



## SINGAPORE: Change in CPF Contributions from 1 January 2024

In Singapore, employers who employ local staff (Singaporean citizen and foreigner granted the permanent residency status - **PR**) must contribute CPF monthly; the amount of CPF due depends on (i) the total salary (ordinary wages + additional wages) of the employee concerned; and (ii) the age of the employee concerned.

Starting from **1 January 2024**, an increase in both the CPF monthly salary ceiling to be considered to compute the contribution, and the CPF contribution rates, will apply.

These changes follow the recent, previous changes of CPF contributions occurred in September 2023; all such changes were announced in the Singapore Budget 2023, and programmed to take place progressively, over four steps, to allow employers and employees to adjust to the increase. The increase will be completed by 2026.

We summarize here below the upcoming changes.

### **1. CPF SALARY CEILING**

Currently, CPF is calculated on the salary of the employee, with a maximum threshold of 6,300 Sgd / month and with a total annual ceiling of 102,000 Sgd.

Starting from 1 January 2024, the new threshold will be:

- Monthly ordinary wage: CPF is calculated up to the first **6,800 Sgd / month**,
- Total annual ceiling: **102,000 Sgd** (no changes).

Moreover, the CPF board will progressively raise the said monthly threshold ceiling, provided that the total annual ceiling (102,000 Sgd) will remain unchanged:

<b>Timeline</b>	<b>Monthly ordinary wage ceiling</b>
From 1 September to 31 December 2023	6,300 Sgd
From 1 January to 31 December 2024	6,800 Sgd
From 1 January to 31 December 2025	7,400 Sgd
From 1 January 2026	8,000 Sgd

Therefore, from 1 January 2024, the CPF contributions due will be calculated based on the revised threshold above.

### **2. CPF CONTRIBUTION RATES**

The CPF rates applicable to employer's and employee's contribution will be increased regarding those **employees aged between 55 to 70 years old**, to strengthen their retirement adequacy.

The revised rates will apply to wages earned from **1 January 2024**, as follows:

Employee age	Current CPF contribution (Employer + Employee)	CPF contribution rates from 1 January 2024		
		Employer + Employee	Employer	Employee
55 and below	37%	37% (no changes)	17%	20%
Above 55 to 60	29.5%	31% (+1.5%)	15%	16%
Above 60 to 65	20.5%	22% (+1.5%)	11.5%	10.5%
Above 65 to 70	15.5%	16.5% (+1%)	9%	7.5%
Above 70	12.5%	12.% (no changes)	7.5%	5%

Lastly, it must be noted that, based on the current changes' rule, the above-mentioned revision of CPF rates will not affect the current contribution rates for first- and second-year Singapore Permanent Residents.

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If you would require assistance on CPF matters, please feel free to contact us.

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