bonus would be payable even if these employees have not fulfilled the required 12-month length of service. The computation of the PWM Bonus would be the same as the scenario where employment was discontinued due to a change of service provider.

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<sup>4</sup> Medically Boarded Out cases refers to employees who are certified as medically unfit for continued employment after the exhaustion of long-term illness (LTI) leave.

<sup>5</sup> Misconduct is the failure to fulfil the conditions of employment in the contract of service. Examples include theft, dishonesty, disorderly or immoral conduct at work and insubordination. Source: MOM

- 19) A summary of the various scenarios and whether PWM Bonus is payable is depicted in the following table. Please refer to Annex A (Tables 1-7) for illustrative examples and computation of PWM Bonus quantum for the various scenarios.

Scenarios		PWM Bonus Payable?
1. Change of service provider <i>(this is not within the worker's control)</i>	(a) Worker declines re-deployment and resigns	Yes
	(b) Employer unable to redeploy worker and terminates worker	Yes
	(c) Worker stays with employer and gets redeployed (worker remains an employee of the company)	Yes
2. Part Time Worker		Yes
3. Retired / Medically Boarded Out		Yes
4. During contract period	(a) Worker resigns on own accord	No*
	(b) Worker gets terminated due to misconduct	No*
	(c) Worker is terminated by employer due to circumstances not within the worker's control and not related to performance/ conduct e.g. company closure	Yes

\* Any PWM Bonus already made to the worker prior to the termination date must not be clawed back, as long as the worker had met the length of service eligibility as at the company's cut-off date for the last PWM Bonus computation.

- 20) Landscape companies are advised to communicate clearly with their employees on the PWM Bonus eligibility requirements and companies' policy on the payment schedule through a staff circular.

### Implementation of a minimum 3% annual increment (subject to review) from 2023 to 2025

- 21) The TCL agreed to implement the minimum 3% annual increment (subject to changes) to PWM wage levels **from 1 July each year** from 2023 to 2025 across all landscape maintenance PWM job levels. This aligns with the 1 July implementation date of the yearly adjustments to PWM wage levels from 2020 to 2022. Please refer to Annex C for the PWM wage levels.

### Contracting Practices

- 22) For existing contracts that were entered into prior to 30 November 2018 and will expire on or after 1 January 2020, the TCL recommends service providers to re-negotiate their contract prices with their service buyers to take into account the new PWM wages and PWM Bonus for landscape maintenance employees. Service buyers are also discouraged from exercising the option to extend existing contracts unless they are prepared to vary contract prices to take into account the new PWM wage schedules and PWM Bonus going forward.

## **Conclusion**

- 23) With the strong support of the tripartite partners, the introduction of a mandatory PWM Bonus is a positive change for our resident landscape maintenance employees as it will uplift their overall wages and add to their savings. Our workers will be more motivated to stay longer with their employers, and their employers will in turn be more inclined to send them for training which will help to raise productivity. Service Buyers and end users of landscape maintenance services can look forward to better service outcomes and standards. This will bring about a win-win outcome for all stakeholders.

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## **Annex A – Further Explanation and Illustrative Examples**

### **Eligible Workers**

Landscape maintenance employees who meet the following criteria are eligible for PWM Bonus:

- a) Full-time and part-time resident (i.e. Singapore / PR) workers who have worked for minimum 12 months with the same employer;
- b) Have not already received other forms of bonuses amounting to minimum 2 weeks of last drawn monthly basic wage. Examples of such bonuses include Performance Bonus and Annual Wage Supplements (i.e. “13 month” bonus).

### **Employed by the same landscape company for at least 12 months**

The length of service of 12 months will include paid and statutory leave. However, unpaid leave / absence without leave / missing in action should not be taken into consideration when calculating the PWM Bonus.

### **Landscape companies may already have some form of bonuses**

A bonus would be deemed to have qualified as a PWM Bonus only if it is subject to prevailing CPF contribution rules (i.e. the bonus must be CPF-deductible).

The PWM Bonus can include the following payments made to the resident worker:

- a) performance bonus;
- b) retention bonus;
- c) annual wage supplement (i.e. “13th month” bonus);
- d) festive bonus; or
- e) any such class of variable bonuses that a landscape company may provide to all workers.

