



LEMBAGA HASIL DALAM NEGERI MALAYSIA

AMENDMENT TO:

**SPECIFICATION FOR
MONTHLY TAX DEDUCTION (MTD)
CALCULATIONS USING
COMPUTERISED CALCULATION
FOR
2015**

Revised : 31 December 2014

A. INTRODUCTION

According to the provision under Rule 3, Income Tax (Deduction from Remuneration) Rules 1994 (MTD Rules), the Schedule under Income Tax (Deduction from Remuneration)(Amendment) Rules 2014 is part of the MTD specification.

An employer who uses the computerised payroll system provided by the software provider or, developed or customised by the employer should in accordance with computerised calculation specifications to determine Monthly Tax Deduction (MTD). Inland Revenue Board of Malaysia (IRBM) should review and issue verification/approval letter to software providers/employers who comply with MTD specification.

This booklet is to provide guideline and MTD verification procedure for software provider or employers who developed or customized their payroll system.

PROCEDURE FOR VERIFICATION OF COMPUTERISED CALCULATION METHOD

- i. Software providers/employers must comply with specification and provides accurate answer and calculation for all question of testing formula/specification of MTD calculation through email.
- ii. IRBM shall arrange appointment (if necessary) to verify software providers/employers' payroll system if all the answer provided is accurate.
- iii. IRBM shall issue verification/approval letter for MTD calculation to software providers/employers if all answer and calculation presented is comply with the specification.
- iv. Employers who using the computerised payroll system provided by software providers/employers *who complied with the MTD calculation specifications (2012/2013/2014)* **need not** obtain further verification from IRBM.
- v. IRBM will upload the list of software providers/employers (update biweekly) who complied with the MTD calculation specifications in IRBM website.
- vi. Please forward application using companys' letter head to:

Pengarah
Jabatan Pungutan Hasil
Lembaga Hasil Dalam Negeri Malaysia
Aras 15, Wisma Hasil
Persiaran Rimba Permai
Cyber 8, Peti Surat 11833
63000 Cyberjaya
Selangor Darul Ehsan

or, email to:

1. En. Anim Omar
e-mail : anim@hasil.gov.my
Tel: 03-8313 8888 – 21507

2. En. Ahmad Radzuan Ghazali
e-mail : radzuan@hasil.gov.my
Tel: 03-8313 8888 – 21521

3. En. Chua Tian Siang
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B. AMENDMENT TO SPECIFICATION FOR MTD CALCULATIONS USING COMPUTERISED CALCULATION METHOD FOR YEAR 2015

Notice:

All software providers/employers who obtained verification for MTD 2012/2013/2014 should apply the amendment to the specification for MTD Computerised Calculations pursuant to Budget 2015 to their payroll system without obtaining further verification for MTD 2015 from IRBM.

This amendment provides clarification in relation to Budget 2015. Amendments for computerised calculation method of Monthly Tax Deduction (MTD) 2015 are as follows:

1. Reduction In Income Tax Rates And Change In Income Tax Structure

a. Income Tax For Resident Individual

- Individual income tax rate will be reduced by 1 to 3 percentage points.
- Individual income tax will be restructured whereby the chargeable income subject to the maximum rate will be increase from exceeding RM100,000 to exceeding RM400,000.
- The maximum tax rate for year 2014 at 26% will be reduced to 24%, 24.5% and 25%.

As proposed in the 2015 Budget, the tax rate value of P, M, R and B for MTD Computerised Calculation schedule 1 as follows:

Schedule 1: Value of P, M, R and B

P	M (RM)	R (%)	B Category 1 & 3 (RM)	B Category 2 (RM)
2,500 - 5,000	2,500	0%	-400	-800
5,001 - 20,000	5,000	1%	-400	-800
20,001 - 35,000	20,000	5%	-250	-650
35,001 - 50,000	35,000	10%	900	900
50,001 - 70,000	50,000	16%	2,400	2,400
70,001 - 100,000	70,000	21%	5,600	5,600
100,001 - 250,000	100,000	24%	11,900	11,900
250,001 - 400,000	250,000	24.5%	47,900	47,900
Exceeding 400,000	400,000	25%	84,650	84,650

b. Income Tax For Non - Resident Individual

- Non – resident individuals' income tax rate would be reduced by 1% from **26%** to **25%**.

2. Increase In Deduction For Medical Expenses Incurred For Serious Diseases

Presently, a resident individual taxpayer is given a deduction up to **RM5,000** for medical expenses incurred for treatment of serious diseases for the taxpayer, his/her spouse and his/her children.

As proposed in the 2015 Budget, the deduction for medical expenses incurred for serious disease be increased to **RM6,000**.

3. Increase In Deduction For Disable Child

Presently, a resident individual taxpayer with disabled child as certified by the Department of Social Welfare is eligible for a deduction of **RM5,000** for each disabled child.

As proposed in the 2015 Budget, the deduction be increased to **RM6,000**.

4. Increase In Deduction For Purchase Of Basic Supporting Equipment For The Disabled

Presently, a resident individual taxpayer is given a deduction up to **RM5,000** for the purchase of any necessary basic supporting equipment for the use of the disabled taxpayer, his/her spouse, children and parents.

As proposed in the 2015 Budget, the deduction be increased to **RM6,000**.

5. Amendment at Income Tax (Deduction From Remuneration) (Amendment) (No. 2) Rules 2014

- a. The Income Tax (Deduction from Remuneration) Rules 1994 [*P.U. (A) 507/1994*], which in these Rules are referred to as the “principal Rules”, are amended in rule 2 by substituting for the definition of “remuneration” the following definition:

“remuneration” means income in respect of gains or profits from an employment under subsection 13(1) of the Act.”.

With this amendment, the Benefit In Kind (BIK) and Value Of Living Allowances (VOLA) are subjected to Monthly Tax Deduction (MTD).

- b. Subrule 10(1) and 13 of the principal Rules is amended in by substituting for the words “10th” the words “15th”

With this amendment, the due date of PCB payment has extended from 10th of every calendar month to 15th of every calendar

- c. **Substitution of Schedule**

The principal Rules are amended by substituting for the Schedule the following Schedule by further interpret:

“Table of Monthly Tax Deduction” means the Table of Monthly Tax Deduction issued by the Inland Revenue Board of Malaysia for employers who do not use Computerised Calculation;

“Computerised Calculation” means a method used by an employer to determine Monthly Tax Deduction—

- (a) by using a system which is developed by the Inland Revenue Board of Malaysia; or
- (b) by using a computerised payroll system which is provided by a software provider or developed or modified by the employer, in accordance with the specifications determined and verified by the Inland Revenue Board of Malaysia;

“Monthly Tax Deduction” means an income tax deduction from employee’s current monthly remuneration in accordance with the formula specified in this Schedule;

“normal remuneration” means fixed monthly remuneration paid to the employee whether the amount paid is fixed or variable as specified in the contract of service in writing or otherwise;

“additional remuneration” means any additional payment to the normal remuneration for the current month paid to an employee whether in one lump sum, periodical, in arrears or non-fixed payment.

Determination of amount of Monthly Tax Deduction

1. (1) The amount of Monthly Tax Deduction is determined based on—

- (a) Table of Monthly Tax Deduction; or
- (b) Computerised Calculation.

(2) In determining the amount of **Monthly Tax Deduction based on Computerised Calculation, the employer shall allow** the employee to claim allowable deductions and rebates under the Act **not less than twice** in the current year.

(3) The claim under subparagraph (2) shall be made in the form prescribed by the Director General.

C. MONTHLY TAX DEDUCTION (MTD) FOR COMPUTERISED CALCULATION

Employee's resident status

The MTD calculation depends on the resident status of the employee. There are 2 types of residency as follows:

a. Non Resident Employee

MTD of an employee who is not resident or not known to be resident in Malaysia shall be calculated at the rate of 25 % of his remuneration.

Example :

Employee is not resident in calendar year 2014.

Total monthly remuneration	: RM3,000.00
MTD calculation	: RM3,000.00 x 25%
Total MTD	: RM750.00

A non-resident employee is eligible to get tax exemption on allowances, benefits and perquisites as stated in page 15 and 16 in this document. The exempt income shall be excluded from the remuneration for MTD purposes.

b. Resident Employee

MTD of an employee who is resident or known to be resident in Malaysia is derived after deducting all allowable deductions under the Act.

MTD formula are categorised into four (4) formulas. The employer may change the category of remuneration based on the approval from the IRBM. The formulae are:

- i. **Computerised calculation for Normal remuneration**
- ii. **Computerised calculation for Additional remuneration**
- iii. **Computerised calculation for Returning Expert Program**
- iv. **Computerised calculation for Knowledge worker at specified region (ISKANDAR)**

i. COMPUTERISED CALCULATION FOR NORMAL REMUNERATION

“Normal remuneration” means fixed monthly remuneration paid to the employee whether the amount paid is fixed or variable as specified in the contract of service in writing or otherwise;

If the employee has no salary and only receives a commission, the commission paid is considered as remuneration.

If the monthly salary is paid on a daily or hourly basis, the total monthly salary paid is considered as remuneration.

If the monthly salary changes due to the change in currency values, the total monthly salary paid is also considered as remuneration.

The amount of Monthly Tax Deduction based on Computerised Calculation is determined in accordance with the following formula:

Monthly Tax Deduction for the current month = $\frac{[(P - M) R + B] - (Z + X)}{n + 1}$

Net Monthly Tax Deduction = Monthly Tax Deduction for the current month – *zakat* for the current month

where $P = [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) n] + (Y_t - K_t^*)^{**}] - [D + S + D_u + S_u + QC + (\sum LP + LP_1)]$

P Total chargeable income for a year;
 $\sum(Y - K)$ Total accumulated net normal remuneration and net additional remuneration for the current year, paid to an employee prior to the current month, including net normal remuneration and net additional remuneration paid by previous employer, if any;

Y Total accumulated gross normal remuneration and gross additional remuneration for the current year, paid to an employee prior to the current month, including gross normal remuneration and gross additional remuneration paid by previous employer, if any;

K Total contribution to Employees Provident Fund or other approved scheme paid in respect of Y and life insurance premium paid in the current year, including life insurance premium claimed under previous employment, if any, subject to the total qualifying amount per year;

Y_1 Gross normal remuneration for the current month;

K_1 Contribution to Employees Provident Fund or other approved scheme paid in respect of Y_1 and life insurance premium paid in the current month, subject to the total qualifying amount per year;

Y_2 Estimated remuneration as Y_1 for the subsequent months;

K_2 Estimated balance of total contribution to Employees Provident Fund or other approved scheme and life insurance premium paid for the balance of qualifying months $[[\text{Total qualifying amount per year} - (K + K_1 + K_t)] / n]$ or K_1 , whichever is lower;

$Y_t - K_t$ Net additional remuneration for the current month;

Y_t Gross additional remuneration for the current month;

K_t Contribution to Employees Provident Fund or other approved scheme paid in respect of Y_t , subject to the total qualifying amount per year;

* $K + K_1 + K_2 + K_t$ not exceeding the total qualifying amount per year;

** $\sum(Y_t - K_t)$ only applies to calculation of Monthly Tax Deduction for additional remuneration;

n Balance of month in a year;

n + 1 Balance of month in a year, including current month;

D Deduction for individual;

S Deduction for husband or wife;

D_u Deduction for disabled person;

S_u Deduction for disabled husband or wife;

Q Deduction for qualifying children;

C Number of qualifying children;

Value of D, S and C are determined as follows:

(i) Category 1 = Single:

Value of D = Deduction for individual, S = 0 and C = 0;

(ii) Category 2 = Married and husband or wife is not working:

Value of D = Deduction for individual, S = Deduction for husband or wife and C = Number of qualifying children;

- (iii) Category 3 = Married and husband or wife is working, divorced or widowed, or single with adopted child:

Value of D = Deduction for individual, S = 0 and C = Number of qualifying children;

Σ LP	Accumulated allowable deductions in the current year, including from previous employment, if any;
LP ₁	Allowable deductions for the current month;
M	Amount of the first chargeable income for every range of chargeable income a year;
R	Percentage of tax rates;
B	Amount of tax on M after deduction of tax rebate for individual and husband or wife, if qualified;
Z	Accumulated <i>zakat</i> paid in the current year other than <i>zakat</i> for the current month;
X	Accumulated Monthly Tax Deduction paid for the previous month in the current year, including payment from previous employment, but shall not include additional Monthly Tax Deduction requested by the employee and payment of tax installment.

