

# Compliance and Rectifications

## Enforcement and penalties for non-compliance

1. What will happen if I pay late or do not pay CPF contributions for my employees?  
-If we detect CPF non-compliance, which includes late payment and non-payment of CPF contributions, we will take enforcement actions to recover any CPF contributions owed to employees. We may charge late payment interest and impose composition amount on non-compliant employers.
2. What is the purpose of the late payment interest?  
-The late payment interest, subjected to a minimum amount of \$5, serves to deter employers from paying CPF contributions late for their employees.
3. How much composition amount should I pay?  
-The composition amount is indicated in the letter of offer/notice to attend court.
4. Why should I be jailed for non-payment of CPF contributions?  
-CPF Board takes a serious view on employers who do not fulfil their CPF obligations to their employees. The jail term reflects the severity of CPF offences and serves as a strong deterrence to errant employers. It is also a reminder of the importance of employers' legal obligation to pay CPF contributions correctly and promptly for their employees.

If we detect CPF non-compliance, which includes late payment and non-payment of CPF contributions, we will take enforcement actions to recover any CPF contributions owed to employees. We may charge late payment interest and impose composition amount on non-compliant employers.

If you fail to pay the CPF arrears, you will be taken to court. The court will order you to pay the contributions, interest as well as a court fine and/or be sentenced to imprisonment.

The penalties stipulated under the CPF Act for employers convicted of late payment offence are:

- Up to \$5,000 court fine and no less than \$1,000 per offence and/or up to 6 months' imprisonment for first conviction
  - Up to \$10,000 court fine and no less than \$2,000 per offence and/or up to 12 months' imprisonment for subsequent convictions
5. How does CPF Board calculate interest on late payment?  
-The due date for CPF contributions is on the last day of the calendar month.  
Enforcement action would be taken if CPF contributions are not paid by the 14th of

the following month (or the next working day if the 14th falls on a Saturday, Sunday or Public Holiday). This includes imposing late payment interest charged at 1.5% per month commencing from the first day after the due date. The minimum interest payable is \$5.

**Example:**

XYZ Company made a CPF contribution of \$3,000 for the month of October on 20 November. This payment is late by 19 days. Therefore, the amount of late payment interest will be:

= \$3,000 x 1.5% x 19/30 (stop at the fourth decimal)\*

= \$28.50

\*Number of days the payment is late/number of days in the month.

The final figure is to be rounded down to the nearest dollar, i.e. the cents should be dropped for the interest. Hence, the late payment interest payable will be \$28.

6. How do I make payment for composition amount and late payment interest?
- Payment for composition amount and late payment interest can be made via the following methods:

**Composition Amount**

- Pay composition amount

**Late Payment Interest**

- CPF EZPay
- CPF EZPay Mobile (not applicable to platform operators)

For more information, please refer to:

- Payment Methods Guide for employers (PDF, 0.1MB) or
- Payment Methods Guide for platform operators (PDF, 0.1MB).

To check the transaction status for the payment of the composition amount, please follow these steps:

- Go to [cpf.gov.sg](http://cpf.gov.sg)
- Click on "Employer/Business"
- Click on Login
- Select Other services
- Login with your Singpass
- Key in the CPF Submission Number and click on Proceed to continue

- On the top menu bar, click on Services and select 'Activities' at the bottom panel
7. I am unable to pay my outstanding CPF contributions/interest on late contributions for my employees now. Can I pay the composition amount first?  
-You are required to pay all outstanding CPF contributions and interest on late contributions before the Board can accept payment of composition amount. For any clarification, please contact or email the case officer indicated in the Board's letter or Notice to Attend Court.
  8. My employee owes me money. Can I use the amount owed to me to offset the employer's share of CPF contributions that is payable on his wages?  
-You are required to pay both the employer and employee's share of CPF contributions based on the monthly wages payable to your employee at the prevailing CPF contribution rates.
  9. Can I agree to my employee's request not to be paid CPF contributions so that he can get higher take-home pay?  
-You should not agree to your employee's request not to be paid CPF contributions so that he can get higher take-home pay. Failure to pay CPF contributions to an employee (i.e. Singapore Citizen or Singapore Permanent Resident who is employed in Singapore under a contract of service) is an offence under the CPF Act.
  10. What should I do if I am unable to pay my employees their CPF contributions on time?  
-It is the employer's obligation to ensure that CPF contributions are paid on time and to communicate the CPF contributions payment dates to your employees. Your employees have the right to check with you on the non-payment of their CPF contributions, including asking for an explanation and when you will be making payment. CPF contributions are important to employees for their housing, healthcare and retirement needs. Information on the payment date and amount of CPF contributions will help them to manage their financial needs and commitments.

