

# Contribute As You Earn (CAYE) Implementation Guide for Corporate Service Buyers

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Information accurate as at 10 September 2024



Central  
Provident  
Fund Board

# 7 HABITS OF HIGHLY EFFECTIVE CORPORATE SERVICE BUYERS

01

## UPDATE CORPPASS STAFF ACCESS



Update the accesses at [corppass.gov.sg](https://corppass.gov.sg).

02

## KEEP ADMIN POINT-OF-CONTACT UPDATED VIA CAYE DIGITAL SERVICES

For updates on CAYE, it is crucial that your point of contact is valid.



03

## OBTAIN NECESSARY APPROVAL



Obtain internal approval within the organisation prior to any CAYE payment or CAYE refund.

04

## DOUBLE CHECK PAYMENT DETAILS



Double check payment details for and the NRIC of self-employed vendors that you are making payment to.

05

## MAKE CAYE CONTRIBUTIONS AND NET SERVICE FEE WITHIN SELF-EMPLOYED VENDOR'S PAYMENT CREDIT TERM



To do so, cater for processing time of at least:

- a) 5 working days for payment to be processed via bank mode; or
- b) 2 working days, if payment is submitted before 5pm via CAYE digital services.

06

## PAY PROMPTLY



Make CAYE contribution on the same day the net service fee was made to the self-employed vendor.

07

## ENSURE SUFFICIENT BANK BALANCE FOR CAYE DEDUCTION



Avoid unnecessary bank admin charges by checking your Company's bank transaction limit before you make payment.

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## Commonly-used abbreviations

Acronym	Description
CAYE	Contribute As You Earn
CPF	Central Provident Fund Board
CSB	Corporate Service Buyers
CSN	CPF Submission Number
SEP	Self-Employed Person
TWG	Tripartite Workgroup
UEN	Unique Entity Number

## Points of Contacts

Types of Enquiries	Name	Email Address/Hyperlink	Contact Number
e-Invoice file	Ms Yi Lin Ng	<a href="mailto:Ng_Yi_Lin@agd.gov.sg">Ng_Yi_Lin@agd.gov.sg</a>	-
Policy-related matters	Mr Abraham Jedediah Mr Triston Cheong	<a href="mailto:Abraham_Jedediah_PONNIAH@mom.gov.sg">Abraham_Jedediah_PONNIAH@mom.gov.sg</a> <a href="mailto:Triston_cheong@mom.gov.sg">Triston_cheong@mom.gov.sg</a>	6317 1000
CAYE administration matters	Ms Foong Chui Keat/ Mr Aw Chee Wei/ CPF	<a href="mailto:FOONG_Chui_Keat@cpf.gov.sg">FOONG_Chui_Keat@cpf.gov.sg</a> <a href="mailto:AW_Chee_Wei@cpf.gov.sg">AW_Chee_Wei@cpf.gov.sg</a> <a href="#">Write To Us</a>	6202 3605

# 1. Contribute As You Earn (CAYE)

## What is CAYE?

CAYE helps self-employed vendors make smaller and regular contributions to their MediSave Account.

## How does CAYE work?

- Under CAYE, when a self-employed vendor completes a job with a government agency, a portion of the self-employed vendor's payment will be credited in his/her MediSave Account, with the remainder paid in cash to SEPs' bank account.

## Implementation

- The Government, as a service buyer, has taken the lead to implement CAYE for self-employed vendors that it contracts with (unless the self-employed vendors are exempted from CAYE) since January 2020.
- These obligations are supported in CPF legislation.

# 1.1 Background

## ■ Who are the Corporate Service Buyers involved?

- CAYE applies to all Corporate Service Buyers (CSBs) who engage self-employed vendors to provide services for them.
  - e.g. MOE, Community Centres

## ■ Which groups of self-employed vendors are involved?

- Individual self-employed vendors, who are not registered with the Accounting and Corporate Regulatory Authority (ACRA) as private limited companies. These refer to self-employed vendors who bid for jobs with government agencies via their NRIC numbers.
- Sole-proprietors, who are registered with ACRA as single business owners (as opposed to partners) and have a 9 or 10-digit UEN issued by ACRA.