Upon getting the value of P, the value of M, R and B are determined based on Table 1 where the value of B depends on the category of employee.

Table 1 : Value of P, M, R and B

P (RM)	M (RM)	R (%)	B Category 1 & 3 (RM)	B Category 2 (RM)
5,001 - 20,000	5,000	1	- 400	- 800
20,001 - 35,000	20,000	5	-250	-650
35,001 - 50,000	35,000	10	900	900
50,001 - 70,000	50,000	16	2,400	2,400
70,001 - 100,000	70,000	21	5,600	5,600
100,001 – 250,000	100,000	24	11,900	11,900
250,001 - 400,000	250,000	24.5	47,900	47,900
Exceeding 400,000	400,000	25	84,650	84,650

ii. COMPUTERISED CALCULATION FOR ADDITIONAL REMUNERATION

“additional remuneration” means any additional payment to the normal remuneration for the current month paid to an employee whether in one lump sum, periodical, in arrears or non-fixed payment.

Such additional remuneration includes:

- bonus/incentive
- arrears of salary or any other arrears paid to an employee
- employee's share option scheme (if employee opts for MTD deduction)
- tax borne by employer
- gratuity
- compensation for loss of employment
- ex-gratia
- director's fee (not paid monthly)
- commissions (not paid monthly)

- x. allowances (not paid monthly)
- xi. any other payment in addition to normal remuneration for current month

Note :

Bonus and director fee shall, when received in the current year, be treated as part of the gross income from employment income for the year in which it is received. Therefore, PCB should calculate based on current year additional remuneration formula and reported together with current month's PCB in CP39 text file format.

The amount of Monthly Tax Deduction for additional remuneration based on Computerised Calculation is determined in accordance with the following formula:

Step 1 – Determine the Monthly Tax Deduction on net normal remuneration for a year.

- [A] Determine the category of the employee.
- [B] Determine the chargeable income for a year, not including additional remuneration for the current month, in accordance with the formula specified in subparagraph c(i), where $P = [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*)n] + (Y_t - K_t^{**})] - [D + S + D_u + S_u + QC + (\sum LP + LP_1)]$.
- [C] Determine the Monthly Tax Deduction for net normal remuneration for the current month in accordance with the formula specified in subparagraph c(i) =
$$\frac{[(P - M)R + B] - (Z + X)}{n + 1}$$

Upon the value of P being determined, the value of M, R and B are determined based on Table 1.

- [D] Determine the net Monthly Tax Deduction for the current month = Monthly Tax Deduction for the current month (Step [C]) — *zakat* for the current month, if any.
- [E] Determine the total Monthly Tax Deduction for a year
 $= X + [\text{Step [C]} \times (n + 1)]$
 X is the accumulated Monthly Tax Deduction which has been paid;
 n + 1 is the balance of month in a year, including the current month.

Step 2 – Determine the chargeable income for a year, including the additional remuneration for the current month.

- [A] Determine the category of the employee.
- [B] Determine the chargeable income for a year in accordance with the formula specified in subparagraph 4(1), where $P = [(Y - K) \times 12] + [\sum(Y_{t1} - K_{t1})] + (Y_t - K_t) - (D + S + QC)$

Step 3 – Determine the total tax for a year.

Total tax for a year = $(P - M)R + B$

Value of P is determined based on Step 2[B];
 Value of M, R and B are determined based on Table 1.

Step 4 – Determine the Monthly Tax Deduction for additional remuneration for the current month.

$$\text{Monthly Tax Deduction for additional remuneration for the current month} = \text{Total tax for a year (Step 3) — total Monthly Tax Deduction for a year (Step 1[E]) + zakat which has been paid.}$$

Step 5 – Determine the Monthly Tax Deduction for the current month which shall be paid.

$$\text{Monthly Tax Deduction for the current month which shall be paid} = \text{Net Monthly Tax Deduction (Step 1[D]) + Monthly Tax Deduction for additional remuneration for the current month (Step 4)}$$

iii. COMPUTERISED CALCULATION FOR RETURNING EXPERT PROGRAM (REP)

An approved employee under REP shall be tax at rate of 15% from its chargeable income. If the chargeable income does not exceed RM35,000, employee is eligible for individual and spouse rebate for RM400, respectively.

Duration of the incentive is for five (5) consecutive full years of assessment.

For the Returning Expert Programme, the amount of Monthly Tax Deduction based on Computerised Calculation is determined in accordance with the following formula:

$$\text{Monthly Tax Deduction for the current month} = \frac{[(PR - T) - (Z + X)]}{n + 1}$$

$$\text{Net Monthly Tax Deduction} = \text{Monthly Tax Deduction for the current month} - \text{zakat for the current month}$$

$$\text{where } P = [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) n] + (Y_t - K_t^*)^{**}] - [D + S + D_u + S_u + QC + \sum LP + LP_1]$$

P	Total chargeable income for a year;
$\sum (Y - K)$	Total accumulated net normal remuneration and net additional remuneration for the current year, paid to an employee prior to the current month, including net normal remuneration and net additional remuneration paid by previous employer, if any;
Y	Total accumulated gross normal remuneration and gross additional remuneration for the current year, paid to an employee prior to the current month, including gross normal remuneration and gross additional remuneration paid by previous employer, if any;
K	Total contribution to Employees Provident Fund or other approved scheme paid in respect of Y and life insurance premium paid in the current year, including life insurance premium claimed under previous employment, if any, subject to the total qualifying amount per year;
Y ₁	Gross normal remuneration for the current month;
K ₁	Contribution to Employees Provident Fund or other approved scheme paid in respect of Y ₁ and life insurance premium paid in the current month subject to the total qualifying amount per year;
Y ₂	Estimated remuneration as Y ₁ for the subsequent months;
K ₂	Estimated balance of total contribution to Employees Provident Fund or other

approved scheme and life insurance premium paid for the balance of the qualifying months $[(\text{Total qualifying amount per year} - (K + K_1 + K_i)) / n]$ or K_1 , whichever is lower;

$Y_t - K_t$

Net additional remuneration for the current month;

Y_t

Gross additional remuneration for the current month;

K_t

Contribution to Employees Provident Fund or other approved scheme paid in respect of Y_t , subject to the total qualifying amount per year;

* $K + K_1 + K_2 + K_t$ not exceeding total qualifying amount per year;

** $\sum(Y_t - K_t)$ only applies to calculation of Monthly Tax Deduction for additional remuneration;

n

Balance of month in a year;

$n + 1$

Balance of month in a year, including current month;

D

Deduction for individual;

S

Deduction for husband or wife;

D_U

Deduction for disabled person;

S_U

Deduction for disabled husband or wife;

Q

Deduction for qualifying children;

C

Number of qualifying children;

Value of D , S and C are determined as follows:

(i) Category 1 = Single:

Value of D = Deduction for individual, $S = 0$ and $C = 0$;

(ii) Category 2 = Married and husband or wife is not working:

Value of D = Deduction for individual, S = Deduction for husband or wife and C = Number of qualifying children;

(iii) Category 3 = Married and husband or wife is working, divorced or widowed, or single with adopted child:

Value of D = Deduction for individual, $S = 0$ and C = Number of qualifying children;

$\sum LP$

Accumulated allowable deductions in the current year, including from previous employment, if any;

LP_1

Allowable deductions for the current month;

R

Percentage of tax rates;

T

Individual or husband or wife rebate, if any;

Z

Accumulated *zakat* paid in the current year other than *zakat* for the current month;

X

Accumulated Monthly Tax Deduction paid for the previous month in the current year, including payment from previous employment, but shall not include additional Monthly Tax Deduction requested by the employee and payment of tax installment.

Upon getting the value of P , the value of T is determined based on Table 2 where the value of T depends on the category of employee.

Table 2 : Value of P , R and T

P (RM)	R (%)	T Category 1 & 3 (RM)	T Category 2 (RM)
35,000 and below	15	400	800
Exceeding 35,000	15	0	0

iv. COMPUTERISED CALCULATION FOR KNOWLEDGE WORKER (KW) AT SPECIFIED REGION

Tax rate at 15% is charged to the qualified knowledge worker who is working and residing in a specified region.

The incentive is given to the applicant and start work in Regional Development Authority not later than 31 December 2015.

For the knowledge worker in a specified region, amount of Monthly Tax Deduction based on Computerised Calculation is determined in accordance with the following formula:

$$\text{Monthly Tax Deduction for current month} = \frac{[PR - (Z + X)]}{n + 1}$$

$$\text{Net Monthly Tax Deduction} = \text{Monthly Tax Deduction for the current month} - \text{zakat for the current month}$$

$$\text{where } P = [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) n] + (Y_t - K_t^*)^{**}] - [D + S + D_u + S_u + QC + (\sum LP + LP_1)]$$

P Total chargeable income for a year;

$\sum(Y - K)$ Total accumulated net normal remuneration and net additional remuneration for the current year, paid to an employee prior to the current month, including net normal remuneration and net additional remuneration paid by previous employer, if any;

Y Total accumulated gross normal remuneration and gross additional remuneration for the current year, paid to an employee prior to the current month, including gross normal remuneration and gross additional remuneration paid by previous employer, if any;

K Total contribution to Employees Provident Fund or other approved scheme paid in respect of Y and life insurance premium paid in the current year, including life insurance premium claimed under previous employment, if any, subject to the total qualifying amount per year;

Y_1 Gross normal remuneration for the current month;

K_1 Contribution to Employees Provident Fund or other approved scheme paid in respect of Y_1 and life insurance premium paid in the current month subject to the total qualifying amount per year;

Y_2 Estimated remuneration as Y_1 for the subsequent months;

K_2 Estimated balance of total contribution to Employees Provident Fund or other approved scheme and life insurance premium paid for the balance of qualifying months $[(\text{Total qualifying amount per year} - (K + K_1 + K_i)) / n]$ or K_1 , whichever is lower;

$Y_t - K_t$ Net additional remuneration for the current month;

Y_t	Gross additional remuneration for the current month;
K_t	Contribution to Employees Provident Fund or other approved scheme paid in respect of Y_t , subject to the total qualifying amount per year;

* $K + K_1 + K_2 + K_t$ not exceeding the total qualifying amount per year;

** $\sum(Y_t - K_t)$ only applies to calculation of Monthly Tax Deduction for additional remuneration;

n	Balance of month in a year;
$n + 1$	Balance of month in a year, including current month;
D	Deduction for individual;
S	Deduction for husband or wife;
D_U	Deduction for disabled person;
S_U	Deduction for disabled husband or wife;
Q	Deduction for qualifying children;
C	Number of qualifying children;

Value of D , S and C are determined as follows:

- (i) Category 1 = Single:
Value of D = Deduction for individual, $S = 0$ and $C = 0$;
- (ii) Category 2 = Married and husband or wife is not working:
Value of D = Deduction for individual, S = Deduction for husband or wife and C = Number of qualifying children;
- (iii) Category 3 = Married and husband or wife is working, divorced or widowed, or single with adopted child:
Value of D = Deduction for individual, $S = 0$ and C = Number of qualifying children;

$\sum LP$	Accumulated allowable deductions in the current year, including from previous employment, if any;
LP_1	Allowable deductions for the current month;
R	Percentage of tax rates;
Z	Accumulated <i>zakat</i> paid in the current year other than <i>zakat</i> for the current month;
X	Accumulated Monthly Tax Deduction paid for the previous month in the current year, including payment from previous employment, but shall not include additional Monthly Tax Deduction requested by the employee and payment of tax installment.

