

## **Examples for computation of Additional Wage (AW) Ceiling**

The AW ceiling determines the maximum amount of AW subject to CPF contributions for the year. An employee's AW ceiling is computed on a per employer, per year basis. The AW ceiling applies to all Singapore Citizens and Singapore Permanent Residents (SPR).

### **AW ceiling Calculation**

The AW ceiling is computed using the following formula:

**\$102,000 - Total Ordinary Wages (OW) subject to CPF for the year**

For the year 2024, the AW ceiling is

**\$102,000 – (\$6,800\* x 12)**

\*The OW ceiling is capped at \$6,800 for 2024.

Note: The applicable AW ceiling depends on the due and payable date of the AW. For example, if the 2023 bonus is due and payable to the employee in 2024, then the employer should contribute according to the 2024 AW ceiling.

**Step 1: At every AW payment**, employers should estimate the AW ceiling by using the current year's estimated monthly OW. Employers should either:

- a) Submit a refund application online (select the option: Refund of payments made for 1 employee/platform worker) immediately if any excess contributions on AW are detected; or
- b) Pay the shortfall in contributions on AW, if any.

**Step 2: In the last month of employment or end of the year in December (whichever is earlier)**, employers should re-calculate the AW ceiling based on the actual OW subject to CPF paid up till the last month of employment or in December and pay any shortfall in CPF contributions together with the employee's contributions for his last month of employment or in December. If there are any excess CPF contributions, you should submit a refund application online.

For the examples below, we assume that the monthly contribution rates applicable for the employee is for Singaporeans and SPRs (from third year and onwards). If your employee is a SPR in the first or second year of SPR status, please use the applicable monthly contribution rates.

### 1. Employee earns more than \$6,800 of Ordinary Wage (OW)

My employee who is below 55 years old, earned a monthly salary of \$7,000. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Additional Wage (AW) ceiling:  
 $\$102,000 - (\$6,800 \times 12) = \$20,400$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360	12,000	12,000	2,040	2,400
Feb	7,000	6,800	1,156	1,360				
Mar	7,000	6,800	1,156	1,360				
Apr	7,000	6,800	1,156	1,360				
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360	10,000	8,400	1,428	1,680
Jul	7,000	6,800	1,156	1,360				
Aug	7,000	6,800	1,156	1,360				
Sep	7,000	6,800	1,156	1,360				
Oct	7,000	6,800	1,156	1,360				
Nov	7,000	6,800	1,156	1,360				
Dec	7,000	6,800	1,156	1,360	78,000	0	0	0
<b>Total</b>	<b>84,000</b>	<b>81,600</b>	<b>13,872</b>	<b>16,320</b>	<b>100,000</b>	<b>20,400</b>	<b>3,468</b>	<b>4,080</b>

The maximum AW that is subject to CPF in 2024 would be \$20,400. The remaining AW of \$79,600 would not be subject to CPF, if your employee works till the end of the year.

## 2. Employee earns less than \$6,800 of Ordinary Wage (OW)

My employee who is below 55 years old, earned a monthly salary of \$4,500. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Additional Wage (AW) ceiling:  
 $\$102,000 - (\$4,500 \times 12) = \$48,000$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	4,500	4,500	765	900				
Feb	4,500	4,500	765	900	5,000	5,000	850	1,000
Mar	4,500	4,500	765	900	40,000	40,000	6,800	8,000
Apr	4,500	4,500	765	900				
May	4,500	4,500	765	900				
Jun	4,500	4,500	765	900				
Jul	4,500	4,500	765	900				
Aug	4,500	4,500	765	900				
Sep	4,500	4,500	765	900				
Oct	4,500	4,500	765	900				
Nov	4,500	4,500	765	900				
Dec	4,500	4,500	765	900	55,000	3,000	510	600
<b>Total</b>	<b>54,000</b>	<b>54,000</b>	<b>9,180</b>	<b>10,800</b>	<b>100,000</b>	<b>48,000</b>	<b>8,160</b>	<b>9,600</b>

The maximum AW that is subject to CPF in 2024 would be \$48,000. The remaining AW of \$52,000 would not be subject to CPF, if your employee works till the end of the year.

