

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

1. DEADLINE FOR TRANSMISSION OF IR8A, IR8S, APPENDIX 8A AND APPENDIX 8B BY EMPLOYER

Deadline for transmission is 1 March 2008.

2. EMPLOYEE'S DECLARATION OF EMPLOYMENT INCOME AND DEDUCTIONS IN THE INDIVIDUAL INCOME TAX FORMS

You are *not* required to print Form IR8A, IR8S, Appendix 8A and 8B as your employees need not declare their employment income and deductions in their tax forms. However, you may print Form 8E upon request from your employees. The Form 8E and appendices *should not* be sent to IRAS.

Your organisation's name will be printed on a list of employers participating in the Auto-Inclusion Scheme for Employment Income, which will be available at IRAS Website, www.iras.gov.sg. Please inform your employees (including directors) that:

- (i) they **are required to file** their income tax return as long as an income tax return/IRAS PIN mailers have been sent to them;
- (ii) if they are submitting via e-filing, details of their employment income and deductions will be reflected in the Income, Deduction and Relief Statement (IDRS).
- (iii) 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;
- (iv) they are required to declare income (e.g. rental) and indicate their claims for the tax reliefs (e.g. child relief, parent relief) which are not auto-included in their assessment.

3. PREPARATION OF FILE FOR TRANSMISSION OF IR8A, IR8S, APPENDIX 8A AND APPENDIX 8B BY EMPLOYERS

3.1 General

As information furnished by you will be included in your employees' assessment, please ensure that complete and accurate information is transmitted to IRAS timely. File/records with incomplete or invalid data will be returned to you for rectification and re-transmission.

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

Please use your organisation's tax reference number, which is the registration number, assigned by the Accounting And Corporate Regulatory Authority (ACRA). If your

organisation is not registered with **ACRA**, please use the tax reference number assigned by IRAS, e.g. A1234567X.

If the Payer's ID (Employer's Identification Number) is wrongly captured in the Provident And Tax IR8A Application, please seek assistance from CrimsonLogic Pte Ltd in updating the correct ID type and numbers, via email: patadm@crimsonlogic.com or call our Hotline no: 68877888, press option 1, followed by 3.

Please ensure that the *same payer's ID* for the same company is given in all the files (IR8A/IR8S/Appendix 8A/Appendix 8B) to be transmitted.

3.1.2 Employee's ID

Use only NRIC for employees who are NRIC holders (Singapore Citizens and Permanent Residents) and FIN (Foreign Identification Number) for employees who are not NRIC holders. The correct format of NRIC and FIN numbers should be:

NRIC = S<identification number><check digit> e.g. S1234567A

FIN=F/G<identification number><check digit> e.g. F1234567A or G1234567A

Please ensure that *same employee's ID* is given in all the files (IR8A/IR8S/Appendix 8A/Appendix 8B) **to be transmitted.**

3.1.3 Employee's Name

Do not include any salutation or other remarks, e.g. staff number, etc. in employee's name.

3.1.4 Amount of income and deductions

Please exclude decimals. For example, salary of \$31220.98 is to be captured as **\$31220** and CPF contributions of \$5566.22 is to be captured as **\$5567**.

3.1.5 Amendment of Salary Data

Please transmit amendment file for:

i) Cases where amount of income/deduction is under/over reported in the earlier transmission. Enter only the variation (difference), which can be a positive or negative value resulting, for example:

(a) Salary is \$25,000, but only \$21,000 is transmitted.

In the subsequent transmission, please transmit **\$4,000** instead of \$25,000.

(b) Bonus is \$6,000, but \$8,000 is transmitted.

In the subsequent transmission, please transmit **-\$2,000 (negative)** instead of \$6,000.

ii) For cases where employee's income tax is borne by employer but the indicator is not furnished.

Transmission of amendment file is not required for changes to employee's personal particulars, such as address, date of birth, etc.

3.1.6 Salary data prior to the first year of electronic filing

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

3.2 IR8A

3.2.1 Indicators in IR8A

Indicators such as Employee's income tax borne by employer, Section 45, Compensation/Retrenchment Benefit, Gross Commission Indicator, IR8S, Appendix 8A, etc must be correctly furnished if it is applicable. Also, the IR8S and/or Appendix 8A's files must be transmitted if it is applicable.

3.2.2 Director's Fees

Director's fees that are paid/payable to directors, who are not your employees, should be included in your transmission of salary files to IRAS.

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

3.2.4 Excess/Voluntary contribution to CPF by employer

The Excess/Voluntary contribution to CPF by employer to be reflected 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 by deducting the amount of refund from employer contribution under Section C of IR8S.

3.2.5 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.

3.2.6 Employee's voluntary contribution to CPF obligatory by contract of employment in respect of Singapore NRIC holders who are posted overseas

Please do not include this amount, as it is no longer deductible as tax relief.

3.3 **IR8S**

3.3.1 **Section C (Details of Refund claimed/to be claimed on excess CPF Contributions made in 2005)**

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

3.3.2 **Tax Changes**

With effect from Year of Assessment 2005, CPF contributions made by Singaporeans or Singapore Permanent Residents in respect of their wages when they are posted overseas, are no longer allowable for tax relief. As such, please do not include the employee's contribution in the Form IR8S.

3.4 **Appendix 8A**

Employers have to declare 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 and select *Employers > 1. Form IR8A / IR8S – Employee's Remuneration > 4. Frequently Asked Questions > E. Tax Treatment of Benefits-in-kind.*

3.4.1 **Item 1 – Value of place of residence**

The entry fields are provided for only one place of residence. If more than one place of residence is provided to the employee in the year, please transmit **separate Appendix 8A for each place of residence** and include the sum of total values of **ALL** places of residence in item d(9) of the IR8A via the Provident And Tax Line.

3.4.2 **Item 3 - Value of Hotel Accommodation provided for self/wife/child>20 years old**

There is only one entry field for “**no. of days**” provided. If no. of days is different for self, wife and child, please transmit **separate Appendix 8A** for self, wife and each child and include the sum of total values of Hotel Accommodation provided in item d(9) of the IR8A via the Provident And Tax Line.

3.4.3 **Value of Benefits-in-kind**

Total value of benefits-in-kind reflected in Appendix 8A should also be included in the IR8A under item, “Value of Benefits-in-kind”.

3.5 **Appendix 8B**

3.5.1 The maximum number of transactions provided for each section is 6. If there are more than 6 transactions in the year, please transmit **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.