

International Assignment Services

Taxation of International Assignees Country – Singapore

*Human
Resources Services*

*International
Assignment
Taxation Folio*



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Additional Country Folios can be located at the following website: www.pwc.com/ias/folios

Introduction – International assignees working in Singapore

Many expatriates working in Singapore seek our advice and assistance in personal tax planning and tax compliance matters. This includes reviewing their overseas tax burden to ensure that they are minimized. As a member of the PricewaterhouseCoopers firm, our contacts with overseas tax partners enable us to provide the required assistance in this area.

This folio has been prepared for the benefit of expatriates working in Singapore. It is intended to give readers a basic understanding of the taxation laws in Singapore and is not intended to be comprehensive. Therefore, you should seek professional advice before acting on any of the matters contained in this folio.

Specific details of tax rates and allowances are also provided in this folio (see Appendix A and Appendix B for details). These represent the rules in effect as at the date of publication. Subsequent updates of tax rates and allowances are available in 'Tax Facts and Figures', a publication which is updated annually to provide the latest information. The publication can be downloaded at <http://www.pwc.com/sg/tax>.

For assistance on expatriate tax matters or more details of our services, please contact one of the IAS contacts listed at the end of the folio.

Note: All dollar figures denote Singapore dollars.

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Menu

Step 1 – Understanding basic principles

The scope of taxation in Singapore

1. Income tax is charged on income from an employment exercised in Singapore and on any income accrued in or derived from Singapore, regardless of the tax residency of the individual. The taxability of employment income depends on where the services are performed, not where the payment is made or where the employer is resident.
2. With effect from 1 January 2004, income derived from sources outside Singapore, even if received in Singapore (except for income received through a partnership in Singapore)¹, is exempt from Singapore tax.

The tax year

3. In Singapore, an individual's income of the preceding calendar year ('tax year') is assessed to tax in the following calendar year ('Year of Assessment'). For example, if an individual commenced his or her employment in Singapore in April 2010, the income derived in the period April to December 2010 will be chargeable to tax in Year of Assessment ("YA") 2011.

Methods of calculating tax

4. Resident individuals are entitled to personal reliefs and are subject to graduated tax rates ranging from 0% to 20% (see Appendices A and B).
5. Employment income derived by non-residents is subject to tax at the **higher** of 15% (with no personal reliefs) or at graduated tax rates (with personal reliefs). Non employment income derived by non-residents is subject to tax at a flat rate of 20%.

Husband and wife

6. The income of a husband and wife is separately assessed and reported in tax returns issued to them. Spouses may elect to transfer qualifying deductions and rental deficits to each other. The election is made on a yearly basis.

Residence status

7. Whether an individual is resident in Singapore for taxation purposes is determined by reference to qualitative tests and quantitative tests.
8. Under the qualitative test, Singapore citizens are generally treated as residents whereas Singapore Permanent Residents are treated as residents for tax purposes if they can prove to the Inland Revenue Authority of Singapore (IRAS) that they have a 'permanent home' in Singapore. Under the quantitative test, an individual is 'tax resident in Singapore' for a whole year of assessment, if he/she resides or exercises an employment in Singapore for 183 days or more in the tax year.
9. There are also two administrative concessions available which allow the individual to elect to be taxed as tax resident even if he does not qualify as a tax resident under the quantitative or qualitative rules.

¹ Under the 2009 budget provisions, tax exemption was extended to foreign-sourced income earned/accrued outside Singapore on or before 21 January 2009 to resident partners of partnerships in Singapore, which was received in Singapore during the period 22 January 2009 to 21 January 2010.

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- i. Under the two-year administrative concession, an individual may be granted tax resident status for two years if his/her employment period/physical presence in Singapore cover a continuous period of at least 183 days spanning over two years.
 - ii. Under the 3-year administrative concession, the IRAS considers an individual as tax resident in Singapore from the date of arrival into Singapore if he/she exercises an employment in Singapore for at least three consecutive years of assessment, even though he/she may be physically present or exercising employment in Singapore for less than 183 days in the year of arrival or departure.

