

Auto-Inclusion Scheme For Employment Income (IR8A, IR8S and Appendix 8A, 8B)

Important Notes for Year of Assessment 2015

1. Deadline for Submission of IR8A, IR8S, Appendix 8A and Appendix 8B by Employer

Deadline for submission is 1 March 2015.

However, we would like to seek employers' co-operation to submit the employment information of their employees before 10 Feb 2015 so that the information is shown when the employees e-file their income tax returns.

2. Employee's Declaration of Employment Income and Deductions in the Individual Income Tax Forms

You do not need to issue Form IR8A, IR8S, Appendix 8A and Appendix 8B to your employees as your employees need not declare their employment income and deductions in their tax forms. However you may wish to provide your employees with a separate statement of earnings for their records.

The name of your organisation will be published in the list of organisations participating in the Auto-Inclusion Scheme for the Year of Assessment 2015 at IRAS' website, www.iras.gov.sg > e-Services (under Quick links) > e-Submission of Employment Income (under e-Submission) > Employers who are participating (in the Auto-Inclusion Scheme) > AIS Organisation Search
(or click <https://mytax.iras.gov.sg/ESVWeb/default.aspx?target=ESubQueryEmployerSubStatusSearch>)

Please inform your employees (including directors) that:

- (i) they **are required to file** their income tax return if
 - they receive a letter or SMS from IRAS to file a tax return, **or**
 - they did not receive any letter or SMS from IRAS to file a tax return but their income exceeds \$22,000 in 2014
- (ii) they do not need to file their tax return **only if**
 - they receive a No-Filing Service (NFS) letter, **and**
 - they do not have other income to declare or changes to their reliefs
- (iii) if they are e-filing their individual income tax returns via *myTax* Portal,
 - details of their employment income and deductions will be reflected in the Income, Deduction and Relief Statement (IDRS).
 - They do not need to manually include their employment income and deductions (made through their salary) when filing.
 - They are to include any other income (e.g. rental) and indicate their claims for personal reliefs (e.g. child relief, parent relief) where applicable as these information are not automatically included in their income tax assessment.
 - They have to e-File by 18 Apr 2015.

- (iv) if they are completing the paper return,
- they should enter '0' for their employment income and any donations, CPF contributions and life insurance premium deducted from their salary.
 - They are to include any other income (e.g. rental) and indicate their claims for personal reliefs (e.g. child relief, parent relief) where applicable as these information are not automatically included in their income tax assessment.
 - They have to file by 15 Apr 2015.

3. **Preparation of File for Submission of IR8A, IR8S, Appendix 8A and Appendix 8B by Employers**

3.1. **General**

As information provided by you will be included in your employees' income tax assessment, please ensure that complete and accurate information is submitted to IRAS timely. If there are errors in your submitted amounts, please submit an amendment file to rectify the errors.

Please refer to 3.1.4 for more information on amendment submission.

3.1.1. **Payer's ID (Employer's Identification Number)**

The Payer's ID to be used must be that of the Organisation with which the employees are employed by. For example, if a holding company is filing on behalf of its subsidiary, the Payer's ID to use must be that of the subsidiary company.

If the Payer's ID is wrongly captured in the Provident And Tax Application, please seek assistance from CrimsonLogic Pte Ltd in updating the correct ID type and numbers, via email: patadm@crimsonlogic.com or call the Hotline no: 68877888, press option 1, followed by 3.

3.1.2. **Employee's ID and Name**

Use only NRIC for employees who are NRIC holders (Singapore Citizens and Permanent Residents) and FIN (Foreign Identification Number) for foreign employees working in Singapore.

Use only the official name as per their identification card. **Do not** include any salutation or other remarks, e.g. staff number, etc. in employee's name.

3.1.3. **Income and Deductions details**

Original files **must not** contain negative values.

Drop decimals for income amount fields where decimals are not allowed. For example, amount of \$31220.98 for "Others" in IR8A is to be captured as \$31220.

Round up decimals for deduction amount fields where decimals are not allowed. For example, amount \$5566.22 for "CPF contributions" is to be captured as \$5567.

3.1.4. Amendment of Salary Data

Original file must have been submitted before an amendment file.

