

## **ADDITIONAL WAGE (AW) CEILING**

The AW Ceiling sets the maximum amount of AW that CPF contributions are payable. An employee's AW Ceiling is computed on a per employer per year basis.

The AW Ceiling for 2016 is as follows:

\$102,000^ - Total Ordinary Wages (TOW) subject to CPF for the year

^Equivalent to 17 months x \$6,000

Employers are allowed to use either the previous year's monthly Ordinary Wages or current year's monthly Ordinary Wages to estimate the AW Ceiling. This is to allow more flexibility for employers to estimate the AW Ceiling more accurately and correctly for their new employees.

Employers should re-calculate the AW Ceiling based on the actual TOW subject to CPF contributions at the end of the year or upon employee's resignation. Any shortfall in the CPF contributions should be paid together with December's contributions or contributions for the employee's last month of employment, whichever is applicable.

Employers should only pay CPF contributions on the AW up to the AW Ceiling. If excess contributions are made, employers and employees should apply for a refund.

All applications must be submitted when the Total Wages (TW) for the year is known. [Online applications](#) can be submitted through the E-services page at the CPF website.

Note: The applicable AW Ceiling is dependent on when the AW is due and payable. For example if the bonus for 2015 is due and payable to the employee in 2016, the 2016 AW Ceiling will apply.

**Note:**

*You will need the following information before you calculate your employee's AW Ceiling:*

- *Your employee's previous year's wage records*
- *Your employee's current year's wage records*

## CALCULATING THE AW CEILING

The following examples show how the AW Ceiling is calculated:

- A) [Employee with OW > \\$6,000 and works till end of the year \(2 examples\)](#)
- B) [Employee with OW > \\$6,000 and resigns during the year \(2 examples\)](#)
- C) [Employee with OW < \\$6,000 and works till end of the year without any changes on the OW \(2 examples\)](#)
- D) [Employee with OW < \\$6,000 and works till end of the year with increment in Mar and AW paid in Mar\(2 examples\)](#)
- E) [Employee with OW < \\$6,000 and works till end of the year with increment in Apr but AW paid in Mar \(2 examples\)](#)
- F) [Employee with OW < \\$6,000 and resigns during the year without any changes on the OW \(2 examples\)](#)
- G) [Employee with OW < \\$6,000 and resigns during the year with increment in Mar and AW paid in Mar\(2 examples\)](#)
- H) [Employee with OW < \\$6,000 and resigns during the year with increment in Apr but AW paid in Mar \(2 examples\)](#)

A) Existing employee with Ordinary Wages (OW) > \$6k and works till end of the Year

Q1. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$7,000. He receives Additional Wages (AW) of \$50,000 in February 2016. How do I estimate his AW Ceiling for the year 2016?

A1. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when the Total Ordinary Wages (TOW) subject to CPF for the year is not known, you are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$30,000 (\$102,000 – [\$6,000 x12]) in February 2016.

If your employee works till the end of the year, you are not required to make good any shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	New employee joined the company in July 2015 with OW = \$7,000	\$7,000	\$6,000	\$1,020	\$1,200				
Feb		\$7,000	\$6,000	\$1,020	\$1,200	\$50,000	\$30,000	\$5,100	\$6,000
Mar		\$7,000	\$6,000	\$1,020	\$1,200				
Apr		\$7,000	\$6,000	\$1,020	\$1,200				
May		\$7,000	\$6,000	\$1,020	\$1,200				
Jun		\$7,000	\$6,000	\$1,020	\$1,200				
Jul		\$7,000	\$6,000	\$1,020	\$1,200				
Aug		\$7,000	\$6,000	\$1,020	\$1,200				
Sep		\$7,000	\$6,000	\$1,020	\$1,200				
Oct		\$7,000	\$6,000	\$1,020	\$1,200				
Nov		\$7,000	\$6,000	\$1,020	\$1,200				
Dec		\$7,000	\$6,000	\$1,020	\$1,200				
<b>Total</b>		<b>\$84,000</b>	<b>\$72,000</b>	<b>\$12,240</b>	<b>\$14,400</b>	<b>\$50,000</b>	<b>\$30,000</b>	<b>\$5,100</b>	<b>\$6,000</b>

Q2. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$7,000. He receives two Additional Wages (AW) payouts in 2016 i.e. \$20,000 in February 2016 and \$30,000 in July 2016. How do I estimate his AW Ceiling for the year 2016?