Before the IRAS grants these administrative concessions to an individual in the year of arrival/commencement of Singapore employment, it will require the individual to provide a letter of undertaking from a local company or bank to cover the difference in tax liability between the resident and non-resident bases of assessment. If the individual eventually does not satisfy the condition for the relevant administrative concession, the IRAS would revise the assessment for the first year of arrival/commencement of employment in Singapore from resident to non-resident basis of assessment.

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Step 2 – Understanding the Singapore tax system

Taxation of employment income

10. Income from employment exercised in Singapore is subject to tax, irrespective of where the income is paid, where the contract of employment is signed, which entities benefit from the services and where the employer is located.
11. Employment income includes all amounts, whether in cash or kind, arising from an employment. Examples are salary, bonus, commission, overseas allowance, utility bills and income tax reimbursement. All these payments are taxable whether paid directly to an employee or on his/her behalf. Employers are required to prepare a return of remuneration (Form IR8A) for submission by the employees with their tax returns annually unless the employer submits the employment income details electronically.
12. Non-cash benefits which are taxable include the use of a car, leave passage, accommodation, waiver of loans, stock purchase or stock savings plans and share options. However, certain concessions/exemptions are given to some of these benefits.
13. Relocation allowances are generally fully taxable; however, tax deduction may be available for relocation expenses, i.e. travel and moving of personal and household effects and ‘settling-in expenses” incurred by the employee. Qualifying relocation expenses directly in relation to the move are generally not taxable. However, a taxable benefit is imputed in respect of hotel accommodation/temporary housing provided to an employee and his/her family.
14. It is important to note that remuneration, benefits-in-kind etc., are taxable at the time when they are earned and generally not when they are actually paid or received, subject to certain exceptions.
15. Directors' fees and bonuses are subject to special rules. Directors' fees are assessed in the year of its approval in the company's Annual General Meeting while non-contractual bonuses (i.e. payable at the discretion of the employer) are assessed in the year when bonuses are declared to be payable. On the other hand, contractual bonuses, being payable in accordance with the terms of employment contract, are assessed in the year when services are rendered.
16. Certain concessions or exemption are available for employment income. They are (in brief):
 - Exemption for short-term visiting employees – Singapore employment income of a short-term visiting employee who is not tax resident in Singapore is exempt from tax if his/her employment period in Singapore does not exceed 60 days during the calendar year. This exemption, however, does not apply to a public entertainer or to a company director;
 - Area representatives of non-resident companies - Area representatives of non-resident companies who reside in and use Singapore as a base for activities extending to other countries are assessed on the remuneration relating to the time actually spent in Singapore. To qualify for the area representative basis of taxation, certain qualifying conditions need to be met and a claim must be filed with and approved by the IRAS;
 - Not Ordinarily Resident (NOR) scheme - NOR individuals are accorded the following favourable tax treatment during the qualifying period subject to the fulfilment of certain conditions:

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- Exemption on employer's contribution to non-mandatory overseas pension or social security funds (up to a specified cap), subject to limitations²; and
 - Time apportionment of Singapore employment income, subject to a minimum of 90 business days outside Singapore and a minimum effective tax rate of 10%³ (computed on total employment income prior to time-apportionment).

Sole proprietorship and partnership income

17. Profits or gains from any trade, business, profession or vocation which are derived in Singapore are subject to tax whether or not the individual is resident here. With effect from 1 January 2004, foreign-sourced income received by individuals is exempt from tax unless the income is received through a partnership in Singapore*. Partnerships are subject to certain qualifying conditions and only selected foreign-sourced income can be exempted (also see footnote 1).

Investment income

18. With effect from 1 January 2008, Singapore companies are required to distribute dividends under the one-tier corporate tax system. This means dividends will be taxed at the corporate level and shareholders are not subject to further tax on the distribution of dividends. In essence, dividends paid by a Singapore company under the one-tier corporate tax system are exempt from tax in the hands of its shareholders.

In addition, certain types of interest received by an individual are exempt from income tax, such as interest on deposits with approved banks and finance companies in Singapore and on qualifying debt securities.

