Report on Wage Practices 2022

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REPORT ON WAGE PRACTICES 2022

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Abbreviations

AVC	:	Annual Variable Component
AWC	:	Annual Wage Changes
AWS	:	Annual Wage Supplement
CPF	:	Central Provident Fund
CPI	:	Consumer Price Index
Excl.	:	Excluding
FWS	:	Flexible Wage System
GDP	:	Gross Domestic Product
Incl.	:	Including
MOM	:	Ministry of Manpower
MTI	:	Ministry of Trade and Industry
MVC	:	Monthly Variable Component
NWC	:	National Wages Council
NRAF	:	Non Rank-and-File
RAF	:	Rank-and-File
VB	:	Variable Bonus

Executive Summary

The wage situation continued to improve in 2022 compared to 2021. As the Singapore economy continued to grow in 2022, there was a strong increase in the proportion of profitable firms. As a result, more firms were able to raise their employees' wages in 2022 compared to 2021. Nominal wage growth in 2022 (6.5%) was at its highest in a decade. However, after accounting for inflation[1], real wage growth slowed significantly to 0.4% and was lower than in 2021 (1.6%).

Based on recent polls on wage expectations conducted in the first quarter of 2023[2], more firms expressed an intention to raise the wages of their employees, in March 2023 compared to December 2022, amidst stiff competition to attract and retain talent. However, against the backdrop of the global economic slowdown and a more uncertain business environment, firms are likely to take a more cautious approach regarding salary increments. In addition, inflation is forecasted to remain elevated[3]. Hence, nominal and real wage growth are expected to moderate in 2023.

Summary of findings

The proportion of profitable establishments rose to 83.9% in 2022. Nominal wages of full-time employees who had been with the same employer for at least one year rose by 6.5% in 2022. This was significantly higher than in 2021 (3.9%), and the highest in a decade. It reflected the efforts by firms to restore wages of employees who experienced wage cuts during the pandemic years, as well as give higher increases to retain staff amidst competition for workers.

While prices have risen, nominal wage growth kept pace with inflation, allowing real wages to grow marginally in 2022 (0.4%). The real wage growth in 2022 was lower than in 2021 (1.6%).

Among establishments that gave wage increases, the magnitude of increase in 2022 (7.9%) was larger than in 2021 (6.3%). Among establishments which gave wage cuts, the magnitude of wage cut was also less steep than the previous year (from -5.2% to -4.5%).

All industries experienced higher wage growth in 2022 compared to 2021. However, the magnitude of increase was varied across industries. *Accommodation* and *Retail Trade* registered above-average wage increases (9.7% and 6.7% respectively), as firms in these industries raised wages to retain workers amidst the strong recovery in Singapore's tourism and a tight labour market.

In its 2021/2022 guidelines, the National Wages Council encouraged firms to adopt a flexible wage system. Following this, the proportion of firms which implemented some form of Flexible Wage System rose from 75.4% in 2021 to 80.6% in 2022. This was the first increase after a downward trend in the past five years.

[1] The inflation rate was significantly higher in 2022 (6.1%) compared to 2021 (2.3%). Source: Department of Statistics.
[2] The proportion of firms which planned to raise wages rose from 25.3% in December 2022 to 38.2% in March 2023. Source: Manpower Research & Statistics Department, MOM.
[3] MAS Monetary Policy Statement – April 2023.

Report on Wage Practices 2022

1 Introduction

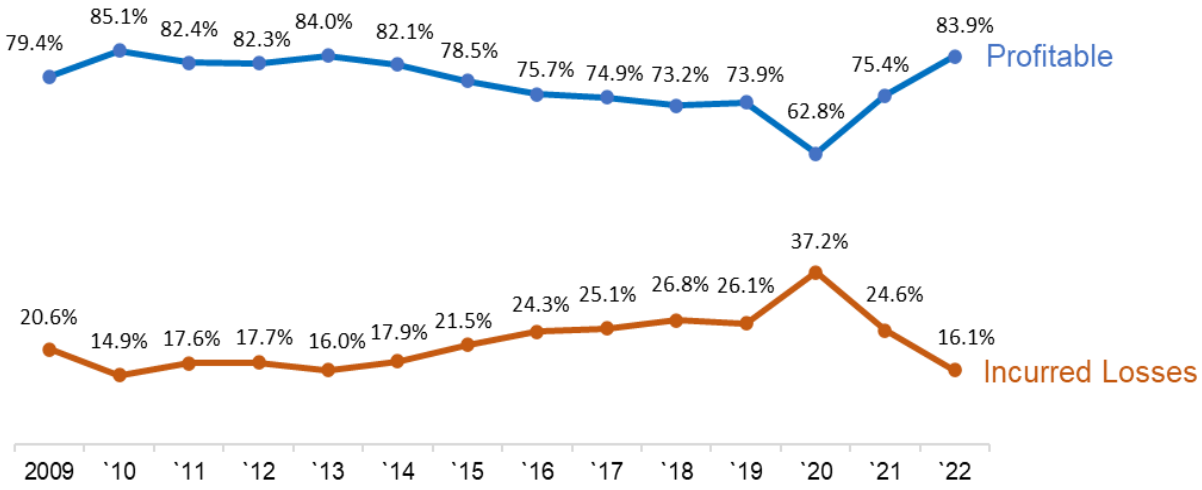
1.1 The data presented in this report are obtained from MOM's Annual Wage Change (AWC) survey on private sector establishments. The survey captures information on wage changes of full-time resident employees in continuous employment with the same employer for at least a year. This removes the effects due to compositional changes such as job change, new entrants and focuses on the wage experience of the majority of employees in the workforce[4]. The survey coverage and methodology are explained in Annex 2.

2 Key Findings

Profitability Status

2.1 As the Singapore economy continued to grow in 2022[5], the proportion of profitable establishments rose for the second consecutive year, from 75.4% in 2021 to 83.9% in 2022 (Chart 1). The proportion of profitable establishments increased across all industries.

Chart 1: Proportion of Establishments by Profitability Status, 2009-2022



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

Note: Based on private sector establishments that disclosed their profit status.

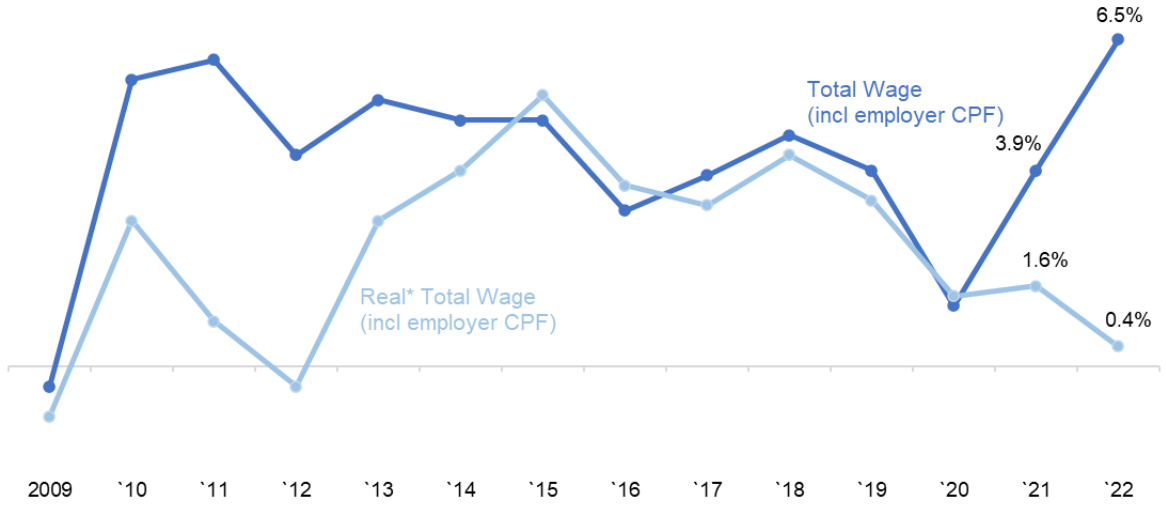
[4] Based on the Labour Force in Singapore 2022 report, 82.1% of resident employees in the workforce were in their jobs for at least one year.
[5] The Singapore economy continued to expand by 3.6% in 2022. Source: MTI.

Wage Trends

2.2 Nominal total wages[6] of full-time resident employees rose by 6.5% in 2022 (Chart 2), significantly higher than 2021 (3.9%), and the highest in a decade. This reflected the efforts by firms to restore wages of some employees who experienced wage cuts during the pandemic years, as well as give higher wage increases to other employees to retain staff amidst competition for workers.[7]

2.3 While prices have risen, nominal wage growth more than kept pace with inflation, allowing real wages to grow marginally in 2022 (0.4%). The real wage growth in 2022 was lower than in 2021 (1.6%).

