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YOUR OBLIGATIONS AS AN EMPLOYER



Definition of an Employer

An employer is any person, company, association or body of persons, whether or not incorporated, employing an employee. An employer can be:

- any manager, agent or person responsible for the payment of wages to an employee on behalf of an employer.
- any person trading in his own name or who has domestic worker(s). The person must register under the name shown in his identity card or passport.
- companies which employ foreign workers holding work permits in Singapore. These employees are on the Foreign Worker Levy (FWL) Scheme and are exempted from contributing CPF.

Your Employees

Your employee is any person who is employed in Singapore and any Singaporean seaman who is employed by an employer under a contract of service or other agreement entered into in Singapore.

Some of the factors which form the contract of service are: the employer's control over payment, duration of work, dismissal, substitution of workers and method of work.

CPF contributions are also payable for the following employees:

a. Company Directors

Directors of any company are considered employees if they are engaged under a contract of service and paid a salary on top of any fee received. CPF contributions are not payable on directors' fees voted to them at General Meetings.

b. Part-time/Casual Employees

CPF contributions are payable by the employer for part-time/casual employees. CPF contributions are also payable for all school-leavers or students working on a part-time or temporary basis, except for the following groups:

- Tertiary students on full-time industrial attachment.
- Tertiary students employed under a training programme approved by their institutions.
- Overseas students on training attachment in Singapore for less than 6 months, as part of their overseas tertiary education requirements.
- “N” and “O” level students working during their gazetted school holidays. CPF contributions are, however, payable from January of the following year, after their final examinations.
- “A” level students working during their gazetted school holidays. CPF contributions are, however, payable for students who work after completing their final “A” level examinations in November/December.

c. Family Workers

CPF contributions are required for family members if they are receiving wages for work done for the proprietor.

d. National Service In-camp Training

Under the Enlistment Act, CPF contributions are payable for Operationally Ready NSmen on in-camp training. The employer has to pay the CPF contributions on the wages given by the employer and makeup pay from MINDEF. The employee’s share of contributions can be recovered from the employee’s wages.

e. Concurrent Employment

If an employee is concurrently employed by more than one employer, all his employers must pay CPF contributions on the wages given to the employee. If his combined monthly income is below the Ordinary Wage (OW) Ceiling, CPF contributions are payable based on the prevailing CPF rates. From 1 September 2011, the OW Ceiling is revised from \$4,500 to \$5,000 per month.

However, if the employee’s combined monthly income exceeds the OW Ceiling, the employee may apply to the Board to limit the total of his share of contributions on Ordinary Wages as follows:

Limit on Ordinary Wages (Employee's share)	
Age	From 1 Sep 2011 (Based on Sep 2011 CPF contribution rates)
50 years and below	\$ 1,000
Above 50 to 55 years	\$ 900
Above 55 to 60 years	\$ 625
Above 60 to 65 years	\$ 375
Above 65 years	\$ 250

Applications to limit the total amount of the employee's share of CPF contributions on Ordinary Wages should be addressed to the Court Proceedings Section. It should indicate:

- the amount of Ordinary Wages from each employer
- the employee's share of CPF contributions
- the amount of CPF contributions to be paid through each employer

Each employer will have to pay their normal share of the CPF contributions on the full amount of the wages, subject to the OW Ceiling.

f. Singapore Permanent Residents (SPRs)

CPF contributions are mandatory for foreigners from the day they obtain their SPR status. The day they obtain the SPR status refers to the date indicated on the entry permit (Form 5/5A) that is issued by the Immigration and Checkpoints Authority of Singapore.

Your Responsibility on CPF Payments

You have a grace period of 14 days to make payment of CPF contributions after the end of the month for which CPF contributions are due. If the due date falls on a Saturday, Sunday or Public Holiday, CPF contributions must be paid by the next working day.

You are required to pay the employer's and employee's share of CPF contributions monthly for all employees (Singapore Citizens and Singapore Permanent Residents) at the rates set out in the CPF Act. The contributions payable should be based on the employee's actual total wages earned for the calendar month.

You are entitled to recover the employee's share when the contributions are paid for that month. If you fail to recover the money then, and the error was not due to your negligence, you can still do so provided:

- you have paid the CPF contributions to the Board, and
- you have either forwarded your employee's written consent to the Board, or obtained the Board's written permission on the matter.

This must be done within six months from the time the contributions should have been recovered.

Registering with Us

a. Submission of CPF Contribution Details By New Employers

As a new employer, please click [here](#) for the application to submit CPF contribution details via CPF Auto-eXcel Plus (AX Plus). You should submit your application as soon as you intend to hire your first employee. To apply, you will need your SingPass and entity's Unique Entity Number (UEN).

Once your application is approved, you will receive an email and welcome letter containing your **CPF Submission Number (CSN)**, Payment Advice (CPF91) and GIRO application form. Please quote your CSN when transacting with the Board e.g. paying CPF contributions or writing to us.

You have a grace period of 14 days to pay the CPF contributions after the end of the month for which CPF contributions are due. If the due date falls on Saturday, Sunday or Public Holiday, CPF contributions must be paid by the next working day.

You will receive the Record of Payment (ROP) when your payment has been processed. Please check your ROP and inform the Board immediately of any inaccuracy. The ROP should be kept for future reference. If you have misplaced the ROP and need a re-print, a **service charge** is payable.

For more information on CPF contribution rates and other employer-related matters, please click **here**.

For enquiries on CPF Auto-eXcel Plus:
Contact Number : 6220-2340
Email Address : **employer@cpf.gov.sg**

For enquiries on CPF Contributions and Liabilities:
Contact Number : 1800-227-1188
Email Address : **employer@cpf.gov.sg**

Changing the legal status of your existing entity

Employers who are changing the legal status of their entities are required to re-apply with the Board. Please re-apply using our **Online Application** service. You will receive your new CSN after we have processed your application.

For enquiries, please call CPF Call Centre at 1800-227 1188 or email us at **employer@cpf.gov.sg**

b. Registration of New Employee

For every new employee, you are required to complete the **New Employee Contribution Form (Form CPF 92)** if you are submitting CPF contribution details via hardcopy Payment Advice (Form CPF 91). Form CPF 92 has to be submitted with Form CPF 91.

However, if you are submitting CPF contribution details via CPF e-Submission, Form CPF 92 is not required.

Informing CPF Board Of Changes to your Business

a. Change of Address

Inform the Board of any change in your address by using our **online application**. A SingPass is required. Please note that P.O. Box or V. Box addresses will not be accepted.

b. Change in Entity

Employers who are changing the legal status of their entities are required to re-apply with the Board. Please re-apply using our **Online Application** service. You will receive your new CPF Submission Number after we have processed your application.

For enquiries, please call CPF Call Centre at 1800-227 1188 or email us at **employer@cpf.gov.sg**.

c. Change in Name

Inform the Board in writing if there is a change in name and attach the documents mentioned below which are obtainable from the Accounting & Corporate Regulatory Authority (ACRA).

For companies, a copy of the Instant Computer Information (Business Profile) or **Certificate of Incorporation on Change of Name of Company** must be attached.

For business firms (i.e. sole-proprietor or partnership), a copy of the Instant Computer Information (Business Profile) or **Statement of Changes in Business Particulars including Cessation of Business** must be submitted.

d. Change in Employees' Particulars

Ensure that the affected employees inform CPF Board of any changes in their personal particulars which include:

- change in name
- change in passport/identity card/special pass number
- change in Singapore Permanent Resident (SPR) or citizenship status

e. Employees who have Left the Company

For electronic submission, indicate "Leavers" under the column "Employment Status". If you are using the Payment Advice, indicate the employee's last day of service under the column "Date left Employment" in the Payment Advice (Form CPF 91).

f. Termination of Business / No more Local (Singaporean or Singapore Permanent Resident) Employees

Employers who have terminated their businesses or have ceased to hire any local employees, must inform the Board in writing immediately so that we can update their CPF records.

EXCEPTIONS TO PAYMENT OF CPF FOR EMPLOYEES

Employees who are exempted from CPF Contributions

a. Foreigners on Employment Pass, S Pass, Miscellaneous Work Pass or Work Permit

CPF contributions are not allowed for foreigners. Both the employer's and employee's share of contributions for foreign employees on Employment Pass, S Pass, Miscellaneous Work Pass or Work Permit will not be accepted.

b. Partners, Sole-proprietors or Self-employed

All Singapore citizens or Singapore Permanent Residents who derive income from Singapore or from outside Singapore through any trade, business, profession or vocation excluding employment under a contract of service are considered self-employed. Unlike employees, they do not contribute to all three CPF accounts. Instead, they are only required to contribute to their Medisave, which is computed based on their annual net trade income earned.

c. Employees Working Overseas

CPF contributions are not mandatory for Singapore citizens or Singapore Permanent Residents who work overseas. If you wish to continue making CPF contributions for your existing employees who are posted overseas, these are deemed as voluntary contributions. You have to register for a new CPF Submission Number (CSN) for such payments.

