

ANNEX E-1: UPLIFTING LOWER-WAGE WORKERS

Workfare and Progressive Wages are our key strategies to uplift our lower-wage workers. The Government will make the following adjustments:

- (A) Enhance the Workfare Income Supplement Scheme;
- (B) Raise the Local Qualifying Salary; and
- (C) Enhance the Progressive Wage Credit Scheme.

(A) Enhancements to the Workfare Income Supplement Scheme (“Workfare”)

Workfare supplements the incomes and CPF savings of lower-wage Singaporean workers, and encourages them to work regularly. Employees do not need to apply for Workfare, as eligibility is automatically assessed based on CPF contributions. Self-employed persons will have to declare their income, and make the required MediSave contributions to receive Workfare payments.

Enhancements to Workfare will apply to work done from **1 January 2025**. The enhanced Workfare will benefit around half a million Singaporeans.

Enhancements to Workfare

- (i) **Qualifying monthly wage cap will be raised from \$2,500 to \$3,000.**¹ This takes into account wage growth of Singaporeans. The higher qualifying monthly wage cap of \$3,000 will also apply to the Workfare Skills Support scheme.
- (ii) **Higher Workfare payments of up to \$4,900 per year.** Payments, which depend on age and wages, will be enhanced across all age bands. Eligible employees will receive up to \$4,900 per year, compared to \$4,200 per year today (see [Table 1](#)). Older workers and all persons with disabilities will continue to receive the highest payments. The payments for self-employed persons are set at two-thirds of the payments for employees, and will be correspondingly increased.

Table 1: Maximum Annual Workfare Payments for Employees

Age Band	Before Enhancement (For Work Done from 1 Jan 2023 to 31 Dec 2024)	After Enhancement (For Work Done from 1 Jan 2025)
30-34	\$2,100	\$2,450
35-44	\$3,000	\$3,500
45-59	\$3,600	\$4,200
60 & above	\$4,200	\$4,900
All persons with disabilities	\$4,200	\$4,900

¹ In addition, the worker must earn an average gross monthly wage of not more than \$3,000 in the past 12 months.

(B) Raising the Local Qualifying Salary (“LQS”)

As part of our Progressive Wages moves, firms hiring foreign workers are required to pay all their local workers at least the LQS. The number of local workers paid the LQS is used to determine the firm’s foreign worker quota entitlement.

The LQS is regularly reviewed to keep pace with wage growth, to continue to uplift lower-wage workers and maintain foreign workforce controls.

The Government will raise the LQS from \$1,400 to \$1,600 per month. Firms hiring foreign workers will have to pay all their local workers at least the LQS (or Progressive Wage Model wages where applicable):

- (i) At least \$1,600 per month for full-time local workers; or
- (ii) At least \$10.50 per hour for part-time local workers.

Foreign worker quota computation will correspondingly be adjusted with the new LQS:

- (i) 1 local workforce count: Per local worker who is paid at least \$1,600 per month; or
- (ii) 0.5 local workforce count: Per local worker who is paid at least \$800 but less than \$1,600 per month.

These changes will be implemented from 1 July 2024.

(C) Enhancements to the Progressive Wage Credit Scheme (“PWCS”)

The PWCS was introduced at Budget 2022 to provide transitional support from 2022 to 2026 to help employers adjust to the Progressive Wages moves, as well as encourage employers to voluntarily raise the wages of their lower-wage employees.

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 2024

To strengthen support for employers in uplifting lower-wage employees, the PWCS co-funding support will be enhanced for wage increases given in qualifying year 2024 (see [Table 2](#)). The enhanced co-funding support will also apply to wage increases given in qualifying year 2023 that are sustained in 2024.

Increase in Wage Ceiling for PWCS Co-Funding from 2025 Onwards

The gross monthly wage ceiling for PWCS co-funding will be increased from \$2,500 to \$3,000 in qualifying years 2025 and 2026 (see [Table 2](#)).

Table 2: PWCS Co-Funding Levels for Eligible Wage Increases from 2022 to 2026

Qualifying Year	Payout Period	Current		Enhanced	
		First Tier: Gross Monthly Wage Ceiling ≤ \$2,500	Second Tier: Gross Monthly Wage Ceiling > \$2,500 and ≤ \$3,000	First Tier: Gross Monthly Wage Ceiling ≤ \$2,500	Second Tier: Gross Monthly Wage Ceiling > \$2,500 and ≤ \$3,000
2022	Q1 2023	75% ¹	45% ¹	75%	45%
2023	Q1 2024	75% ²	45% ²	75%	45%
2024	Q1 2025	30%	15%	50% (+20%-pt)	30% (+15%-pt)
		<u>Single Tier:</u> Gross Monthly Wage Ceiling ≤ \$2,500		<u>Single Tier:</u> Gross Monthly Wage Ceiling ≤ \$3,000 (+\$500)	
2025	Q1 2026	30%		30%	
2026	Q1 2027	15%		15%	

Notes:

- Enhanced in June 2022's support package, from 50% to 75% for the First Tier, and from 30% to 45% for the Second Tier.
- Enhanced at Budget 2023, from 50% to 75% for the First Tier, and from 30% to 45% for the Second Tier.

More Information

Measure	Contact Details
Enhancements to the Workfare Income Supplement Scheme	Please contact the CPF Board at cpf.gov.sg/contact-us .
Raising the Local Qualifying Salary	Visit MOM website at https://go.gov.sg/LQS
Enhancements to the Progressive Wage Credit Scheme	Visit the PWCS website at https://go.gov.sg/PWCS