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Singapore

Increase in Ordinary Wage (OW) ceiling for Central Provident Fund (CPF)

As salaries in Singapore continue to rise, the maximum amount of monthly wages eligible for CPF contributions (also known as the CPF monthly salary ceiling) is periodically reviewed by the Singapore Government to help Singaporeans and Singapore Permanent Residents (SPR) increase their CPF savings. The monthly wage ceiling prior to 1 September 2023 was set at S\$6,000.

From 2023 to 2026, the CPF monthly salary ceiling will increase progressively to S\$8,000. It is important to note that the changes will be implemented in four gradual steps, which gives both employers and employees time to adjust to the new regulations. The CPF annual salary ceiling of S\$102,000 remains unchanged.

With effect from 1 September 2023, if the current monthly salary of your Singaporean and SPR employees exceeds S\$6,000, they will receive more CPF contributions because the CPF ordinary wage ceiling will be increased to S\$6,300. This means that a greater proportion of the employee salary will be allocated towards their CPF savings and employers will have to increase their CPF contributions as well.

While the increased monthly salary ceiling may result in a lower take-home pay, this allows more middle income CPF members to save more with CPF and help with their future needs.



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