



STRENGTHENING PROTECTIONS

FOR PLATFORM WORKERS

REPORT BY
ADVISORY COMMITTEE ON PLATFORM WORKERS

KEY RECOMMENDATIONS

FROM THE ADVISORY COMMITTEE ON PLATFORM WORKERS

The Advisory Committee on Platform Workers has released its recommendations to address the three most pressing protections that Platform Workers currently lack.

Coverage of Recommendations

- | | |
|---|---|
|  Platform Workers should not be classified as employees. |  Require Platform Companies that exert a significant level of management control over Platform Workers to provide them with certain basic protections. |
|---|---|

Ensuring Adequate Financial Protection for Platform Workers in Case of Work Injury

- Require Platform Companies to provide the same scope and level of work injury compensation as employees' entitlement under the Work Injury Compensation Act (WICA).
- Require Platform Company that the Platform Worker was working for at the point of injury to be responsible for compensation, based on the Platform Worker's total earnings from the platform sector in which the injury was sustained.
- Determine sector-specific definitions of when a Platform Worker is considered "at work".
- Retain the strengths of the current WICA regime, including the provision of work injury compensation insurance through the existing open and competitive insurance market.

Improving Housing and Retirement Adequacy

- Align CPF contribution rates of Platform Companies and Platform Workers with that of employers and employees respectively; required for Platform Workers who are aged below 30 in the first year of implementation.
- Allow older cohorts of Platform Workers who are aged 30 and above in the first year of implementation to opt in to the full CPF contribution regime.
- Require Platform Companies to collect Platform Workers' CPF contributions to help workers make timely contributions.
- Phase in the increased CPF contributions over five years, unless major economic disruption warrants a longer timeline. To ease the impact, the Government may wish to consider providing support for Platform Workers and the form this should take.

Enhancing Representation

- Give Platform Workers the right to seek formal representation, through a new representation framework designed for Platform Workers.
- Set up a new Tripartite Workgroup on Representation for Platform Workers (TWG) to co-create the new representation framework.

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PREFACE

17 November 2022

Dr Tan See Leng

Minister for Manpower and Second Minister
for Trade and Industry

Dr Koh Poh Koon

Senior Minister of State for Manpower and for Sustainability and the Environment
Advisor to Advisory Committee on Platform Workers

Dear Ministers,

REPORT OF THE ADVISORY COMMITTEE ON PLATFORM WORKERS

In August last year, the Advisory Committee on Platform Workers (“the Committee”) was set up to look into strengthening protections for Platform Workers.

2 I am pleased to present the Committee’s Report, the result of numerous discussions among the Committee and extensive consultations with stakeholders. The platform ecosystem has brought value to society. It has provided flexible work opportunities and more efficient matching of the demand and supply of delivery and transport services. However, the Platform Workers are in a precarious situation. They generally have modest incomes and are exposed to significant risks due to the amount of time spent on the roads. Many Platform Workers are subject to management control but are not covered by the basic protections afforded to employees.

3 While some Platform Companies voluntarily provide certain benefits to safeguard the interests of Platform Workers, the Committee found that there is a strong case to strengthen protections for these workers. We have made 12 recommendations to strengthen financial protection in case of work injury, improve retirement and housing adequacy, and enhance representation.

4 The Committee views its recommendations as a necessary part of the evolution of the platform ecosystem to address the extent of precarity faced by Platform Workers. This is in line with our vision for Singapore as a society with stronger safety nets and collective support, where no one is left to fend for themselves as we move forward together.

Yours sincerely,



Goh Swee Chen

Chairperson, Advisory Committee on
Platform Workers
Chairperson, Institute for Human
Resource Professionals



Danny Quah

Vice-Chairperson, Advisory Committee on
Platform Workers
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MINISTER
MINISTRY OF MANPOWER
SINGAPORE

21 November 2022

Dear Chairperson, Vice Chairperson, and Members,

Thank you for your letter of 17 November 2022 submitting the final report of the Advisory Committee on Platform Workers (“the Committee”).

2 The platform economy has grown significantly in the last few years. Platform Companies and Platform Workers have a symbiotic relationship and provide useful services. However, basic protections are lacking for Platform Workers. We therefore set up the Committee after the National Day Rally in 2021, to look into the complex task of strengthening the basic protections for Platform Workers in a sustainable way for the platform ecosystem.

3 We commend the Committee on its meaningful and impactful recommendations. They will help ensure that Platform Workers have adequate financial protection in case of work injury, improved retirement and housing adequacy, and enhanced representation.

4 The Government accepts all 12 recommendations by the Committee. There is more work to be done. The Government will continue to work closely with our tripartite partners and other stakeholders to ensure a smooth roll-out of the proposed recommendations. We expect implementation to commence from the later part of 2024 at the earliest. The moves will require legislative changes and will be implemented in a progressive manner to manage the impact on all stakeholders in the platform ecosystem. The Government will announce the implementation details and timeline in the months ahead.

5 On behalf of the Government, we thank you for your dedication and tireless effort. The Committee has engaged a wide range of stakeholders and built a strong consensus for action, leveraging the invaluable expertise and perspectives of each Committee member. The Committee’s efforts will go a long way towards realising the vision of Forward Singapore to build a fairer and more inclusive society that provides stronger assurances for Singaporeans.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Lanleelay".

Dr Tan See Leng
Minister for Manpower
Second Minister for Trade and Industry

A handwritten signature in black ink, appearing to read "Koh Poh Koon".

Dr Koh Poh Koon
Advisor to Advisory Committee on
Platform Workers
Senior Minister of State for Manpower and
Sustainability and the Environment



EXECUTIVE SUMMARY



“ Part of the vision is to build a fairer and more inclusive society – a society with stronger safety nets and collective support, that will strengthen assurance for Singaporeans. **”**

- 1 The term “Platform Workers” refers to delivery workers, private-hire car drivers and taxi drivers who use online platforms to match them with demand for their delivery and point-to-point (P2P) transport services, but who are not employees of the companies operating these platforms.¹ Platform Workers and the companies that operate these platforms (“Platform Companies”) have a symbiotic relationship, and provide useful services. Yet, many Platform Workers are in a precarious situation. They generally have modest incomes with limited prospect of wage progression. They are also exposed to significant risks due to the amount of time spent on the roads. Furthermore, many Platform Workers are subject to control over the jobs they receive and accept, as well as the fees for their services.
- 2 Hence, there is a strong case to mandate that certain basic protections be provided for them. This is in line with the vision of the ongoing Forward Singapore Exercise to “build a fairer and more inclusive society – a society with stronger safety nets and collective support, that will strengthen assurance for Singaporeans”.²

Advisory Committee on Platform Workers

- 3 The Minister for Manpower set up the Advisory Committee on Platform Workers (“the Committee”) in September 2021. The Committee’s terms of reference were to:
 - a. Ensure adequate financial protection for Platform Workers in case of work injury;
 - b. Improve retirement and housing adequacy of Platform Workers; and
 - c. Enhance representation for Platform Workers.
- 4 The Committee, which brought together a diverse group of members, consulted extensively, referenced independent academic research and studied international developments. In the spirit of the Forward Singapore Exercise, the Committee reached out to more than 20,000 Platform Workers, over 30 companies and associations, as well as close to 2,700 platform users from both the delivery and P2P transport sectors. Through frank exchanges of views during these engagements, the Committee was able to better understand the current state of responsibilities between the various stakeholders, as well as how these could evolve to provide stronger protections for Platform Workers in a way that is sustainable for the platform ecosystem.

¹These groups are classified as self-employed persons today.

²Speech by Deputy Prime Minister and Minister for Finance Lawrence Wong at the Forward Singapore Conversation with Social Sector Practitioners on 10 October 2022.

Overarching Considerations

- 5 Recommendations should be clear yet flexible to account for the complexity, uniqueness and evolving nature of platform work.** The Committee considered that there should be clarity on definitions, including for Platform Companies and the classification of Platform Workers. This will help anchor implementation of the proposed recommendations. At the same time, recommendations need to have flexibility to accommodate significant differences between the delivery and P2P transport sector. Flexibility is also important for the recommendations to remain relevant amidst an evolving platform ecosystem, and if recommendations are required to apply in the future to new sectors.
- 6 Recommendations should make substantial improvements to Platform Workers' basic protections while accounting for diverse views from stakeholders.** Platform Workers have less control than typical self-employed persons (SEPs) over their work in terms of their ability to determine prices and working conditions, albeit more so than employees. They should therefore receive some level of basic protections. However, recommendations should accommodate the views from both Platform Workers and Platform Companies on the extent and scope of protections, as well as pace of implementation.
- 7 Implementation should be practical and sustainable for Platform Workers, Platform Companies, and platform users.** Platform services are useful for platform users which include businesses and consumers. There are complex trade-offs between strengthening protections and business costs, and the market should be allowed time to gradually adjust. The recommendations should consider the timing and approach of implementation and be phased in at a reasonable pace. Platform work should also continue to provide flexibility for Platform Workers and Platform Companies.

Recommendations on Framework for Platform Workers' Protections

- 8** The Committee recognises that Platform Workers enjoy more flexibility compared to employees, and that this flexibility is a key feature of platform work. Hence, **the Committee recommends that Platform Workers should not be classified as employees.**
- 9** However, Platform Workers experience reduced autonomy and flexibility compared to typical SEPs if subject to a significant level of management control by Platform Companies.³ Platform Companies exert such control to ensure they can consistently deliver matching efficiency, which is a key part of Platform Companies' value proposition. Hence, **the Committee recommends requiring Platform Companies that exert a significant level of management control over Platform Workers to provide them with basic protections.**
- 10** Key factors that are pertinent in assessing whether a company exerts a significant level of management control over Platform Workers include data-driven, algorithmic matching of demand and supply of services; effectively determining or setting upper limits on price and remuneration; and controlling and directing the performance of work. Logistics companies that use self-employed delivery workers on an ad hoc basis without data-driven algorithmic matching of demand and supply of services are unlikely to exert a significant level of management control over the workers. Taxi drivers when undertaking street-hail trips are not subject to a significant level of control by taxi companies, as the companies generally do not play a role in matching the driver to the customer. The precise definition of "significant level of management control" will be further studied by the Government, taking into account international precedent and Singapore's local context.

³The term "Platform Companies" in subsequent recommendations refers to Platform Companies that exert a significant level of management control over Platform Workers.

Recommendations on Ensuring Adequate Financial Protection for Platform Workers in Case of Work Injury

- 11 Compared to workers in sectors such as logistics, Platform Workers' financial protection in case of work injury is currently inadequate. Some Platform Companies voluntarily provide Platform Workers with compensation for work injuries, such as through personal accident insurance. However, coverage is uneven across companies and at lower levels than what employees are entitled to under the Work Injury Compensation Act (WICA). Given that life and health are equally important to all workers independent of the type of work done, **The Committee recommends requiring Platform Companies to provide the same scope and level of work injury compensation as employees' entitlement under WICA.**
- 12 To address multi-homing within the platform ecosystem, it is important to specify which Platform Company would be responsible to compensate a Platform Worker who was injured at work. **The Committee recommends that the Platform Company that the Platform Worker was working for at the point of injury to be responsible for compensation, based on the Platform Worker's total earnings from the platform sector in which the injury was sustained.** The Committee has engaged insurers to confirm that the premiums charged to Platform Companies will be proportionate to the total earnings that they pay out to their Platform Workers. The insurers also confirmed that compensating for the Platform Worker's total income loss across Platform Companies fairly accounts for varying levels of risk exposure by Platform Companies from an actuarial perspective.
- 13 As Platform Workers do not have fixed working hours or locations, it is important to establish a common understanding on when a Platform Worker is "at work", to assess the injured worker's eligibility for work injury compensation. **The Committee recommends determining sector-specific definitions of when a Platform Worker is "at work", to account for differences in the nature of work between the ride-hail, food delivery and goods delivery platform sectors.**
- 14 **The Committee recommends retaining the strengths of the current WICA regime, including the provision of work injury compensation insurance through the existing open and competitive insurance market.** Such a model would facilitate sustainable premiums based on claims history and allow Platform Companies the flexibility to choose their preferred insurers. It would account for Platform Companies' relative risks across the sector, as companies with better safety records would likely pay lower premiums.
- 15 The Government should continue to engage Platform Workers, Platform Companies and insurers to implement these recommendations. Relevant stakeholders will need to be consulted on the details of the insurance product, processing and assessment standards, processes for dispute resolution and the implementation of safeguards for Platform Companies and Platform Workers.

Recommendations on Improving Housing and Retirement Adequacy of Platform Workers

- 16 Today, Platform Workers, like other SEPs, are required to contribute to their CPF MediSave Account to support their healthcare needs. Platform Workers should contribute to their CPF Ordinary and Special Accounts for their housing and retirement needs. In practice, many Platform Workers are concerned about doing so without co-contribution from Platform Companies, as they generally have modest incomes.
- 17 In fact, a full-time young Platform Worker today is estimated to accumulate about 10% of the CPF savings that an employee with similar earnings can expect to set aside. The young Platform Worker is estimated to be able to finance about 20% of housing loan using their CPF monies, while an employee with similar earnings can expect to fully finance their housing loan using CPF monies. If left unaddressed, many Platform Workers may struggle to meet their housing and retirement needs.
- 18 The Committee believes that we should help Platform Workers set aside the same level of CPF savings for housing and retirement as employees with similar earnings. The two groups are likely to have similar needs. Hence, **the Committee recommends aligning CPF contribution rates of Platform Companies and Platform Workers with that for employers and employees respectively for Platform Workers who are aged below 30 in the first year of implementation.** Younger Platform Workers are more likely to have housing obligations or plans to buy a house and can use Ordinary Account contributions to pay for housing loans. With a longer runway to accumulate savings, they can benefit from the compounding effect of CPF interest rates.
- 19 Platform Workers are a heterogenous group with different needs. It is important to preserve flexibility and choice for older workers, as some may already have plans for retirement or have paid off their housing loans. Nonetheless, older workers should be given the choice to benefit from additional CPF contributions. Hence, **the Committee recommends allowing older cohorts of Platform Workers aged 30 and above in the first year of implementation to opt in to the full CPF contribution regime.**
- 20 To help Platform Workers make regular contributions conveniently, **the Committee also recommends requiring Platform Companies to collect Platform Workers' share of CPF contributions to help workers make timely contributions.**
- 21 The Committee recognises that the implementation of the recommendations would result in significant cost increases for Platform Companies. Hence, **the Committee recommends phasing in the increased CPF contributions over five years, unless major economic disruption warrants a longer timeline.** The Committee also recognises that while Platform Workers will likely see higher total earnings due to additional CPF contributions, their take-home pay may drop. To ease the impact, the Government may wish to consider providing support for Platform Workers and the form this should take.
- 22 Similar to work injury compensation, the Government should continue to engage Platform Companies and Platform Workers to implement the CPF recommendations.

Recommendations on Enhancing Representation for Platform Workers

- 23 Besides retirement adequacy and work injury compensation, the Committee recognises that there are other work-related issues that Platform Workers are concerned about, around earnings, dispute resolution, contractual terms and benefits, workplace safety and future work prospects. Platform Workers want to be able to better negotiate on these issues.
- 24 While NTUC has formed associations of Platform Workers, these associations do not have the legal mandate to bargain collectively. Hence, **the Committee recommends giving Platform Workers the right to seek formal representation through a new representation framework designed for Platform Workers.** This will require new legislation to be enacted.
- 25 It is important for key stakeholders – Platform Workers, existing Platform Worker associations, Platform Companies and the Government – to be closely involved in co-creating the framework, to ensure that there is shared ownership and there is a balanced relationship between the Platform Workers and Platform Companies even as the ecosystem evolves. This is in keeping with the spirit of the tripartite approach in Singapore. **The Committee had therefore earlier recommended setting up a Tripartite Workgroup on Representation for Platform Workers (TWG) to co-create a representation framework for the platform sector.** The TWG was recently convened in August 2022 and its deliberations are ongoing.

Conclusion

- 26 The Committee's recommendations will ensure that Platform Workers have adequate financial protection in case of work injury, improved retirement and housing adequacy, and enhanced representation.
- 27 To ensure smooth implementation of the recommendations, consultations with Platform Workers, Platform Companies, platform users and associations should continue. Sufficient time should be allowed for the implementation details to be ironed out before the recommendations are operationalised.
- 28 We believe that these recommendations will decisively address the precarious situation of Platform Workers without compromising their flexibility. As a society, we should be prepared to do more to support this effort. It is heartening to note that various surveys and public engagements indicate that platform users are generally willing to pay slightly more for platform services to enhance protections for Platform Workers. This reflects Singapore's continuing evolution as a more inclusive society with stronger social compact, where no one is left to fend for themselves, as we move forward together.

Summary of Recommendations

Framework for Platform Workers' Protections

› Recommendation 1

Platform Workers should not be classified as employees.

› Recommendation 2

Require Platform Companies that exert a significant level of management control over Platform Workers to provide them with certain basic protections.

Ensuring Adequate Financial Protection for Platform Workers in Case of Work Injury

› Recommendation 3

Require Platform Companies to provide the same scope and level of work injury compensation as employees' entitlement under the Work Injury Compensation Act (WICA).

› Recommendation 4

Require Platform Company that the Platform Worker was working for *at the point of injury* to be responsible for compensation, based on the Platform Worker's total earnings from the platform sector in which the injury was sustained.

› Recommendation 5

Determine sector-specific definitions of when a Platform Worker is considered "at work".

› Recommendation 6

Retain the strengths of the current WICA regime, including providing work injury compensation insurance via an open and competitive insurance market.

Improving Housing and Retirement Adequacy of Platform Workers

➤ Recommendation 7

Align CPF contribution rates of Platform Companies and Platform Workers with that of employers and employees respectively; required for Platform Workers who are aged below 30 in the first year of implementation.

➤ Recommendation 9

Require Platform Companies to collect Platform Workers' CPF contributions to help workers make timely contributions.

➤ Recommendation 8

Allow older cohorts of Platform Workers who are aged 30 and above in the first year of implementation to opt in to the full CPF contribution regime.

➤ Recommendation 10

Phase in the increased CPF contributions over five years, unless major economic disruption warrants a longer timeline. To ease the impact, the Government may wish to consider providing support for Platform Workers and the form this should take.

Enhancing Representation for Platform Workers

➤ Recommendation 11

Give Platform Workers the right to seek formal representation through a new representation framework designed for Platform Workers.

