

# **Contribute-As-You-Earn (CAYE)**

## Implementation Guide for Corporate Service Buyers

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Information accurate as at 20 April 2023



**Central  
Provident  
Fund Board**

# 7 HABITS OF HIGHLY EFFECTIVE CORPORATE SERVICE BUYERS

01

## UPDATE CORPPASS STAFF ACCESS



Update the accesses at [corppass.gov.sg](https://corppass.gov.sg).

02

## KEEP ADMIN POINT-OF-CONTACT UPDATED VIA CAYE DIGITAL SERVICES

For updates on CAYE, it is crucial that your point of contact is valid.



03

## OBTAIN NECESSARY APPROVAL



Obtain internal approval within the organisation prior to any CAYE payment or CAYE refund.

04

## DOUBLE CHECK PAYMENT DETAILS



Double check payment details for and the NRIC of self-employed vendors that you are making payment to.

05

## MAKE CAYE CONTRIBUTIONS AND NET SERVICE FEE WITHIN SELF-EMPLOYED VENDOR'S PAYMENT CREDIT TERM



To do so, cater for processing time of at least:

- a) 1 working day for Bank Mode in setting the Funds Deduction Date; or
- b) 2 working days, if payment is submitted before 5pm via CAYE digital services.

06

## PAY PROMPTLY



Make CAYE contribution on the same day the net service fee was made to the self-employed vendor.

07

## ENSURE SUFFICIENT BANK BALANCE FOR CAYE DEDUCTION



Avoid unnecessary bank admin charges by checking your Company's bank transaction limit before you make payment.

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# Commonly-used abbreviations

Acronym	Description
CAYE	Contribute-As-You-Earn
CPF	Central Provident Fund Board
CSB	Corporate Service Buyer
CSN	CPF Submission Number
SEP	Self-Employed Person
TWG	Tripartite Workgroup
UEN	Unique Entity Number

## Points of Contacts

Types of Enquiries	Name	Email Address	Contact Number
New e-invoice file (clarification of 2 new fields)	Mr Chua Kah Hoe	<a href="mailto:CHUA_Kah_Hoe@agd.gov.sg">CHUA_Kah_Hoe@agd.gov.sg</a>	6332 7670
Policy-related matters	Mr Abraham Jedediah Ms Chen Xin Xin	<a href="mailto:Abraham_Jedediah_PONNIAH@mom.gov.sg">Abraham_Jedediah_PONNIAH@mom.gov.sg</a> <a href="mailto:CHEN_Xin_Xin@mom.gov.sg">CHEN_Xin_Xin@mom.gov.sg</a>	6317 1000
Operational matters	CPF	<a href="mailto:caye@cpf.gov.sg">caye@cpf.gov.sg</a>	6202 3605
OCBC on-boarding matters	Ms Pamela Lim Ms Alta Grace	<a href="mailto:PamelaLim@ocbc.com">PamelaLim@ocbc.com</a> <a href="mailto:AltaSantillan@ocbc.com">AltaSantillan@ocbc.com</a>	6876 8074

# 1. Contribute-As-You-Earn (CAYE)

## What is CAYE?

CAYE helps self-employed vendors make smaller and regular contributions to their MediSave Account.

## How does CAYE work?

- Under CAYE, when a self-employed vendor completes a job with a government agency, a portion of the self-employed vendor's payment will be credited in his/her MediSave Account, with the remainder paid in cash.

## Implementation

- The Government, as a service buyer, will take the lead to implement CAYE for self-employed vendors that it contracts with (unless the self-employed vendors are exempted from CAYE).
- These obligations are supported in CPF legislation.

# 1.1 Background

## ■ Who are the Corporate Service Buyers involved?

- CAYE applies to all Corporate Service Buyers (CSBs) who engage self-employed vendors to provide services for them.
  - e.g. MOE, Community Centres

## ■ Which groups of self-employed vendors are involved?

- Individual self-employed vendors, who are not registered with ACRA as private limited companies. These refer to self-employed vendors who bid for jobs with government agencies via their NRIC numbers.
- Sole-proprietors, who are registered with ACRA as single business owners (as opposed to partners), and have a 9-digit UEN issued by ACRA.

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## Payment invoices

- CAYE applies to all tax-liable payments to freelancers and sole-proprietors under a Contract for Service.
- Corporate Service Buyers are required to implement CAYE for invoices received from self-employed vendors that are dated on or after 1 January 2020, or where no invoices are issued, all payments made on or after 1 January 2020.
- To help CSBs, Vendors@Gov will automatically tag invoices which are under CAYE. The daily e-invoice file format interfaced to Corporate Service Buyers will have two additional fields – CAYE indicator and self-employed vendors' NRIC.
- In addition, 'buy-and-claim' purchases are excluded from CAYE as these purchases are very small in value which the staff is prepared to pay in advance and seek reimbursement thereafter.
- Refer to Section 3.1 on identifying invoices under CAYE.

