

**RECOMMENDATIONS OF THE SECURITY TRIPARTITE CLUSTER ON THE
PROGRESSIVE WAGE MODEL AND OVERTIME EXEMPTION
FOR THE SECURITY INDUSTRY**

1. Objective

1.1 This report sets out the recommendations of the Security Tripartite Cluster (STC) on its review of the Progressive Wage Model (PWM)¹ and overtime exemption (OTE) for the security industry.

1.2 The members of the STC are listed in Annex A.

2. Progressive Wage Model for the Security Industry

2.1 In October 2014, the STC released its recommendations on the PWM for the security industry, which were then considered and accepted by the Government. The PWM was implemented as a licensing condition under the Police Licensing and Regulatory Department's licensing regime for private security agencies from 1 September 2016. All licensed security agencies must pay and train all resident unarmed security officers in accordance with the PWM requirements for their corresponding jobs. The STC also decided to consider in 2017 recommending an end to OTE after monitoring industry movements, changes in shift patterns and streamlining of manpower requirements with the implementation of PWM. The mandatory PWM for the security industry that is currently in place can be found in Annex B.

2.2 Having a PWM for the private security industry benefits all stakeholders. The PWM provides a clear progression pathway for security officers to progress in their jobs and earn higher basic wages as they become more productive, skilled and take on higher job responsibilities. Security agencies benefit from a more productive and skilled workforce and being better able to attract and retain workers. Service buyers of outsourced security services in turn benefit from higher standards of security services, which creates safer spaces for people to live, work and play in.

¹ The Progressive Wage Model was introduced by NTUC in June 2012 to help workers achieve sustainable real wage increases through skills upgrading and productivity improvements. It is mandatory for workers in the cleaning, security and landscape sectors which are mostly outsourced services.

- 2.3 In addition, given the rising threat of terrorism, there is a need to further raise the skills and competencies of security officers. Attacks overseas have shown that well-trained security officers are able to detect and deter terrorist attacks. Currently, all security officers must obtain two Workforce Skills Qualification (WSQ) basic licensing units. With effect from 1 January 2020, security officers will be required to obtain a third basic licensing unit, known as “Recognise Terrorist Threats (RTT)”.
- 2.4 The implementation of the PWM would pave the way for higher productivity and in turn achieve better security outcomes. The STC’s recommendations will also support tripartite efforts to transform the security industry in Singapore.

3. Review of Progressive Wage Model and Overtime Exemption in Security Industry

- 3.1 The wages of resident security officers have increased since the introduction of the PWM in October 2014. The median basic wages of full-time resident security guards grew by 23% p.a. between 2014 and 2016. In June 2016, the median basic and gross wages of full-time resident security guards were \$1,300 and \$2,256 respectively.² The introduction of the PWM training requirements has also ensured that security officers receive training that enable them to perform their job functions competently, thereby raising the professionalism of the workforce.
- 3.2 In order to attract more and younger Singaporeans to join the sector, the STC also recognises the need and reaffirms its commitment to improve the working conditions of security officers especially in the reduction of excessive overtime. Current shift patterns involve security officers working 12-hour a day, six days a week which translates to 95 overtime hours a month. As this exceeds the 72-hour limit on overtime hours a month under the Employment Act, security agencies are issued OTE to meet their operational needs on a case-by-case basis.

² Source: Occupational Wage Survey, Manpower Research & Statistics Department, MOM.

Notes:

1. Data pertain to private sector establishments each with at least 25 employees.
2. Monthly Basic Wage refers to the basic pay before deduction of employee CPF contributions and personal income tax. It excludes employee CPF contributions, bonuses, overtime payments, commissions, allowances (e.g. shift, food, housing and transport), other monetary payments and payments-in-kind.
3. Monthly Gross Wage refers to the sum of basic wage, overtime payments, commissions, allowances, and other regular cash payments. It is before deduction of employee CPF contributions and personal income tax and excludes employer CPF contributions, bonuses, stock options, other lump sum payments and payments-in-kind.