A2. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, you are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$20,000 for February 2016 and on AW of \$10,000 (\$102,000 – [\$6,000 x 12] - \$20,000) for July 2016.

If your employee works till the end of the year, you are not required to make good any shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	New employee joined the company in July 2015 with OW = \$7,000	\$7,000	\$6,000	\$1,020	\$1,200				
Feb		\$7,000	\$6,000	\$1,020	\$1,200	\$20,000	\$20,000	\$3,400	\$4,000
Mar		\$7,000	\$6,000	\$1,020	\$1,200				
Apr		\$7,000	\$6,000	\$1,020	\$1,200				
May		\$7,000	\$6,000	\$1,020	\$1,200				
Jun		\$7,000	\$6,000	\$1,020	\$1,200				
Jul		\$7,000	\$6,000	\$1,020	\$1,200	\$30,000	\$10,000	\$1,700	\$2,000
Aug		\$7,000	\$6,000	\$1,020	\$1,200				
Sep		\$7,000	\$6,000	\$1,020	\$1,200				
Oct		\$7,000	\$6,000	\$1,020	\$1,200				
Nov		\$7,000	\$6,000	\$1,020	\$1,200				
Dec		\$7,000	\$6,000	\$1,020	\$1,200				
<b>Total</b>		<b>\$84,000</b>	<b>\$72,000</b>	<b>\$12,240</b>	<b>\$14,400</b>	<b>\$50,000</b>	<b>\$30,000</b>	<b>\$5,100</b>	<b>\$6,000</b>

### B) Existing employee with Ordinary Wages (OW) > \$6k and resigns during the Year

Q3. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$7,000. He receives two Additional Wages (AW) of \$50,000 in February 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A3. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, you are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$30,000 (\$102,000 – [\$6,000 x12]) for February 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$18,000 (\$102,000 – [\$6,000 x 9] - \$30,000) together with the employee's contribution in his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$7,000	\$7,000	\$6,000	\$1,020	\$1,200				
Feb		\$7,000	\$6,000	\$1,020	\$1,200	\$50,000	\$30,000	\$5,100	\$6,000
Mar		\$7,000	\$6,000	\$1,020	\$1,200				
Apr		\$7,000	\$6,000	\$1,020	\$1,200				
May		\$7,000	\$6,000	\$1,020	\$1,200				
Jun		\$7,000	\$6,000	\$1,020	\$1,200				
Jul		\$7,000	\$6,000	\$1,020	\$1,200				
Aug		\$7,000	\$6,000	\$1,020	\$1,200				
Sep		\$7,000	\$6,000	\$1,020	\$1,200		\$18,000	\$3,060	\$3,600
<b>Total</b>		<b>\$63,000</b>	<b>\$54,000</b>	<b>\$9,180</b>	<b>\$10,800</b>	<b>\$50,000</b>	<b>\$48,000</b>	<b>\$8,160</b>	<b>\$9,600</b>

