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**CENTRAL PROVIDENT FUND ACT  
(CHAPTER 36)**

**CENTRAL PROVIDENT FUND  
(CONTRIBUTE AS YOU EARN SCHEME)  
REGULATIONS 2019**

**ARRANGEMENT OF REGULATIONS**

**Regulation**

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In exercise of the powers conferred by section 77(1) of the Central Provident Fund Act, the Minister for Manpower, after consulting with the Central Provident Fund Board, makes the following Regulations:

**Citation and commencement**

**1.** These Regulations are the Central Provident Fund (Contribute As You Earn Scheme) Regulations 2019 and come into operation on 1 January 2020.

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## General definitions

2. In these Regulations, unless the context otherwise requires —

“additional allowance”, “allowance”, “Comptroller”, “honorarium”, “Member of Parliament”, “notice of assessment” and “self-employed person” have the meanings given by regulation 2(1) of the Central Provident Fund (Self-Employed Persons) Regulations (Rg 25);

“approved payer” has the meaning given by section 9B(5) of the Act;

“Contribute As You Earn scheme” means the scheme where collectors pay estimated contributions to the Fund for self-employed persons under section 9B of the Act;

“Government-aided school” has the meaning given by the Education Endowment and Savings Schemes (Edusave Pupils Fund) Regulations (Cap. 87A, Rg 1);

“income” has the meaning given by section 9A(3) of the Act;

“proxy year”, in relation to a relevant year, means the year beginning on 1 January 2 years before the relevant year;

“relevant year”, in relation to an estimated contribution in respect of a revenue payment to a self-employed person, means the calendar year in which the revenue payment is made to the self-employed person;

“self-employed contribution” means a contribution that a self-employed person is required to make to his or her account in the Fund under —

(a) the Central Provident Fund (Self-Employed Persons) Regulations for a relevant year before 1 January 2020; or

(b) section 9A of the Act read with those Regulations for a relevant year starting on or after 1 January 2020;

“service intermediary platform”, in relation to a collector, means an electronic system —

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- (a) that is provided by a third party and not owned by the collector;
  - (b) that is used by a self-employed person to offer services to the collector; and
  - (c) through which the collector makes payment for the services provided by the self-employed person, without being reasonably able to determine from the electronic system how much of the payment is actually paid to the self-employed person;

“third party”, in relation to a collector for a self-employed person, means a person that is not a party to the contract for service between the collector and the self-employed person.

### **Who is a “collector”**

3. For the purposes of the definition of “collector” in section 2(1) of the Act, the classes of persons specified in the first column of the First Schedule are collectors in respect of the self-employed persons —

- (a) specified opposite in the second column of that Schedule; and
- (b) who are not excluded from the Contribute As You Earn scheme under regulation 9.

### **What is a “revenue payment”**

4. For the purposes of the definition of “revenue payment” in section 2(1) of the Act, any payment on or after 1 January 2020 to a self-employed person from any trade, business, profession or vocation of the self-employed person is a revenue payment for the purposes of section 9B of the Act —

- (a) being payment of a written invoice dated on or after that date or, if there is no such invoice, that first becomes due on or after that date; and
- (b) not being one of the payments specified in the Second Schedule.

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**Board may provide electronic services for notifications**

5. The Board may provide electronic services for any of the following:

- (a) a self-employed person to notify the Board of the estimated amount of his or her annual revenue and the estimated amount of his or her annual expenses;
- (b) a collector or an approved payer to notify the Board of the amount of a revenue payment payable to a self-employed person;
- (c) the Board to notify collectors of the amount of estimated contribution payable to a self-employed person.

**Estimated annual revenue**

6. In these Regulations, a self-employed person's estimated annual revenue for a relevant year is —

- (a) where the self-employed person has notified the Board of the estimated amount of his or her annual revenue for the relevant year (whether nil or otherwise) using the electronic service mentioned in regulation 5 or in any other manner determined by the Board — the estimated amount of annual revenue so notified;
- (b) where paragraph (a) does not apply — the self-employed person's annual revenue for the proxy year determined as follows:
  - (i) where there is a notice of assessment stating the self-employed person's assessable income for the proxy year — the self-employed person's annual revenue for the proxy year that was used to compute that assessable income;
  - (ii) where there is no notice of assessment as mentioned in sub-paragraph (i) and the self-employed person has declared his or her annual revenue for the proxy year in the form and manner specified by the Board — the self-employed person's annual revenue for the proxy year so declared; or

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- (c) where paragraph (a) does not apply and there is neither a notice of assessment nor a declaration of annual revenue mentioned in paragraph (b)(i) and (ii) for the proxy year — nil.