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## Payment invoices

- CAYE applies to all tax-liable payments to freelancers and sole-proprietors under a Contract for Service.
- Corporate Service Buyers are required to implement CAYE for invoices received from self-employed vendors that are dated on or after 1 January 2020, or where no invoices are issued, all payments made on or after 1 January 2020.
- To help Corporate Service Buyers, Vendors@Gov will automatically tag invoices which are under CAYE. The daily e-invoice file format interfaced to Corporate Service Buyers have introduced two additional fields – CAYE indicator and self-employed vendors' NRIC.
- 'Buy-and-claim' purchases are excluded from CAYE as these purchases are very small in value which the staff is prepared to pay in advance and seek reimbursement thereafter.
- Refer to Section 3.1 on identifying invoices under CAYE.

### Self-Employed Persons

Under the CPF Act, a **Self-Employed Person (SEP)** refers to “any person, being a citizen or permanent resident of Singapore, who derives from Singapore or receives from outside Singapore income in respect of any trade, business, profession or vocation other than employment under a contract of service”.

### 🔍 Tips:

Self-employed vendors are encouraged to take up e-invoicing for easier identification of invoices under CAYE.

## Key Actions required of Corporate Service Buyers

- 01 Deduct the MediSave contribution payable from self-employed vendor's service fee.
- 02 Credit the MediSave contribution payable to the self-employed vendor's MediSave Account (MA), before paying the remainder of the service payment to the self-employed vendor.

### Q Tips:

- For invoices billed outside of Vendors@Gov, Corporate Service Buyers will need to identify them for CAYE separately. Please [write to us](#) if you require assistance.

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## 1.2 Statutory Function

- The CAYE collection model is administered by CPF B as part of its [statutory function](#) for the collection of MediSave contributions from self-employed vendors.
- The CAYE requirements have been set out to impose obligations on Corporate Service Buyers through the CPF legislation.
- MOM is the policy owner of CAYE, while CPF B is the administrator for CAYE.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or [write to us](#).



**2.**

## **Key CAYE On-boarding Activities**

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- ✓ This section will cover key CAYE on-boarding information and activities for Corporate Service Buyers.



## 2.1 Applying for CAYE digital service ID

### Objectives

- ✓ Gain access to CAYE digital services for viewing and submission of CAYE transactions.

### Key Actions required

- 01 Add and assign CAYE digital service ID at [corppass.gov.sg](https://corppass.gov.sg).
- 02 Create user account for new staff, if required, handling CAYE transactions.
- 03 Update your staff's Corppass accesses where necessary.
- 04 View our [step-by-step guide](#) to apply for CAYE digital service ID.

## 2.2 Applying for CAYE CPF Submission Number (CSN)

### What is a CAYE CSN?

- ✓ A CAYE CSN will enable self-employed vendors to identify the Corporate Service Buyer that made CAYE contributions on their behalf.

#### Example

Corporate Service Buyer	CAYE CSN	DDA Acct
NYP	1992123456-01	123-12345-1
NYP – School of Business	1992123456-02	123-12345-1
NYP – School of Engineering	1992123456-03	123-12345-2

### What is the difference between CAYE CSN and Employer CSN?

- ✓ CAYE CSN is for the purpose of making CAYE contributions only.
- ✓ Please note that the Employer CSN for making CPF contributions for employees cannot be used for CAYE transactions, and vice versa.

## How can I apply for more CSNs?

- ✓ To apply for additional CSNs, please [write to us](#) for the required forms.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or [write to us](#).



## 2.3 On-boarding process for Payment Modes

CAYE contributions can be made using Bank Mode or via CAYE digital services.

### 1

#### Bank Mode (Section 2.3.1)

- Under Bank Mode, OCBC Bank is the Board's vendor handling CAYE payment transactions.
- Corporate Service Buyers will deposit the gross service fee into CPF's CAYE bank account with OCBC.
- OCBC will then pay the net service fee to self-employed vendor via PayNow NRIC or UEN, before deducting and crediting the MediSave portion to the self-employed vendor's CPF MediSave account.