Q4. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$7,000. He receives two Additional Wages (AW) payouts in 2016 i.e. \$20,000 in February 2016 and \$30,000 in July 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A4. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$20,000 for February 2016 and on AW of \$10,000 (\$102,000 – [\$6,000 x 12] - \$20,000) for July 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$18,000 (\$102,000 – [\$6,000 x 9] - \$20,000 - \$10,000)) together with the employee's contribution in his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$7,000	\$7,000	\$6,000	\$1,020	\$1,200				
Feb		\$7,000	\$6,000	\$1,020	\$1,200	\$20,000	\$20,000	\$3,400	\$4,000
Mar		\$7,000	\$6,000	\$1,020	\$1,200				
Apr		\$7,000	\$6,000	\$1,020	\$1,200				
May		\$7,000	\$6,000	\$1,020	\$1,200				
Jun		\$7,000	\$6,000	\$1,020	\$1,200				
Jul		\$7,000	\$6,000	\$1,020	\$1,200	\$30,000	\$10,000	\$1,700	\$2,000
Aug		\$7,000	\$6,000	\$1,020	\$1,200				
Sep		\$7,000	\$6,000	\$1,020	\$1,200		\$18,000	\$3,060	\$3,600
<b>Total</b>		<b>\$63,000</b>	<b>\$54,000</b>	<b>\$9,180</b>	<b>\$10,800</b>	<b>\$50,000</b>	<b>\$48,000</b>	<b>\$8,160</b>	<b>\$9,600</b>

### C) Existing employee with Ordinary Wages (OW) < \$6k and works till end of the Year

Q5. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$100,000 in March 2016. How should I estimate his AW Ceiling for the year 2016?

A5. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$66,000 (\$102,000 – [\$3,000 x12]) for March 2016.

If your employee works till the end of the year with no change in his Ordinary Wages, his CPF on AW is correctly paid for 2016. You are not required to make good any shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	New employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$100,000	\$66,000	\$11,220	\$13,200
Apr		\$3,000	\$3,000	\$510	\$600				
May		\$3,000	\$3,000	\$510	\$600				
Jun		\$3,000	\$3,000	\$510	\$600				
Jul		\$3,000	\$3,000	\$510	\$600				
Aug		\$3,000	\$3,000	\$510	\$600				
Sep		\$3,000	\$3,000	\$510	\$600				
Oct		\$3,000	\$3,000	\$510	\$600				
Nov		\$3,000	\$3,000	\$510	\$600				
Dec		\$3,000	\$3,000	\$510	\$600				
<b>Total</b>		<b>\$36,000</b>	<b>\$36,000</b>	<b>\$6,120</b>	<b>\$7,200</b>	<b>\$100,000</b>	<b>\$66,000</b>	<b>\$11,220</b>	<b>\$13,200</b>

Q6. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives two Additional Wages (AW) payouts in 2016 i.e. \$40,000 in March 2016 and \$60,000 in July 2016. How do I estimate his AW Ceiling for the year 2016?

A6. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$40,000 for March 2016 and on AW of \$26,000 (\$102,000 – [\$3,000 x12] - \$40,000) for July 2016.

If your employee works till the end of the year with no change in his Ordinary Wages, his CPF on AW is correctly paid for 2016. You are not required to make good any shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$40,000	\$40,000	\$6,800	\$8,000
Apr		\$3,000	\$3,000	\$510	\$600				
May		\$3,000	\$3,000	\$510	\$600				
Jun		\$3,000	\$3,000	\$510	\$600				
Jul		\$3,000	\$3,000	\$510	\$600	\$60,000	\$26,000	\$4,420	\$5,200
Aug		\$3,000	\$3,000	\$510	\$600				
Sep		\$3,000	\$3,000	\$510	\$600				
Oct		\$3,000	\$3,000	\$510	\$600				
Nov		\$3,000	\$3,000	\$510	\$600				
Dec		\$3,000	\$3,000	\$510	\$600				
<b>Total</b>		<b>\$36,000</b>	<b>\$36,000</b>	<b>\$6,120</b>	<b>\$7,200</b>	<b>\$100,000</b>	<b>\$66,000</b>	<b>\$11,220</b>	<b>\$13,200</b>



D) Employee with OW < \$6,000 and works till end of the year with increment in Mar and AW paid in Mar

Q7. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$100,000 and a salary increment in March 2016. How do I estimate his AW Ceiling for the year 2016?