D. TERMS AND CONDITIONS

Monthly Tax Deduction for additional remuneration based on Computerised Calculation shall be subject to the followings:

1. Calculations is limited to two decimal points only and omit the subsequent figures;

Example : $123.4567 = 123.45$

2. The amount of Monthly Tax Deduction to be rounded up to the nearest five cents as follows:
 - (ii) one, two, three and four cents to be rounded up to five cents; and
 1, 2, 3, 4 – rounding to the 5 cents
 Example : 287.02 \approx 287.05
 - (iii) six, seven, eight and nine cents to be rounded up to ten cents;
 6, 7, 8, 9 – rounding to the 10 cents
 Example : 152.06 \approx 152.10
3. If the amount of Monthly Tax Deduction or Monthly Tax Deduction before deduction for *zakat* is less than ten ringgit, the employer is not required to make the Monthly Tax Deduction; and
4. If the amount of Monthly Tax Deduction after deduction for *zakat* is less than ten ringgit, the employer is required to make the Monthly Tax Deduction.

		MTD calculation (RM)	MTD amount deducted (RM)
a.	MTD for current month	< 10	0
		≥ 10	Deduct as per MTD calculation
b.	Net MTD (after zakat/fi deduction for the current month)	< 10	Deduct as per MTD calculation
		≥ 10	Deduct as per MTD calculation
c.	MTD for additional remuneration	if the MTD for current month + MTD for additional remuneration = < 10 (Total MTD is < 10)	0
		if the MTD for current month < 10 \approx 0, and MTD for additional remuneration = ≥ 10	Deduct as per MTD for additional remuneration = ≥ 10
		if the MTD for current month ≥ 10 + MTD for additional remuneration < 10 \approx 0 = ≥ 10 (Total MTD is ≥ 10)	Deduct as per MTD calculation (Total MTD is ≥ 10)

5. Zakat shall be treated as follows:

a) Employees receive only remuneration (without additional remuneration).

	MTD for current month (RM)	Zakat for current month (RM)	Net MTD (RM)	Zakat carried forward to the following month (value of Z) (RM)
	(a)	(b)	(a – b = c)	(d)
a.	8.00 \approx 0.00	5.00	- 5.00 \approx 0.00	5.00
b.	15.00	20.00	- 5.00 \approx 0.00	20.00
c.	15.00	8.00	7.00	8.00
d.	120.00	100.00	20.00	100.00

b) Employees receive additional remuneration during the month. Please refer to MTD for additional remuneration formula.

	MTD for current month (RM)	Zakat for current month (RM)	Net MTD (RM)	Zakat carried forward to the following month (value of Z) (RM)	MTD for additional remuneration (RM)	MTD for current month (RM)
			<i>Step 1(c)</i>		<i>Step 4</i>	<i>Step 5</i>
	(a)	(b)	(a – b = c)	(d)	(e)	(c + e = f)
a.	8.00 \approx 0.00	5.00	-5.00 \approx 0.00	5.00	9.00 \approx 0.00	0.00
b.	8.00 \approx 0.00	5.00	-5.00 \approx 0.00	5.00	25.00	20.00
c.	15.00	20.00	- 5.00 \approx 0.00	20.00	32.55	27.55
d.	15.00	8.00	7.00	8.00	127.30	134.30
e.	120.00	100.00	20.00	100.00	392.25	412.25

- MTD for computerised calculation method must be paid for the actual amount (including the decimal point amount).
- In the situation where employees do not receive any normal remuneration in the current month but only additional remuneration, then value of Y1 is equal to 0.
- If additional remuneration paid before the monthly remuneration, value of Y1 shall refer to the monthly remuneration which will be paid for that month.
- MTD is to be deducted from the employee's taxable remuneration only. All the tax exemption on allowances, benefit-in-kind and perquisites shall be excluded from the remuneration for MTD purposes. Any amount exceed the restricted amount shall be taxable. Please refer to Explanatory Notes E Form for references.

All the tax exemption on allowances, benefit-in-kind and perquisites shall reported in the EA Form, section G – TOTAL TAX EXEMPT ALLOWANCES / PERQUISITES / GIFTS / BENEFITS.

Type of benefit-in-kind and perquisites that exempt from tax are as follows:

	Allowances / Perquisites / Gifts / Benefits	Restricted amount (RM)
a.	Petrol card, petrol allowance, travelling allowance or toll payment or any of its combination for official duties. If the amount received exceeds RM6,000 a year, the employee can make a further deduction in respect of the amount spent for official duties. Records pertaining to the claim for official duties and the exempted amount must be kept for a period of 7 years for audit purpose.	6,000.00
b.	Child care allowance in respect of children up to 12 years of age.	2,400.00
c.	Gift of fixed line telephone, mobile phone, pager or <i>Personal Digital Assistant</i> (PDA) registered in the name of the employee or employer including cost of registration and installation.	Limited to only 1 unit for each category of assets
d.	Monthly bills for subscription of broadband, fixed line telephone, mobile phone, pager and PDA registered in the name of the employee or employer including cost of registration and installation.	Limited to only 1 line for each category of assets.
e.	Perquisite (whether in money or otherwise) provided to the employee pursuant to his employment in respect of:- (i) past achievement award; (ii) service excellence award, innovation award or productivity award; and (iii) long service award (provided that the employee has exercised an employment for more than 10 years with the same employer).	2,000
f.	Parking rate and parking allowance. This includes parking rate paid by the employer directly to the parking operator.	Restricted to the actual amount expended
g.	Meal allowance received on a regular basis and given at the same rate to all employees. Meal allowance provided for purposes such as overtime or outstation / overseas trips and other similar purposes in exercising an employment are only exempted if given based on the rate fixed in the internal circular or written instruction of the employer.	
h.	<p>Subsidised interest for housing, education or car loan is fully exempted from tax if the total amount of loan taken in aggregate does not exceed RM300,000. If the total amount of loan exceeds RM300,000, the amount of subsidized interest to be exempted from tax is limited in accordance with the following formula:</p> <p>Where;</p> $\frac{A \times B}{C}$ <p>A = is the difference between the amount of interest to be borne by the employee and the amount of interest payable by the employee in the basis period for a year of assessment;</p> <p>B = is the aggregate of the balance of the principal amount of housing, education or car loan taken by the employee in the basis period for a year of assessment or RM300,000, whichever is lower;</p> <p>C = is the total aggregate of the principal amount of housing, education or car loan taken by the employee.</p>	

Example	:	Normal remuneration	:	RM5,000 per month
		Car allowance	:	RM 800 per month
		Meal allowance	:	RM 300 per month (Exempted)
		Childcare allowance	:	RM 300 per month (Exempted – limit to RM2,400 per year)
		Total	:	RM6,400 per month

To determine MTD amount, taxable income as follow:

Normal remuneration	:	RM5,000 per month
Car allowance	:	RM 800 per month

Total taxable remuneration : RM5,800 per month

10. If payment in arrears and other payments in respect of the preceding years (prior to current years) paid by the employer to the employee, system must be able to calculate based on the MTD formula for the year payment supposed to be made.

Preceding PARTICULARS OF PAYMENT IN ARREARS AND OTHER PAYMENTS IN RESPECT OF PRECEDING YEARS

These methods of calculation in concurrent with section 25

- a. **If remuneration payment for year 2008 and below.** The following formula is applicable:

- [A] Determine the tax deduction on monthly remuneration (excluding arrears)
 [B] $(1/12 \times \text{net arrears}) + \text{monthly net remuneration}$
 [C] Determine the tax deduction on [B]
 [D] $([C] - [A]) \times 12$

Example:

Employee (married)]		
Spouse working]	Refer CATEGORY 3 / KA 2	
2 number of qualifying children]		
Monthly remuneration in Dec the related year		RM3,600.00	KWSP: RM 396.00
Arrears		RM7,200.00	KWSP: RM 792.00

- [A] Determine the tax deduction on monthly remuneration (excluding arrears)

Monthly remuneration	RM3,600.00
Minus: EPF	<u>RM 396.00*</u>
Net monthly remuneration	<u>RM3,204.00</u>

MTD for RM3,204.00 = RM48.00

[B] $(1/12 \times \text{net arrears}) + \text{monthly net remuneration}$

Arrears	RM7,200.00
Minus: EPF	<u>RM 104.00*</u> (*RM500.00 - RM396.00)
Net arrears	<u>RM7,096.00</u>

$$(1/12 \times \text{RM7,096.00}) + \text{RM3,204.00} = \text{RM3,795.00}$$

[C] Determine the tax deduction on [B]

$$\text{MTD for RM3,795.00} = \text{RM102.00}$$

[D] $([C] - [A]) \times 12$

$$(\text{RM102.00} - \text{RM48.00}) \times 12 = \text{RM648.00}$$

*(*Contribution to EPF deduction is limited to a maximum RM500.00 per month)*

Note:

Use Formula MTD 2008 and below to determined value of MTD

Formula MTD 2008 and below

Step 1:

Determine employee CATEGORY as per schedule.

Step 2:

Calculate CHARGEABLE INCOME (P) for the employee as follows:

CATEGORY 1:

$$P = [(\text{Total monthly remuneration} - *EPF) \times 12] - \text{RM8,000.00};$$

CATEGORY 2:

$$P = [(\text{Total monthly remuneration} - *EPF) \times 12] - (\text{Number of children} \times \text{RM1,000.00}) - \text{RM11,000.00};$$

CATEGORY 3:

$$P = [(\text{Total monthly remuneration} - *EPF) \times 12] - (\text{Number of children} \times \text{RM1,000.00}) - \text{RM8,000.00};$$

*EPF limited to RM500.00 per month

Step 3:

Monthly deduction is calculated based on the following formula:

i. Remuneration RM10,000 and BELOW:

$$\frac{[(P - M) \times R + B]}{12} \times 0.8$$

- ii. Remuneration ABOVE RM10,000:

$$\frac{[(P - M) \times R + B]}{12}$$

Upon getting value of P, the value of M, R and B are determined based on Schedule 1 below where value of B depends on category of employee.

Value of P, M, R and B

P (RM)	M (RM)	R (%)	B [KATEGORI 1 & 3] (RM)	B [KATEGORI 2] (RM)
2,500 - 5,000	2,500	1	-350	-700
5,001 - 20,000	5,000	3	-325	-675
20,001 - 35,000	20,000	7	125	-225
35,001 - 50,000	35,000	13	1,525	1,525
50,001 - 70,000	50,000	19	3,475	3,475
70,001 - 100,000	70,000	24	7,275	7,275
100,001 - 250,000	100,000	27	14,475	14,475
Melebihi 250,000	250,000	28	54,975	54,975

NOTE:

- Calculations is limited to the nearest value of RM.
- No deduction of MTD if the MTD amount is less than RM20.

b. If remuneration payment for year 2009 and above

Using the same formula for additional remuneration with the following conditions:

- Value of (Y-K) is the cumulative remuneration received during the year (from January until December that year)
 - Value of $(Y_1 - K_1) = 0$
 - Value of $(Y_2 - K_2) = 0$
 - Value of D, S, D_U , S_U , and QC are value claimed during the year.
 - Value of $\sum LP$ is the total value of deductions claimed by the employee during the year.
 - Value of $LP_1 = 0$
 - Only calculate until step 4 to get the value of MTD for additional remuneration.
11. Employee who newly joined the company during the year shall submit TP3 Form (Exhibit 1) to his new employer to notify information relating to his employment with previous employer in the current year.

The amounts related to the previous employment in the previous employer in the current year are used only for the purpose of MTD calculation. These amounts shall not appear in the pay slip and EA Form.

The information amount from the TP3 Form shall be treated in the formula as variable (Y-K*), X, Z and ΣLP .

12. Employee who has benefits-in-kind (BIK) and value of living accommodation (VOLA) as part of his monthly remuneration **shall deduct PCB as per normal remuneration**. Therefore, **the TP2 form (Exhibit 2) is not applicable for 2015 onward**.

Amount of BIK/VOLA shall be treated as part of Y_1 in the MTD calculation during the current year only. It shall not carry forward to the following year.

Amount of BIK/VOLA are used only for the purpose of MTD calculation. These amounts shall not appear in the pay slip and EA Form.