COMPUTATION OF CPF



Definition of Wages

CPF contributions are computed based on the employee's total wages for a calendar month. Under the CPF Act, wages are defined as remuneration in money due or granted to an employee in respect of his employment. These include overtime pay, allowances, cash awards, commissions and bonuses. **Annex A** shows a general guide to the types of payments that attract CPF contributions.

For the purpose of computing CPF contributions, wages are classified as follows:

- **Ordinary Wages (OW)**
Ordinary Wages are wages due or granted wholly and exclusively in respect of an employee's employment in that month and payable before the due date for payment of CPF contributions for that month.
- **Additional Wages (AW)**
Additional Wages are wages which are not granted wholly and exclusively for the month. Examples are annual bonus, leave pay, incentive and other payments made at intervals of more than a month.
- **Total Wages (TW)**
The total amount of an employee's wages for any calendar month is the sum of his Ordinary Wages for the month and the Additional Wages paid to him in that month.

$$\text{Total Wages (TW)} = \text{Total Ordinary Wages (OW)} + \text{Total Additional Wages (AW)}$$

- **Wages Not Paid Monthly**
When wages are not paid according to the calendar month, e.g. weekly or fortnightly, you have to apportion the wages according to the calendar month for which CPF contributions are paid. The apportionment is necessary to determine the Ordinary Wages for the calendar month on which CPF contributions are payable.

Example:

Company XYZ pays its employees wages every week. In the table below, computation of CPF contributions for the month of February is based on the wages from 1 to 28 February i.e. wages for 26 to 31 January for the first week and 1 March for the last week are excluded.

February						
MON	TUE	WED	THUR	FRI	SAT	SUN
26	27	28	29	30	31	1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	1

Rates of CPF Contribution

The rate of CPF contribution is dependent on 3 factors:

1. Singapore Citizen or Singapore Permanent Resident (SPR)
2. Age group
3. Wage band

CPF contribution rates (from 1 September 2011) for Singapore Citizen and SPR employees can be found in **Annex B to F**.

When Your Employee Moves to the Next Age Group

The contribution rates in respect of an employee above 35, 50, 55, 60 or 65 years of age shall be applied from the first day of the month after the month of his 35th, 50th, 55th, 60th or 65th birthday.

Example:

An employee's 50th birthday falls on 13 September 2011.

CPF contribution rate	
For wages earned in September 2011 (Above 35 to 50 years)	For wages earned in October 2011 (Above 50 to 55 years)
36% of total wages (>\$1,500) (Employer's share = 16%; Employee's share = 20%)	30% of total wages (>\$1,500) (Employer's share = 12%; Employee's share = 18%)

CPF FOR SINGAPORE PERMANENT RESIDENTS (SPR)

Foreign Employees who Obtain SPR Status

CPF contributions are payable once a foreign employee obtains SPR status. To help the SPR employee adjust to the lower take-home pay, both the employer and employee will contribute CPF at graduated rates for the first two years.

The first year rate is payable from the day the employee obtains his SPR status. The day he obtains the SPR status refers to the date indicated on the entry permit (Form 5/5A) that is issued by the Immigration and Checkpoints Authority of Singapore.

The second and third year rates are payable from the month following the anniversary of the employee's conversion to a SPR. For example, if your employee became a SPR on 23 January 2011, the first year rate would apply from 23 January 2011. The second and third year rates will apply from 1 February 2012 and 1 February 2013 respectively.

Foreigners who have obtained their SPR status, should only maintain one CPF account. Employers should advise such employees to inform CPF Board of their new Singapore Identity Card Number so that their previous CPF account (if any) can be merged with their new CPF Account. CPF contributions for SPRs into CPF accounts with the prefix SA/SB/SD/SF/TC/TF will be rejected.

Please click [here](#) to find out how such employees can inform CPF Board of their new Singapore Identity Card Number.

Types of SPR Contributions

SPR employees and their employers have the option to jointly apply to CPF Board to contribute at other prescribed rates during the employee's first two years of obtaining SPR status.

A summary of the options available is as follows:

Option	Employer	Employee	Application	Contribution Rates (From 1 September 2011)	
				1 st year SPR	2 nd year SPR
1.	Graduated rate	Graduated rate	Mandatory once employee obtains SPR	Please click here for the Graduated Employer and Employee (G/G) Contribution Rates	Please click here for the Graduated Employer and Employee (G/G) Contribution Rates
2.	Full rate	Graduated rate	Upon joint application	Please click here for the Full Employer and Graduated Employee (F/G) Contribution Rates	Please click here for the Full Employer and Graduated Employee (F/G) Contribution Rates
3.	Full rate	Full rate	Upon joint application	Please click here for the Full Employer and Employee (F/F) Contribution Rates (Also applicable for SPR in the 3 rd year and onwards of obtaining SPR status)	

Option (1) applies once your employee obtains his SPR status. The day he obtains the SPR status refers to the date indicated on the entry permit (Form 5/5A) that is issued by the Immigration and Checkpoints Authority of Singapore. For options (2) and (3), the employer and employee must jointly apply to the Board using the prescribed form [CNR/PR/94A](#). Once the application is approved, it is irrevocable. These rates will cease to apply upon a change of employment within the first two years i.e. the rates will go back to the graduated rates.

MODES OF SUBMITTING CONTRIBUTION DETAILS



You may wish to submit your CPF contribution details electronically via the CPF website. For added convenience, the payment is deducted electronically when you submit a file.

a. CPF e-Submission

The benefits of e-submission are as follows:

- Save you time and the hassle of paperwork
- Allow you to e-submit anytime, anywhere even when you are overseas
- Allow you to track your submission status online
- No more worries about lost cheque with e-payment
- Transmit data via encrypted channel to ensure maximum security
- Give you better control as the login access is restricted to only authorised staff

What are the modes for e-submission?

Mode of E-submission	For Whom	How it Works
CPF Auto-eXcel Plus	Employers without a payroll system.	Submit CPF contribution details via the CPF website. Auto-computation of CPF contribution amounts is provided. You may pay via GIRO / eNETS.
File Transfer Protocol (FTP) using payroll system (via CPF Auto-eXcel Plus)	Employers with a compatible payroll system.	Export the CPF contribution details from your existing payroll system into an electronic file, and upload the file via the CPF website. You may pay via GIRO / eNETS. Please check with your payroll vendor for details.
AXS	Employers with 10 or fewer employees.	Submit CPF contribution details via AXS Stations*. No PC or internet connection is necessary. You may pay via GIRO / D-Pay (ATM cards) / Diners Club card. *There are over 700 AXS stations islandwide.

Provident and Tax (PAT)	Employers with or without a payroll system and want to submit CPF and IRAS returns using one system.	<p>If your current payroll software is compatible with CrimsonLogic's PAT, you can upload the data from your payroll system to PAT for submissions to CPF and IRAS.</p> <p>If you do not have a payroll system, PAT also provides the option to prepare and submit CPF contributions via the PAT website.</p> <p>Please note that fees are payable to CrimsonLogic for the use of this service. For more information, please visit CrimsonLogic's PAT website.</p>
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Contact Us

For enquiries on e-submission:
Electronic Submission Section

Tel : 6220 2340
Email : **employer@cpf.gov.sg**
Fax : 6229 3499

b. Submission Using Hardcopy Payment Advice

Please complete and return the following forms if you are submitting contribution details in hardcopy:

- Payment Advice (Form CPF 91), giving details of the CPF contributions payable. If the employer has more than 5 employees, complete the details on Form CPF 91A
- **New Employee Contribution Form (Form CPF 92)**, if you are paying CPF contributions for the first time for your employee(s), or if the name of your employee(s) does not appear on the CPF Payment Advice.

The Ordinary and Additional Wage details should be completed for all the CPF payment forms (Forms CPF 91, CPF91A and CPF 92).

The Record of Payment (Form CPF 90) will be sent to you once the contribution details have been received and your payment processed. Your Payment Advice for the following month's submission will be enclosed with the Record of Payment. You are advised to check your Record of Payment and inform the Board immediately of any inaccuracy in your payment record.

The Record of Payment should be kept for future reference. If you have misplaced the Record of Payment and request a reprint, a service charge will be levied.

Since 2005, employers with 11 or more employees have to pay a Processing Fee (PF) of \$7 per employee per month, if they submit CPF contribution details using hardcopy Payment Advices. The same PF will be extended to employers with 4 to 10 employees in time to come. Subsequently, employers with 3 or fewer employees may also need to pay the processing fee if they are submitting their CPF contribution details via the hardcopy Payment Advice.

MODES OF PAYMENT

CPF contribution details must be submitted together with CPF payments. Employers can make payments by either one of the modes listed below:

a. Inter-bank GIRO

General Inter-Bank Recurring Order (GIRO) is a convenient and cashless mode of paying CPF contributions for employees.

