

EXPLANATORY NOTES ON FORM M FOR THE YEAR OF ASSESSMENT 2015

(i) Qualifying Child Relief (QCR)

You can claim \$4,000 for each unmarried child that you have supported who was:

- under 16 years old in 2014; or
- studying full-time at a school, college, university or other educational establishment in 2014, if the child was 16 years old and above; or
- serving under articles or indenture with a view to qualifying in a trade or profession; and
- not having an annual income (excluding scholarships, bursaries and similar allowances) exceeding \$4,000 in 2014.

(ii) Handicapped Child Relief (HCR)

You can claim \$7,500 if you have supported a physically or mentally handicapped unmarried child in 2014.

(iii) Working Mother's Child Relief (WMCR)

- A working mother who is married, divorced or widowed can claim WMCR for her qualifying unmarried child who is a **Singapore citizen as at 31 Dec 2014** and has fulfilled all the conditions for the claim of QCR or HCR.
- You must indicate the birth order for each child and type of relief (i.e. Q for Qualifying Child Relief, H for Handicapped Child Relief) in Section D on page 4 of Form M. WMCR will then be calculated automatically based on your eligibility.
- Please see the table as shown for the amount of WMCR allowable for each child.

Child Order	WMCR amount
1 st child	15% of mother's earned income
2 nd child	20% of mother's earned income
3 rd and subsequent children	25% of mother's earned income per child
Total QCR/HCR + WMCR	\$50,000 per child
Total WMCR is capped at 100% of mother's earned income	

(d) PROVIDENT FUND/LIFE INSURANCE

(i) Compulsory Contributions to Central Provident Fund (CPF)/Approved Pension or Provident Fund by Singapore Citizens and Singapore Permanent Resident Employees

- Such contributions must not be more than the statutory contributions under the CPF Act.
- The ordinary wage (OW) ceiling for CPF contributions is \$5,000 per month. The total ordinary wages ceiling will be capped at \$60,000 (i.e. 12 months x \$5,000) per year and the overall income cap on compulsory CPF contributions is \$85,000 (i.e. 17 months x \$5,000). Additional wages will be capped at an amount equal to the difference between \$85,000 and the amount of OW.
- The CPF contributions of employees seconded or posted overseas are considered as voluntary contributions and are not claimable.
- Do not claim this relief if any of your employment income is auto-included as we get this information directly from your employer.

(ii) Contributions to CPF by Self-Employed Persons

- If you are a self-employed person (Singapore citizen or Singapore permanent resident), you are required to make compulsory Medisave contribution if you earned a net trade income of more than \$6,000 in 2014.
- For more details on the Medisave contribution rates, please refer to the CPF Board website at <http://mycpf.cpf.gov.sg>.
- The total tax relief for compulsory and voluntary CPF contributions will be capped at \$30,600.
- This relief will be automatically included based on the contribution records transmitted by CPF Board.

(iii) Voluntary contribution to one's own Medisave Account

If you were a Singapore citizen or Singapore Permanent Resident in 2014, you may claim your voluntary cash contribution within the annual CPF contribution cap of \$30,600 (i.e. 17 months x \$5,000 x 36%) and within the Medisave contribution ceiling, that is specifically directed by you to be paid to your own Medisave Account. Such voluntary contribution must not have been claimed by you as a self-employed person.

(iv) Life Insurance

You can claim the insurance premiums that you have paid in 2014 for insurance policies on your life or your wife's life. Premiums paid for insurance policy on your child's life are not allowed. The amount of relief you can claim must not be more than 7% of the insured value of your life or your wife's life. For your insurance policy bought from 10 August 1973 onwards, your insurance company must have an office or branch in Singapore.

If your combined CPF contributions from (i) and (ii) were more than \$5,000, you cannot claim life insurance premiums.
If your combined CPF contributions from (i), (ii) and (iii) were less than \$5,000, you can combine your claims for (i), (ii), (iii) and (iv) up to \$5,000.

(e) SUPPLEMENTARY RETIREMENT SCHEME (SRS)

Relief for contributions to the SRS will be allowed automatically if you are claiming relief under Section 40 of the Income Tax Act. The amount of deduction will be based on information provided by the SRS operators.

The above information is intended for better general understanding and is not intended to comprehensively address all possible issues that may arise.

While every effort has been made to ensure that the above information is consistent with existing policies and practice, should there be any changes, IRAS reserves the right to vary our position accordingly.

