



## What happens in court?

Notice to attend court will be issued to employers who have not paid CPF contributions by the stipulated date.

Adjournment may be granted for employers to compound the offences.

For employers who fail to attend court, a warrant of arrest may be issued. Alternatively, the court may hear the notices without the employers present.

Once the final court date is fixed, there will be no further adjournment. The employer is required to make full payment\* and compound the offences.

If full payment is made, the employer will be discharged and need not return to court.

If the employer fails to make full payment by the final court date, the court may, upon conviction, impose a fine and/or jail term on the employer. A court order will also be made against the employer to pay the outstanding amount owed to the Board.

\* Includes payment of CPF contributions, late payment interest and composition amount.

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## Making CPF contributions correctly and promptly

A guide to understanding your obligations as an employer

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As an employer, you play an important role in helping your employees meet their housing, healthcare and retirement income needs. By making correct and prompt CPF contributions, you are helping them meet those needs while fulfilling your CPF obligations. You will also avoid prosecution in court, which may incur legal costs and result in court fines and/or imprisonment.

## Things you need to know to make correct and prompt CPF contributions

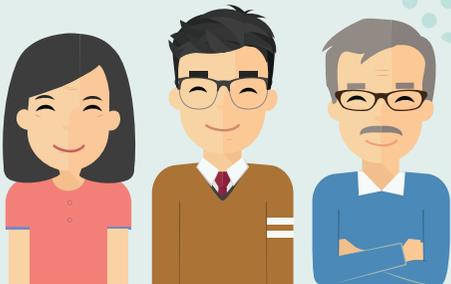
### 1 Who should I make CPF contributions for?

CPF contributions are required if your employee:

- is a Singapore Citizen or Singapore Permanent Resident employed in Singapore,
- is employed under a contract of service<sup>1</sup>, and
- earns more than \$50 per month.

Your employees<sup>2</sup> can include:

- Company directors
- Employees on concurrent employment
- Family workers
- NSmen on in-camp training
- Part-time employees
- Temporary/casual employees



<sup>1</sup> Besides written contractual terms, whether an individual is engaged under a contract of service is also dependent on the actual working arrangements, including any expressed, implied or verbal factors.

<sup>2</sup> This list is not exhaustive.

### 2 What types of cash payments attract CPF contributions?

CPF contributions are payable on your employee's total wages for a calendar month. This includes:



You should pay both employer and employee's share of CPF contributions based on the current CPF contribution rates. You are allowed to deduct the employee's share of CPF contributions from his/her wages when paying the wages to him/her.

#### CPF Contribution Rates<sup>3</sup>

Employee's age (years)	Contribution Rates (for monthly wages ≥ \$750)		
	By Employer (% of wage)	By Employee (% of wage)	Total (% of wage)
55 and below	17	20	37
Above 55 to 60	13	13	26
Above 60 to 65	9	7.5	16.5
Above 65	7.5	5	12.5

<sup>3</sup> The above rates apply for monthly wages ≥ \$750 and for private and public sector non-pensionable employees who are Singapore Citizens and 3<sup>rd</sup> year and onwards Permanent Residents.

Please refer to [cpf.gov.sg/employers](http://cpf.gov.sg/employers) for the CPF contribution rates for employees who earn below \$750 a month.

### 3 When should I make CPF contributions?

The due date for CPF contributions is on the last day of the calendar month. Enforcement action would be taken against employers who fail to pay by the 14<sup>th</sup> of the following month<sup>4</sup>.

**Tip:** Use **CPF EZPay**, a free web service to submit CPF contributions electronically and securely.

### What happens when CPF contributions are not paid correctly and/or promptly?

The CPF Board takes a serious view on employers who do not fulfil their CPF obligations to their employees as many employees rely on their CPF savings for their basic needs in retirement. If you do not make correct and prompt CPF contributions, you will:

- Incur late payment interest of 1.5% per month (minimum interest is \$5), in addition to the outstanding CPF contributions.
- Incur a composition amount up to \$1,000 per offence<sup>5</sup>.
- Lose the right to recover the employee's share of contributions.
- Be brought to court if there is further delay. First-time offenders who are convicted of a late payment offence may be fined up to \$5,000 and no less than \$1,000 for each offence and/or up to 6 months of imprisonment. Repeat offenders may be fined up to \$10,000 and no less than \$2,000 for each offence and/or up to 12 months of imprisonment.

Directors of the company will also be prosecuted and face the same court fines and/or imprisonment.

<sup>4</sup> If the 14<sup>th</sup> day falls on a Saturday, Sunday or Public Holiday, CPF must be paid by the next working day.

<sup>5</sup> An offence can refer to either underpayment of CPF contributions or failure to pay CPF contributions by the 14<sup>th</sup> of the following month for an employee. Each month counts as a separate offence (e.g. it is four offences if payment is not made for two employees for two months).