### 3. Employee's Ordinary Wage (OW) increased during the year

My employee who is below 55 years old, earned a monthly salary of \$4,500 from January to March 2024. His salary then increased to \$6,000 from April to December 2024. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January 2024:

$$\$102,000 - (\$4,500 \times 12) = \$48,000$$

Re-calculation of AW ceiling in April and December 2024\*:

$$\$102,000 - [(\$4,500 \times 3) + (\$6,000 \times 9)] = \$34,500$$

*\* Re-calculation to be done as there were adjustments to the OW in April 2024*

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	4,500	4,500	765	900	20,000	20,000	3,400	4,000
Feb	4,500	4,500	765	900				
Mar	4,500	4,500	765	900				
Apr	6,000	6,000	1,020	1,200	30,000	14,500	2,465	2,900
May	6,000	6,000	1,020	1,200				
Jun	6,000	6,000	1,020	1,200				
Jul	6,000	6,000	1,020	1,200				
Aug	6,000	6,000	1,020	1,200				
Sep	6,000	6,000	1,020	1,200				
Oct	6,000	6,000	1,020	1,200				
Nov	6,000	6,000	1,020	1,200				
Dec	6,000	6,000	1,020	1,200	50,000	0	0	0
<b>Total</b>	<b>67,500</b>	<b>67,500</b>	<b>11,475</b>	<b>13,500</b>	<b>100,000</b>	<b>34,500</b>	<b>5,865</b>	<b>6,900</b>

With the increment of your employee's OW in April 2024, his AW subject to CPF in 2024 would be \$34,500 instead of \$48,000. The remaining AW paid of \$65,500 would not be subject to CPF, if your employee works till the end of the year.

#### 4. Employee's Ordinary Wage (OW) decreased during the year

My employee who is below 55 years old, earned a monthly salary of \$7,000 from January to June 2024. His salary decreased to \$5,000 from July to December 2024. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in February, April and June 2024 before OW changes:  
 $\$102,000 - (\$6,800 \times 12) = \$20,400$

Re-calculation of AW ceiling in August and October 2024:  
 $\$102,000 - [(\$6,800 \times 6) + (\$5,000 \times 6)] = \$31,200$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360				
Feb	7,000	6,800	1,156	1,360	20,000	20,000	3,400	4,000
Mar	7,000	6,800	1,156	1,360				
Apr	7,000	6,800	1,156	1,360	20,000	400	68	80
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360	20,000	0	0	0
Jul	5,000	5,000	850	1,000				
Aug	5,000	5,000	850	1,000	20,000	10,800	1,836	2,160
Sep	5,000	5,000	850	1,000				
Oct	5,000	5,000	850	1,000	20,000	0	0	0
Nov	5,000	5,000	850	1,000				
Dec	5,000	5,000	850	1,000				
<b>Total</b>	<b>72,000</b>	<b>70,800</b>	<b>12,036</b>	<b>14,160</b>	<b>100,000</b>	<b>31,200</b>	<b>5,304</b>	<b>6,240</b>

With the decrease in your employee's OW from July 2024, his AW subject to CPF in 2024 would be \$31,200 instead of \$20,400. The employer is required to re-calculate the AW ceiling in August 2024 and pay the CPF on AW of \$10,800 in August 2024.

