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 2026, the AW ceiling is
$102,000 – ($8,000* x 12)

** The OW ceiling is capped at $8,000 for 2026.*

Note: The applicable AW ceiling depends on the due and payable date of the AW. For example, if the 2025 bonus is due and payable to the employee in 2026, then the employer should contribute according to the 2026 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 by selecting 'Refund of contributions paid', followed by 'Single employee or platform worker' or 'Multiple employees or platform workers' (whichever is applicable) 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 $8,000 of Ordinary Wage (OW)**

My employee who is below 55 years old, earned a monthly salary of $9,000. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling:
$102,000 – ($8,000 x 12) = $6,000

Month / Year 2026	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	9,000	8,000	1,360	1,600	12,000	6,000	1,020	1,200
Feb	9,000	8,000	1,360	1,600	-	-	-	-
Mar	9,000	8,000	1,360	1,600	-	-	-	-
Apr	9,000	8,000	1,360	1,600	-	-	-	-
May	9,000	8,000	1,360	1,600	-	-	-	-
Jun	9,000	8,000	1,360	1,600	10,000	0	0	0
Jul	9,000	8,000	1,360	1,600	-	-	-	-
Aug	9,000	8,000	1,360	1,600	-	-	-	-
Sep	9,000	8,000	1,360	1,600	-	-	-	-
Oct	9,000	8,000	1,360	1,600	-	-	-	-
Nov	9,000	8,000	1,360	1,600	-	-	-	-
Dec	9,000	8,000	1,360	1,600	78,000	0	0	0
Total	**108,000**	**96,000**	**16,320**	**19,200**	**100,000**	**6,000**	**1,020**	**1,200**

The maximum AW that is subject to CPF in 2026 would be $6,000. The remaining AW of $94,000 (remaining AW of $6,000 paid in January 2026, $10,000 paid in June 2026 and $78,000 paid in December 2026) would not be subject to CPF, if your employee works till the end of the year.

2. <u>Employee earns less than $8,000 of Ordinary Wage (OW)</u>

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 2026.

Estimated Additional Wage (AW) ceiling:
$102,000 – ($4,500 x 12) = $48,000

Month / Year 2026	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
Total	**54,000**	**54,000**	**9,180**	**10,800**	**100,000**	**48,000**	**8,160**	**9,600**

The maximum AW that is subject to CPF in 2026 would be $48,000. The remaining AW of $52,000 paid in December 2026 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 2026. His salary then increased to $8,000 from April to December 2026. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January 2026:
$102,000 – ($4,500 x 12) = $48,000

Re-calculation of AW ceiling in May and December 2026*:
$102,000 – [($4,500 x 3) + ($8,000 x 9)] = $16,500

** Re-calculation to be done as there were adjustments to the OW in April 2026*

Month / Year 2026	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	10,000	10,000	1,700	2,000
Feb	4,500	4,500	765	900	-	-	-	-
Mar	4,500	4,500	765	900	-	-	-	-
Apr	8,000	8,000	1,360	1,600	-	-	-	-
May	8,000	8,000	1,360	1,600	45,000	6,500	1,105	1,300
Jun	8,000	8,000	1,360	1,600	-	-	-	-
Jul	8,000	8,000	1,360	1,600	-	-	-	-
Aug	8,000	8,000	1,360	1,600	-	-	-	-
Sep	8,000	8,000	1,360	1,600	-	-	-	-
Oct	8,000	8,000	1,360	1,600	-	-	-	-
Nov	8,000	8,000	1,360	1,600	-	-	-	-
Dec	8,000	8,000	1,360	1,600	45,000	0	0	0
Total	**85,500**	**85,500**	**14,535**	**17,100**	**100,000**	**16,500**	**2,805**	**3,300**

With the increment of your employee's OW in April 2026, his AW subject to CPF in 2026 would be $16,500 (from May 2026 onwards) instead of $48,000. The remaining AW of $83,500 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 $8,000 from January to June 2026. His salary decreased to $5,000 from July to December 2026. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in February, April and June 2026 before OW changes:
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in August and October 2026:
$102,000 – [($8,000 x 6) + ($5,000 x 6)] = $24,000