The following does not constitute PWM Bonus made to the resident worker:

- a) any basic wage;
- b) any overtime payments;
- c) any reimbursement for special expenses incurred by a worker in the course of his employment; and
- d) any regular allowance or incentives however described.

## Illustrative Examples

**Table 1: Discontinuation of Employment in Year 2020 (Year of Implementation)**

<b>1. Change of service provider</b>	(a) Worker declines re-deployment and resigns	
	(b) Employer unable to redeploy worker and terminates worker	
<b>E.g. Contract ends on 31 Mar 2020, i.e. worker's last day of service.</b>		
Worker A has <b>at least 12 months service as at 31 Mar 2020</b> (i.e. joined before 31 Mar 2019)	Worker A and Worker B are eligible for Pro-rated PWM Bonus, payable on 31 Mar 2020 for a total amount of:	
Worker B has <b>less than 12 months service as at 31 Mar 2020</b> (i.e. joined date after 31 Mar 2019)	$\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}} \times 2 \text{ weeks}$ <p>[to derive weekly pay]</p>	$\frac{\text{no. of contractual hours worked from 1 Jan 2020 to 31 Mar 2020}}{52 \text{ weeks} \times 44 \text{ hours a week}}$ <p>[no. of hours exclude overtime as worker would get OT pay]</p>
Worker C start date of employment is on or after 1 Jan 2020	Worker C is eligible for Pro-rated PWM Bonus, payable on 31 Mar 2020 for a total amount of:	
	$\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}} \times 2 \text{ weeks}$ <p>[to derive weekly pay]</p>	$\frac{\text{no. of contractual hours worked from joined date to 31 Mar 2020}}{52 \text{ weeks} \times 44 \text{ hours a week}}$ <p>[no. of hours exclude overtime as worker would get OT pay]</p>
<b>Worker A (at least 12 months of service)</b>		
Worker A works <b>5.5 days a week @8hrs/day</b> (equiv. to 44hrs a week), monthly basic wage is \$1300, has <u>at least 12 months</u> service as at last day of service (i.e. 31 Mar 2020).		
Worker A will receive Pro-rated PWM Bonus = $[\$1300 \times 12 / 52] \times 2 \times [71.5 \text{ days } (1/1/2020 \text{ to } 31/3/2020) \times 8\text{hrs/day} / (52 \times 44)] = \$300 \times 2 \times [572 / 2288] = \underline{\$150.00}$		
<b>Worker B (less than 12 months of service)</b>		
Worker B works <b>5.5 days a week @8hrs/day</b> (equiv. to 44hrs a week), monthly basic wage is \$1300, has <u>less than 12 months</u> service as at last day of service (i.e. 31 Mar 2020).		
Worker B will receive Pro-rated PWM Bonus = $[\$1300 \times 12 / 52] \times 2 \times [71.5 \text{ days } (1/1/2020 \text{ to } 31/3/2020) \times 8\text{hrs/day} / (52 \times 44)] = \$300 \times 2 \times [572 / 2288] = \underline{\$150.00}$		
<b>Worker C (less than 12 months of service, and joined after 1 Jan 2020)</b>		
Worker C works <b>5.5 days a week @8hrs/day</b> , prevailing monthly basic wage is \$1300, joined company on <u>3 Feb 2020</u> .		
PWM Bonus payable will be $[\$1300 \times 12 / 52] \times 2 \times [46 \text{ days } (3/2/2020 \text{ to } 31/3/2020) \times 8\text{hrs/day} / (52 \times 44)] = \$300 \times 2 \times [368 / 2288] = \underline{\$96.50}$		

**Table 2: Discontinuation of Employment from Year 2021 onwards**

<b>1. Change of service provider</b>	(a) Worker declines re-deployment and resigns		
	(b) Employer unable to redeploy worker and terminates worker		
<b>E.g. Contract ends on 31 May 2022, i.e. worker's last day of service.</b>			
Worker D has <b>at least 12 months</b> service as at 31 May 2022	Worker D and Worker E are eligible for Pro-rated PWM Bonus, payable on 31 May 2022 for a total amount of:		
Worker E has <b>less than 12 months</b> service as at 31 May 2022	$\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}} \times 2 \text{ weeks}$ <i>[to derive weekly pay]</i>	X	$\frac{\text{no. of contractual hours worked from last PWM Bonus cut-off date to 31 May 2022}}{52 \text{ weeks} \times 44 \text{ hours a week}}$ <i>[no. of hours exclude overtime as worker would get OT pay]</i>
Worker F start date of employment is after last PWM Bonus cut-off date	$\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}} \times 2 \text{ weeks}$ <i>[to derive weekly pay]</i>	X	$\frac{\text{no. of contractual hours worked from joined date to 31 May 2022}}{52 \text{ weeks} \times 44 \text{ hours a week}}$ <i>[no. of hours exclude overtime as worker would get OT pay]</i>