Chart 2: Total Wage Change (Incl. Employer CPF), 2009-2022

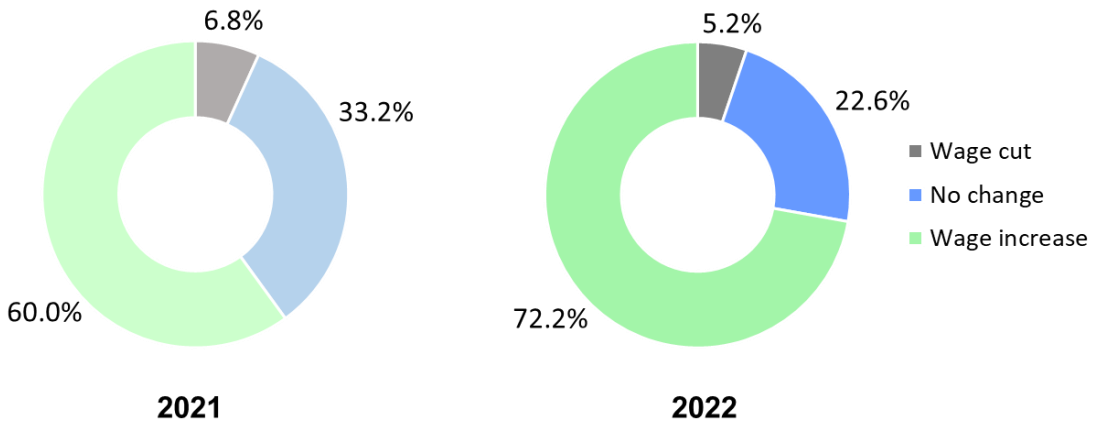


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

2.4 The proportion of establishments which gave wage increases rose from 60.0% in 2021 to 72.2% in 2022 (Chart 3), along with the increase in proportion of profitable firms. The proportion of establishments which provided wage increases was also slightly higher than the pre-pandemic level in 2019 (69.2%). Establishments which cut the wages of their employees remained the small minority at 5.2%, and the remainder (22.6%) left wages of their employees unchanged.

[6] Basic wage growth and bonuses (or Annual Variable Component (AVC)) were higher in 2022 compared to 2021. The basic wage change increased from 3.2% in 2021 to 5.1% in 2022. Bonuses rose from 1.84 months in 2021 to 1.93 months in 2022.
[7] The job vacancy rate increased from 4.7% in 2021 to 5.1% in 2022 and was higher than pre-COVID levels. Source: Labour Market Survey, Manpower Research & Statistics Department, MOM.

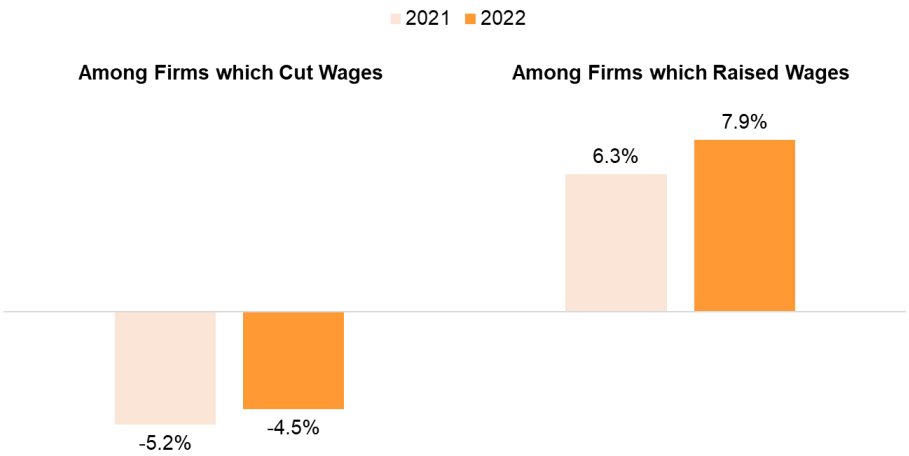
Chart 3: Distribution of Establishments by Total Wage Change



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

2.5 Among establishments that gave wage increases, the magnitude of increase was larger in 2022 (7.9%) compared to 2021 (6.3%) (Chart 4). Among establishments which gave wage cuts, the magnitude of wage cut was also less steep than the previous year (from -5.2% to -4.5%).

Chart 4: Magnitude of Total Wage Change among Establishments

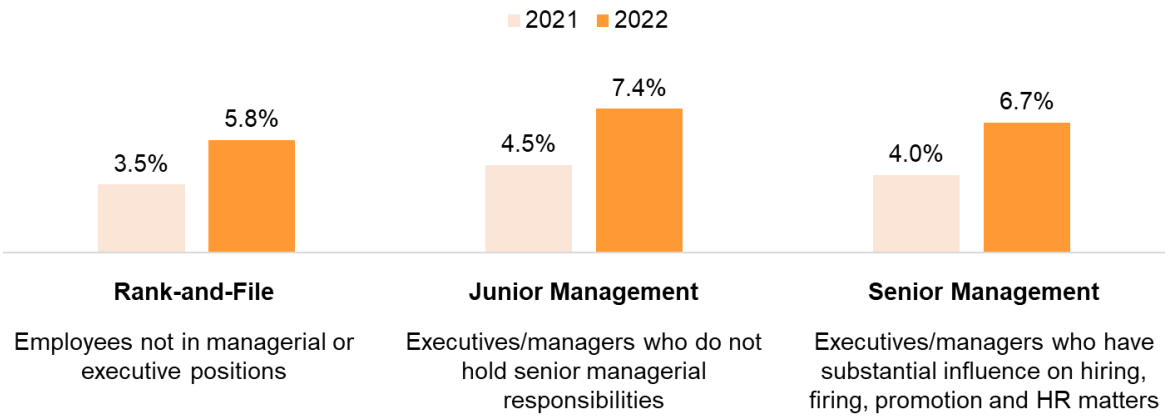


Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Wage Change by Employee Type

2.6 Rank-and file (RAF), junior management and senior management employees all experienced higher wage growth in 2022 compared to 2021 (Chart 5). The increases in 2022 were also higher than the pre-pandemic period in 2019 (RAF: 3.8%, junior management: 4.1%, senior management: 3.9%).

Chart 5: Total Wage Change by Employee Type



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

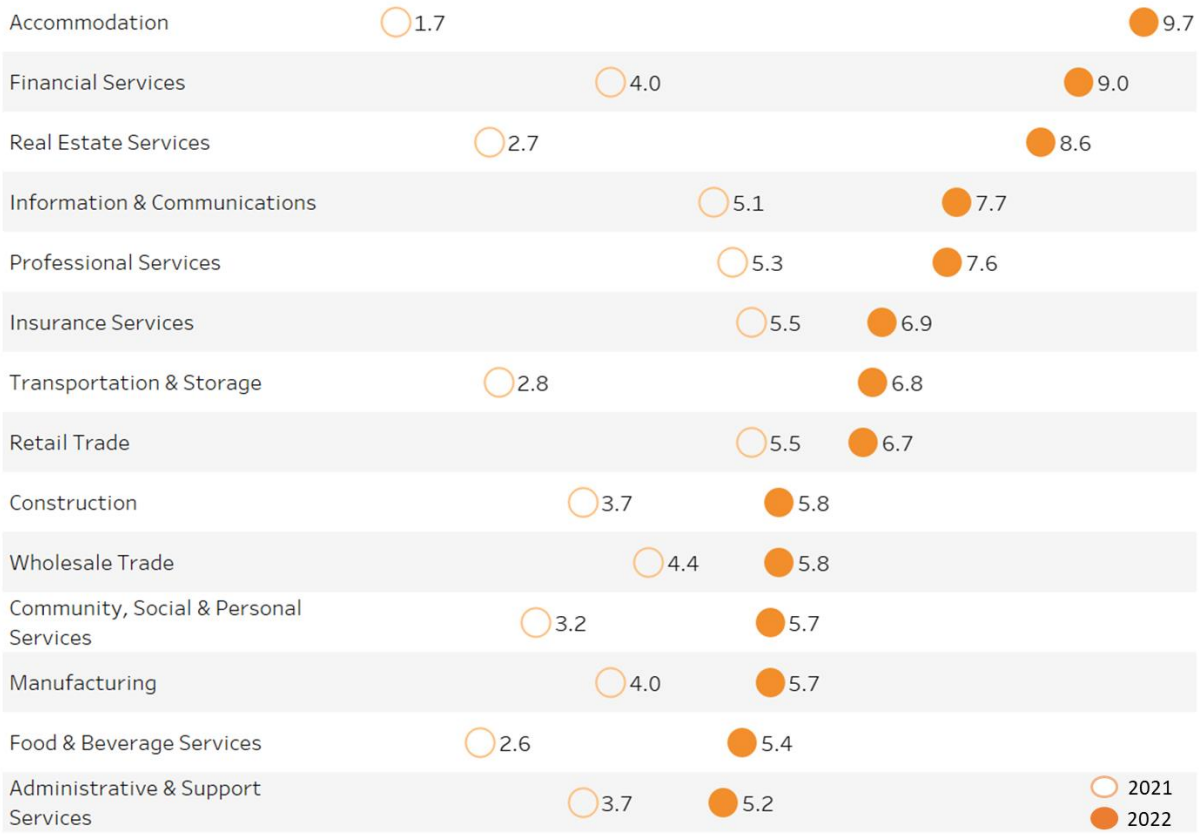
Wage Change by Industry

2.7 In 2022, all industries saw higher wage growth compared to 2021 (Chart 6). However, the magnitude of increase varied across industries. *Accommodation* and *Retail Trade* registered above-average wage increases (9.7% and 6.7% respectively), as firms in these industries offered higher wages to keep their workers amidst the strong recovery in Singapore's tourism and a tight labour market.

