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EXCELLENCE IN SOCIAL SECURITY

Strengthening Social Security Protection for Platform Workers

Chee Sok Lin, Group Director – Employer, Collections and Enforcement
Central Provident Fund Board, Singapore

Social security for the self-employed and platform workers
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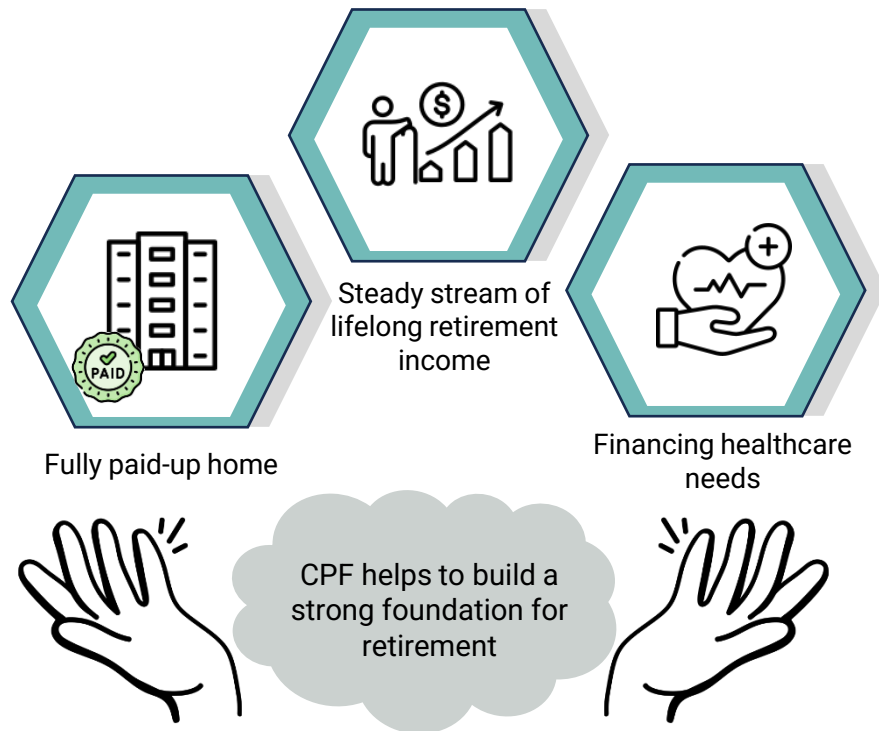


About Central Provident Fund



Central Provident Fund (CPF) board is a statutory board operating under the Singapore Ministry of Manpower, established on 1st July 1955.

Top 10 pension fund globally
\$571B in assets for
4.4M CPF members



CPF helps to take care of three basic needs in retirement

Employers and Employees contribute a portion of employees' salary to their CPF Accounts



Ordinary Account to purchase a home



Special Account/Retirement account to build up their retirement nest egg

* Retirement account set up at age 55 using savings from Special & Ordinary Account

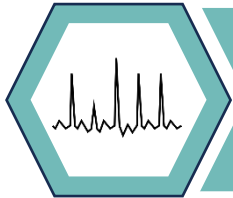


MediSave Account to pay for healthcare expenses

Platform workers form about 3% of total resident workforce



Key challenges faced by platform workers



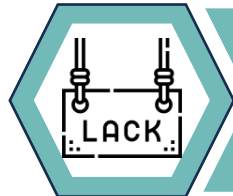
Irregular income with limited wage progression prospects

