

## **Singapore's gig workers to get better job protections from 2024, including in CPF and injury compensation**

**Improving formal representation was another proposal by an Advisory Committee on Platform Workers. All 12 of its recommendations were accepted by the Government.**

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SINGAPORE: From late 2024 onwards, platform workers who are below the age of 30 will need to contribute to their Central Provident Fund (CPF) Ordinary and Special Accounts.

And should they get injured, the platform they were working for at that point in time will be responsible for compensation based on total earnings made from all the companies in the same sector.

This means that if a delivery rider who uses GrabFood, Deliveroo and foodpanda for the same purposes gets injured while delivering for GrabFood, GrabFood will compensate him for the potential earnings he will miss out on with them - as well as with foodpanda and Deliveroo.

These were some of the key recommendations by an Advisory Committee on Platform Workers which were accepted by the Government on Wednesday (Nov 23).

All 12 recommendations will be implemented gradually from the later part of 2024 at the earliest, said the Manpower Ministry (MOM) in a press release on the same day.

"Changes to legislation will need to be made," said MOM. "The Government will also exercise flexibility and adjust the implementation timeline if needed, depending on the economic situation."

Speaking at a press conference on Wednesday, Senior Minister of State for Manpower Koh Poh Koon said: "The recommendations are sensible and substantially improve basic protections for workers in a sustainable way."

Dr Koh, who is an adviser to the committee, added: "The Government will announce the implementation details and timeline in the months ahead."

The advisory committee was formed in September last year to look into strengthening protections for those who work for online platforms - specifically delivery riders, private-hire car drivers and taxi drivers.

There are currently around 73,200 platform workers, a large number of which are private-hire car drivers.

The committee - comprising leaders from industry, the labour movement, government and academia - focused on three main areas for platform workers.

They were improving retirement and housing adequacy; ensuring enough financial protection in the event of work injuries; and enhancing representation especially in the case of disputes.

More than 20,000 platform workers, 30 companies and associations and close to 2,700 platform users were engaged by the committee. They include firms like RYDE, Prime Taxi, Gojek, NinjaVan, SingPost and foodpanda.

In these consultations, the committee found that flexibility was a key feature of platform work - resulting in its recommendation that platform workers should not be classified as employees, who are contractually obliged to fulfil terms and conditions of their employers.

But at the same time, platform workers are still subject to significant levels of management control compared to self-employed persons.

In a report released on Wednesday, the committee noted that insurance coverage was uneven for the workers and recommended that platform companies be required to provide the same scope and level of work injury compensation as employees are entitled to under the Work Injury Compensation Act (WICA).

The committee also proposed that the company the platform worker was working for at the point of injury be responsible for compensation, which would also include earnings from other companies.

This compensation will not include the platform worker's earnings outside of the sector which he sustained the injury while working in.

So if a private-hire car driver were to get injured while ferrying passengers, his earnings as a delivery food rider will not be considered. If he was also holding another job as a tuition teacher, his tuition earnings will not be included either.

A study released earlier this month by the Institute of Policy Studies (IPS) found that delivery riders - who earn more from food delivery - worked longer hours and were likelier to get into at least one accident that required medical attention.

The committee said in its report that it has engaged insurers to confirm that 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, said the committee.

It recommended retaining the provision of work injury compensation insurance through the existing open and competitive insurance market as per WICA. The model will allow platform companies the flexibility to choose their preferred insurers and let platform companies with better safety records pay lower premiums, said the committee.

It additionally suggested developing sector-specific definitions of when a platform worker is "at work", to account for differences in the nature of private-hire driving, food delivery and goods delivery - and to better assess the injured worker's eligibility for compensation.

## **PHASED INCREASE IN CPF OVER 5 YEARS**

When it comes to CPF, platform workers at present only need to contribute to their CPF MediSave Account for healthcare needs.

The advisory committee has recommended that platform workers aged below 30 in the first year of implementation - expected to be 2024 at the earliest - as well as platform companies be required to contribute more to CPF.

This will also apply to those who are aged below 30 in the first year of implementation, but only join platform work after they are 30.

"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," the committee said in its report.

Older workers - aged 30 and above in the first year of implementation - may already have retirement plans or paid off housing loans, hence they should be offered the choice of whether to opt in to a CPF contribution regime, said the committee.

The committee recommended a phased increase in CPF contributions over five years, unless major economic disruptions require a longer timeline.

It did not indicate specific numbers but said it was looking at an average of 2.5 per cent and 3.5 per cent increases in CPF contribution rates annually, for platform workers and platform companies respectively. These CPF contribution rates will apply to workers' total earnings, less expenses.

The end goal would be to align CPF contributions of platform workers and platform companies to that of employees and employers.

Currently, employees aged 55 and below contribute 20 per cent of their wages while employers contribute 17 per cent.

The committee suggested that the Government consider providing support for platform workers who will see a drop in their take-home pay. It also proposed that platform companies collect their workers' share of CPF contributions to make sure that contributions are done on time.

**The IPS survey found that 33.9 per cent of riders earn between S\$1,000 and S\$1,999 for delivery work. Only 3.2 per cent make at least S\$5,000 a month.**

The committee also recommended giving platform workers the right to seek formal representation through a new framework designed for them. This would give platform workers an avenue to negotiate issues of earnings, dispute resolution and contractual terms and benefits among other issues.

"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," it concluded in its report.

"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," the committee added.

Emphasising the need for platform companies, workers and users to work together, the committee noted: "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."