

CPF Contribution

Changes from 1 September 2023 and 1 January 2024

Increase in Monthly salary ceilings



Singapore's CPF monthly salary ceiling to increase

The Central Provident Fund (CPF) is a compulsory retirement plan in Singapore for employed citizens and permanent residents to fund their housing, healthcare and retirement needs. The contribution rates, salary ceilings and interest rates are reviewed periodically to ensure their adequacy in line with the inflation and economic conditions.

On 14 February 2023, Deputy Prime Minister and Finance Minister, Lawrence Wong, announced several changes to the CPF regime in Budget 2023 Statement. The changes will come into effect from 1 September 2023. The early announcement aims to provide ample time for employers and employees to prepare for the changes.

Increase in CPF Ordinary Wage ceiling

The CPF Ordinary Wage (OW) ceiling **limits the amount of OW that attract CPF contributions in a calendar month for all employees**. The OW ceiling will be raised from SGD 6,000 to SGD 8,000 by 2026, with the first increase to take place on **1 September 2023**. The increase will take place in **four steps to allow employers and employees to adjust to the changes**.

There will be no change to the CPF annual salary ceiling of SGD 102,000, which sets the maximum amount of CPF contributions payable for all salaries received in the year, inclusive of both Ordinary Wages and Additional Wages. There will be no changes to the Additional Wage ceiling and CPF Annual Limit, where they will remain at SGD 102,000 – (Total Ordinary Wage subject to CPF for the year) and SGD 37,740 respectively.

Please refer to the table below for the CPF OW and annual salary ceilings from 2023 to 2026.

Period	CPF OW ceiling	CPF annual salary ceiling
From 1 Jan 2016 to 31 Aug 2023	SGD 6,000	SGD 102,000
From 1 Sep to 31 Dec 2023	SGD 6,300 (+SGD 300)	
From 1 Jan to 31 Dec 2024	SGD 6,800 (+SGD 500)	
From 1 Jan to 31 Dec 2025	SGD 7,400 (+SGD 600)	
From 1 Jan 2026	SGD 8,000 (+SGD 600)	

Note: Figures in brackets () denote increase in ceiling amount

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Computation of Additional Wage ceiling

If the monthly OW earning of the employee is above SGD 6,000, the estimated Additional Wage (AW) ceiling for the year 2023 should be $\text{SGD } 102,000 - (\$6,000 \times 8) - (\text{SGD } W \times 4)$ where W is capped at the OW ceiling of SGD 6,300 from September 2023.

For example, if the employee's monthly OW is SGD 7,000, the estimated AW ceiling for 2023 will be SGD 28,800 instead of SGD 30,000. Accordingly, the CPF contributions payable on the AW is up to SGD 28,800. However, If monthly OW earning of the employee is SGD 6,000 or below, the estimated AW ceiling will not be affected by the increase in OW ceiling.

In case the contribution has been paid based on AW ceiling of SGD 30,000, before the OW ceiling increase was announced, the payer shall re-compute the AW ceiling based on the increased OW ceiling of SGD 6,300 from September 2023. In case of an overpayment of CPF contributions, they shall apply for a refund via RFM/Form CAPVC for each affected employee(s).

Increase in CPF Contribution Rates from 1 January 2024

CPF contribution rates for senior workers were raised in 2022 and 2023. Following the Singapore Budget for 2023, the government plans to increase contribution rates for employees **aged above 55 to 70** further to strengthen their retirement adequacy. The changes will apply to wages earned **from 1 January 2024**:

Employee's age (years)	Current	CPF Contribution Rates from 1 Jan 2024		
	Total (% of wage)	Total (% of wage)	By employer (% of wage)	By employee (% of wage)
55 and below	37	37	17	20
Above 55 to 60	29.5	31 (+1.5)	15 (+0.5)	16 (+1)
Above 60 to 65	20.5	22 (+1.5)	11.5 (+0.5)	10.5 (+1)
Above 65 to 70	15.5	16.5 (+1)	9 (+0.5)	7.5 (+0.5)
Above 70	12.5	12.5	7.5	5

Note: Figures in brackets () denote increase in rates

The increase in the CPF contribution rates will be **fully allocated to the employees' Special Account** to provide a bigger boost to their retirement income. For those earning monthly wages of more than SGD 500 to SGD 750, the employee contribution rates will continue to be phased in. There are no changes to the graduated contribution rates for first and second-year Singapore Permanent Residents (SPRs).

Alignment of CPF contribution rates of Platform Workers and Companies with those of employees and employers

Platform workers - private-hire car drivers and freelance delivery workers - who earn a **monthly wage of less than SGD 2,500** will need to contribute at higher CPF rates starting from 2024. They include those **who use online platforms to match them with demand** for their delivery and point-to-point services but are not employees of the companies operating these platforms.

Additional support in the form of **Platform Worker CPF Transition Support**, shall be provided for the first 4 years after the higher CPF rates are implemented, to this group of lower-income gig workers.

Currently, self-employed individuals are required to contribute up to **10.5%** of their net trade income to their CPF MediSave account.

The Ministry of Manpower (MOM) has said changes to the CPF contribution rate for platform workers will take place over a 5-year period, with the contribution rate increasing from a lower base **by 2.5 to 3.5 percentage** points per year until it reaches parity with other sectors.

The higher CPF contributions will be compulsory only for those **who are below 30** when the changes kick in. Everyone else will have an option to opt in.

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