There are 2 methods in providing fields to key into the system:

- Employer input monthly amount and system treated as Y_1 in the MTD formula.
- Employer input the total amount of each BIK/VOLA and system calculate the monthly amount that system treated as Y_1 in the MTD formula. The method of calculation to obtain a monthly amount is as follow:

$$\text{Monthly amount} = \frac{\text{Value of BIK/VOLA for a year}}{\text{Remaining working month in a year including current month}}$$

Example :

Value of car in a year	: RM25,000
Month/year of deduction agreed by the employer	: April 2012
Remaining working month in a year including current month	: 9 months
Monthly amount	: $\frac{RM25,000}{9}$
	: RM2,777.77 \approx RM2,777.00

Please refer to Public Ruling for detail explanation of BIK and VOLA respectively.

13. EPF for the purpose of MTD calculation are as follows:

- If allowances categorized as the remuneration subject to EPF but not subject to tax, all amount of EPF shall be treated as K_1 .

Salary	: RM2,400.00
Child care allowance	: RM300.00 (receives every month – remuneration category)
EPF deducted from the salary	: RM297.00
K_1 (as per EPF deduction)	: RM297.00

- b. If allowances categorized as the additional remuneration subject to EPF but not subject to tax, difference of total EPF with the EPF remuneration shall be treated as K_t .

Salary : RM2,400.00
Meal allowance : RM450.00 (one off payment – additional remuneration category)

EPF deducted from the salary : RM315.00

K_1 (EPF for remuneration) : RM264.00
 K_t (difference from total and normal): RM315 – RM264
: RM51.00

- c. If there is an additional remuneration

Salary : RM2,400.00
Bonus : RM3,600.00

EPF deducted from the salary : RM660.00

K_1 (EPF for remuneration) : RM264.00
 K_t (difference from total and normal): RM660 – RM264
: RM396.00

14. All allowable deductions are limited up to the maximum amount under the Income Tax Act 1967. The amount of allowable deduction shall not appear in the pay slip and EA Form.

- a. Compulsory deductions

There are six (6) type of compulsory deductions that affect in the formula as follows:

$$[D + S + D_U + S_U + QC + (\sum LP + LP_1)]$$

	Deductions	Amount limited to (RM)
a.	Individual Deduction of RM9,000.00 for an individual in respect of himself and his dependent relatives is granted automatically.	9,000.00
b.	Husband/Wife i. Deduction of RM3,000.00 is given in respect of a husband living together in the basis year on condition that the husband has no source of income/total income or has elected for joint assessment. ii. Deduction of RM3,000.00 is given in respect of a wife living together in the basis year on condition that the wife has no source of income/total income or has elected for joint assessment.	3,000.00

	Deductions	Amount limited to (RM)										
c.	<p>Child</p> <p>“Child” means an unmarried dependent legitimate child or stepchild or adopted child, under the age of 18 years or if above 18 years old, the child must be:</p> <ul style="list-style-type: none">i. receiving full-time instruction at any university, college or other higher education institution (similar to a university or college); orii. serving under articles or indentures with a view to qualifying in a trade or profession. <p>Deduction of RM1,000.00 is given for each unmarried child under the age of 18 years in a current year.</p> <p>Deduction of RM1,000.00 is also given for each unmarried child of 18 years and above who is receiving full-time education in a current year.</p> <p>Where a child falls within these conditions, the employee is treated as having the respective number of children:</p> <table><tr><th><u>In circumstances where</u></th><th><u>Deduction to be given as if the employee has this number of children</u></th></tr><tr><td>Child over the age of 18 years and receiving full-time instruction at diploma level onwards in an institution of higher education in Malaysia.</td><td>6</td></tr><tr><td>Child over the age of 18 years and receiving full-time instruction at degree level onwards in an institution of higher education outside Malaysia.</td><td>6</td></tr><tr><td>Disabled child as certified by the Department of Social Welfare.</td><td>6</td></tr><tr><td>Disabled child receiving further instruction at diploma level onwards in an institution of higher education in Malaysia or at degree level onwards in an institution of higher education outside Malaysia.</td><td>12</td></tr></table>	<u>In circumstances where</u>	<u>Deduction to be given as if the employee has this number of children</u>	Child over the age of 18 years and receiving full-time instruction at diploma level onwards in an institution of higher education in Malaysia.	6	Child over the age of 18 years and receiving full-time instruction at degree level onwards in an institution of higher education outside Malaysia.	6	Disabled child as certified by the Department of Social Welfare.	6	Disabled child receiving further instruction at diploma level onwards in an institution of higher education in Malaysia or at degree level onwards in an institution of higher education outside Malaysia.	12	1,000.00
<u>In circumstances where</u>	<u>Deduction to be given as if the employee has this number of children</u>											
Child over the age of 18 years and receiving full-time instruction at diploma level onwards in an institution of higher education in Malaysia.	6											
Child over the age of 18 years and receiving full-time instruction at degree level onwards in an institution of higher education outside Malaysia.	6											
Disabled child as certified by the Department of Social Welfare.	6											
Disabled child receiving further instruction at diploma level onwards in an institution of higher education in Malaysia or at degree level onwards in an institution of higher education outside Malaysia.	12											
d.	<p>Contribution to Employees Provident Fund (EPF) or Other Approved Scheme and Life Insurance</p> <p>Total deduction for the payment of contributions to the EPF or any other</p>	6,000.00										

	Deductions	Amount limited to (RM)
	Approved Scheme and life insurance premiums is limited to RM6,000.00 per year.	
e.	Disabled Person A disabled person will be allowed an additional personal deduction of RM6,000.00.	6,000.00
f.	Disabled Husband/Wife Additional deduction of RM3,500.00 is given to an individual if a disabled husband/wife is living together.	3,500.00

b. Optional deductions

Employee can claim deductions and rebates in the relevant month subject to approval by employer by submitting TP1 Form (Exhibit 3) to the employer.

In the formula, all optional deductions shall be treated as $\sum LP$ for the cumulative deductions and LP_1 for the current month deductions. System must show cumulative and current month deduction amount for the purpose of audit.

$$[D + S + D_U + S_U + QC + (\sum LP + LP_1)]$$

List of deductions must be provided in the system as follows:

	Deductions	Amount limited to (RM)
a.	Medical Treatment, Special Needs or Carer Expenses of Parents Medical treatment, special needs and carer for parents are limited to RM5,000.00 in a basis year. Medical expenses which qualify for deductions includes: <ul style="list-style-type: none"> i. medical care and treatment provided by a nursing home; and ii. dental treatment limited to tooth extraction, filling, scaling and cleaning but not including cosmetic dental treatment. The claim must be supported by a certified medical practitioner registered with the Malaysian Medical Council that the medical conditions of the parents require medical treatment or special needs or carer.	5,000.00

	Deductions	Amount limited to (RM)
	<p>The parents shall be resident in Malaysia. The medical treatment and care services are provided in Malaysia.</p> <p>In the case of carer, shall be proved by a written certification, receipt or copy of carer's work permit. "Carer" shall not include that individual, husband, wife or the child of that individual.</p>	
b.	<p>Basic Supporting Equipment</p> <p>The purchase of any supporting equipment for one's own use, if he/she is a disabled person or for the use of his/her spouse, child or parent, who is a disabled person may be claimed but limited to a maximum of RM6,000.00 in a basis year. Basic supporting equipment includes haemodialysis machine, wheel chair, artificial leg and hearing aid but exclude optical lenses and spectacles.</p>	6,000.00
c.	<p>Higher Education Fees (Self)</p> <p>Payment of annual fee limited to RM5,000.00 is allowed as a deduction for any course of study in an institution or professional body in Malaysia recognized by the Government of Malaysia or approved by the Minister of Finance for the purpose of enhancing any skill or qualification:</p> <ul style="list-style-type: none"> i. up to tertiary level (other than Masters and Doctorate) in law, accounting, Islamic finance, technical, vocational, industrial, scientific or technology; or ii. any course of study at Masters or Doctorate level. 	5,000.00
d.	<p>Medical Expenses on Serious Diseases</p> <p>Medical expenses on serious diseases include the treatment of acquired immune deficiency syndrome (AIDS), Parkinson's disease, cancer, renal failure, leukaemia and other similar diseases.</p> <p>'Other similar diseases' such as heart attack, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficit, brain tumour or vascular malformation, major burns, major organ transplant or major amputation of limbs.</p> <p>Amount expended on own self, husband/wife or child is deductible up to a maximum of RM6,000.00.</p>	6,000.00

	Deductions	Amount limited to (RM)						
e.	<p>Complete Medical Examination</p> <p>Amount expended on own self, husband/wife or child for complete medical examination is deductible up to a maximum of RM500.00. The total deduction for medical expenses on serious diseases (d.) and complete medical examination (e.) is limited to a maximum of RM6,000.00 a year.</p> <p>Example :</p> <p>Claim for deduction in (d.) is RM5,900.00. Therefore, the balance of deduction that can be claimed in (e.) is only RM100.00.</p>	500.00						
f.	<p>Purchase of Books/Magazines/Journals/Similar Publications</p> <p>Purchase of books/magazines/journals/other similar publications (in the form of hard copy or electronic but exclude newspapers or banned reading materials) for the individual, husband/wife or child. Total deduction is limited to a maximum of RM1,000.00 per year.</p>	1,000.00						
g.	<p>Purchase of Personal Computer</p> <p>An amount limited to a maximum of RM3,000.00 is deductible in respect of the purchase of personal computer. No deduction will be granted if the computer is used for business purpose. This deduction is allowed once in three (3) years.</p>	3,000.00						
h.	<p>Net Deposit in <i>Skim Simpanan Pendidikan Nasional (SSPN)</i></p> <p>Amount deposited in SSPN by an individual for his children’s education is deductible up to a maximum of RM6,000.00 per year. The deduction is limited to the net amount deposited in that basis year only.</p> <p>This deduction has effect for the years of assessment 2012 until 2017.</p> <p>Example: <u>In a current year</u></p> <table><tr><td>Deposit in a current year</td><td>RM2,000.00</td></tr><tr><td>Less: Withdrawal in a current year</td><td>(-) <u>RM1,500.00</u></td></tr><tr><td>Allowable deduction to be claimed</td><td><u>RM 500.00</u></td></tr></table>	Deposit in a current year	RM2,000.00	Less: Withdrawal in a current year	(-) <u>RM1,500.00</u>	Allowable deduction to be claimed	<u>RM 500.00</u>	6,000.00
Deposit in a current year	RM2,000.00							
Less: Withdrawal in a current year	(-) <u>RM1,500.00</u>							
Allowable deduction to be claimed	<u>RM 500.00</u>							
i.	<p>Purchase of Sports Equipment</p> <p>An amount limited to a maximum of RM300.00 is deductible in respect of purchase of sports equipment in the basis year by that individual for any sports activity as defined under the Sports Development Act 1997.</p>	300.00						

	Deductions	Amount limited to (RM)
j.	<p>Payment of Alimony to Former Wife</p> <p>Payment of alimony to a former wife is deductible provided that the total deduction for wife (in paragraph 4.4.1 (b)) and alimony payment is limited to RM3,000.00 per year. Voluntary alimony payment to a former wife under a mutual agreement but without any formal agreement does not qualify as a deduction.</p> <p>Note: Payment of alimony to former wife is not allowed in the case where the employee claimed deduction for wife.</p>	3,000.00
k.	<p>Life Insurance</p> <p>Total deduction for the payment of life insurance premiums and contributions to the EPF or any other Approved Scheme is limited to RM6,000.00 per year.</p>	6,000.00
l.	<p>Contribution to a Private Retirement Scheme and Payment of Deferred Annuity</p> <p>Deduction on contribution to Private Retirement Scheme approved by the Securities Commission under The Capital Markets and Services Act 2007 or payment of deferred annuity premium or both limited to RM3,000 per year (for 10 years from year assessment 2012 until year assessment 2021).</p>	3,000.00
m.	<p>Education and Medical Insurance</p> <p>A deduction not exceeding RM3,000.00 per year for insurance premiums in respect of education or medical benefits for an individual, husband, wife or child.</p>	3,000.00
n.	<p>Interest on Housing Loan</p> <p>A deduction not exceeding RM10,000 for each basis year is given on housing loan interest for house purchased from developer or third party subject to the following conditions:</p> <ul style="list-style-type: none"> i. the tax payer is a Malaysian citizen and a resident; ii. limited to one residential house; iii. has not derived any income; and iv. sale and purchase agreement is executed between 10 March 2009 and 31 December 2010. <p>The tax deduction is given for 3 consecutive years from the first year the housing loan interest is paid.</p>	10,000.00

15. Rebate on Zakat

There are two type of zakat as follows:

- a. Zakat that deducted from the remuneration (payslip)
Amount of zakat should appear in the payslip and EA Form.
- b. Zakat claimed through TP1 form
 - Amount of zakat should not appear in the payslip and EA Form due to employee himself paid directly to Pusat Zakat.
 - It is treated as zakat for current month in the month claimed by the employee.

