Wage Adjustments and Adoption of NWC Guidelines for Lower-Wage Employees 2025

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WAGE ADJUSTMENTS AND ADOPTION OF NWC GUIDELINES FOR LOWER-WAGE EMPLOYEES 2025

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Annex: NWC's guidelines for lower-wage employees
Survey Coverage and Methodology

Abbreviations

MOM: Ministry of Manpower
NWC: National Wages Council
PWM: Progressive Wage Model
SSIC: Singapore Standard Industrial Classification

Highlights

- Wage increases for lower-wage employees became more widespread in 2025, although the average increase moderated. The proportion of establishments raising their wages rose from 60.0% in 2024 to 63.8% in 2025. The average increase eased from 6.4% to 6.0%, but remained above the 5.5% received by rank-and-file employees.

- However, only about one in four establishments granted wage increases that met the National Wages Council (NWC) guidelines for lower-wage employees. Adoption edged down slightly from 26.2% in 2024 to 25.5% in 2025, despite more establishments raising wages. Awareness remained stable, with about three in five establishments aware of the guidelines.

- Adoption varied considerably across sectors. It was highest in *Cleaning, Security and Landscape* (46.7%) and *Real Estate Services* (45.3%). Among the key Progressive Wage Model (PWM) sectors, Retail Trade recorded the largest increase, from 17.4% to 39.0%. Adoption in Food & Beverage Services fell from 45.1% to 34.2%, but remained above the overall rate of 25.5%.

- Establishments with stronger business conditions were more likely to raise wages, although many increases fell below NWC recommendations. Among establishments that had done well and had good prospects, 79.0% raised wages, but only 21.0% met the guidelines. This compared with 68.4% raising wages among those that had done well but faced uncertain prospects. Among establishments that had not done well, more than half (52.4%) kept wages unchanged. Wage cuts were uncommon across all business conditions.

- Wage plans point to greater caution in 2026. More than half of establishments (56.7%) planned to keep wages unchanged, while 42.0% planned to raise wages. Most expected to be profitable (79.2%), although this was below the 83.1% that were profitable in 2025. The proportion expecting business costs to rise increased from 57.5% for 2025 to 59.3% for 2026. Sustaining wage gains for lower-wage employees will depend on productivity improvements and wage adjustments that reflect business performance and prospects.

1 Introduction

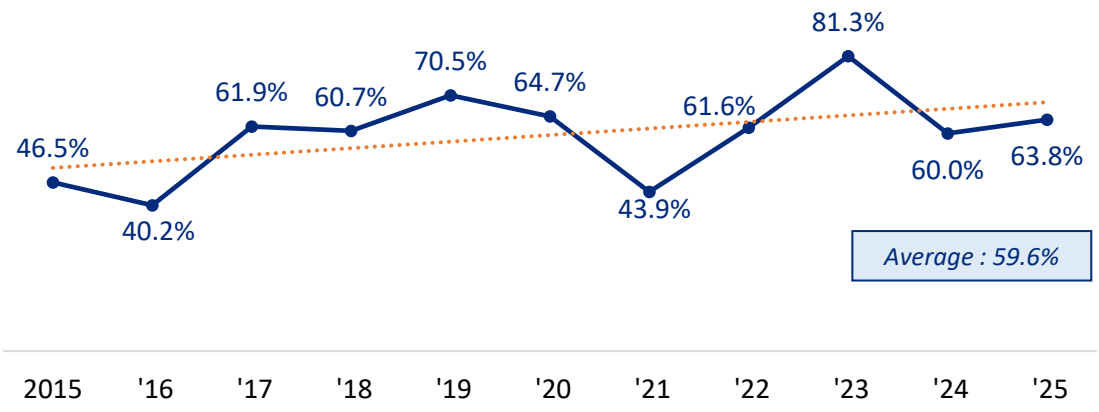
1.1 This report examines establishments' wage practices for their full-time resident lower-wage employees, including their adoption of the 2025/2026 National Wages Council's (NWC's) guidelines[1] and establishments' forward expectations on profitability, business cost and wage. The findings are based on data from the Survey on Annual Wage Changes[2], which covered private sector establishments with at least 10 employees. The survey coverage and methodology are explained in Annex B.