If you are unable to pay your employees their CPF contributions on time, you have to ensure that the CPF arrears are paid as soon as possible and that the CPF contributions are accorded priority amongst the company's outstanding payments. You should also inform your employees beforehand the reasons for being late and when they can expect the payment.

CPF Board takes a serious view of employers who default on CPF contributions. The due date for CPF contributions is on the last day of the calendar month.

Enforcement action would be taken against employers who fail to pay by the 14th of the following month (or the next working day if the 14th falls on a Saturday, Sunday

or Public Holiday). This includes imposing late payment interest charged at 1.5% per month commencing from the first day after the due date.

11. Why is composition amount imposed on employers or platform operators?

-It is an offence under the CPF Act for late and/or non-payment of CPF contributions and late payment interest. The composition amount is offered to allow defaulting employers or platform operators to settle their CPF offences out of court, after settling the CPF arrears.

Prosecution actions will be taken against employers or platform operators who do not settle the CPF arrears and compound the offence out of court, before the deadline given.

12. I incurred late payment interest for my employee's late CPF contribution as he did not inform me of his Singapore Permanent Resident status. Can I recover the interest from him?

-The late payment interest is payable by the employer. It is an offence for employers to recover any sum in excess of the employee's share of CPF contributions from his wages.

## Applying for refund of CPF contributions

### Refund of contributions made in excess of Additional Wage ceiling

13. How is the application process for refund and adjustment of CPF contributions improved?

-You will only need to complete a single form to apply for a refund or adjustment of CPF contributions paid instead of having to look through multiple forms.

It is important to rectify any errors in CPF contributions early while the documentary evidence is fresh. Please apply immediately and no later than one year from the payment date.

14. My employee and I do not wish to apply for refund. Can the excess CPF contributions be retained in the employee's CPF account?

-You should rectify any errors in CPF contributions early while the documentary evidence is fresh. Any request for refund of CPF contributions paid must be made immediately and no later than **one year from the date of payment of the CPF contributions**.

15. How can I apply for refund of excess CPF contribution paid above Additional Wage (AW) ceiling?

-From 1 April 2025, if contributions have been made in excess of the AW ceiling, you should apply for a refund by selecting 'Refund of payments made for 1

employee/platform worker', followed by the refund reason 'Paid CPF above additional wage ceiling'.

This change is designed to streamline the application process, such that the employer only needs to provide the requested refund amount and payment details for the affected month(s) instead of for 12 months of the year. You can use the AW ceiling calculator to derive the excess amount to be refunded.

16. How do I apply the Additional Wage ceiling for the following scenarios: a) Employee A is working for two companies concurrently? b) Employee B is transferred from another entity?

-The Additional Wage (AW) ceiling is applied on a per employer per calendar year basis.

As such, if your employee is working for two companies concurrently or if your employee is transferred from another entity, you must apply the AW ceiling separately.

17. I would like to rectify the contributions paid. Which action should I select in the application?

-Please select the action that is most applicable to you based on the scenarios listed in the table below:

- You overlooked your employee's age group or citizenship status and used wrong contribution rates. Then, Refund of payments made for 1 employee
- You paid CPF contributions for an employee who has left the company. Then, Refund of payments made for 1 employee
- You paid CPF contributions on a conditional wage which your employee has to repay as he did not fulfil certain conditions tied to the payment. Then, Refund of payments made for 1 employee
- You paid CPF contributions on paid annual leave which were later converted to no pay leave due to your employee's resignation/termination or extended no pay leave period. Then, Refund of payments made for 1 employee
- You estimated the annual AW ceiling and paid CPF contributions based on your employee's estimated AW Ceiling during the year. Then, Refund of payments made for 1 employee
- There were changes to the employees' Ordinary Wages which resulted in changes in the AW ceiling. Then, Refund of payments made for 1 employee
- You have made two CPF submissions for the same month. Then, Refund of payment made for entire submission

- You have selected the wrong contributions month and year during CPF submission. Then, Change contributions month and year (All entries in the contributions record)
- You have paid CPF contributions for your new employee before their commencement with the company. Then, Change contributions month and year (Entries on CPF contributions for selected employees)
- You have submitted using the wrong CPF Submission Number (CSN). Then, Change CPF Submission Number (All entries in the contributions record)
- You have paid CPF contributions for an employee who has been transferred to another CSN. Then, Change CPF Submission Number (Entries on CPF contributions for selected employees)
- You have paid CPF contributions for your employee using NRIC that does not belong to him or to the wrong employee. Then, Change payment recipient (change NRIC or CPF account number)

18. How do I check the status of my application for refund and adjustment of contributions paid?

- You can check the status of your application for refund and adjustment of contributions paid online.