16. TP1 and TP3 Form can be submitted online by the employee to the employer. All software provider/employer are recommended to develop online submission of TP1 and TP3 Form in easing the compulsory implementation of these submissions by the employee.

Logic of submission is as follow:

- a. Unique ID and password to login by each employee.
- b. Employee's declaration section
 - i. Date of employee's declaration : date of submission via online
 - ii. Employee signature : employee's name
- c. Approval by employer
 - i. Date of approval by the employer : date of the employer process the application from the employees in the payroll system as to generate the MTD amount.
 - ii. Name : person in charged for payroll processing
 - iii. Designation : designation of the person in charged
 - iv. Employer address : employer address

System must provide list of employee that claimed these TP Form. The list can be print and save. Employee also can print and save these TP Form.

17. System must be able to generate detail of amount MTD/CP38 deducted from the employee by using PCBII Form (Exhibit 4).

18. System must able to generate CP39 (Exhibit 5) and CP39A Form (Exhibit 6).

19. System must provide the text file data format (Exhibit 7) for the purpose of MTD submission to the IRBM.

Employer is recommended to submit CP39 and CP39A text file format data via internet banking or e-Data PCB. Employer can register to use the e-Data PCB at <http://eapps.hasil.gov.my/>.

Conditions:

For arrears payment related to the prior year (other than current year), employer should submit MTD amount by using CP39A text file format. Month of deduction shall be declared as 12 and year of deduction shall be declared as the year of arrears shall be received.

Example : Arrears for 2008 paid in the current year
: Text file shall be named as xxxxxxxxxx12_2008.txt

LEMBAGA HASIL DALAM NEGERI MALAYSIA
BORANG MAKLUMAT BERKAITAN PENGGAJIAN DENGAN MAJIKAN-MAJIKAN TERDAHULU
DALAM TAHUN SEMASA BAGI TUJUAN POTONGAN CUKAI BULANAN (PCB)
(KAEDAH-KAEDAH CUKAI PENDAPATAN (POTONGAN DARIPADA SARAAN) 1994)
BORANG DITETAPKAN DI BAWAH SEKSYEN 152, AKTA CUKAI PENDAPATAN 1967

BAHAGIAN A : MAKLUMAT MAJIKAN

A1	Nama Majikan Terdahulu 1	:	<input type="text"/>
			<input type="text"/>
A2	No. Majikan	:	<input type="text" value="E"/> <input type="text"/>
A3	Nama Majikan Terdahulu 2	:	<input type="text"/>
			<input type="text"/>
A4	No. Majikan	:	<input type="text" value="E"/> <input type="text"/>

*(Sila gunakan lampiran tambahan bagi majikan ketiga dan seterusnya)

BAHAGIAN B : MAKLUMAT INDIVIDU

B1	Nama	:	<input type="text"/>
			<input type="text"/>
B2	No. Pengenalan	:	<input type="text"/>
B3	No. Pasport	:	<input type="text"/>
B4	No. Cukai Pendapatan	:	<input type="text"/>

BAHAGIAN C : MAKLUMAT SARAAN, KWSP, ZAKAT DAN PCB (sila nyatakan jumlah keseluruhan daripada majikan-majikan terdahulu)

AMAUN TERKUMPUL

C1	Jumlah saraan kasar bulanan dan saraan tambahan termasuk elaun/perkuisit/ pemberian/manfaat yang dikenakan cukai	RM	<input type="text"/>
C2	Jumlah elaun/perkuisit/pemberian/manfaat yang dikecualikan cukai		
	i Elaun perjalanan, kad petrol atau elaun petrol dan fi tol atas urusan rasmi	RM	<input type="text"/>
	ii Elaun penjagaan anak	RM	<input type="text"/>
	iii Produk yang dikeluarkan oleh perniagaan majikan yang diberi secara percuma atau diberi pada harga diskaun	RM	<input type="text"/>
	iv Perkuisit dalam bentuk tunai/barangan berkaitan dengan pencapaian perkhidmatan lalu, anugerah khidmat cemerlang, anugerah inovasi atau anugerah produktiviti atau perkhidmatan lama dengan syarat pekerja tersebut telah berkhidmat lebih daripada 10 tahun.	RM	<input type="text"/>
	v Lain - lain elaun/perkuisit/pemberian/manfaat yang dikecualikan cukai. Sila rujuk nota penerangan Borang BE.	RM	<input type="text"/>
C3	Jumlah caruman KWSP atau Kumpulan Wang Lain Yang Diluluskan ke atas semua saraan (saraan bulanan dan saraan tambahan)	RM	<input type="text"/>
C4	Jumlah Zakat	RM	<input type="text"/>
C5	Jumlah PCB (tidak termasuk CP38)	RM	<input type="text"/>

BAHAGIAN D : MAKLUMAT POTONGAN (sila nyatakan jumlah keseluruhan daripada majikan-majikan terdahulu)

		HAD TAHUNAN		POTONGAN TERKUMPUL
D1	Perbelanjaan rawatan perubatan, keperluan khas dan penjaga untuk ibu bapa (keadaan kesihatan disahkan oleh pengamal perubatan)	TERHAD RM5,000	RM	<input type="text"/>
D2	Peralatan sokongan asas untuk kegunaan sendiri, suami/isteri, anak atau ibu bapa yang kurang upaya	TERHAD RM6,000	RM	<input type="text"/>
D3	Yuran pendidikan (sendiri): (i) peringkat selain Sarjana dan Doktor Falsafah – bidang undang-undang, perakaunan, kewangan Islam, teknikal, vokasional, industri, saintifik atau teknologi maklumat; atau (ii) peringkat Sarjana dan Doktor Falsafah – sebarang bidang atau kursus pengajian	TERHAD RM5,000	RM	<input type="text"/>
D4	Perbelanjaan perubatan bagi penyakit yang sukar diubati atas diri sendiri, suami/isteri atau anak	RM <input type="text"/>	TERHAD RM6,000	<input type="text"/>
D5	Pemeriksaan perubatan penuh atas diri sendiri, suami/isteri atau anak	TERHAD RM500 <input type="text"/>		
D6	Pembelian buku/majalah/jurnal/penerbitan ilmiah (selain suratkhbar atau bahan bacaan terlarang) untuk diri sendiri, suami/isteri atau anak	TERHAD RM1,000	RM	<input type="text"/>
D7	Pembelian komputer peribadi untuk individu (potongan dibenarkan sekali dalam setiap tiga tahun)	TERHAD RM3,000	RM	<input type="text"/>
D8	Tabungan bersih dalam Skim Simpanan Pendidikan Nasional (jumlah simpanan dalam tahun semasa tolak jumlah pengeluaran dalam tahun semasa)	TERHAD RM6,000	RM	<input type="text"/>
D9	Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997	TERHAD RM300	RM	<input type="text"/>
D10	Bayaran alimoni kepada bekas isteri	TERHAD RM3,000	RM	<input type="text"/>
D11	Insurans nyawa	TERHAD RM6,000 (termasuk KWSP)	RM	<input type="text"/>
D12	Insurans pendidikan dan perubatan	TERHAD RM3,000	RM	<input type="text"/>
D13	Skim Persaraan Swasta dan Anuiti tertunda (<i>Deferred annuity</i>)	TERHAD RM1,000	RM	<input type="text"/>
D14	Faedah pinjaman perumahan (mesti memenuhi syarat-syarat kelayakan)	TERHAD RM10,000	RM	<input type="text"/>

BAHAGIAN E : AKUAN PEKERJA

Saya mengakui bahawa semua maklumat yang dinyatakan dalam borang ini adalah benar, betul dan lengkap. Sekiranya maklumat yang diberikan tidak benar, tindakan mahkamah boleh diambil ke atas saya di bawah perenggan 113(1)(b) Akta Cukai Pendapatan 1967.

Tarikh - -
 Hari Bulan Tahun

 Tandatangan

NOTA

- Borang ini hendaklah diisi oleh pekerja dan satu salinan diserahkan kepada majikan tanpa resit atau dokumen sokongan untuk tujuan pelarasan pengiraan PCB.
- Majikan hendaklah meminta pekerja mengemukakan borang ini sekiranya pekerja pernah bekerja dengan majikan-majikan lain dalam tahun semasa.
- Majikan hanya perlu menyimpan borang ini untuk tempoh 7 tahun. Borang ini perlu dikemukakan sekiranya diminta oleh LHDNM.

LEMBAGA HASIL DALAM NEGERI MALAYSIA
BORANG TUNTUTAN POTONGAN DAN REBAT INDIVIDU
BAGI TUJUAN POTONGAN CUKAI BULANAN (PCB)

(KAEDAH-KAEDAH CUKAI PENDAPATAN (POTONGAN DARIPADA SARAAN) 1994)
BORANG DITETAPKAN DI BAWAH SEKSYEN 152, AKTA CUKAI PENDAPATAN 1967

Bulan Potongan

Tahun Potongan

BAHAGIAN A : MAKLUMAT MAJIKAN

A1 Nama Majikan :

A2 No. Majikan : E

BAHAGIAN B : MAKLUMAT INDIVIDU

B1 Nama :

B2 No. Pengenalan :
B3 No. Pasport :
B4 No. Cukai Pendapatan :
B5 No. Pekerja/No. Gaji :

BAHAGIAN C : MAKLUMAT POTONGAN

	HAD TAHUNAN	POTONGAN	
		TERKUMPUL	BULAN SEMASA
C1 Perbelanjaan rawatan perubatan, keperluan khas dan penjaga untuk ibu bapa (keadaan kesihatan disahkan oleh pengamal perubatan)	TERHAD RM5,000	RM <input type="text"/>	RM <input type="text"/>
C2 Peralatan sokongan asas untuk kegunaan sendiri, suami/isteri, anak atau ibu bapa yang kurang upaya	TERHAD RM6,000	RM <input type="text"/>	RM <input type="text"/>
C3 Yuran pendidikan (sendiri): (i) peringkat selain Sarjana dan Doktor Falsafah – bidang undang-undang, perakaunan, kewangan Islam, teknikal, vokasional, industri, saintifik atau teknologi maklumat; atau (ii) peringkat Sarjana dan Doktor Falsafah – sebarang bidang atau kursus pengajian	TERHAD RM5,000	RM <input type="text"/>	RM <input type="text"/>
C4 Perbelanjaan perubatan bagi penyakit yang sukar diubati atas diri sendiri, suami /isteri atau anak	RM <input type="text"/>	TERHAD RM6,000	RM <input type="text"/>
C5 Pemeriksaan perubatan penuh atas diri sendiri, suami/isteri atau anak	TERHAD RM500		
C6 Pembelian buku/majalah/jurnal/penerbitan ilmiah (selain suratkhbar atau bahan bacaan terlarang) untuk diri sendiri, suami/isteri atau anak	TERHAD RM1,000	RM <input type="text"/>	RM <input type="text"/>
C7 Pembelian komputer peribadi untuk individu (potongan dibenarkan sekali dalam setiap tiga tahun)	TERHAD RM3,000	RM <input type="text"/>	RM <input type="text"/>

C8	Tabungan bersih dalam Skim Simpanan Pendidikan Nasional (jumlah simpanan dalam tahun semasa tolak jumlah pengeluaran dalam tahun semasa)	TERHAD RM6,000	RM	<input type="text"/>	<input type="text"/>
C9	Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997	TERHAD RM300	RM	<input type="text"/>	RM <input type="text"/>
C10	Bayaran alimoni kepada bekas isteri	TERHAD RM3,000	RM	<input type="text"/>	RM <input type="text"/>
C11	Insurans nyawa	TERHAD RM6,000 (termasuk KWSP)	RM	<input type="text"/>	RM <input type="text"/>
C12	Insurans pendidikan dan perubatan	TERHAD RM3,000	RM	<input type="text"/>	RM <input type="text"/>
C13	Skim Persaraan Swasta dan Anuiti tertunda (<i>Deferred annuity</i>)	TERHAD RM3,000	RM	<input type="text"/>	RM <input type="text"/>
C14	Faedah pinjaman perumahan (mesti memenuhi syarat-syarat kelayakan)	TERHAD RM10,000	RM	<input type="text"/>	RM <input type="text"/>

BAHAGIAN D : REBAT

D1 Zakat selain yang dibayar melalui potongan daripada gaji bulanan RM

BAHAGIAN E : AKUAN PEKERJA

Saya mengakui bahawa semua maklumat yang dinyatakan dalam borang ini adalah benar, betul dan lengkap. Sekiranya maklumat yang diberikan tidak benar, tindakan mahkamah boleh diambil ke atas saya di bawah perenggan 113(1)(b) Akta Cukai Pendapatan 1967.