2 Wage increases for lower-wage employees

2.1 A majority of establishments (63.8%) raised wages for their lower-wage employees in 2025 (Chart 1), higher than the 60.0% seen last year, in line with the general uptrend over the past decade.

2.2 Following sustained efforts to uplift lower-wage employees, the gross monthly income of full-time employed residents at the 20th percentile also continued to grow, from $1,800 in 2015 to $2,708 in 2024 and $2,817 in 2025.[3]

Chart 1: Proportion of establishments that gave wage increases to lower-wage employees



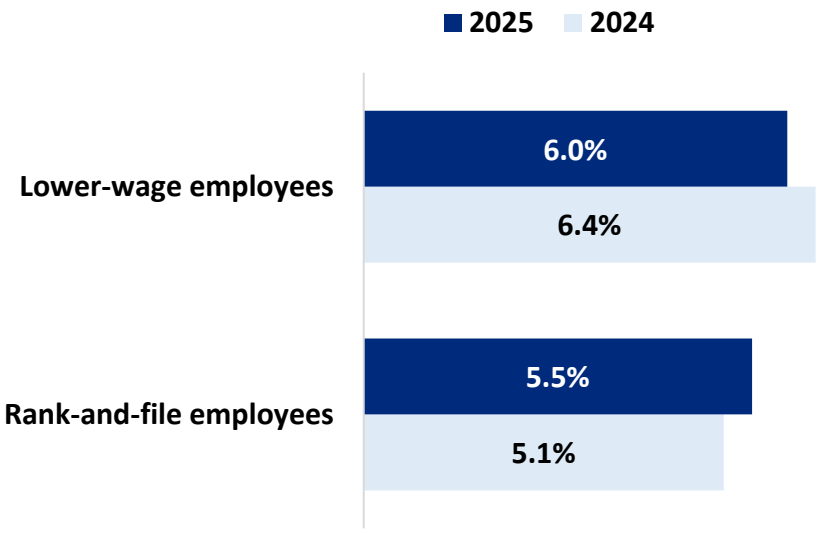
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes:
(1) Based on private sector establishments (each with at least 10 employees) with lower-wage employees.
(2) Lower-wage employees refer to employees earning a basic monthly wage of up to $1,100 (2015 and 2016) / $1,200 (2017) / $1,300 (2018) / $1,400 (2019 and 2020), or a gross monthly wage of up to $2,000 (2021) / $2,200 (2022) / $2,500 (2023 and 2024) / $2,700 (2025).
(3) The proportion of establishments that gave wage increases to lower-wage employees performing outsourced work was 68.7% in 2025.

[1] Released in November 2025.
[2] Data pertain to full-time resident employees in continuous employment of at least a year. This removes the effect of compositional changes such as job change and new entrants.
[3] Data on gross monthly income from employment exclude employer / platform operator's CPF contributions, and are sourced from the Comprehensive Labour Force Survey, Manpower Research & Statistics Department, MOM.

2.3 The average amount of wage increase granted to lower-wage employees decreased from 6.4% in 2024 to 6.0% in 2025. Nonetheless, this remained higher than the 5.5% received by rank-and-file employees (Chart 2).

Chart 2: Average built-in wage increase for rank-and-file and lower-wage employees



