

# e-CAP FAQ

## EPF EXTENDS EMPLOYER COVID-19 ASSISTANCE PROGRAMME (e-CAP) TO SMEs

### FREQUENTLY ASKED QUESTIONS (FAQ)

NO

QUESTIONS & ANSWERS

**1** What is the Employer COVID-19 Assistance Programme (e-CAP)?

The EPF is aware that the COVID-19 pandemic has created a very difficult environment for businesses to thrive in and many companies face financial challenges in the running of their operations.

Towards this end, the EPF is extending the Employer COVID-19 SME Assistance Programme **beginning 23 April 2020** to assist qualified Small and Medium Enterprises (SMEs) to manage their monthly cash flow and continue operating their businesses, while still enabling workers to keep their jobs.

The programme allows employers to apply for deferment and restructuring of **Employer Share Contribution Payment** for **April, May and June 2020** contributions (March, April & May 2020 wages).

**2** Who is eligible for this programme?

To be eligible for the e-CAP, SME employers must:

- a. **Have 200 employees or less on payroll.**
- b. **Ensure that all monthly contribution payments (both employee and employer portions) up to the February 2020 contribution date (January 2020 wage) are in order.**
- c. **Ensure that the employee's share of the payment for the contribution months being applied for (April, May or June) has been paid up.**

**3** How does the restructuring of contribution payments in this programme work?

e-CAP allows eligible SMEs to apply for a deferment and restructuring of the employer's share of EPF contributions for the months of April, May and June 2020. The deferred contribution for the respective months can then be settled over a maximum period of 3 months.

As an example, for SMEs who apply to defer their April contributions, their restructured payments will start from July 2020 up to a maximum of 3 months ending September 2020.

For those applying for May, the restructured payments for that month will start from August to October 2020 while for those applying for June, their restructured payments will start from September 2020 to November 2020.

#### **4 A case scenario example as a further explanation to Question 3**

Ah Kaw, who operates a business selling vegetables, hires two workers, Kiah and Maniam. His business was severely impacted due to the COVID-19 pandemic.

March – May 2020 wages (Contributions for April – June 2020)

Ah Kaw will need to make payment for the **employee's share** of contribution for Kiah and Maniam based on their wage levels for the respective months.

Simultaneously, Ah Kaw can apply to restructure the payment of the **EMPLOYER'S SHARE** of contribution for the same period.

In this situation:

- Employee's share of contribution are not included in this restructuring.
- EPF will not take any legal action against Ah Kaw for restructuring the payment of **EMPLOYER'S SHARE** of contributions for the period.
- Waiver or reduction of late payment charges can be requested upon the approved payment restructuring plan.
- Ah Kaw has to pay the dividend accrued on the contributions.

#### **5 Why does the EPF impose Late Payment Charges and dividends accrued on contribution payments?**

For every late contribution payment, the EPF will impose late payment charges and dividends.

Late payment charges are charges imposed on employers who failed to make their contribution payment on time.

As for dividends, it will be credited to the respective member's account following the due contribution month to ensure that no dividend losses are borne by members as a result of late contribution payments.

**6 Great! I am interested. How can I access this programme?**

The EPF will accept applications to restructure your contribution payments, beginning **23 April 2020**.

If you fulfill the eligibility criteria (see Question 2), you may submit your application via the **e-CAP function in i-Akaun (Majikan)** on a monthly basis.

This is to ensure the employee's share for the previous month has been paid and the employer's share has been restructured accordingly.

**7 How do I make a payment for my restructured contributions?**

Instalment Payment(s) can be made via:-

- a. i-Akaun (Majikan) portal; or
- b. EPF counters; or
- c. EPF-appointed bank counters.

**8 Can a new business apply for this programme?**

The programme is for EPF-registered employers only.

**9 Does the monthly restructuring payment include the usual statutory contributions that employers are required to pay as well?**

The monthly restructuring payment does not include the usual statutory contribution payments. This is to be settled separately.

The payment for statutory monthly contributions should be paid separately.

**10 What if I decide to exit from the e-CAP ahead of my restructuring plan?**

If you wish to exit before the completion of the restructuring plan, you are required to make a full settlement.

**11**      **What happens if I fail to comply with the approved contributions restructuring plan?**

The EPF reserves the right to pursue legal action accordingly.

**12**      **Can I apply for a longer period on the existing contributions restructuring plan?**

The e-CAP programme is specifically for contribution months of April, May and June 2020 and the settlement of all payments must be completed by 30 December 2020.

**13**      **Can I apply for restructuring on my future monthly contribution payments?**

The e-CAP programme does not provide for restructuring of future monthly contribution payments. You may contact our Employer Advisory officer for further enquiries.

