

# WHAT EMPLOYERS NEED TO KNOW ABOUT SKILLS DEVELOPMENT LEVY (SDL)



## WHAT IS SDL?

As required by law under the Skills Development Levy (SDL) Act, all employers are required to pay a monthly SDL for each of their employees working in Singapore. The SDL is a separate levy from other payments such as the Central Provident Fund (CPF) contribution or Foreign Worker Levy (FWL).

All SDL collected are channelled to the Skills Development Fund (SDF) which is used to support workforce upgrading programmes and to provide training grants to employers when they send their employees to attend training under our national Continuing Education and Training system.

The SDL and SDF are administered by the SkillsFuture Singapore Agency (SSG).

## WHAT IS SDL CONTRIBUTION RATE?

Currently, every employer shall pay SDL, at the rate of 0.25% of the first \$4,500 of each of their employees' monthly remuneration subject to:

- a minimum of \$2 (for employee earning \$800 or less a month)
- a maximum of \$11.25 (for employee earning \$4,500 or more a month)

## HOW TO PAY SDL?

The Central Provident Fund (CPF) Board is the authorised collection agency for SDL. Employers can pay SDL together with their employees' CPF contributions via the following options:

- CPF e-Submit@web
- CPF e-Submit@AXS (for employers with 10 or fewer employees)
- Payment Advice (CPF Form 91)

Employers with only foreign employees can pay SDL directly to SSG either via GIRO or by issuing a cross cheque payable to 'Skills Development Fund' (details such as Organisation's name, period of payment, contact person, contact address should be provided). Employers can refer to the SSG [website](#) for more details on SDL payment. Alternatively, employers can also [E-mail](#) SSG or contact us at **6785 5785**.

## WHEN TO PAY SDL?

SDL payment should be made by the 14th day of the following month (for every month that the employee is hired). For late payment, SSG will impose a penalty of 10% per annum on the outstanding amount.

[Click here](#) or contact us at **6785 5785** for more information on SDL.