Capital gains

19. Capital gains are not taxable in Singapore, unless the individual is treated as a trader. Similarly, no deduction is allowed for losses or expenses of a capital nature.

Double taxation relief

20. For countries with which Singapore has concluded a double taxation agreement (refer to Appendix C); credit for all or part of the foreign tax against the tax assessed on the foreign income in Singapore may be granted. In the event an individual is regarded as resident under domestic laws by both Singapore and its treaty partner, most treaties will provide tie-breaker tests to determine which country the individual is resident in for treaty purposes. Most treaties provide for exemption of non-resident individuals from tax on employment income if the individual is present in the country for less than 183 days in the tax year, subject to certain conditions. In the absence of a tax treaty, Commonwealth or unilateral tax credits may be granted.
21. As foreign income remitted into Singapore is no longer taxable with effect from January 1, 2004, the availability of double taxation relief may no longer be relevant. However, double taxation may occur if the Singapore sourced income is subject to tax in Singapore and the other country. Although, in theory, double taxation should be resolved through mutual agreement by the two contracting countries, in practice such claims may not be approved by the IRAS.

² With effect from the Year of Assessment 2009, the exemption is applicable only if the total remuneration of the individual (who are not Singapore Citizens/Singapore Permanent Residents) is at least S\$160,000 per annum and his employer does not claim a corporate tax deduction of the qualifying contributions.

³ With effect from the Year of Assessment 2009, the exemption is applicable only if the total remuneration of the individual is at least S\$160,000 per annum. If tax on apportioned income is less than 10% of the total employment income, the individual will still be subject to a tax of 10% of his/her pre-apportioned total employment income. In addition, the income eligible for time-apportionment has been expanded to include benefits-in-kind and leave pay. However, director's fees and tax reimbursement (tax borne by employer) will continue to be excluded.

Retirement benefits

22. All retirement benefits other than Central Provident Fund (CPF) benefits, including gratuities and pensions, are generally taxable. Partial/full exemption may be possible in specified cases. CPF is the national pension scheme in Singapore and it provides a lump sum at the normal retirement age, consisting of past contributions as well as interest and other investment returns thereon. The scheme is only available to Singapore citizens and Permanent Residents [the Permanent Resident status is an immigration (i.e. non-tax) status that is only granted on application].
23. Mandatory CPF contributions made by the employee and the employer, and voluntary contributions for the self-employed are not taxable. For the years 2009 and 2010, contributions are subject to a statutory limit of S\$26,393 and S\$26,775 respectively for each year. For the year 2011, contributions are presently subject to a statutory limit of \$27,158 (but may be subject to further change). Further, voluntary CPF contributions made by the employer under certain circumstances are deemed to be part of employment income, which is taxable. Excess contributions are not permitted and applications for refund of the excess contributions (where relevant) will need to be made to the CPF Board.
24. Another retirement scheme is the Supplementary Retirement Scheme (SRS) which is a voluntary scheme and generally fully-funded by the individual with no contributions from the employer. However, with effect from the Year of Assessment 2009, employers are allowed to make contributions to their employees' SRS accounts up to certain qualifying limits. Such contributions (within qualifying limits) by employers are taxable to the employee as employment income. The employee may claim a corresponding tax deduction on the employer's contribution.

Withdrawals from this scheme may be fully taxable or 50% taxable, depending on whether certain specified conditions have been fulfilled. A penalty for premature withdrawal will also be imposed, except under certain circumstances. The SRS is available to Singaporeans and permanent residents, as well as foreigners.

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Step 3 – What to do before you arrive in Singapore

Employment pass

25. With the exception of the business visitor and Work Pass Exempt Activities categories as detailed below, all foreigners who intend to work in Singapore must obtain a valid Employment Pass prior to commencing work. This is the case irrespective of where the individual is being remunerated or where their employment contract is signed. The duration of the assignment is also not a factor, i.e. strictly speaking, even if someone is coming to work for a day or two, an Employment Pass is required.
26. For short trips, a foreigner can enter Singapore as a "business visitor" if they will only be involved with the following activities:
- Meetings;
 - Negotiations;
 - Discussions;
 - Fact finding missions; and
 - Exploring business opportunities;

The Work Pass Exempt Activities (WPEA) scheme covers certain work activities that are of short duration and sporadic in nature. Some of them also require specialist skills or expertise that is generally not available in Singapore.