➤ Recommendation 12

Set up a Tripartite Workgroup on Representation for Platform Workers (TWG) to co-create the new representation framework.

SINGAPORE'S PLATFORM WORK LANDSCAPE



01

CHAPTER 1

Singapore's Platform Work Landscape

1.1 Supporting a Diverse Group of Self-Employed Persons (SEPs)

- 1.1.1 SEPs refer to individuals who operate their own trade or business.¹ Compared to employees, SEPs generally have greater autonomy over what assignments to accept, how much they charge for their services, as well as when, where, and how they work. Many SEPs are not seeking to be employees. Recognising this, even as institutional support has been strengthened in recent years, personal responsibility remains the core principle for SEPs who prefer to be their own boss. In 2018, the Tripartite Workgroup on SEPs made recommendations to address common challenges faced by SEPs. These were accepted by the Government and include a Tripartite Standard on Contracting with SEPs, prolonged medical leave insurance and the Contribute-As-You-Earn scheme for Medisave contributions. These are not legislated employment protections. Meanwhile, eligible lower-income SEPs receive the Workfare Income Supplement which tops up their income by up to \$2,800 a year.
- 1.1.2 Many SEPs are able to take responsibility for their own well-being through making informed choices about contracting practices, protecting themselves against contingencies, and planning for their future needs. This is understandably easier to achieve for SEPs who are earning a higher income. The need to strengthen basic protections is less relevant for this group.

1.1.3 However, SEPs are not a homogeneous group, and can be found in over 200 occupations including taxi and private hire car drivers, insurance agents, business consultants and creative professionals. Given their diversity, we should avoid a one-size-fits-all approach to supporting SEPs.

1.2 Platform Workers: A Precarious Segment of SEPs

- 1.2.1 “Platform Workers” refer to delivery workers, private-hire car drivers and taxi drivers² who use online platforms to match them with demand for their delivery and Point-to-Point (P2P) transport services, but who are not employees of the companies operating these platforms. The companies that operate these platforms are referred to as “Platform Companies”.³ Singapore, like many other countries, has seen a rise in the number of Platform Workers in recent years.⁴ Platform Workers comprise about 3% of our resident workforce and 30% of SEPs.⁵ Around 80% of workers whose main job is doing platform work did so because it was their preferred choice.

¹SEPs in this report refer only to SEPs who operate their own business without hiring any employees, more formally known as “own account workers”.

²These groups are classified as SEPs today.

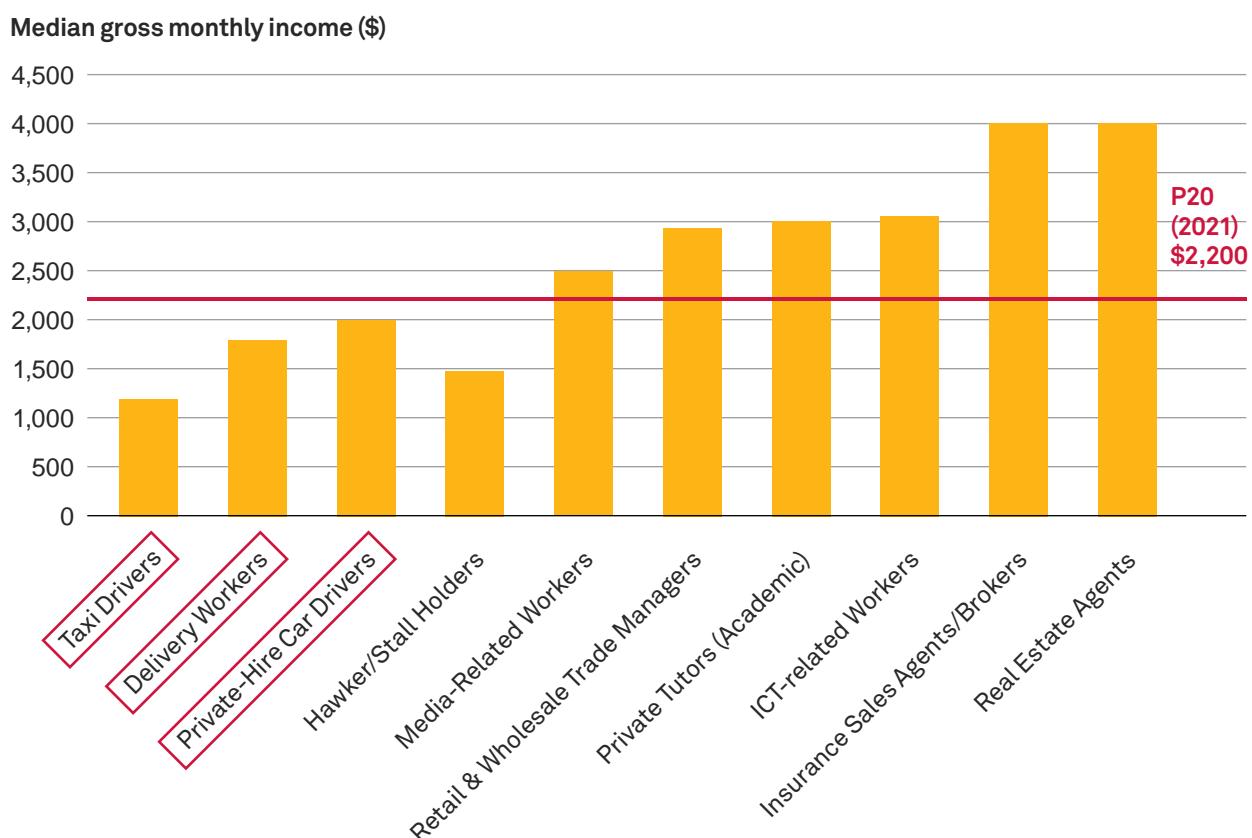
³Platform Companies will be further defined in Chapter 3.

⁴While the number of Platform Workers has risen, the total number of SEPs (excluding employers) has consistently made up 8 – 10% of our resident workforce.

⁵This figure refers to all self-employed taxi drivers, private hire car drivers and delivery workers, regardless of whether they are subject to management control.

1.2.2 However, many Platform Workers rely on platform work and generally have modest incomes with limited prospect of wage progression. While we hear anecdotes of Platform Workers being able to earn high amounts especially during peak demand periods, our survey data indicates that the median take-home earning of workers whose main source of income is platform work was below that of the bottom 20th percentile full-time resident employee in 2021 (see [Figure 1.1](#) below). Platform Workers cannot determine how much they can charge for their services and face uncertainty over their income per hour worked in addition to bearing their own costs of operations.

Figure 1.1: Median Gross Monthly Income from Work of Full-Time Resident SEPs.⁶

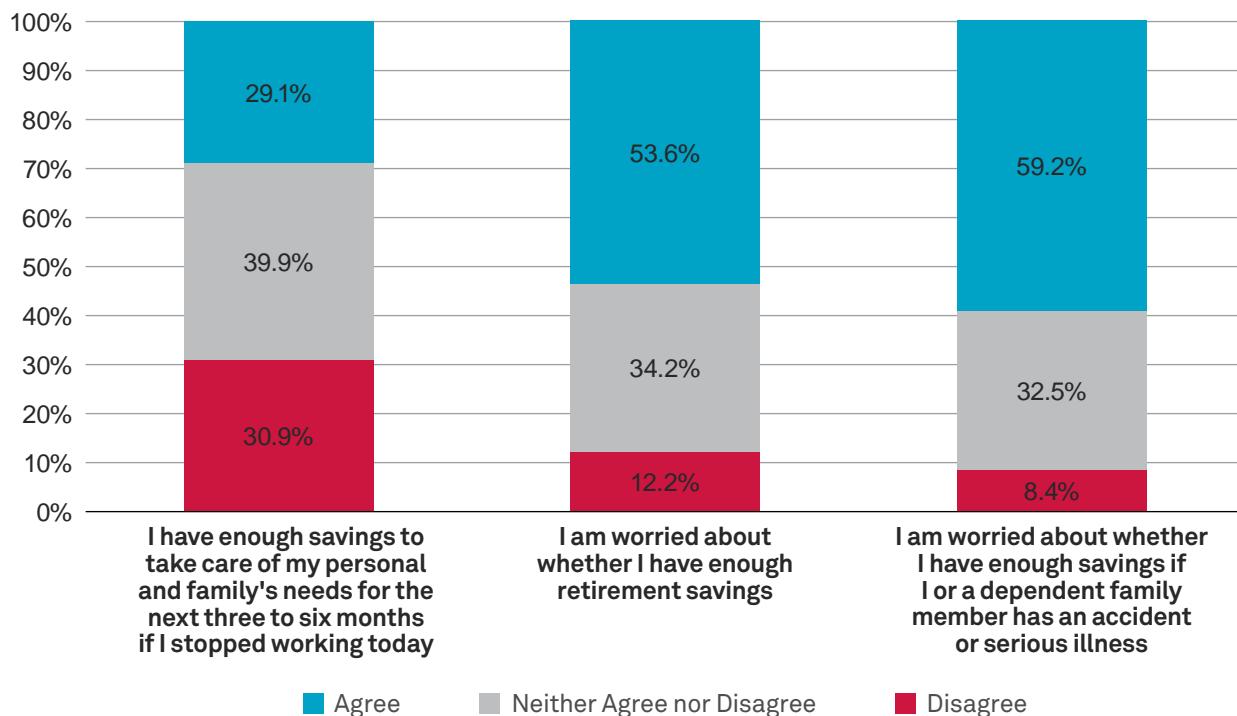


Source: Comprehensive Labour Force Survey & Supplementary Survey on Own Account Workers (CLFS), MOM, 2021.

⁶ Full-time is defined as normal hours of work of 35 hours or more in a week. Gross monthly income is defined as the average monthly profits from their business, trade or profession (i.e. total receipts less business expenses occurred) before deduction of income tax. "Taxi Drivers" include all taxi drivers, regardless of whether they use online platforms. P20(2021) refers to the 20th percentile gross monthly income level of full-time resident employees in June 2021. The figure excludes employer Central Provident Fund (CPF) contribution. If employer CPF contribution is included, the P20(2021) figure is \$2,500.

- 1.2.3 Additionally, Platform Workers are subject to control over the jobs they receive and accept, as well as fees for their services. To effectively match worker to jobs at scale, Platform Companies often use a data-driven approach and impose incentives or penalties. For example, private-hire car drivers and taxi drivers working with Platform Companies that operate ride-hail services⁷ are automatically assigned to commuters. Meanwhile, the food delivery platforms generally determine the effective service fee for their delivery riders.⁸ Despite being subject to such controls, Platform Workers do not enjoy protections such as Central Provident Fund (CPF) contributions and representation. In addition, the work injury compensation coverage, where provided by the Platform Companies, is voluntary and uneven.
- 1.2.4 The Committee recognises that this is a nascent sector that is still evolving, and some Platform Companies have provided basic protections to Platform Workers, such as some matching of MediSave Account contributions and Personal Accident Insurance. The combination of being subject to control without a standard level of basic protections and having modest incomes places Platform Workers in a precarious situation. For example, unlike most other SEPs, they are not able to increase the prices they charge for their services when faced with an increase in operating cost. They may thus end up eating into any limited savings they were able to set aside from their modest incomes, which leaves them with less for longer term needs such as housing and retirement. They also bear the financial risk of getting injured on the job and receive no income in periods they are unable to work. A study on delivery riders published in November 2022 by the Institute of Policy Studies (IPS), Lee Kuan Yew School of Public Policy (LKYSPP) found that more than half were worried about having enough savings for retirement or in the event of accident or serious illness, while only about 10% were not worried (see Figure 1.2).

Figure 1.2: Sufficiency of Savings.



Source: IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.

⁷ Ride-hail is where commuters book a taxi or private hire car in advance through methods such as smartphone apps. A ride-hail service provider actively matches Platform Workers to commuter demand, and may impose incentivise or penalties based on the drivers' performance.

⁸ Delivery riders refer to delivery workers who use online matching platforms.

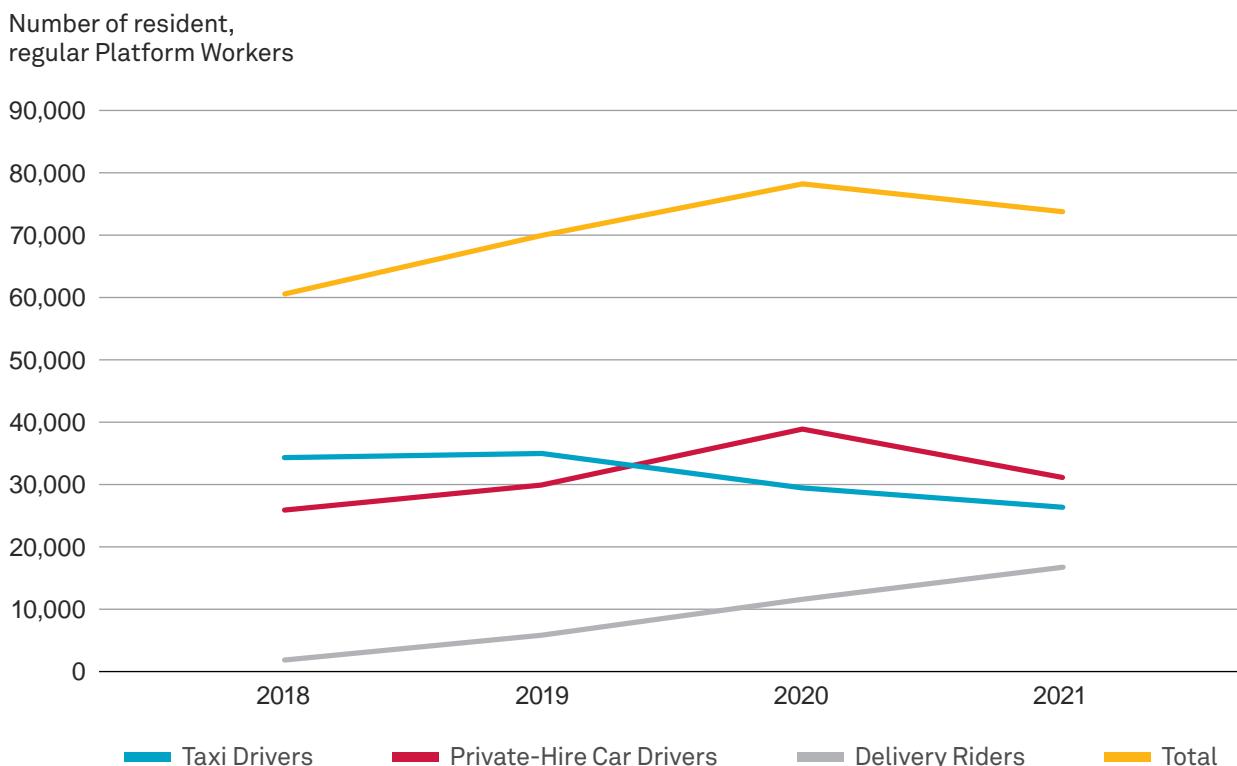
- 1.2.5 Thus, there is a strong case to examine what we can do more for this specific group of precarious SEPs. However, figuring out exactly what to do is not straight-forward. While there are similarities, there are also fundamental differences between how Platform Workers and employees work. For example, Platform Workers have the ability to decide when to work and take up assignments, unlike employees.
- 1.2.6 Aside from taking into account the unique characteristics of Platform Workers, we must also consider the interests of Platform Companies and platform users (including the cost implications on both businesses and consumers). These are complex issues with multiple trade-offs. Before making a decision on how to move forward, options must be evaluated carefully from multiple perspectives.
- 1.2.7 Other countries have also recognised the precariousness of these Platform Workers and have been studying whether to classify Platform Workers as SEPs, employees or something in between. Some have made moves or are considering moves to strengthen protections for Platform Workers.⁹
- 1.2.8 Platform Workers and Platform Companies have a symbiotic relationship, and provide a useful service. The continued viability of the platform ecosystem is important.
- 1.2.9 It is with the above in mind that the Ministry of Manpower (MOM) convened an Advisory Committee on Platform Workers (“the Committee”) to look into strengthening protections for Platform Workers.

⁹For example, in the United States, some states have tried to classify Platform Workers as employees but faced legal challenges. In the United Kingdom, some Platform Workers are deemed as an intermediate class of workers. Further details in Chapter 2.

1.3 Understanding the Profile of Platform Workers

- 1.3.1 Numbers and Distribution by Sectors. While Platform Workers have increased in recent years, the number of taxi drivers has decreased (see Figure 1.3 below). This is likely in response to higher commuter demand for ride-hail services as opposed to street-hail services.

Figure 1.3: Number of Resident, Regular Platform Workers, 2018 – 2021.¹⁰



Source: CLFS, Manpower Research & Statistics Department, MOM, 2021.

- 1.3.2 Major Companies Platform Workers Partner with. The vast majority of Platform Workers in the point-to-point transport (P2P) sector¹¹ work with the 11 licensed point-to-point service operators, with seven providing street-hail services¹² and five providing ride-hail services.¹³ It is possible for a driver to be renting a vehicle from a street-hail service provider while receiving jobs through a ride-hail service provider. In fact, a majority of taxi drivers do so and the proportion is rising. In 2021, street-hail trips accounted for only 21% of the P2P transport sector. The taxi fleet size has shrunk by 35% from 22,891 in 2018 to 14,847 in 2022.¹⁴

¹⁰ “Regular” refers to those who have worked as a Platform Worker for at least six months in a one-year period. “Taxi Drivers” include all taxi drivers, regardless of whether they use online platforms.

¹¹ The P2P sector refers to taxi and private-hire car vehicle services.