### Self-Employed Persons

Under the CPF Act, a **Self-Employed Person (SEP)** refers to "any person, being a citizen or permanent resident of Singapore, who derives from Singapore or receives from outside Singapore income in respect of any trade, business, profession or vocation other than employment under a contract of service".

### 🔍 Tips:

Self-employed vendors are encouraged to take up e-invoicing for easier identification of invoices under CAYE.

## Key Actions required of Corporate Service Buyers

- 01 Deduct the MediSave contribution payable from self-employed vendor's service fee.
- 02 Credit the MediSave contribution payable to the self-employed vendor's MediSave Account (MA), before paying the remainder of the service payment to the self-employed vendor.

### Q Tips:

- The information on the nature of the businesses i.e. sole-proprietorship or partnership is available at [Enterprise Data Hub](#) (EDH).
- Vendors@Gov or payment systems can link up with Enterprise Data Hub (EDH) to verify the nature of the business entity.
- For invoices billed outside of Vendors@Gov, Corporate Service Buyers will need to identify them for CAYE separately.
- Corporate Service Buyers can use the EDH to:
  - a) Check whether the self-employed vendor's business entity type is a sole-proprietorship or partnership.
    - Refer to the [EDH Portal Guide](#) under the 'Resources' tab.
  - b) Identify self-employed vendors who are liable for CAYE through
    - (i) self-employed vendor's NRIC, or
    - (ii) self-employed vendor's Unique Entity Number (UEN).

## 1.2 Statutory Function

- The CAYE collection model is administered by CPF B as part of its [statutory function](#) for the collection of MediSave contributions from self-employed vendors.
- The CAYE requirements will be set out and obligations will be imposed on Corporate Service Buyers through the CPF legislation.
- MOM is the policy owner of CAYE, while CPF B is the administrator for CAYE.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or contact us at [caye@cpf.gov.sg](mailto:caye@cpf.gov.sg)



**2.**

## **Key CAYE On-boarding Activities**

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- ✓ This section will cover key CAYE on-boarding information and activities for Corporate Service Buyers.



# 2.1 Applying for CAYE CPF Submission Number (CSN)

## What is a CAYE CSN?

- ✓ A CAYE CSN will enable self-employed vendors to identify the Corporate Service Buyer that made CAYE contributions on their behalf.

### Example

Corporate Service Buyer	CAYE CSN	DDA Acct
NYP	1992123456-01	123-12345-1
NYP – School of Business	1992123456-02	123-12345-1
NYP – School of Engineering	1992123456-03	123-12345-2

## What is the difference between CAYE CSN and Employer CSN?

- ✓ CAYE CSN is for the purpose of making CAYE contributions only.
- ✓ Please note that the Employer CSN for making CPF contributions for employees cannot be used for CAYE transactions, and vice versa.

## How can I apply for more CSNs?

- ✓ To apply for additional CSNs, please contact CPF at [caye@cpf.gov.sg](mailto:caye@cpf.gov.sg) for the required forms.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or contact us at [caye@cpf.gov.sg](mailto:caye@cpf.gov.sg)



## 2.2 Applying for CAYE digital service ID

### Objectives

- ✓ Gain access to CAYE digital services for viewing and submission of CAYE transactions.

#### Key Actions required

- 01 Add and assign CAYE digital service ID at [corppass.gov.sg](https://corppass.gov.sg).
- 02 Create user account for new staff, if required, handling CAYE transactions.
- 03 Update your staff's Corppass accesses where necessary.
- 04 View our [step-by-step guide](#) to apply for CAYE digital service ID.

## 2.3 On-boarding process for Payment Modes

CAYE contributions can be made using Bank Mode or via CAYE digital services.

### 1

#### Bank Mode (Section 2.3.1)

- Under Bank Mode, OCBC Bank is the Board's vendor handling CAYE payment transactions.
- OCBC deducts the full service fee payment via Direct Debit Authorisation (DDA), as instructed by the Corporate Service Buyer.
- OCBC will then pay the net service fee to self-employed vendor, before deducting and crediting the MediSave portion to the self-employed vendor's CPF MediSave account.