Foreigners are permitted to 'work' for the length of their Short Term Visit Pass (up to a maximum of 60 days) provided they fall under the following categories listed by the Ministry of Manpower:

- Organizing or conducting training, speaking or facilitating at a seminar, workshop or conference providing the subject matter does not include race, religion or politics
- Participation in any exhibition or trade fair as an exhibitor or trader
- The commissioning or audit of new plant or equipment
- Activities relating to the installation, dismantling, transfer, repair or maintenance of any equipment, process or machine
- Journalist activities supported by Singaporean government or agency
- Activities relating to sports competition, event or training supported by Singapore government or agency
- Arbitration or mediation services providing the subject matter does not include race, religion or politics
- Junket activities
- Facilitating of a tour by tour leaders/facilitators employed by a foreign company

Upon arrival in Singapore, the foreigner (or someone on their behalf) must complete an e-notification procedure online. Following submission, a letter of acknowledgement is issued which must be carried by the individual while in Singapore.

For anything over and above this, and where 'work' is to be performed, an Employment Pass is required. Obviously there can be a fine line between meetings, etc, and actual work. If in any doubt about whether an Employment

Pass is required; we would advise you to seek professional guidance so that an assessment of the individual case can be conducted.

27. If a foreigner's non-working spouse or children accompany him/her to Singapore and remain in Singapore, they must apply for a Dependant's Pass. If the accompanying dependants intend to work in Singapore, they may apply for a "Letter of Consent" with the approved Dependant's Pass or secure an Employment Pass separately through their own employer. A non-married partner will be required to apply for a Long Term Visit Pass. If they later wish to work in Singapore, it will be necessary to cancel this pass and apply for their own Employment Pass.
28. The application is submitted to the Singapore Ministry of Manpower and the processing time is approximately 1-2 weeks for online applications and 5 weeks for manual submission.

The following documents are generally required for the Employment Pass application:

- Application form;
- A copy of all the applicant's highest educational documents/certificates;
- A passport-sized photograph of the applicant taken within the last 3 months;
- A copy of the travel document showing the applicant's personal particulars;

*If the above documents are not in English, an official translation will be required.

Employment contracts

29. If you have regional duties, consider whether you qualify for the area representative status or NOR status and the respective concessionary tax treatment.
30. It is strongly recommended that your terms and conditions of employment be fully documented prior to arrival in Singapore, preferably in the form of legally enforceable contracts.
31. Tax planning under a dual employment ('DE') contract structure arrangement (this arrangement contemplates the employee having two employment contracts, one for onshore duties with a Singapore employer and the other for offshore duties with a non-resident employer, with a view to shield the salary under the offshore contract from tax) is of late, being closely monitored and questioned by the IRAS. It is important to note that the DE arrangement is not legislated in the local tax law. The IRAS is fully aware that separate contracts of employment for duties performed wholly outside Singapore are sometimes established solely for the purpose of tax avoidance.

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32. Increasingly, as in other jurisdictions around the world, the IRAS is questioning whether the duties performed inside and outside Singapore are genuinely distinct and whether there are commercial and economic justifications for the employment being so split. Although in principle, DE arrangement may be possible, in practice, it will be virtually impossible to confirm that the offshore services are never rendered in Singapore or that the salary split is commensurate with the travel patterns of the employee on a year on year basis. For these reasons, we would strongly discourage structuring such an arrangement purely for tax optimization reasons.

Structuring the remuneration package

33. Employees provided with a complete expatriate remuneration package will often receive overseas allowances and benefits such as compensation for the higher cost of living, etc., in addition to their regular remuneration. Alternatively, the employer may provide the employee with a gross remuneration package with the components of the package being left to the employee to structure.
34. In either case, it is essential that the relevant tax issues are considered prior to the determination of the remuneration package. Tax advantages may be obtained by the employee without increasing the overall cost to the employer. Some examples of components of an expatriate remuneration package are set out below.

