

# TAX RELIEF & REBATE FOR YA 2020



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## RELIEF

### A) Individual

- Personal Relief
- Breastfeeding equipment
- Education Fee

### B) Spouse & Alimony Payment

- Spouse Relief
- Alimony Payment

### C) Child

- Child Relief
- Child Care expenses
- SSPN Scheme

### D) Parents

- Parental Care Relief
- Medical treatment, special needs and carer expenses

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# RELIEF

## E Individual & Dependent Relatives

- Basic supporting equipment for disabled self, spouse, child or parent
- Medical expenses on Serious diseases

## F) RETIREMENT & INSURANCE

- Life insurance
- Medical Insurance
- EPF
- SOCSO
- PRS

## G) Lifestyle

- Lifestyle
- Additional lifestyle

## H) Tourism Relief

- Hotel & Entrance Fee

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# Relief

RELIEF

Individual and dependent relatives

9,000 .00

Expenses for parents

-- Please Select --

TOTAL

.00

Basic supporting equipment for disabled self, spouse, child or parent

Restricted to 6,000

.00

Disabled individual

Only 6,000

.00

Education fees (Self)

Info

Restricted to 7,000

.00

Medical expenses on serious diseases for self, spouse or child

.00

Medical expenses on fertility treatment for self or spouse

.00

Complete medical examination for self, spouse or child

Restricted to 500

.00

TOTAL

Restricted to 6,000

.00

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# Relief

Lifestyle - Expenses for the use / benefit of self, spouse or child

info Restricted to 2,500  .00

Lifestyle - Purchase of personal computer, smartphone or tablet for self, spouse or child use / benefit and not for business use

info Restricted to 2,500  .00

Purchase of breastfeeding equipment for own use for a child aged 2 years and below

info Restricted to 1,000  .00

Child care fees to a registered child care centre / kindergarten for a child aged 6 years and below

info Restricted to 3,000  .00

Net deposit in Skim Simpanan Pendidikan Nasional

info Restricted to 8,000  .00

Child info

	No.		100% eligibility	No.		50% eligibility	
Child - Under the age of 18 years	<input type="text"/>	x 2,000	= <input type="text"/>	<input type="text"/>	x 1,000	= <input type="text"/>	<input type="text"/> .00
Child - 18 years & above and studying	<input type="text"/>	x 2,000	= <input type="text"/>	<input type="text"/>	x 1,000	= <input type="text"/>	<input type="text"/> .00
	<input type="text"/>	x 8,000	= <input type="text"/>	<input type="text"/>	x 4,000	= <input type="text"/>	<input type="text"/> .00
Child - Disabled child	<input type="text"/>	x 6,000	= <input type="text"/>	<input type="text"/>	x 3,000	= <input type="text"/>	<input type="text"/> .00
	<input type="text"/>	x 14,000	= <input type="text"/>	<input type="text"/>	x 7,000	= <input type="text"/>	<input type="text"/> .00

Life insurance and EPF

-- Please Select --

TOTAL

Restricted to 7,000  .00

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# Relief

Private retirement scheme and deferred annuity

info Restricted to 3,000  .00

Education and medical insurance

Restricted to 3,000  .00

Contribution to the Social Security Organization (SOCSSO)

Restricted to 250  .00

Payment for accommodation at premises registered with the Commissioner of Tourism and entrance fee to a tourist attraction

info Restricted to 1,000  .00

REBATE / TAX DEDUCTIONS / TAX RELIEF

Departure levy for umrah travel / religious travel for other religions

Number of trips

info (Restricted to 2 trips in a lifetime)

-- Please Select --

-- Please Select --

Zakat and fitrah

Section 110 tax deduction (others)

HK-6

Section 132 and 133 tax relief

info

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## A) INDIVIDUAL



Personal relief



Breastfeeding  
equipment

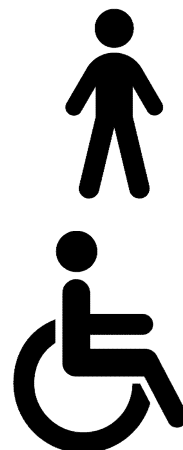


Education  
fees

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### A.1) SELF RELIEF

- Personal relief is **RM9,000**.
- In the event the taxpayer is a disabled person certified by Department of Social Welfare (OKU), an **ADDITIONAL RELIEF** of **RM6,000** is given. [s46(1)(e)]