Amendment file is required only if there are changes to:

- employee ID number;
- income / deduction amounts;
- dates for Bonus, Director's Fees and/or Gross Commission Period; or
- indicators (e.g. Tax borne by employer or Tax exempt/remission indicators)

You do not have to send amendment files for changes to employee's personal particulars, such as address, date of birth, etc unless requested by IRAS. Please inform IRAS of the correct information (including a revised copy of the Form IR8A) via either

- fax with a cover letter to 6351 3302, or
- *myTax Mail* (<https://mytaxmail.iras.gov.sg/>)

Within the amendment file, provide only the difference in amount. Leave all other numeric fields, which were not affected by the error (income and deductions) blank.

Please indicate the adjustment amount (i.e. difference in amount) for the correct field to be amended and the basis year for amendment files. All income and deduction amounts should not contain negative values after amendments.

For more information of the preparation and submission of amendment files, please refer to IRAS website at www.iras.gov.sg > e-Services (under Quick links) > e-Submission of Employment Income (under e-Submission) > Making amendments to submitted information

For employers using payroll software that is unable to generate amendment files containing only the difference, please send the amendment using CrimsonLogic's Online Feature or IRAS' Offline Application via e-Submission of employment income.

For more information on IRAS' Offline Application, please visit www.iras.gov.sg > e-Services (under Quick links) > e-Submission of Employment Income (under e-Submission) > Offline Application.

(or click <http://www.iras.gov.sg/irasHome/page04.aspx?id=3272>)

3.1.5. Salary Data Prior to the First Year of Electronic Filing

Do not submit salary data (arrears) **prior to the first year of your participation** in the Auto-Inclusion Scheme for Employment Income.

3.1.6. Employee posted overseas and the employment income is not incidental to Singapore employment

You are not required to report the employees' employment income details for the period that they are posted overseas, unless the overseas employment is incidental to the Singapore employment. For the period of overseas posting, report only the donations, contributions to Mosque Building Fund and Life Insurance Premiums deducted through salaries.

You will still be required to submit the IR8A, IR8S, Appendix 8B and Appendix 8A, where applicable for:

- a) Employees posted to overseas for part of the year only
- b) Singaporean or permanent resident who posted overseas and derived Share Option Gains.

IR8A

3.1.7. Amounts from Appendices to be reported in IR8A

Amounts in Appendix 8A/ Appendix 8B/ IR8S have to be reported in the IR8A. If there is any amendment to the appendices, amendment to the respective amount in the IR8A has to be submitted as well.

In Appendix 8B, the Total of gross gains under S10(1)(b) and S10(1)(g) has to be reported under the respective amount fields (S10(1)(b), S10(1)(g)) in the IR8A.

Amounts in the “Total value of benefits-in-kind” in Appendix 8A must be reported under the field “Value of Benefits-in-kinds” in the IR8A.

The “Excess/Voluntary contribution to CPF by employer” in item d(6) of IR8A should exclude the amount refunded/to be refunded by CPF Board. This amount is derived from Employer’s Contribution under Section B of IR8S less the amount of refund from employer contribution under Section C of IR8S.

3.1.8. Director’s Fees

Director’s fees paid or payable to directors, should be included in your submission of salary files to IRAS.

3.1.9. NSmen Payment

Please do not include your employees’ NSmen Payment in the IR8A. Details of their NSmen Payment will be obtained from Mindef, Singapore Civil Defence and Singapore Police Force directly and automatically included in their tax assessments. You should therefore only report the amount of remuneration, which was paid/ payable by your organisation in the IR8A.

However, if your employees continue to receive remuneration from your organisation during the reservist period, please report the full remuneration in the IR8A.

3.1.10. Donation information that have been sent to IPCs

If IPCs are submitting the information for donations made by your employees, you do not need to report it in the IR8A submission to IRAS, vice versa.

3.1.11. Tax Exemption for Seaman

Where the employee was a crew working on board a Singapore-registered ship plying in international waters and whose employment was exercised substantially outside Singapore for the entire employment period of the year, the employment income will be tax exempted and submission is not required.

If the employee worked on board the ship for part of the year, submission will be required. The tax exempted income (Seaman) is to be reported under item a) and item g) in the IR8A. Other income that is not tax exempted has to be reported in the relevant income/ deduction fields.

3.1.12. Tax Remission for Overseas Cost of Living Allowance (OCLA)

Tax remission for OCLA amount reported under item g) in the IR8A should also be reported under other allowances, item d(3)(iii) in the IR8A.

3.1.13. Employee's Income Tax borne by Employer

This is only applicable if the employer will be paying for the employee's individual income tax. If you are not paying tax for your employee, leave the indicator "Employee's Income tax borne by employer" blank.