For further enquiries, please contact our tax officer on (+65) 6356 8300 or visit our website at www.iras.gov.sg.

Helpline operating hours:

Mondays to Fridays: 8am to 5pm

In line with our efforts to continuously improve our helpline services, conversations over the helpline will be recorded for our quality monitoring and coaching purposes.

CHANGE IN MARITAL STATUS/NEW CLAIMS/CHANGES IN CLAIMS FOR PERSONAL RELIEF(S) FOR YEAR ENDED 31 DEC 2014

Please fill in this Appendix and send it in with your completed Form M if: (a) there is a change in your marital status; (b) you are claiming the following relief(s) for the **first time**; and/or (c) the particulars relating to the claim(s) are **different** from last year's.

Name of Taxpayer		Tax Ref No.																		
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CHANGE IN MARITAL STATUS

1a. If you are newly married, please provide the following particulars of your spouse:

Name	NRIC/FIN/Passport No./Other Identification No.	Nationality	Date of Birth	Date of Marriage

1b. For male taxpayers, if you are separated, please provide the following particulars of your wife:

Name	NRIC/FIN/Passport No./Other Identification No.	Date of Separation	Amount (\$\$) of maintenance paid in 2014 as per Court Order/Deed of Separation

1c. If you are divorced, please provide the following particulars of your ex-spouse:

Name	NRIC/FIN/Passport No./Other Identification No.	Date of Divorce

NEW CLAIMS/CHANGES IN CLAIMS FOR PERSONAL RELIEF(S)

2 HANDICAPPED-RELATED TAX RELIEFS (HANDICAPPED EARNED INCOME/SPOUSE/CHILD/SIBLING/PARENT)

If you are claiming the handicapped-related tax relief(s) for the first time, you are required to complete "Application for Claim of Handicapped-Related Tax Reliefs" form downloadable from www.iras.gov.sg.

3 CHILDREN - Children maintained by you during the year 2014 (Attach separate list if space is insufficient)

Types of child relief: QCR, HCR and/or WMCR - See Explanatory Note 12c

Name	Gender	Date of Birth	Date of Adoption	*Birth Certificate/ NRIC/FIN/ Passport/Other Identification No.	Singapore Citizen?	Amount (\$\$) of child's own income	If 16 years old and above, state the name of the educational establishment
	*M/F				*Yes/No		
	*M/F				*Yes/No		
	*M/F				*Yes/No		
	*M/F				*Yes/No		
	*M/F				*Yes/No		

4 COMPULSORY CONTRIBUTIONS TO CPF/APPROVED PENSION AND PROVIDENT FUND IN SINGAPORE

Name of Fund	Amount (\$\$)

5 PREMIUMS PAID TO LIFE INSURANCE COMPANIES

Name and Address of Company	Policy Number	On Whose Life	Capital Sum (\$\$) Secured on Death
		*Self/Wife	
		*Self/Wife	

STATEMENT OF GROSS RENTAL AND EXPENSES INCURRED FOR THE YEAR 2014

Address with Postal Code	Period		Expenses							Net Rent (Gross Rent - Expenses) (\$\$)	Your Share of Net Rent Based On Legal Ownership		
	From	To	Gross Rent (\$\$)	Property Tax (\$\$)	Mortgage Interest (\$\$)	Fire Insurance (\$\$)	Maintenance (\$\$)	Repairs (\$\$)	Commission (\$\$)		Others (\$\$)	(%)	(\$\$)

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EXPLANATORY NOTES ON FORM M FOR THE YEAR OF ASSESSMENT 2015

1. LIABILITY TO SINGAPORE INCOME TAX

All non-resident individuals are liable to Singapore Income Tax on the income accruing in or derived from Singapore. The rate of tax chargeable on a non-resident individual is 20%.

Income derived by a non-resident individual from the exercise of an employment (other than as a company director), withdrawals from Supplementary Retirement Scheme or as a public entertainer in Singapore is assessed either at:

- a flat rate of 15%; or
- resident rates after allowing for reliefs, whichever is higher.

2. INCOME TO BE DECLARED

Please declare your income accruing in or derived from Singapore for the year ended 31 Dec 2014 in Section A on page 2 of Form M. Where the income commenced in 2014, the amount to be declared is the income from the date of commencement to 31 Dec 2014. For any income received for prior year(s) and not previously reported, please state the type of income, the date on which the income was received, the period during which the income relates to and the amount of the income in Section B on page 4 of Form M.

