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Singapore Payroll Guide

A guide for organisations in Singapore

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If you want the peace of mind of an accurate, compliant, fully-managed service



Payroll should be the one thing you never have to worry about

Introduction

About this guide

Every employer must calculate CPF contributions correctly for each employee's age and citizenship status, manage multiple statutory levies, issue itemised payslips every pay cycle, and file annual tax returns with IRAS, all while keeping pace with rules that are reviewed and revised most years.

This guide sets out the challenges Singapore employers most commonly face running payroll, what it typically costs to set up and run, the real cost of getting it wrong, and how Black Mountain's Singapore payroll service takes that burden off your team.

30%

of Singapore employers cite payroll errors and delays as a major cause of employee dissatisfaction.

S\$5,000

maximum fine for late or incorrect IR8A tax filing with IRAS.

S\$10–S\$30

typical monthly cost per employee to outsource Singapore payroll.

Sources

1. 30% — Deel, Singapore Payroll Report 2025
2. S\$5,000 — IRAS, Submitting employment income records (Auto-Inclusion Scheme)
3. S\$10–S\$30 — Excellence SG, Payroll outsourcing cost in Singapore



The challenges of Singapore payroll

Singapore payroll is closely tied to statutory schemes administered by several different agencies, with rules that are reviewed most years. Here are the challenges we hear about most from employers:

1

Complex, multi-tier CPF contributions

CPF contribution rates vary according to an employee's age and, for Singapore Permanent Residents, their year of PR status. The Ordinary Wage ceiling increased to S\$8,000 per month from 1 January 2026. CPF contributions on Additional Wages are subject to an annual ceiling calculated as S\$102,000 less the employee's total Ordinary Wages subject to CPF for that year.

2

Multiple statutory contributions and levies to track

Employers must account for the Skills Development Levy for employees working in Singapore, as well as applicable CPF and Self-Help Group contributions (CDAC, ECF, MBMF and SINDA). Employers of Work Permit and S Pass holders may also be liable for monthly Foreign Worker Levies, with rates varying according to pass type, sector, worker skill level and quota tier.

3

Annual tax filing with IRAS

IR8A/AIS returns are due by 1 March each year and are mandatory for any employer with five or more staff. Errors or late filing can trigger fines and, in serious cases, imprisonment.

4

Mandatory itemised payslips

Employees covered by the Employment Act must receive an itemised payslip for every pay cycle, a requirement in force since 1 April 2016. Non-issuance or late issuance is one of the most common compliance complaints MOM receives.

5

Frequently revised statutory rules

CPF and related payroll rules are reviewed most years. The Ordinary Wage ceiling alone rose from S\$6,000 to S\$6,300 in 2023 and reached S\$8,000 in January 2026, leaving little room for outdated processes.



What does it cost to set up Singapore payroll?

The right approach depends on whether you already have the team, time and expertise to run payroll in-house, or would rather hand it to a specialist. Here's what's involved either way, and exactly what it costs with Black Mountain – with no hidden fees.

Running payroll in-house

- A payroll professional (or team) confident with CPF, SDL, work pass levies and IRAS rules that are reviewed most years.
- Payroll software, kept licensed and up to date with CPF Board and IRAS requirements.
- Registering for and managing CPF contributions for every eligible employee.
- Generating and distributing itemised payslips for every employee, every pay cycle.
- Managing starters, leavers, final payments and annual IR8A tax filings.
- Cover for holidays, absence and staff turnover, so payroll never falls behind.

Outsourcing with Black Mountain

- **Set-up fee (one-off):** S\$1,250 minimum* plus S\$10 per employee for headcounts over 25, covering payroll system set-up and CPF registration.
- **Fixed monthly fee:** S\$100*
Covers core monthly processing and account management.
- **Per-employee fee:** S\$13 a month*
monthly processing, CPF calculations and e-payslips for every employee.
- **Year-end fee:** S\$15* per employee
Annual tax return filing with IRAS.

*Prices depend on number of employees, payroll frequency and complexity.

What this looks like for 20 employees

Outsourcing to Black Mountain costs around S\$5,870 in year one, including the S\$1,250 set-up fee, then around S\$4,620 a year after that – covering the fixed monthly fee, per-employee processing and CPF calculations, and the year-end IRAS filing fee for every employee.



The cost of getting payroll wrong

Payroll mistakes in Singapore carry real financial and legal consequences, from CPF interest charges to fines and, in serious cases, imprisonment.

20%¹

of manually processed payrolls contain errors.

18% p.a.³

CPF late payment interest rate, charged from the first day after the due date.

~US\$290²

average cost to correct a single payroll error.