2.8 Outward-oriented sectors of *Financial* Services (9.0%), *Information & Communications* (7.7%) and *Professional Services* (7.6%) continued to register robust wage increases in 2022, alongside sustained manpower demand in these industries.[8]

2.9 In 2022, wage increases were lower in *Manufacturing* (5.7%) and *Wholesale Trade* (5.8%), which were affected by global supply chain disruptions and weakness in trade-related activities.

Chart 6: Total Wage Change by Industry (%)



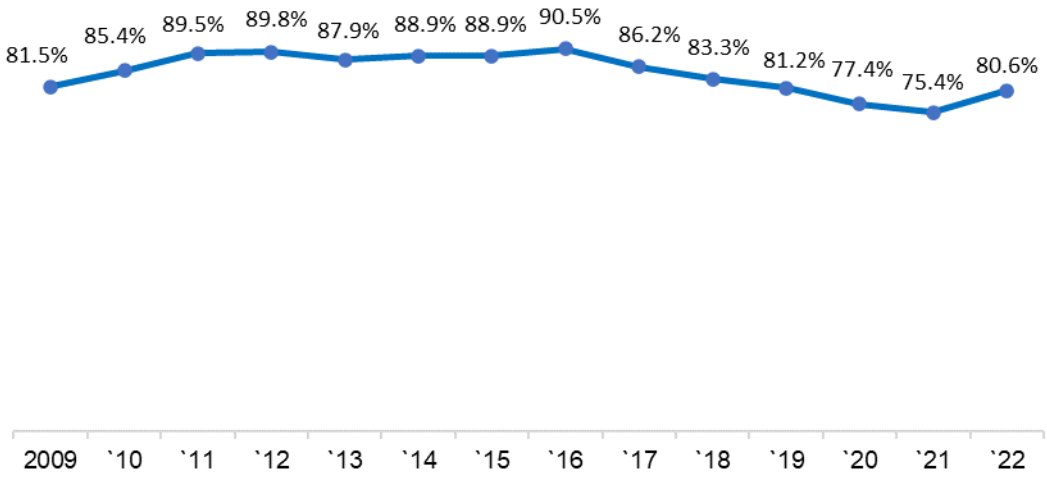
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

[8] Job vacancy rates rose in *Financial Services* (2021: 5.3%, 2022: 5.8%) *and Professional Services* (2021: 5.0%, 2022: 5.4%) while *Information & Communications* (2021: 9.0%, 2022: 8.7%) continued to see highest job vacancy rate across industries in 2022. Source: Labour Market Survey, Manpower Research & Statistics Department, MOM.

Flexible Wage System

2.10 In its 2021/22 guidelines, the National Wages Council (NWC) encouraged firms to adopt a Flexible Wage System (FWS). [9] Following this, the proportion of firms which implemented some form of FWS rose from 75.4% in 2021 to 80.6% in 2022 (Chart 7). This was the first increase after a downward trend in the past five years. The increase was broad-based across industries.

Chart 7: Proportion of Establishments which Implemented Some Form of Flexible Wage System, 2009-2022



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

[9] In its 2021/2022 guidelines released in end October 2021, the National Wages Council recommended firms to build up their variable wage components and adopt the Flexible Wage System. This includes putting restored wages or wage increases into variable components, and transferring a part of fixed wages to variable wage components as needed. The 2022/2023 guidelines continued to focus on encouraging firms to adopt a flexible wage system.

3 Conclusion

3.1 Based on recent polls on wage expectations conducted in the first quarter of 2023, more firms expressed intentions to raise the wages of their employees in March 2023, compared to December 2022, amidst stiff competition among firms to attract and retain talent. However, against the backdrop of the global economic slowdown and a more uncertain business environment, firms are likely to take a more cautious approach regarding salary increments. Hence, wage growth is expected to moderate in 2023.

Annex 1

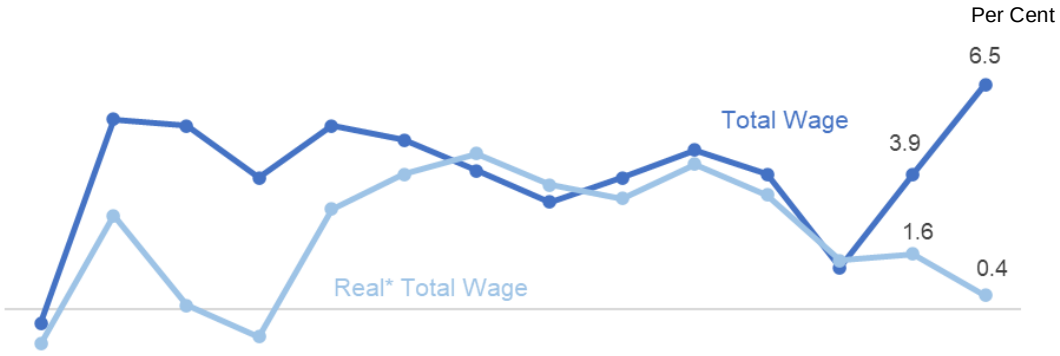
Chart A1: Total Wage and Basic Wage Changes, 2009-2022

Total Wage (Incl. Employer CPF)



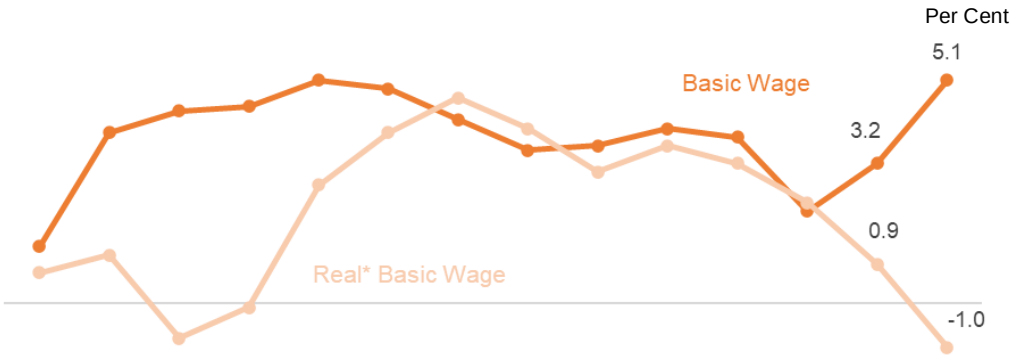
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Wage	-0.4	5.7	6.1	4.2	5.3	4.9	4.9	3.1	3.8	4.6	3.9	1.2	3.9	6.5
Real* Total Wage	-1.0	2.9	0.9	-0.4	2.9	3.9	5.4	3.6	3.2	4.2	3.3	1.4	1.6	0.4

Total Wage (Excl. Employer CPF)



	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Wage	-0.4	5.5	5.3	3.8	5.3	4.9	4.0	3.1	3.8	4.6	3.9	1.2	3.9	6.5
Real* Total Wage	-1.0	2.7	0.1	-0.8	2.9	3.9	4.5	3.6	3.2	4.2	3.3	1.4	1.6	0.4

Basic Wage (Excl. Employer CPF)



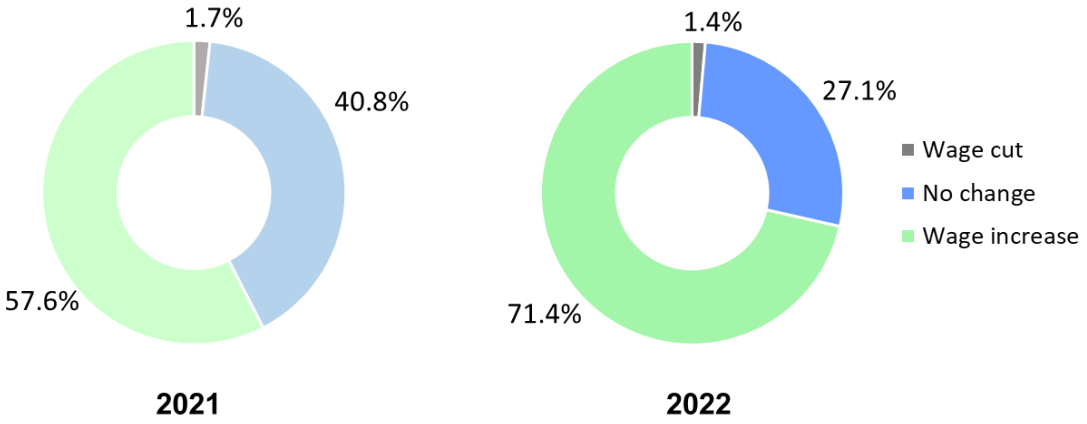
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Basic Wage	1.3	3.9	4.4	4.5	5.1	4.9	4.2	3.5	3.6	4.0	3.8	2.1	3.2	5.1
Real* Basic Wage	0.7	1.1	-0.8	-0.1	2.7	3.9	4.7	4.0	3.0	3.6	3.2	2.3	0.9	-1.0

