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# Summary of Key Proposals in the Platform Workers Bill

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**LEGAL  
UPDATE**

# In this Update

The Platform Workers Bill was tabled in Parliament on 6 August 2024 to provide stronger protection for platform workers in Singapore. This client update discusses key proposals in the Bill focused on addressing inequalities that platform workers encounter with regard to work safety, post-retirement financial security and formal representation.

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## INTRODUCTION

### Purpose of the Platform Workers Bill

The Platform Workers Bill (“**Bill**”) was tabled in Parliament on 6 August 2024. The Bill is introduced as a way to provide stronger protection for platform workers in Singapore. More specifically, the Bill focuses on addressing the inequalities that platform workers encounter with regard to work safety, post-retirement financial security and formal representation, as platform workers currently fall under the category of self-employed persons. During the 2021 National Day Rally, then Prime Minister Lee Hsien Loong noted that platform workers lack basic job protections, despite being “just like employees”. Following this, an Advisory Committee on Platform Workers (“**Advisory Committee**”) was set up to look into strengthening protections for platform workers. The Advisory Committee had proposed recommendations which the Government accepted in November 2022 (“**Advisory Committee Report**”). The Bill embodies the recommendations made by the Advisory Committee and covers four main areas:

- 1) Classifying platform workers as a distinct category of workers and setting out obligations on platform operators.
- 2) Central Provident Fund (“**CPF**”) contribution requirements for platform workers.
- 3) Legal framework for the representation of platform workers (i.e. platform work associations).
- 4) Provisions for work injury compensation, and responsibilities of platform workers and platform operators to prevent injuries.

## SUMMARY OF KEY PROPOSALS

### 1. Classifying Platform Workers as a Distinct Category of Workers

The Bill introduces a significant change by classifying platform workers as a distinct category of workers, separate from both employees and self-employed persons. The Bill defines “platform worker” as an individual who:

- (a) has an agreement (whether written or oral and whether express or implied) with a platform operator to provide a platform service in Singapore to service users for the platform operator;
- (b) is subject to the management control of the platform operator in respect of the individual’s provision of the platform service;

- (c) derives or will derive, under the agreement mentioned in paragraph (a), any payment or benefit in kind from the individual's provision of the platform service for the platform operator; and
- (d) is in Singapore when providing the platform service, but excludes an individual who belongs to a prescribed class of individuals.

This new classification is aimed specifically at platform workers engaged in delivery and ride-hailing services, who often operate under the control of online platforms, but who are not employees of the companies operating these platforms.

A key criterion in the definition of a platform worker under this Bill is whether the individual is subject to “management control” by the platform operator, distinguishing platform workers from self-employed persons who operate with greater independence. Notably, the Advisory Committee Report states that key factors pertinent in assessing whether a platform operator exerts a significant level of management control over platform workers include:

- (a) the use by platform operators of data-driven, algorithmic matching of demand and supply of services;
- (b) platform operators effectively determining or setting upper limits on price and remuneration; and
- (c) platform operators controlling and directing the performance of work by platform workers.

The Bill also provides a presumption that a platform operator is exercising management control over a platform worker if:

- (a) the platform worker provides the platform service for the platform operator under a platform work agreement; and
- (b) the platform operator requires the platform worker to access the tasks to be performed by (i) using an app provided or specified by the platform operator; or (ii) accessing a website specified or designated by the platform operator.

The classification of platform workers under the Bill has similarities to the classification used in the United Kingdom, which accords platform workers some protections and benefits of employees. This new classification addresses the unique nature of platform work, providing platform workers with appropriate protections and benefits while acknowledging the differences between platform workers and employees.

## **2. CPF Contributions**

Currently, platform workers are required to contribute up to 10.5% of their net trade income to their CPF MediSave account. However, as platform workers are not under a contract of employment with platform operators, platform operators do not deduct platform workers' earnings for employee CPF contributions and are not obliged to make employer CPF contributions in respect of its platform workers. The Bill plans to introduce a phased increase in CPF contributions by both platform workers and platform operators over a five-year period. The CPF contribution rates will be gradually increased to match the existing rates for employees and employers — for employees aged 55 and below, 20% for employees and 17% for their employers.

It should be noted that the Bill specifies that the proposed CPF contributions will be mandatory for platform workers under the age of 30 at the time of implementation. Workers who are 30 or older during the first year of the new regime will have the option to opt into the proposed CPF contribution scheme.

## **3. Legal Framework for Representation**

Under the existing laws, platform workers cannot form unions as platform workers are not recognised as employees. Instead, platform workers are currently represented by industry associations, namely, the National Taxi Association, the National Private Hire Vehicles Association, and the National Delivery Champions Association. In contrast, employees can form unions which are recognised and regulated under the Trade Unions Act 1940 and the Trade Disputes Act 1941.