Difficult to save consistently for housing and retirement



Prioritise immediate spending needs over long-term savings

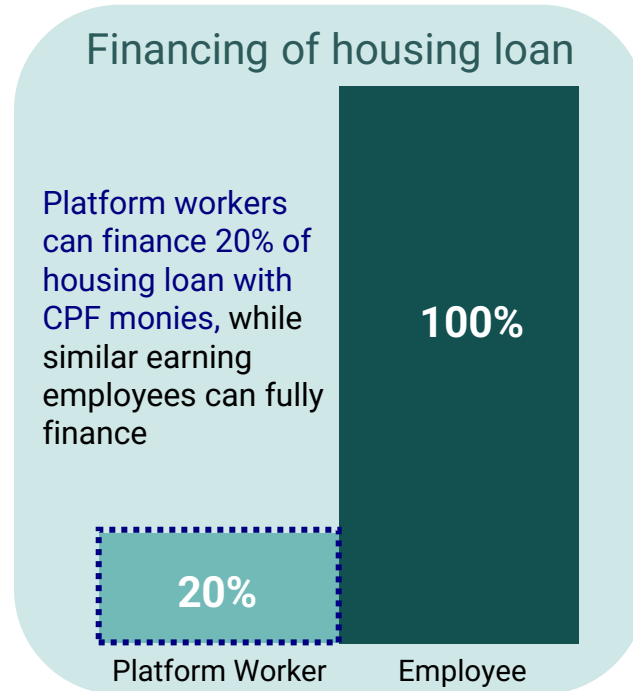
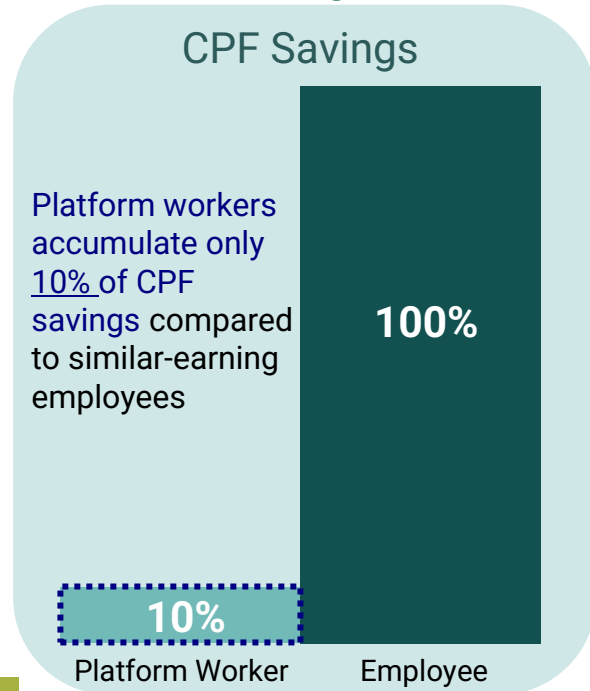
Impact future financial security



Lack of traditional employer-employee relationship

Platform workers **do not have access to employer contributions**

Comparing a full-time young platform worker to an employee of the similar earnings



If left unaddressed, **platform workers may struggle to meet housing and retirement needs**



No international consensus on the classification of platform workers



Legislation

- Riders' Law passed in 2021 to recognize platform workers as employees
- Same benefit as employees such as sick leave



Judiciary

- Court ruled platform worker's status using case law approach
- Lack clarity for both platform operators and platform workers



Provision of Rights

- Presume platform workers to be self-employed, with rights related to welfare, health and safety, akin to employees

To build a more inclusive Singaporean society, there is a need to strengthen the protection for PWs in Singapore

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



PM Lawrence Wong (then-DPM)
October 2022

**SEP
2021**

Setting up Advisory Committee for Platform Workers

**NOV
2022**

Committee published report highlighting key recommendations to improve platform workers' social security

**2023/
2024**

Active Platform Worker and Platform Operator (PO) engagement on implementation details

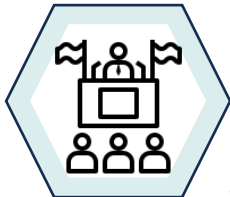
Three key recommendations from the Advisory Committee to support and strengthen protections for platform workers

1)

Improving Housing and Retirement Adequacy of platform workers through **CPF contributions**

2)

Ensuring **Adequate Financial Protection for Platform Workers in Case of Work Injury** due to the precarious nature of their work

3)

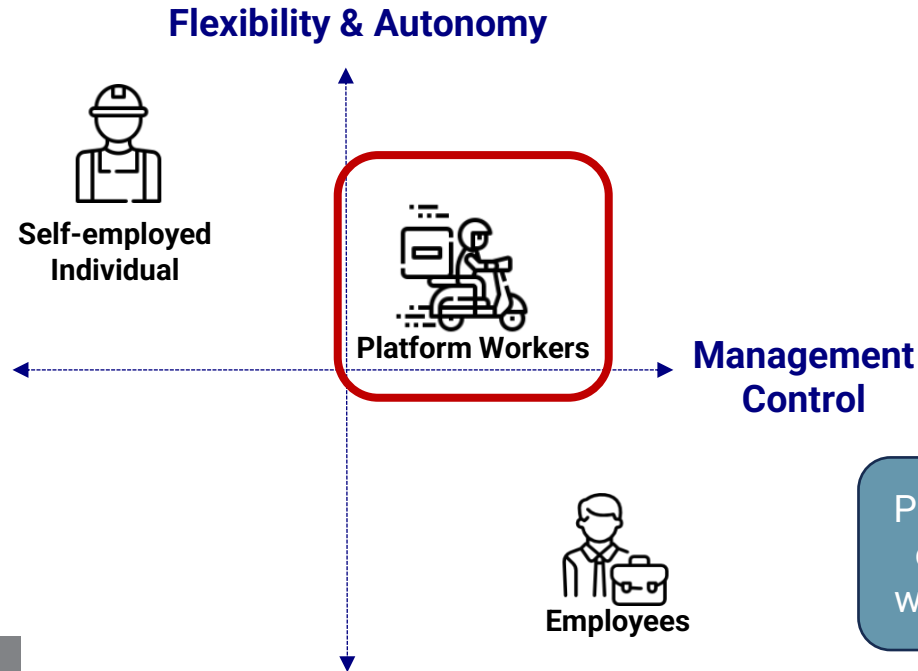
Enhancing Representation for platform workers.
Allowing them to be heard and formally represented to advance their interest



