



Senior Employment Credit (SEC), Enabling Employment Credit (EEC) and CPF Transition Offset (CTO)



Announcement:

March 2024 Payout

If your company has an existing GIRO arrangement with IRAS as at **6 Feb 2024** or is registered for PayNow Corporate as at **25 Mar 2024**, you will receive a payout titled “Senior Employment Credit / Enabling Employment Credit / CPF Transition Offset” (GIRO) or “GOVT” (PayNow Corporate) in your bank account from **28 Mar 2024**. There would not be any SEC, EEC and CTO payout made via cheques.

Selected companies will receive a letter from IRAS to submit supporting documents for review. If you are selected for review, your Mar 2024 payouts will be withheld and you may be required to provide a declaration or documents, in order to substantiate your eligibility for SEC, EEC and CTO payout. The payout will only be disbursed after the completion of the review.

Scheme Updates

As announced in Budget 2024, CTO will be provided to employers for the 2025 increase in senior workers' CPF contribution rates.

At Unity Budget 2020, the Government announced:

- (a) [Senior Worker Support Package](#) [↗] (which includes SEC and CTO) to support employers in implementing the key recommendations by the Tripartite Workgroup on Older Workers on increasing the Retirement Age, Re-employment Age, and CPF contribution rates of senior workers; and
- (b) [EEC](#) [↗], a new wage offset scheme to support the employment of persons with disabilities.

What is the SEC, EEC and CTO?

Senior Employment Credit (SEC)

Under the SEC, the Government provides wage offsets to help employers that employ Singaporean workers adjust to the higher Retirement Age and Re-employment Age. Higher support will be given for the older age bands.

For 2023 to 2025, the wage offset applies to Singaporean workers aged 60 and above and earning up to \$4,000 per month. For wages paid between 1 Jan 2023 and 31 Dec 2025, employers will receive up to 8% of the wages paid to these eligible workers, depending on their age and wage.

For 2021 and 2022, the wage offset applies to Singaporean workers aged 55 and above and earning up to \$4,000 per month.

Enabling Employment Credit (EEC)

To support the employment of persons with disabilities, the EEC will be given to employers that hire local employees with disabilities aged 13 and above and earning below \$4,000 per month.

The EEC provides a wage offset of up to 20% of the employees’ monthly income, capped at \$400 per month for each employee.

In addition, employers hiring local employees with disabilities who have not been working for at least six months will receive up to additional 20% wage offset, capped at \$400 per month for each employee, for the first nine months of employment¹.

The EEC will be available until 2025.

¹The EEC was enhanced in 2023, with the additional wage offset increasing from 10% to 20%, and a cap of \$400/month instead of \$200/month. The support duration was also extended from 6 to 9 months.

CPF Transition Offset (CTO)

To alleviate the rise in business costs due to the increase in CPF contribution rates for senior workers, the Government will provide employers with a transitionary wage offset equivalent to 50% of each year's increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ aged above 55 to 70.

The offset to employers will be based on employees’ monthly incomes² paid up to the CPF salary ceiling.

²Gross monthly wages include employee CPF contributions, but exclude employer CPF contributions.

Who qualifies for the SEC, EEC and CTO?

SEC	EEC	CTO
All employers that employ employees (Singapore Citizens) aged 60 years and above, earning a monthly wage of up to \$4,000 and have made timely mandatory CPF contributions for the employee will qualify for the payout for 2023 to 2025.	All employers that employ persons with disabilities (Singapore Citizens and Permanent Residents) aged 13 and above, earning a monthly wage of below \$4,000 and have made timely mandatory CPF contributions for the employee will qualify for the payout.	All employers that employ local employees (Singapore Citizens and Permanent Residents) aged above 55 to 70 and have made timely mandatory CPF contributions for the employee will qualify for the payout.

Wages paid to business owners³ or employers trading in their own personal capacity⁴ will not be eligible for the SEC, EEC and CTO even if they made CPF contributions for themselves through their entity.

³Business owners are defined as follows:
a. Sole proprietor of a sole proprietorship
b. Partners of a partnership (including general partnerships, limited liability partnerships and limited partnerships); and
c. Both a shareholder and director of a company. The definition of director is as set out in Section 4(1) of the Companies Act. For companies limited by guarantee, this applies to employees who are both members and directors of the company.

⁴Employers trading in their own personal capacity include, but are not limited to, hawkers who do not have UEN, and employers hiring local personal drivers or local domestic helpers.

Local government agencies, International Organisations and businesses not registered in Singapore do not qualify for the schemes.

[See the full employer exclusion list](#) 

How do employers apply for the payouts?

Employers do not need to apply for the payouts. IRAS will notify eligible employers regarding the amount payable to them electronically based on their notification preferences for Income Tax/GST, as updated with IRAS. To receive timely notifications when your notices are ready for viewing, please update your notification preferences in myTax Portal at IRAS website.

When will employers receive the payouts?

For wages paid from January to June, employers will receive the payout in September the same year. For wages paid from July to December, employers will receive the payout in March the following year.

How do employers receive the payouts?

In line with Singapore's Smart Nation efforts, all payouts will be disbursed through GIRO or PayNow Corporate. No cheques will be issued for the payouts.

