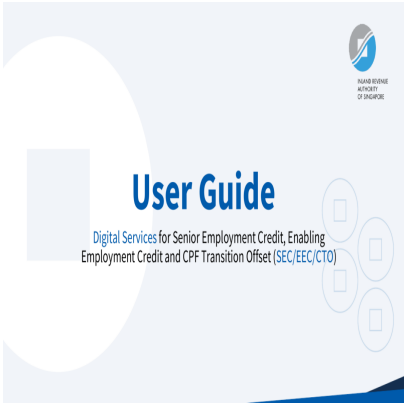

IRAS pays Senior Employment Credit, EEC and CTO to employers from 30 September

Description

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Employers of older Singaporeans and persons with disabilities are receiving their Senior Employment Credit (SEC), Enabling Employment Credit (EEC) and CPF Transition Offset (CTO) payouts from Wednesday, 30 September 2026.

The money goes to eligible employers with a GIRO arrangement with IRAS as at 7 September 2026, or registered for PayNow Corporate as at 25 September 2026. It shows up in bank accounts as â??Senior Employment Credit / Enabling Employment Credit / CPF Transition Offsetâ?• for GIRO, or â??GOVTâ?• for PayNow Corporate. No cheques will be issued.

Employers not on GIRO or PayNow Corporate have to sign up for one of them to receive their payouts. There is no application. IRAS tells eligible employers the amount by letter, with an electronic copy on myTax Portal.

The September payout covers wages paid from January to June. Wages paid from July to December are paid out in March the following year.

Senior Employment Credit rates

The SEC goes to employers of Singapore Citizens aged 60 and above who earn below S$4,000 a month, where CPF contributions were paid on time. For wages paid from 1 January 2024 to 31 December 2027, employers get up to 7% of the wage. The monthly payout per employee for 2026 and 2027 is:

- Aged 60 to 64: 2% of wage on wages up to S$3,000, and S$240 minus (0.06 Ã? wage) on wages above S$3,000 and below S$4,000.
- Aged 65 to 68: 4% of wage up to S$3,000, and S$480 minus (0.12 Ã? wage) above that.
- Aged 69 and above: 7% of wage up to S$3,000, and S$840 minus (0.21 Ã? wage) above that.

Enabling Employment Credit rates

The EEC goes to employers of Singapore Citizens and Permanent Residents with disabilities aged 13 and above who earn below S$4,000 a month, where CPF contributions were paid on time. The employee must be supported by SG Enable. The offset is up to 20% of monthly income, capped at S$400 a month for each employee:

- Wages up to S$2,000: 20% of wage.
- Wages above S$2,000 to S$3,000: S$400.
- Wages above S$3,000 and below S$4,000: S$1,600 minus (0.4 Ã? wage).

Employers who hire a person with disabilities who has not worked for the past six months get an additional payout at the same rates for up to the first nine months of employment. An employee who qualifies for the EEC does not also count for the SEC. The EEC runs until 2028.

CPF Transition Offset rates

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The CTO covers half of each yearâ??s increase in employer CPF contribution rates for Singapore Citizen and Permanent Resident workers aged above 55 to 70. It is calculated on wages up to the CPF salary ceiling.

For 2026, employer contributions rose by 0.5 percentage point for workers aged above 55 to 60 and above 60 to 65, so the CTO is 0.25 percentage point for each band. Rates for workers aged above 65 to 70 did not change, so there is no CTO for them. The CTO runs until 2027.

Exclusions and tax

Wages paid to business owners, or to employers trading in their own personal capacity such as hawkers without a UEN, do not qualify, even if they made CPF contributions for themselves through their entity. Government agencies, international organisations and businesses not registered in Singapore are also excluded.

The payouts are taxable in the year of receipt. Companies declare them in Form C or Form C-S, while IRAS adds them automatically to the tax assessments of individuals, sole proprietors and partnerships.

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