The GIRO arrangement authorises the Board to deduct the monthly CPF contributions from the employer's bank account. The amount deducted is based on the contribution details submitted by the employer before the stipulated date.

To sign up for GIRO, please complete and submit the **Application for Interbank GIRO** (IBG) form to CPF Board. Upon receipt of the form, the Board will send an acknowledgement letter to the employer.

The GIRO arrangement is in place once the employer's application is approved by the bank. The arrangement will only be terminated when the employer have specifically instructed the bank as well as the Board to do so.

b. Standing Instructions (SI)

Small employers (1-10 employees) can give a one-time standing instruction to pay a fixed CPF amount for their employees every month. This is suitable for employers whose CPF contributions do not vary monthly. All the employer needs to do is to complete and submit these forms to the Board:

- complete the **Standing Instruction Form** (SI1/GIRO)
- complete the **Application for Interbank GIRO Form** (IBG)

The same amount will automatically be deducted on the 14th of each month through GIRO. If the 14th falls on a Saturday, Sunday or public holiday, the deduction will be made on the next working day. If there are changes taking effect from a particular month, the employer has to complete and submit a new Standing Instruction Form to the Board. The completed form is to be received by the Board at least 2 working days before the deduction date.

For additional payments such as bonuses and leave pay, the employer only needs to submit a Payment Advice (Form CPF 91) stating the contribution details. The employer is not required to submit a new Standing Instruction Form. Alternatively, the employer may make payment via the AXS stations or the CPF website (via CPF e-Submission). The additional payment will also be deducted through GIRO.

c. eNETS

This option is suitable for employers who want to retain tight control over their cash flow and yet enjoy the convenience of electronic payment.

With e-payment, employers are able to initiate the deduction. The bank does an immediate check to determine if there are sufficient funds so payment transactions can be confirmed immediately. To use the free e-payment system, the employer has to:

- sign up for CPF e-Submission (Employers) and
- have a personal account with DBS, POSB, UOB, OCBC or Citibank (Maxisave/Ready Credit)

d. Cheques

Cheques should be crossed and made payable to the CPF Board. The reverse side of each cheque must bear the CPF Submission Number (CSN). Cheque payments can be made at any CPF Service Centres. All cheque payments should be accompanied by the relevant payment forms.

e. Cash

Cash payment can be made at any Singapore Post Office. A receipt will be issued for cash payments at the Singapore Post Office. Please do not send cash through post.

f. NETS/CashCard

Payment by NETS/CashCard can be made at any Singapore Post Office located islandwide. A receipt will be issued for payment made.

g. Diners Club Credit Card/D-Pay (ATM cards)

Payment by Diners Club Credit Card/D-Pay (ATM cards) can be made at any AXS station located islandwide. A receipt will be issued for payment made.

h. Interfund Transfer

Fund transfer using OCBC corporate account. This option is only available for e-submission via Velocity@ocbc.

OTHER OPTIONAL CPF CONTRIBUTIONS

Additional Medisave Contribution Scheme (AMCS)

Employers can contribute more to their employees' Medisave account via the Additional Medisave Contribution Scheme (AMCS). Only Singapore Citizen and Singapore Permanent Resident employees are eligible for AMCS.

Employers can use the AMCS to implement the **Portable Medical Benefits Scheme (PMBS)**. They can also return or transfer any accrued medical benefit of their employees into their CPF Medisave Account. Employees may then use the additional Medisave contributions to purchase approved personal medical insurance, or meet healthcare expenses when the need arises. In addition, AMCS contributions are tax-free for employees and relevant tax benefits may also apply to employers.

Participation in this scheme is voluntary. Employers may vary the number of employees receiving these additional contributions. Employers may also pay any amount so long as the total contribution to the employee's Medisave Account does not exceed \$1,500 per year. Any excess contribution will be refunded to the employer without interest. AMCS contributions are not part of the prevailing **CPF Annual Limit**.

Making AMCS for your employees

To participate in AMCS, you will need to be issued with a separate **CPF Submission Number (CSN)**. Please click [here](#) to apply.

You should submit your application as soon as you intend to make AMCS for your employees. Once your application is approved, you will receive a CSN for AMCS.

Voluntary CPF Contributions (VC)

Making VC as an Employer

Employers can choose to make Voluntary Contributions (VC) to their employees' CPF accounts. To make VC, you will need to be issued with a separate **CPF Submission Number (CSN)**. Please click [here](#) to apply.

You should submit your application as soon as you intend to make VC for your employees. Once your application is approved, you will receive a CSN for VC.

When making VC, please note that backdating of VC is not allowed and the VC made will be treated as the current month's contribution.

Making VC as a CPF Member

Singaporeans and Singapore Permanent Residents can make VC either to:

No.	Types of VC	Applicable limit(s)	Tax deductions
1.	All 3 CPF Accounts (Find out the allocation to each account with the Voluntary Contribution Calculator)	CPF Annual Limit	Non-tax deductible for both payer and recipient
2.	Medisave Account only	Medisave Contribution Ceiling (MCC) or the CPF Annual Limit, whichever is lower.	Tax deductible for recipient only

When making VC, please note that backdating of VC is not allowed and the VC made will be treated as the current month's contribution.

In order for the year's CPF Annual Limit to be applied to the contributions, CPF Board must receive the VC by the last working day of the year. For example, cheques issued for VC for 2011 should reach the Board by 30 December 2011. Any VC paid in excess of the approved limit will be refunded without interest.

VC payments can be made using the following methods:

Payment Mode	Things to Note
GIRO (only for monthly VC into 3 CPF Accounts)	You can make monthly VC into your 3 CPF Accounts by completing a GIRO form . Upon GIRO approval, login to My Requests or complete the Standing Instruction Form and indicate the VC amount you wish to contribute monthly.
e-Cashier at CPF website	Payment can be made via eNETS Debit or Credit. For eNETS Debit payment service, the participating banks are DBS/POSB, UOB, Citibank and OCBC. Payment by eNETS is subject to the daily withdrawal limit set by your bank. Please click here to access the e-Cashier.
AXS Station	Payment can be made with an ATM Card (via D-Pay or NETS) or Diners Club Credit Card. Payment by ATM Card is subject to the daily withdrawal limit set by your banks.

iNETS Kiosk	Payment can be made via NETS, CashCard or FlashPay Card. Payment by NETS is subject to the daily withdrawal limit set by your bank.
Cheque	<p>Cheques should be crossed and made payable to the “CPF Board”. The cheque should be submitted with FORM VC/1 – Voluntary Contribution for CPF Member.</p> <p>Cheques may be mailed to CPF Board or dropped at any CPF Service Centre.</p> <p>Please also remember to:</p> <ul style="list-style-type: none"> (i) date and sign the cheque correctly; (ii) ensure that the words and figures tally; and (iii) counter sign against any amendment/alteration.

Those who want to save more for their retirement can contribute to the Supplementary Retirement Scheme (SRS). For more information on SRS, please click [here](#).

LIMITS ON CPF CONTRIBUTIONS

Ordinary Wage (OW) Ceiling

The Ordinary Wage (OW) Ceiling sets the maximum amount of Ordinary Wages on which CPF contributions are payable per month.

From 1 September 2011, the OW Ceiling is revised from \$4,500 to \$5,000 per month.

Additional Wage (AW) Ceiling

The Additional Wage (AW) Ceiling sets the maximum amount of Additional Wages on which CPF contributions are payable per year. An employee’s AW Ceiling is computed on a per employer basis.

With the increase in the OW Ceiling from \$4,500 to \$5,000 from 1 September 2011, the AW Ceiling for 2011 and 2012 are revised as follows:

No.	Scenarios	Additional Wage Ceiling
1.	Employee whose last day of employment is before 1 Sep 2011	\$76,500 ¹ – Total Ordinary Wages subject to CPF for 2011
2.	Employee whose last day of employment falls within the period from 1 Sep to 31 Dec 2011; OR Employee who is still in employment on 31 Dec 2011	\$79,333 ² – Total Ordinary Wages subject to CPF for 2011
3.	Employee in employment from 1 Jan 2012	\$85,000 ³ – Total Ordinary Wages subject to CPF for 2012

¹ Equivalent to 17 months x \$4,500

² Equivalent to (8/12 x 17 months x \$4,500) + (4/12 x 17 months x \$5,000)

³ Equivalent to 17 months x \$5,000

You are required to monitor and limit the contributions on Additional Wages of your employees. This is to prevent the refund of excess payment and avoid situations where refunds could not be made due to insufficient funds in the employee's CPF accounts.

For more information, please refer to **Annex G**, "Calculating Additional Wage (AW) Ceiling".

Click [here](#) to use the AW Ceiling Calculator

Voluntary Contribution (VC) Limit

The maximum amount of voluntary contributions for a person is the difference between the CPF Annual Limit of \$30,600 and the amount of mandatory contributions made for the calendar year. No further voluntary contributions can be made if the mandatory and voluntary contributions have already reached the prevailing CPF Annual Limit of \$30,600.

