CPF Wage Ceilings in 2026: Check Salary and Bonus

Description

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For 2026, CPFâ??s monthly Ordinary Wage ceiling is S$8,000. Additional Wages such as a bonus use a separate annual ceiling: S$102,000 minus the total Ordinary Wages already subject to CPF for that employee and employer during the year.

An employee or payroll reviewer checking CPF treatment of monthly salary and a 2026 bonus needs one outcome: separate Ordinary Wages from Additional Wages and test each amount against the correct 2026 ceiling.

Separate salary from bonus

Situation	Practical next step
Regular monthly salary	Apply the monthly S$8,000 Ordinary Wage ceiling before the contribution rate
Annual or irregular bonus	Classify it as Additional Wages and calculate the remaining annual AW ceiling
Employee joined or left mid-year	Use actual OW subject to CPF for this employer, then recalculate at year-end or departure
Payment classification is unclear	Check CPFâ??s wage rules before applying either ceiling

Regular monthly salary: Apply the monthly S$8,000 Ordinary Wage ceiling before the contribution rate. **Annual or irregular bonus:** Classify it as Additional Wages and calculate the remaining annual AW ceiling.

Use the two CPF ceilings

CPF Board Ordinary Wage ceiling: The monthly Ordinary Wage ceiling reached S$8,000 from 1 January 2026 while the annual salary ceiling remains S$102,000. **CPF Board wage classification guide**: Ordinary and Additional Wage definitions and the Additional Wage ceiling formula of S$102,000 minus total OW subject to CPF.

The two ceilings do different jobs

The Ordinary Wage ceiling limits regular monthly wages attracting CPF and reached S$8,000 on 1 January 2026. The annual salary ceiling remains S$102,000. A bonus does not simply share a monthly S$8,000 bucket; it is tested through the Additional Wage rules. CPF Board Ordinary Wage ceiling.

Classify the payment before calculating

Monthly salary is the common Ordinary Wage example; annual performance bonus is a common Additional Wage example. Other allowances, reimbursements and benefits depend on CPFâ??s classification rules. Record why a payment is OW, AW or non-wage before touching a spreadsheet. CPF Board wage classification guide.

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Calculate the remaining AW room

CPF gives the formula as S$102,000 minus the total Ordinary Wages subject to CPF for the year. If all 12 months are capped at S$8,000, total capped OW is S$96,000 and the illustrative AW ceiling is S$6,000. Actual employment months and OW can change the result. CPF Board wage classification guide.

Recalculate when actual wages are known

CPF guidance tells employers to estimate at each AW payment, then recalculate in the last month of employment or December. A shortfall must be paid and excess contributions require the appropriate refund process. Keep the calculation with the payroll run and correction reference. CPF Board wage classification guide.

Use the official calculator within its scope

The CPF calculator is updated for 2026, but its published scope and wage-input limitations still apply. Use it as a check, not a substitute for correct classification, employee age or permanent-resident status, due-and-payable date and the applicable contribution table. CPF Board Additional Wage calculator.

Use the year the bonus became due and payable

CPF Board states that the applicable Additional Wage ceiling follows the due-and-payable date of the AW, not merely the performance period named on the bonus letter. Its official example says a 2025 bonus due and payable in 2026 uses the 2026 AW ceiling. Payroll should retain the scheme terms,

approval date and contractual payment trigger that establish that date. Relabelling a payment as â??last yearâ??s bonusâ?• does not move it back into an earlier ceiling year. CPF Board wage classification guide.

The AW ceiling is per employer, per year

CPFâ??s worked guidance calculates the AW ceiling on a per-employer, per-year basis. When an employee changes jobs, the new employer does not simply import the former employerâ??s internal AW worksheet; each employer applies the rules to the wages it paid and must perform its own final reconciliation. The CPF calculator also has scope limits: it is designed for specified employee groups and will not generate a result when any monthâ??s total wages are S$750 or below. Escalate those cases through CPFâ??s stated assistance route rather than forcing the inputs. CPF Board Additional Wage calculator.

A salary-and-bonus calculation

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An employee earns S$9,000 monthly throughout 2026 and receives a S$20,000 bonus. Only S$8,000 of each month is OW subject to CPF, producing S$96,000 capped OW; the illustrative AW ceiling is therefore S$6,000. CPFâ??s rules and calculator control the real payroll result.

Employee joined or left mid-year: Use actual OW subject to CPF for this employer, then recalculate at year-end or departure. **Payment classification is unclear:** Check CPFâ??s wage rules before applying either ceiling.

Audit the payroll calculation

1. Classify every payment as OW or AW
2. Apply the S$8,000 monthly OW ceiling
3. Total OW subject to CPF for the year
4. Subtract that total from S$102,000
5. Recalculate at departure or year-end
6. Retain calculator and correction evidence

Payroll errors to catch

- Applying S$8,000 to a bonus
- Using gross salary instead of capped OW in the AW formula
- Ignoring mid-year employment changes
- Forgetting the due-and-payable date
- Treating an estimate as the year-end figure

Check the wider household budget

After CPF Wage Ceilings in 2026: Check Salary and Bonus, test the household plan against five benchmarks. Then separate the SRS contribution calculation. Both resolve a different task from CPF ordinary additional wage ceiling 2026.

Questions readers ask about CPF ordinary additional wage ceiling 2026

What is the 2026 OW ceiling?

S$8,000 per month from 1 January 2026. CPF Board Ordinary Wage ceiling.

What is the AW formula?

S$102,000 minus total Ordinary Wages subject to CPF for the year. CPF Board wage classification guide.

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When should payroll recalculate?

At the last month of employment or in December, whichever comes earlier. CPF Board Ordinary Wage ceiling.

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