### 2

#### via CAYE digital services (Section 2.3.2)

- Make MediSave payments via the CAYE digital services at CPF's website using Direct-Debit Authorisation (DDA).
- To sign up for DDA, you will need a corporate or personal bank account with one of the [eGIRO participating banks](#). Please refer to the FAQs [here](#) on how to apply for DDA.
- Corporate Service Buyers to pay net service fees to self-employed vendors separately.

## 2.3.1 Bank Mode

### Key Benefits

- 1** Auto-computation of net service fee and CAYE contribution.  
OCBC will split and transmit the payment accordingly.
- 2**
  - Net service fee payment paid via PayNow NRIC or UEN to self-employed vendor's PayNow-registered bank account.
  - MediSave amount paid to CPF.
- 3** Self-employed vendors will receive SMS/email notifications from CPF when both payments are made.

### Key Actions required

- 01** Link up with CPF:
  - Establish new SFTP system link-up and create new account and/or folder with CPF

### Workflow



#### Send Payment File to CPF

- Payment file contains self-employed vendor's NRIC and PayNow details.



- CPF will return an acknowledgement file upon receipt of payment file.
- Corporate Service Buyer will send a payroll file to their corporate bank after processing acknowledgement file.
- Once Corporate Service Buyer's corporate bank transmits the gross service fee to the CAYE bank account, OCBC will pay the net service fee to the self-employed vendor's bank account via PayNow, and credit the required CAYE contribution to the SEP's MediSave account.



#### Resubmit unsuccessful payments

Submit unsuccessful payments in the next batch of payments.



#### Payments made in error

- Submit a refund request to CPF within 1 year from the time the CAYE contribution was credited into self-employed vendor's MediSave account.
- Seek a refund of the remaining service fee from the self-employed vendor directly.

## 2.3.2 CAYE digital services

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### Key Benefits

- 1** Corporate Service Buyers can decide how/when to submit payment.
  - Choose between manual entry or file upload
  - Save up to 3 drafts
- 2** Automated computation of CAYE contributions and net service fee amount.
  - The breakdown by transaction level is available for download on CAYE digital services.
- 3** Made an erroneous payment submission?
  - Make changes via CAYE digital services within 3 working days before DDA deduction.
- 4** Receive an acknowledgement email upon successful payment of CAYE contributions.

### ■ Direct-Debit Authorisation (DDA)

- For the 1<sup>st</sup> failed DDA deduction, a 2<sup>nd</sup> deduction will be automatically scheduled 7 calendar days later (or the next working day, if the 7<sup>th</sup> calendar day falls on a public holiday).
- Corporate Service Buyers will be informed via email. Please ensure that there is sufficient balance in your bank account for the deduction.
- For the 2<sup>nd</sup> failed DDA deduction, Corporate Service Buyers will receive a notification to re-submit CAYE contributions.
- Upon successful deduction of CAYE contribution amount, make remaining net service fee payment to self-employed vendor.

## When in doubt:

- ✓ Always refer to the [list of FAQs](#).
- ✓ If your query cannot be addressed via the list of FAQs, direct the query to the respective points of contact.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or [write to us](#).



# 3.

## Administering CAYE

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- ✓ This section will cover important information for Corporate Service Buyers to administer CAYE duties.

# 3.1 Identify invoices under CAYE

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## CAYE Invoices

- CAYE is payable on all payments to self-employed vendors under a Contract-For-Service unless otherwise exempted.
- For transactions with no invoices, CAYE will apply on payments made on or after 1 Jan 2020.

## Identification

- Self-employed vendors will be identified based on their login ID at Vendors@Gov.
  - These vendors will be informed of CAYE when they log in at Vendors@Gov via a pop-up prompt.
- The daily e-invoice file format interfaced to Corporate Service Buyers will have two additional fields – CAYE indicator and self-employed vendors' NRIC.
  - Corporate Service Buyers must be able to process these new fields in order to identify e-invoices under CAYE and self-employed vendor's NRIC to credit CAYE contribution.



### Tips:

Need more information on how to identify hardcopy invoices that are under CAYE?