Month / Year 2026	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	8,000	8,000	1,360	1,600	-	-	-	-
Feb	8,000	8,000	1,360	1,600	5,000	5,000	850	1,000
Mar	8,000	8,000	1,360	1,600	-	-	-	-
Apr	8,000	8,000	1,360	1,600	20,000	1,000	170	200
May	8,000	8,000	1,360	1,600	-	-	-	-
Jun	8,000	8,000	1,360	1,600	20,000	0	0	0
Jul	5,000	5,000	850	1,000	-	-	-	-
Aug	5,000	5,000	850	1,000	20,000	18,000	3,060	3,600
Sep	5,000	5,000	850	1,000	-	-	-	-
Oct	5,000	5,000	850	1,000	35,000	0	0	0
Nov	5,000	5,000	850	1,000	-	-	-	-
Dec	5,000	5,000	850	1,000	-	-	-	-
Total	**78,000**	**78,000**	**13,260**	**15,600**	**100,000**	**24,000**	**4,080**	**4,800**

With the decrease in your employee's OW from July 2026, his AW subject to CPF in 2026 would be $24,000 instead of $6,000. The employer is required to re-calculate the AW ceiling in August 2026 as it is the next AW paid after the decrease in salary and pay the CPF on AW of $18,000 in August 2026.

5. **Employee joined the company during the year.**

My employee who is below 55 years old, earned a monthly salary of $10,000 starting from June 2026. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in September and December 2026:
$102,000 – ($8,000 x 7) = $46,000

Month / Year 2026	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	10,000	8,000	1,360	1,600	-	-	-	-
Jul	10,000	8,000	1,360	1,600	-	-	-	-
Aug	10,000	8,000	1,360	1,600	-	-	-	-
Sep	10,000	8,000	1,360	1,600	50,000	46,000	7,820	9,200
Oct	10,000	8,000	1,360	1,600	-	-	-	-
Nov	10,000	8,000	1,360	1,600	-	-	-	-
Dec	10,000	8,000	1,360	1,600	50,000	0	0	0
Total	**70,000**	**56,000**	**9,520**	**11,200**	**100,000**	**46,000**	**7,820**	**9,200**

Your employee's AW subject to CPF in 2026 would be $46,000. The remaining AW of $54,000 (comprising the $4,000 paid in Sep 2026 and $50,000 paid in Dec 2026) would not be subject to CPF, if your employee works till the end of the year.

6. **Employee left employment during the year (Scenario A)**

My employee who is below 55 years old, earned a monthly salary of $10,000. He subsequently left employment in August 2026. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January and March 2026:
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in the ***last month of employment*** (August 2026):
$102,000 – ($8,000 x 8) = $38,000

Month / Year 2026	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	8,000	1,360	1,600	70,000	6,000	1,020	1,200
Feb	10,000	8,000	1,360	1,600	-	-	-	-
Mar	10,000	8,000	1,360	1,600	30,000	0	0	0
Apr	10,000	8,000	1,360	1,600	-	-	-	-
May	10,000	8,000	1,360	1,600	-	-	-	-
Jun	10,000	8,000	1,360	1,600	-	-	-	-
Jul	10,000	8,000	1,360	1,600	-	-	-	-
Aug	10,000	8,000	1,360	1,600	-	32,000	5,440	6,400
Total	**80,000**	**64,000**	**10,880**	**12,800**	**100,000**	**38,000**	**6,460**	**7,600**

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 $32,000 in August 2026.