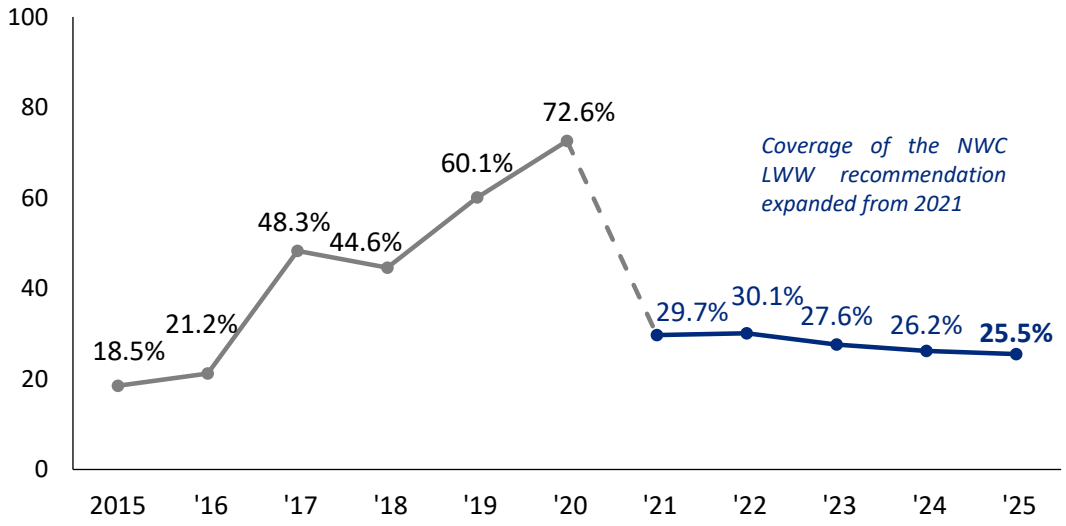
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes:
(1) Data are based on private sector establishments (each with at least 10 employees) with lower-wage employees and granted built-in wage increases to them.
(2) Lower-wage employees refer to employees earning a gross monthly wage of up to $2,500 (2024) and $2,700 (2025).
(3) The average built-in wage increase for lower-wage employees performing outsourced work was 6.5% in 2025.

3 Establishments' responses to NWC's guidelines for lower-wage employees

3.1 The adoption of NWC's guidelines for lower-wage employees[4] remained modest at 25.5% in 2025, slightly lower than 26.2% in 2024 (Chart 3). From 2021, the coverage of the LWW guidelines expanded[5], as the income threshold was raised from $1,400 in 2020 to $2,000 (approximately P20). This wider coverage may have raised implementation costs for establishments and contributed to lower adoption rates. Despite this, awareness of the 2025 guidelines remained stable, with about three in five establishments aware of them.

Chart 3: Proportion of establishments that adopted NWC's guidelines for lower-wage employees



Income thresholds (For lower-wage employees)	$1,100 Basic	$1,100 Basic	$1,200 Basic	$1,300 Basic	$1,400 Basic	$1,400 Basic	$2,000 Gross	$2,200 Gross	$2,500 Gross	$2,500 Gross	$2,700 Gross
NWC recommended wage increase	$60	$50	$45	$50	$50	Any amt	$70 or 4.5%	$80 or 5.5%	$85 or 5.5%	$100 or 5.5%	$105 or 5.5%

Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes:
(1) Data are based on private sector establishments (each with at least 10 employees) with lower-wage employees.
(2) Lower-wage employees refer to employees earning a basic monthly wage of up to $1,100 (2015 and 2016) / $1,200 (2017) / $1,300 (2018) / $1,400 (2019 and 2020), or gross monthly wage of up to $2,000 (2021) / $2,200 (2022) / $2,500 (2023 and 2024)/ $2,700 (2025).

[4] NWC's wage guidelines for lower-wage employees comprise a percentage range of wage growth and a minimum dollar quantum increase.
[5] The number of lower-wage employees covered by the NWC guidelines increased from around 252,000 in 2021 to 284,000 in 2024 and 308,000 in 2025. Source: Comprehensive Labour Force Survey, Manpower Research and Statistics Department, MOM.

