

**APPENDIX C****CPF Contributions Limit on Additional Wages**

The Additional Wage (AW) Ceiling sets the maximum amount of Additional Wages on which CPF contributions are payable per year. An employee's AW Ceiling is computed on a per employer basis.

With the increase in the Ordinary Wage Ceiling from \$4,500 to \$5,000 from 1 September 2011, the AW Ceiling for 2011 and 2012 are revised as follows:

No	Scenarios	Additional Wage Ceiling
1.	Employee whose last day of employment is before 1 Sep 2011	\$76,500 <sup>1</sup> – Total Ordinary Wages subject to CPF for 2011
2.	Employee whose last day of employment falls within the period from 1 Sep to 31 Dec 2011; OR Employee who is still in employment on 31 Dec 2011	\$79,333 <sup>2</sup> – Total Ordinary Wages subject to CPF for 2011
3.	Employee in employment from 1 Jan 2012	\$85,000 <sup>3</sup> – Total Ordinary Wages subject to CPF for 2012

<sup>1</sup> Equivalent to 17 months x \$4,500

<sup>2</sup> Equivalent to (8/12 x 17 months x \$4,500) + (4/12 x 17 months x \$5,000)

<sup>3</sup> Equivalent to 17 months x \$5,000

You are required to monitor and limit the contributions on Additional Wages of your employees. This is to prevent the refund of excess payment and avoid situations where refunds could not be made due to insufficient funds in the employee's CPF accounts.

**Limits on CPF contributions****Additional Wage (AW) Ceiling**

The Additional Wage (AW) Ceiling sets the maximum amount of Additional Wages on which CPF contributions are payable per year. An employee's AW Ceiling is computed on a per employer basis.

The AW Ceiling from 2012 is provided below:

**\$85,000\* - Total Ordinary Wages subject to CPF for the year**

*\*Equivalent to 17 months x \$5,000*

For more information, please click on **Examples** on the computations of the AW Ceiling. You may use the **Additional Wage Ceiling Calculator** to help you with the computation.

Employers are required to monitor and limit the contributions on Additional Wages of

their employees. This is to prevent **refund of excess payment** and avoid situations where refunds could not be made due to insufficient funds in their employees' CPF accounts.