**Akan Datang/
Coming Soon**



Platform workers will not be classified as Employees



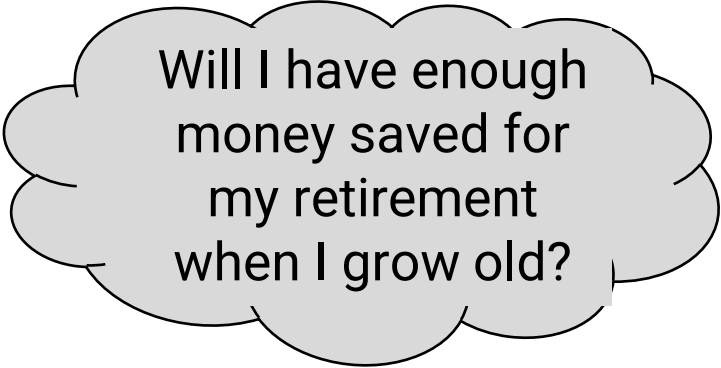
Platform workers **enjoy greater flexibility and autonomy** than employees




Subject to greater degree of **management control by their platform operators** unlike a self-employed individual

Plan to classify platform workers as new category of workers to **preserve platform work flexibility** while recognising the **unique PO-PW relationship**.

Top of the mind concerns for platform workers



Will I have enough
money saved for
my retirement
when I grow old?



Can I meet my
future housing loan
repayment ?

Younger PWs will be mandated to contribute to all 3 CPF accounts (Ordinary, Special and MediSave)



Younger platform workers often have housing obligations or plans to buy a house

Platform Operators also need to contribute to younger PW's CPF accounts

Younger platform worker, with net earnings of \$2,000 monthly. **His monthly CPF contribution** of \$400 (his share) and \$340 (PO share) will be **allocated to three accounts**.



Given the long runway, these **monthly contributions plus compounding interest will add up**



Housing loan
repayment

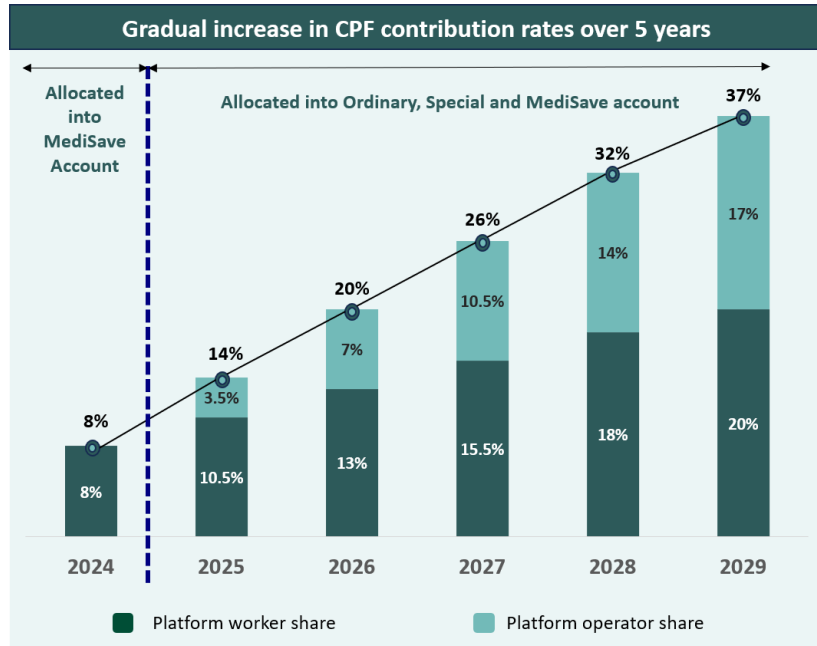


Retirement
Income



Healthcare
Spending

Platform workers & Platform operators contribution rates will be aligned with that for employees and employers