- 3.3 At the same time, demand for security services continues to rise with the emergence of new buildings and infrastructure. The current security climate has also accentuated the need for adequate and quality security services. There is now greater emphasis and urgency being placed on the adoption of technology-enabled solutions to mitigate the challenges faced by the industry. Faced with the need for higher security standards and a tight labour market, leveraging technology solutions to augment the manpower supply would be one of the most effective ways to derive better security outcomes and yet moderate increasingly higher manpower costs.
- 3.4 There have also been tripartite efforts to promote the adoption of best sourcing practices by service buyers, including outcome-based contracting to encourage more progressive procurement practices. Resources and outreach efforts to encourage best sourcing included the Tripartite Advisory on Best Sourcing Practices, BSI Symposium, buyers seminars and incentive grants.
- 3.5 Given these considerations, the STC's view is it is necessary to consider further measures to uplift the security industry. Together, adjustments to the PWM wages and reduction in overtime hours would enhance the attractiveness of the security industry, and provide the impetus for security agencies and service buyers to review their operations and reliance on man-hours.

4. Recommendations

Annual Adjustments to PWM Wages

- 4.1 In its deliberation on the adjustments to the PWM wages, the STC considered various factors, including:
- (a) Prevailing wages and allowances of different ranks of security officers;
 - (b) NWC's guidelines from 2014 to 2017;
 - (c) Prevailing wage practices and contract terms;
 - (d) Wages of workers in other outsourced sectors, e.g. cleaners; and
 - (e) Potential impact to employers and service buyers.
- 4.2 In its review, the STC had engaged various tripartite partners through dialogues and focus group discussions over the past several months. They include the two security associations, namely Association of Certified Security Agencies and Security Association (Singapore) which together represent about 70% of all security agencies

in Singapore; as well as the Union of Security Employees. The guiding considerations that the STC took are:

- (a) To ensure that there is year-on-year increment in basic wages to enable security officers to realise sustained moderate wage growth; and
- (b) To take into consideration impact on gross wages of security officers when their overtime hours are reduced from an average of 95 hours to 72 hours a month.

4.3 The STC recommends to introduce a six-year schedule of wage adjustments comprising:

- (a) Annual quantum increments to each PWM wage point from 1 January 2019 to 2021; and
- (b) A schedule of wage increases from 2022 to 2024, subject to review;

The detailed recommendations are set out in the table below. The PWM wage schedules from 2019 to 2024 are in Annex C.

Table 1: Recommended Adjustments to PWM Basic Wage Floor

PWM Rank	Jan 2019	Jan 2020	Jan 2021	2022	2023	2024
Security Officer (SO)	+ \$75	+ \$75	+ \$150	+ minimum 3% p.a. (subject to review)		
	average YOY increase of 8.4%					
Senior SO (SSO) Security Supervisor (SS) Senior SS (SSS)	+ \$60	+ \$60	+ \$165			
	average YOY increase of 5.3% to 6.9%					
			Overtime exemption removed with effect from 1 Jan 2021			

(I) Yearly Adjustments to PWM Wages from 2019 to 2021

4.4 The STC recommends a total increase of \$300 to the PWM basic wage floor for Security Officer (SO) level; and \$285 for Senior Security Officer (SSO) and above ranks from 2019 to 2021. A higher quantum increment is recommended for the entry-level SO rank to enable them to enjoy a higher percentage wage increase as compared to higher-rank officers.

4.5 Higher quantum increments are recommended in 2021, the year that OTE is removed, so that most security officers' gross wages would not be adversely affected due to a reduction in overtime hours.

- 4.6 The revised PWM wage ladder will ensure sustainable wage increase over the next few years and provide clarity to security officers on how their wages may increase as they progress in their profession. The STC strongly encourages all security officers to continue to upgrade their skills, so that they have the opportunity to progress to higher value-add jobs and at the same time, earn more. To this end, the STC also urges service buyers to work with their respective security agencies to enable their outsourced security officers to undergo training for skills upgrading.

