



Skills Development Levy (SDL) Employers' Handbook

SKILLS *future* SG

Your SDL Journey

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1 Determine if you need to pay SDL

What is SDL and what is it for?

Skills Development Levy, or SDL, is required by law. Under the SDL Act, it is **compulsory** for all employers to pay SDL for **all local and foreign employees in Singapore**.

The SDL collected is channelled to the Skills Development Fund which is used to support workforce upgrading programmes and provide training grants to employers when they send their employees for training under the national Continuing Education and Training system.



SDL is a statutory requirement. SSG has powers to verify information and call for returns from employers under Section 15 of the SDL Act.



What are your SDL obligations?

- Employers are required to pay SDL for all **local and foreign employees** (including full-time, casual, part-time, or temporary employees) rendering services in Singapore. If your foreign employees no longer render services in Singapore, you should cancel their work passes within 7 days. Late cancellations may result in SDL assessments for these employees. Please refer to [MOM's website](#) on the requirements to cancel an employment pass
- If you are **seconding** your employee to another entity in Singapore, the original / home employer who pays the employee's wages is required to contribute SDL
- If you are **cross-deploying** your employee to another entity (i.e. host company), the host employer paying the employee's wages is required to pay SDL for the employees who are cross deployed

Exemption applies to:

- An employee who is a domestic servant, chauffeur or gardener wholly and exclusively employed by an individual outside of that individual's trade, business, profession or vocation
- Employees who are on no-pay leave for the entire month
- Individuals who are self-employed (i.e. on Contract **FOR** service)
- Matriculated or registered students of **selected institutions*** who are employed for institution-approved training, such as internships



*The full list of approved institutions exempted from SDL is available at [SDL FAQs | SkillsFuture for Business](#) > Scope and Liability of SDL

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Compute SDL for each employee

How much SDL do you need to pay?

Item	Details
Rate	0.25% of monthly total wages
Minimum SDL payable	\$2.00 per employee for monthly total wages less than \$800
Maximum SDL payable	\$11.25 per employee for monthly total wages exceeding \$4,500
Due Date	14th of the following month



💡 DID YOU KNOW:

SDL is capped at \$11.25 per employee per month, Levy is not chargeable on the part of the wages that exceeds \$4,500 per month

To find out more about SDL computation, please refer [SDL FAQs | SkillsFuture for Business](#) > SDL Computation

Examples

Employee	Monthly Wage	SDL Payable	Remarks
A	\$150.80	\$2	Minimum of \$2 is payable for those earning less than \$800
B	\$609.50	\$2	Minimum of \$2 is payable for those earning less than \$800
C	\$2,000.00	\$5	0.25% of monthly wage
D	\$4,500.00	\$11.25	0.25% of monthly wage
E	\$4,502.00	\$11.25	SDL is on the first \$4,500 only
F	\$10,000.00	\$11.25	SDL is on the first \$4,500 only
	Total	\$42.75	
	Total SDL Payable	\$42	Rounding down is done at the total for the whole organisation and not on each employee

Wage components liable for SDL

Refer to the table below and [Annex](#) for examples of types of wage components liable for SDL, including but not limited to those listed.

Type of Payment	Description	SDL Payable
Anniversary Cash Award	Payment by employers to employees on company's anniversary, as a form of additional wage or bonus payment	Yes
Annual Wage Supplement/ Bonus	Payment to employees at the end of the financial year	Yes
Attendance Allowance	Payment for good work and attendance	Yes
Awards for passing examinations	Cash payment made to an employee as reward for good work performance in the form of employee passing an internal or external examination in the course of his/her work	Yes



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Make SDL payments

How can I make SDL payments?

SDL payments are due **within 14 days** from the end of each month.