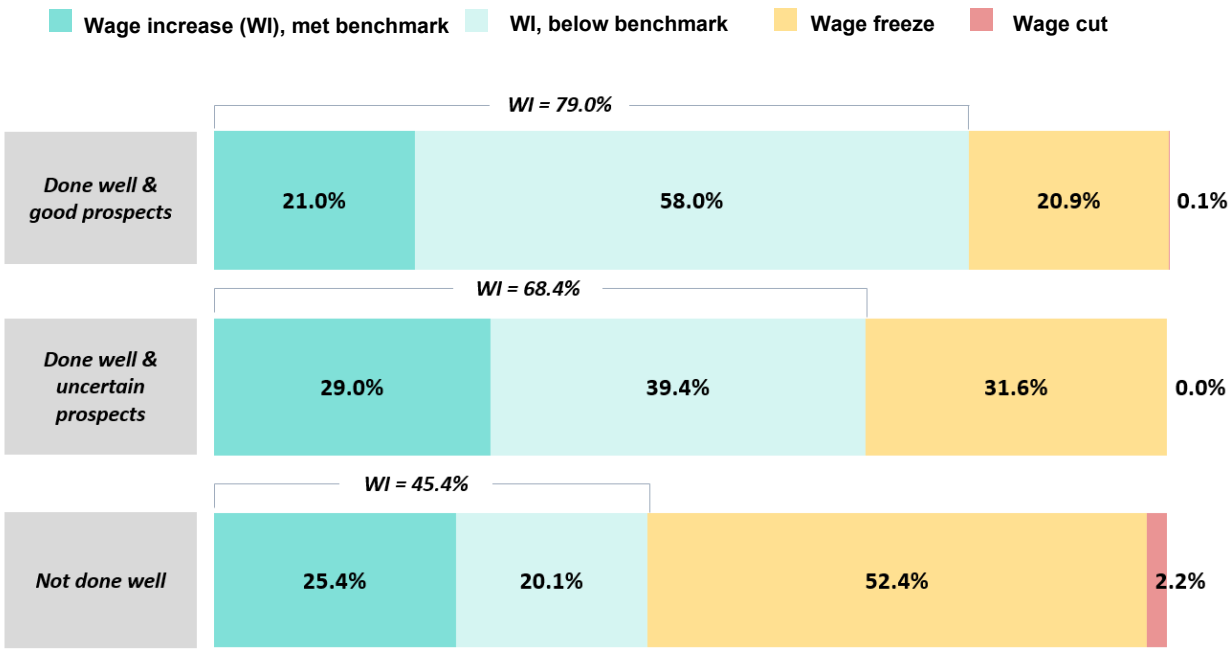
3.2 Adoption of NWC's recommended quantum ranged from 21.0% to 29.0% across business conditions in 2025 (Chart 4), indicating that adoption did not vary substantially by business performance and prospects. Adoption was lowest among establishments that had done well and had good business prospects (21.0%), compared with those that had done well but faced uncertain prospects (29.0%) and those that had not done well (25.4%).

3.3 The relatively low adoption among establishments that had done well and had good prospects did not reflect a lack of wage increases. In fact, 79.0% granted wage increases to their lower-wage employees, comprising 21.0% that met the NWC guidelines and 58.0% that provided increases below the recommended range. This suggests that many chose to raise wages even though they did not fully adopt the recommended quantum.

3.4 More broadly, establishments with stronger business conditions were more likely to raise wages. The proportion that did so was highest among establishments that had done well and had good prospects (79.0%), followed by those that had done well but faced uncertain prospects (68.4%) and those that had not done well (45.4%).

3.5 Correspondingly, establishments that had not done well were more likely to exercise wage restraint, with 52.4% keeping wages unchanged. Nevertheless, wage cuts remained uncommon, at 2.2%.

Chart 4: Proportion of establishments by wage outcomes for lower-wage employees, 2025