(II) Schedule of Increases from 2022 to 2024

- 4.7 For 2022 to 2024, the STC recommends an annual increment of at least 3% to the PWM basic wage floor across all ranks, subject to review. Any decision to review the 3% annual increment would be deliberated by the STC.
- 4.8 The STC expects the schedule of increases to help the industry better plan and budget for manpower costs in their new service contracts. The resultant effect would be to mitigate any wage reset for the security officers when the contract is renewed or a new service contract is awarded to a different service provider.
- 4.9 The STC also recommends that service buyers renegotiate existing contracts with their security agencies to take into account the new PWM wage floor increases. Service buyers are discouraged from exercising the option to extend existing contracts unless they are prepared to vary contract prices incorporating the new PWM wage schedules going forward.

Removal of Overtime Exemption from 1 January 2021

- 4.10 The STC is concerned about the potential long-term impact to the well-being of security officers if they put in excessive overtime hours every month. It could also potentially compromise their alertness and performance standards. Thus, putting an end to OTE and reducing the number of overtime hours would promote better work-life balance for all security officers. The STC discussed and agreed that it is necessary for the security industry to take a decisive step to eliminate its reliance on excessive overtime hours. In so doing, the STC also hopes that better working conditions would attract more new entrants to the industry.

- 4.11 The STC recommends to remove the issuance of OTE with effect from 1 January 2021. A three-year lead time was agreed to be necessary for security agencies and service buyers to review their operations and manpower needs, and implement solutions to reduce their reliance on man-hours.
- 4.12 For security agencies that currently deploy security officers on 12-hour shifts, 6-day work-week throughout a month (i.e. a “6-6-6-6” work-month), the STC encourages them to transit their workers to a “6-5-6-5” work-month if their site requirements permit, so that officers can enjoy two more rest days a month³.
- 4.13 The STC strongly urges security agencies to start planning early and to work with their service buyers to review their operations and manpower needs. Security agencies are encouraged to tap on existing Government grants under the Lean Enterprise Development Scheme, such as the Inclusive Growth Programme, Capability Development Grant, and SMEs Go Digital, to implement solutions to raise productivity and become more manpower-lean.

5 Advisory on Minimum-Maximum (Min-Max) Wage Ratio

- 5.1 In its 2014 recommendations, the STC encouraged security agencies to adopt a min-max wage ratio of not more than 1.5 within each level of the PWM. The min-max ratio serves as a tool to encourage companies to move away from a seniority-based wage structure towards a productivity-based wage structure.
- 5.2 The STC has considered the different degree of job complexity and responsibilities among the different PWM ranks and therefore proposes differentiated min-max ratios as follows:

Security Officers (SO)	Min-Max ratio of 1.2
Senior Security Officers (SSO)	Min-Max ratio of 1.3
Security Supervisor (SS)	
Senior Security Supervisor (SSS)	Min-Max ratio of 1.5

³ On average, a “6-6-6-6” work-month with 12-hour shifts and 6-day work-week translates to 95 overtime hours a month. A “6-5-6-5” work-month with similar shift patterns and working days would translate to 72 overtime hours a month.

- 5.3 The STC strongly encourages security agencies to adopt the recommended min-max ratios as part of their HR practices to reward deserving employees. It would motivate the security officers to do their best when carrying out their duties.

6 Stakeholders Engagement and Communication

- 6.1 In order to ensure stakeholders will be made fully aware of the changes of the PWM wage ladder and OTE removal, a series of engagement sessions and publicity efforts will be carried out in the coming year. Seminars and briefing sessions will be held with security agencies and service buyers to communicate the STC recommendations. Press advertisements and direct mailers will also be used to reach out to security officers and targeted groups of service buyers.