A7. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$56,000 (\$102,000 – {[\$3,000 x 2] + [\$4,000 x 10]}) for March 2016.

If your employee works till the end of the year, you are not required to make good any CPF shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$4,000	\$4,000	\$680	\$800	\$100,000	\$56,000	\$9,520	\$11,200
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800				
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800				
Oct		\$4,000	\$4,000	\$680	\$800				
Nov		\$4,000	\$4,000	\$680	\$800				
Dec		\$4,000	\$4,000	\$680	\$800				
<b>Total</b>		<b>\$46,000</b>	<b>\$46,000</b>	<b>\$7,820</b>	<b>\$9,200</b>	<b>\$100,000</b>	<b>\$56,000</b>	<b>\$9,520</b>	<b>\$11,200</b>

Q8. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$40,000 and a salary increment in March 2016. He receives another AW of \$60,000 in July 2016. How do I estimate his AW Ceiling for the year 2016?

A8. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$40,000 for March 2016 and on AW of \$16,000 (\$102,000 – {[\$3,000 x 2] + [\$4,000 x 10]} - \$40,000) for July 2016.

If your employee works till the end of the year, his CPF on AW is correctly paid for 2016. The employer is not required to make good any CPF shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$4,000	\$4,000	\$680	\$800	\$40,000	\$40,000	\$6,800	\$8,000
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800	\$60,000	\$16,000	\$2,720	\$3,200
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800				
Oct		\$4,000	\$4,000	\$680	\$800				
Nov		\$4,000	\$4,000	\$680	\$800				
Dec		\$4,000	\$4,000	\$680	\$800				
<b>Total</b>		<b>\$46,000</b>	<b>\$46,000</b>	<b>\$7,820</b>	<b>\$9,200</b>	<b>\$100,000</b>	<b>\$56,000</b>	<b>\$9,520</b>	<b>\$11,200</b>

E) Employee with OW < \$6,000 and works till end of the year with increment in Apr but AW paid in Mar

Q9. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$100,000 in March 2016 and a salary increment in April 2016. How do I estimate his AW Ceiling for the year 2016?

A9. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$66,000 (\$102,000 – [\$3,000 x 12]) for March 2016.

You should re-calculate the AW Ceiling based on the TOW subject to CPF contributions at the end of the year (\$102,000 – {[\$3,000 x 3] + [\$4,000 x 9]}). In this case, the actual AW Ceiling is \$57,000. Hence, the employer should apply for a refund of excess contributions paid on AW of \$9,000 (\$66,000 - \$57,000) for March 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$100,000	\$66,000	\$11,220	\$13,200
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800				
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800				
Oct		\$4,000	\$4,000	\$680	\$800				
Nov		\$4,000	\$4,000	\$680	\$800				
Dec		\$4,000	\$4,000	\$680	\$800		(\$9,000)	(\$1,530)	(\$1,800)
<b>Total</b>		<b>\$45,000</b>	<b>\$45,000</b>	<b>\$7,650</b>	<b>\$9,000</b>	<b>\$100,000</b>	<b>\$57,000</b>	<b>\$9,690</b>	<b>\$11,400</b>

Q10. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000 He receives Additional Wages (AW) of \$40,000 in March 2016 and a salary increment in April 2016. He receives another AW of \$60,000 in July 2016. How do I estimate his AW Ceiling for the year 2016?

A10. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW.

Based on the calculations, you need to pay CPF on the full AW of \$40,000 for March 2016 and on AW of \$17,000 (\$102,000 – {[\$3,000 x 3] + [\$4,000 x 9]} - \$40,000) for July 2016.