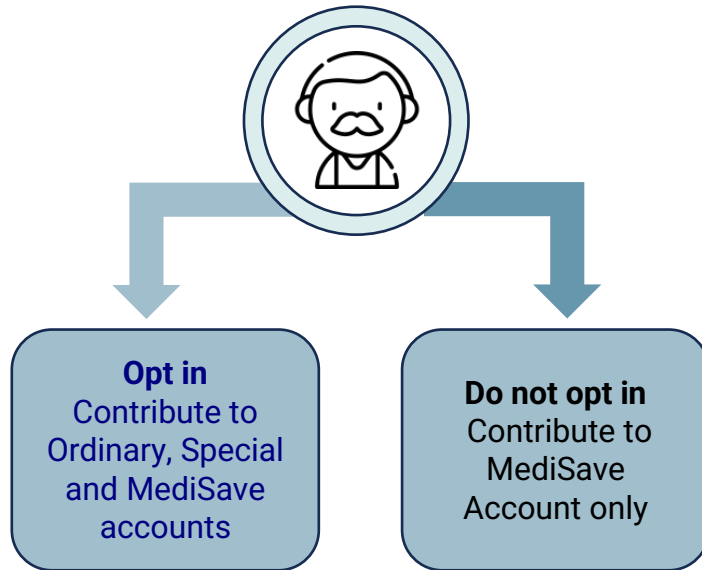
*Chart shows CPF contribution rates for PW aged 35 & below from 2025 - 2029.



Alignment of CPF contributions will be **phased-in gradually**

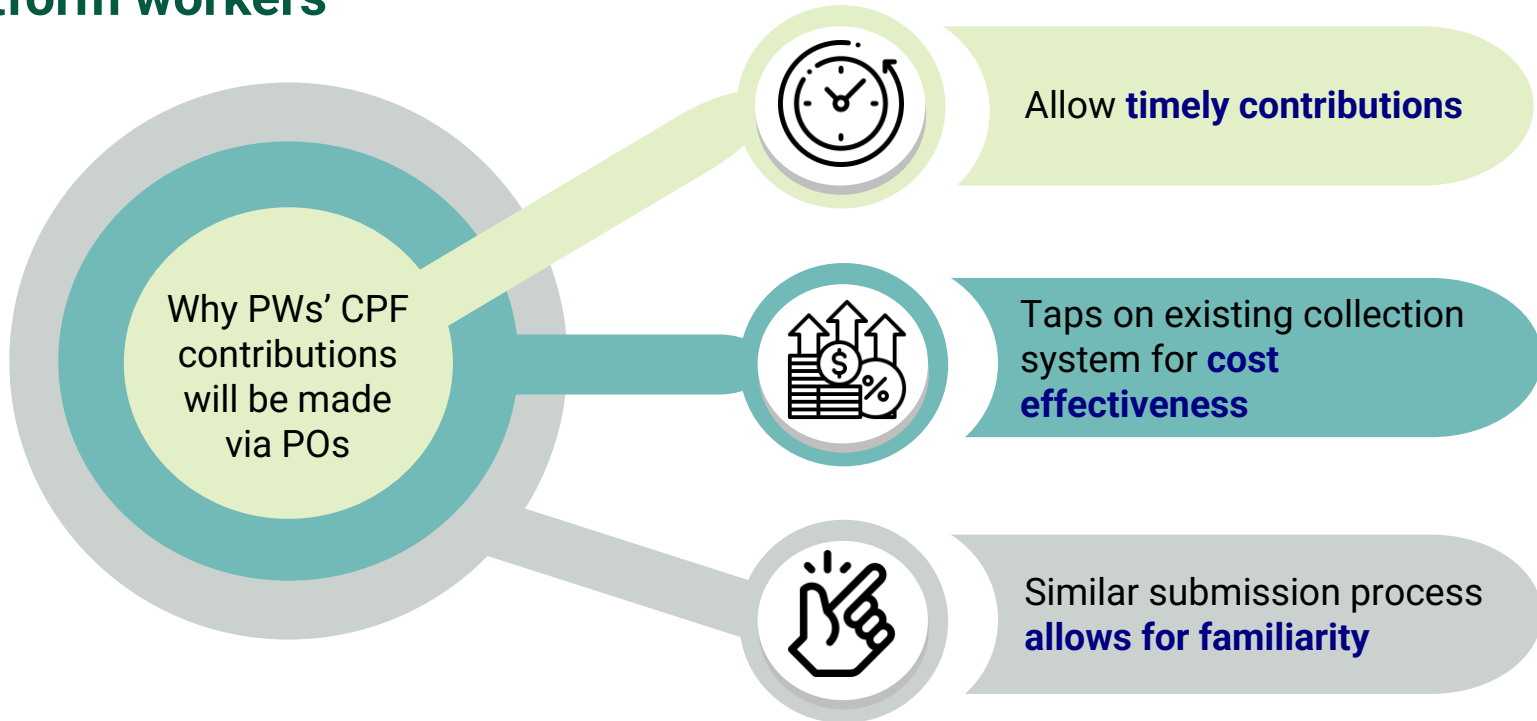
Allow parties impacted to adjust to the higher contribution amount