Tarikh - -
 Hari Bulan Tahun

 Tandatangan

BAHAGIAN F : PERSETUJUAN MAJIKAN

Permohonan tuntutan pekerja di atas adalah dipersetujui bagi bulan potongan tahun potongan

Tarikh - -
 Hari Bulan Tahun

Nama :
 Jawatan :
 Alamat majikan :

NOTA

1. Permohonan ini adalah tertakluk kepada persetujuan majikan.
2. Borang ini hendaklah diisi oleh pekerja dan satu salinan diserahkan kepada majikan tanpa resit atau dokumen sokongan untuk tujuan pelarasan pengiraan PCB.
3. Pekerja dibenarkan untuk membuat tuntutan potongan yang telah dibelanjakan sehingga had yang dibenarkan dalam tahun yang sama.
4. Majikan tidak perlu menyemak amaun tuntutan potongan dengan resit atau dokumen sokongan.
5. Majikan hanya perlu menyimpan borang tuntutan ini untuk tempoh 7 tahun daripada tahun tuntutan dibuat. Borang tuntutan ini perlu dikemukakan sekiranya diminta oleh LHDNM.
6. Semua resit atau dokumen yang berkaitan dengan tuntutan potongan dan rebat hendaklah disimpan oleh pekerja bersama dengan salinan borang ini untuk tempoh 7 tahun daripada tahun tuntutan dibuat.

PENYATA BAYARAN CUKAI OLEH MAJIKANExhibit 4
PCB 2(II)-Pin. 2010

Kepada:

Ketua Pegawai Eksekutif/Ketua Pengarah Hasil Dalam Negeri
Lembaga Hasil Dalam Negeri Malaysia
Cawangan _____

Tarikh: _____

Tuan,

Potongan Cukai Yang Dibuat Dalam Tahun _____

Nama Pekerja _____

No. Kad Pengenalan/No. Passport _____

No. Cukai Pendapatan Pekerja _____

No. Pekerja _____

No. Majikan (E) _____

Dengan hormatnya saya merujuk kepada perkara di atas.

2. Potongan-potongan yang telah dibuat bagi pekerja di atas dalam tahun semasa adalah seperti berikut:

Bulan	Amaun (RM)		No. Resit/No. Slip Bank/No. Transaksi		Tarikh Resit/Tarikh Transaksi	
	PCB	CP38	PCB	CP38	PCB	CP38
Januari						
Februari						
Mac						
April						
Mei						
Jun						
Julai						
Ogos						
September						
Oktober						
November						
Disember						
Jumlah						

3. Potongan-potongan yang telah dibuat bagi pendapatan pekerja untuk tahun terdahulu dalam tahun semasa adalah seperti berikut:

Jenis Pendapatan	Bulan	Tahun	Amaun PCB (RM)	No. Resit/No. Slip Bank/No. Transaksi	Tarikh Resit/Tarikh Transaksi

Sekian. Terima kasih.

Nama pegawai _____

Jawatan _____

No. Telefon _____

Nama Dan Alamat Majikan _____

KETUA PENGARAH HASIL DALAM NEGERI
LEMBAGA HASIL DALAM NEGERI

Cawangan Pungutan Kuala Lumpur

Kaunter Bayaran Dan Tingkat 1, Blok 8A

Kompleks Bangunan Kerajaan, Jalan Duta

50600 KUALA LUMPUR

**CUKAI PENDAPATAN MALAYSIA**

PENYATA POTONGAN CUKAI OLEH MAJIKAN

[SEKSYEN 107 AKTA CUKAI PENDAPATAN, 1967

KAEDAH CUKAI PENDAPATAN (POTONGAN DARIPADA SARAAN), 1994]

POTONGAN BAGI BULAN

TAHUN

UNTUK KEGUNAAN PEJABAT

No. Kelompok

No. Resit

BUTIR-BUTIR MAJIKAN		BUTIR-BUTIR PEMBAYARAN		PEGAWAI YANG MENYEDIAKAN MAKLUMAT	
No. Majikan E <input type="text"/> - <input type="text"/> No. Pendaftaran Perniagaan <input type="text"/> Nama Syarikat/ Perniagaan Alamat Syarikat/ Perniagaan	Jumlah Potongan	PCB	CP38	Tandatangan
	Bilangan Pekerja			Nama Penuh
	Butir-butir / Cek / Bank / Deraf / Kiriman Wang / Wang Pos	Amaun		No. Pengenalan
		Nombor		Jawatan
		Cawangan		No. Telefon
	Tarikh				

A BORANG CP 39

- Borang ini mesti diisi dengan lengkap dan betul.
- Majikan digalakkan menghantar maklumat potongan melalui e-PCB/e-Data PCB/disket/cakera padat/pemacu flash mengikut format yang ditentukan oleh LHDN bagi menggantikan Borang CP39.
- No. Cukai Pendapatan:
 - Isikan nombor cukai pendapatan dalam ruangan yang telah disediakan.
Contoh: SG 2506203-00(0) boleh diisi sebagai SG 02506203000
 - Bagi pekerja yang layak dikenakan PCB tetapi tiada nombor cukai pendapatan, pendaftaran boleh dibuat melalui :
 - majikan atau pekerja boleh mendaftar secara atas talian melalui e-Daftar di www.hasil.gov.my, atau
 - Borang CP22 atau borang *in lieu of CP39* dikemukakan ke cawangan LHDNM yang berdekatan.
- Nama pekerja :
Isikan nama penuh pekerja seperti di kad pengenalan/pasport (**Jangan senaraikan pekerja yang tidak layak dikenakan potongan bagi bulan berkenaan**).
- Nombor Pengenalan : Isikan kedua-dua nombor kad pengenalan baru dan lama (sekiranya ada).
Contoh: **720403065235** atau **A2172122**
- Jumlah Potongan Cukai: PCB - Isikan amaun cukai mengikut Potongan Cukai Bulanan.
CP38 - Isikan amaun potongan cukai mengikut arahan Borang CP38 (jika ada).

B PEMBAYARAN

- Bayaran dan Borang CP39 yang telah lengkap diisi mestilah sampai ke Cawangan Pungutan LHDN selewat-lewatnya **pada hari kesepuluh bulan berikutnya**.
Contoh: **PCB/CP38 bagi bulan April 2012, tarikh akhirnya ialah pada 10 Mei 2012.**
- Sediakan borang CP39 beserta cek/bank draf/kiriman wang/wang pos (instrumen bayaran) yang berasingan untuk bulan atau tahun berlainan.
- Pastikan jumlah potongan PCB/CP38 adalah betul dan sama dengan nilai instrumen bayaran.
- Instrumen bayaran hendaklah dibayar kepada Ketua Pengarah Hasil Dalam Negeri. Catatkan no. majikan E, Nama Syarikat/Perniagaan dan alamat majikan di belakang instrumen bayaran.
- Bayaran untuk Cukai Syarikat, Skim Ansurans (CP500), Penyelesaian Cukai (Pemberhentian Kerja) dan Cukai Keuntungan Harta Tanah tidak boleh dibayar bersama dengan bayaran yang menggunakan borang ini.
- Untuk bayaran bagi Negeri Sabah, sila alamatkan ke : 7. Untuk bayaran bagi Negeri Sarawak, sila alamatkan ke :

Cawangan Pungutan Kota Kinabalu	Cawangan Pungutan Kuching,
Wisma Hasil	Aras 1, Wisma Hasil,
Jalan Tunku Abdul Rahman	No. 1, Jalan Padungan,
88600 Kota Kinabalu, Sabah	93100 Kuching, Sarawak
- Sila hubungi talian **1-800-88-LHDN (5436)** untuk sebarang pertanyaan lanjut.

C PERINGATAN

- Jika jumlah instrumen bayaran tidak sama dengan jumlah potongan, bayaran akan ditolak.
- Sekiranya maklumat tidak lengkap dan tidak betul, majikan akan dikenakan kompaun.

KETUA PENGARAH HASIL DALAM NEGERI
LEMBAGA HASIL DALAM NEGERI
 Cawangan Pungutan Kuala Lumpur
 Kaunter Bayaran Dan Tingkat 1, Blok 8A
 Kompleks Bangunan Kerajaan, Jalan Duta
 50600 KUALA LUMPUR



CUKAI PENDAPATAN MALAYSIA
 PENYATA POTONGAN CUKAI OLEH MAJIKAN
 [SEKSYEN 107 AKTA CUKAI PENDAPATAN, 1967
 KAEDAH CUKAI PENDAPATAN (POTONGAN DARIPADA SARAAN), 1994]

TUNGGAKAN BAGI BULAN

TAHUN

UNTUK KEGUNAAN PEJABAT

No. Kelompok

No. Resit

BUTIR-BUTIR MAJIKAN		BUTIR-BUTIR PEMBAYARAN		PEGAWAI YANG MENYEDIKAIKAN MAKLUMAT	
No. Majikan E No. Pendaftaran Perniagaan Nama Syarikat/ Perniagaan Alamat Syarikat/ Perniagaan	[] [] [] [] [] [] [] [] - [] [] [] [] [] [] [] [] [] []	Jumlah Potongan	PCB	CP38	Tandatangan
		Bilangan Pekerja			Nama Penuh
		Butir-butir / Cek / Bank / Deraf / Kiriman Wang / Wang Pos	Amaun		No. Pengenalan
			Nombor		Jawatan
			Cawangan		No. Telefon
		Tarikh			

A BORANG CP 39A

- Borang ini mesti diisi dengan lengkap dan betul.
- Majikan digalakkan menghantar maklumat potongan melalui e-PCB/e-Data PCB/disket/cakera padat/pemacu flash mengikut format yang ditentukan oleh LHDN bagi menggantikan Borang CP39.
- No. Cukai Pendapatan:
 - Isikan nombor cukai pendapatan dalam ruangan yang telah disediakan.
 Contoh: SG 2506203-00(0) boleh diisi sebagai SG 02506203000
 - Bagi pekerja yang layak dikenakan PCB tetapi tiada nombor cukai pendapatan, pendaftaran boleh dibuat melalui :
 - majikan atau pekerja boleh mendaftar secara atas talian melalui e-Daftar di www.hasil.gov.my, atau
 - Borang CP22 atau borang *in lieu of CP39* dikemukakan ke cawangan LHDNM yang berdekatan.
- Nama pekerja :
 Isikan nama penuh pekerja seperti di kad pengenalan/pasport (**Jangan senaraikan pekerja yang tidak layak dikenakan potongan bagi bulan berkenaan**).
- Nombor Pengenalan : Isikan kedua-dua nombor kad pengenalan baru dan lama (sekiranya ada).
 Contoh: **720403065235 atau A2172122**
- Jumlah Potongan Cukai: PCB - Isikan amaun cukai mengikut Potongan Cukai Bulanan.
 CP38 - Isikan amaun potongan cukai mengikut arahan Borang CP38 (jika ada).

