

# WHO SHOULD RECEIVE CPF CONTRIBUTIONS

**ACHI BIZ SERVICES PTE. LTD.** is glad to share the FAQs about Who should receive CPF contributions from the CPF Board.

## FAQ ABOUT WHO SHOULD RECEIVE CPF CONTRIBUTIONS

Understand the definition of employees, and who are exempted from receiving CPF contributions.

1	<p><b>If my foreign employees request to contribute to CPF, can I make CPF contributions for them?</b></p> <p>CPF is a comprehensive social security system that is intended to support Singapore Citizens and Singapore Permanent Residents (SPRs). From 1 January 2003, CPF contributions are exempted for foreign employees as they may not retire here in Singapore. Therefore, CPF contributions are only payable for Singapore Citizens and SPRs.</p> <p>For foreigners who wish to save voluntarily for their own retirement, they may instead consider <a href="#">Supplementary Retirement Scheme (SRS)</a>.</p>
2	<p><b>Besides CPF contributions, is CPF Board the collecting agent for other payments?</b></p> <p>The CPF Board is also the collecting agent for the following payments:</p> <ol style="list-style-type: none"><li>1. <a href="#">Skills Development Levy (SDL)</a></li><li>2. <a href="#">Mosque Building and Mendaki Fund (MBMF)</a></li><li>3. <a href="#">Singapore Indian Development Association (SINDA) Fund</a></li><li>4. <a href="#">Chinese Development Assistance Council (CDAC) Fund</a></li><li>5. <a href="#">Eurasian Community Fund (ECF)</a></li><li>6. <a href="#">SHARE Programme Donations</a></li></ol>
3	<p><b>What is a contract of service?</b></p> <p>BIZ &amp; RECRUIT SPECIALIST</p> <p>A contract of service is an agreement in which one person agrees to employ another as an employee, and the other person agrees to serve the employer as an employee. The agreement can be in writing, verbal, expressed or implied.</p> <p>Please refer to the <a href="#">Ministry of Manpower website</a> for more information on a contract of service.</p>
4	<p><b>Are CPF contributions payable for employees of General Conference Corporation of Seventh-Day Adventists?</b></p> <p>CPF contributions are exempted for employees who are employed by the General Conference Corporation of Seventh-Day Adventists under a contract of service or other agreement entered into outside Singapore and who are not domiciled in Singapore.</p>
5	<p><b>How do I contact the CPF Board on employer matters?</b></p> <p>Our website provides comprehensive information on CPF matters. You may find the answers you need from our <a href="#">Frequently Asked Questions (FAQs)</a>. This is the quickest way to get your answer.</p> <p>If your queries are not found in the FAQs, you can <a href="#">contact us</a>.</p>

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6	<p><b>What is the minimum age for your employees to qualify for CPF contributions?</b></p> <p>Your employees are required to pay CPF contributions as long as they are Singapore Citizens or Singapore Permanent Residents, and are employed in Singapore under a <a href="#">contract of service</a>.</p>
7	<p><b>Are CPF contributions payable by the holding company or the subsidiary company if my employee is seconded from the holding company to the subsidiary company?</b></p> <p>The employer who had entered into an employment contract with the employee is required to pay the CPF contributions.</p>
8	<p><b>Who is exempted from receiving CPF contributions?</b></p> <p><a href="#">Employees</a> should receive CPF contributions from their employers. However, the following employees are exempted from receiving CPF contributions:</p> <ol style="list-style-type: none"><li><b>1. Students who fulfil exemption criteria.</b> Find out more about <a href="#">who you need to pay CPF contributions for</a> (PDF, 0.2MB) under the header "Students".</li><li><b>2. Foreigners.</b> Persons who are not Singapore Citizens or Permanent Residents.</li><li><b>3. Domestic employees with employment not exceeding 14 hours in any week.</b> Examples include cooks, maids and gardeners.</li><li><b>4. Employees of the United Nations (UN) Organisation, or any agency or institution of the United Nations Organisation stationed in Singapore.</b> Please refer to the <a href="#">UN website</a> for the list of organisations that are part of the UN Organisation under the headers "United Nations Organs and Programmes" and "Specialized Agencies and other Organizations".</li><li><b>5. Seamen who are Singapore Citizens and are employed:</b><ol style="list-style-type: none"><li>i. in a Swedish ship on terms and conditions of service applicable to Swedish seamen; or</li><li>ii. in a Norwegian ship on terms and conditions of service applicable to Norwegian seamen; or</li><li>iii. by the East Asiatic Co. Ltd. of Denmark on terms and conditions of the agreement between the Danish Shipowners' Association and the Seamen's Union in Denmark.</li></ol></li></ol>
9	<p><b>Are CPF contributions payable for part-time, casual or temporary employees?</b></p> <p>CPF contributions are payable for part-time, casual or temporary employees who are:</p> <ul style="list-style-type: none"><li>• Singapore Citizens or Permanent Residents,</li><li>• Engaged under a <a href="#">contract of service</a>, and</li><li>• Earning total wages of more than \$50 per month.</li></ul>

