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CENTRAL PROVIDENT FUND ACT (CHAPTER 36)

CENTRAL PROVIDENT FUND ACT (AMENDMENT OF FIRST SCHEDULE) NOTIFICATION 2016

In exercise of the powers conferred by section 7(8) of the Central Provident Fund Act, the Minister for Manpower makes the following Notification:

Citation and commencement

1. This Notification is the Central Provident Fund Act (Amendment of First Schedule) Notification 2016 and comes into operation on 1 November 2016.

Amendment of First Schedule

2. The First Schedule to the Central Provident Fund Act is amended —

(a) by deleting paragraphs 2, 3, 3A and 4 and substituting the following paragraphs:

“2.—(1) No contribution is payable by an employer on any part of the additional wages for any year after 2015 which is in excess of the applicable amount less the amount of ordinary wages from that employer for that year.

(2) Where the contribution payable by an employer on additional wages for any year after 2015 (called in this sub-paragraph the current year) is being computed or recomputed before the end of the current year and while the employee is employed by that employer, no contribution is payable by that employer on any part of the additional wages which is in excess of an amount computed in either of the following ways, at the option of that employer:

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- (a) the applicable amount less —
 - (i) the amount of ordinary wages of the employee from that employer for the year immediately preceding the current year; and
 - (ii) the additional wages of the employee already paid by that employer for the current year;
 - (b) the applicable amount less —
 - (i) the amount of ordinary wages which that employer expects to pay the employee for the current year; and
 - (ii) the additional wages of the employee already paid by that employer for the current year.

(3) The amount of contributions payable by an employer on the additional wages of an employee for any year after 2015 (called in this sub-paragraph the current year) must be computed or recomputed (as the case may be) in each of the following circumstances:

- (a) whenever any additional wages of the employee for the current year become due from that employer;
- (b) at the end of the last month of the employee's employment with that employer in the current year;
- (c) if the employee is still employed by the employer on 31 December of the current year, at the end of that year.

3.—(1) If the Board has granted an application, made by or on behalf of 2 or more employers, to apply this paragraph in calculating the contributions from those employers on an employee's additional wages for any year after 2015 (called in this sub-paragraph the current year), then each of those employers is, in that year —

- (a) a related employer of the employee; and
- (b) a related employer in respect of each of those other employers.

(2) The Board may grant an application mentioned in sub-paragraph (1) if the Board is satisfied that the employers making the application —

- (a) are related in a manner approved by the Board; and

(b) meet any other requirements specified by the Board.

(3) Despite paragraph 2(1), no contribution is payable on the part of an employee's additional wages for any year after 2015 (called in this sub-paragraph the current year) that becomes due from a related employer of the employee on or after the date when the amount of the employee's combined additional wages for that year, that have become due before that date, is equal to the applicable amount less the amount of the employee's combined ordinary wages for the current year.

(4) Sub-paragraph (5) applies where —

(a) an employer is a related employer of an employee in a year after 2015 (called in this sub-paragraph the related year); and

(b) the contribution payable by the employer on the employee's additional wages for the related year or the year immediately following the related year (called in this sub-paragraph and sub-paragraph (5) the current year) is being computed or recomputed —

(i) before the end of the current year; and

(ii) at the time of the computation or recomputation, the employee is employed by that employer or a related employer in respect of that employer (as the case may be).

(5) Despite paragraph 2, no contribution is payable on the part of an employee's additional wages for the current year that becomes due from an employer mentioned in sub-paragraph (4) on or after the date when —

(a) if that employer is not the employee's related employer in the current year, the amount of the employee's additional wages that have become due in the current year from that employer; or

(b) if that employer is the employee's related employer in the current year, the employee's combined additional wages for the current year that have become due,

is equal to an amount computed in either of the following ways, at the option of the employer: