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## **Press Release**

# **Civil Service Mid-year Payments go beyond NWC Recommendations for low-wage workers**

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***Mid-Year Annual Variable Component of 0.3-month for all civil servants***

***In addition:***

***Division IV Officers to get a wage increase of \$60 per month, over and above their normal annual increment.***

***Division III officers to get a wage increase of \$30 per month, over and above their normal annual increment.***

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The Singapore economy expanded modestly by 1.6% in the first quarter of 2012, compared to 3.6% in the previous quarter. The Ministry of Trade and Industry forecasts GDP growth of 1% to 3% for 2012. The global economy is also vulnerable to downside risks due to increased uncertainty in the Eurozone, the sluggish US labour market and slower growth in Asia arising from weak export performance.

Against this backdrop, the Government has decided to pay a mid-year Annual Variable Component (AVC) of 0.3-month.

The Government also considered the National Wages Council's (NWC) recommendation to grant a built-in wage increase of at least \$50 to low-wage workers earning up to \$1,000 per month, and decided to go beyond these recommendations for civil servants in Divisions IV and III.

Division IV<sup>1</sup> civil servants, including those earning more than \$1,000 a month, will get an additional increment of \$60 per month. This is in addition to their normal annual increments. Division IV civil servants who have reached the maximum of their salary scales will get the same wage increase of \$60<sup>2</sup> per month. This will benefit around 3,600 civil servants.

Division III<sup>3</sup> civil servants, all of whom earn more than \$1,000 per month, will get an additional increment of \$30 per month. This is in addition to their normal annual increments. Division III civil servants who have reached the maximum of their salary scales will get the same wage increase of \$30<sup>4</sup> per month. This will benefit around 5,900 civil servants.

The table below illustrates the impact of the NWC adjustments on the monthly salaries of Division IV and III civil servants:

<b>Officers</b>	<b>Monthly Salary in 2012 before increment</b>	<b>Normal Annual increment</b>	<b>Additional NWC Adjustment on 1 July 2012</b>	<b>Total increment for the year</b>	<b>Monthly Salary on 1 Jul 2012</b>
Officer A (Division IV)	\$1,000	+\$30	+\$60	+\$90	\$1,090
Officer B (Division III)	\$1,500	+\$50	+\$30	+\$80	\$1,580

The Civil Service's NWC adjustments for all Division IV and III civil servants respectively will benefit more than 9,500 civil servants. This signals the Government's strong commitment to help raise the salaries of lower-wage civil servants.

The mid-year AVC and the built-in wage increase for Division VI and III civil servants will be paid in July 2012. Illustrations of the revisions can be found in the worked examples in the attached factsheet.

<sup>1</sup> Division IV officers typically earn a gross monthly salary of between \$860 and \$1,540. This includes the employee's CPF contributions but excludes allowances and over-time payments.

<sup>2</sup> This means that the minimum and maximum monthly salary scales/ranges will also increase by \$60.

<sup>3</sup> Division III officers typically earn a gross monthly salary of between \$1,150 and \$2,700. This includes the employee's CPF contributions but excludes allowances and over-time payments.

<sup>4</sup> This means that the minimum and maximum monthly salary scales/ranges will also increase by \$30.

The Government will decide on the year-end AVC payment for civil servants after taking into consideration Singapore's economic performance in the second half of 2012.

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## Factsheet

### Worked Examples:

	<b>Officer A (Typical Division IV officer)</b>	<b>Officer B (Typical Division III officer)</b>
Job Title	Operations Support Officer	Corporate Support Officer
Job Functions	Basic office administrative support functions which may include registry duties and office maintenance.	General clerical duties in areas such as finance, accounting and personnel, or frontline officers serving members of the public.
Monthly salary scale	\$864 - \$1,064	\$1,250 - \$2,000
Monthly salary before increment	\$1,000	\$1,500
Annual Increment	+\$30	+\$50
<b>Additional NWC Built-in wage Increase</b>	<b>+\$60</b>	<b>+\$30</b>
<b>Total Monthly Wage Increase for 2012</b>	<b>+\$90</b> (3 times usual increment)	<b>+\$80</b> (1.6 times usual increment)
Revised monthly salary scale	\$924 - \$1,124	\$1,280 - \$2,030
Salary after 1 July 2012	\$1,090	\$1,580

## Summary

### Civil Service's response to NWC recommendations:

NWC Recommendations	NWC adjustment for Civil Servants
<p data-bbox="237 531 646 821">Grant built-in wage increases for 2012/2013, with higher built-in wage increases for low wage workers in the form of a dollar quantum and percentage wage increase.</p> <p data-bbox="237 995 646 1178">At least \$50 built-in wage increase for workers earning a basic monthly salary of up to \$1,000.</p>	<p data-bbox="678 531 1333 663">All Division VI and III civil servants will receive an additional built-in wage increase over and above their normal annual increment.</p> <p data-bbox="678 737 1333 869">The lowest wage workers in the Civil Service are Division IV civil servants, some of whom earn less than \$1,000 per month.</p> <p data-bbox="678 995 1367 1230"><u>All Division IV civil servants, including those earning more than \$1,000 per month, will get an additional \$60 built-in monthly wage increase, over and above their normal annual increments.</u> This will benefit around 3,600 civil servants.</p> <p data-bbox="678 1304 1367 1539"><u>All Division III civil servants, all of whom earn more than \$1,000 per month, will get an additional \$30 built-in monthly wage increase, over and above their normal annual wage increments.</u> This will benefit around 5,900 civil servants.</p>