3. WIFE'S INCOME

A married woman will be assessed separately in her own name on all her income. If you are married, your wife's income should be reported separately in her own return. Please request for a separate Form M (fc@iras.gov.sg) if she has not received one.

4. TRADE, BUSINESS, PROFESSION OR VOCATION

- Enter the amount of the profits based on your accounts for the accounting year ended 2014 in Section A on page 2 of Form M. For losses, please cross the box beside the amount.
- Profits from profession/vocation refer to income earned by self-employed persons, e.g. doctor, insurance/property agent, remisier, private tutor, hawker, taxi-driver, contractor etc.
- A married couple can transfer the excess of any capital allowance and trade loss between each other if there is any remaining capital allowance or trade loss that cannot be completely offset against the income of respective spouse for a particular Year of Assessment.

5. EMPLOYMENT**(a) EMPLOYMENT INCOME AUTO-INCLUDED IN THE ASSESSMENT**

Do not give details of your employment income as we get this information directly from your employer. Enter a "0" instead. Please refer to www.iras.gov.sg for the list of employers participating in the Auto-Inclusion Scheme for Employment Income.

(b) EMPLOYMENT INCOME NOT AUTO-INCLUDED IN THE ASSESSMENT

Enter the amount of your salary, bonus, director's fees and other types of employment income as per your Form IR8A, including commission, allowances, taxable benefits in cash or in kind such as stock option gains, etc in Section A on page 2 of Form M. You are required to send in Form IR8A/S and/or Appendix 8A/8B if your employer is not in the Auto-Inclusion Scheme for Employment Income.

(c) EXPENSES

You can claim expenses incurred for **official duties** which were not reimbursed by your employer. For example, travelling expenses (other than expenses incurred on motor cars), entertainment expenses, subscriptions paid to professional bodies, zakat fitrah and mosque building fund (other than those deducted through your salary if your employer is in the Auto-Inclusion Scheme for Employment Income). Please attach with your tax return a schedule of the **actual** expenses incurred stating the nature of expense, date and amount incurred. Please retain all receipts for verification purposes. Estimates are not acceptable.

Do not enter claim for Zakat Harta payment if you are an NRIC/FIN holder who have provided the information to the Majlis Ugama Islam Singapura (MUIS). The amount will be automatically deducted against your respective income source based on information from MUIS.

6. PENSIONS, ROYALTY OR CHARGE (INCLUDING ESTATE/TRUST INCOME)

- Singapore pension received by a non-resident individual is taxable in full and has to be declared.
- Royalty earned in Singapore is taxable. Enter the gross amount received and attach a statement with details of the royalties and expenses incurred, if any.
- Charge includes the income received under a Deed or a Court Order. Alimony and maintenance payment received by a female individual from her ex-husband, whether paid voluntarily or under a Court Order/Deed of Separation is exempt from tax.

7. INTEREST

A non-resident individual will not be liable to tax on interest received from deposit of money with any approved bank or licensed finance company in Singapore and interest from approved Asian Dollar Bonds.

However, interest from the following sources is taxable and has to be declared:

- Deposits with non-approved banks and/or finance companies, which are not licensed in Singapore;
- Pawnshops;
- Loans to companies and persons, etc;
- Interest from refund of excess employee's CPF contributions;
- Debt securities (e.g. bonds) that are derived from a partnership in Singapore or from the carrying on of a trade in debt securities.

Please refer to the MAS website at <https://secure.mas.gov.sg/fid/> for the list of approved banks and licensed finance companies in Singapore.

8. RENT FROM PROPERTY

- The gross rent is inclusive of rental of furniture and fittings and service charges received from the tenant. You can claim expenses incurred solely to earn the rental income during the period of tenancy such as property tax, mortgage interest, fire insurance, repairs, maintenance, commission and others.
- Do not claim non-deductible expenses such as penalty imposed for late payment of property tax, payment of back year's property tax, expenses (e.g. commission, advertising and legal costs) incurred to secure the first tenant, cost of initial purchase and depreciation of furniture and fittings, costs of initial repairs and renovations, loan repayment, cost of additions and alterations to property. Estimates are not acceptable for income tax purposes.