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10	<p><b>What should I do if I am unable to pay my employees their CPF contributions on time?</b></p> <p>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.</p> <p>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.</p> <p>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. <b>Enforcement action</b> would be taken against employers who fail to pay by the 14<sup>th</sup> of the following month (or the next working day if the 14<sup>th</sup> 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.</p> <p>Find out more on your obligations as an employer under the CPF Act and the Employment Act at the <a href="#">Workright website</a>.</p>
11	<p><b>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?</b></p> <p>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.</p>
12	<p><b>Are CPF contributions payable on compensation in lieu of notice?</b></p> <p>CPF contributions are not payable on compensation in lieu of notice payable by you to your employee. However, CPF contributions are still payable on the wages given to your employee until his last date of employment.</p> <p>If your employee must pay you compensation in lieu of notice and you decide to offset the compensation against the wages payable to your employee, CPF contributions are still payable on the wages before the offset.</p>
13	<p><b>What is the definition of an employee?</b></p> <p>Under the CPF Act, an employee is defined as:</p> <ul style="list-style-type: none"><li>• A person who is employed in Singapore under a <b>contract of service</b>; or</li><li>• A Singapore Citizen who is employed under a contract of service or other agreement entered into in Singapore as a master, seaman or apprentice in any vessel.</li></ul> <p>Find out more information on the <a href="#">different types of employees</a>.</p>

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14	<p><b>Are CPF contributions payable for my employee who is on overseas assignment?</b></p> <p>CPF contributions are payable if your employee is employed in Singapore but required to go overseas for assignment, e.g. overseas business trip, meeting overseas clients, attending overseas seminars, conferences and training.</p>
15	<p><b>Are CPF contributions payable for my employee, who is under overseas employment, if he returns to Singapore for personal reasons and works during the Stay Home Notice (SHN) period?</b></p> <p>If your employee is returning to Singapore for personal reasons, e.g. to celebrate festive holidays with his family, and will be working remotely in Singapore for you during the Stay Home Notice (SHN) period, CPF contributions are not payable for him since working during the SHN period is a temporary work arrangement due to COVID-19 restrictions.</p>
16	<p><b>Are CPF contributions payable for law pupils?</b></p> <p>Based on the law practice training guidelines of the Singapore Institute of Legal Education (SILE), the factors in a Practice Training Contract do not point towards a <u>contract of service</u>. Generally, CPF contributions are not payable for law pupils, i.e. law graduates who are serving their practice service period.</p> <p>However, if the law graduates enter into a contract of employment with the law firm, CPF contributions are payable on wages given to your employees.</p>
17	<p><b>Are CPF contributions payable for directors?</b></p> <p>CPF contributions are not payable on directors' fees voted to them at General Meetings.</p> <p>However, if the directors of the company are also engaged under a <u>contract of service</u>, CPF contributions are payable on the wages received.</p>
18	<p><b>Do I need to contribute CPF for consultants?</b></p> <p>CPF contributions are payable for consultants who are employed under a contract of service. If a consultant is providing his services under a contract for service, CPF contributions are not required for these self-employed persons who have to pay MediSave contributions.</p> <p>Please refer to the <a href="#">Ministry of Manpower website</a> for more information on a contract of service.</p>

**PLEASE VISIT US ONLINE FOR COMPREHENSIVE CORPORATE SERVICES IN SINGAPORE AT:**

**[HTTPS://ACHIBIZ.COM](https://achibiz.com)**

<b><u>SOURCE:</u></b>	<b><u>CPF BOARD</u></b>
<b>Our Last Update:</b>	<b>27-FEB-2022</b>

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## Who should receive CPF contributions (Source FAQs with direct links)

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- 3) [What is a contract of service?](#)
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- 17) [Are CPF contributions payable for directors?](#)
- 18) [Do I need to contribute CPF for consultants?](#)

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