19. I have paid excess CPF contributions above the Additional Wage (AW) ceiling and the CPF Annual Limit, how can I apply for a refund in these situations?

**- CPF contributions above the Additional Wage (AW) ceiling**

If you have paid excess CPF contributions exceeding the AW ceiling, you should apply for a refund by selecting 'Refund of payments made for 1 employee/platform worker'.

To apply for a refund of payment made more than one year from the current date, please write to us by selecting 'Compliance and rectifications' under Subject and 'Applying for Refund of CPF contributions' under Category.

**CPF contributions paid in excess of the CPF Annual Limit**

Starting February 2024, CPF contributions paid in excess of the CPF Annual Limit for the preceding year will be automatically refunded to the employer.

However, there is no need to wait for the annual automatic refund. If you have paid excess CPF contributions above the CPF Annual Limit, you should apply for a refund promptly. You can do this online by selecting 'Refund of payments made for 1 employee/platform worker'.

20. How do I calculate CPF contributions on Additional Wages (AW) paid before the end of the year/last month of employment?

- To determine the CPF contributions on Additional Wage (AW) payable, the AW ceiling has to be first calculated. The AW ceiling sets the maximum amount of AW on which CPF contributions are payable per year.

You should use current year's Ordinary Wages to estimate the Additional Wage ceiling whenever AW are payable for the current year.

Once the employee's total OW for the year are known, usually at the end of the year or in the last month of employment, you should re-calculate the AW ceiling based on the total OW subject to CPF contributions.

Any shortfall in the CPF contributions after the re-computation should be paid together with December's contributions or contributions for your employee's last month of employment, whichever is applicable. If you have overpaid the CPF contributions, you can apply for a refund by selecting 'Refund of payments made for 1 employee/platform worker'.

21. How do I calculate the Additional Wage (AW) ceiling and the amount that attracts CPF contributions?

- The Additional Wage (AW) ceiling sets the maximum amount of AW on which CPF contributions are payable per year. An employee's AW ceiling is computed on a per employer per year basis.

### **Refund of contributions made in excess of CPF Annual Limit-**

22. What is the CPF Annual Limit?

- The CPF Annual Limit sets the total mandatory and voluntary CPF contributions that can be made to an employee's CPF accounts in a calendar year; the current CPF Annual Limit is \$37,740.

23. Why did I receive a refund of excess CPF contributions paid to my employee(s) when I did not apply for the refund?

- Starting February 2024, CPF contributions paid in excess of the CPF Annual Limit for the preceding year will be automatically refunded to the employer's bank account under the Direct Debit arrangement maintained with CPF Board.

You are required to refund the employee's share of excess contributions, if any, directly to your employee.

As employers, you are required to ensure accurate CPF contributions up to the CPF Annual Limit per year for each employee by applying the Ordinary Wage (OW) ceiling and Additional Wage (AW) ceiling.

24. How will the employer be notified about the auto refund of excess CPF contributions, and what information will be provided?

- Employers will receive two notifications regarding the auto-refund of excess CPF contributions. In the first notification, employers will be notified on the impending refund of the excess CPF contributions paid for the relevant year. After the refund is successfully processed, employers will receive a second notification with the refund details such as the affected employee's details, refund month(s) and refunded amount.

The affected employee(s) will also receive two similar notifications.

It is important to note that refund details are only available in the second notification, as the refund is subject to the availability of funds in the employee's CPF account(s).

25. How do I check if I have paid excess CPF contributions for my employee?

- You can refer to the monthly CPF Record of Payment at CPF EZPay to check the total CPF contributions paid for your employee. Your employee would have exceeded the CPF Annual Limit if the total amount contributed for the year is more than \$37,740.

26. How are the excess CPF contributions derived and from which month of my employee's CPF contributions be refunded?

- The excess CPF contributions are derived by subtracting the CPF Annual Limit of \$37,740 from the total mandatory CPF contributions paid for the year, and refunded from the latest month which excess CPF contributions were paid on the Ordinary Wage.

27. When am I required to refund the employee's share of excess CPF contributions?

- You are required to refund the employee's share of excess CPF contributions to the employee once you receive the refund from the CPF Board.

28. What should I do if I have already submitted a refund application prior to the refund initiated by the CPF Board?

- No further action is required by you. The CPF Board will consider the total contributions paid for the year and automatically refund any excess contributions paid above the CPF Annual Limit and/or Additional Wage ceiling.