## 5. Employee joined the company during the year

My employee who is below 55 years old, earned a monthly salary of \$7,000 starting from June 2024. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in June and August 2024:  
 $\$102,000 - (\$6,800 \times 7) = \$54,400$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jun	7,000	6,800	1,156	1,360	50,000	50,000	8,500	10,000
Jul	7,000	6,800	1,156	1,360				
Aug	7,000	6,800	1,156	1,360	50,000	4,400	748	880
Sep	7,000	6,800	1,156	1,360				
Oct	7,000	6,800	1,156	1,360				
Nov	7,000	6,800	1,156	1,360				
Dec	7,000	6,800	1,156	1,360				
<b>Total</b>	<b>49,000</b>	<b>47,600</b>	<b>8,092</b>	<b>9,520</b>	<b>100,000</b>	<b>54,400</b>	<b>9,248</b>	<b>10,880</b>

Your employee's AW subject to CPF in 2024 would be \$54,400. The remaining AW paid of \$45,600 would not be subject to CPF, if your employee works till the end of the year.

## 6. Employee left employment during the year

My employee who is below 55 years old, earned a monthly salary of \$7,000. He subsequently left employment in August 2024. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January and March 2024:

$$\$102,000 - (\$6,800 \times 12) = \$20,400$$

Re-calculation of AW ceiling in the *last month of employment* (August 2024):

$$\$102,000 - (\$6,800 \times 8) = \$47,600$$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360	70,000	20,400	3,468	4,080
Feb	7,000	6,800	1,156	1,360				
Mar	7,000	6,800	1,156	1,360	30,000	0	0	0
Apr	7,000	6,800	1,156	1,360				
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360				
Jul	7,000	6,800	1,156	1,360				
Aug	7,000	6,800	1,156	1,360		27,200	4,624	5,440
<b>Total</b>	<b>56,000</b>	<b>54,400</b>	<b>9,248</b>	<b>10,880</b>	<b>100,000</b>	<b>47,600</b>	<b>8,092</b>	<b>9,520</b>

The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on AW of \$27,200 in August 2024.

## 7. Employee left employment during the year

My employee who is below 55 years old, earned a monthly salary of \$7,000. He subsequently left employment in June 2024 and his salary was prorated at \$1,500. The company then paid him a bonus of \$54,000 in July 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January, February, March, April and May 2024:  
 $\$102,000 - (\$6,800 \times 12) = \$20,400$

Re-calculation of AW ceiling in the **last month of employment** (June 2024) and July 2024:  
 $\$102,000 - [(\$6,800 \times 5) + \$1,500] = \$66,500$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360	3,000	3,000	510	600
Feb	7,000	6,800	1,156	1,360	12,000	12,000	2,040	2,400
Mar	7,000	6,800	1,156	1,360	4,000	4,000	680	800
Apr	7,000	6,800	1,156	1,360	12,000	1,400	238	280
May	7,000	6,800	1,156	1,360	15,000	0	0	0
Jun	1,500	1,500	255	300		25,600	4,352	5,120
Jul	0	0	0	0	54,000	20,500	3,485	4,100
<b>Total</b>	<b>36,500</b>	<b>35,500</b>	<b>6,035</b>	<b>7,100</b>	<b>100,000</b>	<b>66,500</b>	<b>11,305</b>	<b>13,300</b>

June 2024: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on AW of \$25,600. This is because the AW given to the employee up to June 2024 was only \$46,000, which is below the AW ceiling of \$66,500.

July 2024: The employee received another AW of \$54,000 (after he left employment). Hence, the employer needs to re-calculate the AW ceiling and pay CPF on AW of \$20,500.



## 8. Employee left employment during the year

My employee who is below 55 years old, earned a monthly salary of \$4,000. He subsequently left employment in May 2024 and the company paid a bonus of \$18,500 in June 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January, February, March and April 2024:  
 $\$102,000 - (\$4,000 \times 12) = \$54,000$