**Table 3: Continuation of Employment (Same for Existing Employees)**

<b>1. Change of service provider</b>	(c) Worker stays with current employer and gets redeployed to another work site		
Company's Policy on PWM Bonus Payout Date	<b>Worker's Employment Anniversary Date</b>	<b>Once a year</b>	<b>Twice a year</b>
Worker G must have <b>minimum 12 months</b> length of service as at cut-off date for PWM Bonus computation	$\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}} \times 2 \text{ weeks}$	X	$\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}}$ at each payout date



Table 4: Part-Time Worker

<b>2. Part-Time</b>	(a) Employed under contract of service (b) Works less than 35 hours a week (c) Excludes those who resigned or terminated due to misconduct	
Step 1: Calculate monthly salary for part-time worker	$\frac{\text{Basic monthly salary of a similar full-time worker} \times 12 \text{ months}}{52 \text{ weeks} \times 44 \text{ hours/week}}$	$\times \text{No. of working hours the part-time worker is required to work under his contract of service in a month}$
Step 2: Find <b>Average BMS</b> of part-time worker over 6 months to smoothen irregularities	$\frac{\text{Sum of monthly salaries in Month 1 to Month 6}}{6}$	= <b>Average Basic Monthly Salary (BMS)</b>
Step 3: Pro-rate the monthly wage to obtain the Pro-rated 2 weeks' Salary	$\frac{\text{Average BMS} \times 12}{52 \text{ weeks}}$	$\times 2 \text{ weeks} = \text{Pro-rated 2 weeks' salary}$
Step 4: Calculate <b>Pro-rated PWM Bonus</b>	$\text{Pro-rated 2 weeks' salary} \times \frac{\text{No. of contractual hours worked during computation period}}{52 \text{ weeks} \times \text{no. of contractual hours in a week}}$	
<p><b>Worker H works 4 hours a day, 5 days a week.</b>                      Total hours worked in a month is [4hrs x 5days/week] x 52weeks / 12months = 86.7 hours                      Total hours worked in a year is 4hrs x 5days/week x 52weeks = 1040 hours</p> <p>A similar full-time worker monthly basic pay is \$1450.                      Step 1: Monthly salary = [\$1450 x 12] / [52 x 44] x 86.7 = \$659.34 (BMS)                      Step 2: Average BMS in 6 months = \$659.34 (assume same amount for all 6 months)                      Step 3: Pro-rated 2 weeks' salary = [\$659.34 x 12 / 52] x 2 = \$304.31                      Step 4: Pro-rated PWM Bonus = \$304.31 x [1040 / (52 x 20)] = \$304.31</p>		

Table 5: Workers who retired or being medically boarded out

<b>3. Retired / Medically Boarded Out</b>	<p>(a) Retired worker means workers who have reached official retirement age as legislated by law, and who are not offered re-employment.</p> <p>(b) Medically Boarded Out cases refers to employees who are certified as medically unfit for continued employment after the exhaustion of long-term illness (LTI) leave.</p>
E.g. Retirement date / medically board out date falls on <b>31 May 2022</b> , i.e. worker's last day of service.	
Worker I has <b>at least 12 months service</b> as at retirement / medically board out date	<p>Worker I and Worker J are eligible for Pro-rated PWM Bonus, payable on 31 May 2022 for a total amount of:</p> $\frac{\text{Monthly Basic Wage} \times 12 \text{ months}}{52 \text{ weeks}} \times 2 \text{ weeks} \times \frac{\text{no. of contractual hours worked / on LTI leave from last PWM Bonus cut-off date to 31 May 2022}}{52 \text{ weeks} \times 44 \text{ hours a week}}$ <p><i>[to derive weekly pay]</i></p> <p><i>[no. of hours exclude overtime as worker would get OT pay]</i></p>
Worker J has <b>less than 12 months service</b> as at retirement / medically board out date	