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

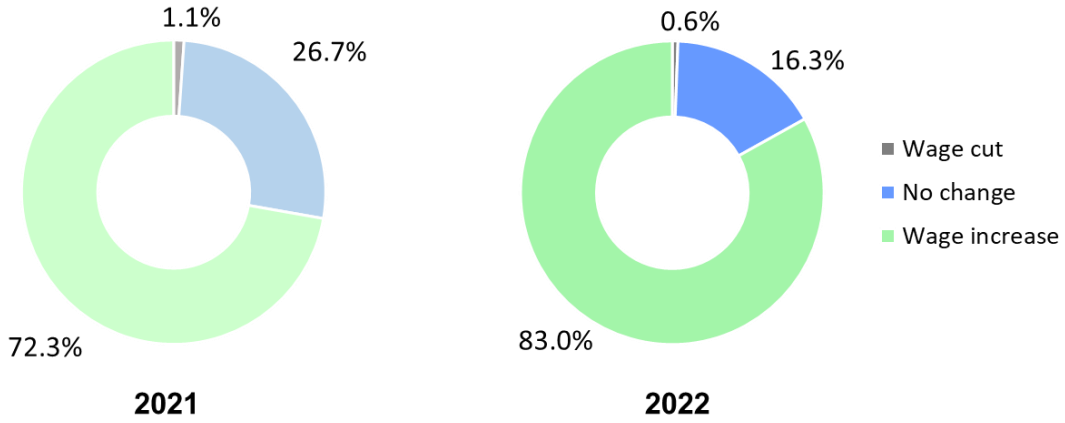
Note: * - Deflated by Consumer Price Index (CPI) for all items at 2019 prices (2019 =100)

Chart A2: Distribution by Basic Wage Change

Establishments



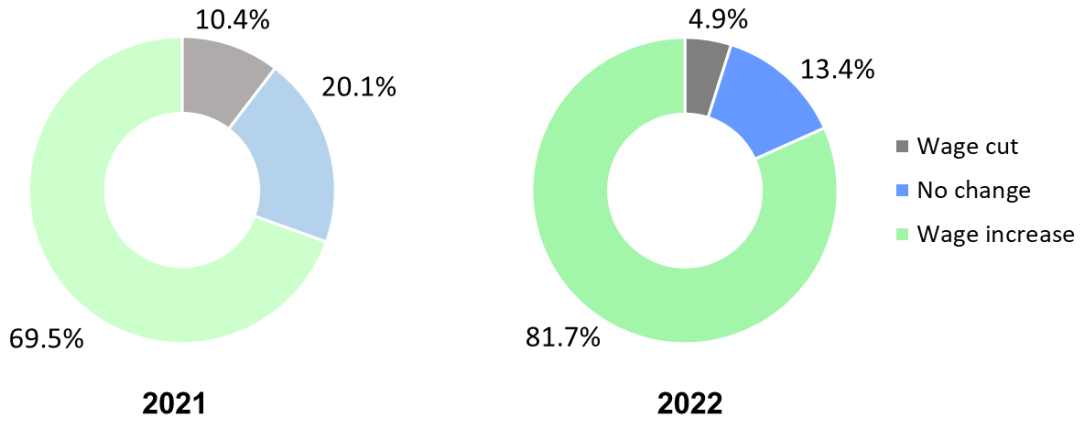
Employees



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

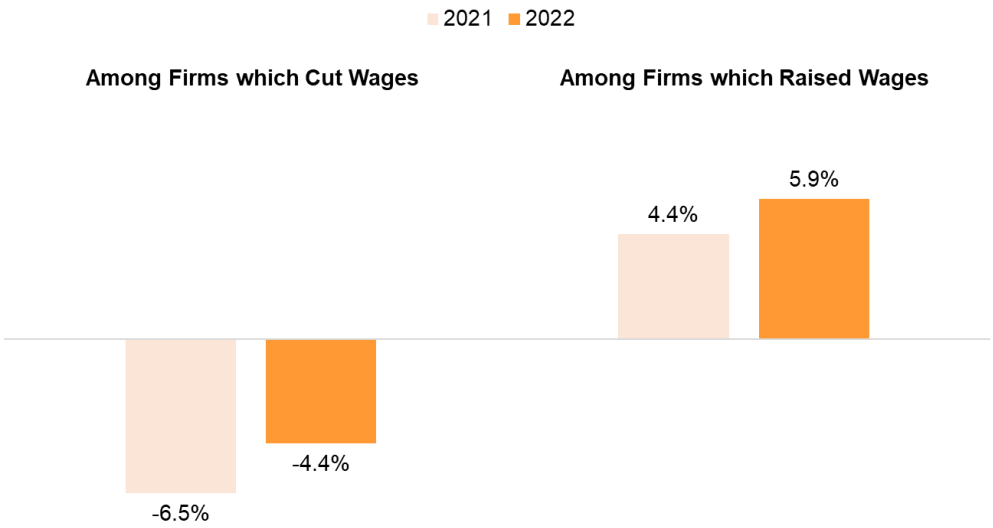
Note: Figure may not sum up to 100% due to rounding.

Chart A3: Distribution of Employees by Total Wage Change



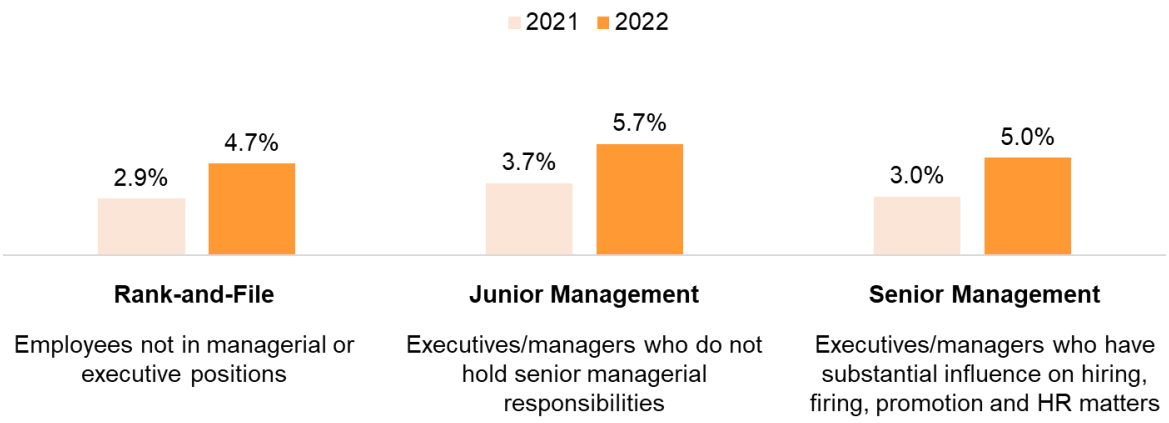
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Chart A4: Extent of Basic Wage Change among Establishments



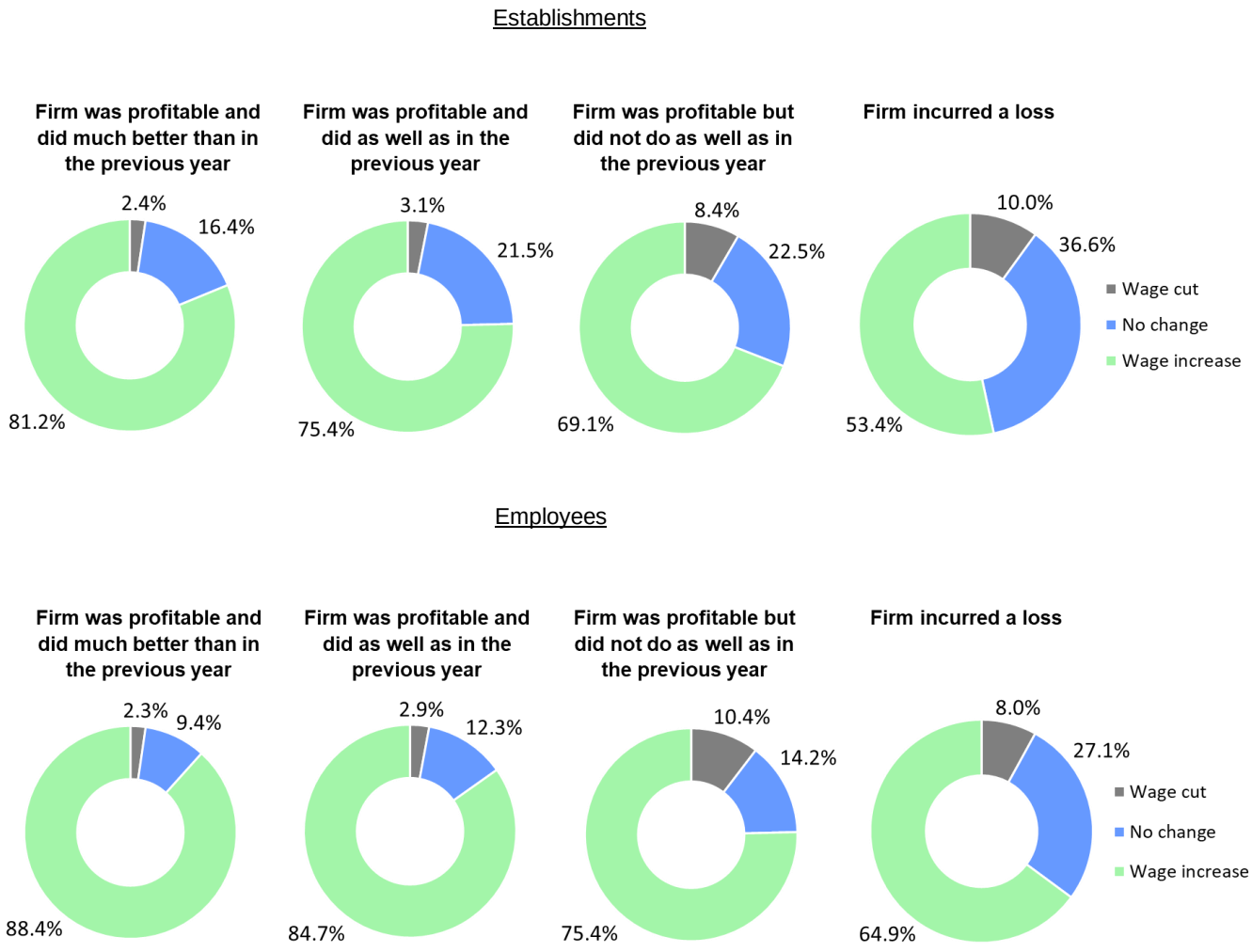
Source: Survey on Annual Wage Changes, Manpower Research and Statistics Department, MOM

Chart A5: Basic Wage Change by Type of Employees



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

Chart A6: Distribution by Total Wage Change and Detailed Profit Status, 2022



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

Notes: (1) Figure may not sum up to 100% due to rounding.
(2) Based on private establishments that disclosed their profit status.