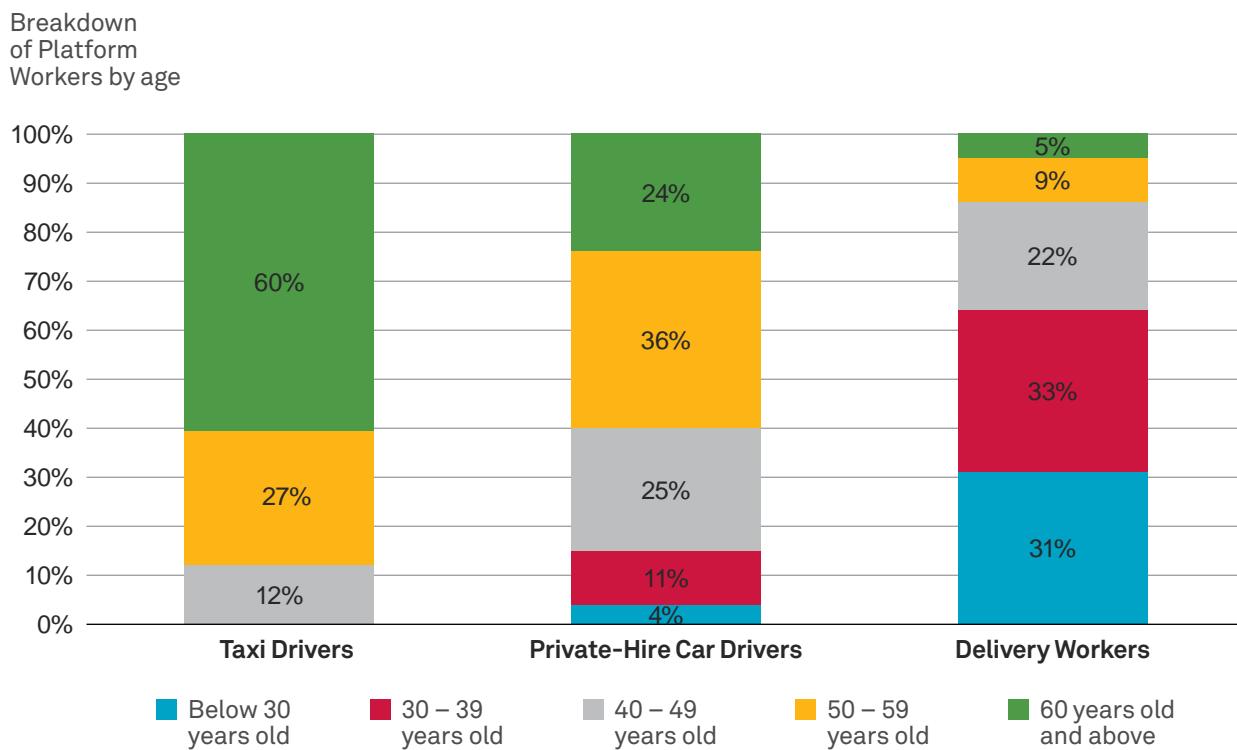
¹² Street-hail is where commuters flag down an available taxi from the street. A street-hail service provider, or taxi company, rents a vehicle to a Platform Worker but does not actively match the driver to commuter demand.

¹³ ComfortDelGro is counted in the seven street-hail operators as well as the five ride-hail operators. Hence, there are a total of 11 licensed point-to-point operators.

¹⁴ Based on LTA’s data of street-hail trips and ride hail trips in 2021, and registered fleet size of taxis.

- 1.3.3 As delivery workers are not licensed, we cannot determine the number of workers or their companies with precision. Nonetheless, we know that more than 41,000 Platform Workers had accepted at least one job in December 2021 from the three largest food delivery companies in Singapore alone (Grab, foodpanda and Deliveroo).
- 1.3.4 Age. Based on MOM's Comprehensive Labour Force Survey findings, the majority of those who depend on ride-hailing applications as their main job are older residents aged 50 and over (see [Figure 1.4](#)). Delivery workers tend to be younger, which is to be expected because many of them have to be physically fit to work long hours for a decent income and complete their tasks.

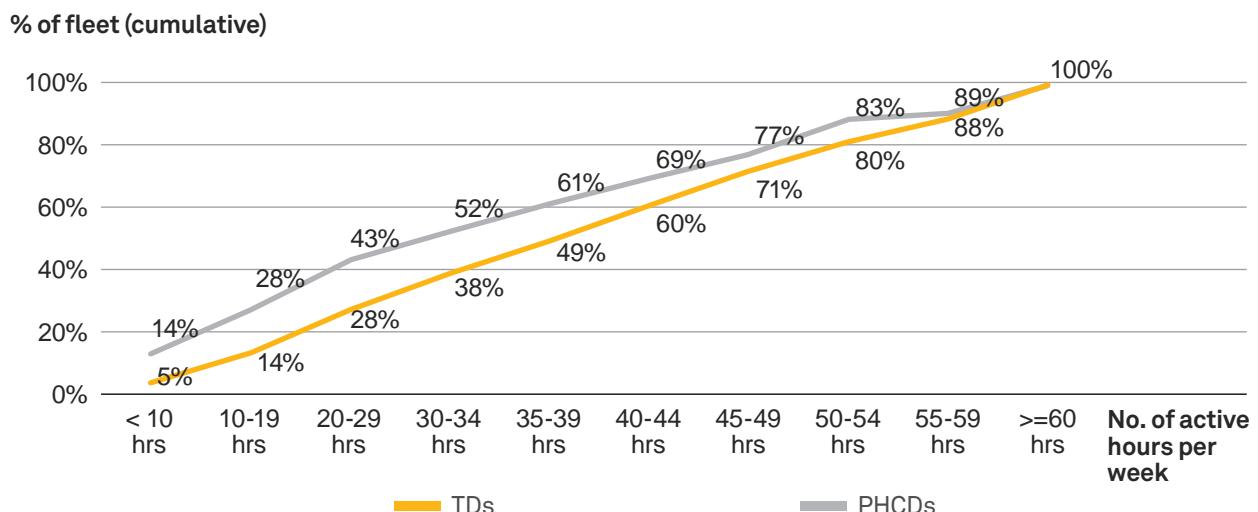
Figure 1.4: Breakdown of Age Profiles of Platform Workers in Different Sectors in 2021.¹⁵



¹⁵“Taxi Drivers” include all taxi drivers, regardless of whether they use online platforms.

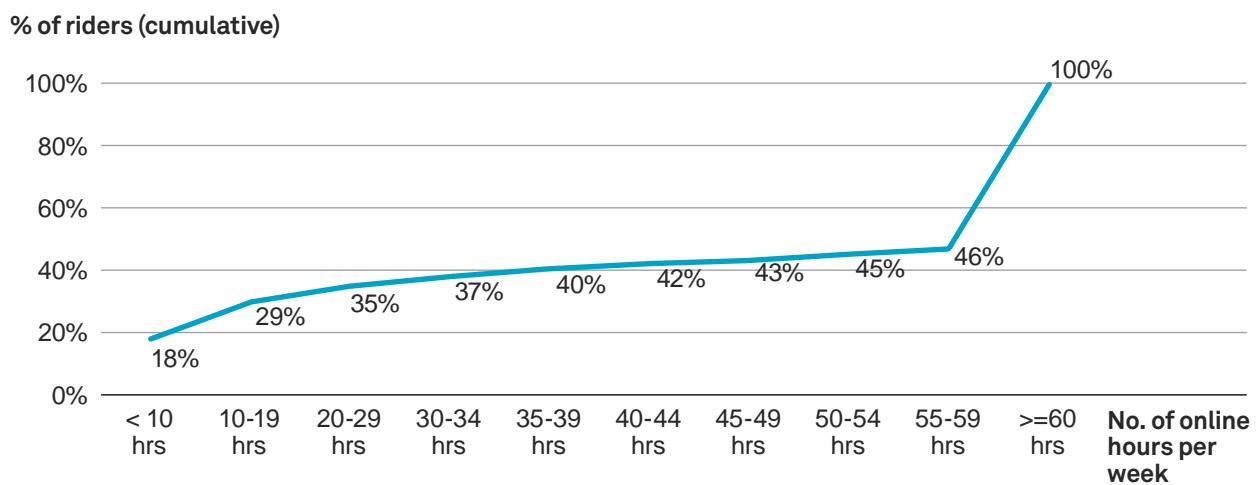
- 1.3.5 Hours Worked. Given that Platform Workers have no fixed working hours, many of them work for a varying number of hours, with no fixed pattern. Among all taxi drivers and private-hire car drivers, a majority worked an average of 35 hours per week or more (see [Figure 1.5](#)). While equivalent data is not available for delivery workers, a majority spent 60 hours or more a week logged onto a delivery platform app (see [Figure 1.6](#)).

Figure 1.5: Number of Active Hours Worked by Taxi Drivers (TDs) and Private-Hire Car Drivers (PHCDs) in 2021.¹⁶



Source: CLFS, Manpower Research & Statistics Department, MOM, 2021.

Figure 1.6: Number of Hours Logged on the Platform by Delivery Riders.



Source: Data submissions by Platform Companies, 2022.

- 1.3.6 The Committee understands that there is a spectrum of profiles even within the Platform Workers segment. Subsequent chapters will illustrate how this has been taken into account in the Committee's deliberations.

¹⁶An active hour is an hour in which a trip is started and is considered an hour worked. "Taxi Drivers" include all taxi drivers, regardless of whether they use online platforms.

APPROACH OF THE ADVISORY COMMITTEE ON PLATFORM WORKERS



02

CHAPTER 2

Approach of the Advisory Committee on Platform Workers

2.1 Terms of Reference

- 2.1.1 The setting up of the Committee was announced by the Minister for Manpower, Dr Tan See Leng, after the National Day Rally 2021, to look into strengthening protections for Platform Workers. The Committee noted the lack of basic protections due to the nature of platform work, and decided on three priority areas to ensure a fairer and more balanced relationship between Platform Workers and Platform Companies:
- Ensure adequate financial protection for Platform Workers in case of work injury;
 - Improve retirement and housing adequacy of Platform Workers; and
 - Enhance representation for Platform Workers.
- 2.1.2 The Committee recognises that these are complex issues with multiple trade-offs. To aid its deliberation, the Committee:
- Tapped on the experience of a diverse group of Committee members;
 - Consulted extensively;
 - Referenced independent academic research; and
 - Studied developments in other jurisdictions.

2.2 Tapped on the Experience of a Diverse Group of Committee Members

- 2.2.1 The Committee was chaired by Ms Goh Swee Chen, Chairperson of the Institute for Human Resource Professionals, alongside Vice Chairperson Professor Danny Quah, Dean and Li Ka Shing Professor in Economics at LKYSPP. The Committee brought together diverse representatives from the Government, Labour Movement, industry and academia. Refer to [Appendix A](#) for the Committee's composition.



First meeting of the Advisory Committee on Platform Workers (15 September 2021).

2.3 Consulted Extensively

2.3.1 The Committee set out to develop recommendations that will result in tangible improvements for Platform Workers. At the same time, it recognises the need for solutions to be practical and sustainable for businesses and consumers. To achieve this, the Committee consulted widely with various stakeholder groups to take in feedback and suggestions.

2.3.2 The Committee's engagements also dovetailed with the ongoing public engagements of the Forward Singapore Exercise. Stronger protections for Platform Workers will contribute to Singapore's refreshed social compact, which envisions a society with stronger safety nets and collective support.

2.3.3 From October 2021 to November 2022, the Committee reached out to more than 20,000 Platform Workers, over 30 companies, industry associations, and Platform Worker associations, as well as close to 2,700 platform users, from both the P2P transport and delivery sectors. Refer to [Appendix B](#) for the list of companies and associations the Committee engaged.

2.3.4 This was done through a variety of channels such as surveys, dialogues, Focus Group Discussions (FGDs) and a feedback-gathering exercise through a public consultation portal. The Committee received about 1,200 submissions from stakeholders through the portal.



Dialogue with Platform Worker Association Leaders (21 February 2022).

2.3.5 These consultations provided valuable information on the industry landscape and enabled the Committee to gather useful data from relevant stakeholders. The feedback from different stakeholders on the preliminary recommendations in terms of policy design as well as implementation also fuelled robust discussions within the Committee. Refer to [Appendix C](#) for detailed engagement findings.

2.3.6 The series of engagements culminated in a multi-stakeholder dialogue on 15 November 2022, where Platform Companies, Platform Workers and business representatives were brought together. The Committee shared how the proposed recommendations had taken into account the perspectives of different stakeholders and gathered views on how to take the proposals forward.



Dialogue with Trade Associations and Chamber (20 June 2022).

2.4 Referenced Independent Academic Research

2.4.1 The Committee's deliberations were also informed by a number of independent academic research, including two studies related to platform work published by IPS in February and November 2022.¹

2.4.2 The studies identified several common themes and sentiments across the various groups surveyed, such as the need for enhanced protection for Platform Workers in the form of savings, work injury and medical coverage and representation, while maintaining a sustainable ecosystem for Platform Workers, Platform Companies, and platform users.

Platform Companies in Spain have responded differently to the law since its passage, with some modifying their business model to continue working with delivery workers as independent contractors, and some directly hiring delivery workers as employees.

2.5 Studied Developments in Other Jurisdictions

2.5.1 The Committee conducted scans to better understand the landscape and approaches taken internationally. Different jurisdictions have taken varied approaches to strengthen the protections for Platform Workers.²

- a. The European Commission released a draft Directive in December 2021 to establish a legal presumption that an employment relationship exists between the Platform Company and Platform Worker. If this Directive were to be passed in its current form, Platform Workers would enjoy the same rights as employees. This includes collective bargaining, working time and health protection, and contributory old-age pensions.
- b. In Spain, the Riders' Law was passed in 2021, deeming delivery workers as employees. This follows from a Supreme Court ruling that deemed a Glovo rider as an employee, given the nature of the employment relationship between the worker and the Platform Company.³

- c. In the United States, a few states have tried to classify Platform Workers as employees but faced legal challenges. For example, in 2019, California passed a bill which extended employee classification to Platform Workers. Reception was mixed and in 2020, an alternative proposition was passed that would retain Platform Workers' status as independent contractors, while offering enhanced benefits such as occupational accident insurance. However, this proposition was ruled unconstitutional in a Californian Superior Court ruling in 2021, though companies have said they would appeal this ruling.
- d. In the United Kingdom, developments in this area have been mostly driven by Court rulings on the employment classification of Platform Workers, under the existing employment framework consisting of "employees", "limb (b) workers", and "self-employed".⁴ Courts have deemed many Platform Workers as "limb (b) workers", which is an intermediate class of workers (this includes a UK Supreme Court ruling in 2021). While not benefitting from full employment rights that employees are entitled to, this intermediate class of workers have some entitlements, including pension contributions.

¹The two studies refer to 'Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', IPS Working Paper No. 44, February 2022; and 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', IPS Working Paper No. 47, November 2022. IPS surveyed about 1,000 private-hire car drivers for the February study, and about 1,000 food delivery workers for the November study. The February study also carried out in-depth interviews and adopted an ethnographic approach to paint a more detailed picture of the Platform Workers' circumstances.

²The differences in approaches extend to the definition of Platform Companies and Platform Workers.

³Glovo is a major Spanish delivery Platform Company with presence in more than 20 other countries.

⁴"Limb (b) worker" describes workers who generally have a more casual employment relationship and work under a contract for service. It refers to one of the three main employment statuses in the UK, alongside employees and self-employed individuals. "Limb (b) workers" are entitled to some employment rights such as national living wage, holiday pay, and protection against unlawful discrimination, but are entitled to fewer rights than employees. On the other hand, "limb (b) workers" have higher flexibility over when, how much, and where they work than employees. References: Health and Safety Executive UK, 2022; Department for Business, Energy, and Industrial Strategy UK, 2022.

- d. In China, regulators issued guidelines to formalise labour relations, protect workers' welfare for occupational safety and health, and ensure social security coverage for Platform Workers in August 2021. Platform Workers in China are also encouraged to join unions.
- 2.5.2 While there is no international consensus on whether Platform Workers should be treated as employees, there is broad recognition of the importance of strengthening protections for Platform Workers. Notably, the International Labour Organization has highlighted the need to ensure that Platform Workers have decent work and access to social protections.

Key Considerations

2.6 Key Consideration 1: Recommendations should be clear yet flexible to account for the complexity, uniqueness and evolving nature of platform work.

- 2.6.1 International developments and domestic consultations have shown that this is a complex and new area, with no established consensus or norms.
- 2.6.2 Clarity in definitions as part of the framework (e.g. whether a Platform Worker is a SEP or employee, which Platform Companies they work with should provide protections for them) will help anchor the implementation of proposed recommendations.
- 2.6.3 At the same time, feedback from consultations and surveys have revealed the extent of diversity in circumstances within the Platform Workers segment.

- 2.6.4 The recommendations must accommodate these realities by being sufficiently flexible to recognise the uniqueness of platform work, prioritising target segments based on needs, and differentiating treatment based on income, hours worked and even age.
- 2.6.5 Given the evolving nature of platform work, the recommendations should also provide clarity and flexibility for future sectors and new companies to be included.

2.7 Key Consideration 2:

Recommendations should make substantial improvements to Platform Workers' basic protections while accounting for the range of views from stakeholders.

- 2.7.1 As Platform Workers have less control than typical SEPs over their ability to determine income and working conditions, albeit more so than employees, they should receive some level of basic protections. They require additional help given their relatively modest incomes.
- 2.7.2 Platform Companies have consistently acknowledged that it is in their interest and their responsibility to take care of the well-being of their Platform Workers. Based on our engagements, Platform Workers, Platform Companies and platform users agree on the need for additional protections, and were generally willing to share in the costs.
- 2.7.3 There was a range of views relating to the extent and scope of protections, as well as the pace of implementation.
- 2.7.4 For work injury compensation, Platform Companies were concerned about the cost of insurance, as well as how the party responsible for compensation would be determined given the prevalence of Platform Workers multi-homing on various platforms.

- 2.7.5 For CPF, Platform Workers appreciated the importance and benefits but were concerned about the impact of the additional contributions on take-home pay, even though they will likely see higher total earnings due to additional CPF contributions. Platform Companies were worried about the impact of additional costs on consumer demand. While platform users showed willingness to pay for additional protections for Platform Workers, some reflected concerns on the impact of these protections on the of living.
- 2.7.6 For enhanced representation, the key questions were around who should be covered, and what issues could be represented.
- 2.8.3 We recognise the trade-offs between strengthening protections and business costs, Platform Workers' take-home earnings, and prices of platform services.
- 2.8.4 To allow the market to have time to gradually adjust, we should consider the timing of implementation and phase any recommendations in at a reasonable pace.
- 2.8.5 These considerations will be explored in greater depth in the rest of the report.

2.8 Key Consideration 3: Implementation should be practical and sustainable for Platform Workers, Platform Companies and platform users.

- 2.8.1 Stakeholders provided feedback that there is value in platform work in that it provides flexibility for both Platform Workers, in terms of the ability to determine work hours and work around personal commitments, and for Platform Companies, in terms of flexible manpower arrangements. This flexibility should be retained.
- 2.8.2 Platform services are also useful to platform users which include businesses and consumers. Implementation should be designed with simplicity as a key consideration.