### 2

#### via CAYE digital services (Section 2.3.2)

- Make MediSave payments via the CAYE digital services at CPF website using Direct-Debit Authorisation (DDA).
- Corporate Service Buyers to pay net service fees to self-employed vendors separately.

## 2.3.1 Bank Mode

### Key Benefits

- 1** Auto-computation of net service fee and CAYE contribution.
- 2** OCBC will split and transmit the payment accordingly.
  - Net service fee payment paid via FAST or GIRO to self-employed vendor's bank account.
  - MediSave amount paid to CPF.
- 3** Self-employed vendors will receive SMS/email notifications from CPF when both payments are made.

### Key Actions required

- 01** Link up with OCBC:
  - Establish the banking requirements requested by OCBC
  - Submit Host-2-Host Application Form to OCBC
  - Submit signed User Requirements
  - Exchange connectivity parameters
  - Conduct User Acceptance Tests
- 02** Note that the overall on-boarding timeline is approximately 3 months.

### Workflow



#### Send Payment File to OCBC

- Instruct OCBC to make payments by sending a payment file.
- Payment file contains self-employed vendor's NRIC and payment details.



#### OCBC will process payment

- OCBC will return an acknowledgement file upon receipt of payment file.
- After processing, OCBC will identify invalid records. OCBC will provide a return file of all processed records to Corporate Service Buyers for their follow-up.



#### Resubmit unsuccessful payments

Submit unsuccessful payments in the next batch of payments.



#### Payments made in error

- Submit a refund request to CPF within 1 year from the time the CAYE contribution was credited into self-employed vendor's MediSave Account.
- Seek a refund of the remaining service fee from the self-employed vendor directly.

## 2.3.2 CAYE digital services

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### Key Benefits

- 1** Corporate Service Buyers can decide how/when to submit payment.
  - Choose between manual entry or file upload
  - Save up to 3 drafts
- 2** Automated computation of CAYE contributions and net service fee amount.
  - The breakdown by transaction level is available for download on CAYE digital services.
- 3** Made an erroneous payment submission?
  - Make changes via CAYE digital services within 3 working days before DDA deduction.
- 4** Receive an acknowledgement email upon successful payment of CAYE contributions.

### ■ Direct-Debit Authorisation (DDA)

- For the 1st failed DDA deduction, a 2nd deduction will be automatically scheduled 7 calendar days later (or the next working day, if the 7<sup>th</sup> calendar day falls on a public holiday).
  - Corporate Service Buyers will be informed via email. Please ensure that there is sufficient balance in your bank account for the deduction.
- For the 2nd failed DDA deduction, Corporate Service Buyers will receive a notification to re-submit CAYE contributions.
- Upon successful deduction of CAYE contribution amount,
  - Make remaining net service fee payment to self-employed vendor.

## Workflow



### Submit the payment details

Upload the payment file or fill in the payment details and click 'Submit' to compute the MediSave payable for self-employed vendors.



### Verify payment details

Ensure that the entries submitted are correct (e.g. correct NRIC & payment amount).



### Make payment via DDA

Corporate Service Buyer to select a deduction date\*

\*the earliest deduction date is 2 working days from the date of submission if the submission is made before 5pm.



### Make remaining net service fee payment to self-employed vendor

Ensure that the CAYE contribution is paid no later than the day which the revenue payment was made to the self-employed vendor and within credit payment term.



## Notifications

- CPFB will send an acknowledgement email to Corporate Service Buyers upon receiving a new transaction.
- Upon successful receipt of payment by CPFB, CPFB will send:
  - an email to notify the Corporate Service Buyer that payment is successfully processed; and
  - an email/SMS to notify self-employed vendors that the amount has been successfully credited to their MediSave account.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or contact us at [caye@cpf.gov.sg](mailto:caye@cpf.gov.sg)



**3.**

## **Administering CAYE**

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- ✓ This section will cover important information for Corporate Service Buyers to administer CAYE duties.

# 3.1 Identify invoices under CAYE

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## CAYE Invoices

- CAYE is payable on all payments to self-employed vendors under a Contract-For-Service unless otherwise exempted.
- For transactions with no invoices, CAYE will apply on payments made on or after 1 Jan 2020.

## Identification

- Self-employed vendors will be identified based on their login ID at Vendors@Gov.
  - These vendors will be informed of CAYE when they log in at Vendors@Gov via a pop-up prompt.
- The daily e-invoice file format interfaced to Corporate Service Buyers will have two additional fields – CAYE indicator and self-employed vendors' NRIC.
  - Corporate Service Buyers must be able to process these new fields in order to identify e-invoices under CAYE and self-employed vendor's NRIC to credit CAYE contribution.