Accommodation provided by an employer

35. Housing allowances provided by employers are subject to tax in Singapore. However, where the employer provides the accommodation, the taxable benefit is the lower of:
- The net annual value of the premises provided; or
 - 10% of the employee's remuneration during the period of accommodation provided.
36. Furniture and fittings provided by the employer or landlord are taxed at nominal rates in accordance with a formula prescribed by the IRAS.
37. Where the employee is responsible for part of the accommodation cost provided by employer, the taxable benefit calculated shall be reduced by the employee's contribution. If the contribution exceeds the taxable benefit, the taxable benefit is regarded as nil.

Home Leave

38. The taxable value of home leave passage paid by employer is 20% of the leave passage cost, restricted to:
- One home passage (to the employee's country of origin) per year for the employee and his/her spouse; and
 - Two home passages per year for each dependent child.

Additional home leave passage and non-home leave passage are taxable in full.

39. As a concession, the IRAS will not tax the home leave passage cost (limited to the above number of home passages) if the employer is enjoying certain incentives that were granted (or extended) prior to 1 January 2004. This relief will be available until the expiry of the incentive period. This waiver is no longer available under tax incentives awarded (or extended) on or after 1 January 2004.
40. Singapore citizens and permanent residents of Singapore are not eligible for the home leave concession.

Education benefit

41. Expenses paid directly or indirectly by an employer in respect of the education of an employee's child are chargeable to tax.

Share Options

42. Stock options granted before 1 January 2003 during Singapore employment is subject to tax if the employee is exercising employment or physically present in Singapore when he/she exercises such options.

Gains derived from the exercise of share options granted on or after 1 January 2003 during Singapore employment or office in Singapore, are liable to tax when the option is exercised, assigned or released (collectively referred to as exercise in this document), and not on disposal of the shares. Directors of companies are regarded as employees under the Singapore tax law.

The taxable gain is generally computed as the difference between the price paid by the employee for the shares and the market value of the shares at the date on which the employee exercises his/her option, or at the end of moratorium (sale restriction) period (if any). Foreign employees with unexercised options (granted on or after 1 January 2003 during Singapore employment or office in Singapore) are subject to the "deemed exercise" rules, where the deemed gains are brought to tax one month prior to the date of cessation of employment or departure from Singapore (if the employee is leaving Singapore say, for an overseas secondment). However, if the employer elects to track the gains and is able to satisfy certain conditions, the taxable event would not occur at the time of the employee's departure from Singapore but as mentioned above. A refund may be claimed if the actual gain is less than the deemed gain that has been assessed. The claim must be filed within a prescribed period. Further, tax exemptions may be available to the employees under certain tax incentive schemes subject to satisfaction of the relevant conditions prescribed under these schemes.

43. Gains arising from share options granted prior to Singapore assignment are not taxable in Singapore.
44. The treatment of other stock related awards is generally similar to the above; however the specific treatment may differ depending on features of the plan.

Compensation for loss of office

45. Payments made for loss of office are generally not subject to tax. However, contractual termination bonuses, leave pay, notice pay and gratuities relating to past services are treated as income subject to tax.

Pension plan

46. Employer's contributions to a foreign or private pension plan are generally taxable as employment income. Employee contributions are not deductible. However, the IRAS has, as a concession, indicated that an employer's contribution to a mandatory social security scheme or pension scheme operated by the government of the employee's home country is not taxable on the employee, provided the contribution is mandatory even while the employee is working outside the country in question and the Singapore employer does not bear the cost of the contribution.

Tax equalization or reimbursement plans

47. A tax reimbursement program is usually provided by an employer to alleviate any additional tax costs which may be incurred while on an overseas assignment.
48. A tax reimbursement program may be modeled either as a 'tax protection plan' or as a 'tax equalization plan'.
49. Under a tax protection plan, the company will reimburse an employee for actual taxes paid in excess of the amount the individual would have suffered in his/her home country had he/she not been posted overseas. If the employee's actual tax liabilities are less than the hypothetical home country tax, the employee is allowed to keep the tax 'windfall'.
50. On the other hand, a tax equalization plan ensures that an employee's tax burden will be the same as if he/she had remained in the home country. If the employee's actual taxes are greater than that which would

have been incurred in the home country, the employer reimburses the excess. Similarly, if the actual taxes are less than that which would have been incurred in the home country, the employer retains the excess.