670⁴

average annual complaints MOM receives about missing or late itemised payslips.

What penalties can look like

Late AIS employment-income submission

Fine of up to S\$5,000. Further consequences may apply where responsible persons fail to comply with IRAS notices.⁵

Late CPF contributions

Late payment interest of 1.5% per month from the first day after the due date, minimum S\$5. Prosecution may result in fines and/or imprisonment.³

Missing / late itemised payslips

MOM may require rectification and can impose administrative penalties for repeated infringements.⁴

Repeat CPF non-compliance

S\$2,000–S\$10,000 per offence and/or imprisonment of up to 12 months for repeat offenders.³

Sources

1. EY research, cited by Clema Risk Solutions

2. EY research, cited by Info-Tech Systems

3. CPF Board, Enforcement and penalties for non-compliance

4. Ministry of Manpower, Written answer on itemised payslips (2024)

5. IRAS, Submitting employment income records (AIS)



Our Singapore payroll service

Black Mountain has been helping SMEs and multinationals outsource payroll, HR, employee benefits, and back-office administration since 1996. Our Singapore payroll team, operating as Black Mountain (Singapore) Pte Ltd, combines the accuracy of an in-house function with the expertise of a dedicated outsourced specialist, so you can focus on what matters most.

Payroll – Why Black Mountain?

Dedicated Account Manager

Access to a payroll expert who learns your organisation and its way of working, backed by a second administrator to provide cover through holidays or sickness.

Service Level Agreements

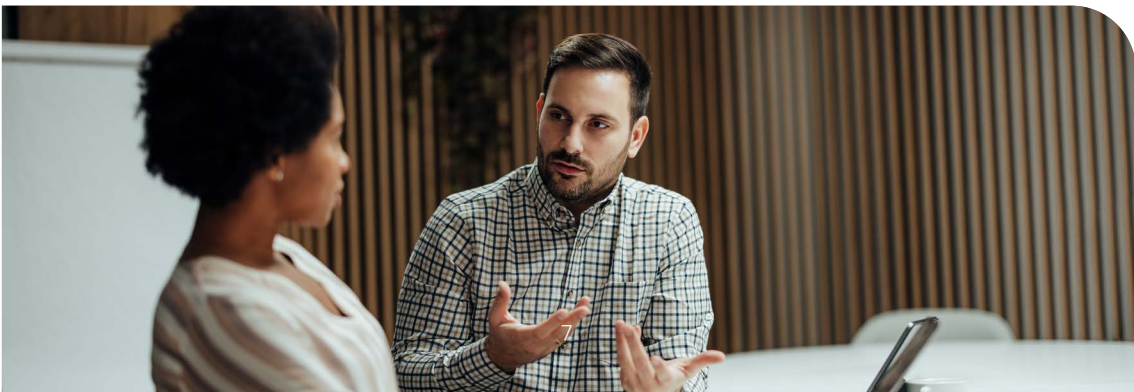
Clear, committed response times built into every engagement, so you always know when you'll hear back and can plan around it.

Client opt-out clause

If an issue isn't resolved within 30 days, you're free to walk away with no obligation, we stand behind the quality of our service.

Competitive Pricing

A local team with genuine Singapore payroll expertise, backed by streamlined, proven processes that keep our all-inclusive pricing competitive.



Payroll management: scope of service

Our all-inclusive Singapore payroll service covers everything from set-up to statutory compliance, including the ad hoc tasks that inevitably come up, with no hidden charges.

Initial set-up

- Gathering employee data via a census form.
- Advising on leave and pro-rata policies.
- Agreeing a standard monthly processing timeline.
- CPF registration and management.

Monthly payroll activities

- Processing new-hire, termination and movement forms.
- Calculating net-to-gross pay, CPF and statutory payments.
- Calculating final termination payments.
- Secure portal approval workflow before every pay run.
- Making payments to staff and CPF, and generating e-payslips.

Statutory compliance

- Annual payroll tax returns filed with IRAS.
- Tax clearance filing for expatriate employees.
- Distributing annual tax return copies to employees.
- Maintaining payroll and employee records in accordance with applicable Singapore record-keeping and data-protection requirements.

Year-round support

- Standard monthly and variance reports by cost centre.
- A named Account Manager for unlimited payroll queries.
- Cloud-based, password-protected payslip access for every employee.

Looking for a tailored quote?

Pricing depends on headcount and complexity. Get in touch and we'll put together a scope and quote for your business.



Let's talk about your Singapore payroll

Whether you are bringing your first Singapore employee onto payroll, expanding headcount, or simply want the peace of mind of an accurate, compliant, fully-managed service – our Singapore payroll team is ready to help.



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