Late Employer CPF: Calculate Interest and Rectify the File

Description

Reconcile the affected wage month immediately.

CPF contributions are due at month-end, and enforcement may begin if payment is not made by the 14th of the following month or next working day. Late-payment interest is 1. 5% per month from the day after the due date, subject to a S$5 minimum.

Use the right dates

The contribution is due on the last day of the wage month, while enforcement action is linked to non-payment by the 14th of the next month. Record due date, paid date and next-working-day adjustment separately. (CPF Board enforcement and penalties)

At 1.5% per month, S$20,000 of arrears produces a S$300 one-month planning estimate, subject to CPF Boardâ??s calculation and minimum. Do not prorate or round using an invented method.

Situation	What changes
Contribution was submitted but unpaid	Check the payment status and settle the outstanding amount and interest
Wages were omitted or classified wrongly	Correct wage inputs before resubmission
Several months are affected	Build a month-by-month employee reconciliation
Cash flow cannot meet the liability	Contact CPF Board; do not silently defer employee contributions

Related: recheck wage-ceiling inputs

Reconcile every employee

Match ordinary and additional wages, employee and employer shares, age band and citizenship or PR status. A single aggregate payment can conceal individual underpayments. (MOM employer CPF guide)

Keep wage records, CPF submissions, payment confirmations, correction notes and employee communications. The file should show why the error happened and how recurrence is prevented.

Example: For S$20,000 in contributions paid one month late, 1.5% is S$300 as a worked planning estimate. The CPF Boardâ??s posted calculation and dates control the amount actually due.

Understand penalty escalation

CPF Board may impose a composition amount up to S$1,000 per offence and can prosecute unresolved cases. Paying the composition amount does not replace outstanding contributions and interest.

Identify whether the cause was funding, payroll cut-off, employee master data or bank rejection. Add an owner, pre-due-date review and payment-status check.

- Identify every affected month
- Reconcile wages and CPF shares
- Confirm due and payment dates
- Submit or correct contributions
- Pay assessed interest
- Notify affected staff accurately
- Add a payment-status control

Related: separate overtime payroll calculations

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