Payment Channels

CPF EZPay



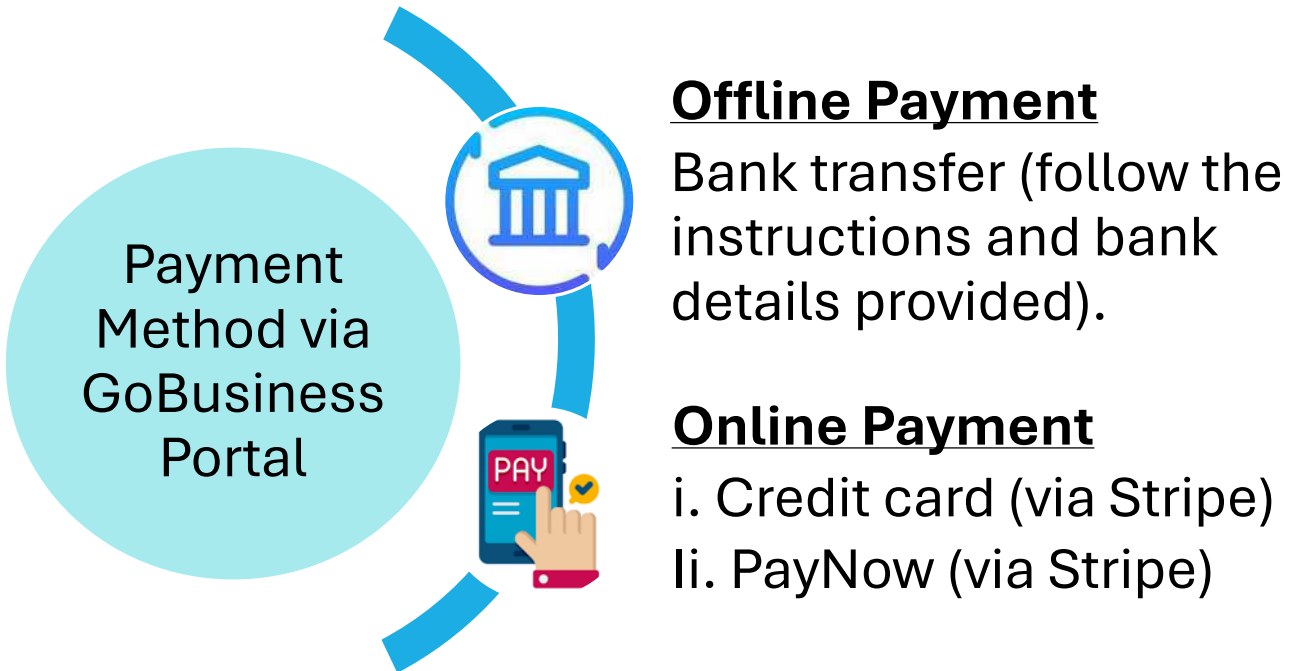
Employers with local employees are encouraged to make their monthly SDL payments together with their CPF contribution through CPF EZPay. Manual calculation and inputs are required for your Foreign Employees

GoBusiness Portal



Employers who have not paid/ underpaid their SDL for Local Employees; OR

Employers with Foreign Employees **ONLY**



If you have received an SDL letter (either a Contribution letter or a Notice of Assessment), please proceed to make payment by following the instructions in the letter received

To find out more about SDL Payment Modes, please refer to [SDL FAQs | SkillsFuture for Business](#) > SDL Due Date and Payment

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Check SDL payment records

How can you check your SDL payment records?

You can review your SDL records through the **GoBusiness Portal**.

To check your SDL payment history and outstanding amounts:

1. Log in to the **GoBusiness Portal**
2. Go to your **Dashboard**
3. View the “**Outstanding SDL payable**”
4. Click on “**Details (CSV)**” to view your **monthly breakdown** of SDL payable, SDL paid, and outstanding SDL payable

Skills Development Levy (SDL)
As an employer, you are required to pay the Skills Development Levy (SDL) for all employees working in Singapore. [More information here](#)

Make SDL Payment / Submit Declaration To make payment and/or submit a declaration (if you have more updated payroll records compared to SSG records)	Apply for Refund To apply for a refund for overpaid SDL after the payment for the relevant months for refund for is reflected in our CSV records.	File Notice of Objection (NOO) SDL is currently not accepting NOO submissions. More details in our FAQ
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Outstanding SDL payable (SGD)
120.00
Updated: 7 Mar 2023
Compute SDL amount payable to SSG using [online SDL calculator](#)

Make Payment / Declaration **Details (CSV)** **Request Refund** **File NOO**

What if you have missed an SDL payment?