Payouts will automatically be credited to employers' GIRO bank account for Income Tax/GST. For those without GIRO accounts, the payout will be credited to their bank account that is registered with PayNow Corporate. Employers who are not already on these direct crediting modes have to sign up for these modes – [GIRO](#) or PayNow Corporate⁵ to receive their payouts.


⁵Organisations can sign up for PayNow Corporate by linking their organisation's UEN (without suffix) [e.g. ROC (2019XXXXXA), ROB (531XXXXXA), UEN (T19LLXXXXA)] to their bank account via internet banking. The nine banks participating in PayNow Corporate are United Overseas Bank, DBS Bank/POSB, OCBC Bank, Citibank, HSBC, Maybank, Standard Chartered Bank, Bank of China and Industrial and Commercial Bank of China Limited. For assistance, please approach these banks.


How is each payout computed?


Senior Employment Credit (SEC)


For wages paid from 1 January 2021 to 31 December 2022, employers will get up to 8% of the wages paid to Singaporean workers aged 55 and above, and earning up to \$4,000 per month. For wages paid from 1 January 2023 to 31 December 2025, employers will get up to 8% of the wages paid to Singaporean workers aged 60 and above, and earning up to \$4,000 per month.

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[Monthly SEC payouts per employee for 2021:](#) 

[Monthly SEC payouts per employee for 2022:](#) 

Monthly SEC payouts per employee for 2023: 

Monthly SEC payouts per employee for 2024 and 2025: 

Enabling Employment Credit (EEC)

The EEC will be paid to employers of local persons with disabilities (PwDs) aged 13 and above, and earning up to \$4,000 per month. In addition, employers who hire persons with disabilities who have not been in employment for the past six months will receive an additional wage offset for the first nine months of employment.


Monthly Wage of Employee with disability (\$)	Payout	Additional payout if employee was not employed for the past six months, for up to the first nine months of employment only
≤ \$2000	20% of wage	20% of wage
> \$2,000 to \$3,000	\$400	\$400
> \$3,000 to \$4,000	\$1,600 - 0.4*wage	\$1,600 - 0.4*wage


Note: Employees eligible for EEC will not be eligible for the SEC (i.e. not stackable).


CPF Transition Offset (CTO)


The Government will provide employers with a transitory wage offset equivalent to half of the increase in employer CPF contribution rates for senior workers. The CTO is calculated based on employee's wages paid up to the current CPF salary ceiling.

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CTO for Employers in 2022: 

CTO for Employers in 2023: 

CTO for Employers in 2024: 

CTO for Employers in 2025: 

How do employers submit request for breakdown of the payouts?

You may put up a [request](#)  for a detailed breakdown of the individual amount of your employees.

Can employers appeal to qualify for the schemes?

For SEC and EEC, employers have up to 2 months from the month of payout to lodge an appeal. For instance, if the payout is in the month of March, employers must complete the [SEC appeal form](#) (PDF, 382KB) or [EEC appeal form](#) (PDF, 381KB) (where applicable) and send it via email to SEC_EECAppeal@iras.gov.sg by 31 May. Late appeals i.e. those received after the 2-month window will not be considered.

For CTO, employers have up to 2 months from the month of payout to lodge an appeal. For instance, if the payout is in the month of March, employers must complete the [CTO appeal form](#) (PDF, 412KB) (where applicable) and send it via email to CTO_Appeal@iras.gov.sg by 31 May. Late appeals i.e. those received after the 2-month window will not be considered.

How will the Government detect abuse of the schemes?

The Government takes a serious view on any attempt to abuse the scheme. Offenders may have their payouts denied and can be charged under Section 420 of the Penal Code, where they may face up to 10 years of imprisonment and a fine.

Businesses or individuals who wish to report to IRAS any malpractices or potential abuses of the schemes may do so via email to scheme_report@iras.gov.sg or online at go.gov.sg/schemereport. IRAS will ensure that the identities of informants are kept strictly confidential.

Contacting IRAS

If there are queries that have not been addressed on this site, please send us an enquiry via [FormSG](#). You can also [chat with us online](#) or call us at 6351 3288 (8 a.m. – 5 p.m. from Mon to Fri, excluding public holidays).

FAQs

A. Claiming and computing

How is the payout computed for employees with two or more employers?



B. Payment Mode

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Can I instruct IRAS to make the payout to a third party?



Why is IRAS not issuing cheques for the schemes?



C. Declining and Returning Payout

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- Can I decline the payout if I do not need the support?

▼
- How do I decline SEC, EEC and/or CTO payouts?

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D. Other Questions

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- Do I get taxed on the payout?


▼
- I have hired a new local PwD. How will I know if my new local hire will qualify for EEC support as PwD?

▼

Related Content


USEFUL LINKS

SEC/EEC/CTO Payout Eligibility Checker & Breakdown Request




DOCUMENTS

SEC Appeal Form (PDF, 382KB)




DOCUMENTS

EEC Appeal Form (PDF, 381KB)




DOCUMENTS

CTO Appeal Form (PDF, 413KB)




DOCUMENTS

SEC Calculator (XLSX, 389KB)




DOCUMENTS

EEC Calculator (XLSX, 251KB)



DOCUMENTS

CTO Calculator (XLSX, 462KB)



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