Skills Development Levy: Calculate Every Employee Correctly

Description

SDL is 0.25% of each employeeâ??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. This guide is for a payroll owner or small employer checking the monthly skills development levy and resolves one task: calculate SDL for each employee and pay the total on time. The material claims were checked against CPF Board SDL guide and CPF Board employer-obligations hub.

Choose the route that matches your case

Situation	What to do
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

Apply the bounds per employee

The minimum and maximum are not applied to the companyâ??s total payroll. Each employee first produces an individual levy amount, and only then are the amounts summed. According to CPF Board SDL guide, the controlling detail for this branch is the specific rule or service condition cited here.

A spreadsheet should therefore have one row per employee and a formula that clips the result between S$2 and S$11.25.

Use monthly remuneration

The calculation is tied to remuneration for the month, not the employeeâ??s annual salary divided casually or the employerâ??s CPF contribution amount. According to CPF Board employer-obligations hub, the controlling detail for this branch is the specific rule or service condition cited here.

Reconcile payroll components and corrections before locking the levy file.

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. According to CPF Board SDL guide, the controlling detail for this branch is the specific rule or service condition cited here.

These break points make a quick band test possible before detailed reconciliation.

Handle joiners and leavers deliberately

Part-month remuneration can move a worker into the minimum band. Do not reuse the previous full-month amount without checking the current payroll. According to CPF Board employer-obligations hub, the controlling detail for this branch is the specific rule or service condition cited here.

Document the remuneration used so a later adjustment has a clear audit trail.

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. According to CPF Board SDL guide, the controlling detail for this branch is the specific rule or service condition cited here.

Put the due date in the payroll close calendar and retain payment acknowledgement.

Reconcile, do not estimate

A headcount multiplied by an average levy can be useful for budgeting but not for final compliance. According to CPF Board employer-obligations hub, the controlling detail for this branch is the specific rule or service condition cited here.

Compare the row total with the amount submitted and carry corrections through the approved channel.

Run the numbers or sequence

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.

The calculation or sequence above is an LBRD working example. Replace every example input with the amount, date, access condition or document from your own case. Keep the official rate or threshold beside the working so another person can reproduce the answer.

Build a verification note another person can check

Before acting, create a one-page case note headed with the task, the date checked and the person responsible. Copy only the facts that affect your decision, then attach the statement, booking, application, receipt, map record or screenshot that supplies your own input. This separates a published rule from a personal assumption. If the official page changes, keep the earlier dated record but rework the decision with the live version.

Controlling source	What to verify	What to retain
CPF Board SDL guide	Mandatory SDL status, 0.25% rate, S$2 and S$11.25 bounds, total rounding and employer payment route.	Record the page date, the exact rule used and the case input it governs.
CPF Board employer-obligations hub	Employer contribution context and the current official route to Skills Development Levy guidance.	Record the page date, the exact rule used and the case input it governs.

Read the source in context, including definitions, exceptions and effective dates. A relevant page is not proof by itself: the cited passage must contain the particular rate, deadline, eligibility condition, access rule or warning used here. Where two official channels appear inconsistent, pause and ask the authority about the exact case rather than choosing the more convenient answer.

Use the guide with its limits

For a business, the person who knows the rule is not always the person who controls payroll, Bizfile, the bank guarantee or the grant file. Assign an owner and reviewer, preserve the submission acknowledgement and schedule a check after the external system has processed the change.

No interview, personal use, fresh field visit, survey result or price check is claimed unless explicitly stated. Availability, fees and procedures can change. Reopen the linked authority page immediately before payment, travel, filing or emergency use.

Before you act

1. Export the monthâ??s employee payroll
2. Identify monthly remuneration
3. Apply the S$2 minimum
4. Apply 0.25% in the middle band
5. Apply the S$11.25 maximum
6. Sum the employee rows
7. Pay and retain proof within 14 days

Mistakes that change the outcome

- Applying the cap to total payroll
- Using average headcount cost
- Reusing last monthâ??s amounts
- Missing part-month workers
- Confusing SDL with CPF contributions

Continue with the relevant LBRD guide

Next, align the wider payroll calendar. You can also separate SDL from foreign-worker levy.

Questions readers ask

Is SDL optional if nobody attends training?

No. The official guidance describes it as a mandatory employer levy.

What is the maximum per employee?

S$11.25 a month at remuneration of S$4,500 or more.

When is it due?

Within 14 days after the end of the month.

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Author
rachelng