Table 6: Resignation / Termination due to misconduct

<b>4. Resigned / Terminated Due to Misconduct</b>	<p>(a) Resignation refers to worker who chooses to leave employment on his/her own accord.</p> <p>(b) Misconduct is the failure to fulfil the conditions of employment in the contract of service. Examples include theft, dishonesty, disorderly or immoral conduct at work and insubordination.</p>
Regardless of length of service	Employer is <u>not required</u> to pay PWM Bonus

Table 7: Termination by employer due to circumstances not within his/her control and are unrelated to performance or conduct

The computation of PWM Bonus will be the same as per Table 1 and Table 2.

## Annex B – Members of the Tripartite Cluster for Landscape Industry (TCL)

<b>Position</b>	<b>Organisation</b>	<b>Representative</b>
<b>Chair</b>	National Trades Union Congress	Mr Zainal Sapari Assistant Secretary-General
<b>Co-Chair</b>	Singapore National Employers Federation	Mr Felix Loh Council Member; concurrently CEO, Gardens by the Bay
<b>Labour Movement</b>	Building Construction and Timber Industries Employees' Union	Ms Noor Irdawaty General Secretary
	Singapore Manual & Mercantile Workers' Union	Mr Surash R Mukundan Deputy Director
	Employment and Employability Institute	Mr Gilbert Tan CEO
<b>Industry Association / Service Providers</b>	Landscape Industry Association Singapore	Mr Alan Tan Chye Soon Chairman; concurrently Managing Director, Living Décor (S) Pte Ltd
		Ms Jacqueline Allan Acting Chairman; concurrently Executive Director, Landscape Division I, Nature Landscapes Pte Ltd
	Mao Sheng Quanji Construction Pte Ltd	Mr Jeverss Choo Director
	Hua Hng Trading Co. Pte Ltd	Ms Joeann Chua Director
<b>Service Buyers / Managing Agents</b>	Mapletree Investments Pte Ltd	Mr Foo Say Chiang Head, Group Property Management
	Town Councils	Ms Juliana Lim General Manager / Secretary, Holland-Bukit Panjang Town Council
	International Facilities Management Association (Singapore Chapter)	Mr Tony Khoo President; concurrently CEO, EM Services
<b>Government</b>	Ministry of Manpower	Mr Lee Pak Sing Divisional Director, Workplace Policy and Strategy Division
	National Parks Board	Dr Leong Chee Chiew Deputy CEO and Commissioner of Parks & Recreation
	Workforce Singapore	Ms Janice Foo Director, Healthcare, Social and Business Services Division
	SkillsFuture Singapore	Ms Chelvin Loh Covering Director, Industry Development Division 1
<b>Institute of Higher Learning</b>	Institute of Technical Education	Mr Lim Teck Lee Deputy Principal (Academic), ITE College East; concurrently Chairman, Landscape Sector Coordination Team

## Annex C

### Progressive Wage Model for Landscape Maintenance Sub-Sector (2020 - 2025)

PWM Basic Wage Level	Current	From 1 July 2020	From 1 July 2021	From 1 July 2022	From 1 July 2023	From 1 July 2024	From 1 July 2025
Landscape Worker	≥ \$ 1,300	≥ \$ 1,450	≥ \$ 1,550	≥ \$ 1,650	Minimum +3% p.a. to Basic Wage Level (subject to review)		
Landscape Technician	≥ \$ 1,500	≥ \$ 1,650	≥ \$ 1,750	≥ \$ 1,850			
Assistant Landscape Supervisor	≥ \$ 1,700	≥ \$ 1,850	≥ \$ 1,950	≥ \$ 2,050			
Landscape Supervisor	≥ \$ 2,100	≥ \$ 2,250	≥ \$ 2,350	≥ \$ 2,450			

### PWM Bonus for the Landscape Maintenance Sub-sector

<b>PWM Bonus</b> with effect from <b>1 January 2020</b>	Minimum 2 weeks of Basic Monthly Wage <i>payable to eligible employees in a given year</i>
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