If your employee works till the end of the year, his CPF on AW is correctly paid for 2016. You are not required to make good any CPF shortfall.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$40,000	\$40,000	\$6,800	\$8,000
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800	\$60,000	\$17,000	\$2,890	\$3,400
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800				
Oct		\$4,000	\$4,000	\$680	\$800				
Nov		\$4,000	\$4,000	\$680	\$800				
Dec		\$4,000	\$4,000	\$680	\$800				
<b>Total</b>		<b>\$45,000</b>	<b>\$45,000</b>	<b>\$7,650</b>	<b>\$9,000</b>	<b>\$100,000</b>	<b>\$57,000</b>	<b>\$9,690</b>	<b>\$11,400</b>

F) Employee with OW < \$6,000 and resigns during the year without any changes on the OW

Q11. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$100,000 in March 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A11. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$66,000 (\$102,000 – [\$3,000 x 12]) for March 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$9,000 (\$102,000 – [\$3,000 x 9] - \$66,000) together with the employee's contribution for his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	New employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$100,000	\$66,000	\$11,220	\$13,200
Apr		\$3,000	\$3,000	\$510	\$600				
May		\$3,000	\$3,000	\$510	\$600				
Jun		\$3,000	\$3,000	\$510	\$600				
Jul		\$3,000	\$3,000	\$510	\$600				
Aug		\$3,000	\$3,000	\$510	\$600				
Sep		\$3,000	\$3,000	\$510	\$600		\$9,000	\$1,530	\$1,800
<b>Total</b>		<b>\$27,000</b>	<b>\$27,000</b>	<b>\$4,590</b>	<b>\$5,400</b>	<b>\$100,000</b>	<b>\$75,000</b>	<b>\$12,750</b>	<b>\$15,000</b>

Q12. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives two Additional Wages (AW) payouts in 2016 i.e. \$40,000 in March 2016 and \$60,000 in July 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A12. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$40,000 for March 2016 and AW of \$26,000 (\$102,000 – [\$3,000 x 12] - \$40,000) for July 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$9,000 (\$102,000 – [\$3,000 x 9] - \$40,000 - \$26,000) together with the employee's contribution for his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$40,000	\$40,000	\$6,800	\$8,000
Apr		\$3,000	\$3,000	\$510	\$600				
May		\$3,000	\$3,000	\$510	\$600				
Jun		\$3,000	\$3,000	\$510	\$600				
Jul		\$3,000	\$3,000	\$510	\$600	\$60,000	\$26,000	\$4,420	\$5,200
Aug		\$3,000	\$3,000	\$510	\$600				
Sep		\$3,000	\$3,000	\$510	\$600		\$9,000	\$1,530	\$1,800
<b>Total</b>		<b>\$27,000</b>	<b>\$27,000</b>	<b>\$4,590</b>	<b>\$5,400</b>	<b>\$100,000</b>	<b>\$75,000</b>	<b>\$12,750</b>	<b>\$15,000</b>

G) Employee with OW < \$6,000 and resigns during the year with increment in Mar and AW paid in Mar

Q13. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$100,000 and a salary increment in March 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A13. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$56,000 (\$102,000 – {[\$3,000 x 2] + [\$4,000 x 10]}) for March 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$12,000 (\$102,000 – {[\$3,000 x 2] + [\$4,000 x 7]} - \$56,000) together with the employee's contribution for his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$4,000	\$4,000	\$680	\$800	\$100,000	\$56,000	\$9,520	\$11,200
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800				
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800		\$12,000	\$2,040	\$2,400
<b>Total</b>		<b>\$34,000</b>	<b>\$34,000</b>	<b>\$5,780</b>	<b>\$6,800</b>	<b>\$100,000</b>	<b>\$68,000</b>	<b>\$11,560</b>	<b>\$13,600</b>