7. Employee left employment during the year (Scenario B)

My employee who is below 55 years old, earned a monthly salary of $9,000. He subsequently left employment in early June 2026, and his salary was prorated at $1,500. The company then paid him a bonus of $54,000 in July 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January, February, March, April and May 2026***:***
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in the ***last month of employment*** (June 2026) and July 2026:
$102,000 – [($8,000 x 5) + $1,500] = $60,500

Month / Year 2026	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	9,000	8,000	1,360	1,600	3,000	3,000	510	600
Feb	9,000	8,000	1,360	1,600	12,000	3,000	510	600
Mar	9,000	8,000	1,360	1,600	4,000	0	0	0
Apr	9,000	8,000	1,360	1,600	12,000	0	0	0
May	9,000	8,000	1,360	1,600	15,000	0	0	0
Jun	1,500	1,500	255	300	0	40,000	6,800	8,000
Jul	-	-	-	-	54,000	14,500	2,465	2,900
Total	**46,500**	**41,500**	**7,055**	**8,300**	**100,000**	**60,500**	**10,285**	**12,100**

June 2026: 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 $40,000. This is because the AW given to the employee up to June 2026 was only $46,000, which is below the AW ceiling of $60,500.

July 2026: 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 the remaining $14,500 ($60,500 less $46,000).

8. <u>Employee left employment during the year (Scenario C)</u>

My employee who is below 55 years old, earned a monthly salary of $4,000. He subsequently left employment in May 2026, and the company paid a bonus of $18,500 in June 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January, February, March and April 2026:
$102,000 – ($4,000 x 12) = $54,000

Re-calculation of AW ceiling in the ***last month of employment*** (May 2026) and June 2026:
$102,000 – ($4,000 x 5) = $82,000

Month / Year 2026	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	-	-	-	-	18,500	500	85	100
Total	**20,000**	**20,000**	**3,400**	**4,000**	**100,000**	**82,000**	**13,940**	**16,400**

May 2026: The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay CPF shortfall on the remaining AW of $4,000 for April 2026 and CPF on the full AW of $23,500 for May 2026. This is because the total AW paid to the employee up to May 2026 was only $81,500, which is below the re-calculated AW ceiling.

June 2026: 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. <u>Employee left employment during the year (Scenario D)</u>

My employee who is below 55 years old, earned a monthly salary of $10,000. He subsequently left employment in June 2026, and the company paid a bonus of $62,372.64 in July 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January, February and March 2026:
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in the ***last month of employment*** (June 2026) and July 2026:
$102,000 – ($8,000 x 6) = $54,000

Month / Year 2026	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	8,000	1,360	1,600	2,850.60	2,850.60	485	570
Feb	10,000	8,000	1,360	1,600	3,753.82	3,149.40	536	629
Mar	10,000	8,000	1,360	1,600	25,000	0	0	0
Apr	10,000	8,000	1,360	1,600	6,022.94	0	0	0
May	10,000	8,000	1,360	1,600	-	-	-	-
Jun	10,000	8,000	1,360	1,600	-	31,627.36	5,377	6,325
Jul	-	-	-	-	62,372.64	16,372.64	2,784	3,274
Total	**60,000**	**48,000**	**8,160**	**9,600**	**100,000**	**54,000**	**9,182**	**10,798**

June 2026: 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 $31,627.36 (refer to calculation in table below). This is because the AW paid to the employee up to June 2026 was only $37,627.36, which is below the re-calculated AW ceiling of $54,000.

Total contribution payable on AW in June and July 2026 is calculated as follows:

Month in which CPF is payable	AW subject to CPF ($)	Total CPF payable ($)	Employer Share of CPF payable ($)	Employee Share of CPF payable ($)
Jun 2026 (re-calculation)	**Re-calculation for February 2026** CPF contribution paid on capped AW = 1,360 + 1,600 + 536 + 629 = 4,125 Revised CPF contribution payable on OW (8,000) and AW (3,753.82) = 4,349 February 2026 shortfall = 4,349 - 4,125 = 224 **Re-calculation for March 2026** CPF contribution paid = 1,360 + 1,600 = 2,960 Revised CPF contribution payable on OW (8,000) and AW (25,000) = 12,210 March 2026 shortfall = 12,210 - 2,960 = 9,250 **Re-calculation for April 2026** CPF contribution paid = 1,360 + 1,600 = 2,960 Revised CPF contribution payable on OW (8,000) and AW (6,022.94) = 5,188 April 2026 shortfall = 5,188 - 2,960 = 2,228	February 2026 shortfall + March 2026 shortfall + April 2026 shortfall = 224 + 9,250 + 2,228 = 11,702	5,377	6,325
Jul 2026 (re-calculation, capped at $54,000)	54,000 – 2,850.60 – 3,149.40 - 31,627.36 = 16,372.64	6,058	2,784	3,274