- [Write to us](#)

## List of exempted payments

The following payments are exempted from CAYE:

1. Payment under a contract of employment (e.g. employee income)
2. Fee, remuneration or allowance payable to Board directors
3. Payment to self-employed vendors via factoring Corporate Service Buyers, since they are considered B2B transactions
4. Buy-and-claim purchases (e.g. if public officer pays the self-employed vendor upfront and claims from Corporate Service Buyer afterwards, CAYE would not be applied on the payment)
5. Payments made to a partnership
6. Payments made to self-employed vendors providing their services as a Collective (e.g. Collective arrangement by Arts freelancers)
7. Honoraria paid to academia/experts with no invoices
8. Payment made in foreign currency
9. Payment made through a service intermediary platform used by the Collector to engage services from self-employed vendors
10. Fee, remuneration or allowance paid to a Member of Parliament
11. Payments to self-employed vendors from projects on public-private partnership, since they involve private sector buyers and are considered out of scope of the pilot phase
12. Reimbursement by the Government to a provider under Government voucher programme (e.g. National Myopia Prevention Programme (NMPP) and Community Development Council (CDC) Vouchers)
13. Reimbursement made to self-employed vendors for expenses incurred while carrying out their services
14. Government grants
15. Sub-contracted jobs from Corporate Service Buyers

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## 3.2 Make CAYE contributions through preferred payment modes

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### Key Actions required of Corporate Service Buyers

- 01** Decide on a preferred payment mode for CAYE contributions.
  - Refer to Section 2.3 Payment Modes for more information on the two payment methods offered under CAYE.
- 02** Inform CPF by [writing to us](#).



## 3.3 Request refund of CAYE contributions

### Made a wrong contribution?

#### Request a refund of the CAYE contributions from CPF B

- ✓ Within 1 year from the time the contribution was credited into self-employed vendor's MediSave Account.
- ✓ CPF B will refund the full amount of credited CAYE contributions to Corporate Service Buyers' bank account.
  - Please note that CAYE contributions can only be refunded if there are sufficient balances in self-employed vendor's MediSave Account.

#### Take note:

- Corporate Service Buyer will have to seek a refund of the remaining service fee from the self-employed vendor directly.
- All refunds will be made to Corporate Service Buyer's bank account only.
- CPF B does not accept credit notes for the CAYE contribution.

#### Workflow



##### Submit your request

Please do so within 1 year from the time the contribution was credited into self-employed vendor's MediSave Account. All contributions made after 1 year will be deemed to be correctly made and are not refundable.



##### Retrieve net service fee from self-employed vendor

Corporate Service Buyers are to approach self-employed vendor directly as CPF B can only refund the CAYE contribution.



##### Wait 15 working days for CAYE contribution refund

CPF B will refund the CAYE contribution to the Corporate Service Buyer's bank account.

**4.**

## **Additional Information**

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- ✓ This section will cover additional information and guides to aid Corporate Service Buyers in administering CAYE duties.

## 4.1 Guide to navigate features of CAYE digital services

### Step-by-Step Guide

Refer to our [step-by-step guide](#) for information on:

- Applying a CAYE CSN number
- Navigating CAYE digital services
- Making a CAYE contribution through CAYE digital services
- Viewing transaction status and history
- Requesting a refund or reversal of CAYE contributions

## 4.2 Handling of enquiries by self-employed vendors

### Received a question about CAYE?

#### Direct the question to the appropriate channels

- ✓ Maintain Single-Source of Truth.
- ✓ Clear delegation of responsibilities.

Types of enquiries by self-employed vendor	Enquiries to be addressed by
<ul style="list-style-type: none"> <li>• Dispute of service fees (such as non-payment and late payment)</li> <li>• Erroneous service fees (such as overpayment and underpayments)</li> <li>• Refund of erroneous payments</li> </ul>	Corporate Service Buyers
<ul style="list-style-type: none"> <li>• CAYE Contributions (e.g. self-employed vendor's CAYE con rate, non-payment of MediSave contribution)</li> </ul>	<p>Refer to FAQ where applicable.</p> <p>If not, refer self-employed vendors to submit an enquiry through the Board's My mailbox service. CPF Board will contact them directly.</p>

## When in doubt:

- ✓ Always refer to the [list of FAQs](#).
- ✓ If your query cannot be addressed via the list of FAQs, direct the query to the respective points of contact.

### Have questions?

- View our [FAQs](#) and [website](#)
- Scan the QR Code to visit CAYE digital services
- Or [write to us](#).



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