

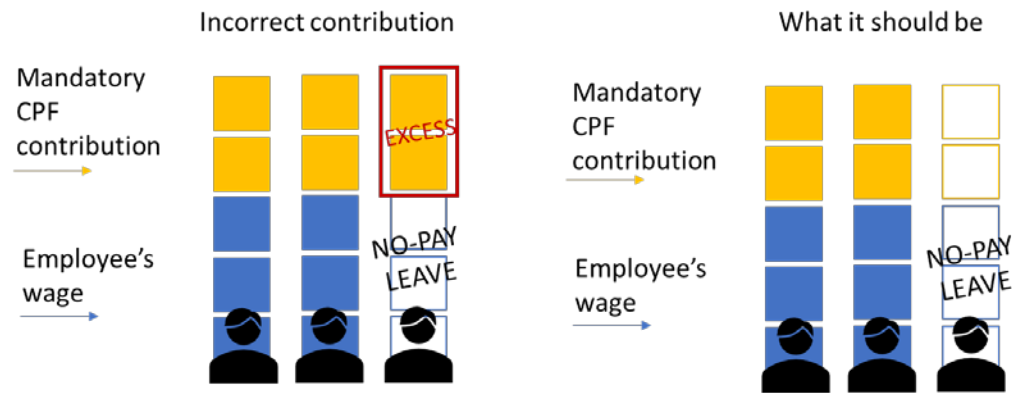
Annex A – Examples of Unacceptable Practices

IRAS has observed the following instances of unacceptable practices where employers engage in arrangements to alter their CPF contribution data, such that the data do not correspond with employees' wages¹. As JSS payouts are automatically computed based on CPF contribution data, these employers then stand to gain a higher amount of the cash subsidy than due to them.

EXAMPLES	ELABORATION
1. Making mandatory CPF contributions for non-genuine employees	
<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Incorrect contribution</p> </div> <div style="text-align: center;"> <p>What it should be</p> </div> </div>	<p>This is a fraudulent arrangement. Employers should not make any mandatory CPF contributions to individuals who are not their genuine employees.</p> <p>Individuals are reminded that providing their personal information to some employers to facilitate such schemes may make them accomplices to the fraud, resulting in criminal liability for the individuals.</p> <p>Individuals should not give out their personal information such as NRIC, SingPass or bank account details in exchange for CPF contributions and/or money.</p>

¹ Any increase or decrease in mandatory CPF contribution should be accompanied by an increase or decrease in the employee's wage respectively, and vice versa.

2. Continuing mandatory CPF contributions for employees who have been retrenched or put on no-pay leave

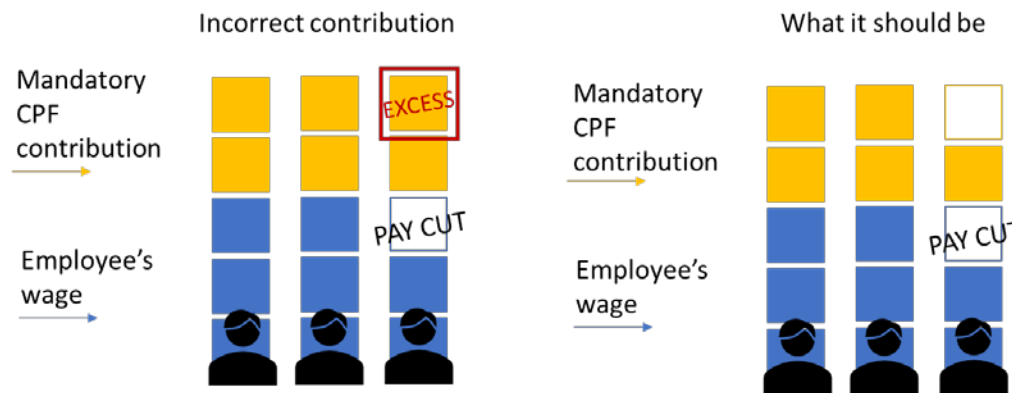


Employers should stop making mandatory CPF contributions for employees who have been retrenched or are on no-pay leave.

However, employers can continue to make voluntary CPF contributions to the CPF accounts of employees on no-pay leave by applying for a separate CPF submission number with CPF Board.

(For more details on making voluntary CPF contributions for employees, please find out more at the [CPF Board website](#))

3. Maintaining mandatory CPF contribution amounts based on past wages for employees who have suffered wage cuts



CPF mandatory contributions are based on employees' wages, age and citizenship. A wage cut on the employees' part should see a corresponding decrease in the CPF contribution.

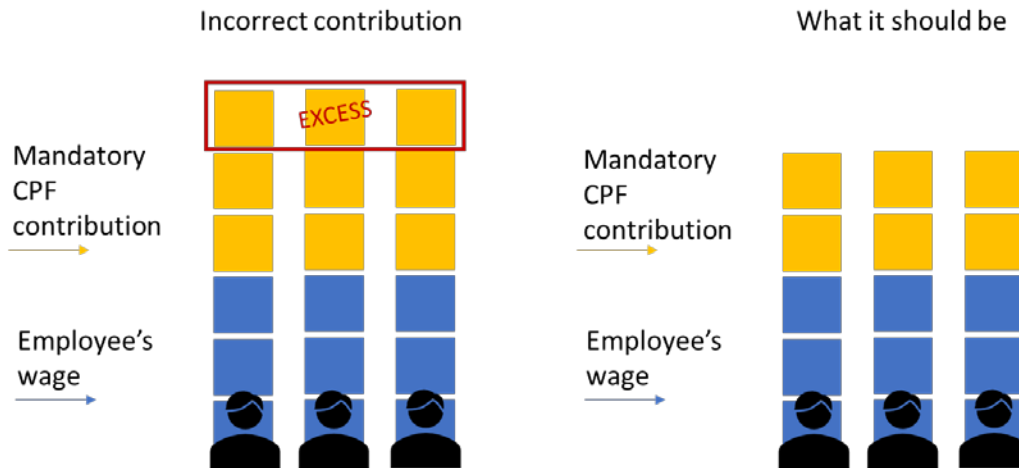
However, employers can continue to make voluntary CPF contributions to the CPF accounts of employees whose wages have been cut by applying for a

separate CPF submission number with CPF Board.