3.1.14. Employee's Compulsory Contribution to CPF / Designated Pension or Provident Fund

Please adopt the appropriate CPF rates published by CPF Board on its website www.cpf.gov.sg and **do not** include excess / voluntary amount of contribution in this item.

Only employee's compulsory contribution to CPF should be in Form IR8A. Employer's compulsory contribution should be excluded.

3.1.15. Lump Sum Payments

Declare only the taxable components (e.g. notice pay, gratuity, etc) in item d4 "Gratuity/Notice Pay/Ex-gratia payment/Others" of the Form IR8A. The non-taxable components are to be declared under "Compensation for loss of office".

3.2. **IR8S**

3.2.1. **When to submit IR8S**

Only submit the IR8S when there is:

- Excess CPF contributions made by the employer and /or the employee.
- Refund claimed or to be claimed on the excess CPF contributions.

3.2.2. **Section C (Details of Refund Claimed/To Be Claimed on Excess CPF Contributions Made in 2014)**

If you have not received/claimed the refund as at the date of preparation of this form, please provide the date the claim is made or expected to be made as the date of refund.

3.3. **Appendix 8A**

Employers have to report the benefits-in-kind in the Appendix 8A unless the benefits-in-kind are found in the list of benefits-in-kind which are granted administrative concession or exempt from income tax. Please refer to IRAS website at www.iras.gov.sg > Responsibilities as an employer > [FAQ on employees remuneration](#)

With effect from 1 Jan 2014 (Year of Assessment 2015 onwards), there is a change in tax treatment of Accommodation and related benefits provided by the employer. The changes are as follows:

- a) Place of Residence[^] is assessed based on Annual Value (AV) of premises less rent paid by employee;
- b) Furniture and Fittings[^] is assessed based on whether the premises is partially or fully furnished. The applied rate is at:
 - 40% of the AV if the premises is partially furnished or
 - 50% of the AV if the premises is fully furnishedPartially furnished refers to only fittings (e.g. lightings, air-conditioner/ceiling fan, water-heater) provided whereas fully furnished refers to both fittings and furniture/household appliances provided.
- c) Gardener is assessed based on actual wages paid by employer; &
- d) Value of Hotel Accommodation is assessed based on the actual costs incurred by the employer for the hotel stay, less the amount paid by employee.

For more details, refer to www.iras.gov.sg > **Business (Responsibilities as an employer) > FAQ on employee's Remuneration > Accommodation provided**

Note:

[^] Where the place of residence provided to an employee is a serviced apartment (not within a hotel building), the basis of assessing the taxable benefits of accommodation, furniture and fittings will be as described above and to be declared under Section 2 of Appendix 8A. However, if the serviced apartment is located within a hotel building, the benefits will be assessed as actual cost incurred by employer, less amount paid by employee under Section 3.

3.3.1. **Item 1 – Value of Place of Residence**

If more than one place of residence is provided to the employee in the year, please submit **an Appendix 8A for each place of residence and one IR8A** with the total values of **ALL** places of residence reported in item d(9) of the IR8A.

If you provide accommodation to your employee, and the tenancy agreement is signed between your employee and the landlord, the full amount of rent paid by you is treated as an **allowance** to your employee and must be included as part of his employment income. It should not be included as an accommodation benefit.

3.4 **Appendix 8B**

3.4.1 The maximum number of transactions provided for each section is 15. If there are more than 15 transactions in the year, please submit **separate Appendix 8B** and include the sum of total values of **ALL** transactions in item d(8) of the IR8A via the Provident And Tax Line.

3.4.2 The Total of gross gains under S10(1)(b) and S10(1)(g) has to be declared under the respective amount fields (S10(1)(b), S10(1)(g)) in IR8A.

3.4.3 When completing Sections B to D of Appendix 8B, please ensure that the ESOP/ESOW plan has satisfied all the tax exempt conditions. The tax exempt conditions for the respective schemes can be found at: www.iras.gov.sg > For locals (under Individuals) > Know what is taxable, what is not (under Getting Started) > Employment income: Gains from exercise of stock options.

(Or click <http://www.iras.gov.sg/irasHome/page04.aspx?id=186>)

3.4.4 The following fields can accept a maximum of 7 digits + 5 decimals:

- Exercise Price
- Open Market Value Per Share as at Date of Grant
- Open Market Value Per Share as at the Date reflected at column (d)
- Number of Shares acquired