7 Conclusion

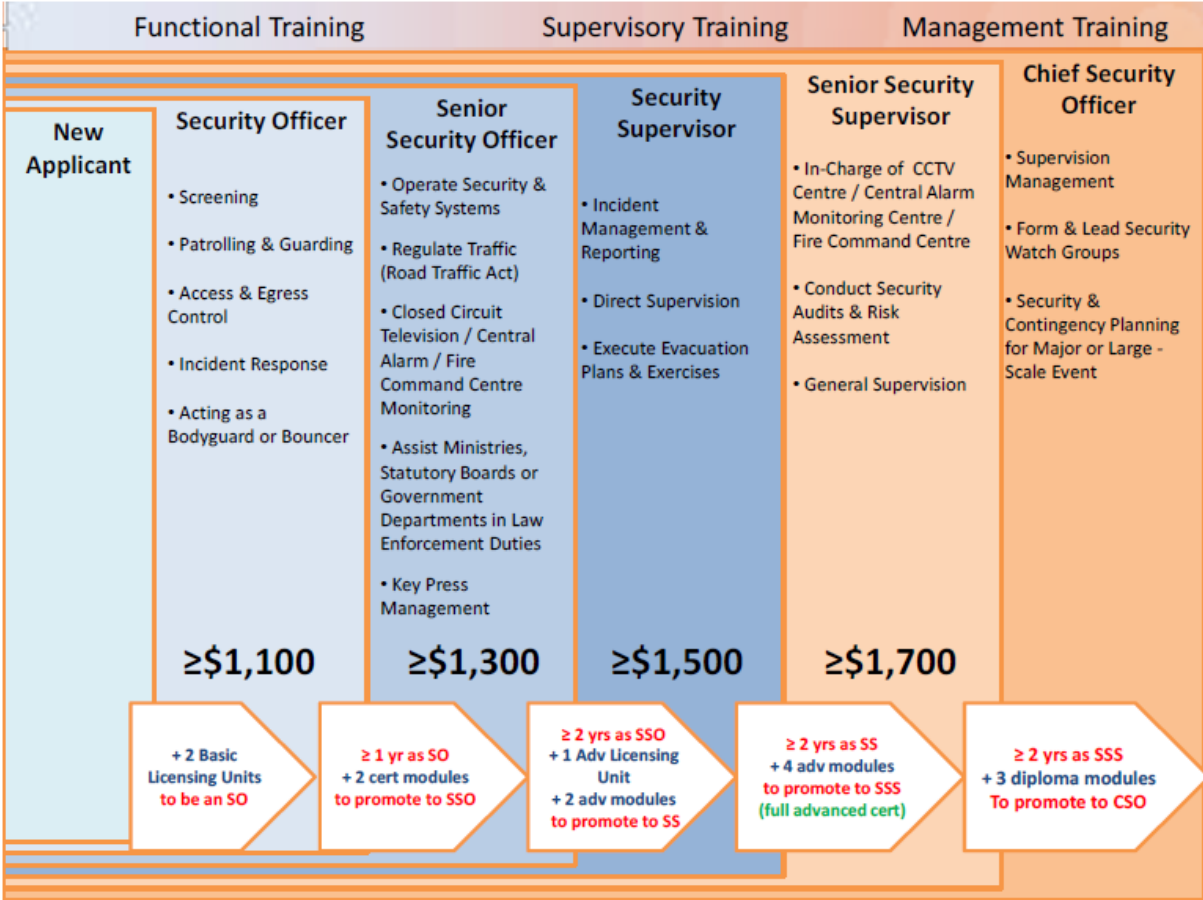
- 7.1 The review of the PWM wage ladder and OTE removal are both important and timely, and the concerted efforts of the tripartite partners will contribute towards a more skilled and productive security workforce.
- 7.2 The STC's recommendations on the revised basic wage floors and schedule of increases would realise sustainable real wage increase for our security officers. Security officers would in turn be motivated to upgrade their skills in order to progress in their profession and contribute positively to achieving better security outcomes.
- 7.3 Security agencies would have greater clarity on projecting their manpower costs, and be encouraged to leverage technology to deliver value to their clients.
- 7.4 Service buyers would have a better understanding of how outsourced security services can be procured holistically, and how outcome-based contracts would reap greater benefits for them.

