



LEMBAGA HASIL DALAM NEGERI MALAYSIA

AMENDMENT TO:

**SPECIFICATION FOR
MONTHLY TAX DEDUCTION (MTD)
CALCULATIONS USING
COMPUTERIZED CALCULATION
FOR
2026**

Updated : 01 January 2026

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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 computerized payroll system provided by the software provider or, developed or customised by the employer should in accordance with computerized 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.

B. PROCEDURE FOR VERIFICATION OF COMPUTERIZED CALCULATION METHOD

1. 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.
2. IRBM shall arrange appointment (if necessary) to verify software providers/employers payroll system if all the answer provided is accurate.
3. IRBM shall issue verification/approval letter for MTD calculation to software providers/employers if all answer and calculation presented is comply with the specification.
4. Employers who using the computerized payroll system provided by software providers/employers *who complied with the MTD calculation specifications (from year 2012 to 2025)* **need NOT** obtain further verification from IRBM.
5. IRBM will upload the list of software providers/employers (update biweekly) who complied with the MTD calculation specifications in IRBM website.
6. Please forward application using company's letterhead to:

Pengarah
Lembaga Hasil Dalam Negeri Malaysia
Jabatan Pungutan Hasil
Aras 15, Menara Hasil
Persiaran Rimba Permai Cyber 8
Peti Surat 11833
63000 Cyberjaya
Selangor Darul Ehsan
[Attn: Bahagian Pembangunan Sistem (BPS)]

or email to:

ask_payrollMTD@hasil.gov.my

C. AMENDMENT TO SPECIFICATION FOR MTD CALCULATIONS USING COMPUTERIZED CALCULATION METHOD FOR YEAR 2026

Notice:

All software providers/employers who obtained verification for MTD from year 2012 to 2025 should apply the amendment to the specification for MTD Computerized Calculations pursuant to Budget 2025 to their payroll system without obtaining further verification for MTD 2026 from IRBM.

This amendment provides clarification in relation to Budget 2026. Amendments for computerized calculation method of Monthly Tax Deduction (MTD) 2026 are as follows:

1. EXPANSION OF TAX RELIEF FOR MEDICAL TREATMENT EXPENSES - VACCINATION EXPENSES

Current Treatment

Individual income tax relief of up to RM1,000 is provided for vaccination expenses for self, husband / wife or children covering the following vaccines:

- i. Pneumococcal;
- ii. Human papillomavirus (HPV);
- iii. Influenza;
- iv. Rotavirus;
- v. Varicella;
- vi. Meningococcal;
- vii. Tetanus, diphtheria, and acellular pertussis (Tdap); and
- viii. Coronavirus Disease 2019 (COVID-19).

Proposal

The provision is amended to expand the scope of individual income tax relief for vaccinations under subparagraph 46(1)(g)(iii) to cover all types of vaccines that are registered and approved for use by the National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health. The list of vaccines that are registered and approved for use can be obtained from the official NPRA website.

Effective Date:

From year of assessment 2026

2. EXPANSION OF TAX RELIEF ON MEDICAL TREATMENT, SPECIAL NEEDS AND CARER EXPENSES FOR PARENTS / GRANDPARENTS

Current Treatment

The current provision grants tax relief for a full medical check-up for parents / grandparents, which includes any vaccination without the requirement for registration and approval by the relevant Ministry. The allowable claim amount for a full medical check-up for parents / grandparents is limited to RM1,000.

Proposal

To further support the national health system's aspiration of prioritising disease prevention over treatment and to promote vaccination as a key preventive healthcare measure, it is proposed types of vaccines eligible for individual income tax relief be expanded to cover all vaccines registered and approved for use by the National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health.

Effective Date:

From year of assessment 2026

3. REVIEW OF TAX RELIEF FOR CHILD CARE FEES PAID TO A REGISTERED CHILD CARE CENTRES / KINDERGARTENS FOR A CHILD AGED 6 YEARS AND BELOW

Current Treatment

Individual income tax relief of up to RM2,000 is given on fees paid for childcare of children aged up to 6 years old at the following eligible childcare premises:

- i. Childcare Centres (TASKA) registered with the Department of Social Welfare (JKM); or
- ii. Kindergartens (TADIKA) registered with the Ministry of Education Malaysia (KPM).

A further time bound tax relief of RM1,000 was introduced from the year of assessment 2020 to 2027. Both tax reliefs can be claimed by either parent.

Proposal

To support working parents requiring childcare and after-school transit facilities, it is proposed individual income tax relief for childcare fee be reviewed as follows:

- i. The further time bound tax relief of RM1,000 be made permanent and combined with the existing permanent Relief of RM2,000, resulting in a total claimable tax relief at RM3,000; and
- ii. the eligible childcare premises be expanded to include daily care centres or after-school transit centres registered with Department of Social Welfare (JKM) for children aged up to 12 years old.