Older PWs have the option to opt-in for higher CPF contributions



- Platform workers are a diverse group
- Engagement and education effort to help this group make an informed decision

CPF contributions will be made via the platform operators for all platform workers



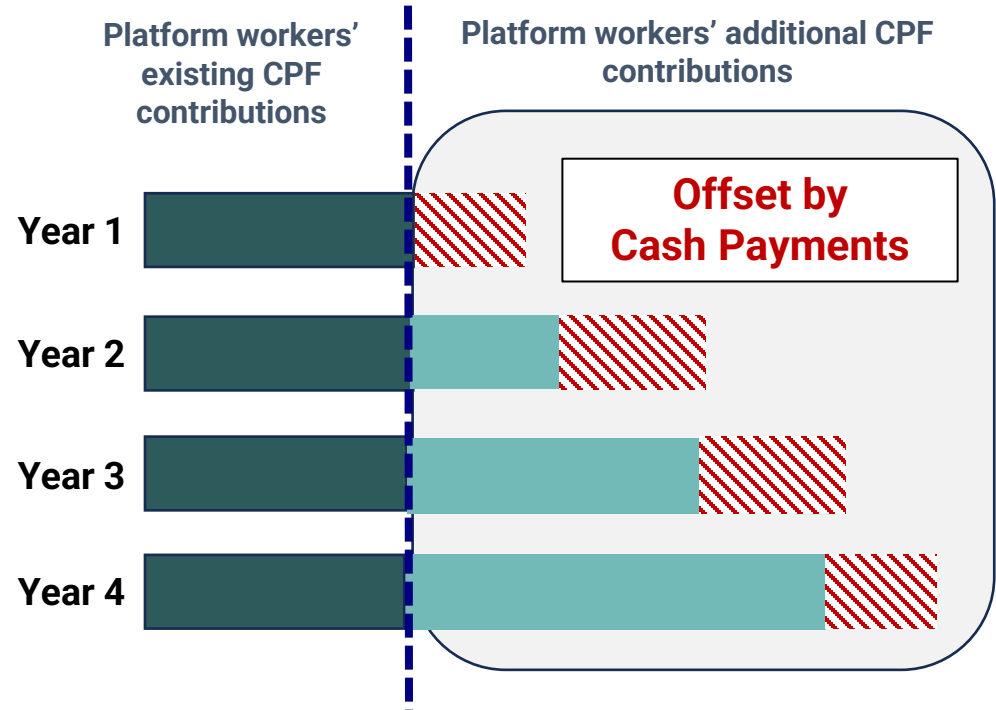
Government support for lower income platform workers during the transition phase



Platform Workers CPF Transition Support (PCTS)

Serves to offset a portion of their additional CPF contributions

Thereafter, they will receive ongoing support through existing measures, including cash payments and additional CPF contributions



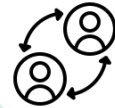
The implementation will involve a multi-party, multi-prong approach



Multi-stakeholder collaboration is essential



Stakeholders include government, POs, PWs and unions



Extensive engagement with PWs and POs to understand their needs, demands and constraints.

Effective Communication is vital



Targeted Outreach and Education

- Focus on educating the importance of CPF contributions and how PWs can benefit from the system
- Help them make informed decisions

Practical and Sustainable Implementation



Practical and sustainable for PW, PO and Platform Users

- Centralised common functions (e.g. opt-in records)
- Changes will be phased in gradually to minimize disruption for POs and PWs.

Extending the CPF system to platform workers' is crucial step forward to improving housing & retirement adequacy



Access to **same social security benefits as employees**



Reflect **commitment to build an inclusive society**



Ensure PWs can **achieve financial security**

Every worker, regardless of their employment arrangement, can achieve financial security and a better quality of life



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Thank You



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