### **Estimated annual expenses**

7. In these Regulations, a self-employed person's estimated annual expenses for a relevant year are —

- (a) where the self-employed person has notified the Board of the estimated amount of his or her annual expenses for the relevant year (whether nil or otherwise) using the electronic service mentioned in regulation 5 or in any other manner determined by the Board — the estimated amount of annual expenses so notified;
- (b) where paragraph (a) does not apply — the self-employed person's annual expenses for the proxy year determined as follows:
- (i) where there is a notice of assessment stating the self-employed person's assessable income for the proxy year — the self-employed person's annual expenses for the proxy year that were used to compute that assessable income;
  - (ii) where there is no notice of assessment as mentioned in sub-paragraph (i) and the self-employed person has declared his or her annual expenses for the proxy year in the form and manner required by the Board — the self-employed person's annual expenses for the proxy year so declared; or
- (c) where paragraph (a) does not apply and there is neither a notice of assessment nor a declaration of annual expenses mentioned in paragraph (b)(i) and (ii) for the proxy year — nil.

### **Determination of estimated annual income**

8. In these Regulations, the amount of a self-employed person's estimated annual income for a relevant year is —

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- (a) where his or her estimated annual revenue for the relevant year ( $A$ ) is more than his or her estimated annual expenses for the relevant year ( $B$ ) —  $A - B$ ; or
  - (b) where  $A$  is equal to or less than  $B$  — nil.

### **Self-employed persons excluded from Contribute As You Earn scheme**

**9.** The following self-employed persons are excluded from the Contribute As You Earn scheme:

- (a) a self-employed person whose application to be excluded from the scheme under regulation 10 has been approved by the Board under that regulation, which approval has not lapsed or been cancelled;
- (b) a self-employed person who for the time being has been given a longer period under section 9A(1)(b) of the Act, to pay his or her contributions under section 9A of the Act and that longer period has not expired (not being a self-employed person whose contributions are to be paid by way of instalment payments under regulation 7(2) of the Central Provident Fund (Self-Employed Persons) Regulations);
- (c) a self-employed person to whom regulation 4(2) of the Central Provident Fund (Self-Employed Persons) Regulations applies and who, under that provision, is not required to pay any contributions under section 9A of the Act in respect of his or her income for the relevant year.

### **Application for exclusion under regulation 9(a)**

**10.—**(1) Subject to paragraph (2), a self-employed person may apply in the form and manner specified by the Board to be excluded from the Contribute As You Earn scheme under regulation 9(a).

(2) A self-employed person with outstanding self-employed contributions of \$50 or more is ineligible to be excluded from the Contribute As You Earn scheme under regulation 9(a).

(3) The Board may approve the application under paragraph (1) starting on a specified date for a specified period or until the Board cancels the approval.

(4) In paragraph (2), a self-employed contribution becomes outstanding when the prescribed period for payment of the contribution (including any longer period given by the Board to the self-employed person to pay the contribution) has expired.

### **Computation of estimated contribution**

**11.—**(1) Subject to paragraphs (2), (3) and (4), where a collector makes a revenue payment to a self-employed person (with or without any deduction or set-off) in a relevant year, the estimated contribution payable by the collector under section 9B(1)(a) of the Act in respect of the revenue payment is the amount computed according to the formula

$$\left(\frac{P}{A}\right) \times R,$$

rounded down to the nearest dollar, where —

- (a) *P* is the amount of contributions to the Fund that the self-employed person would expect to pay for the relevant year, determined as follows:
- (i) where regulation 4(2) of the Central Provident Fund (Self-Employed Persons) Regulations applies to the contributions by the self-employed person for the relevant year — the amount of contributions payable by the self-employed person under that provision, without any reduction under regulation 8A of those Regulations;
  - (ii) in any other case — the amount set out in the Third Schedule corresponding to —
    - (A) the self-employed person’s estimated annual income for the relevant year; and
    - (B) the self-employed person’s age on 1 January of the relevant year;

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- (b)  $A$  is the self-employed person's estimated annual revenue for the relevant year; and
  - (c)  $R$  is the amount of the revenue payment payable by the collector to the self-employed person (without making any deductions and set-offs), rounded down to the nearest dollar.