Mandatory contributions (MC) are compulsory contributions required under the CPF Act. These include CPF contributions on the Ordinary and Additional Wages for employees, and Medisave contributions by self-employed persons.

The maximum amount of voluntary contributions that can be made for the calendar year is as follows:

Maximum amount of VC = \$30,600 – MC

Any voluntary contributions paid in excess of the approved limit will be refunded without interest.

COMMON MISTAKES MADE BY EMPLOYERS

How to avoid common mistakes made by employers

Common mistakes

- **Overpayment when Ordinary Wages are wrongly classified as Additional Wages**
- **Underpayment when CPF contributions are based on wages not paid monthly**
- **Under/Overpayment when wrong CPF contribution rates are applied**
- **Under/Overpayment when wrong CPF contribution rates for Singapore Permanent Residents are applied**
- **Overpayment when CPF contributions for Ordinary Wages (OW) are paid above the OW Ceiling**
- **Overpayment to employees who:**
 - (a) resign in mid-month
 - (b) go on no pay leave in mid-month
- **Non-payment to employees who are:**
 - (a) on probation
 - (b) on the last month of employment
- **Non-payment of CPF contributions on allowances such as:**
 - (a) transport allowance
 - (b) third-party commission
- **Non-payment for employees under a contract of service**

Common Mistake	Correct practice
<p>Overpayment when Ordinary Wages are wrongly classified as Additional Wages</p>	<p>Employers should determine whether the wages paid are Ordinary Wages (OW) or Additional Wages (AW) before determining the CPF contributions payable.</p> <p>Example: Andy earned a monthly salary of \$2,500 in October 2011. In the same month, he also received a commission of \$3,000 for work done in October 2011. As his commission was paid out together with his salary in October 2011, both his salary and commission would be classified as OW. Hence the total OW is \$5,500 and this amount will be subject to the OW ceiling of \$5,000 in October 2011.</p>

<p>Underpayment when CPF contributions are based on wages not paid monthly</p>	<p>When wages are not paid according to the calendar month, e.g. weekly or fortnightly, employers should not determine the CPF contributions based on the wages paid on the different days of the month individually.</p> <p>Instead, employers should apportion the wages according to the calendar month for which CPF contributions are paid. The apportionment is necessary to determine the Ordinary Wages for the calendar month on which CPF contributions are payable.</p> <p>Example: Betty pays her employee wages every week. When determining the CPF contributions payable, Betty should add up the total wages earned for the calendar month, e.g. from 1st to 31st October.</p>
<p>Under/Overpayment when wrong CPF contribution rates are applied</p>	<p>Employers should check the CPF contribution rates applicable for their employees before determining the CPF contributions payable, especially when:</p> <ul style="list-style-type: none"> (i) the employee's total wages is less than \$1,500 (ii) the employee has crossed over to the next age group <p>Example 1: Where the employee's total wages is less than \$1,500 Chris has an employee who is 36 years old and earned \$1,400 in October 2011. Chris should apply the phased-in CPF contribution rates for aged above 35 years old to 50 years old where total monthly wages are less than \$1,500 for his employee. Therefore, the CPF contribution payable for October 2011 should be: $[[\\$172.20 + \{0.226 \times (\\$1400.00 - \\$1200.00)\}] + [\\$120.00 + 0.24 \times (\\$1400.00 - \\$750.00)]$ $= \\$493 \text{ (Rounded to the nearest dollar)}$</p> <p>Example 2: Where the employee has crossed over to the next age group Doris has an employee who is earning a monthly salary of \$2,000 and turned 50 years old on 13 October 2011. Doris should apply a lower CPF contribution rate of 30% from 1 November 2011 for her employee. Therefore, the CPF contribution payable for November 2011 should be: $\\$2,000 \times 30\% = \\$600.$</p>

<p>Under/Overpayment when wrong CPF contribution rates for Singapore Permanent Residents are applied</p>	<p>Employers should check the date his employee obtained his Singapore Permanent Resident (SPR) status at the point of employment before determining the CPF contributions payable.</p> <p>The first year rate is payable from the day the employee obtains his SPR status. The day he obtains the SPR status refers to the date indicated on the entry permit (Form 5/5A) that is issued by the Immigration and Checkpoints Authority of Singapore. The second and third year rates are payable from the month following the anniversary of the employee's conversion to a SPR.</p> <p>Example: Eric has an employee who is 34 years old, earned a monthly salary of \$4,000 and obtained his SPR status on 14 October 2011. Eric should apply the 1st year SPR graduated CPF contribution rate of 9% from 14 October 2011 onwards for his employee.</p> <p>Assuming that the pro-rated salary from 14 to 31 October 2011 was \$1,000; the CPF contributions payable should be based on \$1,000 and not \$4,000. The CPF contributions payable for October 2011 should be: $4\% (\\$1000.00) + \\$30 + 0.06 (\\$1000.00 - \\$750.00)$ $= \\$85$ (Rounded to the nearest dollar)</p>
<p>Overpayment when CPF contributions for Ordinary Wages (OW) are paid above the OW Ceiling</p>	<p>Employers should pay CPF contributions for Ordinary Wages (OW) up to the OW Ceiling of \$5,000.</p> <p>Example: Fiona is 34 years old and earned a monthly salary of \$6,000 in October 2011. The CPF contribution payable for October 2011 should be based on OW ceiling of \$5,000. Therefore, CPF contributions payable for October 2011 should be: $\\$5,000 \times 36\% = \\$1,800$ (Rounded to the nearest dollar)</p>

<p>Overpayment to employees who: a) resign in mid-month b) go on no pay leave in mid-month</p>	<p>Employers should use the pro-rated salary to determine the CPF contributions payable to employees who resign or go on no pay leave in mid-month.</p> <p>Example: Greg has an employee who earned a monthly salary of \$4,000 and resigned on 15 October 2011. Assuming that the salary payable from 1 to 15 October 2011 was \$2,000; the CPF contributions payable should be based on \$2,000 and not \$4,000.</p>
<p>Non-payment to employees: a) on probation b) on the last month of employment</p>	<p>Employers should ensure that CPF contributions are paid on wages received by employees on probation or on his last month of employment.</p> <p>For employees who are on no pay leave or have resigned/been terminated, employers should compute the CPF contributions payable based on the pro-rated wages and not the full wage for the month.</p> <p>Example: Helen has an employee who earned a monthly salary of \$4,000 and resigned on 31 October 2011. Helen has to pay him CPF contributions on his total wages paid up to 31 October 2011.</p>
<p>Non-payment on allowances: a) transport allowance b) third-party commission</p>	<p>Employers should ensure that CPF contributions are paid on allowances, e.g. attendance allowance, meal allowance, transport allowance, third-party commission etc.</p> <p>Example 1: Transport allowance If the transport allowance constitutes part of an employee's wages, CPF contributions are payable on the transport allowance.</p> <p>However, CPF contributions are not payable for reimbursement of travel/actual transport allowances. These include reimbursements for:</p> <ul style="list-style-type: none"> a) travel in the line of official duty; b) travel between home and workplace beyond normal working hours, for example on rest days and public holidays; c) travel from home/office to the place of assignment; and

	<p>d) actual transport expenses where employer is obliged to provide transport and where transport is not available.</p> <p>Example 2: Third-party commission CPF contributions are payable on third-party commissions as long as the commissions are money for services rendered by the employee during his employment. Third-party commissions are commissions that an employee earns from third parties for services rendered by him by virtue of his employment.</p> <p>The arrangement to pay commissions can be formal or informal and CPF contributions are payable on such third-party commissions regardless of whether the employer earns a commission or whether such commissions are stated in the employment contract.</p> <p>For instance, Ivan is a salesperson and has to recommend his customers the financial institutions listed by his employer for car insurance. For any insurance he sells, he would be paid a commission from the financial institutions. CPF contributions are payable on such commissions.</p>
<p>Non-payment for employees under a contract of service</p>	<p>Employers should ensure that CPF contributions are paid for all employees under a contract of service.</p> <p>Example: Jill employs a part-time receptionist, who comes to work a few days per month. There is neither a written agreement nor a need to serve termination notice.</p> <p>Jill has to pay CPF contributions for her temporary, part-time or permanent employees as long as there are wages due and payable to these employees.</p>

REFUND OF CPF CONTRIBUTIONS PAID

Refund of CPF Contributions Paid in Excess

Under Section 75 of the CPF Act, the Board may refund the excess CPF contributions, only if the Board is satisfied that the amount of contributions paid for the year on additional wages exceeds the amount of contributions payable on such additional wages after re-computation of the Additional Wage Ceiling in accordance with the First Schedule.

You should only pay contributions on the Additional Wages up to the Additional Wage Ceiling. If excess contributions have been made, employers and employees can apply for a refund.

All applications must be submitted when Total Wages are known, or in the following year. **Online applications** can be submitted through the E-services page on the website.