2.9 Organisation of Report

- 2.9.1 The rest of the report is organised as follows:
- Framework for strengthening protections for Platform Workers (including key definitions and overall approach).
 - Three priority areas of protection:
 - Ensuring adequate financial protection in case of work injury;
 - Improving retirement and housing adequacy; and
 - Enhancing representation.
 - Conclusion:
 - Next steps and what to expect.



Multi-stakeholder dialogue with Platform Companies, Platform Workers and business representatives (15 November 2022).

FRAMEWORK FOR PLATFORM WORKERS' PROTECTIONS

A photograph showing a person from the side, driving a car. They are looking down at a smartphone held in their right hand, which displays a map or a ride-hailing app interface. The car's interior is visible, including the steering wheel, dashboard, and rearview mirror. The background through the windshield shows a city street with buildings and other vehicles.

03

CHAPTER 3

Framework for Platform Workers' Protections

3.1 Key Principle: All companies should operate on a level playing field in terms of being required to provide basic protections if they exert a significant level of management control over their workers.

3.2 Existing Situation and Gaps

Employment Categories in Singapore

- 3.2.1 Singapore's working population is currently classified into "employees" or "self-employed persons (SEPs)". An employee works under a "contract of service" with an employer, while an SEP is engaged under a "contract for service" to carry out an assignment or project.
- 3.2.2 There is no single conclusive test to distinguish a contract of service from a contract for service. Some factors to be considered when distinguishing a contract of service from a contract for service include:
- Control:** who decides on recruitment and dismissals; who pays for the worker's wages and in what ways; who is responsible for provision of work; who determines working hours; whether the worker is able to delegate or sub-contract work.
 - Ownership of factors of production:** who provides the tools, equipment, working place and materials.
 - Economic considerations:** whether the worker can share in the profits or is liable to any risk of losses; how earnings are calculated and profits derived; whether the business is carried out on the worker's own account to build his own clientele and establish his own branding.

- 3.2.3 Flexibility and autonomy are key features of being an SEP. In return, SEPs bear more market risks, and significant personal responsibility to ensure their own well-being. For example, SEPs may price their services to account for both current and future needs as well as volatility in demand. SEPs may also take steps to build up a clientele or offer packages for future provision of services to smoothen out changes in demand.
- 3.2.4 In contrast, employees generally have less flexibility and autonomy, as well as less control over business strategy decisions. Employers direct employees' work, impose performance requirements and control employees' schedules to ensure that work is consistently produced at the required pace and quality. Companies collect revenue that employees' work contributes towards. Employees work towards building the brand and reputation of the company.
- 3.2.5 In return, employers bear more exposure to market risks, including the risk of losses when business performance dips. It is also common for employers to provide employees a basic component of their wage that is not tied to business performance. Employers are also required to provide other basic protections for employees, such as employer CPF contributions and work injury compensation.

Gaps from Current Employment Classification of Platform Workers

- 3.2.6 Today, in Singapore, Platform Workers are engaged under a contract for service as SEPs. This is reflective of Platform Workers enjoying more flexibility and autonomy than typical employees. According to multiple academic and industry polls, this flexibility is commonly cited as one of the key advantages of platform work.
- 3.2.7 For instance, Platform Workers can choose when and how long to work, are able to work for multiple Platform Companies, and have the discretion to choose whether to accept each work task. This can be useful for people who need more control over their schedules.

3.2.8 However, Platform Workers face reduced autonomy and flexibility as compared to typical SEPs due to control exerted by Platform Companies, who match Platform Workers with platform users. For instance, the pricing of platform services is typically done by Platform Companies. In addition, Platform Workers are not able to build their own clientele as consumers do not usually get to choose whom to deliver the services. Platform Companies also typically offer incentives or impose penalties that shape the extent to which Platform Workers feel they can reject assigned jobs. These incentives and penalties can influence when, how long, and even where the Platform Workers work.

3.2.9 Platform Companies exert these and other controls to better ensure they can consistently deliver matching efficiency, which is a key part of their value proposition. For example, delivery Platform Companies may try to ensure that there are sufficient Platform Workers in an area during peak hours by offering higher delivery fees.



3.2.10 Platform Workers experience greater precarity because they may be constrained in their ability to address the downside risks they face in the course of their platform work, given the control Platform Companies exert over them. Platform Workers' access to work may also be affected by past ratings, behaviour, and other data.

3.2.11 For example, when global fuel prices rose significantly in early 2022 and platform service fees did not keep up initially, many Platform Workers saw a drop in their take-home earnings, with some saying that it was no longer worth their time to drive.¹ Workers had to wait for Platform Companies to respond and decide on price increases. In countries like the UK, Germany, and South Africa, this precarity has led to strikes and protests by food delivery workers and private-hire car drivers, in an attempt to increase the rate at which they are being remunerated for each job.

3.2.12 The gap to address is that Platform Companies are generally not required to provide protections for Platform Workers who are subject to their control, although some Platform Companies do offer certain basic protections. The complexity in addressing this gap is determining what type and level of control must be exerted by Platform Companies before they should be required to provide specific types and levels of protections. This chapter sets out the considerations and recommendations on the framework for providing stronger protections for Platform Workers, while subsequent chapters set out the types and levels of protections to be provided.

Key Considerations

3.3 Key Consideration 1: Platform work is different from other types of work but they share similarities.

3.3.1 Platform work is unique compared to traditional modes of employment and self-employed work because it has some core elements of self-employed work (e.g. flexibility), and yet Platform Companies are able to harness data and various controls to significantly influence Platform Workers' work behaviour. A new framework for providing stronger protections for Platform Workers is thus needed to take the similarities and differences into account.

3.4 Key Consideration 2: Platform Companies are not homogenous in the type and extent of control they exert.

3.4.1 While Platform Companies all have a vested interest in the job being performed satisfactorily, different Platform Companies may exert different forms and extents of control over Platform Workers due to their different business needs and models. A Platform Company working with private-hire car drivers would have different considerations compared to a Platform Company working with delivery workers, given that the nature of the service provided is different.

¹Low You Jin, Loraine Lee, "Rising petrol prices batter earnings of private-hire car and taxi drivers, as some consider quitting", Today Online, 11 March 2022, <http://www.todayonline.com/singapore/petrol-cost-inflation-taxis-ukraine-1843026>.

3.4.2 The ways and avenues in which Platform Companies exert control over Platform Workers also vary due to their different business models and strategies. Some companies have no penalties if a Platform Worker declines an assignment. Those who impose penalties differ on the form and level of penalties. Others provide incentives to Platform Workers who choose to “auto-accept” all assignments. Further, Platform Companies’ business model can also evolve over time.

3.4.2 There is a growing literature of academic studies and surveys, as well as by overseas jurisdictions including the European Union and the US on how to determine the extent of control Platform Companies exert over Platform Workers (see [Box 3.1](#)):

Box 3.1: Test for control in European Union and United States.

In the **European Commission's Proposal for a Directive on Improving Working Conditions in Platform Work** published in December 2021, the definition of “controlling of work” is understood as fulfilling at least two of the following:

- Effectively determining, or setting upper limits for the level of remuneration;
- Requiring the person performing platform work to respect specific binding rules with regard to appearance, conduct towards the recipient of the service or performance of the work;
- Supervising the performance of work or verifying the results of the work including by electronic means;
- Effectively restricting the possibility to build a client base or to perform work for any third party; and
- Effectively restricting the freedom, including through sanctions, to organise one’s work, in particular the discretion to choose one’s working hours or periods of absence, to accept or to refuse tasks or to use subcontractors or substitutes.

California enacted a revised three-point “ABC test” in July 2022 where a worker is assumed to be an employee, including for the purpose of the Labour Code and Unemployment Insurance Code, unless they meet each of the following three criteria:

- They are free from the control and direction of the hiring entity when performing their work;
- The work performed is outside the usual course of the hiring entity’s business; and
- The worker is customarily engaged in an independently established trade, occupation or business.

- 3.4.4 The new framework for providing stronger protections for Platform Workers should thus be clear on its scope of coverage, while having sufficient flexibility to account for an already diverse and evolving platform ecosystem.

The US Department of Labour published a proposal in October 2022 to revise its analysis for determining employee or independent contractor classification under the Fair Labour Standards Act. The ultimate inquiry is whether, as a matter of economic reality, the worker is either economically dependent on the employer for work (and is thus an employee) or is in business for themselves (and is thus an independent contractor). To answer this ultimate inquiry of economic dependence, a variety of factors are considered, including, inter alia:

- Opportunity for profit or loss depending on managerial skill;
- Amount, value, nature and reason for investment by the worker and employer;
- Degree of permanence of the work relationship;
- Nature and degree of control by the employer over the worker, which itself has several aspects such as scheduling, supervision, price setting, and ability to work for others;
- Extent to which the work performed is an integral part of the employer's business; and
- Use of skill and initiative to perform the work.

Recommendations

3.5 Recommendation 1: Platform Workers should not be classified as employees.

- 3.5.1 The Committee recognises that Platform Workers enjoy more flexibility compared to employees, and that this flexibility is a key feature of platform work that Platform Workers and Platform Companies are keen to preserve. To preserve this flexibility, the Committee recommends that Platform Workers should not be classified as employees. Correspondingly, Platform Companies will not be considered employers of Platform Workers.
- 3.5.2 Aside from the specific protections that the Committee recommends in the following chapters, Platform Companies will not be legislatively required to provide Platform Workers other protections or benefits only extended to employees. For example, Platform Companies will not be obligated to provide statutory benefits such as paid annual leave and overtime pay.
- 3.5.3 Platform Companies will also not receive benefits provided exclusively to employers, such as where support is purposed to encourage hiring (Jobs Growth Incentive) or preserve jobs (Job Credit Scheme), unless such support is directly related to additional areas of protection given to Platform Workers.

3.6 Recommendation 2:

Platform Companies that exert a significant level of management control over Platform Workers should be required to provide certain basic protections.

- 3.6.1 By imposing a significant level of management control over Platform Workers, Platform Companies potentially enhance their value proposition while increasing the precarity of Platform Workers. To address this, the Committee recommends that Platform Companies that exert a significant level of management control over Platform Workers should be required to provide certain basic protections to their Platform Workers.
- 3.6.2 The Committee sets out a **non-exhaustive list of factors** that it considers pertinent to assessing whether a Platform Company exerts a significant level of management control:
 - a. **Data-driven, algorithmic matching of demand and supply of services.** Harnessing data is critical in enabling the effective control of Platform Companies over Platform Workers. Such algorithms optimise assignment of jobs to Platform Workers and diminishes the control that Platform Workers have over jobs they accept. As a counterexample, logistics companies that use self-employed delivery workers on an ad hoc basis without data-driven algorithmic matching of demand and supply of services are unlikely to exert a significant level of management control over the workers.
 - b. **Effectively determining or setting upper limits on price and remuneration.** The inability of Platform Workers to set their own price significantly reduces the extent to which they can price in risks they are exposed to and need for protections.
- c. **Controlling and directing the performance of work.** The more control and direction exerted by Platform Companies, the less room there is for Platform Workers to self-direct and strategise how they may be able to maximise earnings from users of their services.
- 3.6.3 The above list is meant to provide a broad indication of the type of Platform Companies and work that would be included or excluded from the Committee's recommendations.
- 3.6.4 For example, street-hail taxi rides and companies that only operate such rides will not be covered by the Committee's recommendations. While the earning rate for street-hail rides are set by taxi operators within the framework set out by the Land Transport Authority and the Public Transport Council, there is limited evidence of any other control. Most fundamentally, companies that only operate street-hail rides generally do not play a role in matching the taxi driver to the customer.² Hence, they would fall outside the definition of "Platform Company" even before we assess extent of control.
- 3.6.5 The Committee recognises that multiple business models can exist within a Platform Company, just as how companies today can already wear different hats while working with both employees and independent contractors. The responsibilities and obligations of the company will therefore depend on the specific nature of relationship between the company and the worker. For avoidance of doubt, a Platform Company will not be required to provide the additional protections that the Committee is recommending to the other independent contractors they work with, whom they do not exert a significant level of management control over.

²Street-hail operators also operate call bookings and charge a fixed rate for such bookings. However, these operators generally do not use extensive data and algorithmic methods to match drivers to customers and have limited control over the delivery of the service compared to ride-hail operators.

- 3.6.6 The Committee notes that some Platform Companies already voluntarily offer certain protections and training to Platform Workers. However, the baseline level of protection is uneven across Companies.
- 3.6.7 While the Committee recommends that Platform Companies who exert a significant level of management control over Platform Workers should provide certain basic protections, this is not equivalent to saying that the Platform Companies should bear the full cost of protections.
- 3.6.8 While Platform Companies have lower business costs from not being required to provide protections today, it is likely that this benefit was in some way shared with users of platform services in the form of lower prices. Platform Workers have also likely received higher take-home pay in the absence of such company-provided protections. However, this has resulted in greater precarity for Platform Workers in the areas of financial protection in the event of work injury, and retirement and housing adequacy.
- 3.6.9 Over the course of its consultations, the Committee recognises that there are other work-related issues that Platform Workers are concerned about, such as stability of earnings and future work prospects. These will be considered under the ongoing deliberations over enhancing representation for Platform Workers.

3.7 Next Steps

- 3.7.1 The Committee recognises that greater clarity will be needed on what constitutes a "significant level of management control". It recommends that the Government take into consideration the above factors, international practice and trends, and Singapore's local context to determine the precise definition. Platform work can also evolve over time, introducing different ways in which Platform Companies may exert a significant level of management control. Hence, the factors to determine a significant level of management control should aim to capture the fundamental aspects of control that affects the precarity of Platform Workers and justify the additional protections. This would be important to ensure that the framework remains adaptable to future changes in the industry.

Summary of Recommendations

› Recommendation 1

Platform Workers should not be classified as employees.

› Recommendation 2

Require Platform Companies that exert a significant level of management control over Platform Workers to provide them with certain basic protections.

ENSURING ADEQUATE FINANCIAL PROTECTION FOR PLATFORM WORKERS IN CASE OF WORK INJURY



04

CHAPTER 4

Ensuring Adequate Financial Protection for Platform Workers in Case of Work Injury

4.1 Key Principle: Financial protection in the event of work injury should be provided at the same level and scope to workers exposed to the same job risks.

4.1.1 Platform Companies should procure work injury compensation insurance for all Platform Workers.

4.2 Existing Situation and Gaps

4.2.1 Platform work inherently involves risk as Platform Workers need to be out on the road for extended periods of time. From January 2021 to October 2022, there were eight work-related traffic fatalities among Platform Workers. The Committee understands the Workplace Safety and Health Council is separately looking into enhancing the safety of Platform Workers.

4.2.2 Compared to workers in sectors such as logistics, Platform Workers' financial protection in case of work injury is currently inadequate. Some Platform Companies voluntarily provide Platform Workers with compensation for work injuries, such as through personal accident insurance. However, coverage is uneven across companies. Furthermore, the Platform Companies that do offer coverage today do so at lower levels than what employees are entitled to under the Work Injury Compensation Act (WICA). For example, Platform Companies' coverage for death or permanent disability is largely in the \$10,000 to \$30,000 range, compared to employees' entitlement under WICA of up to \$289,000.

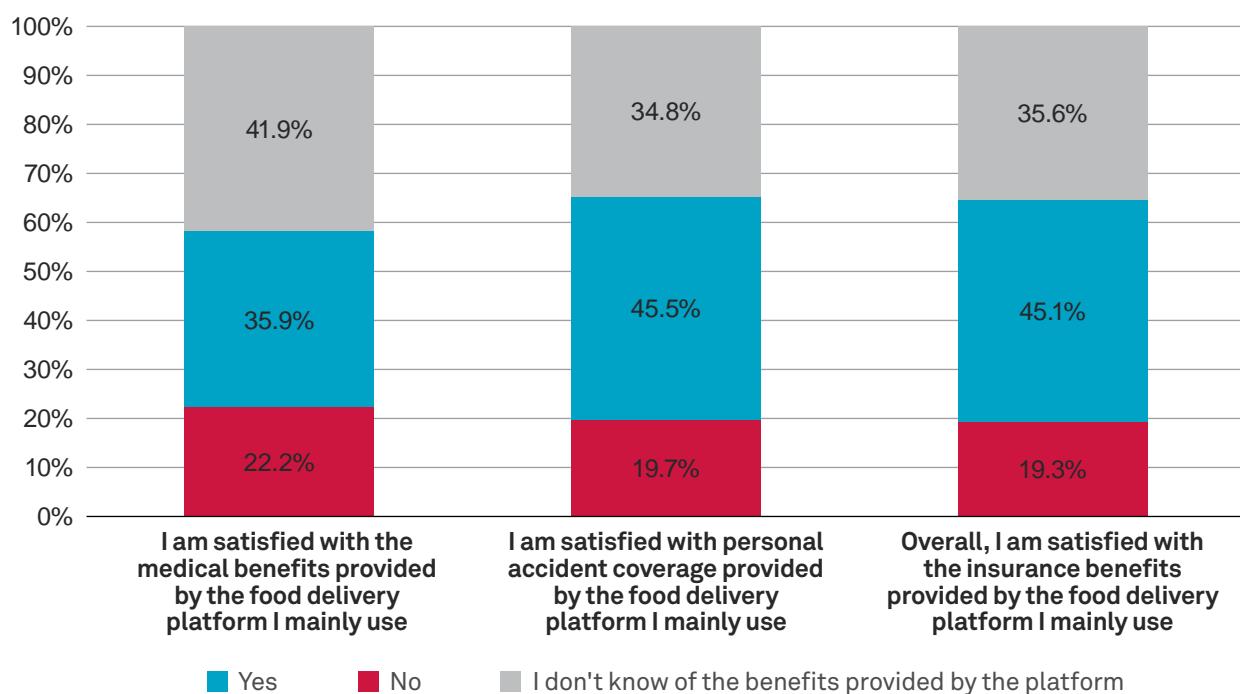
4.2.3 Under the current WICA regime, all employees receive expeditious compensation from their employer for work-related injuries. Employers must purchase work injury compensation insurance for employees doing manual work, and for employees doing non-manual work and earning a salary of \$2,600 or less a month. The terms of coverage under WICA are as follows:

- a. **Medical expenses:** Up to \$45,000 or one year from accident date, whichever comes first.
- b. **Income loss compensation:** Full average monthly earnings for the first 14 days of medical leave or light duties,¹ and the first 60 days of hospitalisation leave, full monthly earnings. Two-thirds of average monthly earnings for up to one year from accident date for subsequent medical leave, light duties or hospitalisation leave.
- c. **Lump sum compensation for permanent disability or death:** Up to \$289,000, depending on extent of disability, monthly earnings, and worker's age.

