

## **CPF Board Advisory**

Dear Employers

Why do rounding rules matter for CPF contributions?

As an employer, it is crucial that you make correct and timely CPF contributions for your employees. Inaccurate or late contributions will incur late payment interest and other penalties. In addition, you will have to make good all outstanding contributions and any shortfall.

To avoid making incorrect CPF contributions and the hassle of rectifying the error, you should ensure these rounding rules are correctly administered when determining the contribution for each employee.

- (a) the total CPF contribution payable by the employer should be rounded off to the nearest dollar e.g. \$3.20 should be rounded down to \$3.00 and \$3.50 should be rounded up to \$4.00.
- (b) the employee's share of CPF contribution (i.e. the amount recoverable by the employer from the employee's wages) should be rounded down to the nearest dollar e.g. \$1.50 should be rounded down to \$1.00 and \$2.80 should be rounded down to \$2.00.

The employer's share of CPF contribution should be calculated by subtracting the employee's share of CPF contribution from the total CPF contribution.

If you need further clarification, please email us at [employer-submission@cpf.gov.sg](mailto:employer-submission@cpf.gov.sg) or call the CPF e-Submission Helpdesk at 6220-2340.

Yours Sincerely,

Provident and Tax Team