

ADVANTAGE! SCHEME

The ageing workforce, coupled with declining birth rates, has led to the slow down in the growth of Singapore's labour force. In June 2006, 52% of our resident workforce were aged 40 years and above (1). By 2015, this figure is expected to grow to 55% or more than a million people. This is a reality that companies have to grapple with and adapt to.

A new concern now also would be to improve on the re-employment of workers beyond the age of 62 and raise the effective employment rate of workers aged between 55-64, from the current 54% to 65% by year 2011.

The role of the mature workers in a diverse and expanding economy cannot be discounted. Their experience, knowledge and expertise acquired at work over the years can be a valuable asset to any company.

As part of the further efforts of the Tripartite Committee on Employability of Older Workers (Tricom), the Singapore Workforce Development Agency (WDA) is extending as well as enhancing the ADVANTAGE! Scheme over the next 3 years.

What ADVANTAGE! Supports

The ADVANTAGE! Scheme is a programme developed by the WDA, in partnership with its Tripartite Partners, the National Trade Union Congress (NTUC) and the Singapore National Employers Federation (SNEF). With the enhancements, the ADVANTAGE! scheme now offers a grant of up to \$400 000 to support your company's initiatives and efforts in the following areas:

1. Recruitment of new workers aged 40 and above,
2. Retention of existing workers aged 55-61, and
3. Re-employment of existing workers aged 62 and above.

It also supports initiatives to implement HR systems for the retention and re-employment of mature workers. These may include, but not limited to:

- Wage restructuring - From seniority-based wages to more job-based, competency-based and performance-based wages
- Institution of re-employment policy
- institution of non-discriminatory recruitment/hiring policy
- Career and retirement counseling especially for workers withdrawing their CPF at age 55
- Redesigning of medical benefits - To fixed quantum per workers so as not to disadvantage cost competitiveness of mature workers
- Introduction of part time work to attract economically inactive workers
- Improving working environment to help mature workers to be more productive
- Skills upgrading or re-skilling of mature workers
- Health promotion programmes
- Performance management systems
- Job re-design to raise productivity or introduce new roles and responsibilities for mature workers

How ADVANTAGE! Scheme Works

The enhanced ADVANTAGE! is open to companies registered or based in Singapore. Upon successful application, your company may receive a grant amount of up to S\$400,000.

The grant will fund the cost of your company's efforts to recruit, retain or re-employ mature workers, including the developing and/or implementing of re-employment systems. These may include costs incurred for training, absentee payroll, staff salary, consultancy, Intellectual Property Rights and equipment. The grant, however, cannot be used for the purposes of retention bonus or salary support.

Companies applying for the ADVANTAGE! grant are required to submit the following:

- A simple proposal of their project, stating:

A. Number of workers aged 40 and above to be recruited and/or,

B. Number of workers aged 55-61 to be retained and/or,

C. Number of workers aged 62 and above to be re-employed

D. Details of its re-employment system

A statement declaring the estimated cost of the project

If your company is currently employing workers aged 55 and above, you will need to commit to at least Option B and/or C.

If your company does not currently employ any staff aged 55 and above, you may still apply for ADVANTAGE! but only for Option A (recruitment only) and the grant amount will be capped at \$100,000 per company.

Grant Computation

The method of calculation of the grant amount will be based on:

A. Number of workers aged 40 and above to be recruited X \$3,000 +

B. Number of workers aged 55-61 to be retained X \$3,000 +

C. Number of workers aged 62 and above to be re-employed X \$4,000

OR

80% of declared project cost,

whichever is lower, subject to a cap of \$400,000 per company. If your company have received ADVANTAGE! grants before, you are still eligible to apply for the enhanced ADVANTAGE! Scheme.

The total cumulative grant you may receive for all the ADVANTAGE! projects will be subjected to an overall cap of \$400,000.

Grant Disbursement

The grant will be disbursed over 3 tranches and it is tied to the achievement of the following outcomes within 1 year:

(1) Age Composition of Resident Labour Force as of June 2006, Ministry Of Manpower

	Outcomes	Outcomes	Outcomes
Disbursement Tranche	(A) Recruitment of New Workers 40 and Above	(B) Retention of Existing Staff 55 - 61	(C) Re-employment of Existing Staff 62 and Above
1st Tranche - 30%	- Efforts made to recruit mature workers through job advertisements, indicating that mature workers are welcome	- New re-employment system announced or committed to staff/union e.g. through HR circulars or new re-employment clauses in Collective Agreements	- New re-employment system announced or committed to staff/union e.g. through HR circulars or new re-employment clauses in Collective Agreements
2nd Tranche - 30%	- At least 50% of recruitment target achieved 6 months after 1st disbursement	- At least 70% retention rate achieved 6 months after 1st disbursement	- At least 70% of staff re-employed 6 months after 1st disbursement
3rd Tranche - 40%	- 100% of recruitment target achieved 9 months after 1st disbursement - At least 50% 3-month retention rate achieved	- At least 70% retention rate sustained 12 months after 1st disbursement	- At least 70% of staff continue to be re-employed 12 months after 1st disbursement

Things to note:

In the fact sheet on the enhanced Advantage grant, there is no mention of the IT component as the focus is now on HR systems as mentioned in the grant scheme. However, there will be funding if the IT is as a result of the HR systems as an overall requirement for implementation. The common types of IT range from software on point of sales, customer relationship systems, inventory control systems, etc. Equipment would include machinery. In a nutshell, there should be either a software enhancement in job scope or automation. It is important to implement the HR components as the enhanced scheme requires. It will be an entire package to assist companies to recruit, retain and re-employ. The approving bodies will not entertain companies or consultants that merely offer IT solutions and view the grant as a form of subsidy without sustainable change.

Contact Details:

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