*Illustration*

The payment due from a collector ( $C$ ) to a self-employed person ( $S$ ) under a construction contract is \$1,000 (inclusive of payment for materials).  $C$  pays  $S$  only \$800 after exercising a right of set-off for \$200 owing by  $S$ . The value of  $R$  is \$1,000.

(2) Where  $A$  (mentioned in paragraph (1)(b)) is nil, the estimated contribution payable by the collector under section 9B(1)(a) of the Act is nil.

(3) The estimated contribution payable by a collector under section 9B(1)(a) of the Act in respect of a revenue payment to a self-employed person —

- (a) whose income for the proxy year in relation to the relevant year of the revenue payment is more than \$6,000; and
- (b) who, for the purposes of computing the estimated contribution, has notified the Board of his or her estimated annual revenue under regulation 6(a) and estimated annual expenses under regulation 7(a) for the relevant year,

is the higher of the following amounts:

- (c) 2% of the value of  $R$  mentioned in paragraph (1)(c);
- (d) the amount of the estimated contribution computed in accordance with paragraph (1) or (2), as the case may be.

(4) The aggregate of the estimated contributions payable to the Fund for any self-employed person for a relevant year must not exceed whichever of the following sums is applicable:

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- (a) where regulation 4(2) of the Central Provident Fund (Self-Employed Persons) Regulations applies to the self-employed person at the relevant time — \$4,320;
  - (b) in any other case — the maximum amount under column (2), (3), (4) or (5) (corresponding to the self-employed person's age on 1 January of the relevant year) in the item relating to "Exceeding \$18,000" under item 19 of the First Schedule to the Central Provident Fund (Self-Employed Persons) Regulations.

### **Time for payment**

**12.** The collector must pay to the Fund the estimated contribution in respect of a revenue payment made to a self-employed person in the approved manner of payment mentioned in section 9B(5) of the Act, before the expiry of —

- (a) the end of the day on which the revenue payment was made to the self-employed person; or
- (b) any longer period that the Board specifies in any particular case.

### **Transmission of information by Comptroller**

**13.—(1)** The Comptroller of Income Tax, appointed under the Income Tax Act (Cap. 134), may transmit to the Board any information, documents or records that are required to enable the incomes of self-employed persons and the amount of estimated contribution payable by collectors to be ascertained.

(2) The Board, its officers and employees, when dealing with the information, documents or records transmitted under paragraph (1) are bound by the same conditions as to secrecy as persons mentioned in section 6 of the Income Tax Act.

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**FIRST SCHEDULE**

Regulation 3

**COLLECTORS**

<i>First column</i>	<i>Second column</i>
<i>Collectors</i>	<i>Self-employed persons</i>
1. The Government	Any self-employed person engaged under a contract for service entered by or on behalf of the Government, whether before, on or after 1 January 2020
2. The bodies specified in paragraph 6 of the First Schedule to the Act, except those mentioned in paragraph 6(11), (15), (16), (40) and (65)	Any self-employed person engaged under a contract for service entered by or on behalf of the body, whether before, on or after 1 January 2020
3. The person or body of persons that established a Government-aided school, other than a specified educational institution within the meaning of the Education Endowment and Savings Schemes (Edusave Pupils Fund) Regulations	Any self-employed person engaged under a contract for service entered for or on behalf of the Government-aided school, whether before, on or after 1 January 2020

**SECOND SCHEDULE**

Regulation 4

**EXCLUDED PAYMENTS**

1. Payment under a contract of employment.
2. Fee, remuneration or allowance payable to a member of the governing body of an entity, in that capacity.
3. Payment receivable that has been factored to a third party.
4. Payment made by an employee of a collector that the collector has reimbursed or has to reimburse.
5. Payment to a partnership.
6. Payment that, under a contract for service from 2 or more individuals, is to be paid collectively, without division into shares for each individual by the collector.

