



# PWCS Glossary

## Qualifying Year

Qualifying year refers to the year for which the Progressive Wage Credit Scheme payout is computed, based on the wage increases given in that year. There are 5 qualifying years – 2022, 2023, 2024, 2025, and 2026.

## Qualifying Employer

All employers, except for the following entities on the employer exclusion list, will automatically qualify if they pay qualifying wage increases to their qualifying resident employees.

### Employer Exclusion List

- Local Government Agencies including Organs of State, Ministries and Departments, Statutory Boards
- Government and Government-Aided Schools
- PA Services and Grassroot Units
- High Commissions, Embassies, Trade Offices, Consulate
- Unregistered Local/Foreign Entities
- Foreign Military Units
- Representative offices of Foreign companies, Foreign Government Agencies, Foreign Trade Associations/ Foreign Chambers/ Foreign Non-profit Organisations/Foreign Law Practices
- Bank Representative Offices/Insurance Representative Officers/Other Financial Representative Offices (registered with MAS); News Bureaus (which are representative offices);
- International Organisations
- Entities which pay CPF but are not registered in Singapore

## Qualifying Employee

- A Singapore Citizen or Permanent Resident;
- Earning a gross monthly wage less than the Gross Monthly Wage ceiling\*, with an average gross monthly wage increase of at least \$100 in each qualifying year;
- Received CPF contributions from a single employer, for at least three calendar months in the preceding year;
- On employer's payroll for at least three calendar months in the qualifying year (i.e. employer must have paid employee CPF contributions for at least three calendar months in qualifying year)
- Must not also be the business owner of the same entity (i.e. sole proprietor of the sole proprietorship, or a partner of the partnership, or both a shareholder and director of a company)

\*For qualifying years 2022 to 2024, the ceiling is \$3,000, while for qualifying years 2025 to 2026, the ceiling is \$2,500.

## Qualifying Wage Increase

Qualifying Wage Increase refers to the amount of wage increase of the employee that qualifies for co-funding in any qualifying year. It consists of two components:

- I. The gross monthly wage increase given in the qualifying year, if it is at least \$100, and up to the relevant wage ceiling; and
- II. The gross monthly wage increase given in the preceding year, if it is sustained<sup>1</sup>

<sup>1</sup>For qualifying year 2022, there is no sustained gross monthly wage increase in preceding year, as 2022 is the first year of the Scheme.

## Gross Monthly Wage

Gross Monthly Wage is defined as the total wages paid by the employer to the employee in the calendar year, divided by the number of months in which CPF contributions were made.

Total wages includes all allowances and payments that attract CPF contributions, including basic salary, overtime pay, commissions and bonuses. Total wages excludes employer CPF contributions.

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