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NATIONAL WAGES COUNCIL (“NWC”) HAS RELEASED ITS GUIDELINES FOR 2025/2026

The National Wages Council (“**NWC**”) has released its guidelines for 2025/2026, which will apply to all employees in unionised and non-unionised firms across both the public and private sectors. The NWC has indicated that the aforementioned will take effect from July 2026. The guidelines were issued against the backdrop of continued economic expansion in 2025, albeit at a more moderate pace due to softer global conditions. The NWC reiterated that wage increases should continue to be aligned with productivity improvements and encouraged employers who have not yet adopted, to adopt the Flexible Wage System (“**FWS**”) fully to ensure that wage adjustments remain responsive to business performance and broader economic conditions.

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WAGE INCREASE RECOMMENDATIONS:

To narrow the gap between lower wage workers and median wage workers, the NWC has developed annual wage guidelines that comprise a percentage range for wage growth and a minimum dollar quantum increase. The NWC recommends the following guidelines for employees earning a gross monthly wage of up to \$2,700:

- (a) Employers that have performed well and have positive business prospects should provide their lower wage workers with a built-in wage increase at the higher end of 5.5% to 7.5% of gross monthly wage, or a wage increase of at least \$105 to \$125 whichever is higher.
- (b) Employers that have performed well but face uncertain prospects should provide their lower-wage workers with a built-in wage increase at the middle to lower end of 5.5% to 7.5% of gross monthly wage, or a wage increase of at least \$105 to \$125, whichever is higher; and
- (c) Employers that have not performed well should provide their lower wage workers with a built-in wage increase at the lower end of 5.5% to 7.5% of gross monthly wage. If business prospects subsequently improve, employers should consider granting further wage increases.

CENTRAL PROVIDENT FUND (“CPF”) CHANGES AND WAGE INCREASE CONSIDERATIONS:

The NWC reiterates that wage increases should continue to be guided by productivity gains. The following changes to the CPF will take effect from January 2026:

- (a) The monthly CPF salary ceiling will be increased from \$7,400 to \$8,000 with effect from 1 January 2026 to keep pace with rising salaries. The employer CPF contribution rates for older workers aged above 55 to 65 will also increase by 0.5% on 1 January 2026, and the Singapore Government will provide the CPF Transition Offset to assist to offset part of the increase in employers’ CPF contributions for 2026. Employers may take the increased CPF contributions into account when considering the quantum of wage increases.

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(b) For lower wage workers earning up to \$2,700, the NWC recommends a built-in wage increase of 5.5% to 7.5%, or \$105 to \$125, whichever is higher, with higher percentage adjustments encouraged for workers at the lower end of the wage range,

OCCUPATIONAL PROGRESSIVE WAGE (“OPW”) UPDATES FOR ADMINISTRATIVE AND DRIVER ROLES:

The NWC has updated the OPW requirements for full-time Administrative and Driver OPW employees¹. Below are the updated baseline gross wage requirements.

OPW Job Level	PWM Baseline Gross Wage Requirements		
	From 1 July 2025 [Current]	From 1 July 2026 [New]	From 1 July 2027 [New]
Administrative Assistant	\$1,980	\$2,170	\$2,360
Administrative Executive	\$2,580	\$2,760	\$2,940
Administrative Supervisor	\$3,160	\$3,340	\$3,520
Group A Level 1 Driver	\$2,190	\$2,370	\$2,550
Group A Level 2 Driver	\$2,190 / \$2,320 ²	\$2,485	\$2,665
Group B Level 1 Driver	\$2,320	\$2,505	\$2,690
Group B Level 2 Driver	\$2,320	\$2,555	\$2,790

[1] Applies to Singapore Citizen and Permanent Resident full-time employees (i.e., contractual working hours of 35-44 hours a week, based on regular contractual working hours), assuming no overtime worked. Please refer to Appendix 2 for details on part time and overtime requirements.

[2] A General or Specialised Driver under the 2023-2025 OPW Driver job ladder might be reclassified as a Group A Level 2 Driver under the new 2026-2027 OPW Driver job ladder, depending on the role performed.

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EMPHASIS ON TRAINING AND UPSKILLING

The NWC continues to emphasise the continued importance of training, upskilling, job redesign and workforce transformation, especially as companies adopt more digital and AI-enabled tools.

The NWC Guidelines document is published on the Ministry of Manpower's website at <https://www.mom.gov.sg/-/media/mom/documents/press-releases/2025/nwc-guidelines-11nov25.pdf>.

Should you have any queries as to how this update may affect you or your organisation or require further information, please do not hesitate to email us.



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This newsletter is intended to discuss the Employment Law Updates, and it is not intended to be comprehensive nor should it be construed as legal advice. This newsletter is updated as of 01 December 2025

ABOUT GATEWAY LAW CORPORATION:

Gateway Law is an Asia-Pacific regional full service legal practice with strengths in the areas of intellectual property, franchising, technology, media (and entertainment), telecommunications, data protection and cybersecurity as well as employment and immigration. In addition to our niche areas, Gateway also provides services in the general areas of litigation and dispute resolution, corporate and commercial law, real estate conveyancing and advisory, medical and family law.

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