### Tips:

Need more information on how to identify hardcopy invoices that are under CAYE?

- Refer to the [EDH Portal Guide](#) and the [Input List Guide](#)
- Check with AGD in the [Point of Contacts](#)

## List of exempted payments

The following payments are exempted from CAYE:

1. Payment under a contract of employment (e.g. employee income)
2. Fee, remuneration or allowance payable to Board directors
3. Payment to self-employed vendors via factoring Corporate Service Buyers, since they are considered B2B transactions
4. Buy-and-claim purchases (e.g. if public officer pays the self-employed vendor upfront and claims from Corporate Service Buyer afterwards, CAYE would not be applied on the payment)
5. Payments made to a partnership
6. Payments made to self-employed vendors providing their services as a Collective (e.g. Collective arrangement by Arts freelancers)
7. Honoraria paid to academia/experts with no invoices
8. Payment made in foreign currency
9. Payment made through a service intermediary platform used by the Collector to engage services from self-employed vendors
10. Fee, remuneration or allowance paid to a Member of Parliament
11. Payments to self-employed vendors from projects on public-private partnership, since they involve private sector buyers and are considered out of scope of the pilot phase
12. Reimbursement by the Government to a provider under Government voucher programme
13. Reimbursement made to self-employed vendors for expenses incurred while carrying out their services
14. Government grants
15. Sub-contracted jobs from Corporate Service Buyers

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## 3.2 Make CAYE contributions through preferred payment modes

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### Key Actions required of Corporate Service Buyers

- 01 Decide on a preferred payment mode for CAYE contributions.
  - Refer to Section 2.3 Payment Modes for more information on the two payment methods offered under CAYE.
- 02 Inform CPF via email at [caye@cpf.gov.sg](mailto:caye@cpf.gov.sg).



## 3.3 Request refund of CAYE contributions

### Made a wrong contribution?

#### Request a refund of the CAYE contributions from CPF B

- ✓ Within 1 year from the time the contribution was credited into self-employed vendor's MediSave Account.
- ✓ CPF B will refund the full amount of credited CAYE contributions to Corporate Service Buyers' bank account.
  - Please note that CAYE contributions can only be refunded if there are sufficient balances in self-employed vendor's MediSave Account.

#### Take note:

- Corporate Service Buyer will have to seek a refund of the remaining service fee from the self-employed vendor directly.
- All refunds will be made to Corporate Service Buyer's bank account only.
- CPF B does not accept credit notes for the CAYE contribution.

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#### Workflow



##### Submit your request

Please do so within 1 year from the time the contribution was credited into self-employed vendor's MediSave Account. All contributions made after 1 year will be deemed to be correctly made and are not refundable.



##### Retrieve net service fee from self-employed vendor

Corporate Service Buyers are to approach self-employed vendor directly as CPF B can only refund the CAYE contribution.



##### Wait 15 working days for CAYE contribution refund

CPF B will refund the CAYE contribution to the Corporate Service Buyer's bank account.

**4.**

## **Additional Information**

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- ✓ This section will cover additional information and guides to aid Corporate Service Buyers in administering CAYE duties.

## 4.1 Guide to navigate features of CAYE digital services

### Step-by-Step Guide

Refer to our [Step-by-Step Guide](#) for information on:

- Applying for a CAYE CSN number
- Navigating CAYE digital services
- Making a CAYE contribution through CAYE digital services
- Viewing transaction status and history
- Requesting a refund of CAYE contributions

## 4.2 Handling of enquiries by self-employed vendors

### Received a question about CAYE?

#### Direct the question to the appropriate channels

- ✓ Maintain Single-Source of Truth.
- ✓ Clear delegation of responsibilities.

Types of enquiries by self-employed vendor	Enquiries to be addressed by
<ul style="list-style-type: none"><li>• Dispute of service fees (such as non-payment and late payment)</li><li>• Erroneous service fees (such as overpayment and underpayments)</li><li>• Refund of erroneous payments</li></ul>	Corporate Service Buyers
<ul style="list-style-type: none"><li>• CAYE Contributions (e.g. self-employed vendor's CAYE con rate, non-payment of MediSave contribution)</li></ul>	Refer to FAQ where applicable.  If not, refer self-employed vendors to submit an enquiry through the Board's My mailbox service. CPF will contact them directly.

## When in doubt:

- ✓ Always refer to the [list of FAQs](#).
- ✓ If your query cannot be addressed via the list of FAQs, direct the query to the respective points of contact.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or contact us at [caye@cpf.gov.sg](mailto:caye@cpf.gov.sg)



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