Re-calculation of AW ceiling in the ***last month of employment*** (May 2024) and June 2024:  
 $\$102,000 - (\$4,000 \times 5) = \$82,000$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	4,000	4,000	680	800	2,500	2,500	425	500
Feb	4,000	4,000	680	800	33,500	33,500	5,695	6,700
Mar	4,000	4,000	680	800	3,500	3,500	595	700
Apr	4,000	4,000	680	800	18,500	14,500	2,465	2,900
May	4,000	4,000	680	800	23,500	27,500	4,675	5,500
Jun	0	0	0	0	18,500	500	85	100
<b>Total</b>	<b>20,000</b>	<b>20,000</b>	<b>3,400</b>	<b>4,000</b>	<b>100,000</b>	<b>82,000</b>	<b>13,940</b>	<b>16,400</b>

May 2024: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay CPF shortfall on the AW of \$4,000 for April 2024 and CPF on the full AW of \$23,500 for May 2024. This is because the AW given to the employee up to May 2024 was only \$81,500, which is below the AW ceiling.

June 2024: The employee received another AW of \$18,500 (after he left employment). The employer would therefore need to re-calculate the AW ceiling and pay CPF on AW of \$500.

## 9. Employee left employment during the year

My employee who is below 55 years old, earned a monthly salary of \$7,000. He subsequently left employment in June 2024 and the company paid a bonus of \$62,372.64 in July 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January, February and March 2024:

$$\$102,000 - (\$6,800 \times 12) = \$20,400$$

Re-calculation of AW ceiling in the **last month of employment** (June 2024) and July 2024:

$$\$102,000 - (\$6,800 \times 6) = \$61,200$$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360	2,850.60	2,850.60	485	570
Feb	7,000	6,800	1,156	1,360	3,753.82	3,753.82	639	750
Mar	7,000	6,800	1,156	1,360	25,000	13,795.58	2,345	2,759
Apr	7,000	6,800	1,156	1,360	6,022.94	0	0	0
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360		17,227.36	2,929	3,445
Jul	0	0	0	0	62,372.64	23,572.64	4,008	4,714
<b>Total</b>	<b>42,000</b>	<b>40,800</b>	<b>6,936</b>	<b>8,160</b>	<b>100,000</b>	<b>61,200</b>	<b>10,406</b>	<b>12,238</b>

June 2024: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on AW of \$17,227.36 (refer to calculation in table below). This is because the AW given to the employee up to June 2024 was only \$37,627.36, which is below the re-calculated AW ceiling of \$61,200.

Total contribution payable on AW in June and July 2024 is calculated as follow:

Month in which CPF is payable	AW subject to CPF (\$)	Total CPF payable (\$)	Employer Share of CPF payable (\$)	Employee Share of CPF payable (\$)
Mar 2024 (capped at \$20,400)	$20,400 - 2,850.60 - 3,753.82 = 13,795.58$	5,104	2,345	2,759
Jun 2024 (re-calculation)	$25,000 - 13,795.58 + 6,022.94 = 17,227.36$	6,374	2,929	3,445
Jul 2024 (re-calculation, capped at \$61,200)	$61,200 - 20,400 - 17,227.36 = 23,572.64$	8,722	4,008	4,714

July 2024: Although the employer had paid the CPF shortfall on AW in June 2024, there was another AW of \$62,372.64 paid to the employee after he left employment in June 2024. The employer would therefore need to pay another CPF shortfall on AW of \$23,572.64.

### 10. Employee change of age group during the year

My employee who turned 55 years old in June 2024 earned a monthly salary of \$10,000. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Additional Wage (AW) ceiling:  
 $\$102,000 - (\$6,800 \times 12) = \$20,400$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	10,000	6,800	1,156	1,360				
Feb	10,000	6,800	1,156	1,360	5,000	5,000	850	1,000
Mar	10,000	6,800	1,156	1,360				
Apr	10,000	6,800	1,156	1,360	5,000	5,000	850	1,000
May	10,000	6,800	1,156	1,360				
Jun	10,000	6,800	1,156	1,360	5,000	5,000	850	1,000
Jul	10,000	6,800	1,020	1,088				
Aug	10,000	6,800	1,020	1,088	20,000	5,400	810	864
Sep	10,000	6,800	1,020	1,088				
Oct	10,000	6,800	1,020	1,088	65,000	0	0	0
Nov	10,000	6,800	1,020	1,088				
Dec	10,000	6,800	1,020	1,088				
<b>Total</b>	<b>120,000</b>	<b>81,600</b>	<b>13,056</b>	<b>14,688</b>	<b>100,000</b>	<b>20,400</b>	<b>3,360</b>	<b>3,864</b>

The maximum AW subject to CPF in 2024 would be \$20,400. The remaining AW paid of \$79,600 would not be subject to CPF, if your employee works till the end of the year.

