FAQ – How to setup EPF with multiple voluntary amounts?

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Document Change Control

Version	Date	Author	Summary of Changes
9.9.6.2	16/04/2020	Steven	Initial Creation

The Employees Provident Fund (EPF) reduced minimum statutory contribution rate for employees, from 11% to 7% and the rate will be effective starting 1st April 2020 until the end of the year. This new rate will only affect the members below age 60.

What can we do to adjust from the system?

1. Following the release notes guide (version 9.9.6.2 update) https://sagemydownload.s3.amazonaws.com/Payroll/release-notes/Sage%20Payroll%20and%20HRMS%20v9.9.6.2%20Release%20Notes.pdf You can setup the table to mandatory minimum of 7 % employee contribution.
2. Alternatively, you may add the contributing amount via the use of formulas as you may have VOLUNTARY amount to EPF.
3.

For example, you may have a different contribution % based on voluntary amount as some employees want to maintain 11% contribution.

EMPLOYEE'S CONTRIBUTION	EMPLOYER'S CONTRIBUTION
7%	19%
7%	17%
7%	15%
7%	13%
7%	12%

EMPLOYEE'S CONTRIBUTION	EMPLOYER'S CONTRIBUTION
11%	19%
11%	17%
11%	15%
11%	13%
11%	12%

For 7%, you can set the EPF table in Housekeeping > Setup > Government Tables > EPF Table like this. Please see below:

For 11%, you can setup using the solution below:

4. Setup formula at the personnel data in Personnel > Add/Update Employees > Govern.

Please set the formula Epf_pay * 0.04 at the EPF details, EPF (Yee) Formula. By fraction of 0.04 means an additional 4% voluntary amount is added to the base amount of 7% in the EPF table settings.

Maintaining 0.04 means 4% is explained in this equation:

$$\text{Percentage} = \frac{X}{100}$$

If $X = 4$, then $\frac{4}{100}$

Will calculate to 0.04. Hence, we use in the formula Epf_pay * 0.04. Epf_pay is the name of the column for the data values stored in the database table to represent EPF wages for the month.

Without formula: 4020.00 x 7% = 282.00 (rounded up as in KWPS Jadual ketiga contribution table)

With Formula adjustment: 4020.00 x (7% + 4%) = 443.00 (rounded up as in KWPS Jadual ketiga contribution table)