

CONTRIBUTE-AS-YOU-EARN (CAYE) PILOT

What self-employed persons (SEPs) with Government clients need to know

Now

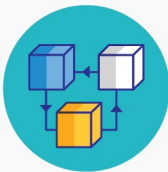
You contribute to MediSave in a lump sum or instalments after the end of the year

From 1 Jan 2020

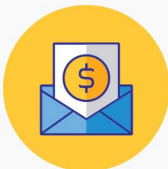
Government clients transmit part of your service fee to your MediSave and pay you the remainder



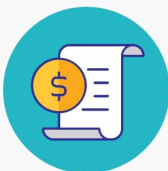
WHAT DOES THIS MEAN FOR YOU?



Government clients transmit your MediSave contribution on your behalf



Smaller, more regular contributions to MediSave as and when you earn



Pay less MediSave contributions the next year*

**No change to total payable MediSave contributions, which is based on your annual net trade income assessed by IRAS/CPF*



Grow your savings for your healthcare needs with 4% risk-free interest p.a. in MediSave

Example



A primary school engages Sam, a self-employed soccer coach, for a \$120 coaching session. After deducting expenses, he earns \$100 for the session. After completing various jobs over the year, his net trade income for the year is \$30,000, of which \$13,000 is from Government clients. As he is 48, he has to contribute 10% (\$3,000) of his net trade income to MediSave.

Now

- The school pays Sam the full fee of \$120
- Sam takes on various jobs over the year and does not make any MediSave contributions
- The next year, Sam contributes \$3,000 to his MediSave, in a lump sum or instalments

FROM 1 JAN 2020

- The school pays Sam \$110 and transmits \$10 (10% of \$100) to his MediSave
- His Government clients transmit a total of \$1,300 (10% of \$13,000) to his MediSave
- The next year, Sam only needs to contribute \$1,700 to his MediSave instead of \$3,000



Scan here to find out more.

From 1 Jan 2020, you can access CAYE-related services at www.cpf.gov.sg/SEPHome

