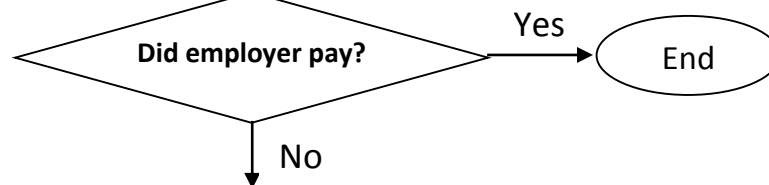


Late and/or non-payment of CPF contributions

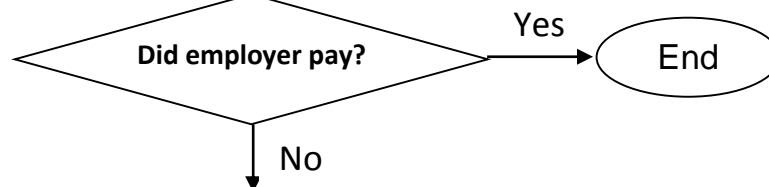
Step 1: Employers in Default

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 and/or be sentenced to imprisonment.



Step 3: Conviction

If the employers still do not pay up, then 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.

Penalties for employers convicted of late payment offence:

- Up to \$5,000 court fine and no less than \$1,000 per offence and/or up to 6 months' imprisonment for 1st conviction
- Up to \$10,000 court fine and no less than \$2,000 per offence and/or up to 12 months' imprisonment for subsequent convictions

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