51. Both plans require the calculation of the employee's hypothetical home country tax, which is generally computed on the base salary and other remuneration as if the employee had remained in his/her home country.
52. Some companies reimburse their employees the excess tax suffered on total income including investment income while others reimburse the excess relating to employment income only. The liability of the employee and the employer will therefore depend on the particular company's tax equalization policy.
53. The amount reimbursed by the employer is a taxable benefit to the employee generally in the year in which the reimbursement is made to the employee. However, where the hypothetical tax amount deducted from payroll is treated as final (not to be reconciled based on actual tax liability after the year-end) and/or the employee's home country tax, if any, is not borne by the employer, the Singapore tax liability borne by the employer may need to be grossed-up in the same year.

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Step 4 – What to do when you arrive in Singapore

Letter of Guarantee

54. In the absence of a local sponsor, a non-Singapore employer must furnish a letter of guarantee from a local company or a bank to cover the estimated tax due on the employee's income earned in the current year to the IRAS. The letter of guarantee will be cancelled when the employee's tax is settled. Alternatively, the estimated tax would need to be paid in advance and any excess payment/shortfall would be refunded/recovered by the IRAS after the actual income is assessed in the following year.

CPF contribution

55. An employment pass holder, i.e. a foreign employee who is not a Singapore citizen or Singapore permanent resident, is not permitted to contribute to the CPF.

Tax status

56. As seen in Step 1, the employee's tax status (i.e. whether he/she is resident or non-resident) will determine the tax rates at which he/she will be taxed.

Claims

57. Claims for relief and deductions are made in the employee's tax return. For tax residents, certain personal reliefs are available. Details of personal relief and deductions are available in Appendix B. For updates subsequent to the publication date, please refer to 'Tax Facts and Figures' which is available at <http://www.pwc.com/sg/tax>.

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Step 5 – What to do at the end of the year

Tax return

58. The IRAS will issue individual tax returns shortly after the end of the tax year. The return must be completed and submitted by April 15th of the Year of Assessment to the IRAS, unless an extended deadline is granted by the IRAS.
59. Individuals who do not receive their tax return are statutorily obliged to inform the IRAS of his/her chargeability at the soonest possible, and no later than April 14th following the tax year. Penalties may be imposed for failing to do so.

Notice of assessment

60. Employees must submit a copy of their Form IR8A together with their tax return, unless their employers are under the IRAS Auto-Inclusion Scheme for Employment Income – where details of their employees' remuneration are submitted electronically.
61. Once the employee's tax return is submitted, the IRAS will issue a Notice of Assessment to the employee. Any objection to the amount assessed must be made within 30 days from the date of the notice.
62. In the event that the amount assessed cannot be agreed between the taxpayer and the IRAS, further appeal to the Board of Review, the High Court and Court of Appeal may be possible. Notwithstanding any objection that may be lodged, the tax assessed must be paid within the stipulated deadline; unless arrangements have been made to pay the tax by installments (refer to 63).

Payment of tax due

63. A taxpayer can either pay the tax assessed within one month from the date of the Notice of Assessment (notwithstanding any objection) or elect to pay the tax due in 12 (or fewer) monthly installments commencing from April of the Year of Assessment.

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Step 6 – What to do when you leave Singapore

Notification to Inland Revenue Authority of Singapore

64. Employers must obtain tax clearance for foreign employees (including Singapore Permanent Residents) ceasing employment or leaving Singapore for more than 3 months. The employers must complete and submit a Form IR21 to the IRAS (which should incorporate all employment income and benefits, including deemed stock gains) no later than one month prior to the date of cessation of employment or departure from Singapore.
65. Tax clearance need not be obtained if the employee is a Singapore Permanent Resident who is not leaving Singapore permanently. To avail of this concession, the employer may obtain a Letter of Undertaking from such employee that he has no intention to leave Singapore permanently after cessation of employment with the company. However, this administrative concession does not apply to overseas postings.
66. Employers must withhold all funds due to the employee from the day the employer is notified of the employee's intention to cease employment or when the employer decides to terminate the employment or post the employee to an overseas location. These funds can be released once tax clearance is obtained or on expiry of 1 month from the date of submission of the Form IR21 (assuming the filing was within the deadline), whichever is earlier.