SECOND SCHEDULE — *continued*

7. Honorarium paid without any invoice.
8. Payment made in foreign currency.
9. Payment made through a service intermediary platform.
10. Allowance, honorarium or additional allowance payable to a Member of Parliament.
11. Payment from a partnership, under a contract for service, where any of the partners is not a collector in relation to that payment.
12. Reimbursement by the Government to a provider under a Government voucher programme.
13. Any Government grant.
14. Payment made pursuant to a hardcopy invoice issued in respect of a stall in a canteen in, or issued by a provider of school transport to, a Government school (as defined in the Education Act (Cap. 87)) or a Government-aided school, other than a specified educational institution within the meaning of the Education Endowment and Savings Schemes (Edusave Pupils Fund) Regulations.
15. Any payment made (other than from the School Fund as defined in regulation 89 of the Education (Schools) Regulations (Cap. 87, Rg 1)) by or on behalf of a Government-aided school, other than a specified educational institution within the meaning of the Education Endowment and Saving Schemes (Edusave Pupils Fund) Regulations.
16. Any payment by the Singapore Examinations and Assessment Board for services related to the administration or conduct of national examinations and assessments (as defined in the Singapore Examinations and Assessment Board Act (Cap. 299A)), including (but not limited to) —
  - (a) the setting up of a venue for, or invigilation at, any national examination or assessment; or
  - (b) the setting and marking of examination papers for any national examination or assessment.

## THIRD SCHEDULE

Regulation 11(1)

VALUE OF  $P$ 

1. For the relevant year beginning 1 January 2020 and for every subsequent relevant year, the value of  $P$  in the formula in regulation 11(1) for computing

THIRD SCHEDULE — *continued*

the estimated contribution for a self-employed person is as follows, rounded down to the nearest dollar:

<i>Self-employed person's estimated annual income for the relevant year</i>	<i>Self-employed person who has not attained 35 years of age on 1 January of the relevant year</i>	<i>Self-employed person who has attained 35 years of age but has not attained 45 years of age on 1 January of the relevant year</i>	<i>Self-employed person who has attained 45 years of age but has not attained 50 years of age on 1 January of the relevant year</i>	<i>Self-employed person who has attained 50 years of age on 1 January of the relevant year</i>
(1)	(2)	(3)	(4)	(5)
Not exceeding \$6,000	Nil	Nil	Nil	Nil
Exceeding \$6,000 but not exceeding \$12,000	An amount equal to 4% of the self-employed person's estimated annual income for that year.	An amount equal to 4.5% of the self-employed person's estimated annual income for that year.	An amount equal to 5% of the self-employed person's estimated annual income for that year.	An amount equal to 5.25% of the self-employed person's estimated annual income for that year.
Exceeding \$12,000 but not exceeding \$18,000	An amount equal to the sum of \$480 and 0.16 of the difference between the self-employed person's estimated annual income for that year and \$12,000.	An amount equal to the sum of \$540 and 0.18 of the difference between the self-employed person's estimated annual income for that year and \$12,000.	An amount equal to the sum of \$600 and 0.20 of the difference between the self-employed person's estimated annual income for that year and \$12,000.	An amount equal to the sum of \$630 and 0.21 of the difference between the self-employed person's estimated annual income for that year and \$12,000.
Exceeding \$18,000	An amount equal to 8% of the self-employed person's estimated annual income for that year, subject to a maximum of \$5,760.	An amount equal to 9% of the self-employed person's estimated annual income for that year, subject to a maximum of \$6,480.	An amount equal to 10% of the self-employed person's estimated annual income for that year, subject to a maximum of \$7,200.	An amount equal to 10.5% of the self-employed person's estimated annual income for that year, subject to a maximum of \$7,560.

Made on 30 December 2019.

AUBECK KAM  
*Permanent Secretary,  
Ministry of Manpower,  
Singapore.*

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