The Bill introduces a framework that will allow platform work associations to be registered and platform workers to join such platform work associations, which will have similar powers as unions to engage in collective bargaining on behalf of platform workers, to represent platform workers in disputes and to provide platform workers with support services.

The Bill also proposes amendments to the Industrial Relations Act 1960 and the Trade Disputes Act 1941 to establish this framework. In all, the proposed framework will enable platform work associations to negotiate for better working conditions and protections on behalf of platform workers.

## **4. Work Injury Compensation**

The Advisory Committee Report notes that the provision of platform services for platform operators inherently involves risks as platform

workers are out on the roads for extended periods of time. Currently, some platform operators voluntarily provide compensation for work injuries by procuring insurance coverage for their platform workers. Even then, the insurance coverage provided is not uniform across platform operators and are typically lower than that offered to employees under the Work Injury Compensation Act 2019 (“WICA”).

Briefly, WICA enables employees make claims for work injuries without having to file a civil suit under common law, hence providing a cheap and fast way to settle work injury compensation claims. Additionally, employers are required to purchase insurance policies which are issued by designated insurers and which comply with the Ministry of Manpower’s compulsory terms.

The Bill introduces amendments to WICA to provide that platform operators procure work injury insurance coverage containing specific terms for their platform workers. Under the proposed amendments, platform workers may be compensated for injury “suffered arising out of and in the course of their provision of platform services for platform operators”.

As it is possible for platform workers to be providing platform services for multiple platform operators at the same time, the Bill also contains provisions dealing with the issue of apportioning liability to different platform operators. Broadly, liability depends on whether the platform worker is at “work stage 1” or “work stage 2”. As a starting point, if the time of accident take place during “work stage 2”, then all platform operators for whom the platform worker is providing his/her services under “work stage 2” will be liable. Where the platform worker is not at “work stage 2” at the time of accident, then all platform operators for whom the platform worker is providing his/her services under “work stage 1” will be liable. The definitions of “work stage 2” and “work stage 1” are contingent upon the specific platform service, and are proposed as follows:

<b>Platform Service</b>	<b>Work Stage 1</b>	<b>Work Stage 2</b>
Delivery Service where vehicle is used	The stage of work beginning when the platform worker begins to travel to the collection location, and ending when the platform worker, after collecting the goods or items for delivery from the collection location, returns to the vehicle.	The stage of work beginning when the platform worker, after collecting the goods or items for delivery from the collection location, leaves that location and ending when the platform worker, after delivering or attempting to deliver the goods or items at the delivery location, returns to the vehicle. However, if the platform worker, after collecting the goods or items for delivery from the collection location, proceeds to an interim location before delivering the goods or items, the stage

Platform Service	Work Stage 1	Work Stage 2
		of work begins when the platform worker leaves the interim location and ends when the platform worker, after delivering or attempting to deliver the goods or items at the delivery location, returns to the vehicle
Delivery Service where vehicle is not used	The stage of work beginning when the platform worker begins to travel to the collection location, and ending when the platform worker leaves the collection location.	The stage of work beginning when the platform worker, after collecting the goods or items for delivery from the collection location, leaves that location and ending when the platform worker leaves the delivery location. However, if the platform worker, after collecting the goods or items for delivery from the collection location, proceeds to an interim location before delivering the goods or items, the stage of work begins when the platform worker leaves the interim location and ends when the platform worker leaves the delivery location.
Ride-hail Service	The work stage commences when the platform worker begins travelling to the pick-up location and concludes when — (a) the platform worker picks up the passenger or hirer; or  (b) where a task involves conveying more than one passenger or hirer — when the platform worker picks up the last passenger or hirer, at the pick-up location.	The work stage commences when the platform worker departs from the pick-up location and concludes when — (a) the passenger or hirer; or  (b) where a task involves conveying more than one passenger or hirer — the last passenger or hirer, alights at the drop-off location.

## CONCLUSION

As discussed in this update, the Bill introduces major changes, including the classification of platform workers as a distinct category of workers, aligning CPF contributions of platform workers with those of employees, mandating work injury compensation insurance coverage for platform workers, and enabling collective representation of platform workers. These changes have significant implications for both platform workers and platform operators — they address gaps in protection and benefits of platform workers in contrast to employees, and require platform operators to adjust their practices.

Platform operators should start preparing and begin taking steps to comply with the new regulations. Platform operators should, among other

things, review their policies, practices and platform work agreements with their platform workers; identify insurance policies that satisfy the new requirements for work injury compensation; and develop processes and procedures to be implemented in connection with the new requirement to make employer and employee CPF contributions.

The Bill will be debated in Parliament at its second reading.

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