Contoh: **PCB bagi tunggakan gaji 2011 yang dibayar dalam bulan April 2012, tarikh akhirnya ialah pada 10 Mei 2012.**

- Sediakan borang CP39A beserta cek/bank draf/kiriman wang/wang pos (instrumen bayaran) yang berasingan untuk bulan atau tahun berlainan.
- Pastikan jumlah potongan PCB /CP38 adalah betul dan sama dengan nilai instrumen bayaran.
- Instrumen bayaran hendaklah dibayar kepada Ketua Pengarah Hasil Dalam Negeri. Catatkan no rujukan majikan E, Nama Syarikat/Perniagaan dan alamat majikan di belakang instrumen bayaran.
- Bayaran untuk Cukai Syarikat, Skim Ansurans (CP500), Penyelesaian Cukai (Pemberhentian Kerja) dan Cukai Keuntungan Harta Tanah tidak boleh dibayar bersama dengan bayaran yang menggunakan borang ini.
- Untuk bayaran bagi Negeri Sabah, sila alamatkan ke :
Cawangan Pungutan Kota Kinabalu,
Wisma Hasil,
Jalan Tunku Abdul Rahman,
88600 Kota Kinabalu, Sabah
- Untuk bayaran bagi Negeri Sarawak, sila alamatkan ke :
Cawangan Pungutan Kuching,
Aras 1, Wisma Hasil,
No. 1, Jalan Padungan,
93100 Kuching, Sarawak
- Sila hubungi talian **1-800-88-LHDN (5436)** untuk sebarang pertanyaan lanjut.

C NOTA

* Tunggakan adalah termasuk ganjaran, pampasan, komisen atau apa-apa bayaran yang dibayar kepada pekerja bagi tahun terdahulu dalam tahun semasa.

B PEMBAYARAN

- Bayaran dan Borang CP39A yang telah lengkap diisi mestilah sampai ke Cawangan Pungutan LHDN selewat-lewatnya **pada hari kesepuluh bulan berikutnya**.

D PERINGATAN

- Jika jumlah instrumen bayaran tidak sama dengan jumlah potongan, bayaran akan ditolak.
- Sekiranya maklumat tidak lengkap dan tidak betul, majikan akan dikenakan kompaun.

SPECIFICATION FORMAT FOR MTD TEXT FILE DATA

File name of text file data : xxxxxxxxxxxxmm_yyyy.txt

xxxxxxxxxx : Employer number
mm : month of deduction
yyyy : year of deduction

Header:

No	Field Name	Start	End	Length	Type	Notes
1	Record Type	1	1	1	Alphabet	H - 'Header'
2	Employer No. (HQ)	2	11	10	Num	Right justify with zeroes
3	Employer No.	12	21	10	Num	Right justify with zeroes
4	Year of Deduction	22	25	4	Num	YYYY
5	Month of Deduction	26	27	2	Num	MM (01-12)
6	Total MTD Amount	28	37	10	Num	Right justify with zeroes and with 2 decimal point
7	Total MTD Records	38	42	5	Num	Right justify with zeroes
8	Total CP38 Amount	43	52	10	Num	Right justify with zeroes and with 2 decimal point
9	Total CP38 Records	43	57	5	Num	Right justify with zeroes

Transaction Record Length = 57

Transaction record (Details):

No	Field Name	Start	End	Length	Type	Notes
1	Record Type	1	1	1	Alphabet	D - 'Detail'
2	IncomeTax No.	2	11	10	Num	Right justify with zeroes
3	Wife code	12	12	1	Num	0-9
4	Employee's Name	13	72	60	Alphabet	Left justify with spaces
5	Old IC No.	73	84	12	Alphanum	A valid Old IC No. or just leave it blank if not applicable
6	New IC No.	85	96	12	Num	A valid New IC No. (without '-') or just leave it blank if not applicable
7	Passport No.	97	108	12	Alphanum	Left justify or just leave it blank if not applicable
8	Country Code	109	110	2	Alphabet	Refer to Country Code list
9	MTD Amount	111	118	8	Num	Right justify with zeroes and with 2 decimal point
10	CP38 Amount	119	126	8	Num	Right justify with zeroes and with 2 decimal point
11	Employee No. or Salary No.	127	136	10	Alphanum	Left justify

Transaction Record Length = 136

The Example of Data as required (IRB Diskette Specification)

1	2	3	4	5	6	7	8	9											
H	0291212306	0291212306	2002	05	0000835000	00006	0000150050	00002											
D	0053136708	0	ABDUL HANIFAH MOHD ARIF						A4457334	530706015461			00090000	00000000	AB012283				
D	0674134910	0	DULIP KUMAR S/O HARJEET						2887349				00080000	00000000					
D	1007134501	0	TAN MENG SOON							780906035559			00045000	00000000					
D	1054435508	1	SABARIAH BT. ABDULLAH						6753211	700725015720			00120000	00000000	KW01321				
D	0777135509	0	ABE TAMURA								J1294567	JP	00300000	00050050					
D	0383132508	0	TATSURO KOJIYAMA								J2089982	JP	00200000	00100000					
10	11	12	13						14	15	16	17	18	19	20				

1. Record Type: H for Header
2. Employer's No. (Headquarter)
Please complete with 10 digits without the letter E
Example 1 : E 908915-10 have to be filled as 0090891510
Example 2 : E 6918546-05 have to be filled as 0690891510
Example 3 : E 90002135-00 have to be filled as 9000213500
3. Employer's No.
Same as No. 2 above
4. Year of Deduction
Please complete the year of deduction with 4 digits
Example : Year 2005 have to be filled as 2005
5. Month of Deduction
Example : Month of August have to be filled as 08
6. Total MTD Amount
Please complete the deduction amount without RM and decimal point
Example : RM8350.00 have to be filled as 0000835000
7. Total MTD Records
The total must be tally with employees whom subject to MTD
Example : 6 employees have to be filled as 00006
8. Total CP38 Amount
Please complete the deduction amount without the word RM and decimal point
Example : RM1500.50 have to be filled as 0000150050
9. Total CP38 Records
The total must be tally with employees whom subject to MTD
Example : 2 employees have to be filled as 00002
10. Record Type: D for Details
11. and 12. Income Tax No. and Wife code
A. Please complete the Income Tax No. with 11 digit without SG/OG
Example 1 : SG 531367-08 (0) have to be filled as 00531367080
Example 2 : OG10544355-08 (1) have to be filled as 10544355081
B. 1. For Male / Single Woman - the last digit is 0
2. For Married Woman - the last digit is between 1 until 9
C. If the income tax no. is not known, please fill as 000000000000
13. Employee's Name
Please complete the employee's full name as IC / Passport
14. and 15. Old / New Identity Card No.
Please complete the IC no. for local employee (if applicable)
Example 1 : Old IC No. A 4457334 have to be filled as A4457334
Example 2 : New IC No. 530706-01-5641 have to be filled as 530706015641
16. Passport No.
Please complete the Passport No. for foreigner employee (if applicable)
Example : J 1294567 have to be filled as J1294567
17. Country Code
Please complete the Country Code for foreigner employee only. The code is for which country that has issued the passport.
18. and 19. MTD Amount and CP38 Amount
Please complete the deduction amount without the word RM and decimal point
Example 1 : RM900.00 have to be filled as 00090000
Example 2 : RM500.50 have to be filled as 00050050
20. Employee's No
Complete Employee's No. or Salary No.
Example : AB012283 have to be filled as AB012283

EXAMPLE OF CALCULATION**MTD Calculation for January**

Employee (Married) and wife working
3 children entitle for deduction

Monthly normal remuneration for January	= RM 5,500.00	
EPF	= RM605.00	
Additional deduction	= Nil	
MTD paid	= Nil	
Additional remuneration – Bonus		
Received in month of April	= RM8,250.00	EPF = RM908.00

[A] Determine category of employee

Category 3 / KA3

[B] Determine chargeable income for a year [P]

Firstly determine value K_2

K_2 = Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the balance of the qualifying month
 $= [[RM6,000.00 \text{ (limited)} - (K + K_1 + K_i)] / n]$ or K_1 , whichever is lower
 $= [[RM6,000.00 - (RM0.00 + RM605.00 + RM0.00)] / 11]$
 $= RM 490.45$

*Total EPF $= K + K_1 + K_i + (K_2 \times n) \leq RM 6,000.00 \text{ (limit)}$
 $= RM0.00 + RM605.00 + RM0.00 + (RM490.45 \times 11) \leq RM 6,000.00 \text{ (limit)}$
 $= RM605.00 + RM5,394.95 \leq RM 6,000.00 \text{ (limit)}$
 $= RM5,999.95 \leq RM 6,000.00 \text{ (limit)}$

where; $n = 11$

$P = [\sum (Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 1000C + (\sum LP + LP_1)]$
 Where $(Y_t - K_t) = 0$
 $= [\sum (RM0.00 - RM0.00) + (RM5,500.00 - RM605.00^*) + [(RM5,500.00 - RM490.45^*) \times 11] + (RM0.00 + RM0.00)^*] - [RM9,000.00 + RM0.00 + RM1,000.00(3) + (RM0.00 + RM0.00)]$
 $= [[RM4,895.00] + [(RM5,009.55 \times 11)] - [RM9,000.00 + RM3,000.00]]$
 $= RM 4,895.00 + RM55,105.05 - RM12,000.00$
 $= RM48,000.05$

[C] Determine monthly MTD for net normal remuneration. Once value of P in Step [B] is determined, value of M, R and B are determined based on Table 1 above.

MTD for current month $= \frac{[(P - M) \times R + B]}{n + 1} - (Z + X)$
 $= \frac{[RM48,000.05 - RM35,000.00] \times 10\% + RM900.00 - (RM0.00 + RM0.00)}{11 + 1}$
 $= RM183.33 \approx RM183.35$

MTD Calculation for February

Employee (Married) and wife working
3 children entitle for deduction

Monthly normal remuneration for February	= RM 5,500.00
EPF	= RM605.00
Additional deduction	= Nil
MTD paid	= January – RM183.35

[A] Determine category of employee

Category 3 / KA3

[B] Determine chargeable income for a year [P]

Firstly determine value K_2

K_2 = Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the qualifying monthly balance
= [[RM6,000.00 (limited) – (K + K_1 + K_t) / n] or K_1 , whichever is lower
= [[RM6,000.00 – (RM605.00 + RM605.00 + RM0.00)] / 10]
= RM 479.00

*Total EPF = $K + K_1 + K_t + (K_2 \times n) \leq \text{RM } 6,000.00$ (limit)
= $\text{RM}605.00 + \text{RM}605.00 + \text{RM}0.00 + (\text{RM}479.00 \times 10) \leq \text{RM } 6,000.00$ (limit)
= $\text{RM}605.00 + \text{RM}605.00 + \text{RM}4,790.00 \leq \text{RM } 6,000.00$ (limit)
= $\text{RM}6,000.00 \leq \text{RM } 6,000.00$ (limit)

where; $n = 10$

$P = [(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 1000C + (\sum LP + LP_1)]$
Where $(Y_t - K_t^*) = 0$
= $[(\text{RM}5,500.00 - \text{RM}605.00^*) + (\text{RM}5,500.00 - \text{RM}605.00^*) + [(\text{RM}5,500.00 - \text{RM}479.00^*) \times 10] + (\text{RM}0.00 + \text{RM}0.00)^*] - [\text{RM}9,000.00 + \text{RM}0.00 + \text{RM}1,000.00(3) + (\text{RM}0.00 + \text{RM}0.00)]$
= $[\text{RM}4,895.00] + \text{RM}4,895.00 + [(\text{RM}5,021.00 \times 10)] - [\text{RM}9,000.00 + \text{RM}3,000.00]$
= $\text{RM } 4,895.00 + \text{RM}4,895.00 + \text{RM}50,210.00 - \text{RM}12,000.00$
= **RM48,000.00**

[C] Determine monthly MTD for net normal remuneration. Once value of P in Step [B] is determined, value of M, R and B are determined based on Schedule 1 above.