¹Work that is less physically demanding, as prescribed by a doctor.

- 4.2.4 The Committee understands from its engagements that Platform Workers are concerned about the inadequate coverage that they receive for work accidents, the lack of expeditious access to pay-outs, as well as the lack of a mechanism such as that under WICA to adjudicate disputes in claims.
- 4.2.5 A study done by IPS reflected Platform Workers' sentiments that current insurance coverage in the ride-hail and food delivery sectors was insufficient.² In another IPS study with food delivery workers, less than half of the respondents were satisfied with the insurance benefits provided by Platform Companies (see Figure 4.1).³ Platform Workers might also not be clear about the coverage they have access to today. More than a third of respondents were unaware of the personal accident coverage provided by the Platform Companies (see Figure 4.1).

Figure 4.1: Awareness and Satisfaction of Work Injury Compensation Insurance Benefits Provided by Platform Companies.



Source: IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.

²IPS, 'Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', IPS Working Paper No. 44, February 2022.

³IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', IPS Working Paper No. 47, November 2022.

Key Considerations

4.3 Key Consideration 1:

Need to set a standard of coverage for Platform Workers to ensure adequate financial protection in case of work injury.

- 4.3.1 The Committee considered ways to address the disparity in work injury compensation between Platform Workers and workers in similar sectors. Given similar job risks, Platform Workers and these workers should receive similar areas of financial protection in case of work injury. Work injury compensation should apply to all Platform Workers regardless of the frequency of work or number of hours worked. This is similar to the compensation for employees under WICA, where they would be compensated even if they were injured on the first day of work or were part-time or hourly-rated employees.

4.4 Key Consideration 2:

Platform Workers should be compensated for total earnings from the platform sector in which the injury was sustained.

- 4.4.1 This accounts for multi-homing by ensuring Platform Workers are compensated for actual earnings from platform work. This is similar to the compensation for employees under WICA, where the company at which the worker sustained the work injury would have to compensate him based on his average monthly earnings from all his employers.

4.5 Key Consideration 3: Platform Companies should be responsible for providing work injury compensation.

- 4.5.1 Employers today must provide compensation to their employees who are injured while at work. Platform Companies also have direct influence over the safety of Platform Workers through a significant level of management control, even though they may not be responsible for the equipment and vehicles used by Platform Workers. A common understanding of when Platform Workers are “at work” should be developed, taking into account the nature of work in each platform sector and the flexibility of platform work. Factors that need to be considered to ascertain what constitutes “at work” include waiting time in between jobs, the time when goods are held in storage before being delivered, and that Platform Workers do not have fixed working hours or locations.

4.6 Key Consideration 4:

Need for a work injury compensation regime that offers sustainable premium rates in the long term, and is flexible and efficient.

- 4.6.1 The Committee considered different models of work injury compensation, including: (a) the current WICA model for employees with an open and competitive insurance market, where work injury compensation insurance rates are negotiated between Platform Companies and insurers; (b) centralised insurance scheme for all Platform Workers; and (c) extension of group personal accident insurance purchased by Platform Companies, with fixed pay-outs. In assessing these models, the unique features of platform work were taken into account while ensuring that such insurance products were financially viable for Platform Companies and insurance providers in the long run.

Recommendations

4.7 Recommendation 3:

Require Platform Companies to provide the same scope and level of work injury compensation as employees' entitlement under the WICA.

- 4.7.1 Given the risk of injury for a Platform Worker is similar to that for an employee doing similar work such as logistics, the same scope of coverage should apply. Namely, the scope should consist of (a) medical expenses; (b) compensation for income loss (when issued medical or hospitalisation leave); and (c) lump sum compensation for permanent disability or death, with the same minimum and maximum limits as for employees under WICA. Compensation for income loss for Platform Workers should exclude light duty, as the concept of light duty does not apply to platform work. Unlike employees on light duty who are required to return to work and temporarily take on less strenuous tasks when injured, Platform Workers are not obligated to fulfil any minimum working hours.
- 4.7.2 The Platform Worker's total earnings (less expenses) from the platform sector in which the injury was sustained (i.e. Net Trade Income⁴), should be used to determine the extent of compensation for income loss and lump sum compensation. This is similar to how employees' compensation under WICA varies based on earnings. For simplicity, Platform Workers' earnings from full-time employment or non-platform self-employed work should not be considered for the compensation.

4.8 Recommendation 4:

Require Platform Company that the Platform Worker was working for at the point of injury to be responsible for compensation, based on the Platform Worker's total earnings from the platform sector in which the injury was sustained.

- 4.8.1 To address multi-homing within the platform ecosystem, it is important to specify which Platform Company would be responsible for compensating a Platform Worker who was injured at work. As a reference, some employees also work for multiple employers, for example on part-time arrangements. In such cases, only the employer which the employee was working for at the point of injury would be responsible for providing compensation.
- 4.8.2 From engagements with Platform Workers, the Committee understands that they typically would be on one job for one platform at any given point in time. It is not common for Platform Workers to be "at work" on multiple platforms at the same time. The Platform Company which the Platform Worker was injured while on a job for, should be liable for the full work injury compensation required. This would include providing income loss compensation for the Platform Worker's total earnings (less expenses) across Platform Companies in the sector which the injury was sustained.

⁴Net Trade Income refers to gross trade income minus all allowable business expenses, capital allowances and trade losses.



- 4.8.3 The Committee has engaged insurers to confirm that the premiums charged to Platform Companies will be proportionate to the total earnings paid out by each Platform Company, when compensating for income loss across Platform Companies. Such compensation fairly accounts for varying levels of risk exposure by Platform Companies from an actuarial perspective. For instance, assuming the same accident rate across Platform Companies, a Platform Company with 10% of all Platform Workers working for them would likely be required to make pay-outs 10% of the time. Such an approach would provide Platform Workers compensation regardless of whether they worked with only one Platform Company, or with multiple Platform Companies.
- 4.8.4 For exceptional scenarios where Platform Workers are simultaneously “at work” for multiple Platform Companies, the Committee recommends that the Government develop a framework to apportion responsibility between the Platform Companies involved.

4.9 Recommendation 5:

Determine sector-specific definitions of when a Platform Worker is considered “at work”.

- 4.9.1 WICA coverage for employees applies when they are at work. As Platform Workers do not have fixed working hours or locations, it is important to establish a common understanding on when a Platform Worker is “at work” to assess the injured worker’s eligibility for work injury compensation. Differences in the nature of work between the ride-hail, food delivery and goods delivery platform sectors should also be accounted for.
- 4.9.2 For on-demand or time-sensitive platform sectors such as ride-hail and food delivery, the definition of when a Platform Worker is “at work” should comprise the acceptance of a job to drop-off (i.e. on the job) and a fixed duration of “x” minutes to account for waiting for a job. The Committee recommends that the Government determine this duration, taking into consideration actual data on waiting time in between jobs. For less on-demand or time-sensitive platform sectors such as goods delivery, the definition should comprise the journey to pick up the goods (i.e. goods collection) and the journey to the delivery destination until the Platform Worker returns to his vehicle (i.e. goods delivery). Unlike on-demand platform sectors, waiting time should be excluded as these jobs can be carried out over a longer duration, including periods when goods are stored before delivery.

4.10 Recommendation 6:

Retain the strengths of the current WICA regime, including the provision of work injury compensation insurance through the existing open and competitive insurance market.

- 4.10.1 The current WICA regime provides a ready model to operationalise work injury insurance for Platform Workers. It offers the advantages of standard policy terms approved by MOM, as well as established processes for reporting, claims admissibility, assessment standards and dispute resolution. WICA insurance is also provided through the existing open and competitive insurance market, which facilitates sustainable premiums based on claims history and allows Platform Companies the flexibility to choose the insurers they prefer to work with. It would account for Platform Companies’ relative risks across the sector, as Platform Companies with better safety records would likely pay lower premiums. These strengths should be retained for the Platform Workers’ work injury compensation regime. Such a model, accompanied by the recommendations to address the prevalence of multi-homing, would facilitate sustainable premium rates in the long term.
- 4.10.2 The Committee did not recommend a centralised model as it involves strong market intervention by the Government. Restricting the market to a centralised provider is not warranted when there is already a competitive work injury compensation insurance market.
- 4.10.3 The Committee also did not recommend an extension of group personal accident insurance purchased by Platform Companies with fixed pay-outs. Platform Companies would incur much higher premiums to provide personal accident insurance at the same scope and level as employees’ entitlement under WICA, as they would have to provide insurance coverage even when the Platform Worker was not injured at work.

4.11 Next Steps

- 4.11.1 The Government should continue to engage Platform Companies, Platform Workers and insurers to implement these recommendations. Implementation details that need to be worked out include the design of the insurance product as well as the monitoring of pricing of premium rates. The Government should also monitor the cost impact of the recommendations, such as the insurance premium pricing and implementation costs.



Focus Group Discussion with Platform Workers (13 May 2022).

Summary of Recommendations

➤ Recommendation 3

Require Platform Companies to provide the same scope and level of work injury compensation as employees' entitlement under the Work Injury Compensation Act (WICA).

➤ Recommendation 4

Require Platform Company that the Platform Worker is working for *at the point of injury* to be responsible for compensation, based on the Platform Worker's total earnings from the platform sector in which the injury was sustained.

➤ Recommendation 5

Determine sector-specific definitions of when a Platform Worker is considered "at work".

➤ Recommendation 6

Retain the strengths of the current WICA regime, including the provision of work injury compensation insurance through the existing open and competitive insurance market.

IMPROVING HOUSING AND RETIREMENT ADEQUACY OF PLATFORM WORKERS



05

CHAPTER 5

Improving Housing and Retirement Adequacy of Platform Workers

5.1 Key Principle: Workers who work and contribute to their CPF consistently should have the assurance of being able to meet basic housing and retirement needs.

- 5.1.1 Platform Workers should have the same level of CPF savings for housing and retirement as employees with similar lifetime earnings.

5.2 Existing Situation and Gaps

- 5.2.1 Today, Platform Workers, like other SEPs, are required to contribute up to 8% to 10.5% of their Net Trade Income into their MediSave Account to support their healthcare needs.¹ Some Platform Workers also receive matching contributions from Platform Companies though not mandated by the Government.² The Government provides additional support for lower-income Platform Workers by topping up their incomes via the Workfare Income Supplement Scheme.³

- 5.2.2 Platform Workers should additionally contribute to CPF Ordinary and Special Account for their housing and retirement needs. In practice, many Platform Workers are concerned about doing so on their own without co-contributions from Platform Companies, as they generally have modest incomes (see [Box 5.1](#)). More than twice the number of delivery workers agreed that mandatory CPF contributions would be better for their future well-being compared to those who disagreed (see [Figure 5.1](#)).

Box 5.1: Feedback from Platform Workers on Housing and Retirement Adequacy

“I put \$200 – \$300 every month in OA, for housing. It’s still not enough” – Delivery rider, Nielsen FGD.

“Only thinking about living day to day... Retirement is another level I haven’t started thinking yet.” – Driver, Nielsen FGD.

“I mean even if you work 10 to 12 hours a day, five to six days a week, you get \$2,000 to \$2,500. Eventually it still manages to feed you, pay your utilities, your home, and maybe buy some good meals sometimes. It doesn’t build on your savings, doesn’t build on your investments. It doesn’t keep your future going. – Driver, IPS Study on Private-Hire Car Drivers, February 2022.

“Platform Workers have a lack of savings and are financially stressed. A large majority of those surveyed were also worried about retirement adequacy (84 per cent)” – IPS Study on Private-Hire Car Drivers, February 2022.

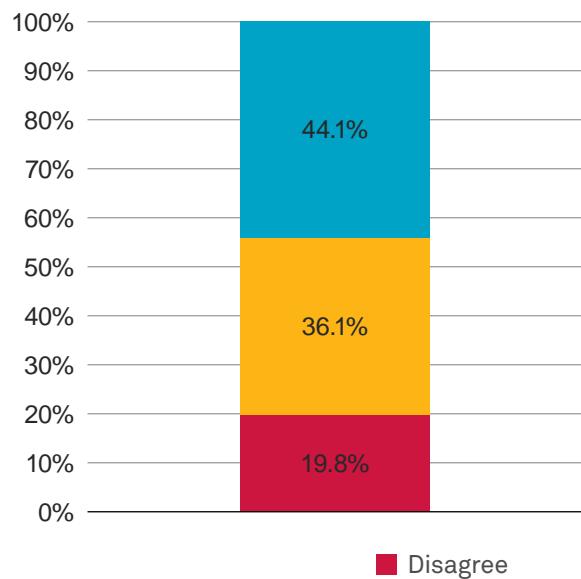
¹ Net Trade Income refers to gross trade income minus all allowable business expenses, capital allowances and trade losses. Refer to [Appendix D](#) for SEP current CPF contribution rate schedule.

² The Drive and Save (DAS) Scheme is a tripartite co-contribution scheme initiated by the National Taxi Association (NTA) and the taxi industry to enhance the welfare of taxi drivers. Participating taxi companies will contribute \$20 each month to the taxi drivers' MediSave. The co-contributions can be used to offset the drivers' mandatory MediSave contributions. Grab also has a MediSave Match Programme where the company will match up to \$100 of MediSave contributions subject to certain conditions.

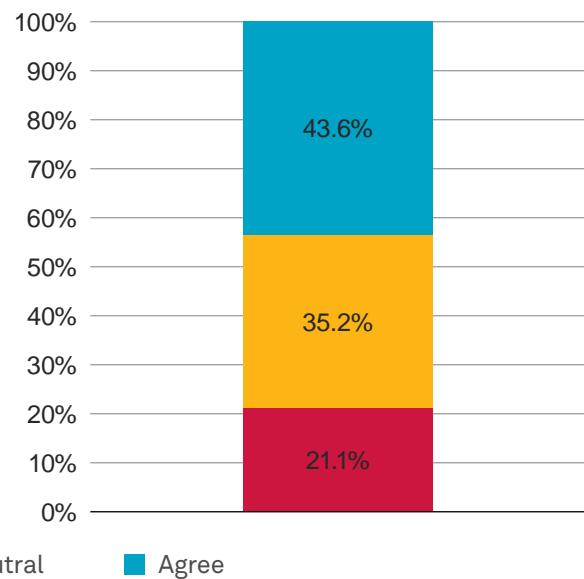
³ <https://www.workfare.gov.sg>

Figure 5.1: Perception on Effect of Mandatory CPF Contribution on Future Well-Being.

Question: It is better for your future well-being if the government required that platform companies make CPF contributions for delivery riders that use their Platforms



Question: It is better for your future well-being if the government required that food delivery riders make CPF contributions



Source: IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.

5.2.3 For all employees, whether full-time or part-time, their employers play a critical role in helping them save for the long-term by providing significant contributions (up to 17% of employee's monthly wages) to their CPF. However, while many Platform Workers are subject to a significant level of management control from Platform Companies, Platform Companies are not required to make CPF contributions to Platform Workers.

5.2.4 Hence, Platform Workers tend to have limited resources in their CPF, especially for the majority of Platform Workers who work 35 hours or more per week and are unlikely to have other CPF-contributing employment. In fact, a full-time young Platform Worker today is estimated to accumulate about 10% of the CPF savings that an employee with similar earnings can expect to set aside.⁵ The young Platform Worker is estimated to be able to finance about 20% of housing loan using their CPF monies, while an employee with similar earnings can expect to fully finance their housing loan using CPF monies.⁶ If left unaddressed, many Platform Workers may struggle to meet their housing and retirement needs.

⁴Refer to Appendix E for employee and employer current CPF contribution rate schedule.

⁵Based on a 25-year-old in 2021 who joins full time platform work compared to an employee of the same age with similar lifetime income. CPF balances are projected forward to age 55 based on median CPF balance of 25-year-old employee in 2021 and prevailing CPF contribution and interest rates.

⁶Based on median housing instalment of \$430, controlled for age and income.

- 5.2.5 Among Platform Workers above age 55, just over one in four were able to meet their cohort Basic Retirement Sum, although some who do not have enough in their CPF may have alternative sources of savings.
- 5.2.6 Furthermore, some Platform Workers find it challenging to make their required MediSave contributions. Unlike employees whose CPF contributions are automatically deducted from their salaries and transmitted to their accounts by their employers monthly, Platform Workers have to make their own arrangements to pay CPF contributions. Some of them run into cashflow problems as their CPF contribution amount is only made known after their Net Trade Income is declared the following year and they may not earn enough to make the contributions then. The Committee notes that about one in five Platform Workers have not been keeping up to date with their MediSave contributions.



Key Considerations

5.3 Key Consideration 1: Help Platform Workers to meet basic housing and retirement needs.

- 5.3.1 The starting point for the Committee was determining what level of CPF contributions would help Platform Workers meet basic housing and retirement needs if they work regularly. The Committee considered that what constitutes basic housing and retirement needs were unlikely to differ between Platform Workers and employees with similar incomes. At the same time, there is a need to level the playing field in terms of CPF costs among companies that exert a significant level of management control over their workers.

5.4 Key Consideration 2: Prioritise CPF contributions for those most in need while preserving flexibility of choice for Platform Workers.

- 5.4.1 Platform Workers are a heterogenous group with different needs, and it is important to preserve some flexibility and choice when recommending an increase in CPF contributions. During engagements with Platform Workers, they suggested that additional CPF contributions be made optional as they depended on CPF to different extents at different life stages. Older Platform Workers tended to have completed their housing mortgage payments due to CPF accumulated from previous jobs. The priority could be on younger Platform Workers who have a greater need and would benefit the most from CPF contributions and its compounding effect given their longer runway for accumulation.

5.5 Key Consideration 3:

Take steps to manage annual impact due to CPF contributions for all stakeholders in platform ecosystem.

- 5.5.1 The Committee recognised that imposing the full CPF contribution rate applicable to employees immediately would impose significant costs on the platform ecosystem. There would be a real risk that it results in prohibitive increases in business costs for Platform Companies, decreases in take-home pay for Platform Workers or increases in price for platform users.