July 2026: Although the employer had paid the CPF shortfall on AW in June 2026, there was another AW of $62,372.64 paid to the employee after he left employment in June 2026. The employer would therefore need to pay another CPF shortfall on AW of $16,372.64.

10. Employee change of age group during the year

My employee who turned 55 years old in June 2026 earned a monthly salary of $10,000. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling:
$102,000 – ($8,000 x 12) = $6,000

Month / Year 2026	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	8,000	1,360	1,600	-	-	-	-
Feb	10,000	8,000	1,360	1,600	5,000	5,000	850	1,000
Mar	10,000	8,000	1,360	1,600	-	-	-	-
Apr	10,000	8,000	1,360	1,600	5,000	1,000	170	200
May	10,000	8,000	1,360	1,600	-	-	-	-
Jun Turns 55	10,000	8,000	1,360	1,600	5,000	0	0	0
Jul	10,000	8,000	1,280	1,440	-	-	-	-
Aug	10,000	8,000	1,280	1,440	20,000	0	0	0
Sep	10,000	8,000	1,280	1,440	-	-	-	-
Oct	10,000	8,000	1,280	1,440	65,000	0	0	0
Nov	10,000	8,000	1,280	1,440	-	-	-	-
Dec	10,000	8,000	1,280	1,440	-	-	-	-
Total	**120,000**	**96,000**	**15,840**	**18,240**	**100,000**	**6,000**	**1,020**	**1,200**

The maximum AW subject to CPF in 2026 would be $6,000. The remaining AW of $94,000 would not be subject to CPF, if your employee works till the end of the year.

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

My employee who turned 55 years old in June 2026, earned a monthly salary of $10,000 from January to June 2026 and $5,000 from July to December 2026. He will be receiving a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in February, April and June 2026 before OW changes:
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in August and October 2026:
$102,000 – ($8,000 x 6) – ($5,000 x 6) = $24,000

Month / Year 2026	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	8,000	1,360	1,600	-	-	-	-
Feb	10,000	8,000	1,360	1,600	20,000	6,000	1,020	1,200
Mar	10,000	8,000	1,360	1,600	-	-	-	-
Apr	10,000	8,000	1,360	1,600	20,000	0	0	0
May	10,000	8,000	1,360	1,600	-	-	-	-
Jun Turns 55	10,000	8,000	1,360	1,600	20,000	0	0	0
Jul	5,000	5,000	800	900	-	-	-	-
Aug	5,000	5,000	800	900	20,000	18,000	3,060	3,600
Sep	5,000	5,000	800	900	-	-	-	-
Oct	5,000	5,000	800	900	20,000	0	0	0
Nov	5,000	5,000	800	900	-	-	-	-
Dec	5,000	5,000	800	900	-	-	-	-
Total	**90,000**	**78,000**	**12,960**	**15,000**	**100,000**	**24,000**	**4,080**	**4,800**

The employer is required to re-calculate the AW ceiling and pay the CPF shortfall on AW of $18,000 in August 2026. This $18,000 comprises the remaining AW of $14,000 paid in February 2026 and AW of $4,000 paid in April 2026. As the applicable CPF contribution rate is based on when the AW was paid, the contribution rate of 37% applies to the full $18,000, since both amounts were paid before the employee's age-group change. The new contribution rate of 34% will apply only after all AW paid before the age-group change has been fully subject to CPF contributions.