Effective Date:

From year of assessment 2026

4. REVIEW OF TAX RELIEF FOR PREMIUM OF LIFE, EDUCATION AND MEDICAL INSURANCES

Current Treatment

Individual income tax relief is provided as follows:

- i. life insurance premiums or takaful contributions for self, husband / wife up to RM3,000; and
- ii. education and medical insurance premiums for self, husband / wife or children up to RM4,000.

Proposal

To further encourage the uptake of life insurance or takaful contributions for children, it is proposed:

- i. the scope of individual income tax relief of up to RM3,000 for life insurance premiums or takaful contributions for self, husband / wife be expanded to include children; and
- ii. the eligibility criteria for insured children for the purpose of claiming individual income tax relief on life insurance premiums / takaful contribution, education and medical insurance premiums be determined as follows:
 - a. aged below 18 and unmarried;
 - b. aged 18 and above, unmarried and pursuing tertiary education; or
 - c. no age limit for unmarried disabled children.

Effective Date:

From year of assessment 2026

5. INCREASE TAX RELIEF FOR MEDICAL TREATMENT EXPENSES ON EARLY INTERVENTION PROGRAMMES OR REHABILITATION TREATMENT FOR CHILDREN WITH LEARNING DISABILITIES

Current Treatment

Individual income tax relief is given for various types of medical treatment expenses for self, husband / wife or children including diagnostic examinations, early intervention programmes, and continuous rehabilitation treatment for children with learning disabilities aged 18 and below, limited to RM6,000.

Proposal

To continue supporting early intervention programmes and rehabilitation treatment for children with learning disabilities, it is proposed that the individual income tax relief limit for expenses related to diagnostic examinations, early intervention programmes, and rehabilitation treatment for children under 18 years of age with learning

disabilities such as autism, attention deficit hyperactivity disorder (ADHD), global developmental delay (GDD), intellectual disability, Down syndrome, and specific learning disabilities be increased from RM6,000 to RM10,000.

Effective Date:

From year of assessment 2026

6. EXPANSION ON INDIVIDUAL INCOME TAX RELIEF FOR EXPENSES ON ADMISSION FEES TO TOURIST CENTRES AND CULTURAL PROGRAMMES

Current Treatment

Individual income tax relief of up to RM1,000 was provided from the year of assessment 2020 to 2022 on the following expenses:

- i. accommodation fees at premises registered with the Ministry of Tourism, Arts and Culture (MOTAC);
- ii. admission fees to tourist attractions; and
- iii. purchase of domestic tourism packages through licensed travel agents registered with MOTAC.

Proposal

The proposal is to provide tax relief of up to RM1,000 on expenses for admission fees to the following:

- i. tourist attractions such as museums, theme parks, national parks, marine parks, wildlife parks, zoos, and geoparks;
- ii. cultural and arts programmes.

Effective Date:

For the year of assessment 2026

7. EXPANSION OF TAX RELIEF FOR INCOME TAX RELIEF FOR ENVIRONMENTAL SUSTAINABILITY AND HOME SAFETY-RELATED EXPENDITURE

Current Treatment

Individual income tax relief of up to RM2,500 is provided for environmental sustainability-related expenses as follows:

- i. purchase, rental and installation cost including hire-purchase equipment or subscription fees for electric vehicle charging facilities from the year of assessment 2022 to 2027; and
- ii. purchase of household food composting machine, subject to the claim is allowable once within a period of 3 years from the year of assessment 2025 to 2027.

Proposal

To promote sustainable and safe lifestyles through the adoption of green technology and smart safety systems, it is proposed scope of individual income tax relief of up to RM2,500 for expenses on electric vehicle charging facilities and food composting machines be expanded to include:

- i. household food waste grinders; and
- ii. Closed-Circuit Television (CCTV) for home use.

The tax relief claim for the purchase of food waste grinders and / or CCTV is allowed once within a period of 2 years of assessment.

Effective Date

For the year of assessment 2026 and 2027.

In line with the Budget 2026 as above, there is no amendment to the MTD formula. However, there are some amendments of deduction items on Form TP1(2026) and TP3(2026).