Deferred remuneration

67. Remuneration earned in respect of services performed in Singapore but paid after an employee's departure is taxable. The employer is required to submit an amended/additional Form IR21 to report such remuneration to the IRAS.

Employment pass

68. The employment and/or dependent passes should be cancelled before the employee and/or his/her family leaves Singapore.

CPF withdrawal

69. An employee who may have made compulsory CPF contributions can apply for withdrawal of the accumulated balance at the time of departure from Singapore (subject to certain special rules for Malaysia Citizens). This is provided that the employee's departure from Singapore is intended to be permanent.

Transferring funds abroad

70. There are no restrictions on the movement of funds out of Singapore as there are no exchange control regulations. As of 1 November 2007, individuals must report if they (a) carry with them into or out of Singapore, (b) move into or out of Singapore through cargo, post or other means or (c) receive from outside Singapore, physical currency or bearer negotiable instruments with a total value of exceeding SGD 30,000 (or its equivalent in a foreign currency) (approximately GBP 13,500). This is not an exchange control measure but more a reporting requirement when the total value physically being moved exceeds the equivalent of SGD 30,000.

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Appendix A – Rates of tax

Resident rates

The following income levels and tax rate percentages are for the Years of Assessment 2008 to 2011 (in S\$):

Taxable income over	Not over	Tax on column 1	Percentage on excess
0	20,000	–	0.0%
20,000	30,000	–	3.5%
30,000	40,000	350	5.5%
40,000	80,000	900	8.5%
80,000	160,000	4,300	14.0%
160,000	320,000	15,500	17.0%
320,000	and above	42,700	20.0%

The following income levels and tax rate percentages are for the Year of Assessment 2012 (See Notes 1 and 2) onwards (in S\$):

Taxable income over	Not over	Tax on Column 1	Percentage on excess
0	20,000	–	0.0%
20,000	30,000	–	2.0%
30,000	40,000	200	3.5%
40,000	80,000	550	7.0%
80,000	120,000	3,350	11.5%
120,000	160,000	7950	15.0%
160,000	200,000	13,950	17.0%
200,000	320,000	20,750	18.0%
320,000	and above	42,350	20.0%

Non-resident rates

Type of Income	%
Director's remuneration	20%
Entertainer's professional income (Note 3)	15%
Other professional income (Note 4)	15%
Employee's remuneration <i>(However, where the tax calculated on resident rates is higher, the resident rates are used)</i>	15%
<i>(Not more than 60 days) Short-term employee's remuneration</i>	NIL
<i>(Where not specifically exempt) Other income</i>	20%

Notes

The February 2011 Budget has announced new resident tax rates for the Year of Assessment 2012 onwards.

1. As announced in the February 2011 Budget, a one-off income tax rebate of 20%, capped at S\$2,000, has been introduced for the Year of Assessment 2011 for all tax residents.
2. Under the 2010 Budget provisions, withholding tax rate for non-resident public entertainers has been reduced from 15% to 10% if the income for the services rendered is due and payable to the non-resident public entertainer during the period from 22 February 2010 to 31 March 2015.
3. Non-resident professionals/ foreign firms may make an irrevocable option to be taxed at 20% of net income.