Refund of CPF Contributions Paid in Error

Under Section 74 of the CPF Act, the Board may refund any CPF contributions paid only if the amount had been paid in error. An error can occur when there is a discrepancy between the amount of CPF contribution paid and the amount of CPF contribution payable at the end of the month.

If you have inadvertently paid more CPF contributions than required, you may apply for a refund within one year from the date of payment. **Online applications** can be submitted through our E-services page on the CPF website.

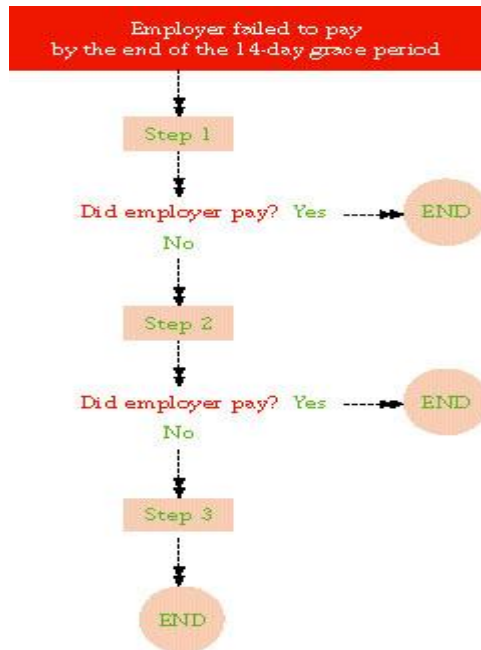
For example, assuming that under the employment terms, an employee is paid a certain bonus on the condition that he continues his employment with the employer for the next six months following the bonus payment.

If an employee was given the bonus in December 2010 but had resigned within the month of December 2010, then the bonus could no longer be considered as payable to him for that month. If CPF contributions had been paid on the bonus, there would be a discrepancy between the amount of CPF contribution paid and the amount of CPF contribution payable at the end of December 2010. This would constitute an error and a refund of CPF contributions paid on the bonus could be made. However, if an employee resigned after December 2010, the bonus would be considered payable to him in the month of December 2010 under the employment terms. In this instance, there is no discrepancy between the amount of CPF contributions paid and the amount of CPF contributions payable at the end of December 2010. Thus, the Board is unable to refund CPF contributions paid on the bonus for the employee who had resigned after the payment month of the bonus.

ENFORCEMENT OF CPF CONTRIBUTIONS

Enforcement

The Board takes a serious view on employers who make late payments or do not pay CPF contributions for their employees. Upon detection of late payment or non-payment of contributions, action will be taken to recover any arrears or CPF contributions owing.



Step 1: Employers in Default

The Board's computerised system detects defaulting employers and lists them out each month for follow-up action by Investigations Officers. A notice is sent by registered post to the employers informing them that legal action will be taken unless CPF contributions, interest and composition amount are paid within the notice period. Employees, whose contributions are not paid, will be informed of the non-payment.

Step 2: Employers who Fail to Pay before the Court Hearing

If the employers fail to pay up, they will be taken to court. The court will order them to pay the contributions, interest as well as a court fine.

Step 3: Conviction

If the employers still do not pay up, a warrant will be issued to seize and sell the employers' assets. Bankruptcy or winding up proceedings may also be instituted against the employers. However, this will only be used as a last resort.

First-time defaulters, who are convicted of a late payment offence, may be fined \$2,500 for each offence. Repeat offenders may be fined \$10,000 for each offence.

The director, manager, secretary or other officer in charge of paying the CPF contributions, as well as the corporate body found guilty of a late payment offence may be fined \$2,500 for each offence. Repeat offenders may be fined \$10,000 for each offence.

Employers, who have recovered the employee's share of contributions and have failed to pay the contributions to the Board, may be fined \$10,000 or jailed 7 years, or both.

Industry Surveys

The Board conducts spot checks on various industries to determine the level of compliance. Such checks involve on-site inspection of employees' wage records. Should discrepancies be detected, interviews and verifications with the employees may be conducted on the spot, and further checks made on the wage records.

If the employer is found to have underpaid or omitted paying contributions, the arrears plus penalty interest will be computed and recovered.

Interest on Late Payment

Interest on late payment is calculated daily at the rate of 1.5% per month, starting from the first day of the following month after the contributions are due (e.g. interest for January contributions will be calculated from 1 February). The minimum interest payable is \$5 per month.

Example

XYZ Company made a CPF contribution of \$3,000 for the month of October on 20 November 2010. This payment is late by 19 days. Therefore, the amount of late payment interest will be:

$$\begin{aligned} &= \$3,000 \times 1.5\% \times 19/30^* \\ &= \$28.50 \end{aligned}$$

*Number of days the payment is late/number of days in the month. The cents should be dropped for the interest. Hence, the late payment interest payable will be \$28.

Keeping your Employees Informed

You may also encourage your employees to check their Statement of Account to ensure that you have paid their CPF contributions correctly. If the CPF contributions are not paid correctly, they should inform the Board on the matter. Employees can access their Statement of Account anytime, anywhere through my CPF online services with their SingPass.

AGENCY SERVICES



Collection of Levies, Funds and Donations

The CPF Board is also the collecting agent for the following:

- **Foreign Worker Levy (FWL)**
- **Skills Development Levy (SDL)**
- **Mosque Building and Mendaki Fund (MBMF)**
- **Singapore Indian Development Association (SINDA) Fund**
- **Chinese Development Assistance Council (CDAC) Fund**
- **Eurasian Community Fund (ECF)**
- **SHARE Programme Donations**

Foreign Worker Levy (FWL)

The FWL is a pricing mechanism to control the number of foreign workers (including foreign domestic workers) in Singapore.

An employer who is liable to pay levy for his foreign workers is not required to pay CPF contributions for them. However, he is required to pay Skills Development Levy (SDL) at the prevailing rate. In addition, if a work permit holder on the FWL Scheme is subsequently granted Singapore Permanent Resident (SPR) status, he will be placed on the CPF scheme. This will take effect from the day he is granted SPR status.

For more information on the levy rates, please refer to the Ministry of Manpower (MOM) website at www.mom.gov.sg.

a. Mode of payment

It is compulsory for all FWL employers to pay the levy by Inter-bank GIRO (IBG). Employers who fail to do so may risk their workers' permits being cancelled.

IBG application **form** is available at CPF website <http://employer.cpf.gov.sg> and at all CPF Service Centres. If the levy is due before the bank approves the IBG application or the IBG deduction is unsuccessful, employers will have to make payment through any of the following modes:

i. NETS

Payment using NETS for business and domestic foreign worker levy can be made at any SingPost office. You can also use NETS to pay your domestic foreign worker levy at iNETS kiosk and SAM machine.

ii. Cash

Cash payment can only be made at SingPost office together with a FWL payment advice (FWL 50A). Please do not send cash by post.

iii. Cash Card/FlashPay Card

Cash card/ FlashPay card can be used to pay domestic FWL at iNETS kiosk. You may also use cash card to pay business and domestic FWL at any SingPost office.

iv. Cheque

Cheque may be mailed to CPF Board or dropped at any CPF Service Centre. The cheque should be accompanied by a payment advice (FWL 50A). Please indicate the following on the reverse side of the cheque:

(i) 'For FWL Payment' (ii) CPF Submission Number (iii) Employer's Name (iv) Contact Number

v. Diners Club Credit Card/D-Pay (ATM cards)

Payment by Diners Club Credit Card/D-Pay (ATM cards) can be made at any AXS station.

vi. eNETS (also known as Internet Banking)

You can perform eNETS through the iFWLB website www.mom.gov.sg > Services and Forms > Internet Foreign Worker Levy Billing system (iFWLB). You will need your SingPass and an Internet Banking account with DBS, UOB, OCBC or Citibank. To obtain a SingPass, please visit www.singpass.gov.sg

b. Grace period for payment

The grace period for FWL payment is 14 days after the end of the month for which the levy is due and payable. For employers who are on FWL IBG payment, the levy deduction will be made on the 17th of the month. If the 17th falls on a Saturday, Sunday or Public Holiday, the levy will be deducted on the next working day.

c. Late payment of levy

Interest on late levy payment is calculated at 2% interest rate per month or \$5, up to a maximum of 30% of the outstanding levy (whichever is greater), starting from the first day of the month in which the levy is due. (E.g. interest for January's levy will be calculated from 1 February.)

d. Work Permit Cancellation

The employer must return his worker's work permit to the Work Pass Division immediately for cancellation when the worker leaves the employment. If the employer fails to do so, levy has to be paid for the worker for as long as the work permit remains valid. For more details, please contact MOM (Work Pass Division) or visit MOM website at www.mom.gov.sg.

e. Waiver of FWL

An employer may apply for a waiver of Foreign Worker Levy (FWL) under circumstances allowed by MOM. This applies to worker(s) not in Singapore for any of the following reasons:

- on home leave[#] (not applicable to Malaysian workers)
- on vacation leave^{*#} of at least 7 consecutive days
- fails to return to Singapore after home leave/vacation
- on hospitalisation leave
- under police custody or is housed at the Embassy
- granted Singapore Permanent Resident status
- on board of a vessel which leaves Singapore's port for at least 3 consecutive days (applicable to workers who are in the harbour craft industry)
- serving National Service in his home country for 3 months (applicable to Malaysian workers only).

