

Skills Development Levy (SDL)

Under the Skills Development Levy (SDL) Act (Cap. 306), it is a statutory requirement for employers to make SDL contributions for all employees.

With effect from 1 October 2008, the SDL contribution is set at the rate of 0.25% of an employee's gross monthly remuneration** up to the first \$4,500, or \$2, whichever is higher. The SDL is payable for all local and foreign employees including casual, part-time and temporary employees rendering services wholly or partly in Singapore.

***"Remuneration" means any wage, salary, commission, bonus, leave pay, overtime pay, allowances (including housing or other like allowances) and other emoluments paid in cash.*

An Example of SDL computation for a Company:

WORKER	Gross Monthly Remuneration	SDL Payable	REMARKS
A	\$150.80	\$2.00	Minimum of \$2 is payable
B	\$609.50	\$2.00	Minimum of \$2 is payable
C	\$2,000.00	\$5.00	0.25% levy
D	\$4,500.00	\$11.25	0.25% levy
E	\$4,502.00	\$11.25	First \$4,500 levied at 0.25%
F	\$10,000.00	\$11.25	First \$4,500 levied at 0.25%
	TOTAL SDL	\$42.75	\$42.00 is payable

Total **SDL Payable** is **\$42.00 (only the derived total amount shall be rounded down to nearest dollar)**.

Please click [here](#) to access the on-line SDL calculator.

Payments for the SDL should be made by the 14th day of the following month to the Central Provident Fund (CPF) Board, which is the authorised collection agency. A penalty of 10% per annum will be imposed on the outstanding amount for late payment. In addition, employers who give false and/or misleading information relating to the payment of the levy, or who contravene the provisions of the Skills Development Levy Act or Regulations shall be liable, if convicted, to a fine or imprisonment or both.

The SDL collections are credited to the Skills Development Fund (SDF). Acting as the custodian of the SDF, the Singapore Workforce Development Agency (WDA) taps on the funds to implement various incentive schemes to facilitate upgrading so as to raise industry competitiveness and workforce employability.