

Annex

Who is eligible?

1. In any calendar year from 2013 to 2017, employers qualify for Wage Credit if they give wage increases of at least \$50 to employees who are on their payroll for at least three months in the year, and who received CPF contributions for at least three months in the preceding year. Employees could have been on the payroll of a different employer in the preceding year, but they must be on the payroll of a single employer for at least three months in that year.
2. All Singapore Citizen employees who received CPF contributions, including full-time, part-time and casual employees, are covered by the Wage Credit Scheme (WCS).
3. Consistent with the Special Employment Credit Scheme, employers in the following government related-entities or entities not registered in Singapore, are not eligible for the WCS:
 - a. Local Government Agencies, including Organs of State, Ministries and Departments, Statutory Boards
 - b. Government and Government-Aided Schools
 - c. People's Association Services and Grassroots Units
 - d. High Commissions, Embassies, Trade Offices, Consulates
 - e. Unregistered Foreign Entities
 - f. Foreign Military Units
 - g. Representative offices of Foreign companies, Foreign Government Agencies, Foreign Trade Associations, Foreign Chambers, Foreign Non-profit Organisations, and Foreign Law Practices
 - h. Bank Representative Offices/ Insurance Representative Offices/ Other Financial Representative Offices (registered with MAS)
 - i. International Organisations
 - j. Entities which pay CPF but are not registered in Singapore

What wage increases qualify for Wage Credit?

4. Wage increases are computed on an annual basis, based on the difference between the gross monthly wage of an employee in the qualifying year and the gross monthly wage of the employee in the preceding year. For each qualifying year, Wage Credit will be paid to the employer for all the months in the year in which CPF contributions are made by him for the employee. For the third payout, new wage increases given to employees in 2015 over 2014, as well as sustained wage increases previously given to employees in both 2014 over 2013, and 2013 over 2012, will qualify for Wage Credit. All wage increases and sustained wage increases must be at least \$50 to qualify for Wage Credit.

When and how will employers receive Wage Credit?

5. For each year that an employer qualifies for Wage Credit, he will receive the Wage Credit at the end of March in the subsequent year, via direct credit to his GIRO bank account for income tax/GST, or by cheque. The Inland Revenue Authority of Singapore (IRAS), which is the administrator of the Wage Credit Scheme, will notify the employer of his payout by post. Employers do not need to apply to receive the WCS payouts.

When do employers have to pay CPF contributions?

6. CPF contributions are due at the end of each month. However, employers have a grace period of 14 days to pay CPF contributions after the end of the month. If CPF contributions are not paid on time, employers will be sent a reminder to pay the outstanding CPF contributions, and late payment interest would apply.