$$\begin{aligned}\text{MTD for current month} &= \frac{[(P - M) \times R + B]}{n + 1} - (Z + X) \\ &= \frac{(\text{RM}48,000.00 - \text{RM}35,000.00) \times 10\% + \text{RM}900.00 - (\text{RM}0.00 + \text{RM}183.35)}{10 + 1}\end{aligned}$$

$$= \text{RM}183.33 \approx \text{RM}183.35$$

MTD Calculation for Mac

Employee (Married) and wife working
3 children entitle for deduction

Monthly normal remuneration for Mac	= RM 5,500.00
EPF	= RM605.00
Additional remuneration	= Nil
Additional deduction i) Purchase of books	= RM100.00
ii) Medical expenses for parent	= <u>RM200.00</u>
	<u>RM300.00</u>
MTD paid	= January until February – RM366.70

[A] Determine category of employee

Category 3 / KA3

[B] Determine chargeable income for a year [P]

Firstly determine value K_2

$$\begin{aligned} K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the qualifying monthly balance} \\ &= [[\text{RM}6,000.00 \text{ (limited)} - (K + K_1 + K_t)] / n] \text{ or } K_1, \text{ whichever is lower} \\ &= [[\text{RM}6,000.00 - (\text{RM}605.00 \times 2) + \text{RM}605.00 + \text{RM}0] / 9] \\ &= \text{RM } 465.00 \end{aligned}$$

$$\begin{aligned} \text{*Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq \text{RM } 6,000.00 \text{ (limit)} \\ &= (\text{RM}605.00 \times 2) + \text{RM}605 + \text{RM}0 + (\text{RM}465.00 \times 9) \leq \text{RM } 6,000.00 \text{ (limit)} \\ &= \text{RM}1,210.00 + \text{RM}605.00 + \text{RM}4,185.00 \leq \text{RM } 6,000.00 \text{ (limit)} \\ &= \text{RM}6,000.00 \leq \text{RM } 6,000.00 \text{ (limit)} \end{aligned}$$

where; $n = 9$

$$\begin{aligned} P &= [\sum (Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 1000C + (\sum LP + LP_1)] \\ \text{Where } (Y_t - K_t) &= 0 \\ &= [(\text{RM}11,000.00 - \text{RM}1,210.00) + (\text{RM}5,500.00 - \text{RM}605.00^*) + [(\text{RM}5,500.00 - \text{RM}465.00^*) \times 9] + (\text{RM}0.00 + \text{RM}0.00)^{**}] - [\text{RM}9,000.00 + \text{RM}0.00 + \text{RM}1,000.00(3) + (\text{RM}0.00 + \text{RM}300.00)] \\ &= [\text{RM}9,790.00 + \text{RM}4,895.00 + [(\text{RM}5,035.00 \times 9)]] - [\text{RM}9,000.00 + \text{RM}3,000.00 + \text{RM}300.00] \\ &= \text{RM}60,000.00 - \text{RM}12,300.00 \\ &= \text{RM}47,700.00 \end{aligned}$$

[C] Determine monthly MTD for net normal remuneration. Once value of P in Step [B] is determined, value of M, R and B are determined based on Schedule 1 above.

$$\text{MTD for current month} = \frac{[(P - M) \times R + B]}{n + 1} - (Z + X)$$

$$= \frac{[\text{RM}47,700.00 - \text{RM}35,000.00] \times 10\% + \text{RM}900.00 - (\text{RM}0.00 + \text{RM}366.70)}{10}$$

$$9 + 1$$

$$= \text{RM}180.33 \approx \text{RM}180.35$$

MTD Calculation for April (receive additional remuneration – using Additional Remuneration Formula)

Employee (Married) and wife working
3 children entitle for deduction

Monthly normal remuneration for April	= RM5,500.00	
EPF	= RM605.00	
Additional remuneration	= Nil	
Additional deduction i) Purchase of books	= RM100.00	
ii) Medical expenses for parent	= RM200.00	
	<u>RM300.00</u>	
MTD paid	= January until March – RM547.05	
Additional Remuneration – Bonus	= RM8,250.00	EPF = RM908.00

Step 1 – Determine the Monthly Tax Deduction on net normal remuneration for a year.

[A] Determine the category of employee.

Category 3 / KA3

[B] Determine the chargeable income for a year, not including additional remuneration for the current month, in accordance with the formula specified in subparagraph c(i), where $P = [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*)n] + (Y_t - K_t^*)^{}] - [D + S + D_u + S_u + QC + (\sum LP + LP_1)]$.**

Firstly determine value K_2

$$\begin{aligned} K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the balance of the qualifying month} \\ &= [[\text{RM}6,000.00 \text{ (limited)} - (K + K_1 + K_t)] / n] \text{ or } K_1, \text{ whichever is lower} \\ &= [[\text{RM}6,000.00 - (\text{RM}605.00 \times 3) + \text{RM}605.00 + \text{RM}0.00] / 8] \\ &= \text{RM}447.50 \end{aligned}$$

$$\begin{aligned} \text{*Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq \text{RM}6,000.00 \text{ (limit)} \\ &= (\text{RM}605.00 \times 3) + \text{RM}605.00 + \text{RM}0.00 + (\text{RM}447.50 \times 8) \leq \text{RM}6,000.00 \text{ (limit)} \\ &= \text{RM}1,815.00 + \text{RM}605.00 + \text{RM}3,580.00 \leq \text{RM}6,000.00 \text{ (limit)} \\ &= \text{RM}6,000.00 \leq \text{RM}6,000.00 \text{ (limit)} \end{aligned}$$

where; $n = 8$

$$\begin{aligned} P &= [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)^{**}] - [D + S + 1000C + (\sum LP + LP_1)] \\ \text{Where; } (Y_t - K_t) &= 0 \\ &= (\text{RM}16,500.00 - \text{RM}1,815.00^*) + (\text{RM}5,500.00 - \text{RM}605.00^*) + [(\text{RM}5,500.00 - \text{RM}447.50^*) \times 8] + (\text{RM}0.00 + \text{RM}0.00) - [\text{RM}9,000.00 + \text{RM}0.00 + \text{RM}1,000.00(3) + (\text{RM}300.00 + \text{RM}300.00)] \\ &= [\text{RM}14,685.00 + \text{RM}4,895.00 + \text{RM}40,420.00] - [\text{RM}9,000.00 + \text{RM}3,000.00 + \text{RM}300.00 + \text{RM}300.00] \\ &= \text{RM}60,000.00 - \text{RM}12,600.00 \\ &= \text{RM}47,400.00 \end{aligned}$$

[C] Determine the Monthly Tax Deduction for net normal remuneration for the current month in accordance with the formula specified in subparagraph c(i) = $\frac{[(P - M) R + B] - (Z + X)}{n + 1}$

$$\begin{aligned}
 \text{MTD for current month} &= \frac{[(P - M) \times R + B] - (Z + X)}{n + 1} \\
 &= \frac{[\text{RM}47,400.00 - \text{RM}35,000.00] \times 10\% + \text{RM}900.00 - (\text{RM}0.00 + \text{RM}547.05)}{8 + 1} \\
 &= \text{RM}176.99
 \end{aligned}$$

[D] Determine the net Monthly Tax Deduction for the current month = Monthly Tax Deduction for the current month (Step [C]) — zakat for the current month, if any.

$$\begin{aligned}
 \text{Net MTD} &= \text{MTD for current month} - \text{zakat for current month} \\
 &= \text{RM}176.99 - \text{RM}0.00 \\
 &= \text{RM}176.99
 \end{aligned}$$

[E] Determine the total Monthly Tax Deduction for a year
 $= X + [\text{Step [C]} \times (n + 1)]$

X is the accumulated Monthly Tax Deduction which has been paid;
 n + 1 is the balance of month in a year, including the current month.

$$\begin{aligned}
 \text{Total MTD for a year} &= X + [\text{Step [C]} \times (n + 1)] \\
 &= \text{RM}547.05 + [(\text{RM}176.99 \times (8 + 1))] \\
 &= \text{RM}547.05 + \text{RM}1,592.81 \\
 &= \text{RM}2,139.96
 \end{aligned}$$

Step 2 – Determine the chargeable income for a year, including the additional remuneration for the current month.

[A] Determine the category of employee.

Category 3 / KA3

[B] Determine the chargeable income for a year in accordance with the formula specified in subparagraph 4(1), where $P = [(Y - K) \times 12] + [\sum(Y_{t1} - K_{t1})] + (Y_t - K_t) - (D + S + QC)$

Firstly determine value K_2

$$\begin{aligned}
K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the qualifying monthly balance} \\
&= [[RM6,000.00 \text{ (limited)} - (K + K_1 + K_t)] / n] \text{ or } K_1, \text{ whichever is lower} \\
&= [[RM6,000.00 - (RM605.00 \times 3) + RM605.00 + RM908.00] / 8] \\
&= RM 334.00
\end{aligned}$$

$$\begin{aligned}
*\text{Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq RM 6,000.00 \text{ (limit)} \\
&= (RM605.00 \times 3) + RM605.00 + RM908.00 + (RM334.00 \times 8) \leq RM 6,000.00 \text{ (limit)} \\
&= RM1,815.00 + RM605.00 + RM908.00 + RM2,672.00 \leq RM 6,000.00 \text{ (limit)} \\
&= RM6,000.00 \leq RM 6,000.00 \text{ (limit)}
\end{aligned}$$

$$\begin{aligned}
P &= [\sum (Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 1000C + (\sum LP + LP_1)] \\
&= [(RM16,500.00 - RM1,815.00^*) + (RM5,500.00 - RM605.00^*) + [(RM5,500.00 - RM334.00^*) \times 8] + \\
&\quad (RM8,250.00 - RM908.00)] - [RM9,000.00 + RM0.00 + RM1,000.00(3) + (RM300.00 + RM300.00)] \\
&= [RM14,685.00 + RM4,895.00 + RM41,328.00 + RM7,342.00] - [RM9,000.00 + RM0.00 + RM3,000.00 + RM600.00] \\
&= RM 68,250.00 - RM12,600.00 \\
&= RM55,650.00
\end{aligned}$$

Step 3 – Determine the total tax for a year.

$$\text{Total tax for a year} = (P - M) R + B$$

Value of P is determined based on Step 2[B];

Value of M, R and B are determined based on Table 1.

$$\begin{aligned}
\text{Total tax for a year} &= (P - M) \times R + B \\
&= (RM55,650.00 - RM50,000.00) \times 16\% + RM2,400.00 \\
&= RM3,304.00
\end{aligned}$$

Table 1 : Value of P, M, R and B

P (RM)	M (RM)	R (%)	B Category 1 & 3 (RM)	B Category 2 (RM)
5,001 - 20,000	5,000	1	- 400	- 800
20,001 - 35,000	20,000	5	-250	-650
35,001 - 50,000	35,000	10	900	900
50,001 - 70,000	50,000	16	2,400	2,400
70,001 - 100,000	70,000	21	5,600	5,600
100,001 – 250,000	100,000	24	11,900	11,900
250,001 - 400,000	250,000	24.5	47,900	47,900
Exceeding 400,000	400,000	25	84,650	84,650

Step 4 – Determine the Monthly Tax Deduction for additional remuneration for the current month.

$$\begin{aligned}
\text{Monthly Tax Deduction for additional remuneration for} &= \text{Total tax for a year (Step 3) — total Monthly Tax Deduction for a year (Step 1[E])} + \text{zakat which has been paid.}
\end{aligned}$$

the current month

$$\begin{aligned} &= \text{RM}3,304.00 - [\text{RM}2,139.96 + \text{RM}0.00] \\ &= \text{RM}1,164.04 \end{aligned}$$

Step 5 – Determine the Monthly Tax Deduction for the current month which shall be paid.

Monthly Tax Deduction for the current month which shall be paid	= Net Monthly Tax Deduction (Step 1[D]) + Monthly Tax Deduction for additional remuneration for the current month (Step 4)
	= RM176.99 + RM1,164.04
	= RM1,341.03 \approx RM1,341.05

NOTE:

MTD Calculation for month of May until December is as per example above. Total remuneration, MTD paid and the deductions/rebates will be accumulated and brought forward from month to month until month of December in a current year.