**Vacation leave refers to the period where foreign worker travels to another country other than the country of origin for the purpose of leisure. During the trip, he/she shall not engage in any form of employment, whether paid or unpaid.*

[#]Levy waiver for each foreign worker under this scenario is capped at a maximum of 60 calendar days per year.

The employer may submit an application **online** by logging in with the SingPass. Alternatively, the employer can **download** the form (FWL 12) and mail it back to CPF Board. Please refer to the application form for more information on the supporting documents required.

The employer will need the **CPF Submission Number (CSN)** to complete the form. The application must be made within one year after the end of the month in which the levy has been paid. The amount waived will be used to offset future payments of the FWL. However, the employer can apply for a refund of the amount waived if foreign workers are no longer employed.

f. Refund of FWL Paid in Excess

If excess levy has been paid, the employer can use it to offset any outstanding levy/penalty before applying to CPF Board for a refund. The refund must be made within one year after the end of the month in which the levy has been paid. To apply for the refund, the employer may submit the **online application**, or print a copy of the **application form (FWL 7)** and mail it back to CPF Board.

The employer will need the **CPF Submission Number (CSN)** to complete the form.

Skills Development Levy (SDL)

CPF Board collects SDL on behalf of the Singapore Workforce Development Agency (WDA). The SDL collected is channelled into the Skills Development Fund (SDF), which provides grants to employers who send their employees for training.

Under the Skills Development Levy (SDL) Act, employers are required to pay the SDL for every employee they hire.

Employers are required to contribute SDL for all employees* up to the first \$4,500 of gross monthly remuneration** at a levy rate of 0.25%, subject to a minimum of \$2, whichever is higher. For more details, please click [here](#).

* Employees include full-time, casual, part-time, temporary and foreign employees rendering services wholly or partly in Singapore.

** Remuneration is any wage, salary, commission, bonus, leave pay, overtime pay, allowance (e.g. housing) and other payments in cash.

Example of computation

EMPLOYEE	GROSS MONTHLY REMUNERATION	SDL PAYABLE	REMARKS
A	\$150.80	\$2.00	Minimum of \$2 is payable
B	\$609.50	\$2.00	Minimum of \$2 is payable
C	\$2,000.00	\$5.00	0.25% levy
D	\$4,500.00	\$11.25	0.25% levy
E	\$4,502.03	\$11.25	First \$4,500 levied at 0.25%
F	\$10,000.00	\$11.25	First \$4,500 levied at 0.25%
	Total SDL	\$42.75	\$42.00 is payable

Total **SDL Payable** is **\$42.00**. Cents should be ignored only when you arrive at the **TOTAL** SDL Payable.

Computation of SDL

Please also refer to the **SDL Calculator** to compute the total SDL payable.

Mosque Building and Mendaki Fund (MBMF)

Mosque Building & Mendaki Fund (MBMF) comprises the Mosque Building component, the Mendaki component and the Religious Education component:

- i. The Mosque Building component is used to build new mosques, upgrade and redevelop current mosques.
- ii. The Mendaki component is used to develop educational and social programmes to strengthen and uplift the Malay/Muslim families.
- iii. The Religious Education component is used to support the current and future religious education needs of the Muslim Community.

All working Muslim Singapore Citizens, Singapore Permanent Residents and foreign workers are required to contribute to the MBMF according to the wage levels below:

Monthly Total Wages ¹	Monthly Contribution (with effect from 1 March 2009)
Less than \$1,001 ²	\$2.00 (no change)
\$1,001 to \$2,000	\$3.50
\$2,001 to \$3,000	\$5.00
\$3,001 to \$4,000	\$12.50
\$4,001 and above	\$16.00

¹ **Total wages** refer to all remuneration in money due or granted to an employee in respect of his employment, including overtime pay, allowance (e.g. food, shift or transport allowances), commission and bonus.

² An employee whose wages for a particular month is \$200 and below does not have to contribute to the Fund.

The prescribed amounts will be automatically deducted from the wages of Muslim employees. If the employees wish to contribute different amounts or opt out, they can complete the **MBMF Change Form** from the MUIS and submit it to their employers for endorsement before returning it to the MUIS.

Singapore Indian Development Association (SINDA) Fund

All employees belonging to the Indian* Community may contribute monthly to the SINDA Fund according to the wage levels below:

Wage Level	Minimum Monthly Contribution
Up to \$600	\$1.00
Above \$600 - \$1,500	\$3.00
Above \$1,500 - \$2,500	\$5.00
Above \$2,500	\$7.00

* Refers to every person of Indian descent including Bangladeshis, Bengalis, Parsees, Sikhs, Sinhalese, Telugus, Pakistanis, Sri Lankans, Goanese, Malayalees, Punjabis, Tamils and all people originating from the Indian sub-continent. Foreign workers on the Foreign Worker Levy Scheme do not have to contribute to the Fund.

The prescribed amounts will be automatically deducted from the wages of the employees. If the employees wish to contribute different amounts or opt out, they have to obtain the relevant forms from the SINDA and submit them to their employers for processing.

Chinese Development Assistance (CDAC) Fund

All employees belonging to the Chinese Community (Singapore Citizens and Singapore Permanent Residents) may contribute monthly to the CDAC Fund according to the wage levels below:

Wage Level	Minimum Monthly Contribution
Less than \$2,000	\$0.50
\$2,000 or more	\$1.00

The prescribed amounts will be automatically deducted from the wages of Chinese employees. If employees wish to contribute different amounts or opt out, they have to get the relevant forms from CDAC and submit them to their employers for endorsement before returning them to the CDAC.

Eurasian Community Fund (ECF)

All employees belonging to the Eurasian Community (Singapore citizens and Singapore Permanent Residents) may contribute monthly to the Eurasian Community Fund according to the wage levels below:

Wage Level	Minimum Monthly Contribution
Up to \$1,000	\$2.00
Above \$1,000 - \$1,500	\$4.00
Above \$1,500 - \$2,500	\$6.00
Above \$2,500 - \$4,000	\$8.00
Above \$4,000	\$10.00

The prescribed amounts will be automatically deducted from the wages of Eurasian employees. If the employees wish to contribute different amounts or opt out, they have to obtain the relevant forms from the Eurasian Association (EA) and submit them to their employers for endorsement before returning them to the EA.

SHARE Programme Donations

CPF Board collects donations for SHARE on behalf of the Community Chest, a division of National Council of Social Service. The contribution will support critical social service programmes that help children with special needs and youths-at-risk, people with disabilities, frail and lonely elderly and families facing difficulties. Donations by employees are voluntary and deducted from their wages.

Refund of excess payment

Employers who want to apply for a refund of excess payment of SDL, MBMF, SINDA, CDAC, ECF, and SHARE donations should approach the agencies concerned.

Government-Paid Maternity Leave (GML)

The Government-Paid Maternity Leave (GML) Scheme was introduced in 2004. Enhancement to the scheme was announced on 17 August 2008 and came into effect legally on 31 October 2008. Under the enhanced GML scheme, employers may claim reimbursement for up to 16 weeks of paid maternity leave taken by eligible female employees. The reimbursement amount is capped at \$10,000 (including employer's CPF contribution) per 4 weeks of maternity leave taken.

Benefits under Enhanced GML Scheme

Maternity leave has been extended from the 12 weeks to 16 weeks with effect from 31 October 2008 for **all births** as long as the working female employee meets all eligibility criteria as stipulated in the **Children Development Co-savings Act (CDCA)**.

For the first 2 confinements, the first 8 weeks of maternity leave will continue to be paid by the employer. The last 8 weeks will be paid by the Government. For the third and subsequent confinements, the full 16 weeks will be paid by the Government. The amount of reimbursement is capped at \$10,000 per 4 weeks i.e. \$20,000 each for the first 2 confinements and \$40,000 each for the third and subsequent confinements.

The last 8 weeks of maternity leave (9th to 16th week) can be taken flexibly over a period of 12 months from the date of child's birth if there is mutual agreement between the employer and employee. For employers to claim Government reimbursement for salaries paid during the maternity leave under the enhanced GML scheme, the female employees must meet the following criteria:

- a. her child must be a Singapore citizen;
- b. she is lawfully married to the child's father; and
- c. she has served her employer for at least 90 days before the birth of the child.

If the employee does not meet the criterion (a) and/or (b) at the time of confinement, but meets them within 12 months of the child's birth, she will be eligible for the remaining GML from the date she meets all the criteria. She will need to take the remaining leave before the child turns 12 months old. She will not be paid for maternity leave that was taken before she had met all the stipulated criteria.

