

ANNEX E-2: SENIOR WORKER CPF CONTRIBUTION RATES AND CPF TRANSITION OFFSET

In 2019, the Government announced that CPF contribution rates will be raised gradually over this decade for Singaporean and Permanent Resident workers aged above 55 to 70 (see [Table 1](#)).

When the increases have been fully implemented, those aged above 55 to 60 will have the same CPF contribution rates as younger employees, and the median 55-year-old member can expect his monthly retirement payouts to be boosted by close to 10% compared to under today's rates.

Table 1. Current and Target CPF Contribution Rates (Employer + Employee) by Age Band

Age Band	2016-2021	From 1 Jan 2022	By ~2030
≤55	37.0%	<i>No change</i>	
>55 – 60	26.0%	28.0%	37.0%
>60 – 65	16.5%	18.5%	26.0%
>65 – 70	12.5%	14.0%	16.5%
>70	12.5%	<i>No change</i>	

Note:

- i. The timeline is subject to changes depending on prevailing economic conditions.

Following the announcement in 2019, the first increase took effect from 1 January 2022. To mitigate the rise in business costs due to the increase of CPF contribution rates in 2022, the Government is providing employers with a one-year CPF Transition Offset equivalent to half of the increase in employer CPF contribution rates for every Singaporean and Permanent Resident worker they employ who is aged above 55 to 70.

The next increase in senior worker CPF contribution rates will take place on 1 January 2023, as shown in [Table 2](#). As with the first increase, this increase will be fully allocated to the Special Account to help senior workers save more for retirement. A similar one-year CPF Transition Offset will be automatically provided for the 2023 increases; employers need not apply.

Table 2: CPF Contribution Rates for Senior Workers from 1 Jan 2023

Age Band	CPF Contribution Rates			CPF Transition Offset
	Total	Employer	Employee	
≤ 55	<i>No change</i>			
>55 to 60	29.5% (+1.5%-pt)	14.5% (+0.5%-pt)	15% (+1%-pt)	0.25%-pt
>60 to 65	20.5% (+2%-pt)	11% (+1%-pt)	9.5% (+1%-pt)	0.5%-pt
>65 to 70	15.5% (+1.5%-pt)	8.5% (+0.5 %-pt)	7% (+1%-pt)	0.25%-pt
>70	<i>No change</i>			

Notes:

- i. The CPF contribution rates are stated as a percentage of wages.
- ii. The percentage point figures in parentheses refer to the increase in CPF contribution rates from 1 January 2023, compared to current levels.

More information

Please contact the CPF Board for more information at www.cpf.gov.sg/member/contact-us
For further information on the CPF Transition Offset, please visit go.gov.sg/askpayout1