# 11. Employee change of Original Wage (OW) and age group during the year

My employee who turned 55 years old in June 2024, earned a monthly salary of \$7,000 from January to June 2023 and \$5,000 from July to December 2024. He will be receiving a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in February, April and June 2024 before OW changes:  
 $\$102,000 - (\$6,800 \times 12) = \$20,400$

Re-calculation of AW ceiling in August and October 2024:  
 $\$102,000 - (\$6,800 \times 6) - (\$5,000 \times 6) = \$31,200$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360				
Feb	7,000	6,800	1,156	1,360	20,000	20,000	3,400	4,000
Mar	7,000	6,800	1,156	1,360				
Apr	7,000	6,800	1,156	1,360	20,000	400	68	80
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360	20,000	0	0	0
Jul	5,000	5,000	750	800				
Aug	5,000	5,000	750	800	20,000	10,800	1,836	2,160
Sep	5,000	5,000	750	800				
Oct	5,000	5,000	750	800	20,000	0	0	0
Nov	5,000	5,000	750	800				
Dec	5,000	5,000	750	800				
<b>Total</b>	<b>72,000</b>	<b>70,800</b>	<b>11,436</b>	<b>12,960</b>	<b>100,000</b>	<b>31,200</b>	<b>5,304</b>	<b>6,240</b>

The employer is required to re-calculate the AW ceiling and pay the CPF shortfall on AW of \$10,800 in August 2024. The CPF shortfall on AW should be paid using the contribution rates as at April 2024 (37%) instead of August 2024 (31%), as the CPF shortfall shall be on the last capped AW paid in April 2024 (before the change of age group).

## 12. Employee change of age group and left employment during the year

My employee who turned 55 years old in June 2024, earned a monthly salary of \$7,000. He subsequently left employment in August 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January 2024:

$$\$102,000 - (\$6,800 \times 12) = \$20,400$$

Re-calculation of AW ceiling in the ***last month of employment*** (August 2024):

$$\$102,000 - (\$6,800 \times 8) = \$47,600$$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360	40,000	20,400	3,468	4,080
Feb	7,000	6,800	1,156	1,360				
Mar	7,000	6,800	1,156	1,360				
Apr	7,000	6,800	1,156	1,360				
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360				
Jul	7,000	6,800	1,020	1,088				
Aug	7,000	6,800	1,020	1,088	60,000	27,200	4,472	5,136
<b>Total</b>	<b>56,000</b>	<b>54,400</b>	<b>8,976</b>	<b>10,336</b>	<b>100,000</b>	<b>47,600</b>	<b>7,940</b>	<b>9,216</b>

The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on AW of \$27,200 in August 2024.

Do note that the CPF shortfall in August 2024 shall be from the last capped AW paid as follow:

- Balance of \$19,600 paid in January 2024 should use the contribution rates as at January 2024 (37%)
- Balance of \$7,600 (\$27,200 - \$19,600) should use the contribution rates as at August 2024 (31%)