If you have not paid or underpaid your SDL, you can make payments through **GoBusiness Portal**:

1. Log in to **GoBusiness Portal**
2. Go to **Levy > Skills Development Levy (SDL)**
3. Click on “**Make Payment/Declaration**”
4. Select the relevant month(s) for payment, then proceed with payment



Skills Development Levy Regulations

“Every employer liable to pay a levy for any month shall within 14 days after the end of that month —

(a) compute the amount of the levy payable by him under section 3 of the Act; and

(b) pay such amount of levy computed to the Agency in such manner as the Agency may require.”



Please note that failure to make full payment may result in your organisation being suspended from eligibility for Whole-of-Government Continuing Education and Training funding support. This suspension is extended to course fee grants, absentee payroll grants and SkillsFuture Enterprise Credits.

What if you have overpaid SDL?

If you have overpaid SDL, you may request for a refund through the **GoBusiness Portal**.

How to Apply for a Refund:

1. Log in to **GoBusiness Portal**
2. Go to **Levy > Skills Development Levy (SDL)**
3. Click on “**Apply for a Refund**”
4. Complete and submit the refund form

Information that you will need to provide:

- ❖ PayNow ID
 - Corporate UEN (for registered businesses); or
 - Individual ID (for sole proprietors)
- ❖ Refund amount
- ❖ Refund period (*the month(s) or year(s) for which you overpaid*)
- ❖ Reason for refund
- ❖ Payroll records and supporting documents



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Respond to SDL letters

What should you do when you receive an SDL letter?

If you have received an SDL letter (either a Contribution letter or a Notice of Assessment), it means that you have outstanding SDL payable for the period stated in the letter.



How are the payables assessed?

The SDL payables are assessed using wage data from government records for all employees (local and foreign).

What should you check?

1. Check the **period** stated in the letter
2. Cross-check the **wages** and **rates** used to compute your SDL payables against your payroll records
3. Refer to pages 5 and 6 for the SDL rate and calculation examples



What should you do after receiving our SDL letters?

✓ **If you agree** with the SDL computation outlined in the letter, please make payment using the QR code or the designated link provided in the letter.

✗ **If you disagree** with the SDL payables in any of the months stated in the letter, you may file a Declaration (for Contribution letter) or a Notice of Objection (NOO) (for a Notice of Assessment) using the designated link provided in the respective letters. Please refer to the next page for more information.



If the full SDL payment has been made according to the SDL payables stated in the letters, you will not be able to file either a Declaration or an NOO to the letters

What if you disagree with our SDL letters?

A Declaration or an NOO is required if you disagree with the SDL payables in any of the months stated in the SDL letter.

How to submit a declaration or an NOO

If your calculated SDL payables differ from the amounts stated in your SDL letter, follow these steps:

1. Access the designated link provided in your SDL letter
2. Download and complete the template with your SDL computation for each relevant month, based on your payroll records
3. Upload and submit the completed template through the portal*
4. Retain all supporting documents for your records

After submission

We will contact you directly if further clarifications are required.



*For **Declaration** submissions, you will be prompted to **make payment** for the outstanding SDL based on your calculation.

For **NOO** submissions, **do not make any payment** until you receive notification of the outcome.

To find out more about SDL Letters, please refer to [SDL FAQs | SkillsFuture for Business](#) > Declaration (for Contribution letters) or Notice of Objection (NOO) (for Notice of Assessment)



💡 If there is a change to your SDL representative's contact details, please contact SkillsFuture Singapore (SSG) through SSG's [Service Portal](#).

