

ANNEX D-3: ENHANCEMENTS TO THE PROGRESSIVE WAGE CREDIT SCHEME

The Progressive Wage Credit Scheme (PWCS) was introduced in Budget 2022 to provide transitional support from 2022 to 2026 for employers to adjust to the Progressive Wage moves, as well as to encourage employers to voluntarily raise the wages of their lower-wage employees.

The PWCS co-funds the wage increases that employers provide to resident lower-wage employees with gross monthly wages of up to \$2,500 under a First Tier of support, and gross monthly wages above \$2,500 and up to \$3,000 under a Second Tier of support. The average gross monthly wage increase must be at least \$100 in each qualifying year to be eligible for PWCS. Wage increases given in each qualifying year will be co-funded for two years, if the wage increase is sustained. This is to help employers manage the compounding effect of wage increases.

Government Increases Co-funding Support for PWCS in Budget 2023

To further strengthen support for employers in uplifting lower-wage employees, **the Government will enhance PWCS co-funding support for wage increases in the qualifying year 2023** (see Table 1). The enhanced 2023 co-funding support will also apply to wage increases given in qualifying year 2022 and sustained in 2023. All other scheme parameters remain unchanged.

Table 1: Government Co-funding Levels for Eligible Wage Increases from 2022 to 2026

Qualifying Year	Payout Period	First Tier	Second Tier
		Gross Monthly Wage Ceiling $\leq \$2,500$	Gross Monthly Wage Ceiling $> \$2,500$ and $\leq \$3,000$
2022	Q1 2023	75%	45%
2023	Q1 2024	75% (+25%-pt)	45% (+15%-pt)
2024	Q1 2025	30%	15%
2025	Q1 2026	30%	-
2026	Q1 2027	15%	-

Notes:

1. The co-funding levels from 2022 to 2026 are expressed as a percentage of the applicable wage increase.
2. The co-funding levels for wage increases in qualifying year 2022 were enhanced in June 2022's support package, from 50% to 75% for the First Tier, and from 30% to 45% for the Second Tier.

More Information

Scheme	Contact Details
Progressive Wage Credit Scheme (PWCS)	Please visit go.gov.sg/pwcs or contact IRAS at 6351 3390.