Table A1: Total Wage Change by Profit Status

Profit Status	Type	Total Wage Change (%)	
		2021	2022
Profitable and did much better than previous years	Total	5.5	8.3
	RAF	4.5	7.1
	NRAF	6.2	9.5
Profitable and did as well as previous year	Total	4.3	6.4
	RAF	4.5	5.9
	NRAF	4.2	6.9
Profitable but did not do as well as previous year	Total	2.3	5.2
	RAF	2.0	5.1
	NRAF	2.6	5.3
Incurred a loss	Total	2.3	4.8
	RAF	2.0	4.1
	NRAF	2.6	5.5

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

Notes: (1) Based on private establishments that disclosed their profit status.
(2) RAF refers to rank-and-file, NRAF comprise junior and senior management employees.

Table A2: Wage Change by Industry

Per cent

Industry (SSIC 2020)	Type	Total Wage Change		Basic Wage Change	
		2021	2022	2021	2022
Total	Total	3.9	6.5	3.2	5.1
	RAF	3.5	5.8	2.9	4.7
	NRAF	4.3	7.1	3.4	5.5
Manufacturing	Total	4.0	5.7	3.1	4.5
	RAF	3.4	5.3	3.1	4.2
	NRAF	4.5	6.2	3.1	4.8
Construction	Total	3.7	5.8	2.7	4.2
	RAF	3.6	6.1	2.6	4.4
	NRAF	3.7	5.6	2.8	4.1
Services	Total	3.9	6.7	3.3	5.3
	RAF	3.5	5.8	2.9	4.8
	NRAF	4.3	7.5	3.6	5.7
Wholesale Trade	Total	4.4	5.8	3.0	4.3
	RAF	3.9	5.2	2.7	4.0
	NRAF	4.9	6.3	3.3	4.5
Retail Trade	Total	5.5	6.7	2.3	6.5
	RAF	6.3	6.8	2.1	6.7
	NRAF	3.8	6.5	2.7	6.1
Transportation & Storage	Total	2.8	6.8	2.5	4.5
	RAF	2.0	5.6	2.3	4.4
	NRAF	4.3	9.0	2.9	4.7
Accommodation	Total	1.7	9.7	0.8	4.9
	RAF	2.1	9.8	0.8	4.9
	NRAF	1.4	9.7	0.9	4.9
Food & Beverage Services	Total	2.6	5.4	2.3	4.3
	RAF	2.5	5.1	2.3	4.0
	NRAF	3.0	6.1	2.5	4.8
Information & Communications	Total	5.1	7.7	4.0	6.7
	RAF	4.4	7.5	3.5	6.8
	NRAF	5.4	7.8	4.3	6.7
Financial Services	Total	4.0	9.0	4.2	7.1
	RAF	2.5	9.1	3.4	6.5
	NRAF	4.3	9.1	4.4	7.2
Insurance Services	Total	5.5	6.9	2.8	5.4
	RAF	4.8	6.8	2.9	5.3
	NRAF	5.7	6.9	2.8	5.4
Real Estate Services	Total	2.7	8.6	2.9	6.1
	RAF	2.8	7.4	2.9	5.8
	NRAF	2.6	10.1	2.9	6.3
Professional Services	Total	5.3	7.6	4.0	6.5
	RAF	4.0	6.0	3.2	4.7
	NRAF	5.9	8.5	4.3	7.5
Administrative & Support Services	Total	3.7	5.2	3.5	4.9
	RAF	4.2	5.1	4.0	4.9
	NRAF	2.3	5.6	1.8	4.6
Community, Social & Personal Services	Total	3.2	5.7	3.5	4.4
	RAF	3.1	5.5	3.4	4.2
	NRAF	3.3	5.9	3.5	4.6

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

Note: RAF refers to rank-and-file, NRAF comprise junior and senior management employees.

Table A3: Annual Variable Component by Industry

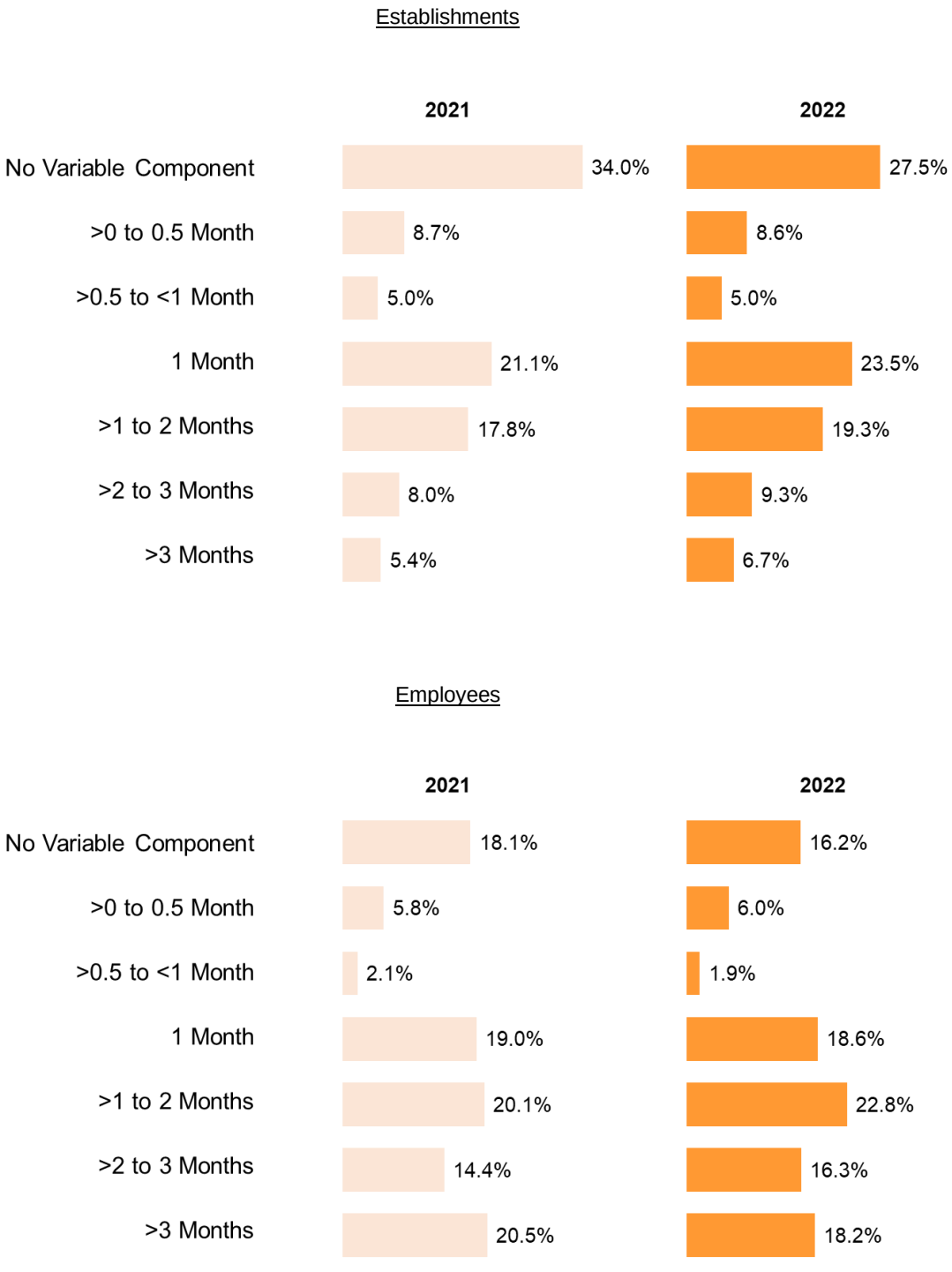
Months of Basic Wage

Industry (SSIC 2020)	Type	Annual Variable Component	
		2021	2022
Total	Total	1.84	1.93
	RAF	1.50	1.56
	NRAF	2.15	2.29
Manufacturing	Total	1.81	2.08
	RAF	1.61	1.87
	NRAF	1.99	2.30
Construction	Total	1.02	1.16
	RAF	0.92	0.97
	NRAF	1.09	1.34
Services	Total	1.91	1.97
	RAF	1.51	1.54
	NRAF	2.27	2.39
Wholesale Trade	Total	1.85	2.19
	RAF	1.52	1.78
	NRAF	2.16	2.51
Retail Trade	Total	2.09	2.15
	RAF	2.26	2.32
	NRAF	1.73	1.77
Transportation & Storage	Total	1.92	1.91
	RAF	1.64	1.69
	NRAF	2.40	2.29
Accommodation	Total	1.10	1.98
	RAF	1.17	1.96
	NRAF	1.05	1.99
Food & Beverage Services	Total	0.61	0.85
	RAF	0.56	0.80
	NRAF	0.72	0.97
Information & Communications	Total	1.69	1.78
	RAF	1.52	1.71
	NRAF	1.78	1.83
Financial Services	Total	3.21	3.39
	RAF	3.02	2.24
	NRAF	3.25	3.61
Insurance Services	Total	2.45	2.42
	RAF	1.75	1.82
	NRAF	2.64	2.61
Real Estate Services	Total	1.69	1.95
	RAF	1.32	1.46
	NRAF	2.00	2.52
Professional Services	Total	2.31	1.92
	RAF	2.08	1.68
	NRAF	2.42	2.05
Administrative & Support Services	Total	0.72	0.78
	RAF	0.63	0.68
	NRAF	1.04	1.15
Community, Social & Personal Services	Total	2.06	2.14
	RAF	1.81	1.78
	NRAF	2.28	2.47

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

Notes: (1) RAF refers to rank-and-file, NRAF comprise junior and senior management employees.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. This table is based on annual variable component collected in the reference year.