12. Employee change of age group and left employment during the year (Scenario A)

My employee who turned 55 years old in June 2026, earned a monthly salary of $10,000. He subsequently left employment in August 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January 2026:
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in the ***last month of employment*** (August 2026):
$102,000 – ($8,000 x 8) = $38,000

Month / Year 2026	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	8,000	1,360	1,600	3,000	3,000	510	600
Feb	10,000	8,000	1,360	1,600	-	-	-	-
Mar	10,000	8,000	1,360	1,600	-	-	-	-
Apr	10,000	8,000	1,360	1,600	-	-	-	-
May	10,000	8,000	1,360	1,600	-	-	-	-
Jun Turns 55	10,000	8,000	1,360	1,600	-	-	-	-
Jul	10,000	8,000	1,280	1,440	-	-	-	-
Aug	10,000	8,000	1,280	1,440	97,000	35,000	5,600	6,300
Total	**80,000**	**64,000**	**10,720**	**12,480**	**100,000**	**38,000**	**6,110**	**6,900**

The employer is required to re-calculate the AW ceiling in the employee's last month of employment and pay the CPF on AW of $35,000 in August 2026.

13. Employee change of age group and left employment during the year (Scenario B)

My employee who turned 55 years old in June 2026 earned a monthly salary of $10,000 from February 2026. He left employment in early November 2026, and his salary was prorated to $2,000. The company paid an AW of $60,000 in December 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in February 2026:
$102,000 – ($8,000 x 11) = $14,000

Re-calculation of AW ceiling in the ***last month of employment*** (November 2026) and December 2026:
$102,000 – [($8,000 x 9) + $2,000] = $ 28,000

Month / Year 2026	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	10,000	8,000	1,360	1,600	40,000	14,000	2,380	2,800
Mar	10,000	8,000	1,360	1,600	-	-	-	-
Apr	10,000	8,000	1,360	1,600	-	-	-	-
May	10,000	8,000	1,360	1,600	-	-	-	-
Jun Turns 55	10,000	8,000	1,360	1,600	-	-	-	-
Jul	10,000	8,000	1,280	1,440	-	-	-	-
Aug	10,000	8,000	1,280	1,440	-	-	-	-
Sep	10,000	8,000	1,280	1,440	-	-	-	-
Oct	10,000	8,000	1,280	1,440	-	-	-	-
Nov	2,000	2,000	320	360	-	14,000	2,380	2,800
Dec	-	-	-	-	60,000	0	0	0
Total	**92,000**	**74,000**	**12,240**	**14,120**	**100,000**	**28,000**	**4,760**	**5,600**

November 2026: 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 $14,000. The CPF shortfall shall be calculated using the contribution rates as of February 2026 (37%). This is because this AW of $14,000 is part of the AW paid in February 2026.
December 2026: 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 $28,000 was reached in November 2026.

14. Employee change of age group and left employment during the year (Scenario C)

My employee who turned 55 years old in March 2026 earned a monthly salary of $10,000. He left employment in June 2026, and the company paid an AW of $63,026 in July 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in January, February, March and April 2026:
$102,000 – ($8,000 x 12) = $6,000

Re-calculation of AW ceiling in the ***last month of employment*** (June 2026) and July 2026:
$102,000 – ($8,000 x 6) = $54,000

Month / Year 2026	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	8,000	1,360	1,600	2,850.60	2,850.60	485	570
Feb	10,000	8,000	1,360	1,600	3,100.40	3,100.40	527	620
Mar Turns 55	10,000	8,000	1,360	1,600	24,000.50	49	9	9
Apr	10,000	8,000	1,280	1,440	7,022.50	0	0	0
May	10,000	8,000	1,280	1,440	-	-	-	-
Jun	10,000	8,000	1,280	1,440	-	30,974	5,196	6,054
Jul	-	-	-	-	63,026	17,026	2,725	3,064
Total	**60,000**	**48,000**	**7,920**	**9,120**	**100,000**	**54,000**	**8,942**	**10,317**

June 2026: 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 $30,974. This is because the AW paid to the employee up to June 2026 was only $36,974, which is below the re-calculated AW ceiling of $54,000.