- 5.6.3 Requiring the increased CPF contributions for Platform Workers who are aged below 30 in the first year of implementation targets the measure at those who can benefit the most from it immediately. Younger Platform Workers are more likely to have housing obligations or plans to buy a house. Like employees, most of the CPF contribution increase will be channelled towards the Ordinary Account for younger Platform Workers, which can be used to meet their housing needs.⁸ The contributions for retirement can also enjoy the compounding effect of CPF interest rates with the longer runway for accumulation. A study by IPS also found that younger Platform Workers are more likely to prefer having CPF contributions, especially for housing purposes (see Figures 5.2 - 5.4).

Recommendations

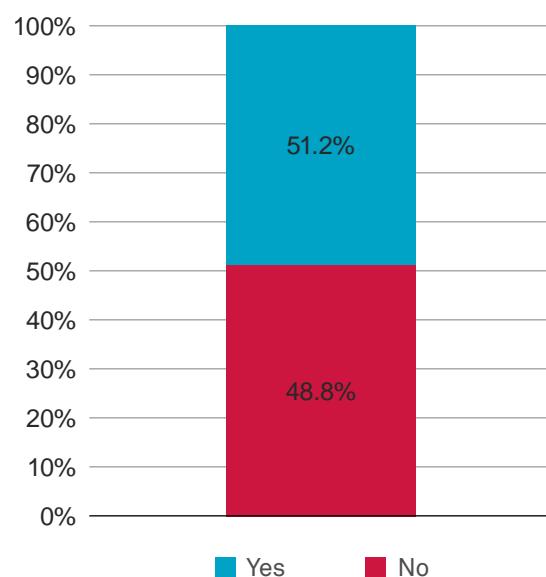
5.6 Recommendation 7:

Align CPF contribution rates of Platform Companies and Platform Workers with that of employers and employees respectively; required for Platform Workers who are aged below 30 in the first year of implementation.⁷

- 5.6.1 The Committee believes that we should help Platform Workers to set aside the same level of CPF savings for housing and retirement as employees with similar earnings. The two groups are likely to have similar needs.
- 5.6.2 To support this, Platform Companies that exert significant level of management control over Platform Workers should provide CPF contributions at the same rates as employers. It would be challenging for Platform Workers to achieve the same CPF contribution rate on their own, given that they generally earn modest incomes. This is to preserve the key feature of co-contribution which is part of the unique social compact in Singapore.

Figure 5.2: Delivery Rider's Preference for Increased CPF Contributions.

Question: Do you want CPF contributions from food delivery riding (i.e. you and the Platform Company will make contributions)?



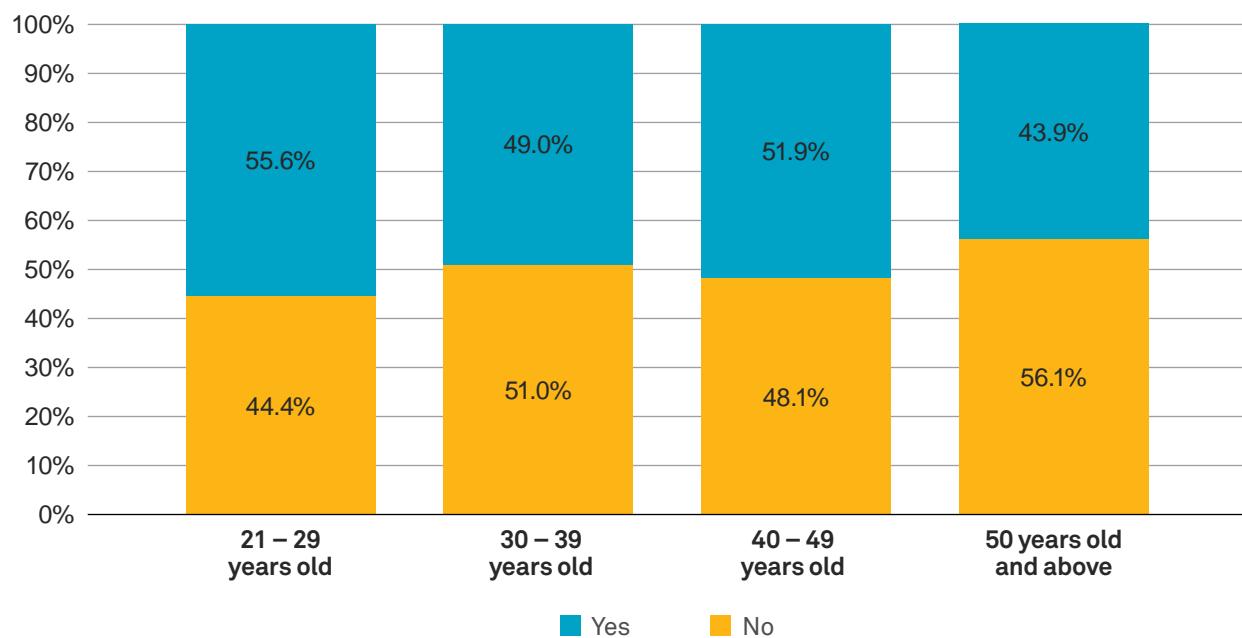
Source: IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.

⁷If someone is below age 30 in the first year of implementation but only joins platform work later on after the age of 30, "this recommendation will still apply to them (i.e. requirement for CPF contribution rates to be aligned with that applicable to employees).

⁸Refer to Appendix F for current CPF allocation rates for employees.

Figure 5.3: Delivery Rider's Preference for Increased CPF Contributions, by Age Bands.

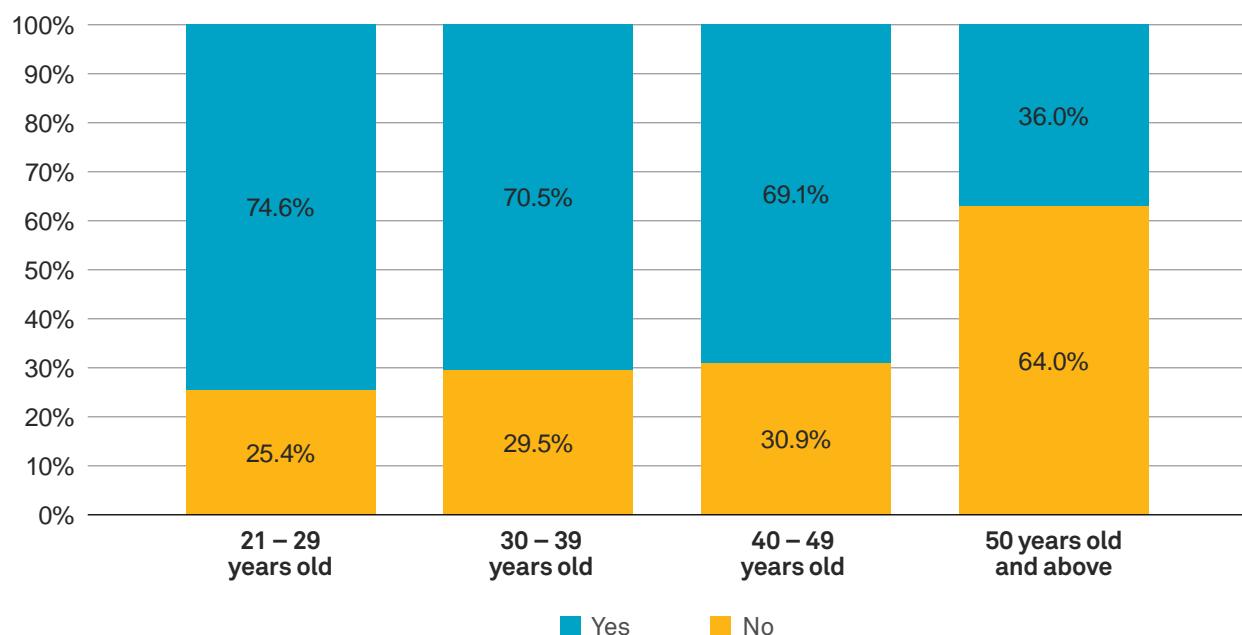
Question: Do you want CPF contributions from food delivery riding (i.e. you and the Platform Company will make contributions)?



Source: IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.

Figure 5.4: Delivery Riders' Preference for Increased CPF Contributions for Housing, by Age Bands.

Question: Why do you want CPF contributions from food delivery riding? Is it to buy a house/ pay mortgage for my house through CPF?



Source: IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.

5.7 Recommendation 8:

Allow older cohorts of Platform Workers who are aged 30 and above in the first year of implementation to opt in to the full CPF contribution regime.⁹

- 5.7.1 The Committee recommends allowing older cohorts of Platform Workers who are aged 30 and above in the first year of implementation to opt in to the same CPF contribution regime as younger cohorts if they wish to do so.
- 5.7.2 This preserves flexibility of choice for the vast majority of the heterogeneous group of workers who are already in platform work today. These workers may also have some personal arrangements to plan for retirement already and, depending on their age, may have paid off their housing loans (see Box 5.2).

Box 5.2: Feedback from Platform Workers on Differences between Older and Younger Platform Workers on Savings

“Older workers seemed to have a greater dependency on traditional forms of savings. Younger workers, on the other hand, have fewer concrete approaches towards saving for housing and retirement.” – Nielsen, FGD.

Older respondents tend to have already paid off their housing and no longer see it as a priority.
– Nielsen, FGD.

- 5.7.3 Nonetheless, the Committee strongly encourages these Platform Workers to opt in if they do not already have separate plans to save for their longer-term needs. This is especially so for Platform Workers aged 65 years old and above who will be able to enjoy additional Platform Company contributions without having to contribute more on their own. The opt-in rates for older cohorts of Platform Workers should be monitored to assess the housing and retirement adequacy of Platform Workers in these cohorts and whether any further measures may be needed in the future.

5.8 Recommendation 9:

Require Platform Companies to collect Platform Workers' CPF contributions to help workers make timely contributions.

- 5.8.1 The Committee recommends that Platform Companies work with the Government to develop a mechanism to deduct CPF contributions from Platform Workers' earnings as and when the Platform Workers receive their income.¹⁰ This should be designed to be simple to implement and use.
- 5.8.2 The data-driven approach of Platform Companies allows the convenient capture of earnings on a real-time basis, which facilitates the computation and deduction from earnings of CPF payable, and transmission of such monies to each worker's CPF account. Before the advent of such technology, it would have been much harder to manage such a process in a manner that is convenient and trusted by the workers.
- 5.8.3 The Government should work with Platform Companies to take advantage of technological developments and implement this recommendation as cost-effectively as possible. This may mean modifications and changes to current systems and operating processes on the part of both the Government and Platform Companies.

⁹ If someone is at age 30 or above in the first year of implementation but only joins platform work later on, this recommendation will still apply to them (i.e. allowed to opt in). To provide certainty to parties involved in implementation, the decision to opt in is not reversible.

¹⁰ This includes the deduction of MediSave contributions for all Platform Workers, including those who do not choose to opt in to the full CPF contribution regime.

5.8.4 Improving the CPF collection mechanism will go a long way towards enhancing Platform Workers' ability to save for their longer-term needs, not just for housing and retirement, but healthcare as well.

b. The phase-in would mean an average of 2.5% and 3.5% increases in the CPF contribution rates annually for Platform Workers and Platform Companies respectively. These CPF contribution rates are applied on total earnings (less expenses). For example, private-hire car drivers and taxi drivers can choose to use a Fixed Expense Deduction Ratio of 60%.¹¹ This would mean the CPF contribution rate applies to only 40% of their gross earnings, and average additional annual CPF contribution will be 1% and 1.4% of gross earnings for such drivers and their Platform Companies respectively.

5.9 Recommendation 10:

Phase in the increased CPF contributions over five years, unless major economic disruption warrants a longer timeline. To ease the impact, the Government may wish to consider providing support for Platform Workers and the form this should take.

5.9.1 The Committee has carefully considered the impact of these recommendations on all stakeholders in the platform ecosystem.

5.9.2 One way to manage the impact is to calibrate the pace of implementation. While the recommendations should not be delayed too far into the future so that Platform Workers can enjoy the benefits as early as possible, we should allow time for a smoother transition. There should also be sufficient lead time for stakeholders to be ready to start implementation, for example, to implement a new CPF collection mechanism.

5.9.3 On balance, the Committee recommends aiming to fully phase in the increased CPF contributions over five years from the start date of implementation, unless major economic disruption warrants a longer timeline.

a. A five-year phase-in will still enable today's Platform Workers to accumulate significant CPF savings to meet basic housing and retirement needs. In particular, a young Platform Worker today is estimated to be able to accumulate about 95% of the CPF savings that an employee with similar earnings can expect to set aside at age 55.

5.9.4 The Committee recognises that while Platform Workers will likely see higher total earnings due to additional CPF contributions, their take-home pay may drop. To ease the impact, the Government may wish to consider providing support for Platform Workers and the form this should take.

5.9.5 For Platform Companies, we will also manage the impact in other ways. Recommendation 7 will already help ease the cost impact by scoping down the mandatory group. Based on recent surveys, we also know that consumers and business users of platform services are prepared to pay more if it contributes towards improving the protections of Platform Workers (see Figures 5.5 – 5.8).

Figure 5.5: Survey on Consumers' Sensitivity to Price Increases in Platform Services

Question: If competitors remain at the same fares, how much can the P2P transport provider raise its fares before you definitely would not choose it the next time? (1 to 25%)

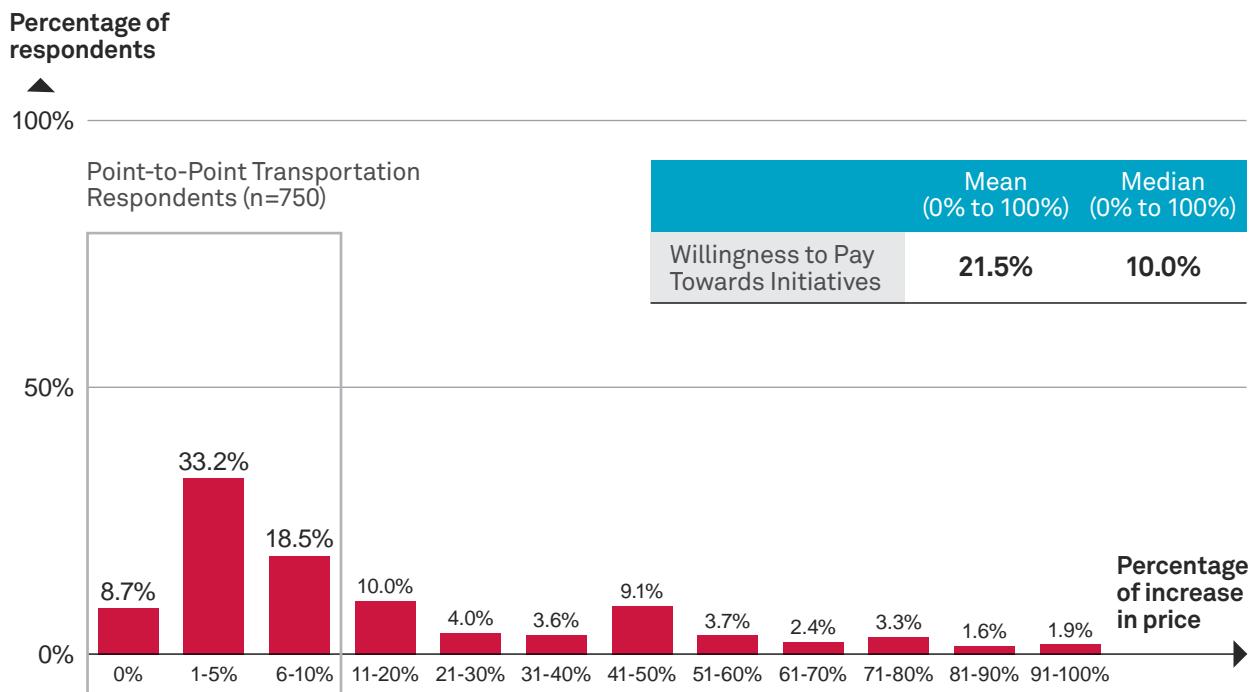
2019	2020	2021	2022
11.1%	12.2%	9.6%	9.6%

Source: SMU, Customer Satisfaction Index of Singapore, September 2022.

¹¹ Fixed Expense Deduction Ratio is the deemed amount of expenses that qualifying taxpayers can elect to deduct from their gross income earned for the purposes of computing tax and MediSave contributions today. This was introduced to simplify filing and ease the burden of record keeping. The ratio of 60% is specific to private-hire car and taxi drivers. IRAS is in the process of developing a ratio that will be applicable to delivery workers.

Figure 5.6: Survey on Consumers' Willingness to Pay for Price Increases in P2P Transportation Due to Increases in Protection.

Question: How much more are you willing to pay (in % terms), compared to what you pay for your typical ride, if it will go towards initiatives to better support drivers (e.g. work injury compensation, support for retirement savings)? (0 to 100%)



Source: SMU, Customer Satisfaction Index of Singapore, September 2022.

Figure 5.7: Survey on Consumers' Willingness to Pay for Price Increases in Platform Services (Broken Down by Category) Due to Increases in Protection.

Question: Thinking about your average expenses for Food or Parcel delivery services (e.g. foodpanda, Lalamove etc), how much more are you willing to pay if it goes towards initiatives to better support Platform Workers? (n=1,919)

Not willing to pay more at all	15%
3% or less	39%
4% to 5%	32%
6% to 10%	9%
More than 10%	3%
Don't know/ Not sure	2%

Question: Thinking about your average expenses for taxi and ride-hailing services (e.g. GoJek etc), how much more are you willing to pay if it goes towards initiatives to better support Platform Workers? (n=1,919)

Not willing to pay more at all	19%
3% or less	41%
4% to 5%	30%
6% to 10%	6%
More than 10%	3%
Don't know/ Not sure	2%

Source: MCI, Economic Sentiments Poll with consumers, Fieldwork: 28 March – 8 April 2022.

Figure 5.8: Survey on Business Users' Willingness to Pay for Increase in Platform Workers' Protection.

Question: What percentage increase in operating cost do you think your company is willing to incur, for the purpose of strengthening protection for Platform Workers? (n=426)

Less than 3%	38%
3% to less than 5%	38%
5% to less than 7%	19%
7% or more	5%

Source: MCI, Business Sentiments Poll, Fieldwork: April – June 2022.

5.10 Next Steps

- 5.10.1 The Government would need to set the specific CPF contribution rate schedule to be phased in across five years for both mandatory cohorts and opt-in cohorts. The Government should work closely with Platform Companies to develop the new collection mechanism to deduct CPF contributions as and when Platform Workers earn. The collection mechanism should be simple and easy to implement. The Government should also monitor the cost impact of any systems development needed by Platform Companies for this new collection mechanism and leverage technology to enable cost-effective implementation. Additional support for Platform Workers that could be given by the Government should also be shared when the details are ready.