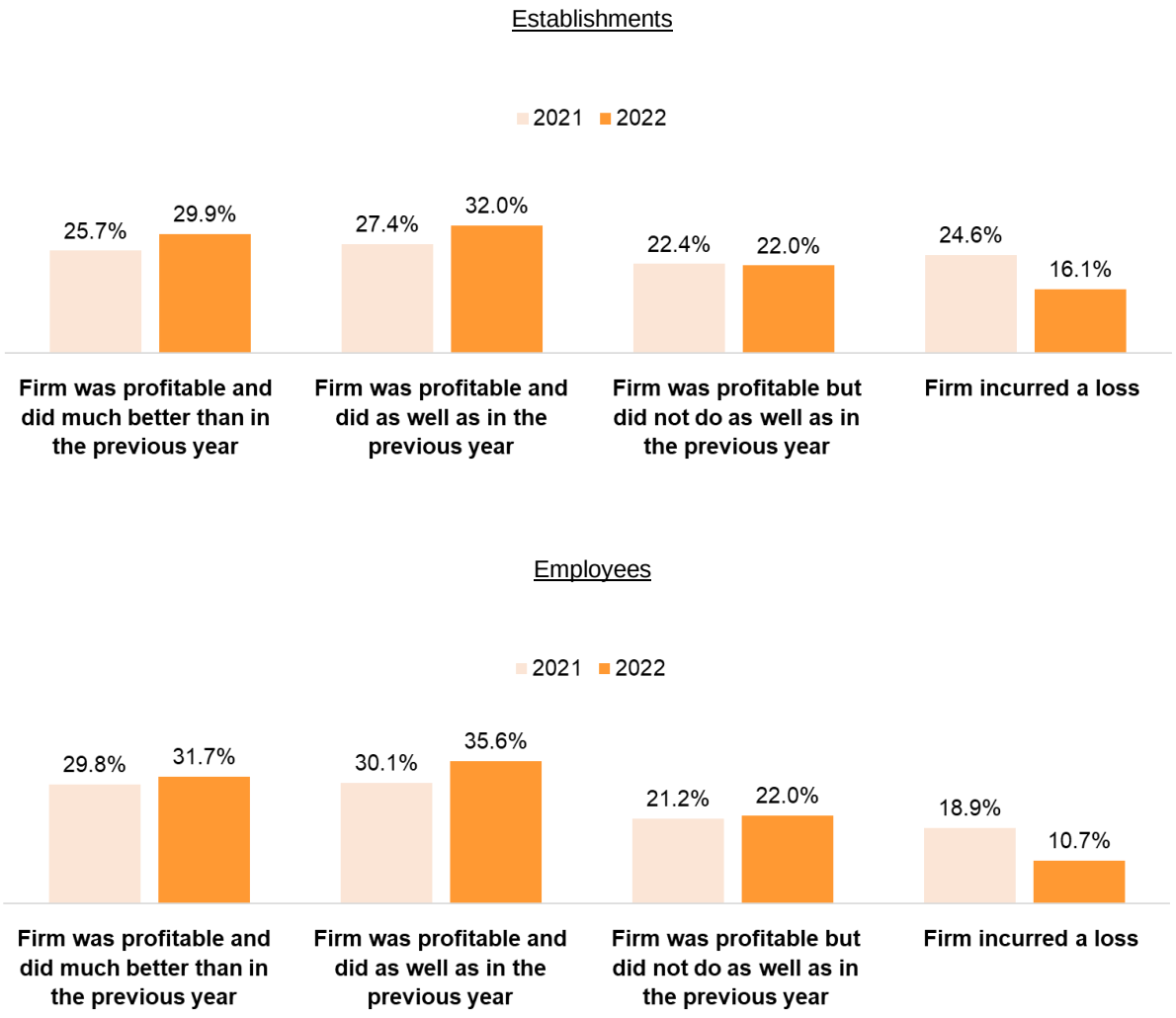
Chart A7: Distribution by Quantum of Annual Variable Component



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

Notes: (1) Figures may not sum up to 100% due to rounding.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

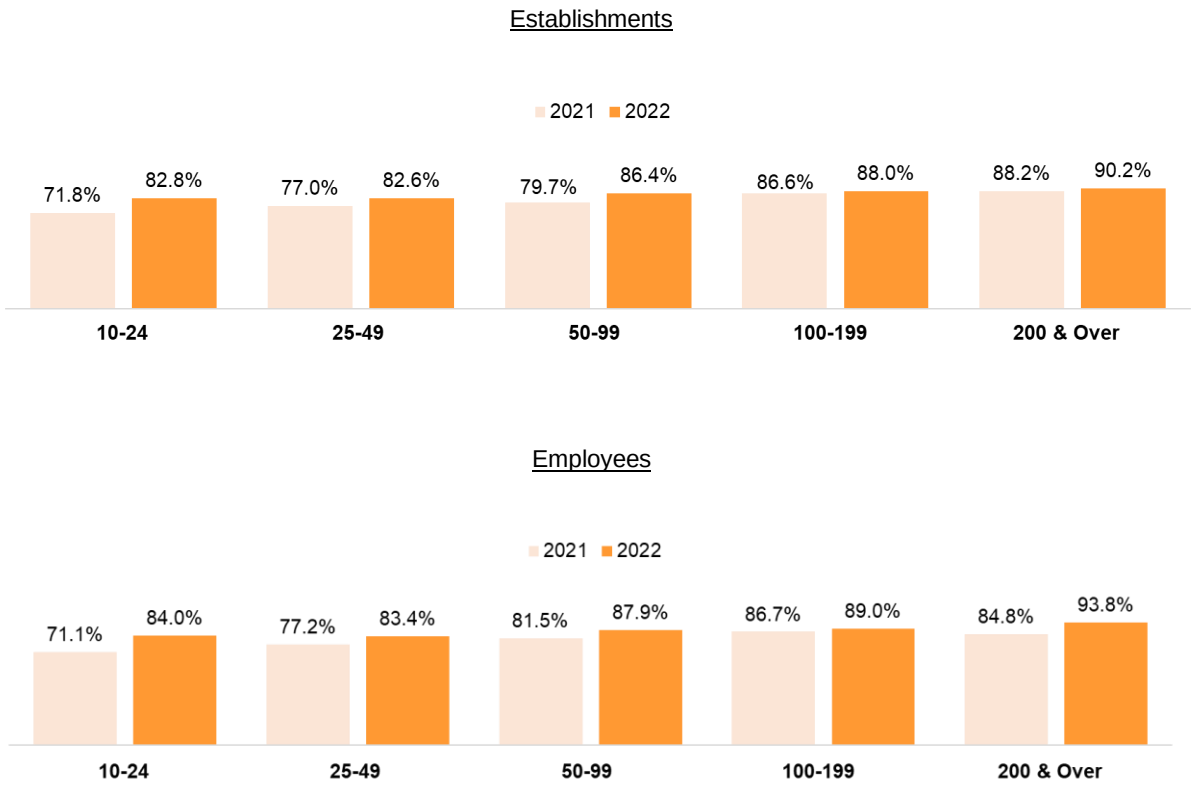
Chart A8: Distribution by Detailed Profit Status



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

Notes: (1) Figure may not sum up to 100% due to rounding.
(2) Based on private establishments that disclosed their profit status.

