



P R E S S R E L E A S E

18 FEBRUARY 2011

Employer CPF contribution rate to go up by 0.5%; CPF Salary Ceiling to increase to \$5,000

Minister for Finance, Mr Tharman Shanmugaratnam, announced in his FY2011 Budget Statement in Parliament this afternoon, that the Government will raise the employers' CPF contribution rate by 0.5 percentage point. The additional CPF contribution will be paid into the Special Account and will help Singaporeans save more for their retirement needs. Please refer to **Annex A** for a detailed schedule of the new contribution rates.

2. To keep pace with income growth in recent years, the CPF salary ceiling will also be revised from \$4,500 to \$5,000 per month. This will align the salary ceiling back to the 80th percentile income. Both CPF changes will take effect from 1 September 2011.

For More Information

3. Further details on the CPF changes are available on CPF Board's website: www.cpf.gov.sg. You can also contact CPF Board through:

Hotline number: 1800-227-1188;
Email: employer-accounts@cpf.gov.sg

For media queries, please contact:

Ms Gina Chin
Manager, Corporate Communications
Ministry of Manpower
Tel: 6317 1658 / 8138 2112
Email: gina_chin@mom.gov.sg

Ms Daphne Lye
Manager, Corporate Communications
CPF Board
Tel: 6299 3266 / 9436 1227
Email: daphne_xinli.lye@cpf.gov.sg

Annex A**CPF Contribution Rates Changes***

Date	Employee Age	Contribution Rate (%)		
		Employer	Employee	Total
Current	35 years or less	15	20	35
	Above 35 – 45 years			
	Above 45 – 50 years			
	Above 50 – 55 years	11	18	29
	Above 55 – 60 years	8	12.5	20.5
	Above 60 – 65 years	5.5	7.5	13
	Above 65 years	5.5	5	10.5
Increase of 0.5%-pt to SA wef 1 Mar 2011	35 years or less	15.5	20	35.5
	Above 35 – 45 years			
	Above 45 – 50 years			
	Above 50 – 55 years	11.5	18	29.5
	Above 55 – 60 years	8.5	12.5	21
	Above 60 – 65 years	6	7.5	13.5
	Above 65 years	6	5	11
Further increase of 0.5%-pt to SA wef 1 Sep 2011	35 years or less	16	20	36
	Above 35 – 45 years			
	Above 45 – 50 years			
	Above 50 – 55 years	12	18	30
	Above 55 – 60 years	9	12.5	21.5
	Above 60 – 65 years	6.5	7.5	14
	Above 65 years	6.5	5	11.5

**As is the current practice, older low wage workers above 35 years old and earning between \$50 and \$1,500 will see pro-rated increases in their CPF contribution rate with the higher employer CPF contribution. This approach enhances the employability for the older low wage workers.*