

Auto-Inclusion Scheme For Employment Income (IR8A, IR8S and Appendix 8A, 8B) – Important Notes for Year of Assessment 2009

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

Deadline for transmission is 1 March 2009.

However, we would like to seek employers' co-operation to transmit the employment information of their employees before **15 Feb 2009** so that the information is shown when the employees e-file their income tax returns.

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

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

The name of your organisation will be published in the "List of Employers in Auto-Inclusion Scheme from Year of Assessment 2009" at IRAS' website, www.iras.gov.sg > Quick links > e-Services > Other e-Services > e-Submission of Employment Income > Participating Companies.

(or click <http://www.iras.gov.sg/irasHome/page03.aspx?id=3260>)

Please inform your employees (including directors) that:

- (i) they **are required to file** their income tax return as long as income tax returns/ IRAS PIN mailers have been issued 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). Thus, they do not need to declare employment income and deductions (made through their salary) in the electronic income tax return;
- (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 other sources of income (e.g. rental) and indicate their claims for the tax reliefs which are not auto-included in their income tax 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' income tax assessment, please ensure that complete and accurate information is transmitted to IRAS timely. To ensure data integrity, files or records with incomplete or invalid data will have to be returned to you for rectification and re-transmission.

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

Payer's ID Number and ID Type are mandatory fields, and must be accurate. (E.g. "7" is for UEN – Business, "8" is for UEN – Local Co, "U" is for Unique Entity Number etc.)

From 1 January 2009, all entities that are registered in Singapore, such as businesses, local companies, limited liability partnerships (LLPs), societies, representative offices, healthcare institutions and trade unions, will have a Unique Entity Number (UEN) as its identification number. Please use the UEN number at the field "Payer ID".

For more information on UEN, you can refer to the UEN website at www.uen.gov.sg.

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

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

3.1.3 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**.

3.1.4 Employee's Name

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

3.1.5 Amount of income and deductions

Original File **must not** have negative value.

Drop decimals for income amount fields, which are defined with no decimals. For example, amount of \$31220.98 for "Others" in IR8A is to be captured as \$31220.

Round up decimals for deduction amount fields, which are defined with no decimals. For example, amount \$5566.22 for "CPF contributions" is to be captured as \$5567.

3.1.6 Amendment of Salary Data

Original file must have been submitted before an amendment file.

Amendment file is required only if there are changes to amounts or fields which affect the total amount of employment income. You do not have to send amendment files for changes to employee's personal particulars, such as address, date of birth, etc.

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

For Example:

Actual Salary = \$25,000
Original Transmission = \$21,000
Amended record should be shown as "\$4,000"

Actual Bonus = \$6,000
Original transmission = \$8,000
Amended record should be shown as "\$-2,000"

For employers using payroll software that is unable to generate amendment files that contain only the difference, please send the amendment using the IRAS' Offline Application.

3.1.7 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, Appendix 8A and/or Appendix 8B's files must be transmitted if it is applicable.

3.2.2 **Amount to be populated in IR8A**

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

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

For Example:

Amount in the “Total value of benefits-in-kind” in Appendix 8A must be populated to the field “Value of Benefits-in-kinds” in the IR8A.

3.2.3 **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.

3.2.4 **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.

3.2.5 **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.

3.2.6 **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.

3.2.7 **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.

3.4 **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 > Responsibilities as an employer > [FAQ on employees remuneration](#)

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 submit **manual hardcopy Appendix 8A for each place of residence to IRAS.** The sum of total values of **ALL** places of residence is to be declared in item d(9) of the IR8A and submitted electronically 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 number of days is different for self, wife and child, please submit **manual hardcopy Appendix 8A** for self, wife and each child to IRAS. The sum of total values of Hotel Accommodation provided is to be declared in item d(9) of the IR8A and submitted electronically 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 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 15. If there are more than 15 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.

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

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

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

3.5.4 Tax Changes for Appendix 8B

To improve the attractiveness of equity-based compensation tools for new start-up companies the Minister of Finance announced in his Budget Statement 2008 a new Equity Remuneration Incentive Scheme (Start-Ups) (ERIS (Start-Ups) will be introduced from the Year of Assessment 2009 .

For more information on the Equity Remuneration Incentive Scheme (Start-Ups), you can refer to IRAS circular at www.iras.gov.sg > Quick Links e-Tax Guides > Income Tax > [Equity Remuneration Incentive Scheme \(Start-Ups\)](#).