



Skills Development Levy: Calculate Every Employee Correctly

Description

SDL is 0.

25% of each employee’s monthly remuneration, with a minimum S\$2 for an employee earning S\$800 or less and a maximum S\$11.25 for an employee earning S\$4,500 or more. Compute it employee by employee and pay within 14 days after month-end.

Apply the bounds per employee

The minimum and maximum are not applied to the company’s total payroll. Each employee first produces an individual levy amount, and only then are the amounts summed. A spreadsheet should therefore have one row per employee and a formula that clips the result between S\$2 and S\$11.25. ([CPF Board SDL guide](#))

The calculation is tied to remuneration for the month, not the employee’s annual salary divided casually or the employer’s CPF contribution amount. Reconcile payroll components and corrections before locking the levy file.

Situation	What changes
Monthly remuneration S\$800 or below	Charge S\$2
Between S\$800 and S\$4,500	Charge 0.25% of remuneration
S\$4,500 or above	Charge S\$11.25
Payroll contains several employees	Calculate each amount, then add them

Related: [align the wider payroll calendar](#)

Mark the two break points

S\$800 is where 0.25% equals the S\$2 minimum. S\$4,500 is where 0.25% equals the S\$11.25 maximum. These break points make a quick band test possible before detailed reconciliation. ([CPF Board employer-obligations hub](#))

Part-month remuneration can move a worker into the minimum band. Do not reuse the previous full-month amount without checking the current payroll. Document the remuneration used so a later adjustment has a clear audit trail.

Example: For monthly remuneration of S\$600, S\$2 is payable. At S\$2,400, 0.25% gives S\$6. At S\$6,000, the calculation gives S\$15 but the maximum reduces it to S\$11.25.

Pay on time

The official FAQ states that SDL for a month must be computed and paid within 14 days after the end of that month. Put the due date in the payroll close calendar and retain payment acknowledgement.

A headcount multiplied by an average levy can be useful for budgeting but not for final compliance. Compare the row total with the amount submitted and carry corrections through the approved channel.

- Export the month's employee payroll
- Identify monthly remuneration
- Apply the S\$2 minimum
- Apply 0.25% in the middle band
- Apply the S\$11.25 maximum
- Sum the employee rows
- Pay and retain proof within 14 days

Related: [separate SDL from foreign-worker levy](#)

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