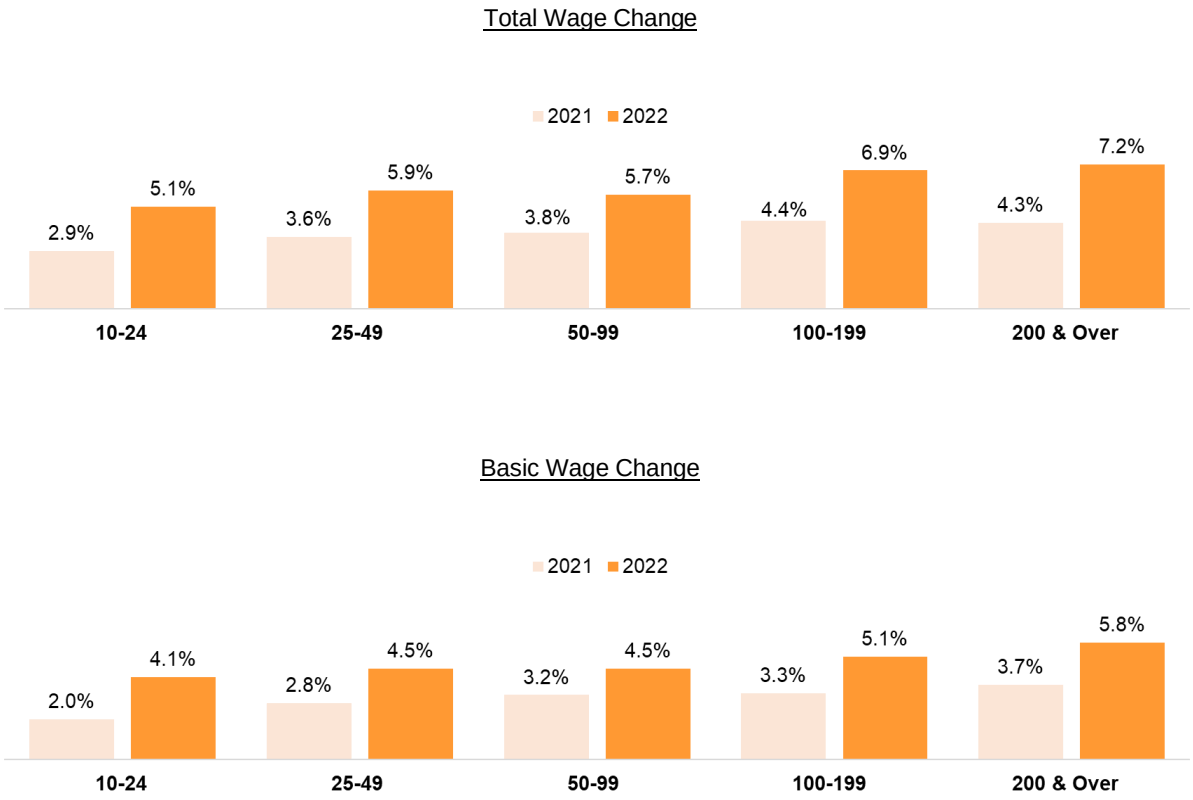
Chart A9: Proportion of Profitable Establishments and Employees by Establishment Size



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

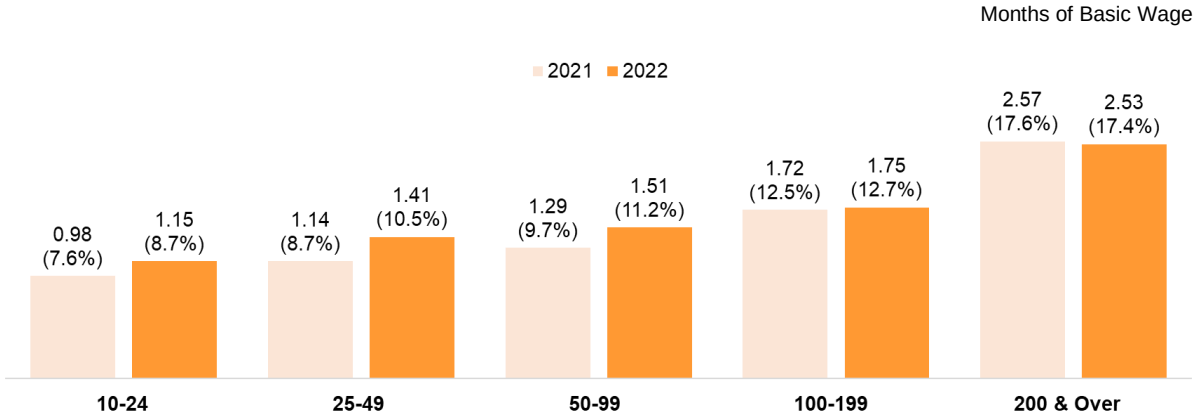
Note: Based on private sector establishments that disclosed their profit status

Chart A10: Wage Change by Establishment Size



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

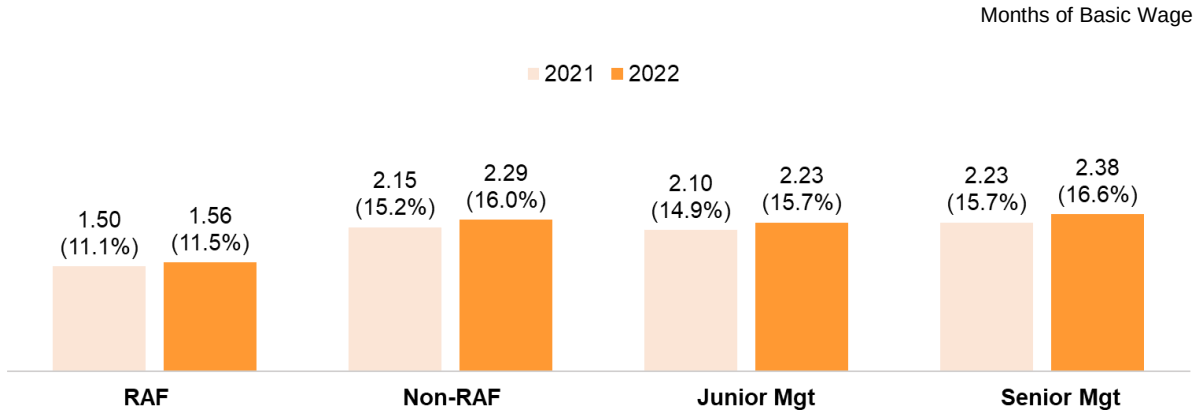
Chart A11: Annual Variable Component by Establishment Size



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

Notes: (1) Figures in brackets refer to annual variable component as a proportion of total wages.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

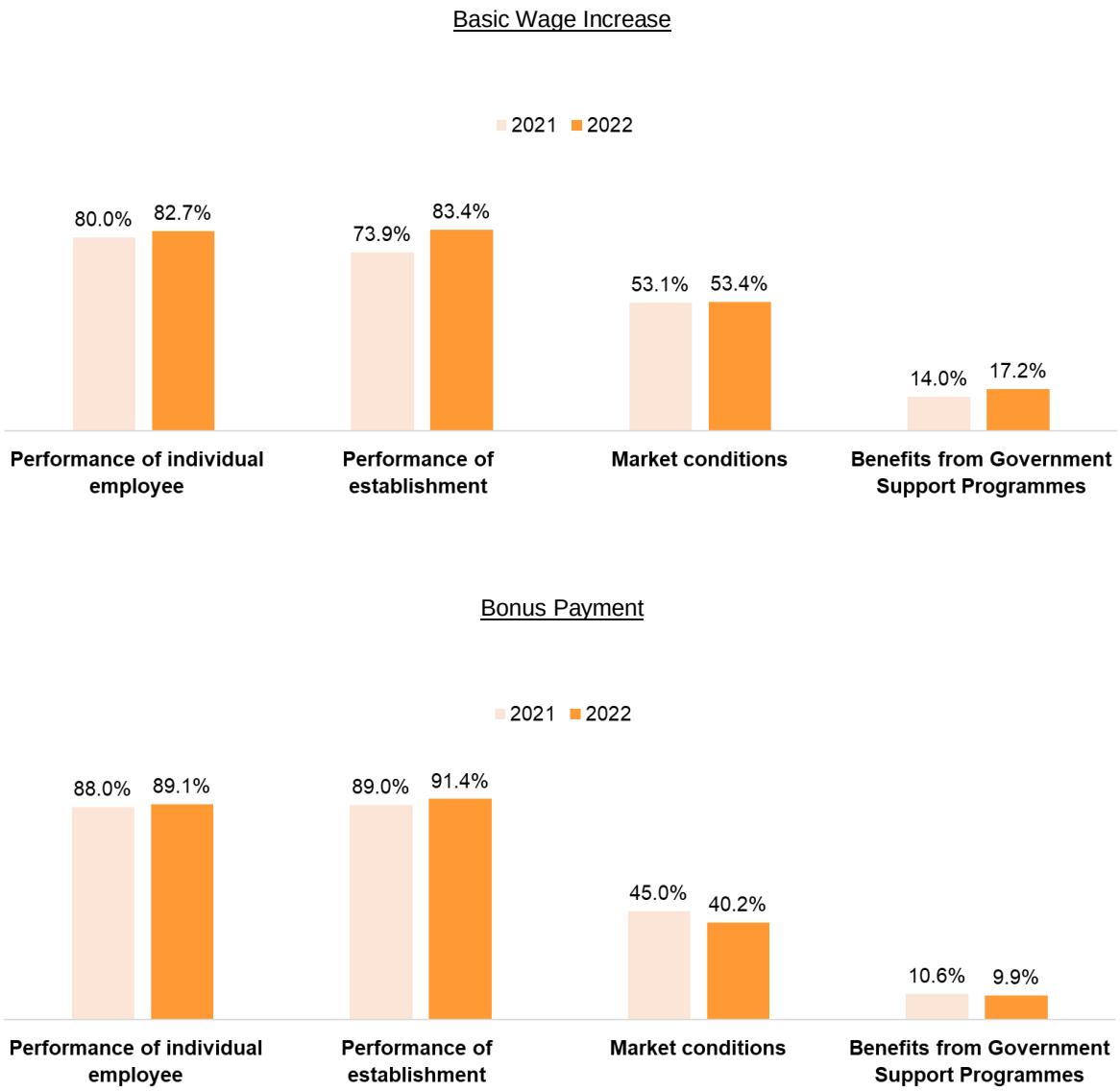
Chart A12: Annual Variable Component by Employee Type



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

Notes: (1) RAF refers to rank-and-file. Non-RAF comprise junior and senior management employees.
(2) Data on annual variable component for a reference year is collected twice. Once during the reference year and once more a year later to facilitate calculation of total wage changes in the same establishment received by a fixed cohort of employees. Data in this chart are based on annual variable component collected in the reference year.