Summary of Recommendations

➤ Recommendation 7

Align CPF contribution rates of Platform Companies and Platform Workers with that of employers and employees respectively for Platform Workers; required for Platform Workers who are aged below 30 in the first year of implementation.

➤ Recommendation 8

Allow older cohorts of Platform Workers who are aged 30 and above in the first year of implementation to opt in to the full CPF contribution regime.

➤ Recommendation 9

Require Platform Companies to collect Platform Workers' CPF contributions to help workers make timely contributions.

➤ Recommendation 10

Phase in the increased CPF contributions over five years, unless major economic disruption warrants a longer timeline. To ease the impact, the Government may wish to consider providing support for Platform Workers and the form this should take.

ENHANCING REPRESENTATION FOR PLATFORM WORKERS



06

CHAPTER 6

Enhancing Representation for Platform Workers

6.1 Key Principle: Workers should have the opportunity to be heard and be represented by a legitimate voice to advance their interests. This is a fundamental right for workers.

- 6.1.1 Given this, Platform Workers should be better empowered to negotiate for their interests.

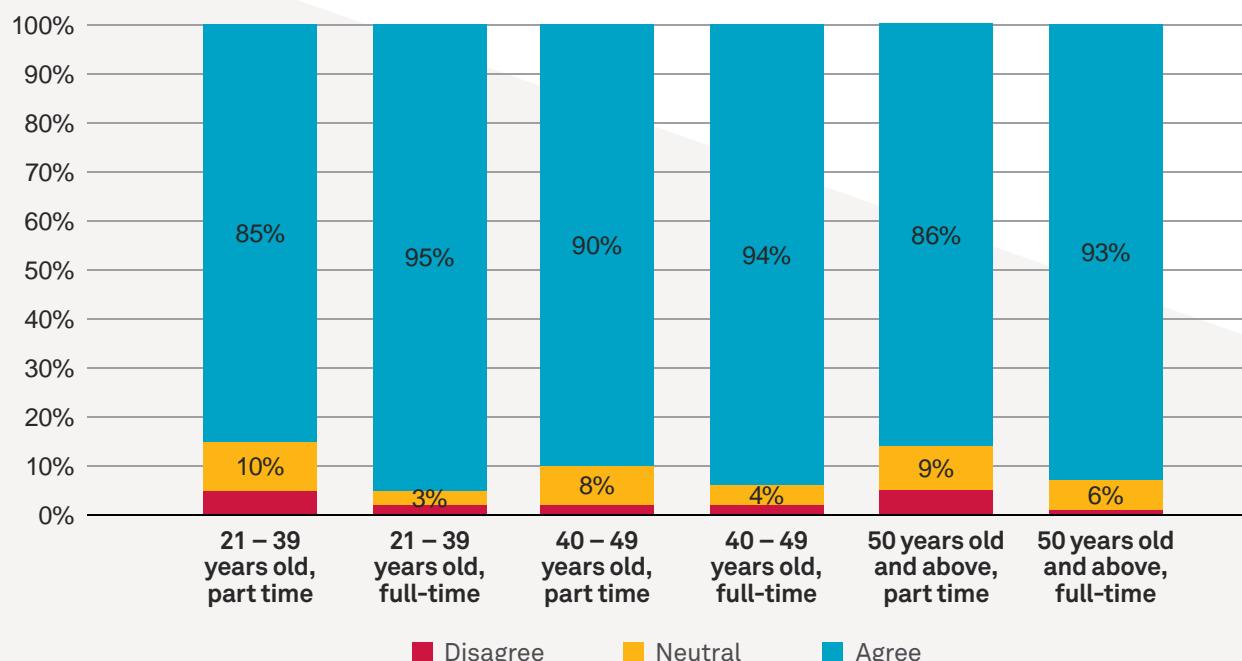
6.2 Existing Situation and Gaps

6.2.1 Besides retirement adequacy and work injury compensation, the Committee recognised that there are other work-related issues that Platform Workers are concerned about. These concerns were reflected in various engagement sessions that the Committee conducted to better understand the challenges that Platform Workers face, as well as surveys.

6.2.2 For example, stability of earnings and future work prospects are key areas of feedback from Platform Workers. A study by IPS found that many private-hire car drivers were concerned about not being able to earn enough as Platform Companies adjust their level of incentives (see [Figure 6.1](#)).

Figure 6.1: Concerns About Earnings Being Reduced Due to Lower Incentives (by Age Bands and Employment Status).

Question: I am worried that I am no longer able to earn enough money as a private-hire car driver because the financial incentives given by ride-sharing companies are increasingly being cut or reduced.



Source: IPS, Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', February 2022.

- 6.2.3 Apart from earnings, Platform Workers also want to be consulted on changes and better able to negotiate the terms and conditions of their service contracts with Platform Companies. They also want any changes to terms and conditions to be adequately communicated in advance. This ensures that Platform Workers are better able to make a more informed decision on which platforms they want to work for, and how to structure their work.
- 6.2.4 Platform Companies have put in place feedback mechanisms for Platform Workers to raise any issues faced. Nevertheless, Platform Workers were of the view that the processes can be strengthened. For example, they hoped that in the case of disputes with customers or with the Platform Company itself, the dispute resolution process will ensure that their case is considered fairly.
- 6.2.5 Last but not least, Platform Workers welcome more opportunities to engage with Platform Companies on how the safety of platform work can be further improved.

Box 6.1: Feedback from Platform Workers on Representation

"The most famous incident that prompted outrage amongst riders was the November 2019 legal restrictions on Personal Mobility Device (PMD) ownership and usage, commonly referred to as "the ban". Many riders lost their mode of transport and ability to earn higher incomes with this ban. It also showed them how volatile this work can be. Many spoke about the fact that they didn't have anyone to turn to." – IPS, 'Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', February 2022.

"They [Platform Companies] set all rules and regulations without drivers' opinions, without talking to drivers." – Full-time Driver, Nielsen FGD.

- 6.2.6 These concerns are not unique to Platform Workers. Employees too share the same concerns around earnings, employment terms and benefits, dispute resolution, and workplace safety. These concerns are best addressed at the sectoral or individual employer level, so that the unique circumstances of each employer and their employees can be taken into account, to enable both parties to arrive at sustainable and mutually agreed solutions. This is why the labour movement has played a critical role in representing employees' interests and negotiating with employers to arrive at win-win outcomes.

- 6.2.7 The Labour Movement has been actively working with Platform Workers to better understand their challenges and champion their interests. Three associations – the National Taxi Association (NTA), National Private Hire Vehicles Association (NPHVA) and National Delivery Champions Association (NDCA) – serve as the voice for taxi drivers, private-hire car drivers and delivery workers respectively, conveying their concerns to Platform Companies. During the pandemic, these associations also worked closely with Platform Companies and Government agencies to consider how Platform Workers can be better supported. Platform Companies have been open to engaging with these associations.



Focus Group Discussion with Platform Workers (13 May 2022).

- 6.2.8 Nevertheless, the extent to which these associations can effectively represent the interests of Platform Workers is limited. Unlike employees, who are legally empowered to form unions to formally represent their interests and enter into binding agreements with employers, Platform Workers are SEPs, and SEPs cannot form unions under current laws. The associations have therefore relied on informal discussions and agreements with Platform Companies. There is also no dispute resolution process to resolve disagreements between associations and Platform Companies.
- 6.2.9 The platform sector has grown rapidly over the past few years, and platform work has become an alternative form of employment for many Singaporeans, either as their primary source of income, or to supplement it. While the Committee recognises that Platform Workers are not employees, the Committee also recognises that they are subject to management control, and therefore should be better empowered to represent their interests to Platform Companies. The informal discussions and agreements between associations and Platform Companies have been premised on goodwill and a desire to collaborate. This is a good start, and we should build on this spirit of tripartite collaboration, such that Platform Workers can better negotiate for their interests through formal representation in a balanced and sustainable manner.



Key Considerations

6.3 Key Consideration 1:

The representation process and scope should reflect Singapore's tripartite model, premised on strong tripartite collaboration to preserve harmonious industrial relations.

- 6.3.1 Singapore has enjoyed harmonious industrial relations over the past decades, which has helped us sustain economic growth and achieve better outcomes for both businesses and workers. We must ensure that the framework to strengthen representation for Platform Workers continues to preserve harmonious industrial relations in Singapore. Tripartite partners should work together to co-create this framework that strengthens Platform Workers' ability to negotiate, while ensuring that Platform Companies' business prerogatives and sustainability are taken into consideration.

6.4 Key Consideration 2:

For each group of Platform Workers, there should be a clear process for determining who can act as its representative, so that both Platform Workers and Platform Companies are assured that the representatives are legitimate and have the mandate to speak on Platform Workers' behalf.

- 6.4.1 The process for doing so should also account for certain unique features and challenges in the platform sector. For example, unlike employees who typically work for only one employer at a time and have a fixed place of work, Platform Workers multi-home and are more geographically dispersed and transient. **This has implications on how Platform Workers can organise themselves and how their representatives are chosen.**

6.5 Key Consideration 3:

The scope of issues that Platform Workers' representatives can negotiate on their behalf should reflect their key concerns and interests, as well as the unique circumstances of platform work.

- 6.5.1 This would ensure that the representation framework is relevant and fit for purpose.

6.6 Key Consideration 4:

There should be clear dispute resolution mechanisms in place, so that disagreements between Platform Workers' representatives and Platform Companies can be resolved efficiently.

- 6.6.1 Parties should respect the negotiation process and the negotiated agreements, which are binding. Where there are disputes, similar to the industrial relations framework for employees and employers, there is scope for the Government as a neutral third party to play a mediating role, so that disputes can be resolved as amicably as possible. This is a key element in maintaining and preserving industrial peace.

6.7 Key Consideration 5:

There should be sufficient flexibility for the representation framework to evolve in tandem with industry trends.

- 6.7.1 The Committee recognises the dynamic nature of the platform economy, where business models can evolve rapidly. It is not the intent of the Committee to stifle the growth of the platform economy. Hence, the representation framework should be designed with sufficient flexibility for it to continue evolving in tandem with industry trends, so that it remains relevant to both Platform Workers' needs and Platform Companies' operating environment.

Recommendations

6.8 Recommendation 11:

Give Platform Workers the right to seek formal representation through a new representation framework designed for Platform Workers.

- 6.8.1 The Committee recommends that Platform Workers be allowed to organise and register themselves with the Ministry of Manpower as new representative bodies. These new representative bodies will then be able to formally seek the necessary mandate to negotiate with and enter into binding agreements with a Platform Company on the Platform Workers' behalf. A new legislative framework should be introduced to enable this formal representation. This will bring Platform Workers closer to the existing representation framework for employees and employers, but adapted for the unique circumstances of platform work and maintaining Platform Workers' status as non-employees.
- 6.8.2 Existing associations will thus be able to register themselves through this new framework as representative bodies and seek mandate to formally represent Platform Workers.
- 6.8.3 This new representation framework should cover three key areas. First, how a representative body can seek mandate. Second, the potential issues that the representative body which has obtained mandate can negotiate with Platform Companies on. Third, the dispute resolution process to resolve disagreements between parties.
- 6.8.4 With this new representation framework in place and enabled by legislation, Platform Workers can be better assured that their key concerns, such as earnings, future work prospects and the terms and conditions of their contracts, will be adequately represented.

6.9 Recommendation 12:

Set up a Tripartite Workgroup on Representation for Platform Workers (TWG) to co-create the new representation framework.

- 6.9.1 It is important for key stakeholders – Platform Workers, Platform Companies and the Government – to be closely involved in co-creating this new representation framework, to ensure that it is sustainable for all parties and there is shared ownership. This is in keeping with the spirit of the tripartite approach in Singapore.
- 6.9.2 The Committee had therefore earlier recommended to set up a Tripartite Workgroup on Representation for Platform Workers (TWG) to establish a representation framework for the platform sector. The TWG, which was recently convened in August 2022, is co-chaired by tripartite partners comprising the Government, NTUC and Singapore National Employers Federation (SNEF).¹ It comprises representatives from Platform Companies, existing Platform Worker associations, and the Ministry of Manpower, and will:
- a. Develop a framework for the representative body to seek mandate to represent Platform Workers collectively;
 - b. Set out the scope of potential issues that can be negotiated between a Platform Company and the representative body; and
 - c. Develop a dispute management framework to efficiently resolve disputes between negotiating parties.

6.10 Next steps

- 6.10.1 The TWG's deliberations are ongoing, and the Committee is confident that the TWG's work will lay the groundwork for sustainable and harmonious industrial relations in the platform sector. As it is navigating a new paradigm, it is important for the TWG to consult all parties and work out the details of the representation framework, and thereafter submit its report to the Ministry of Manpower in good time.
- 6.10.2 The Committee notes that legislative amendments would subsequently be required to enable the new representation framework. In the meantime, the various associations should continue their good work representing the interests of Platform Workers.
- 6.10.3 Even after the new representation framework is in place, it will be crucial for the labour Movement and Platform Companies to continue to work together in the spirit of tripartism, and forge win-win outcomes for the benefit of the platform sector.

Summary of Recommendations

➤ Recommendation 11

Give Platform Workers the right to seek formal representation through a new representation framework designed for Platform Workers.

➤ Recommendation 12

Set up a Tripartite Workgroup on Representation for Platform Workers (TWG) to co-create the new representation framework.

¹ Refer to Appendix G for the composition and scope of work of the TWG.

CONCLUSION: AN ONGOING EVOLUTION



07

CHAPTER 7

Conclusion – An Ongoing Evolution

7.1 The Committee's recommendations are based on fundamental principles.

- 7.1.1 Flexibility is a key and distinguishing feature of platform work that should generally be preserved.
- a. Hence, Platform Workers should not be classified as employees to preserve the flexibility that Platform Workers and Platform Companies value.
- 7.1.2 All companies should operate on a level playing field in terms of being required to provide certain basic protections if they exert a significant level of management control over their workers.
- a. Hence, Platform Companies that exert a significant level of management control should be required to provide for work injury compensation insurance and CPF contributions.
- 7.1.3 Financial protection in the event of work injury should be provided at the same level and scope to workers exposed to the same job risks, given that the inherent value of lives is independent of the work arrangements of an individual.
- a. Hence, Platform Workers should be provided with the same scope and level of work injury compensation as employees' entitlement under the Work Injury Compensation Act.
- 7.1.4 Workers who work and contribute to their CPF consistently should have assurance of being able to meet basic housing and retirement needs.
- a. Hence, Platform Workers should have the same level of CPF savings for housing and retirement as employees with similar earnings.

7.1.5 Workers should have the opportunity to be heard and be represented by a legitimate voice to advance their interests.

- a. Hence, Platform Workers should have the right to formal representation to negotiate for their interests.

7.2 Implementation of the Committee's recommendation will require continued consultations with Platform Companies, Platform Workers and platform users

7.2.1 It was crucial for the Committee to understand the platform ecosystem in Singapore, identify needs, balance diverse viewpoints and develop recommendations aimed at win-win outcomes. The extensive consultations with Platform Companies, Platform Workers and platform users have been a key part of the process.

7.2.2 Discussions have already commenced to ensure that the Committee's recommendations are implementable and will remain relevant amidst an evolving platform ecosystem. Significant work needs to be done to work out the precise implementation details, as well as to legislate provisions where necessary. Continued engagement with Platform Workers, Platform Companies and platform users will be important in this next stage of the process. Sufficient care and time should be given to ensure efficient implementation, and the Committee understands that this process will take at least a full year before implementation can commence. That said, it is important to work urgently so that Platform Workers can benefit from the much-needed protections as soon as possible.

7.3 Sustainable evolution of the platform ecosystem will require collective support.

7.3.1 The Committee is of the view that its recommendations will decisively address the precarious situation of Platform Workers, without compromising the flexibility of their work. Platform Workers will need to do a bit more in terms of setting aside savings for their housing and retirement needs. However, they will receive much stronger support from Platform Companies, both in terms of CPF contributions and in terms of the assurance of fair compensation if they get injured on the job. Through enhanced representation, Platform Workers will also be better equipped to work alongside Platform Companies to address other existing and emerging issues. Based on the Committee's engagements, Platform Companies recognise the importance of these protections and are broadly aligned on what needs to be done.

7.3.2 As a society, we should be prepared to play our part in supporting this effort. It is heartening that various surveys and public engagements indicate that platform users, including consumers of delivery and P2P transport services, are generally willing to pay slightly more for platform services to enhance protections for Platform Workers. This reflects Singapore's continuing evolution as a more inclusive society with stronger social compact, where no one is left to fend for themselves, as we move forward together.



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Appendix A**Composition of the Advisory Committee on Platform Workers****Advisor****Dr Koh Poh Koon**

Senior Minister of State for Manpower, and
Sustainability and the Environment

Chairperson**Ms Goh Swee Chen**

Chairperson
Institute for Human Resource Professionals

Vice-Chairperson**Professor Danny Quah**

Dean and Li Ka Shing Professor in Economics
Lee Kuan Yew School of Public Policy

Members*Industry:***Mr Sim Gim Guan**

Executive Director
Singapore National Employers Federation

Mr Shaikh Ismail

MOHH Entities Technology Services
Integrated Health Information Systems

Mr Lam Yi Young

Chief Executive Officer
Singapore Business Federation

Dr Leslie Teo

Senior Director, Open AI Products
AI Singapore

*Labour Movement:***Mr Ang Hin Kee**

Advisor to National Taxi Association
(NTA) & National Private Hire Vehicles
Association (NPHVA)
NTUC Assistant Director-General
and Director, Governance,
Risk & Compliance Division

Ms Yeo Wan Ling

Advisor to NTA, NPHVA and National
Delivery Champions Association (NDCA)
Director, NTUC U SME and U Women
and Family (U FSE)

Ms Jean See Jinli

Executive Secretary to NDCA and NTA
Director, NTUC Freelancers and
Self-Employed Unit (U FSE)

*Academia:***Professor Hoon Hian Teck**

Dean, Singapore Management University
School of Economics

Associate Professor Jessica Pan

Associate Professor of Economics,
National University of Singapore

*Government:***Mr Poon Hong Yuen**

Deputy Secretary (Workforce)
Ministry of Manpower

Mr Jeremy Yap

Deputy Chief Executive
(Public Transport, Policy and Planning)
Land Transport Authority

Mr Adrian Chua

Deputy Secretary (Industry)
Ministry of Trade and Industry

Appendix B**List of Companies, Associations and Chambers Engaged****Taxi and Private-Hire Car Operators:**

- ComfortDelGro
 - Grab Singapore
(also engaged on food and goods delivery)
 - Gojek
 - Premier Taxis
 - Prime Taxi
 - RYDE
 - Strides Mobility
 - TADA
(also engaged on food and goods delivery)
 - Trans-Cab
-

Food and Goods Delivery Companies¹:

- AmazonFlex
 - Deliveroo
 - foodpanda
 - GoGoX
 - Lalamove
 - NinjaVan
 - Pickupp
 - SingPost
 - Teleport
 - uParcel
-

Platform Worker Associations:

- National Taxi Association
 - National Private Hire Vehicles Association
 - National Delivery Champions Association
-

Trade Association and Chambers:

- Association of Small and Medium Enterprises
- Container Depot and Logistics Association (Singapore)
- Digital Platforms Industry Association
- Restaurant Association of Singapore
- SAAA@Singapore
- SGTech
- Singapore Logistics Association
- Singapore Retailers Association
- Singapore Transport Association
- Singapore International Chamber of Commerce
- Singapore Chinese Chamber of Commerce and Industry
- Singapore Indian Chamber of Commerce and Industry
- Singapore Malay Chamber of Commerce and Industry

¹ List excludes companies that are also private-hire car operators, i.e. Grab, TADA.