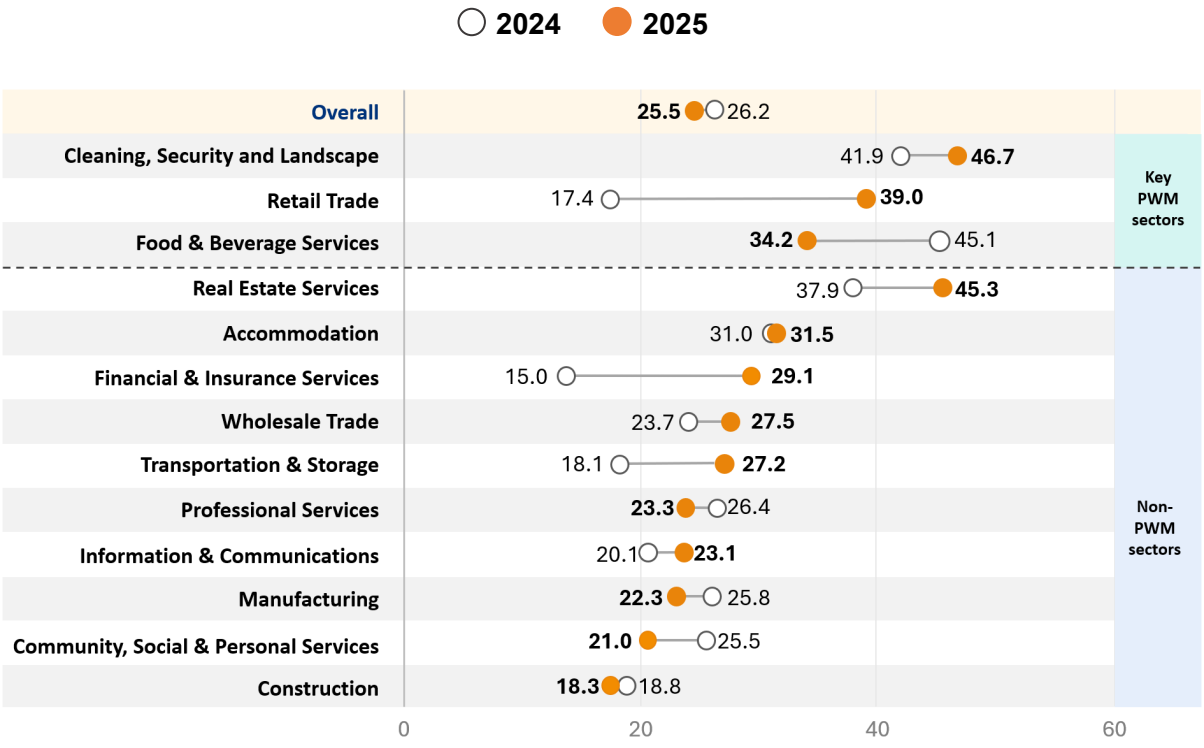
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes:
(1) Data are based on private sector establishments (each with at least 10 employees) with lower-wage employees.
(2) Lower-wage employees refer to employees earning a gross monthly wage of up to $2,700 (2025).

3.6 Adoption of the NWC's guidelines varied considerably across sectors in 2025. Adoption remained relatively high in several Progressive Wage Model (PWM) sectors, particularly *Cleaning, Security and Landscape* (46.7%), *Retail Trade* (39.0%) and *Food & Beverage Services* (34.2%), reflecting mandatory annual increases in PWM wage requirements (Chart 5). *Retail Trade* recorded the largest increase over the year, from 17.4% in 2024 to 39.0% in 2025, while adoption in *Food & Beverage Services* declined from 45.1% to 34.2%.

3.7 Outside the key PWM sectors, *Real Estate Services* recorded the highest adoption rate in 2025, at 45.3%, up from 37.9% in 2024. Several other sectors also saw improvements over the year, including *Financial & Insurance Services* (from 15.0% in 2024 to 29.1% in 2025) and *Transportation & Storage* (from 18.1% to 27.2%). In contrast, adoption declined in sectors such as *Manufacturing*, *Community, Social and Personal Services* and *Construction*. These sectors also generally reported lower awareness.

Chart 5: Proportion of establishments that adopted NWC's guidelines for lower-wage employees by industry (%), 2024-2025



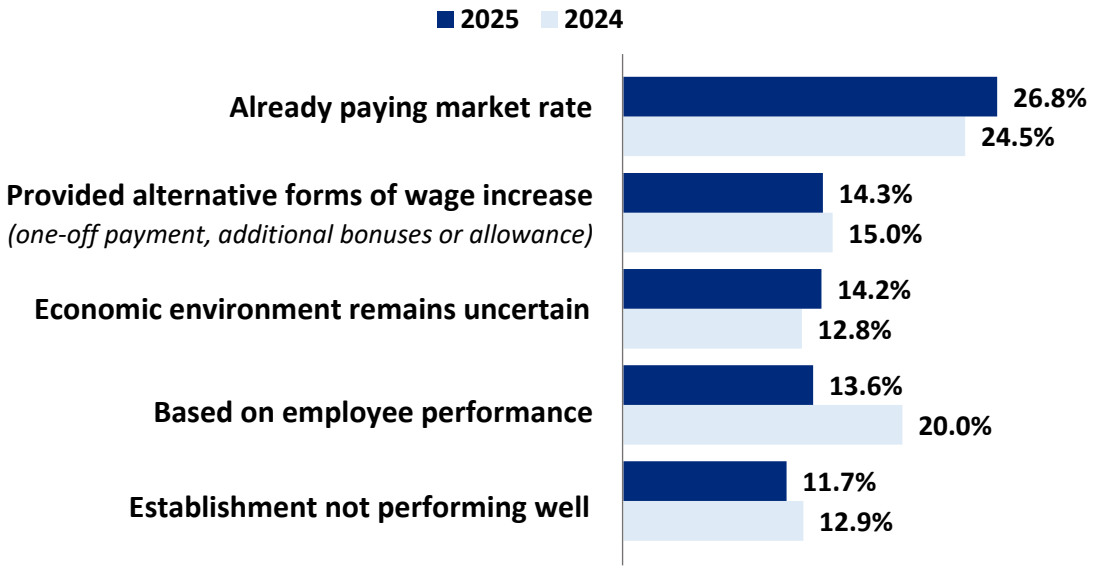
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes:
(1) Data are based on private sector establishments (each with at least 10 employees) with lower-wage employees.
(2) Lower-wage employees refer to employees earning a gross monthly wage of up to $2,500 (2024) and $2,700 (2025).