29. Why is the refunded amount less than the excess CPF contributions made for the year?

- The refunded amount is based on the available balances in your employee's CPF account(s). If there are insufficient funds for the full refund, you will receive a partial refund instead.



30. Can I request CPF Board to refund the employee's share of excess CPF contributions directly to my employee?

- The full excess CPF contributions will be refunded to the employer. The employer is required to refund the employee's share of excess CPF contributions, if any, directly to the employee.

You can use the Additional Wage ceiling calculator to calculate the excess contributions. The calculator will help you determine the total excess amount, and the breakdown for employer and employee's shares.

31. How do I refund the employee's share of excess CPF contributions if the employee has already resigned?

- You may wish to liaise directly with the resigned employee on the employee's preferred mode of payment.

32. I have paid excess CPF contributions above the Additional Wage (AW) ceiling and the CPF Annual Limit, how can I apply for a refund in these situations?

**- CPF contributions above the Additional Wage (AW) ceiling**

If you have paid excess CPF contributions exceeding the AW ceiling, you should apply for a refund by selecting 'Refund of payments made for 1 employee/platform worker'.

To apply for a refund of payment made more than one year from the current date, please write to us by selecting 'Compliance and rectifications' under Subject and 'Applying for Refund of CPF contributions' under Category.

**CPF contributions paid in excess of the CPF Annual Limit**

Starting February 2024, CPF contributions paid in excess of the CPF Annual Limit for the preceding year will be automatically refunded to the employer.

However, there is no need to wait for the annual automatic refund. If you have paid excess CPF contributions above the CPF Annual Limit, you should apply for a refund promptly. You can do this online by selecting 'Refund of payments made for 1 employee/platform worker'.

**Refund of contributions made for 1 employee or entire submission-**

33. What are conditional wages?

- Conditional wages are wages paid to employee with condition(s) attached. Depending on the terms of employment or mutual agreement, such wages are repayable to employer when the employee fails to fulfil the condition(s). Below are some examples of conditional wages:

<b>Conditional Wages</b>	<b>Condition</b>	<b>Reason(s) for Failure to Fulfil the Condition</b>
Sign-on/Retention bonus	Fulfilment of minimum service period	(a) Resignation (b) Termination
Conditional performance bonus		
Paid annual leave		Resignation/termination resulting in a reduction of annual leave entitlement which has to be converted to no pay leave
Commission	Meeting of performance/sales target(s)	Did not meet the agreed target(s)
Conditional salary increments		
Advance salary paid on sales of goods/services	Return of goods/services	Goods or services were returned, e.g. due to client's cancellation of insurance policy during free-look period etc.
Paid study leave	Completion of course	Failure to complete course
Conditional salary increments		

34. How do we determine the date of conditional wages repayable?

- The date of conditional wages repayable is the date on which the employee's obligation to repay the conditional wages arises due to non-fulfilment of the condition(s) tied to the payment, under the terms of employment or mutually agreed between the employer and employee.

Below are the guidelines that can be used in determining the date of wages repayable:

Conditional Wages	Condition	Guidelines - Date of Wages Repayable
Sign-on/Retention bonus	Fulfilment of minimum service period	Last date of service
Conditional performance bonus		
Paid annual leave		(a) Last date of service (for resignation/termination) or (b) Commencement date of no pay leave (for staff still in-service)
Commission	Meeting of performance/sales target(s)	1. Repayable date as provided in employment contract or any other relevant agreement
Conditional salary increments		(b) Computation date* if (a) is not applicable *The date which employer is able to establish the amount of conditional wages
Advance salary paid on sales of goods/services	Return of goods/services	Repayable by the employee to the employer
Paid study leave	Completion of course	(a) Course discontinuation date or (b) Repayable date as provided in employment contract or any other relevant agreement

35. Do I need to refund the employee's share of CPF contributions to employee before applying for a refund of the contributions paid in error/on conditional wages repayable?

- It is the employer's responsibility to ensure that the employee's share of CPF contributions is deducted correctly. Therefore, the employer must refund the employee's share of CPF contributions (where applicable) to employee before applying for the refund. If the refund application is successful, both employer's and employee's share of contributions will be refunded to the employer.

36. I overpaid the late payment interest. Must I apply for a refund of the excess amount?

- CPF Board will automatically refund the excess late payment interest to:

- Your bank account maintained with the Board if you have an existing Direct Debit arrangement with the Board; OR
- Your Corporate PayNow bank account.

You will receive a letter informing you of the outcome of the refund.

