


CASE STUDY ON TAX SAVINGS TIPS



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Dividend

- **Malaysia** is under the single-tier tax system.
- **Dividends** are **exempt** in the hands of shareholders. 
- Companies are not required to deduct tax from **dividends** paid to shareholders, and no tax credits will be available for offset against the recipient's tax liability

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Case Study 1

• Mr Tan Personal Tax

Summary of Tax Computation (YE 2020) – Employment Income	Director Fee		Dividend	
Employment Income				
Director Salary		240,000		240,000
Director Fee		180,000		
Dividend Income			180,000	
Less Personal Relief		21,000		21,000
CHARGEABLE INCOME		399,000		219,000
	On the First 250,000	46,900	On the First 100,000	10,900
	Next 149,000 @24.5%	36,505	Next 119,000 @24%	28,560
	Tax Payable	83,405	Tax Save	39,460
			RM43,945	

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Case Study 1

Summary of Tax Computation (YE 2020) - SDN BHD	Director Fee		Dividend	
Business Income – Net Profit		156,200		336,200
Add: Disallowable expenses				
Other disallowable expenses		117,700		117,700
ADJUSTED INCOME/(LOSS)		273,900		453,900
Less : Capital Allowance		(35,200)		(35,200)
Statutory Income		238,700		418,700
Add: Other Statutory income				
CHARGEABLE INCOME		238,700		418,700
Tax Payable @ 17%		40,579		71,179

Net effect
RM 13,345 Tax Save

Additional Tax
RM 30,600

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REDESIGN EMPLOYMENT PACKAGE

EXEMPT

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Case Study 2

• Miss Tan Personal Tax

Summary of Tax Computation (YE 2020) – Employment Income	Option 1		Option 2	
Employment Income				
Salary s 13(1)(a)		240,000		209,200
Exempted income (Form BE, Part F)			30,800*	
Less Personal Relief		21,000		21,000
CHARGEABLE INCOME		219,000		188,200
	On the First 250,000	22,900	On the First 100,000	10,900
	Next 149,000 @24%	16,560	Next 88,200 @24%	21,168
	Tax Payable	39,460	Tax Save	32,068
			RM7,392	

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Case Study 2

	Exempted Amount (RM)	Remark
Child-care benefit / Allowance	2,400	Exemption up to RM2,400
Benefits and monthly bills for fixed line telephone, mobile phone, pager, PDA and subscription of broadband	1,200 (post paid plan)	Full exemption if registered under employer's name and limited to one unit per category
Telephone (including mobile phone)	4,000 (Phone)	Exemption for 1 unit
Petrol/travelling allowance/Toll rate	6,000	Exemption up to RM6,000
Parking allowance	1,200	
Award to employees (a) Service excellence	2,000	Exemption up to RM2,000
Professional subscription - Related to employee's duties	2,000	
EPF contribution as savings (up to 19%)	12,000	
TOTAL:	30,800	

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Perfect Biz Advisory Group

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