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Appendix B – Personal allowances

Personal allowances (in S\$)

Earned income relief– normal (handicapped)	
Below age 55	\$ 1,000 (\$2,000)
Age 55 to 59	\$ 3,000 (\$5,000)
Age 60 and above	\$ 4,000 (\$6,000)
Spouse relief - normal (handicapped)	\$ 2,000 (\$3,500)
Dependant child relief - normal (handicapped)	\$ 4,000 (\$5,500)
National Serviceman Relief	
Active reservist	\$ 3,000
Non-active reservist but completed National Service	\$ 1,500
Wife and parents of NS men are also granted a relief.	\$ 750 each
Key appointment holders	\$ 2,000 in addition to the above
Aged dependent relief (handicapped)	
Aged parent and grandparent - living in Singapore, but not with the taxpayer	\$ 4,500 (\$8,000) each (subject to maximum of 2 dependents)
Aged parent and grandparent - if living with the taxpayer	\$ 7,000 (\$11,000) each (subject to maximum of 2 dependents)
Handicapped dependent sibling	\$ 3,500 each

Notes

1. Relief for spouse, child and dependants are subject to conditions.
2. In addition, grandparent caregiver relief, working mother's child relief (WMCR) and parenthood tax rebates may be available for working mothers/parents of Singaporean children.
3. Other allowances/reliefs or deductions claimable, subject to conditions, are:
 - Tax deductions on donations made to Institution for Public Character (IPC) and other approved recipients of 2.5 times of the amount of donations (extended until 31 December 2015, as per the new 2011 budget).
 - Foreign maid levy relief of twice the amount of levy (only granted to working mothers);
 - Approved course fees of up to \$5,500;
 - CPF contributions, CPF top up and SRS contributions, subject to capping rules; and
 - Life insurance premium (subject to capping rules).

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Appendix C – Double-taxation agreements

Countries with which Singapore has comprehensive double-taxation agreements:

Australia	Israel	Philippines
Austria	Italy	Poland
Bahrain	Japan	Portugal
Bangladesh	Kazakhstan	Qatar
Belgium	Kuwait	Romania
Brunei	Latvia	Russian Federation
Bulgaria	Libya Lithuania	Slovak Republic
Canada	Lithuania	Slovenia
China, P.R.	Luxembourg	South Africa
Cyprus	Malaysia	South Korea
Czech Republic	Malta	Sri Lanka
Denmark	Mauritius	Sweden
Egypt	Mexico	Switzerland
Estonia	Mongolia	Taiwan R.O.C.
Fiji	Myanmar	Thailand
Finland	Netherlands	Turkey
France	New Zealand	Ukraine
Georgia	Norway	United Arab Emirates
Germany	Oman	United Kingdom
Hungary	Pakistan	Uzbekistan
India	Papua New Guinea	Vietnam
Indonesia		

Countries with which Singapore has limited double-taxation agreements:

Bahrain	Oman	United Arab Emirates
Chile	Saudi Arabia	United States of America
Hong Kong		

Countries with which Singapore has signed double-taxation agreements but not yet ratified:

Albania	Malta	Qatar
Bahrain	Mexico	Saudi Arabia
Belgium	Morocco	South Korea
Estonia	Panama	Switzerland
Ireland		

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Appendix D – Typical tax computation

Typical tax computation (Year of Assessment 2012)

	With tax planning S\$	Without tax planning S\$
Base salary	100,000	100,000
Bonus	40,000	40,000
Cost of living allowance	20,000	20,000
Education/School fees	20,000	20,000
Cash allowance for home leave	0	10,000
Other allowance	5,000	5,000
Housing allowance	0	85,000
Car allowance	0	10,000
Total remuneration	185,000	290,000
Home leave (20% x 10,000)	2,000	0
Household furniture (assumed)	1,000	0
Car benefit (Note 1)	6,350	0
Housing - 10%	19,435	0
Taxable income	213,785	290,000
Less: Personal Relief		
Earned	(1,000)	(1,000)
Wife	(2,000)	(2,000)
2 Dependent Children (under age 16)	(8,000)	(8,000)
Chargeable income	202,785	279,000
Tax on 1st 160,000	13,950.00	13,950.00
Next 40,000 @ 17%	6,800.00	6,800.00
Next 2,785 @ 18%	501.30	-
Next 79,000 @ 18%	0	14,220.00
Tax Payable (at resident rate)	21,251.30	34,970.00

Notes

1. Assuming new car costing S\$100,000 with open market value of S\$20,000, private mileage of 5,000 km and petrol is borne by employer.

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Appendix E: Singapore contacts and offices

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