Appendix C Findings from Engagements and External Studies

- 1 The Committee reached out to more than 20,000 Platform Workers, about 30 companies, associations and chambers, as well as close to 2,700 platform users from both the point-to-point transport and delivery sectors. This was done through a variety of channels such as dialogues, focus group discussions (FGDs), surveys and a public consultation exercise. The Committee received about 1,200 submissions through the public consultation exercise.
- 2 The Committee would like to register its appreciation to all who have taken the time and effort to share their views and feedback. The Committee has carefully considered the feedback as well as external studies in its deliberations on how best to strengthen protections for Platform Workers. This Appendix summarises the findings from the engagements and external studies.

Framework

Summary of Key Findings

- 3 Platform Workers valued the flexibility afforded by platform work yet felt subject to controls by Platform Companies that directly affected their work conditions and earnings. (Details in Box C.1).

Box C.1: Detailed Findings – *Platform Workers*

[IPS, 'Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', February 2022.]

- About 75% reported that flexibility in working hours was one of the reasons for their decision to drive.
- Flexibility comes with caveats. To earn sizeable incomes, Platform Workers would have to work long hours, especially during peak hours where fares are higher.
- Platform Workers were constantly trying to figure out complicated incentive structures and how jobs were allocated.
- Flexibility with limited protection means that workers are sensitive to volatile market forces, e.g. earnings fell when large number of people joined platform work.

[IPS, 'Current Realities, Social Protection and Future Needs of Platform Food Delivery Workers in Singapore', November 2022.]

- Over 60% felt that having no control over fee structure contributed to concerns about future earnings.
- There are unpredictable waiting times and variations to what can be earned at different times of the day. Platform Companies incentivise riders to work at peak hours and locations where there is an expected demand.

[Focus Group Discussions with Platform Workers, June 2022.]

- Low barriers to entry, high level of autonomy and flexibility are key motivations for workers to consider platform work.
- While autonomy and flexibility are key draws to platform work, Platform Companies exert a strong control over Platform Workers through their policies, often having them comply without much ability to negotiate.

"Everything that we do, we are controlled by the platform."

"They [Platform Companies] set all rules and regulations without drivers' opinions, without talking to drivers..."

[Dialogue with Platform Workers, October 2022.]

- Some Platform Companies were starting to impose shift work on Platform Workers (i.e. fixed duration of hours) and Platform Workers could not flexibly change their shift if they were ill and could not find a replacement.

- 4 Platform Companies recognised the importance of protections for Platform Workers. However, they felt the level of protection from Platform Companies should be lower than that from an employer given that they exerted less control than employers. There were distinct differences between Platform Companies and employers and Platform Companies should not be considered employers. (Details in Box C.2).

Box C.2: Detailed Findings – *Platform Companies*

[One-to-One Engagements with Platform Companies, September – October 2022.]

- There are still distinct differences between Platform Companies and employers (e.g. employers do not share the same pool of Platform Workers who can flexibly work across many Platform Companies) and this should continue to be respected.

[One-to-One Engagements with Taxi Companies, September – October 2022.]

- Taxi operators have little control over street-hail rides since these are matched directly between consumer and taxi driver and the street-hail earnings do not pass through taxi operators.

Ensuring Adequate Financial Protection in case of Work Injury

Summary of Key Findings

- 5 Platform Workers were supportive of setting a standard of adequate financial protection in case of work injury and enhancing work injury compensation. However, they were concerned about when they would be considered “at work” for purposes of work injury compensation. Some were also concerned that costs could be passed on to them, resulting in reduced earnings. (Details in Box C.3).

Box C.3: Detailed Findings – *Platform Workers*

[Focus Group Discussions with Platform Workers, June 2022.]

- Platform Workers, especially those who did platform work on a full-time basis, were generally supportive of having an adequate standard of financial protection in case of work injury. However, they cited concerns around cost and implementation challenges, and the lack of confidence in Platform Companies to act in their interest.
- Platform Workers were concerned about when they would be considered “at work” for purposes of work injury compensation. They felt that the varied nature of individuals’ work arrangements should be reflected in work injury compensation, due to differences in earnings and exposure to job risks.
- Some Platform Workers raised concerns about how the cost of enhanced work injury compensation could be passed on to workers, such as through reduced fares and altered incentive structures.

“I feel [the proposed standard insurance] is better. When you’re doing delivery, you feel more assured, a peace of mind.”

“[Current insurance provided] is different. It is based on tiers and trips. If you hit that number, then you would be covered under that insurance. If you don’t hit, you get nothing on your own.”

“[Current insurance provided] is not enough, but I think it’s a personal liability, you have to take care of yourself. On top of what they already give you.”

“Personally, people should get their own insurance. However, there are people who cannot afford as well. Therefore, like basic insurance or work injury, I feel that [Platform Company] should still take responsibility.”

“But technically [the proposed basic insurance] is not free, the money still needs to come from somewhere. So if it comes from the riders themselves, it is unfair for part time riders... if they deduct a fixed amount for every rider. For the part-timers, it is harder.”

- 6 Platform Companies supported the need to provide Platform Workers with work injury compensation and highlighted existing financial protections provided to Platform Workers in case of work injury. However, Platform Companies were concerned that insurance premiums would be disproportionately high if they had to compensate for a Platform Worker's total income from the platform sector in which the injury was sustained. This concern about providing income loss compensation for the Platform Worker's total earnings was especially pertinent among smaller Platform Companies. Platform Companies were also concerned about how the regime would be implemented. (Details in Box C.4).

Box C.4: Detailed Findings – Platform Companies

[One-to-One Engagements with Platform Companies, September – October 2022.]

- Platform Companies supported the need to provide Platform Workers with work injury compensation and highlighted existing financial protections provided to Platform Workers in case of work injury.
- Platform Companies were concerned that insurance premiums would be disproportionately high if they had to compensate a Platform Worker for income loss from other Platform Companies within the sector that the injury was sustained in.
- Smaller Platform Companies felt that they would be more disadvantaged by this approach.
- Platform Companies were concerned about the implementation challenges of providing work injury compensation for Platform Workers.

Improving Housing and Retirement Adequacy

Summary of Key Findings

- 7 Platform Workers were concerned about their ability to meet both immediate and future needs. They recognised the need for greater retirement savings but were concerned that it would come at the expense of take-home pay. In the Committee's public consultation as well as surveys by IPS, about half of Platform Workers were supportive of mandatory CPF contributions. Younger workers were more likely to be supportive and cited housing purchase or payments as the rationale. Some Platform Workers suggested for workers to be given a choice whether to have CPF contributions. (Details in Box C.5).

Box C.5: Detailed Findings – Platform Workers

[IPS, 'Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', February 2022.]

- 74% worry about not having enough retirement savings.
- 94% reported facing moderate to high financial stress.

[Public Consultation Paper on Platform Workers, December 2021.]

- 55% of submissions which commented on compulsory CPF indicated support for it.

[IPS, 'Precarity in Platform Work: A Study of Private-Hire Car Drivers and Food Delivery Riders', February 2022.]

- Younger workers (aged below 30 years old) were more likely to prefer having CPF contributions at 55.6% compared to older workers (above 30 years old) at an average of 48.2%.

[Focus Group Discussions with Platform Workers, July 2022.]

- Impact on one's take-home earnings was the key consideration when evaluating mandating CPF contributions.
- Older workers seemed to have greater dependence on traditional forms of savings e.g, saving month to month, depending on CPF to pay off housing loans, etc. Older respondents tend to have already paid off their housing and no longer see CPF as a priority.

"I noticed a lot of people younger than us, 20 odd [years], they don't have any support, if there is no CPF, how can they buy house?... it's a forced saving... if you get cash in hand, you might not save it if you don't have the discipline"

"For people like me, CPF is not that useful. Basically, my retirement, my CPF from full time job already provided and it's in there already... driving is extra, in terms of cash."

"I do make contributions but it's quite limited. I don't think it's enough. Because the income is not sufficient."

"I put \$200 – \$300 every month in Ordinary Account, for housing. It's still not enough"

"Only thinking about living day to day... Retirement is another level I haven't started thinking yet."

"...our earnings are so much smaller. If you were to apply CPF contribution to this small earnings, it will make it a lot harder for us to recover our own cost."

- 8 Platform Companies expressed that they should not contribute at the same rate as employers since they exerted less control. They also highlighted that the implementation pace of CPF contributions should be sustainable for the platform ecosystem, with the possibility of further reviews. Platform Companies raised concerns about the potential implementation costs of collecting Platform Workers' share of CPF contribution. (Details in Box C.6).

Box C.6: Detailed Findings – Platform Companies

[Group Engagement with Platform Companies, April 2022.]

- Platform Companies were concerned that it might not be financially tenable to contribute the full employer CPF contribution rates.
- Platform Companies also felt that they should not contribute CPF at the same level as employers as they did not have the same level of control over Platform Workers as employers did over employees.

[One-to-One Engagements with Platform Companies, September – October 2022.]

- Platform Companies were worried about the costs of CPF contributions, sharing that their business model relied on high volume and had low margins.
- Platform Companies suggested for the increases to be reviewed regularly over a period of time such that it is sustainable for the platform ecosystem.
- Platform Companies asked to discuss implementation details in greater detail and were concerned about implementation cost of the new CPF collection mechanism.

- 9 Platform users felt recommendations were necessary, and most were willing to pay more if it went towards strengthening protections for Platform Workers. (Details in Box C.7).

Box C.7: Detailed Findings – Platform users

[SMU, Customer Satisfaction Index of Singapore 2022.]

- About 90% of point-to-point transport consumers were willing to pay for some increase.
- Close to 60% indicated that they were willing to pay over 5% more for their rides.

[MCI, Business Sentiments Poll, Fieldwork: April – June 2022.]

- Close to 85% of consumers were willing to pay some increase for platform services if it went towards initiatives to better support Platform Workers.
- About 30% of consumers were willing to pay 4-5% more, while a further 10 – 15% of respondents were willing to pay over 5% more.
- Among firms on digital platforms, 38% were willing to pay ≤3 – <5% more, while a further 24% were willing to bear 5% or more of increase in operating cost for strengthening protection for Platform Workers.

Enhancing Representation for Platform Workers

Summary of Key Findings

- 10 Platform Workers were generally supportive of enhanced representation, to better address their needs and concerns. Views were split on who could best represent Platform Workers. Platform Workers preferred a representative who understood their concerns and had the legitimacy and authority to represent them. (Details in Box C.8).

Box C.8: Detailed Findings – *Platform Workers*

[Dialogue with Platform Workers, 11 October 2022.]

- Platform Workers cited issues communicating effectively with platforms. There was also dissatisfaction with not being consulted or given advance notice when Platform Companies change their policies, and how they convey their issues to Platform Companies (e.g. lack of expedient customer service hotlines and responses by Platform Companies to address their concerns). Issues that Platform Workers faced include last-minute cancellations and Platform Companies taking the side of consumers.
- Platform Workers also raised concerns about the unpredictability in their nature of work, and having to work long hours to earn enough.

- Platform Workers preferred a representative who understood their concerns and had the legitimacy and authority to represent them.

- There were calls from Platform Workers for unions and the Government to play a role in better representing Platform Workers.

[Focus Group Discussions with Platform Workers, June 2022.]

- Desire for unions and associations to play the role as a negotiator and middle-man

“They [Platform Companies] set all rules and regulations without drivers’ opinions, without talking to drivers...”

- 11 Platform Companies felt that existing internal feedback mechanisms were sufficient to address the concerns of Platform Workers and preferred status quo (i.e. direct interactions with Platform Workers and associations). They were also concerned about the representation scope and added obligations on the part of Platform Companies. (Details in Box C.9).

Box C.9: Detailed Findings – *Platform Companies*

[One-to-One Engagements with Platform Companies, September – October 2022.]

- Platform Companies were concerned with the expectations from the new representation framework and were worried about the extent of additional obligations. On earnings, it was difficult to guarantee a minimum rate without imposing certain requirements such as minimum working hours on the Platform Workers. There was also some sensitivity surrounding revealing information pertaining to algorithms used to assign work or determine earnings.

[Group Engagement with Platform Companies, October 2022.]

- Platform Companies asked about how the current direct interactions with Platform Workers were inadequate to manage the issues that the Committee sought to address.

Appendix D**Self-Employed Person (SEP) Current CPF Contribution Rate Schedules****Table D.1: MediSave Contribution Rates for SEPs (Non-Pensioners).**

Net Trade Income	Age as at 1 January (Years)			
	Below 35	35 to below 45	45 to below 50	50 and above
Above \$6,000 to \$12,000	4.00%	4.50%	5.00%	5.25%
Above \$12,000 to \$18,000	Phased in from 4.00% – 8.00%	Phased in from 4.50% – 9.00%	Phased in from 5.00% – 10.00%	Phased in from 5.25% – 10.50%
Above \$18,000	8.00% (Maximum \$5,760)	9.00% (Maximum \$6,480)	10.00% (Maximum \$7,200)	10.50% (Maximum \$7,560)

Appendix E

Employee and Employer Current CPF Contribution Rate Schedules

Table E.1: Employee and Employer CPF Contribution Rates Across Age Bands.

Age (Years)	Monthly Wage	Employee Contribution	Employer Contribution
55 and below	≤ \$50		0
	> \$50 – \$500	0	17%
	> \$500 – < \$750	0.6*(Wage – \$500)	
	≥ \$750 – \$1,000		
	> \$1,000 – \$1,500	20%	
	> \$1,500		
Above 55 to 60	≤ \$50	0	14%
	> \$50 – \$500	0	
	> \$500 – < \$750	0.42*(Wage – \$500)	
	≥ \$750 – \$1,000		
	> \$1,000 – \$1,500	14%	
	> \$1,500		
Above 60 to 65	≤ \$50	0	10%
	> \$50 – \$500	0	
	> \$500 – < \$750	0.255*(Wage – \$500)	
	≥ \$750 – \$1,000		
	> \$1,000 – \$1,500	8.5%	
	> \$1,500		
Above 65 to 70	≤ \$50	0	8%
	> \$50 – \$500	0	
	> \$500 – < \$750	0.18*(Wage – \$500)	
	≥ \$750 – \$1,000		
	> \$1,000 – \$1,500	6%	
	> \$1,500		
Above 70	≤ \$50	0	7.5%
	> \$50 – \$500	0	
	> \$500 – < \$750	0.15*(Wage – \$500)	
	≥ \$750 – \$1,000		
	> \$1,000 – \$1,500	5%	
	> \$1,500		

Appendix F**Combined Employee and Employer Current CPF Allocation Rates****Table F.1: Employee and Employer CPF Allocation Rates Across Accounts.**

Employee's Age (Years)	Ordinary Account (Proportion of Contribution)	Special Account (Proportion of Contribution)	MediSave Account (Proportion of Contribution)
35 & below	62.17%	16.21%	21.62%
Above 35 – 45	56.77%	18.91%	24.32%
Above 45 – 50	51.36%	21.62%	27.02%
Above 50 – 55	40.55%	31.08%	28.37%
Above 55 – 60	42.86%	19.64%	37.5%
Above 60 – 65	18.93%	24.32%	56.75%
Above 65 – 70	7.15%	17.85%	75.00%
Above 70	8.00%	8.00%	84.00%

Note: The CPF allocation is first computed for the MediSave Account, followed by the Special Account. The remainder will be allocated to the Ordinary Account.

Appendix G

Composition of Tripartite Workgroup on Representation for Platform Workers and Scope of Work (as at 30 August 2022)

Advisor

Dr Koh Poh Koon

Senior Minister of State for Manpower, and Sustainability and the Environment

Chairpersons

Mr Poon Hong Yuen

Deputy Secretary (Workforce)
Ministry of Manpower

Mr Sim Gim Guan

Executive Director
Singapore National Employers Federation (SNEF)

Ms Cham Hui Fong

Deputy Secretary-General
National Trades Union Congress (NTUC)

Members

Platform Companies:

[Representative from taxi sector]

Mr Tommy Tan

Chief Operating Officer, ComfortDelGro

[Representative from goods delivery sector]

Mr Alex Lin

Managing Director (Singapore), Lalamove

[Representative from ride-hailing sector]

Mr Yee Wee Tang

Managing Director, Grab

[Representative from food delivery sector]

Mr Darryl Chua

Operations Director, foodpanda

Businesses:

Mr Lam Yi Young

Chief Executive Officer
Singapore Business Federation

Labour Movement:

Mr Ang Hin Kee

Advisor to National Taxi Association (NTA) & National Private Hire Vehicles Association (NPHVA)
NTUC Assistant Director-General and Director, Governance, Risk & Compliance Division

Ms Jean See Jinli

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Divisional Director
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Deputy Divisional Director
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Scope of TWG's work

At the TWG's first meeting on 30 August 2022, the members agreed on the scope of the TWG's work. The key deliverables are:

- a. To develop a framework for the representative body to seek mandate to represent Platform Workers collectively;
- b. To set out the scope of potential issues that can be negotiated between a Platform Company and the Platform Worker representative body; and
- c. To develop a dispute management framework to efficiently address disputes between negotiating parties.



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