3.8 The most commonly cited reasons for not meeting the NWC's recommended quantum were that establishments were already paying salaries at market rates (26.8%) or had provided alternative forms of wage increases such as one-off payments or bonuses (14.3%) (Chart 6).

3.9 However, the reasons differed by business performance. Establishments that had done well most commonly cited paying market-rate wages or providing alternative forms of wage increases, regardless of their business prospects. In contrast, establishments that had not done well most commonly cited poor business performance.

Chart 6: Establishments' top reasons for giving wage increases that did not meet NWC guidelines for lower-wage employees, 2024-2025



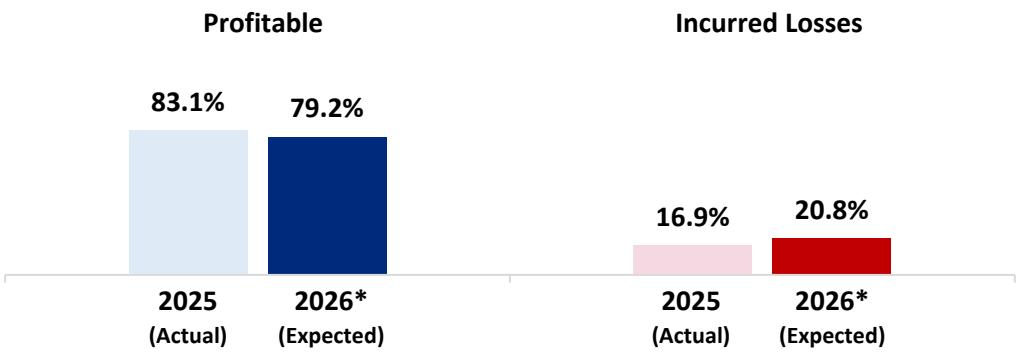
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Notes:
(1) Based on private sector establishments (each with at least 10 employees) with lower-wage employees
(2) Lower-wage employees refer to employees earning a gross monthly wage of up to $2,500 (2024) and $2,700 (2025).

4 Establishments' expectations on profitability, business cost and wage

4.1 A majority of establishments (79.2%) expect to remain profitable in 2026, though this is expected to be lower than in 2025 (83.1%), reflecting a more uncertain business environment ahead (Chart 7).