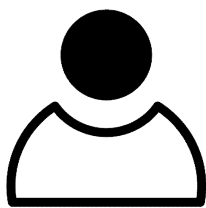
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## OKU card issued by Department of Social Welfare



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## A.2) EDUCATION FEES



Taxpayer

**Course of study up to tertiary level**  
law, accounting, Islamic finance,  
technical, vocational, industrial,  
scientific, technologies

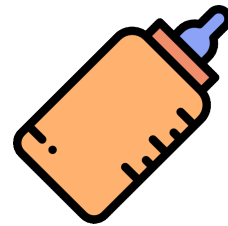
**Master, PhD**  
Any course for purpose of acquiring  
any skill or qualification

- Limited to **RM7,000, evidenced by receipts. [s46(1)(f)]**
- The course must be undertaken in any institution or professional body in Malaysia recognized by the Government or approved by the Financial Minister
- Refer [www.mohe.gov.my](http://www.mohe.gov.my) for the List of approved local institutions

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### A.3) BREASTFEEDING EQUIPMENT

- A **working married woman** is eligible to claim up to **RM1,000**, **evidenced by receipts** for the purchase of breastfeeding equipment, irrespective of the number of the children she has. [ s46(1)(q)]
- The following condition apply:
  - a) *The child is  $\leq 2$  years*
  - b) *A child of the married lady*
  - c) *Own use for her child*
  - d) *Once in every 2 years*
  - e) *The women taxpayer is a breastfeeding mother*



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- Breastfeeding equipment that qualifies for a deduction:
  - i. breast pump kit and an ice pack
  - ii. breast milk collection & storage equipment
  - iii. cooler set or bag.

Joint Assessment	Eligibility
Under the name of husband	NO
Under the name of the wife	Yes (working married women/ women taxpayer)



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## B) SPOUSE RELIEF & ALIMONY PAYMENT



**RM4,000**



Spouse relief

+

Alimony payment

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### B.1) SPOUSE RELIEF & ALIMONY PAYMENT

- In the event a **wife** :
  - **has no source of income or**
  - **no total income or**
  - **joint assessment in the name of husband,**
  - the husband is given a wife relief of **RM 4,000**. [S47(1)(a)]
- Likewise, it applies on husband relief [s45A(1)].
- Spouse relief not available under separate assessment

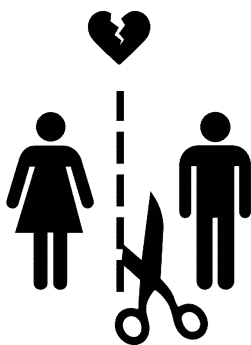


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- A wife receiving overseas income **EXCEEDING** RM4,000 would result husband **NOT ELIGIBLE** to claim wife relief.
- However, this restriction would **NOT APPLY** in the case the wife is a disabled person.
- Likewise, it applies on husband relief.



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In a divorce scenario, any **ALIMONY PAYMENT** to the former wife **and** wife relief is restricted to RM4,000.

- payment of alimony is limited to RM4,000 or actual amount paid if less than RM4,000.
- **Voluntary alimony payment do not qualify** for deduction, **ONLY FORMAL AGREEMENT** by Court order can qualify.

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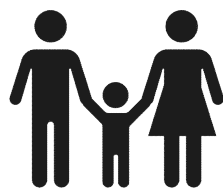
## B.2) RELIEF ON DISABLE SPOUSE

In the event of the non working spouse (wife/husband) is disabled, an **ADDITIONAL RELIEF** of **RM3,500** is given. [s47(1)(b)]/ [s45A(1)]



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## C) CHILD



Child relief



Child care expenses



SSPN's scheme

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## C.1) CHILD RELIEF

- A taxpayer is allowed child relief provided that the:
  - ✓ is resident in Malaysia
  - ✓ pays wholly or in part for the maintenance of child and
  - ✓ Child is **UNMARRIED**
- Section 48(9) of ITA defines “child” as :
  - i. Legitimate child
  - ii. Step child
  - iii. Adopted child in accordance with any law
- ❖ In practice, illegitimate child of a taxpayer with a birth certificate to this effect is acceptable to the DG of IRB where parents of an illegitimate child marry each other after the birth of the child, the marriage would be considered to legitimize the child.