Total contribution payable on AW in June and July 2026 is calculated as follows:

Month in which CPF is payable	AW subject to CPF ($)	Total CPF payable ($)	Employer Share of CPF payable ($)	Employee Share of CPF payable ($)
Jun 2026 (re-calculation)	(24,000.50 – 49) + 7,022.50 = 30,974	11,250	5,196 *{[(24,000.50 – 49) * 37%] - 4,790 (Employee Share)}* + *{[(7,022.50 * 16%)] -*	6,054 *[(24,000.50 – 49) * 20%]* + *[(7,022.50 * 18%)]*

			1,264 (Employee Share)}	
Jul 2026 (re-calculation, capped at $54,000)	54,000 – 2,850.60 – 3,100.40 – 49 – 30,974 = 17,026	5,789	2,725	3,064

Do note that the CPF shortfall on AW paid in June 2026 shall be calculated as follows due to change of age group:

a) Remaining AW of $23,951.50 paid in March 2026 should use the contribution rate as of March 2026 (37%)
b) AW of $7,022.50 paid in April 2026 should use the contribution rate as of April 2026 (34%)

July 2026: Although the employer had paid the CPF shortfall on AW in June 2026, there is another AW of $63,026 paid to the employee after he left employment in June 2026. The employer would therefore need to pay the CPF shortfall on AW of $17,026.

15. Employee left and re-joined the company

My employee who is below 55 years old earned a monthly salary of $10,000 from January to April 2026. He received Additional Wages (AW) of $30,000 in February 2026. He left employment in April 2026.

Subsequently, he rejoined the company in September 2026 with a monthly salary of $11,000. He also received another AW of $70,000 in December 2026. He received a total Additional Wage (AW) of $100,000 in 2026.

Estimated Additional Wage (AW) ceiling in February 2026:
$102,000 – ($8,000 x 12) = $6,000

AW ceiling as at ***last month of employment*** (April 2026):
$102,000 – ($8,000 x 4) = $70,000

Re-calculation of AW ceiling in December 2026:
$102,000 – ($8,000 x 4) – ($8,000 x 4) = $38,000

Month / Year 2026	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	8,000	1,360	1,600	-	-	-	-
Feb	10,000	8,000	1,360	1,600	30,000	6,000	1,020	1,200
Mar	10,000	8,000	1,360	1,600	-	-	-	-
Apr	10,000	8,000	1,360	1,600	-	24,000	4,080	4,800
May	-	-	-	-	-	-	-	-
Jun	-	-	-	-	-	-	-	-
Jul	-	-	-	-	-	-	-	-
Aug	-	-	-	-	-	-	-	-
Sep	11,000	8,000	1,360	1,600	-	-	-	-
Oct	11,000	8,000	1,360	1,600	-	-	-	-
Nov	11,000	8,000	1,360	1,600	-	-	-	-

Dec	11,000	8,000	1,360	1,600	70,000	8,000	1,360	1,600
Total	**84,000**	**64,000**	**10,880**	**12,800**	**100,000**	**38,000**	**6,460**	**7,600**

April 2026: 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 remaining AW of $24,000 paid in February 2026, up to the calculated AW ceiling of $70,000.

December 2026: As the employee re-joined the company in September 2026, the employer is required to re-calculate the AW ceiling and pay CPF on the $8,000 of AW paid in December 2026, up to the re-calculated AW ceiling of $38,000.

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 2026.

Estimated Additional Wage (AW) ceiling:
$102,000 – ($500 x 12) = $96,000

Month / Year 2026	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	0	0	0
Sep	500	500	85	100	5,000	0	0	0
Oct	500	500	85	100	10,000	0	0	0
Nov	500	500	85	100	15,000	0	0	0
Dec	500	500	85	100	4,100	0	0	0
Total	**6,000**	**6,000**	**1,020**	**1,200**	**162,000**	**96,000**	**16,320**	**19,200**

Do note that the applicable CPF contribution rate is based on the employee's total wages for the calendar month before capping the AW paid subject to CPF. For example, in July 2026, the employee's total wages prior to capping the AW are $30,500, i.e. more than $750, the contribution rate of 37% should be applied on the wages subject to CPF.