### 13. Employee change of age group and left employment during the year

My employee who turned 55 years old in June 2024 earned a monthly salary of \$7,000 from February 2024. He left employment in early November 2024 and his salary was prorated to \$2,000. The company paid an AW of \$60,000 in December 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in February 2024:

$$\$102,000 - (\$6,800 \times 11) = \$27,200$$

Re-calculation of AW ceiling in the ***last month of employment*** (November 2024) and December 2024:

$$\$102,000 - [(\$6,800 \times 9) - \$2,000] = \$38,800$$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Feb	7,000	6,800	1,156	1,360	40,000	27,200	4,624	5,440
Mar	7,000	6,800	1,156	1,360				
Apr	7,000	6,800	1,156	1,360				
May	7,000	6,800	1,156	1,360				
Jun	7,000	6,800	1,156	1,360				
Jul	7,000	6,800	1,020	1,088				
Aug	7,000	6,800	1,020	1,088				
Sep	7,000	6,800	1,020	1,088				
Oct	7,000	6,800	1,020	1,088				
Nov	2,000	2,000	300	320		11,600	1,972	2,320
Dec					60,000	0	0	0
<b>Total</b>	<b>65,000</b>	<b>63,200</b>	<b>10,160</b>	<b>11,472</b>	<b>100,000</b>	<b>38,800</b>	<b>6,596</b>	<b>7,760</b>

November 2024: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on AW of \$11,600. The CPF shortfall shall be from the last capped AW paid in February 2024 and use the contribution rates as at February 2024 (37%). This is because the AW paid to the employee up to November 2024 was \$40,000, which is below the AW ceiling of \$38,800.

December 2024: The employee was given another AW of \$60,000 after he left employment. However, no further contributions are required as the maximum AW Ceiling of \$38,800 was capped in November 2024.

**14. Employee change of age group and left employment during the year**

My employee who turned 55 years old in March 2024 earned a monthly salary of \$7,000. He left employment in June 2024 and the company paid an AW of \$62,372.64 in July 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in January, February, March and April 2024:  
 $\$102,000 - (\$6,800 \times 12) = \$20,400$

Re-calculation of AW ceiling in the ***last month of employment*** (June 2024) and July 2024:  
 $\$102,000 - (\$6,800 \times 6) = \$61,200$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	7,000	6,800	1,156	1,360	2,850.60	2,850.60	485	570
Feb	7,000	6,800	1,156	1,360	3,753.82	3,753.82	639	750
Mar	7,000	6,800	1,156	1,360	24,000.50	13,795.58	2,345	2,759
Apr	7,000	6,800	1,020	1,088	7,022.44	0	0	0
May	7,000	6,800	1,020	1,088				
Jun	7,000	6,800	1,020	1,088		17,227.36	2,790	3,163
Jul					62,372.64	23,572.64	3,537	3,771
<b>Total</b>	<b>42,000</b>	<b>40,800</b>	<b>6,528</b>	<b>7,344</b>	<b>100,000</b>	<b>61,200</b>	<b>9,796</b>	<b>11,013</b>



June 2024: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on AW of \$17,227.36. This is because the AW paid to the employee up to June 2024 was only \$37,627.36, which is below the re-calculated AW ceiling of \$61,200.

Total contribution payable on AW in June and July 2024 is calculated as follows:

Month in which CPF is payable	AW subject to CPF (\$)	Total CPF payable (\$)	Employer Share of CPF payable (\$)	Employee Share of CPF payable (\$)
Mar 2024 (capped at \$20,400)	$20,400 - 2,850.50 - 3,753.82 = 13,795.58$	5,104	2,345	2,759
Jun 2024 (re-calculation)	$24,000.50 - 13,795.58 + 7,022.44 = 17,227.36$	5,953	2,790	3,163
Jul 2024 (re-calculation, capped at \$61,200)	$61,200 - 20,400 - 17,227.46 = 23,572.64$	7,308	3,537	3,771

Do note that the CPF shortfall in June 2024 shall be from the last capped AW paid as follow:

- a) Balance of \$10,204.92 paid in March 2024 should use the contribution rate as at March 2024 (37%)
- b) Balance of \$7,022.44 paid in April 2024 should use the contribution rate as at April 2024 (31%)

July 2024: Although the employer had paid the CPF shortfall on AW in June 2024, there was another AW of \$62,372.64 paid to the employee after he left employment in June 2024. The employer would therefore need to pay the CPF shortfall on AW of \$23,572.64.