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- Every individual child relief can be given to either the husband or wife. There is **NO APPORTIONMENT AVAILABLE.**
- For DIVORCE case, s48(4):
  - Where 2 or more individuals are entitled to claim a deduction for payments in respect of the same child, **50%** of each child relief is available to the husband and wife.

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### NOT ELIGIBLE TO CLAIM WHEN:

- A taxpayer **CAN'T** claim child relief for a child who is **MARRIED BUT DIVORCED** in subsequent YA even though he may be fully supporting the child.
- In order to claim child relief by the taxpayer, the **CHILD'S TOTAL INCOME** must **NOT EXCEED** the eligible child relief. [s48(5)]



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## FAQ

However, the following receipts are not treated as income of a child:


- (a) amount received as a scholarship, grant or allowance of a similar nature – paragraph 24 Schedule 6 of the ITA; and
- (b) payments received by a child who is serving an employer under articles or indentures. At the commencement of the training, an amount of premium is payable by the individual or the spouse to enable the child to undergo training with that employer. Payments received by the child from his employer is treated as a return of premium and not his salary.

- PR08/2020

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Unmarried Child		RM
1. Age < 18 [s48(1)(a)]		2,000
2. Age < 18 receiving full time education [s48(1)(b)]		2,000
3. Age < 18 serving under articles or indentures with a view to qualifying in a trade or profession. [s48(1)(c)]		2,000

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Unmarried Child		RM
<b>3. Age ≥ 18 [s48(3)(a)(i)]</b> Receiving <b>FULL-TIME</b> instruction of higher education in respect of: <ul style="list-style-type: none"> <li>✓ <b>Diploma level and above in Malaysia</b>; or</li> <li>✓ <b>Degree level and above outside Malaysia</b>  (University/college approved by government authority, refer <a href="http://www.mohe.gov.my">www.mohe.gov.my</a> for the list of institution approved by Ministry of Higher Education)</li> </ul>		8,000

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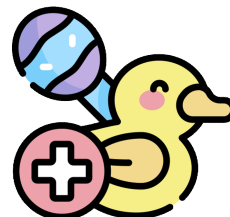
Unmarried Disable Child	RM
1. physically or mentally disable (no age limit) [s48(1)(d)]	6,000
2. Age $\geq$ 18 receiving full time education in or outside Malaysia [s48(3)(a)(ii)]	14,000



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## C.2) CHILD CARE EXPENSES

- A taxpayer is eligible to **RM3,000** tax relief for payment of child care fees for his or her child to [s46(1)(r):
  - ✓ A **CHILD CARE CENTRE** registered with the Department of Social Welfare under the Child Care Centre Act 1984; or
  - ✓ A **KINDERGARTEN** registered under the Education Act 1996.



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- The relief is available to **either** husband **OR** wife.
- The amount is **LIMITED** to RM3,000 irrespective of the number of children.
- The child has to be  $\leq 6$  years
- The claim must be supported by:
  - ✓ the payment must be evidenced by receipts issued by the child care centre or kindergarten.
  - ✓ Birth document of the child such as Mykid or birth certificate



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## FAQ

### Separate Assessment (Married):

- The tax deduction can only be claimed either by the husband or the wife who incurs the expenses.

### Separate Assessment (Divorced):

- The tax deduction can only be claimed by the former husband and the former wife provided that they both made payment for the child care fees and **that child is not the same child**.

### Joint Assessment:

- The tax deduction can be claimed by **combining the total expenses** incurred by the spouse is deemed expended by the husband or wife in whose name the assessment is raised.

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### C.3) SKIM SIMPANAN PENDIDIKAN NASIONAL (SSPN)

- SSPN account established under the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997 (PTPTN) aims to assist parents to accumulate funds for children's tertiary education.
- Deposit into SSPN is given relief up to **RM8,000**. [s46(1)(k)]
- Individual are eligible to claim relief based on:

Amount deposit	XX
(-) Amount withdrawal	XX
Restricted to RM8,000	(X)

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### FAQ

- SSPN accounts can be opened by parents for children aged 18 years old and below and maintain the account until the child **reaches the age of 29 years old**. This contribution can be allowed as a deduction.
- For children aged 18 and above and opt to open an account under their **own name is not eligible for deduction** and **parents are also not eligible** for deduction since they are not the depositor.

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