For more information on the SDL, please refer to [SDL FAQs | SkillsFuture for Business](#)

This information guide aims to provide a better general understanding of the obligations and is not intended to comprehensively address all possible SDL issues that may arise. This information is correct as at 9 February 2026. While every effort has been made to ensure that this information is consistent with existing law and practice, should there be any changes, SSG reserves the right to vary our position accordingly.

Annex

The contents of the table are meant to provide general guidance, and the answers provided are only indicative in nature. For the avoidance of doubt, the said contents are not to be construed as limiting or prejudicing the operation of the Skills Development Levy Act (Chapter 306) or the subsidiary legislation made thereunder.

Type of Payment	Description	SDL Payable
Bursary	<p>Bursary (in the form of cash) given to a needy employee for subsidising that employee's education expenses, where:-</p> <p>(a) such bursary award is not required or provided for under the employment contract;</p> <p>(b) the education is not part of the employee's work duties; and</p> <p>(c) the quantum or award of the bursary is not subject to the employee's work performance.</p>	No
Commission	Payment to employees based on percentage of sales achieved	Yes
Housing allowance or other like allowance	Payment of housing allowance or other like allowance to employees	Yes
Dirt Allowance	Payment for performing field duties	Yes

Type of Payment	Description	SDL Payable
Education Allowance	Contractual payment for education of employee's children	Yes
Education/ Training Reimbursement	Reimbursement of course or examination fees paid by the employee, where attendance at such course or examination is required as part of the employee's work duties	No
Entertainment Expenses	Reimbursement of expenses incurred for entertaining employer's clients, where such entertainment is required as part of the employee's work duties	No
Extra Duty Allowance	Payment made for extra work done e.g. night duty, overtime, public holiday, acting allowance etc	Yes
Festival Allowance	Cash gift (e.g. hongbao) given to employees during festive season	Yes

Type of Payment	Description	SDL Payable
Finders Introduction Fees	<p>Cash payment to an employee as reward for the employee introducing a new employee, where:</p> <p>(a) such act of introduction is not part of the employee's work duties;</p> <p>(b) such payment is not provided for nor required under the employment contract; and</p> <p>(c) such referral or payment is wholly unrelated to the referring employee's employment</p>	No
Gifts in Kind	Award in kind e.g. token gifts	No
Gratuity	Payment to employees for good service while still in employment	Yes
	Payment to employees upon termination of employment, i.e. compensation in nature	No
Grooming Allowance	Payment to employees for enhancement of appearance	Yes
Hair Cut Allowance	Payment to employees for enhancement of appearance	Yes

Type of Payment	Description	SDL Payable
Hand phone, Pager, Cable TV and Internet Allowance	Monthly fixed cash payments to employees for hand phone or pager	Yes
	Forms part of the employer's expenditure & paid directly to third party e.g. service provider if used wholly for work	No
	Reimbursement for actual expenses incurred for official work purposes	No
Holiday Allowance	Fixed cash payment to employees for vacation purposes, given to employees as required under the employment contracts	Yes
Reimbursement Of Travelling Expenses	Reimbursement of travelling expenses incurred by the employee when travelling for work purposes as required under his employment	No
Cash Allowance in lieu of Home Leave Passage [travel passage (by air or otherwise) provided by employer for the employees to visit their home countries]	Cash allowance paid by the employer to an employee in lieu of home leave passage, where the employment contract provides that the employer may choose to make such payment in lieu	Yes

Type of Payment	Description	SDL Payable
Housing Rental Subsidy	Cash allowance paid to employees to defray employees' housing rental expenses	Yes
Housing Reimbursement	Forms part of the employer's expenditure and paid directly to third party e. g. landlord	No
Incentive Allowance	Cash payment incentive	Yes
	Incentive in kind e. g. token gifts	No
Innovation / Improvement award	Cash payment to an employee as reward for: (a) innovative ideas contributed; or (b) improvements made by the employee in the course of his employment, where such contribution and improvement is expected of the employee under his contract of employment	Yes
	Award in kind to employee	No