~ End ~

Members of Security Tripartite Cluster

	Organisation	Representative
Chairman	National Trades Union Congress (NTUC)	Mr Zainal Sapari, Assistant Secretary-General
Co-Chairman	Singapore National Employers Federation (SNEF)	Mr John Ng, Vice President
Labour Movement	Employment and Employability Institute (e2i)	Mr Gilbert Tan, CEO
	Union of Security Employees (USE)	Mr Hareenderpal Singh, President
		Mr Steve Tan, Executive Secretary
		Mr Raymond Chin, General Secretary
Employers/ Service Providers	Security Association (Singapore)	Mr Raj Joshua Thomas, President
	Association of Certified Security Agencies	Mr Robert Wiener, President
	APRO Asian Protection Pte Ltd	Mr Li Xiaowen, Deputy Managing Director
	AETOS Guard Services Pte Ltd	Mr Jeffrey Tan, General Manager
	Security Systems Association of Singapore	Mr Nelson Tee, President
	Certis CISCO Security Pte Ltd	Mr Ng Boon Gay, Senior Managing Director, Head Physical Security (Singapore)
Service Buyers	ComfortDelgro Corp Ltd	Ms Daisy Chan, Group Chief HR Officer
	CapitaLand Singapore Ltd	Mr Alfred Lim, Vice President & Head (Property Services)
	Frasers Centrepoint Property Management (Commercial) Ltd	Ms Molly Lim, Assistant General Manager (Retail Properties)
Government	Ministry of Home Affairs (MHA)	Mr Jonathan Mark Capel, Director, Security Policy Directorate, Joint Operations Group
	Singapore Police Force (SPF)	Mr Lu Yeow Lim, Director, Police Licensing & Regulatory Department
	Ministry of Manpower (MOM)	Mr Lee Pak Sing, Divisional Director Workplace Policy & Strategy Division
		Mr Raymond Tan, Director, Employment Standards Enforcement Department, Labour Relations and Workplaces Division
	Workforce Singapore (WSG)	Mr Toh Swee Chien, Director, Healthcare, Social & Business Services Division, Enterprise Development Group

Progressive Wage Model for Security Industry Implemented from 1 September 2016



Progressive Wage Model for Security Industry with effect from 1 January 2019

PWM Rank	Basic Wage Floor						
	Current	2019	2020	2021	2022	2023	2024
Security Officer (SO)	\$1,100	\$1,175	\$1,250	\$1,400	\$1,442	\$1,485	\$1,530
Senior SO (SSO)	\$1,300	\$1,360	\$1,420	\$1,585	\$1,633	\$1,682	\$1,732
Security Supervisor (SS)	\$1,500	\$1,560	\$1,620	\$1,785	\$1,839	\$1,894	\$1,951
Senior SS (SSS)	\$1,700	\$1,760	\$1,820	\$1,985	\$2,045	\$2,106	\$2,169
Typical Shift Pattern	12-hour a day, 6-day a week			12-hour a day alternate 5-day & 6-day work week <i>OT Exemption removed wef 1 Jan 2021</i>			

Percentage Increase in Average Hourly Pay based on Gross Wages*

PWM Rank	2019	2020	2021	2022	2023	2024
Security Officer (SO)	6% - 9% p.a.			3% p.a.		
Senior SO (SSO)	4% - 9% p.a.					
Security Supervisor (SS)	4% - 7% p.a.					
Senior SS (SSS)	3% - 6% p.a.					

*** Notes**

- (1) Assumes that (i) gross wages includes basic wages and overtime pay only; and (ii) the overtime hours from 2019 to 2021 are 95-95-72 hours a month respectively.
- (2) Formula used to derive "Average Hourly Pay" is $(\text{Gross Wages} \times 12 \text{ months}) / [(52 \text{ weeks} \times 44 \text{ hours}) + (\text{Overtime hours a month} \times 12 \text{ months})]$

SECURITY OFFICER (SO)

Year	Increase	Basic Wage Floor	Overtime Hours	Gross Wages [^]	YOY % Inc in Gross	Avg. Hourly Pay ⁺	YOY % Inc in Avg. Hourly Pay
2018	-	\$1,100	Max. 95 hrs of OT per month*	\$1,922	-	\$ 6.73	-
2019	+ \$75	\$1,175		\$2,053	4.5%	\$ 7.19	6% - 9%
2020	+ \$75	\$1,250		\$2,184			
2021	+ \$150	\$1,400	Max. 72 hrs of OT per month**	\$2,193	3.0%	\$ 8.35	3%
2022	+ 3%	\$1,442		\$2,259			
2023	+ 3%	\$1,485		\$2,327			
2024	+ 3%	\$1,530		\$2,396			