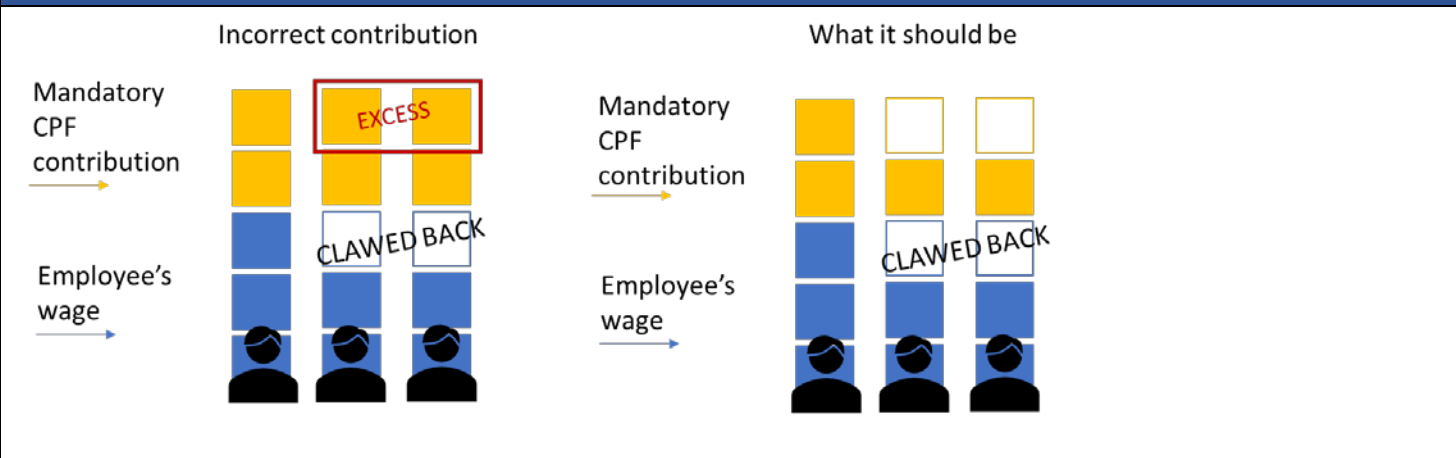
(For more details on making voluntary CPF contributions for employees, please find out more at the [CPF Board website](#))

4. Increasing CPF contributions for employees without any actual wage increase

CPF mandatory contributions are based on employees' wages, age and citizenship. The prevailing CPF contribution rates can be found on the CPF website.

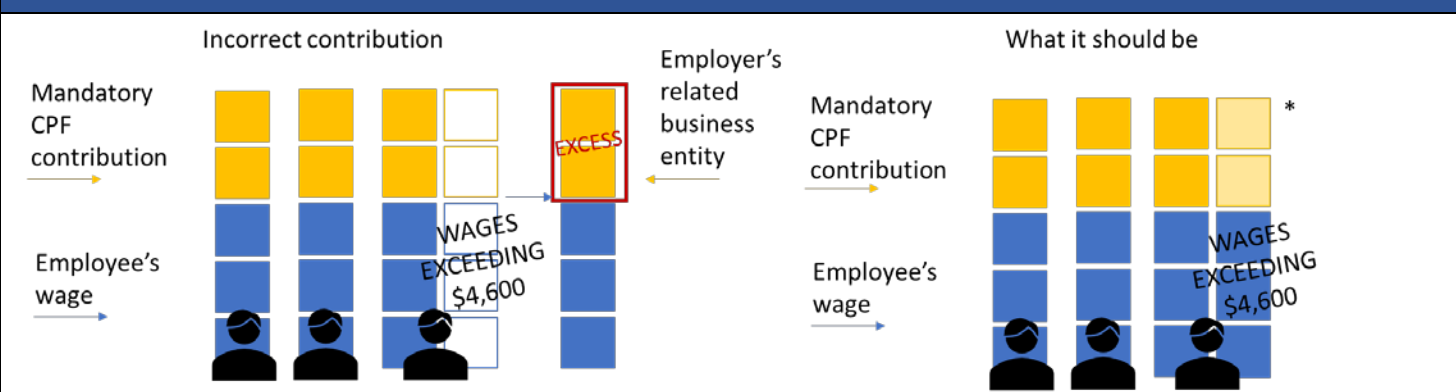


5. Inflating mandatory CPF contributions and deducting these excess contributions from employees' wages in cash



This is a fraudulent arrangement. Employers should only make the correct amount of mandatory CPF contributions based on the actual wages paid to their employees.

6. Artificially splitting wages of employees across multiple related business entities



Employers should only make mandatory CPF contributions to employees for the business entities they are working for, instead of artificially splitting the wages of its employees across related business entities to circumvent the \$4,600 salary ceiling.

*CPF contributions for wages exceeding \$4,600 are excluded in the computation of JSS payouts.