More information on the enhanced scheme is available at www.profamilyleave.gov.sg

For children born on or after 17 August 2008 and before 31 October 2008

Employers are strongly encouraged to **voluntarily** provide the additional 4 weeks of maternity leave under the enhanced GML scheme to all eligible female employees. They will be able to claim reimbursement from the Government after the employees have fully consumed their maternity leave.

For children born before 17 August 2008

A female employee who gave birth before 17 August 2008 will be eligible for the previous GML scheme (which provides for 12 weeks of maternity leave) if she meets all the eligibility criteria.

More information on the current scheme is available at www.profamilyleave.gov.sg

Applying for Government-Paid Maternity Leave (GML)

Female employees are required to submit a declaration of eligibility to their employers at least a week before they start their maternity leave. Employers should check to ensure that their female employees qualify for the benefit before seeking reimbursement from the Government.

Employers should pay the female employees the normal salary throughout their maternity leave and then claim reimbursement from the Government.

With effect from 1 January 2009, employers can submit their applications online at www.profamilyleave.gov.sg. They would require a SingPass to submit their claims.

Government-Paid Childcare Leave (GPCL)

The Government-Paid Childcare Leave (GPCL) Scheme was announced on 17 August 2008 and came into effect legally on 31 October 2008. The GPCL Scheme is part of the overall package of measures to support parenthood and make workplaces more family-oriented.

Under the GPCL Scheme, each working parent of a child (which includes adopted and stepchildren) is entitled to 6 days of statutory paid childcare leave per year if he/she fulfills the following conditions:

- a. The child is below 7 years of age;
- b. The child is a Singapore citizen;
- c. The child's parents are lawfully married; and
- d. The parent has worked for the employer for a continuous duration of at least 3 months before consuming the childcare leave.

Self-employed parents will also be eligible for GPCL if they meet the conditions (a) to (c) above and the parent has been engaged in his/ her trade, business, profession or vocation for at least 3 months prior to taking the childcare leave and has lost any income during the period of childcare leave.

The first 3 days of the childcare leave will be employer-paid and the last 3 days will be paid by the Government. Regardless of the number of children, the total childcare leave for each parent is capped at 6 days per year. Parents have full flexibility to use this leave to spend time with the child as it is not restricted to any condition such as a pre-existing illness of the child.

The amount of reimbursement claimable from the Government is capped at \$1,500 per calendar year or \$500 per day (including employer's CPF contribution) per employee. Generally, the reimbursement will be based on the gross rate of pay (including allowances and CPF contribution) drawn for that month where the government-paid childcare leave was taken.

More information on the scheme is available at www.profamilyleave.gov.sg

Applying for Government-Paid Childcare Leave (GPCL)

Employees have to submit a declaration of eligibility to their employers before they start their childcare leave. Employers should ensure that their employees qualify for the childcare leave before seeking reimbursement from the Government.

Before granting childcare leave for new hires, employers are strongly encouraged to check the number of childcare leave taken by the employee during the calendar year at www.profamilyleave.gov.sg.

Employers should pay the employees their salary during their childcare leave as per normal, before claiming reimbursement from the Government for the 4th to 6th day of the childcare leave. The Government will reimburse up to 3 days per calendar year for each eligible employee.

From 1 January 2009, employers and self-employed parents can submit their applications online at www.profamilyleave.gov.sg using SingPass.

Adoption Leave

The Adoption Leave refers to 4 weeks of flexible leave for adoptive mothers to care for their adopted newborn children aged 6 months and below. The Government will reimburse employers up to 4 weeks of salary, capped at \$10,000 (including employer's CPF contributions), if they voluntarily grant leave to married, widowed or divorced female employees.

For employers to claim Government reimbursement for salaries paid during the adoption leave, the female employees must meet the following criteria:

- a. The adopted child is a Singapore citizen or becomes one within 6 months of the adoption order being granted, whichever is later;
- b. She has fewer than 4 other living children (excludes adopted and step children) at the time of adoption or naturalisation;*
- c. The child is below 6 months of age and the adoptive mother is lawfully married, widowed or divorced at the point of:
 - Appointment of Director of Social Welfare as Guardian-In-Adoption by Court Order (for a child who is a Singapore citizen at the point of birth); or
 - Issuance of Dependant's Pass by MCYS (for a child who is not a Singapore citizen at the point of birth)

*Criterion b is not applicable if the application to adopt the child is made on or after 31 October 2008.

For a local-born child, an adoptive mother may apply for Adoption Leave when the Court appoints the Director of Social Welfare as guardian in adoption. For a foreign-born child, an adoptive mother may apply for Adoption Leave when the child's Dependant's Pass is issued by MCYS. Parents of a foreign-born child would have to obtain Singapore citizenship for the child within 6 months of the adoption order being granted.

All adoptive mothers could consume their Adoption Leave flexibly or in a continuous block over a period of 6 months from the date of birth of the child.

Applying for Adoption Leave

Female employees are required to submit a declaration of eligibility to their employers at least a week before they start their adoption leave. Employers should check to ensure that their employees qualify for the benefit before seeking reimbursement from the Government.

Employers should pay the female employees the normal salary throughout their adoption leave and then claim reimbursement from the Government.

With effect from 1 January 2009, employers may download the application form at www.profamilyleave.gov.sg and submit the completed form to Central Provident Fund Board together with supporting documents. Please note that the claim must be submitted within 3 months after the end of the Adoption Leave period. If the set of documents are incomplete (e.g. child has not become a Singapore citizen), you should still submit a claim within the timeframe and inform the Central Provident Fund Board (CPF Board) of the current circumstances for the officers to follow up on your case accordingly.

The processing time for adoption leave claims is 6 weeks. Inaccurate information will result in a delay in processing. For claim with incomplete documents, it will be processed within 3 weeks after the full set of documents is furnished.

CONTACT US

Enquiries on Collections & Recovery Services

For more information, please call,
the CPF Call Centre at 1800-227-1188 or email to:

employer@cpf.gov.sg	For enquiries on <ul style="list-style-type: none">• CPF liabilities• employer registration / CPF Submission Number (CSN) and discrepancy management matters• electronic submission of CPF contribution details• Government-Paid Maternity Leave (GML) scheme matters• Government-Paid Childcare Leave (GPCL) scheme matters
employer-refund@cpf.gov.sg	For enquiries on employer CPF refund
member@cpf.gov.sg	For enquiries on self-employed matters

Other useful contacts

Work Pass Division
Ministry of Manpower
18 Havelock Road
Singapore 059764
Tel: 6438 5122
Website: www.mom.gov.sg

Accounting and Corporate Regulatory Authority (ACRA)
10 Anson Road #05-01/ 15
International Plaza
Singapore 079903
Tel: 6248 6028
Website: www.acra.gov.sg

Singapore Workforce Development Agency (WDA)
1 Marina Boulevard #16-01
One Marina Boulevard
Singapore 018989
Tel: 6883 5885
Website: www.wda.gov.sg

Majlis Ugama Islam Singapura (MUIS)
Singapore Islamic Hub
273 Braddell Road
Singapore 579702
Tel: 6359 1199
Website: www.muis.gov.sg

Singapore Indian Development Association (SINDA)
1 Beatty Road
Singapore 209943
Tel: 6298 5911
Website: www.sinda.org.sg

Chinese Development Assistance Council (CDAC)
CDAC Building
65 Tanjong Katong Road
Singapore 436957
Tel: 6841 4889
Website: www.cdac.org.sg

The Eurasian Association, Singapore (EA)
Eurasian Community House
139 Ceylon Road
Singapore 429744
Tel: 6447 1578
Website: www.eurasians.org.sg

SHARE Programme
Community Chest
National Council of Social Services
Ulu Pandan Community Building
170 Ghim Moh Road
#01-02
Singapore 279621
Tel: 1800 210 2600
Website: www.comchest.sg

ANNEXES**Annex A****TYPES OF PAYMENTS THAT ATTRACT CPF CONTRIBUTIONS**

The table below is a general guide as to when CPF is payable

Type of Payment	Description	CPF Payable
Anniversary Cash Award	Payment to employees on company's anniversary	Yes
Annual Wage Supplement/ Bonus	Payment to employees at the end of the financial year	Yes
Attendance Allowance	Payment for good work and attendance	Yes
Commission	Payment to employees based on percentage of sales achieved	Yes
Cost of Living Allowance	Payment as part of employee's wages	Yes
Dirt Allowance	Payment for performing field duties	Yes
Education Allowance	Contractual payment for education of employee's children	Yes
	Payment made under employee's self-improvement programme	No
Education/Training Reimbursement	Reimbursement of course and examination fees as part of employee's training programme	No
Entertainment Allowance	Reimbursement for entertaining company's clients	No
Extra Duty Allowance	Payment made for extra work done; e.g. night duty, overtime, public holiday, acting allowance etc.	Yes
Festival Allowance	Cash gift (e.g. hongbao) given to employees during festive season	Yes
Finders Introduction Fees	Payment to employees for introducing workers to company	No
Gratuity	Payment to employees for good service while still in employment	Yes
	Payment to employees upon termination of employment, i.e. compensation in nature	No
Grooming Allowance	Payment to employees for enhancement of appearance	Yes
Hair Cut Allowance	Payment to employees for enhancement of appearance	Yes