37. Which refund reason should I select for my refund of contributions paid?

- You should select the reason which best describes your reason for overpayment of CPF contributions. You may refer to this list of reasons (PDF, 55KB) which illustrates some examples for each refund reason.

38. Why must refund or adjustment of CPF contributions paid in error be made immediately and no later than one year from the date of payment of the CPF contributions?

- Any errors in CPF contributions should be rectified early while the documentary evidence is fresh. To encourage employers and employees to check their CPF contributions and come forward to rectify errors as soon as possible, any request for refund and adjustment of CPF contributions paid in error must be made immediately and no later than one year from the date of payment of the CPF contributions.

39. One of my staff had left service last month but I have wrongly used the previous template for submission, should I re-submit another template without that resigned staff's details again?

- You should apply for a refund of CPF contributions that were paid in error for the employee who resigned.

40. Five out of my 20 staff have salary revision this month and I have already submitted the CPF contributions using the previous template. Should I re-submit the correct details for all the staff?

- You should pay the shortfall of the CPF contribution for the five affected staff only.

41. How long does CPF Board take to process my application for refund of contributions paid?

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Service	Normal Processing Time
Refund and adjustment of contributions paid	Within one month upon receipt of the necessary information*

\*This excludes the two working days that banks require to credit the monies to your bank account.

As we are currently experiencing high volume of applications, a longer processing time may be expected for your application(s). Once your application(s) have been successfully processed, we will notify you on the details of the refund.

42. I would like to rectify the contributions paid. Which action should I select in the application?

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Scenarios	Action(s)
1. You overlooked your employee's age group or citizenship status and used wrong contribution rates.  2. You paid CPF contributions for an employee who has left the company.  3. You paid CPF contributions on a conditional wage which your employee has to repay as he did not fulfil certain conditions tied to the payment.  4. You paid CPF contributions on paid annual leave which were later converted to no pay leave due to your employee's resignation/termination or extended no pay leave period.  5. You estimated the annual AW ceiling and paid CPF contributions based on your employee's estimated AW Ceiling during the year.  6. There were changes to the employees' Ordinary Wages which resulted in changes in the AW ceiling.	<ul style="list-style-type: none"> <li>• Refund of p</li> </ul>
7. You have made two CPF submissions for the same month.	<ul style="list-style-type: none"> <li>• Refund of p submissio</li> </ul>
8. You have selected the wrong contributions month and year during CPF submission.	<ul style="list-style-type: none"> <li>• Change co (All entries</li> </ul>
9. You have paid CPF contributions for your new employee before their commencement with the company.	<ul style="list-style-type: none"> <li>• Change co (Entries on for <b>selecte</b></li> </ul>
10. You have submitted using the wrong CPF Submission Number (CSN).	<ul style="list-style-type: none"> <li>• Change CP (All entries</li> </ul>

11. You have paid CPF contributions for an employee who has been transferred to another CSN.	<ul style="list-style-type: none"> <li>Change CPF contributions (Entries on for <b>selecte</b></li> </ul>
12. You have paid CPF contributions for your employee using NRIC that does not belong to him.	
13. You have paid CPF contributions for the wrong employee.	

43. How do I check the status of my application for refund and adjustment of contributions paid?

- You can check the status of your application for refund and adjustment of contributions paid online.

44. I have made duplicate CPF submissions for the same month in error. Can I request refund of the payment made for the incorrect submission?

- You should apply for a refund by selecting 'Refund of payment made for entire submission' in the online application. The application has to be made immediately and no later than one year from the date of payment.

### Applying for adjustment of CPF contributions

45. If I have accidentally submitted the CPF contribution twice, what should I do?

- If you have accidentally submitted your CPF contribution twice, you can apply for a full refund of the wrong submission immediately and no later than one year from the date of payment.

46. How long does it take for CPF Board to process my application for adjustment of contributions paid?

- Please refer to the table for the service standards in processing your application for adjustment of contributions paid.

Service	Normal Processing Time
Refund and adjustment of contributions paid	Within one month upon receipt of the necessary information

47. I have made errors in my CPF submission. How can I rectify them?

- If there are errors in your CPF submission, you should apply to make adjustment to the submission online immediately and no later than one year from the date of payment.

48. Why must refund or adjustment of CPF contributions paid in error be made immediately and no later than one year from the date of payment of the CPF contributions?

- Any errors in CPF contributions should be rectified early while the documentary evidence is fresh. To encourage employers and employees to check their CPF contributions and come forward to rectify errors as soon as possible, any request for refund and adjustment of CPF contributions paid in error must be made immediately and no later than one year from the date of payment of the CPF contributions.