### 15. Employee left and re-joined the company

My employee who is below 55 years old earned a monthly salary of \$10,000 from Jan to April 2024. He received Additional Wages (AW) of \$40,000 in February 2024. He left employment in April 2024.

Subsequently, he re-joined the company in September 2024 with a monthly salary of \$11,000. He also received another AW of \$60,000 in December 2024. He received a total Additional Wage (AW) of \$100,000 in 2024.

Estimated Additional Wage (AW) ceiling in February 2024:

$$\$102,000 - (\$6,800 \times 12) = \$20,400$$

AW ceiling as at ***last month of employment*** (April 2024):

$$\$102,000 - (\$6,800 \times 4) = \$74,800$$

Re-calculation of AW ceiling in December 2024:

$$\$102,000 - (\$6,800 \times 4) - (\$6,800 \times 4) = \$47,600$$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	10,000	6,800	1,156	1,360				
Feb	10,000	6,800	1,156	1,360	40,000	20,400	3,468	4,080
Mar	10,000	6,800	1,156	1,360				
Apr	10,000	6,800	1,156	1,360		19,600	3,332	3,920
May								
Jun								
Jul								
Aug								
Sep	11,000	6,800	1,156	1,360				
Oct	11,000	6,800	1,156	1,360				

Nov	11,000	6,800	1,156	1,360				
Dec	11,000	6,800	1,156	1,360	60,000	7,600	1,292	1,520
<b>Total</b>	<b>84,000</b>	<b>54,400</b>	<b>9,248</b>	<b>10,880</b>	<b>100,000</b>	<b>47,600</b>	<b>8,092</b>	<b>9,520</b>

April 2024: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF shortfall on the last capped AW paid with the balance of \$19,600.

December 2024: As the employee re-joined the company in September 2024, the employer is required to re-calculate the AW ceiling and pay the CPF on the AW paid of \$7,600, up to the rec-calculated AW ceiling of \$47,600.

#### 16. Employee earns less than \$750 of Ordinary Wage (OW) with fluctuating Additional Wage (AW)

My employee who is below 55 years old, earned a monthly salary of \$500. He will be receiving a total Additional Wage (AW) of \$162,000 in 2024.

Estimated Additional Wage (AW) ceiling:  
 $\$102,000 - (\$500 \times 12) = \$96,000$

Month / Year 2024	OW Paid (\$)	OW Subject to CPF (\$)	CPF Payable on OW		AW Paid (\$)	AW Subject to CPF (\$)	CPF Payable on AW	
			Employer (\$)	Employee (\$)			Employer (\$)	Employee (\$)
Jan	500	500	85	100	22,000	22,000	3,740	4,400
Feb	500	500	85	100	10,000	10,000	1,700	2,000
Mar	500	500	85	100	3,000	3,000	510	600
Apr	500	500	85	100	25,800	25,800	4,386	5,160
May	500	500	85	100	15,000	15,000	2,550	3,000
Jun	500	500	85	100	20,100	20,100	3,417	4,020
Jul	500	500	85	100	30,000	100	17	20
Aug	500	500	85	100	2,000			
Sep	500	500	85	100	5,000			
Oct	500	500	85	100	10,000			
Nov	500	500	85	100	15,000			
Dec	500	500	85	100	4,100			
<b>Total</b>	<b>6,000</b>	<b>6,000</b>	<b>1,020</b>	<b>1,200</b>	<b>162,000</b>	<b>96,000</b>	<b>16,320</b>	<b>19,200</b>

Do note that the applicable CPF contribution rates is based on the employee's total wages for the calendar month before the capping on AW paid subject to CPF. For July 2024, the employee's total wages prior to capping on AW is \$30,500, i.e. more than \$750. Hence, the contribution rate of 37% should be applied on the wages subject to CPF.