Chart 7: Proportion of establishments by expected profitability status

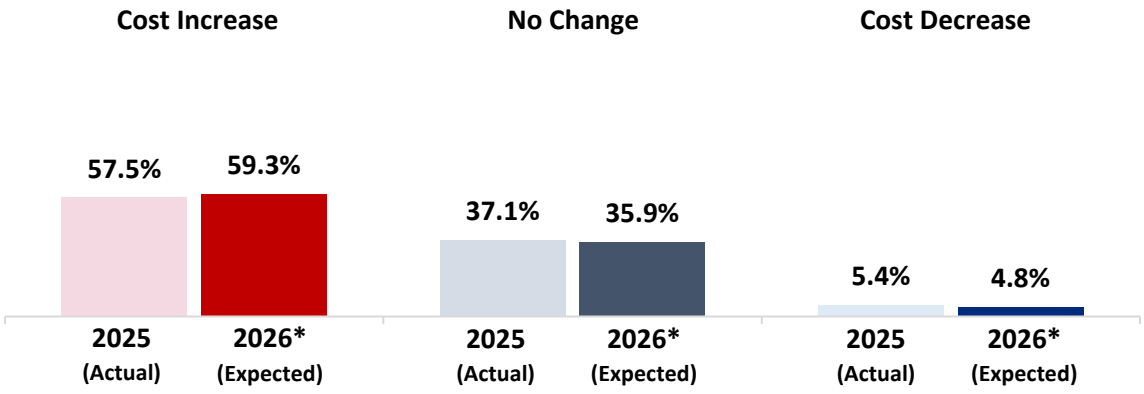


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: 2026 data are based on establishments' expectations for 2026, when surveyed in March to June 2026.

4.2 This caution is also evident in establishments' expectations for business costs. The proportion of establishments expecting business costs to increase rose slightly from 57.5% in 2025 to 59.3% in 2026, amid continued uncertainty in the global economic environment and geopolitical tensions (Chart 8). Meanwhile, 35.9% expect business costs to remain stable and 4.8% expect them to decrease in 2026.

Chart 8: Proportion of establishments by expected change in business cost per unit



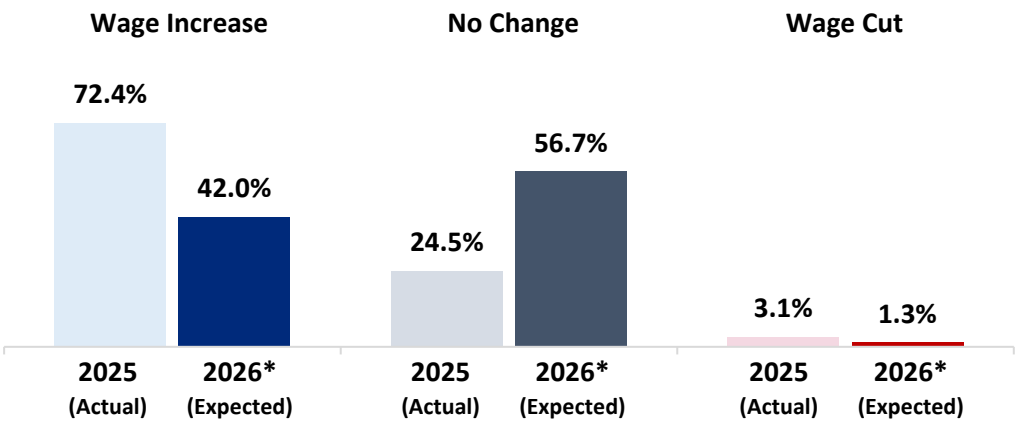
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: 2026 data are based on establishments' expectations for 2026, when surveyed in March to June 2026.

4.3 Establishments appear more cautious about wage increases amid the uncertain outlook. The proportion planning to keep wages unchanged increases from 24.5% in 2025 to 56.7% in 2026, while the proportion planning to raise wages falls from 72.4% in 2025 to 42.0% in 2026 (Chart 9). This points to a likely moderation in nominal wage growth in 2026.

4.4 Among establishments planning to keep wages unchanged, the most commonly cited reason was an unpredictable global economic environment. Among those planning to raise wages despite the uncertain outlook, the main reason was to support employee recruitment and retention.

Chart 9: Distribution of establishments by expected wage change



Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Note: 2026 data are based on establishments' expectations for 2026, when surveyed in March to June 2026.

5 Conclusion

5.1 Looking ahead, establishments plan to take a more cautious approach to wage adjustments amid higher expected business costs and an uncertain global environment. However, economic performance in 2026 has since been stronger than expected, although growth and productivity outcomes remain uneven across sectors and establishments. Against this backdrop, the 2026/2027 NWC guidelines encourage employers to take a positive-leaning approach to wage increases, while calibrating adjustments to their business performance and prospects.

5.2 Continued efforts will also be needed to translate the guidelines into meaningful and sustainable wage growth for lower-wage employees. This includes supporting productivity improvements, raising awareness of the guidelines, particularly among segments where awareness is lower, and encouraging establishments to adopt the recommended wage increases where appropriate.

