

## FOUNDATIONS IN TAXATION – SINGAPORE (FTX-SGP) – June and December 2020

### TAX RATES AND ALLOWANCES

The following tax rates and allowances should be used when answering the questions.

#### Selected reliefs / rebates for the year of assessment 2020

	Standard (max)	Handicapped (max)
<b>Earned income relief</b>		
<b>Age</b>		
Below 55	\$1,000	\$4,000
55 to 59	\$6,000	\$10,000
60 and above	\$8,000	\$12,000
<b>Spouse relief</b>	\$2,000	\$5,500
<b>Parents relief</b>		
Parent not living in the same household	\$5,500	\$10,000
Parent living in the same household	\$9,000	\$14,000
<b>Grandparent caregiver relief (GCR)</b>		\$3,000
<b>Dependent handicapped sibling relief</b>		\$5,500

#### Foreign maid levy relief

The relief is **two times** the total amount of foreign maid levy paid in 2019 up to a maximum of \$6,990.

#### NSman relief

	Key command and staff appointment holder	Non-key command and staff appointment holder
Active NSman	\$5,000	\$3,000
Non-active NSman	\$3,500	\$1,500
For each parent of operationally ready NSman	\$750	\$750
For wife or widow of operationally ready NSman	\$750	\$750

#### Provident fund

Compulsory contributions to the Central Provident Fund (CPF) / approved pension or provident fund by Singaporeans and Singapore permanent resident employees, subject to not more than the statutory contributions under the CPF Act.

#### CPF cash top-up relief

Actual cash top-ups by individuals or their employers to their account, capped at \$7,000; and actual cash top-ups by individuals to their family members' account, capped at \$7,000

**Voluntary CPF contributions made by self-employed persons**

37% of section 10(1)(a) assessable trade income capped at \$37,740 or actual contributions whichever is lower.

**Life insurance relief**

Premiums paid on own life and wife's life insurance policies

If own CPF contribution is less than \$5,000, claim is the lower of:

- (a) the difference between \$5,000 and own CPF contribution; or
- (b) 7% of the capital sum or the amount of insurance premiums paid, whichever is lower.

No claim if an individual's own CPF contribution exceeds \$5,000.

**Child relief****Qualifying child relief (QCR)**

Per child \$4,000

Relief is given for all qualifying children.

**Handicapped child relief (HCR)**

Per handicapped child \$7,500

**Working mother's child relief (WMCR)**

First child 15% of mother's earned income

Second child 20% of mother's earned income

Third child and each subsequent child 25% of mother's earned income

Maximum cumulative WMCR per child (total of WMCR + QCR/HCR) \$50,000

Maximum total WMCR is capped at 100% of the mother's earned income

**Course fees relief**

Relief for course fees up to \$5,500 for eligible fees incurred on courses, seminars and conferences attended.

**Parenthood tax rebate (PTR)**

First child \$5,000

Second child \$10,000

Third child and each subsequent child \$20,000 per child

**Total amount of personal income tax reliefs** \$80,000 (max)

**Personal income tax rates for resident individuals for the year of assessment 2020**

	<b>Chargeable \$</b>	<b>Tax rate %</b>	<b>Tax \$</b>
On the first	20,000	0.0	0
On the next	<u>10,000</u>	2.0	<u>200</u>
On the first	30,000		200
On the next	<u>10,000</u>	3.5	<u>350</u>
On the first	40,000		550
On the next	<u>40,000</u>	7.0	<u>2,800</u>
On the first	80,000		3,350
On the next	<u>40,000</u>	11.5	<u>4,600</u>
On the first	120,000		7,950
On the next	<u>40,000</u>	15.0	<u>6,000</u>
On the first	160,000		13,950
On the next	<u>40,000</u>	18.0	<u>7,200</u>
On the first	200,000		21,150
On the next	<u>40,000</u>	19.0	<u>7,600</u>
On the first	240,000		28,750
On the next	<u>40,000</u>	19.5	<u>7,800</u>
On the first	280,000		36,550
On the next	<u>40,000</u>	20.0	<u>8,000</u>
On the first	320,000		44,550
Excess over	<u>320,000</u>	22.0	

## **Corporate income tax**

### **Rate**

Year of assessment 2020	17%
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### **Partial tax exemption**

First \$10,000 of chargeable income	75% exemption
Next \$190,000 of chargeable income	50% exemption

### **Tax exemption for new start-up companies**

First \$100,000 of chargeable income	75% exemption
Next \$100,000 of chargeable income	50% exemption

## **Goods and services tax**

Standard rate	7%
Registration threshold	\$1 million