Handphone & Pager Allowance	Payments to employees	Yes
Handphone & Pager	Forms part of the employer's expenditure & paid directly to third party e.g. service provider	No
Handphone & Pager Reimbursement	Reimbursement for actual expenses incurred for official purposes	No
Holiday Allowance	Fixed payment to employees for vacation	Yes
	Variable sum given as reimbursement for holiday expenses incurred by employees	No
Housing/Rental Subsidy	Payment to employees as housing rent	Yes
Housing Reimbursement	Forms part of the employer's expenditure and paid directly to third party e. g. landlord	No
Incentive Allowance	Cash payment incentive	Yes
	Incentive in kind e. g. token gifts	No
Laundry Reimbursement	Reimbursement for laundry expenses to uniformed employees	No
Laundry Allowance	Payment for laundry expenses for personal clothing of employees	Yes
Leave Pay	Payment in lieu of leave	Yes
Long Service Award	Cash award for long service	Yes
	Cash award given to employees with at least 5 years' service and every subsequent period of not less than 5 years' service, i.e. 5,10,15 and so on, and the cash award does not exceed the employee's Ordinary Wages for the month in which it is given.If the Long Service Award exceeds the Ordinary Wages, CPF is still payable on the amount in excess of the Ordinary Wages.	No
Maternity Allowance	Payment to female employees during confinement and in addition to monthly salaries	Yes
Maternity Subsidy	Reimbursement paid under company's maternity expenses scheme	No
Meal Allowance	Monthly lump sum payment to employees	Yes
Meal Reimbursement	Reimbursement for staying beyond working hours i.e. overtime	No
Personal Clothing Allowance	Payment to employees to enhance appearance	Yes
Probation Period Pay	Wages for employees on probation	Yes
Productivity Award	Cash award for staff productivity	Yes

Gifts in Kind	Award in kind e.g. token gifts	No
Sales Performance Award	Payment for attaining sales target	Yes
Service Charge	Collection by hotels/restaurants and distributed as part of wages to employees	Yes
Staff Welfare Benefits	Gifts in kind to employees on their marriage or birth of their children	No
Stand-by Allowance	Payment for stand-by duties	Yes
Student Pay	Wages paid to employees/registered students, including students who work after completing their "A" level examinations	Yes
	Wages paid to registered students as follows: a. School students working during their gazetted school holidays. (N.A. for tertiary students) b. 'N' & 'O' level school leavers working during the gazetted school holidays. c. "A" level students working during school holidays before their "A" level examinations.	No
	Registered students of any overseas tertiary education institution who are employed as follows: a. The student is employed without a letter from the tertiary education institution stating that the training is required as part of the student's curriculum	Yes
	b. The student is employed with <ul style="list-style-type: none"> • the employer submitting a letter from the tertiary institution to CPF, stating that the training is required as part of the student's curriculum, and • the training period does not exceed 6 months 	No

	Registered students employed during vacation or term, under training programme approved by the following institutions: a. National University of Singapore b. Nanyang Technological University c. Singapore Management University d. Nanyang Polytechnic e. Ngee Ann Polytechnic f. Singapore Polytechnic g. Temasek Polytechnic h. Republic Polytechnic i. Institute of Technical Education	No
Termination Benefits	Retirement gratuity, retrenchment pay, ex-gratia payment, salary in lieu of notice, severance pay, compensation for loss of employment	No
	Payment of temporary lay-off benefits	Yes
Tips	Cash collected from customers to augment wages of hotel and restaurant employees	Yes
Transport Allowance	Payment to subsidise employees' transport expenses	Yes
	Reimbursement for travel in the line of official duty	No
	Reimbursement for travel between home and workplace beyond normal working hours e.g. rest days and public holidays	No
	Reimbursement for travel from home/office to the place of assignment (not the normal place of work)	No
	Reimbursement for actual transport expenses where the employer is obliged to provide transport for employees and where the transport is not available	No
Workmen's Compensation	Payment awarded for injuries under the Workmen's Compensation Act	No

Click the following annexes on contribution rates:

Annex B

CONTRIBUTION RATES (FROM 1 SEPTEMBER 2011) FOR EMPLOYEES WHO ARE SINGAPORE CITIZENS OR SINGAPORE PERMANENT RESIDENTS (3RD YEAR ONWARDS)

Annex C

GRADUATED EMPLOYER & EMPLOYEE CONTRIBUTION RATES (FROM 1 SEPTEMBER 2011) FOR SINGAPORE PERMANENT RESIDENTS (SPR) DURING 1ST YEAR OF OBTAINING SPR STATUS

Annex D

GRADUATED EMPLOYER & EMPLOYEE CONTRIBUTION RATES (FROM 1 SEPTEMBER 2011) FOR SINGAPORE PERMANENT RESIDENTS (SPR) DURING 2ND YEAR OF OBTAINING SPR STATUS

Annex E

FULL EMPLOYER & GRADUATED EMPLOYEE CONTRIBUTION RATES (FROM 1 SEPTEMBER 2011) FOR SINGAPORE PERMANENT RESIDENTS (SPR) DURING 1ST YEAR OF OBTAINING SPR STATUS

Annex F

FULL EMPLOYER & GRADUATED EMPLOYEE CONTRIBUTION RATES (FROM 1 SEPTEMBER 2011) FOR SINGAPORE PERMANENT RESIDENTS (SPR) DURING 2ND YEAR OF OBTAINING SPR STATUS

CALCULATING ADDITIONAL WAGE (AW) CEILING

From 1 September 2011, the Ordinary Wage Ceiling is revised from \$4,500 to \$5,000 per month. Therefore, the AW Ceiling for 2011 and 2012 are revised.

A copy of the FAQ and examples on the computations of the revised AW Ceiling is attached.

- **FAQ**
- **Examples on the Computations**

PAYING CPF ON BONUSES

Contractual bonus is the bonus stated in the employment contract or offer of appointment. Discretionary bonus is the bonus not stated in the employment contract or offer of appointment, i.e. at the discretion of the employer.

1. Contractual Bonus

Where the employee is contractually entitled to the bonus, apply the CPF rate for the month in which the bonus is contractually due.

For example, if the letter of appointment states that a bonus is payable in December 2010, apply the CPF rate for December 2010. The CPF contribution is due on 14 January 2011.

If the employee is moving on to the next age group, apply the CPF contribution rate for the month in which the bonus is due. Please see the example below:

	Month contractual bonus is due	CPF contribution rate
Employee A reaches 50 years of age on 13 December 2010	December 2010	Apply the December 2010 rate for employees below 50 years
	January 2011	Apply the January 2011 rate for employees above 50-55 years

2. Discretionary Bonus

Where the bonus is discretionary, apply the CPF rate for the month in which the discretionary bonus is declared. The discretionary bonus is declared when all four conditions below are met:

- a. The employer makes the decision to pay the discretionary bonus to the employee on or before the last day of the month;
- b. The amount of money to be paid as discretionary bonus is fixed on or before the last day of the month;
- c. The employer intends to pay the discretionary bonus on or before the last day of the month; and
- d. The employee receiving the discretionary bonus was told of the above information on or before the last day of the month.

Example 1 (all FOUR conditions are met)

	Declaration and payment of discretionary bonus	CPF contribution rate
1. Employer decides to give Employee A a discretionary bonus on 16 December 2010.		
2. He fixes the amount of bonus at \$5,000 on 16 December 2010	Declaration: 29 December 2010 Payment: 29 December 2010	Apply the December 2010 rate
3. He intends to pay the bonus on 29 December 2010.		
4. He informs Employee A about it on 29 December 2010.		

Example 2 (not all FOUR conditions are met)

	Declaration and payment of discretionary bonus	CPF contribution rate
1. Employer decides to give Employee A a discretionary bonus on 16 December 2010.		
2. He fixes the amount of bonus at \$5,000 on 16 December 2010.	Declaration: 18 January 2011 Payment: 18 January 2011	Apply the January 2011 rate
3. He intends to pay the bonus on 18 January 2011.		
4. He informs Employee A about it on 18 January 2011.		

If the employee is moving on to the next age group, apply the CPF contribution rate for the month in which the discretionary bonus is declared and paid. Please see the example below:

Example 3 (moving on to the next age group)

	Declaration and payment of discretionary bonus	CPF contribution rate
Employee A reaches 50 years of age on 13 December 2010	Declaration: 29 December 2010 Payment: 29 December 2010	Apply the December 2010 rate for employees below 50 years
	Declaration: 18 January 2011 Payment: 18 January 2011	Apply the January 2011 rate for employees above 50-55 years