Annex A

Table A1: NWC's quantitative wage guidelines for lower-wage employees

Period of guidelines	Monthly wage threshold	Recommended built-in wage increase for lower-wage employees
2022/2023	Gross monthly wage of $2,200	**Establishments that have done well and have good business prospects** A wage increase at the upper bound of 5.5-7.5% of gross monthly wage, or wage increase of at least $80-$100, whichever is higher
		Establishments that have done well but face uncertain business prospects A wage increase at the lower to middle bound of 5.5-7.5% of gross monthly wage, or wage increase of at least $80-$100, whichever is higher
		Establishments that have not done well A wage increase at the lower bound of 5.5-7.5% of gross monthly wage
2023/2024	Gross monthly wage of $2,500	**Establishments that have done well and have positive business prospects** A wage increase at the upper bound of 5.5-7.5% of gross monthly wage, or wage increase of at least $85-$105, whichever is higher
		Establishments that have done well but face uncertain business prospects A wage increase at the lower to middle bound of 5.5-7.5% of gross monthly wage, or wage increase of at least $85-$105, whichever is higher
		Establishments that have not done well A wage increase at the lower bound of 5.5-7.5% of gross monthly wage
2024/2025	Gross monthly wage of $2,500	**Establishments that have done well and have positive business prospects** A wage increase at the higher end of 5.5-7.5% of gross monthly wage, or wage increase of at least $100-$120, whichever is higher
		Establishments that have done well but face uncertain business prospects A wage increase at the middle to lower end of 5.5-7.5% of gross monthly wage, or wage increase of at least $100-$120, whichever is higher
		Establishments that have not done well

		A wage increase at the lower end of 5.5-7.5% of gross monthly wage
2025/2026	Gross monthly wage of $2,700	**Establishments that have done well and have positive business prospects** A wage increase at the higher end of 5.5-7.5% of gross monthly wage, or a wage increase of at least $105-$125, whichever is higher.
		Establishments that have done well but face uncertain prospects A wage increase at the middle to lower end of 5.5-7.5% of gross monthly wage, or a wage increase of at least $105-$125, whichever is higher.
		Establishments that have not done well A wage increase at the lower end of 5.5-7.5% of gross monthly wage.

Annex B

SURVEY COVERAGE AND METHODOLOGY

WAGE ADJUSTMENTS AND ADOPTION OF NWC GUIDELINES FOR LOWER-WAGE EMPLOYEES 2025

Introduction

The *Survey on Annual Wage Changes, 2025* was conducted by the Manpower Research and Statistics Department of the Ministry of Manpower under the Statistics Act 1973 (2020 Revised Edition). The survey fieldwork was conducted from 23 February 2026 to 25 May 2026.

Objective

The survey was conducted to obtain information on wage changes of lower-wage employees in 2025 and forward expectations of establishments in 2026.

Coverage

The survey covered private sector establishments with at least 10 employees. 5,396 private establishments responded to the survey, yielding a survey response rate of 86.9%.

The results were weighted to reflect the population of private sector establishments with at least 10 employees by using expansion factors based on sampling fraction.

Methodology

The survey was conducted using online questionnaires. Respondents could submit their returns online, with clarifications made over the phone.

Reference Period

The reference period for the survey was from March 2025 to March 2026.

Data Collected

Establishments were asked if they provided a built-in wage increase to employees earning a gross monthly wage of up to $2,700, and the quantum given. The information collected pertains to full-time employees on the CPF scheme who had been with the establishment for at least one year as at 31 March 2026.

Analysis

Findings on wage changes of lower-wage employees in the private sector in 2025 are based on private establishments with at least 10 employees.

Classification

The industries of the surveyed establishments were classified according to the Singapore Standard Industrial Classification (SSIC) 2020.

FEEDBACK FORM

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1. How would you rate this report in terms of:

	Excellent	Good	Average	Poor
a) Relevance to your work	☐	☐	☐	☐
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2. Which area(s) of the report do you find most useful? Please provide reasons.

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3. How do you find the length of the report?

☐ Too detailed ☐ Just right ☐ Too brief

	Excellent	Good	Average	Poor
4. Overall, how would you rate this report?	☐	☐	☐	☐

5. What additional information (if any) would you like us to include in our future issues?

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