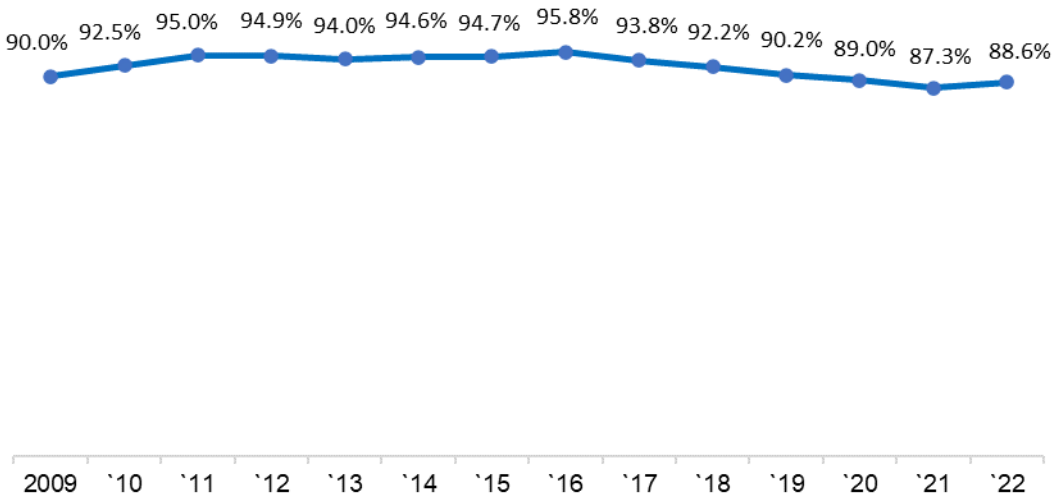
Chart A13: Proportion of Establishments by Factors Considered when determining Basic Wage Increases and Bonus Payment



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

Notes: (1) Based on private establishments that had basic wage increase and/or bonus payment in their wage structure respectively.
(2) Figures may not sum up to 100% as multiple selections were allowed.

Chart A14: Proportion of Employees under Some Form of Flexible Wage System, 2009-2022



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

Annex 2

SURVEY COVERAGE AND METHODOLOGY

SURVEY ON ANNUAL WAGE CHANGES, 2022

Introduction

The *Survey on Annual Wage Changes, 2022* 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 1 January 2023 to 14 April 2023.

Objective

The survey was conducted to obtain information on the extent of wage changes in 2022.

Coverage

The survey covered private sector establishments with at least 10 employees. Some 5,759 private establishments responded to the survey. These establishments employed 1,119,600 employees which included 520,500 resident full-time employees on the Central Provident Fund (CPF) scheme with at least 1 year in service (comprising 242,200 rank-and-file employees, 188,300 junior and 90,100 senior management staff) and 381,700 non-resident employees. Resident full-time employees with less than a year of service, or on part-time formed the remaining 217,400. The survey response rate was 85.3%.

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 November 2021 to November 2022.

Data Collected

The establishments were asked to provide information on the average basic wage change, Annual Wage Supplement (AWS) and Variable Bonus (VB) to employees in 2022. 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 30 November 2022.

Analysis

Findings on the extent of wage changes in private sector in 2022 is based on private establishments with at least 10 employees. Unless otherwise stated, all data on annual variable component are based on data collected in the reference year.

Classification

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

Reliability of Data

In a sample survey, inferences about the target population are drawn from the data collected from the sample. Errors due to extension of the conclusions based on one sample to the entire population are known as sampling errors. The sampling error of an estimate is the extent of variation between the estimated value obtained from a sample and the true value from the population. Factors influencing the sampling error include the sample size, the sample design, method of estimation, the variability of the population and the characteristics studied.

A common measure of the sampling error of an estimate is its standard error, which is a measure of the variation among the estimates derived from all possible samples. An alternative measure is the relative standard error of an estimate which indicates the standard error relative to the magnitude of the estimate. A sample estimate and an estimate of its standard error can be used to construct an interval that will, at specified levels of confidence, include the true value. By statistical convention, the confidence level has been set at 95 per cent.

Estimates of the sampling variability of selected indicators are as follows:

	Estimate	Standard Error	Relative Standard Error (%)	95% Confidence Interval	
				Lower	Upper
Total Wage Change (Incl. Employer CPF)^	6.5%	0.08%-pt	1.3%	6.3%	6.6%
Total Wage Change (Excl. Employer CPF)^	6.5%	0.08%-pt	1.3%	6.3%	6.6%
Basic Wage Change^	5.1%	0.06%-pt	1.1%	5.0%	5.2%
Variable Component^ (months of basic wage)	1.93	0.02	1.00%	1.89	1.96
Proportion of establishments which adopted some form of flexible wage system (FWS)#	88.6%	0.4%-pt	0.4%	87.8%	89.4%
Proportion of employees in establishments which adopted some form of flexible wage system (FWS)#	80.6%	0.7%-pt	0.8%	79.3%	81.9%

Notes:
(1) ^ Wage growth pertains to wage increases granted by private sector establishments (with at least 10 employees) to full-time employees on CPF Scheme who were in continuous employment for at least a year.
(2) # This refers to those who had adopted either the monthly variable component (MVC) or annual variable component (AVC).

Concepts and Definitions

Total number of paid employees:	This refers to the number of persons, both local and foreign, working directly for the establishment, including employees who on this day are on sick leave, annual leave, etc. but are still on the establishment's payroll. These permanent and/or temporary employees can work on a full-time or part-time basis. It includes piece-rated workers but excludes workers who work 'on and off' (e.g. exhibition and convention workers hired especially for an event for short durations (say 3 – 5 days)).
Local employees:	This refers to Singapore Citizens and Permanent Residents.
Rank-and-File Employees:	This includes employees who are in technical, clerical, sales, service, production, transport, cleaning and related positions. They are not employees in managerial or executive positions.
Junior Management Staff:	This refers to executives and managers who do not hold senior managerial responsibilities. They do not have substantial influence over hiring, firing, promotion, transfer, reward or discipline of employees.
Senior Management Staff:	This refers to executives and managers who have substantial influence over hiring, firing, promotion, transfer, reward or discipline of employees.
Basic Wage:	This refers to the total basic pay before deduction of the employees' CPF contributions and personal income tax. It excludes employers' CPF contributions, bonuses, overtime payments, commissions, allowances (e.g. shift, food, housing and transport), other monetary payments and payments-in-kind.
Basic Wage Adjustment:	This usually comprises wage adjustments and built-in increments such as annual (or service), merit and NWC increments. Promotional increments are excluded.

Annual Wage Supplement (AWS):	This refers to the annual payment usually made at year-end and is commonly known as the 13th month allowance.
Variable Bonus (VB):	This refers to the payment given in addition to the AWS. It includes incentive payments and 'ang pows', but excludes AWS. The variable bonus is usually linked to establishment and/or individual performance and may vary from year to year. It may be paid in a lump sum or divided into several payments over the year; in which case the several payments should be added together.
Annual Variable Component (AVC):	This usually consists of 2 components i.e. AWS, and VB. Generally, the annual variable component is linked to establishment's profitability.
Monthly Variable Component (MVC):	This refers to the component of monthly basic wage that can be adjusted easily and quickly to meet changing business conditions. It should attract CPF, overtime pay, allowances, etc. The MVC can be built-up through wage increase or 'hived-off' from basic wage. Establishments can also implement a cut in basic wage by reducing MVC.
Market Conditions:	This can refer to a country's economic performance, industry's and/or transnational organisation's performance (in the case of multi-national corporation).

Formulae

- Basic Wage Change in 2022

$$= \frac{\text{End 2022 Basic Wage} - \text{End 2021 Basic Wage}}{\text{End 2021 Basic Wage}} \times 100\%$$

- Total Wage Change in 2022

$$= \frac{\text{2022 Total Wage} - \text{2021 Total Wage}}{\text{2021 Total Wage}} \times 100\%$$

where

Total Wage = Annual Basic Wage + Annual Variable Component (i.e. Annual Wage Supplement and Variable Bonus)

FEEDBACK FORM

Report Title: Report on Wage Practices 2022

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

	Excellent	Good	Average	Poor
a) Relevance to your work	☐	☐	☐	☐
b) Providing useful insights on prevailing labour market trends/development	☐	☐	☐	☐
c) Ease of understanding	☐	☐	☐	☐

2. Which area(s) of the report do you find most useful? Please provide reasons.

_____

_____

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?

_____

_____

6. Any other comments or suggestions you wish to bring to our attention?

_____

_____

Thank you for your valuable feedback

Name of Officer: _____ Designation: _____

Department: _____

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