* Based on average of 6-day per week, 12-hour shift pattern

** Based on average of 5-6-5-6 day per week, 12-hour shift pattern

[^] Exclude allowances, bonuses, incentives

⁺ Formula: (Gross Salary x 12 months) / [(52 weeks x 44 hours) + (OT hours a month x 12 months)]

SENIOR SECURITY OFFICER (SSO)

Year	Increase	Basic Wage Floor	Overtime Hours	Gross Wages [^]	YOY % Inc in Gross	Avg. Hourly Pay ⁺	YOY % Inc in Avg. Hourly Pay
2018	-	\$1,300	Max. 95 hrs of OT per month*	\$2,272	-	\$ 7.95	-
2019	+ \$60	\$1,360		\$2,376	3.0%	\$ 8.32	4% - 9%
2020	+ \$60	\$1,420		\$2,481			
2021	+ \$165	\$1,585	Max. 72 hrs of OT per month**	\$2,483	3.0%	\$ 9.45	3%
2022	+ 3%	\$1,633		\$2,557			
2023	+ 3%	\$1,682		\$2,634			
2024	+ 3%	\$1,732		\$2,713			

* Based on average of 6-day per week, 12-hour shift pattern

** Based on average of 5-6-5-6 day per week, 12-hour shift pattern

[^] Exclude allowances, bonuses, incentives

⁺ Formula: (Gross Salary x 12 months) / [(52 weeks x 44 hours) + (OT hours a month x 12 months)]

SECURITY SUPERVISOR (SS)

Year	Increase	Basic Wage Floor	Overtime Hours	Gross Wages [^]	YOY % Inc in Gross	Avg. Hourly Pay ⁺	YOY % Inc in Avg. Hourly Pay
2018	-	\$1,500	Max. 95 hrs of OT per month*	\$2,621	-	\$ 9.18	-
2019	+ \$60	\$1,560		\$2,726	2.2%	\$ 9.54	4% - 7%
2020	+ \$60	\$1,620		\$2,831			
2021	+ \$165	\$1,785	Max. 72 hrs of OT per month**	\$2,796	3.0%	\$10.64	3%
2022	+ 3%	\$1,839		\$2,880			
2023	+ 3%	\$1,894		\$2,966			
2024	+ 3%	\$1,951		\$3,055			

* Based on average of 6-day per week, 12-hour shift pattern

** Based on average of 5-6-5-6 day per week, 12-hour shift pattern

[^] Exclude allowances, bonuses, incentives

⁺ Formula: (Gross Salary x 12 months) / [(52 weeks x 44 hours) + (OT hours a month x 12 months)]

SENIOR SECURITY SUPERVISOR (SSS)

Year	Increase	Basic Wage Floor	Overtime Hours	Gross Wages [^]	YOY % Inc in Gross	Avg. Hourly Pay ⁺	YOY % Inc in Avg. Hourly Pay
2018	-	\$1,700	Max. 95 hrs of OT per month*	\$2,971	-	\$10.40	-
2019	+ \$60	\$1,760		\$3,075	1.5%	\$10.77	3% - 6%
2020	+ \$60	\$1,820		\$3,180			
2021	+ \$165	\$1,985	Max. 72 hrs of OT per month**	\$3,109	3.0%	\$11.84	3%
2022	+ 3%	\$2,045		\$3,203			
2023	+ 3%	\$2,106		\$3,299			
2024	+ 3%	\$2,169		\$3,398			

* Based on average of 6-day per week, 12-hour shift pattern

** Based on average of 5-6-5-6 day per week, 12-hour shift pattern

[^] Exclude allowances, bonuses, incentives

⁺ Formula: (Gross Salary x 12 months) / [(52 weeks x 44 hours) + (OT hours a month x 12 months)]