

## Changes to CPF with effect from 1 January 2016

From January 2016, there will be an increase in the CPF Salary ceiling and an increase in CPF contribution rates for older workers. The 3 key initiatives as follow:

- (i) Higher CPF Salary Ceiling and Supplementary Retirement Scheme (SRS) Contribution Cap
- The CPF salary ceiling will be raised from \$5,000 to \$6,000 effective from 1 Jan 2016.
  - Annual contribution cap within the SRS will be raised in line with the higher CPF salary ceiling from 1 Jan 2016.

	Singaporean / Singapore Permanent Resident	Foreigner
<b>Current Cap</b>	\$12,750	\$29,750
<b>New Cap</b>	\$15,300	\$35,700

- The existing limits on tax reliefs on CPF and SRS contributions will be raised accordingly.
- The additional wage ceiling will be increased accordingly to \$102,000 less total Ordinary Wage subject to CPF for the year

- (ii) Raising CPF Contribution Rates for Older Worker
- The CPF contribution rates for workers aged 50 to 65 will be increased from 1 Jan 2016 per table below.

Employee Age	Contribution Rate (% of wage)		
	Contribution by Employer	Contribution by Employee	Total
<b>Above 50 to 55</b>	17 (16 + 1)	20 (19 + 1)	37 (35 + 2)
<b>Above 55 to 60</b>	13 (12 + 1)	13	26 (25 + 1)
<b>Above 60 to 65</b>	9 (8.5 + 0.5)	7.5	16.5 (16 + 0.5)

- The increase in employer contribution rates will go to the Special Account. The increase in employee contribution rates will go to the Ordinary Account.

- (iii) Enhancing Progressively through extra CPF interest
- An additional 1% extra interest on the first \$30,000 of CPF balances will be provided from the age of 55. This will take effect from 1 Jan 2016.
  - Together with the existing 1% extra interest on the first \$60,000 of CPF balances, older CPF members can earn up to 6% interest on their balances. See table below for CPF interest for members aged 55 years and above from 1 Jan 2016.

CPF Balances	Interest Rate
<b>First \$30,000</b>	6%
<b>Next \$30,000</b>	5%
<b>Amounts above \$60,000</b>	4%

For more information, please [click here](#).

### **New guidelines for employers with effect from 1 April 2016**

From 1 April 2016, all employers will be required to issue itemised payslips and key employment terms (KETs) to employees covered under the Employment Act. There will also be a new framework to treat less severe breaches of the Employment Act.

### **What should be included in itemized pay slips?**

Number	Item description
1	Full name of employer.
2	Full name of employee.
3	Date of payment (or dates, if the payslips consolidates multiple payments).
4	Basic salary For hourly, daily or piece-rated workers, indicate all of the following: - Basic rate of pay, e.g. \$X per hour. - Total number of hours or days worked or pieces produced.
5	Start and end date of salary period.
6	Allowances paid for salary period, such as: - All fixed allowances, e.g. transport. - All ad-hoc allowances, e.g. one-off uniform allowance.
7	Any other additional payment for each salary period, such as: - Bonuses - Rest day pay - Public holiday pay
8	Deductions made for each salary period, such as: - All fixed deductions (e.g. employee's CPF contribution). - All ad-hoc deductions (e.g. deductions for no-pay leave, absence from work)
9	Overtime hours worked.
10	Overtime pay.
11	Start and end date of overtime payment period (if different from item 5 start and end date of salary period).
12	Net salary paid in total.

The items include are as follow where applicable. For example, if overtime is not applicable payslip need not include items 9 to 11.

For more information, please [click here](#).

**Employers must issue KETs in writing to all employees who:**

- Enter into a contract of service on or after 1 April 2016.
- Are covered by the Employment Act.
- Are employed for 14 days or more.

**What should be included?**

KETs must include the items below, unless the item is not applicable.

Number	Item description
1.	Full name of employer
2.	Full name of employee
3.	Job title, main duties and responsibilities
4.	Start date of employment
5.	Duration of employment (if employee is on fixed-term contract)
6.	Working arrangements, such as: <ul style="list-style-type: none"><li>- Daily working hours (e.g. 8.30am - 6pm)</li><li>- Number of working days per week (e.g. six)</li><li>- Rest day (e.g. Saturday)</li></ul>
7.	Salary period
8.	Basic salary For hourly, daily or piece-rated workers, employers should also indicate the basic rate of pay (e.g. \$X per hour, day or piece).
9.	Fixed allowances
10.	Fixed deductions
11.	Overtime payment period (if different from item 7 salary period)
12.	Overtime rate of pay
13.	Other salary-related components, such as: <ul style="list-style-type: none"><li>- Bonuses</li><li>- Incentives</li></ul>
14.	Type of leave, such as: <ul style="list-style-type: none"><li>- Annual leave</li><li>- Outpatient sick leave</li><li>- Hospitalisation leave</li><li>- Maternity leave</li><li>- Childcare leave</li></ul>
15.	Other medical benefits, such as: <ul style="list-style-type: none"><li>- Insurance</li><li>- Medical benefits</li><li>- Dental benefits</li></ul>
16.	Probation period
17.	Notice period

For more, please [click here](#).

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