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EXPLANATORY NOTES ON FORM M FOR THE YEAR OF ASSESSMENT 2015

- If you derived rent from a property which is solely or jointly owned in 2014, please provide the details including the full amount of gross rent/expenses incurred and your share of the net rent based on legal ownership.
- Any income from property owned by a married woman will be assessed separately in her name.
- A married couple can transfer rental deficits (i.e. excess of deductible expenses incurred to rent out the property over the gross rental received from that property) to each other. The amount of transfer should strictly be limited up to the net amount of the available rental income of the transferee. Rental deficit of the transferor can only be transferred if the transferee has positive rental income. Rental deficits are not allowable to offset against other sources of income.

Please retain supporting documents such as tenancy agreements, bank mortgage statements, invoices and receipts for verification purposes.

9. GAINS OR PROFITS OF AN INCOME NATURE

These include any income which does not fall within any of the other classifications of income. An example is the dividend income received from NTUC Healthcare Co-operative Ltd (excluding NTUC Fairprice Co-operative and NTUC Income Insurance Co-operative Ltd, which are auto-included).

10. DONATIONS

- A tax deduction of **2.5 times** the value of the donation will be given on all cash or specified donations made to approved Institutions of Public Character (IPCs) and other approved recipients, and for cash donations made through approved grantmaking philanthropic organisations ('grantmakers') to IPCs. Please refer to the Charity Portal website at www.charities.gov.sg/Pages/Home.aspx to confirm if an organisation is a registered IPC.
- In order to be given tax deductions on the donations, all individuals and businesses are required to provide their identification number (e.g. NRIC/FIN/UEN) directly to the IPCs when they make cash donations. IRAS will no longer accept claims for tax deduction in respect of such donations based on donation receipts. Tax deductions for such donations will be automatically reflected in the tax assessments of the donors based on information from IPCs.
- If your employer is not in the Auto-Inclusion Scheme for Employment Income, enter the amount of **2.5 times** the value of the donation (rounded up to the nearest dollar) [see point (a) above] deducted through your salary, to an approved IPC.
- Any unutilised donation can be carried forward to be offset against the income for any subsequent year, up to a maximum of 5 years.
- A married couple can transfer the excess of donations between them if there is any remaining donation that cannot be completely offset against the income of the respective spouse for a particular YA.

11. RELIEF FOR NON-RESIDENT INDIVIDUALS

Relief under Section 40 of the Income Tax Act (Cap. 134) is available to the following individuals:

- Non-resident Singapore citizens; or
- Non-resident individuals who are not Singapore citizens deriving pension income from Singapore; or
- Non-resident individuals who are not Singapore citizens residing in the Netherlands. (Reciprocal relief is provided under the Singapore-Netherlands Tax Treaty)

If you wish to claim relief under Section 40 of the Income Tax Act, please declare your foreign-sourced income from trade, business or profession and interest/dividend received through partnerships in Singapore in Section C on page 4 of Form M.

12. PERSONAL RELIEFS

Personal reliefs are allowable based on the conditions existing during 2014.

If you are claiming any relief(s) for the first time and/or if the particulars relating to the claim(s) for this year are different from last year's, please provide details in the Appendix provided.

(a) SPOUSE RELIEF

You can claim:

- \$2,000 if you were living with or supporting your spouse in 2014. Your spouse's annual income (including tax-exempt income e.g. bank interest, dividend, pension) must not be more than \$4,000 in 2014.
- up to \$2,000 if you are legally separated and you have paid maintenance to your wife in the previous year under a Court Order/Deed of Separation.

The total deduction for Spouse Relief must not exceed \$2,000. If you have claimed this relief, none of your children or their spouses is allowed to claim Parent/Handicapped Parent Relief (except Grandparent Caregiver Relief) on your spouse.

(b) HANDICAPPED SPOUSE RELIEF

You can claim:

- \$5,500 if you have supported a physically or mentally handicapped spouse in 2014;
- up to \$5,500, if you are legally separated and you have paid maintenance to your handicapped wife in the previous year under a Court Order/Deed of Separation.

The total deduction for Handicapped Spouse Relief must not exceed \$5,500. If you have claimed this relief, none of your children or their spouses is allowed to claim Parent/Handicapped Parent Relief (except Grandparent Caregiver Relief) on your spouse.

(c) CHILD RELIEF

You can claim this relief if you have a child born to you and your spouse/ex-spouse, a step-child or a legally adopted child.

You can divide your claim amount for Qualifying Child Relief (QCR) or Handicapped Child Relief (HCR) as agreed between you and your spouse/ex-spouse.