Q14. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$40,000 and a salary increment in March 2016. He receives another AW of \$60,000 in July 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A14. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$40,000 for March 2016 and on AW of \$16,000 (\$102,000 – {[(\$3,000 x 2) + (\$4,000 x 10)] - \$40,000) for July 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$12,000 (\$102,000 – {[(\$3,000 x 2) + (\$4,000 x 7)] - \$40,000 - \$16,000) together with the employee's contribution for his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$4,000	\$4,000	\$680	\$800	\$40,000	\$40,000	\$6,800	\$8,000
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800	\$60,000	\$16,000	\$2,720	\$3,200
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800		\$12,000	\$2,040	\$2,400
<b>Total</b>		<b>\$34,000</b>	<b>\$34,000</b>	<b>\$5,780</b>	<b>\$6,800</b>	<b>\$100,000</b>	<b>\$68,000</b>	<b>\$11,560</b>	<b>\$13,600</b>



#### H) Employee with OW < \$6,000 and resigns during the year with increment in Apr but AW paid in Mar

Q15. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$100,000 in March 2016 and a salary increment in April 2016. Subsequently, he resigns in September 2016. How do I estimate his AW Ceiling for the year 2016?

A15. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on AW of \$66,000 (\$102,000 – [\$3,000 x 12]) for March 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$3,000 (\$102,000 – {[\$3,000 x 3] + [\$4,000 x 6]} - \$66,000) together with the employee's contribution for his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$100,000	\$66,000	\$11,220	\$13,200
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800				
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800		\$3,000	\$510	\$600
<b>Total</b>		<b>\$33,000</b>	<b>\$33,000</b>	<b>\$5,610</b>	<b>\$6,600</b>	<b>\$100,000</b>	<b>\$69,000</b>	<b>\$11,730</b>	<b>\$13,800</b>

Q16. My employee who is 50 years and below, joined in July 2015 and earns a monthly salary of \$3,000. He receives Additional Wages (AW) of \$40,000 in March 2016 and a salary increment in April 2016. He receives another AW of \$60,000 in July 2016. How do I estimate his AW Ceiling for the year 2016?

A16. Since your employee was not employed for the full year in 2015, for AW that are paid before the end of the year and when TOW subject to CPF for the year is not known, employers are allowed to use the current year's OW to estimate the AW Ceiling.

Based on the calculations, you need to pay CPF on the full AW of \$40,000 for March 2016 and on AW of \$17,000 ( $\$102,000 - \{[\$3,000 \times 3] + [\$4,000 \times 9]\} - \$40,000$ ) for July 2016.

If your employee resigns in September 2016, you are required to re-calculate the AW Ceiling and make good the CPF shortfall on AW of \$12,000 ( $\$102,000 - \{[\$3,000 \times 3] + [\$4,000 \times 6]\} - \$40,000 - \$17,000$ ) together with the employee's contribution for his last month of employment in September 2016.

Month	OW paid in 2015	OW paid in 2016	OW subject to CPF in 2016	Contribution payable on OW in 2016		AW paid in 2016	AW subject to CPF	Contribution payable on AW in 2016	
				Employer	Employee			Employer	Employee
				(17% of wages)	(20% of wages)			(17% of wages)	(20% of wages)
Jan	Employee joined the company in July 2015 with OW = \$3,000	\$3,000	\$3,000	\$510	\$600				
Feb		\$3,000	\$3,000	\$510	\$600				
Mar		\$3,000	\$3,000	\$510	\$600	\$40,000	\$40,000	\$6,800	\$8,000
Apr		\$4,000	\$4,000	\$680	\$800				
May		\$4,000	\$4,000	\$680	\$800				
Jun		\$4,000	\$4,000	\$680	\$800				
Jul		\$4,000	\$4,000	\$680	\$800	\$60,000	\$17,000	\$2,890	\$3,400
Aug		\$4,000	\$4,000	\$680	\$800				
Sep		\$4,000	\$4,000	\$680	\$800		\$12,000	\$2,040	\$2,400
<b>Total</b>		<b>\$33,000</b>	<b>\$33,000</b>	<b>\$5,610</b>	<b>\$6,600</b>	<b>\$100,000</b>	<b>\$69,000</b>	<b>\$11,730</b>	<b>\$13,800</b>