Type of Payment	Description	SDL Payable
Laundry Reimbursement	Reimbursement of expenses incurred by an employee for washing uniforms, where: (a) the employee is required under his employment contract to wear uniforms and have them washed; and (b) the employment contract provides that the employee may claim reimbursement of the expenses incurred for such washing	No
Laundry Allowance	Payment for laundry expenses for personal clothing of employees	Yes
Leave Pay	Payment in lieu of leave	Yes
Long Service Award	Cash award for long service	Yes
	Long service award given in kind	No
Maternity Allowance	Payment to female employees during confinement and in addition to monthly salaries	Yes
Meal Allowance	Monthly lump sum payment to employees	Yes

Type of Payment	Description	SDL Payable
Pensions	Pensions made to an individual after his retirement	No
Personal Clothing Allowance	Payment to employees to enhance appearance	Yes
Probation Period Pay	Wages for employees on probation	Yes
Productivity Award	Cash award for staff productivity	Yes
Sales Performance Award	Payment for attaining sales target	Yes
Service Charge	Collection by hotels/restaurants and distributed as part of wages to employees	Yes
Service Excellence Award	Cash payment in recognition of good service provided e.g. GEMS award, Most Courteous Employee Award	Yes
	Award in kind e.g. in the form of air ticket, hotel accommodation etc	No
Staff Welfare Benefits in kind	Gifts in kind to employees on their marriage or birth of their children	No
Staff Welfare Benefits in cash	Cash payment to employee on special occasions such as birthday, wedding, or birth of child	Yes

Type of Payment	Description	SDL Payable
Stand-by Allowance	Payment for stand-by duties	Yes
Student Pay	Wages paid to employees/ registered students, including students who work after completing their “A” level examinations	Yes
	<p>Wages paid to registered students of any school registered under the Education Act (Cap. 87):</p> <p>(a) Students of Government schools, excluding tertiary institutions, working during their scheduled school holidays.</p> <p>(b) 'N' & 'O' level Government school students working during the scheduled school holidays.</p> <p>(c) 'A' level students working during scheduled school holidays before their "A" level examinations</p>	No

Type of Payment	Description	SDL Payable
Student Pay	Wages paid to registered students of any overseas tertiary education institution who are employed without a letter from the tertiary education institution stating that the training is required as part of the student's curriculum	Yes
	Wages paid to registered students of any overseas tertiary education institution who are required by the institution to undergo training in Singapore for a period of more than 6 months	Yes
	Wages paid to registered students of any overseas tertiary education institution, with the employer submitting a letter from the tertiary institution to SSG, stating that the training is required as part of the student's curriculum, and the training period does not exceed 6 months	No

Type of Payment	Description	SDL Payable
Student Pay	<p>Registered students employed during vacation or term, under training programme approved by the following institutions:</p> <ul style="list-style-type: none"> (a) Institute of Technical Education (b) Nanyang Polytechnic (c) Nanyang Technological University (d) National University of Singapore (e) Ngee Ann Polytechnic (f) Republic Polytechnic (g) Singapore Institute of Technology (h) Singapore Management University (i) Singapore Polytechnic (j) Singapore University of Technology and Design (k) Temasek Polytechnic (l) University of the Arts Singapore (LASALLE College of the Arts (LASALLE) and Nanyang Academy of Fine Arts (NAFA) 	No
Tips	Cash collected from customers to augment wages of hotel and restaurant employees	Yes
Transport Allowance	Payment to subsidise employees' transport expenses	Yes

Type of Payment	Description	SDL Payable
Transport Allowance	Reimbursement for travel in the line of official duty	No
	Reimbursement for travel from office to the place of assignment (not the normal place of work), where such travel is required as part of the work duties	No
	Reimbursement for actual transport expenses where the employer is obliged to provide transport for employees and where the transport is not available	No
Workmen's Compensation	Compensation awarded for injuries under the Work Injury Compensation Act	No
Work Performance award	Cash payment given to promote corporate culture and organizing company events and attaining goals/ targets	Yes
Zero/ low medical leave	Cash payment for zero/ low medical leave taken	Yes