1. Form TP1

i. Amendment on TP1 form “Bahagian C” to reschedule the item and inputting the new changes as propose below:

C1	Perbelanjaan untuk ibu bapa / datuk nenek:		
	a) Rawatan perubatan, keperluan khas dan perkhidmatan penjagaan		<input type="text"/>
	b) Rawatan pergigian		
	c) Pemeriksaan perubatan penuh termasuk kos pemvaksinan (Terhad RM 1,000)		
C4	Perbelanjaan rawatan perubatan bagi:		
	a) Penyakit serius ke atas diri sendiri/ pasangan / anak		<input type="text"/>
	b) Rawatan kesuburan ke atas diri sendiri / pasangan		
	c) Pemvaksinan ke atas diri sendiri/ pasangan / anak (Terhad RM1,000)		
	d) Pemeriksaan atau rawatan pergigian ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	e) Pemeriksaan perubatan penuh, pemeriksaan kesihatan mental atau konsultasi, fi bayaran ujian pengesanan penyakit dan pembelian peralatan pemeriksaan kesihatan sendiri (Bukan untuk kegunaan perniagaan) ke atas diri sendiri/ pasangan/ anak (Terhad RM1,000)		
	f) Penilaian bagi tujuan diagnosis, program Intervensi awal atau rawatan pemulihan bagi anak kurang upaya pembelajaran berumur 18 tahun dan ke bawah (Terhad RM10,000)		
C8	Yuran penghantaran anak berumur 12 tahun dan ke bawah ke taman asuhan kanak-kanak / Tadika/ pusat jagaan harian/ pusat transit yang berdaftar.	3,000	<input type="text"/>
C11	Insuran nyawa / KWSP Sukarela		
	a) KWSP Sukarela (Terhad RM4,000 termasuk KWSP wajib)		<input type="text"/>
	b) Insuran Nyawa / KWSP Sukarela (Terhad RM3,000)		
C15	Perbelanjaan bayaran pemasangan,sewaan,pembelian termasuk sewa beli peralatan atau langganan bagi penggunaan kemudahan pengecasan kenderaan elektrik bagi kenderaan sendiri/Pembelian mesin kompos sisa makanan bagi kegunaan isi rumah (Terhad sekali setiap 3 tahun taksiran)/Pembelian & pemasangan mesin rincih sisa makanan & CCTV bagi kegunaan isi rumah (Terhad sekali setiap 2 tahun taksiran)	2,500	<input type="text"/>
C17	Bayaran fi kemasukan ke pusat pelancongan dan program kebudayaan/kesenian bagi pelancongan dalam negara .	1,000	<input type="text"/>

2. Form TP3

i. Amendment on TP3 form “Bahagian D” to reschedule the item and inputting the new changes as propose below:

D1	Perbelanjaan untuk ibu bapa / datuk nenek:		
	a) Rawatan perubatan, keperluan khas dan perkhidmatan penjagaan	<input type="text"/> <input type="text"/> <input type="text"/>	8,000 <input type="text"/>
	b) Rawatan pergigian		
	c) Pemeriksaan perubatan penuh termasuk kos pemvaksinan (Terhad RM 1,000)		
D4	Perbelanjaan rawatan perubatan bagi:		
	a) Penyakit serius ke atas diri sendiri / pasangan / anak	<input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	10,000 <input type="text"/>
	b) Rawatan kesuburan ke atas diri sendiri / pasangan		
	c) Pemvaksinan ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	d) Pemeriksaan atau rawatan pergigian ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	e) Pemeriksaan perubatan penuh, pemeriksaan kesihatan mental atau Konsultasi, fi bayaran ujian pengesanan penyakit dan pembelian peralatan pemeriksaan kesihatan sendiri (Bukan untuk kegunaan perniagaan) ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	f) Penilaian bagi tujuan diagnosis, program Intervensi awal atau rawatan pemulihan bagi anak kurang upaya pembelajaran berumur 18 tahun dan ke bawah (Terhad RM10,000)		
D8	Yuran penghantaran anak berumur 12 tahun dan ke bawah ke taman asuhan kanak-kanak / Tadika/ pusat jagaan harian/ pusat transit yang berdaftar		3,000 <input type="text"/>
D11	Insuran nyawa / KWSP Sukarela		
	a) KWSP Sukarela (Terhad RM4,000 termasuk KWSP wajib)	<input type="text"/> <input type="text"/>	7,000 <input type="text"/>
	b) Insuran nyawa / KWSP Sukarela (Terhad RM3,000)		
D15	Perbelanjaan bayaran pemasangan/sewaan/pembelian termasuk sewa-beli peralatan atau langganan bagi penggunaan kemudahan pengecasan kenderaan elektrik bagi kenderaan sendiri / Pembelian mesin kompos sisa makanan bagi kegunaan isi rumah (terhad sekali setiap 3 tahun taksiran) / Pembelian dan pemasangan mesin rincihsisa makanan & CCTV bagi kegunaan isu rumah (Terhad sekali setiap 2 tahun taksiran)		2,500 <input type="text"/>
D17	Bayaran fi kemasukan ke pusat pelancongan dan program kebudayaan / kesenian bagi pelancongan dalam negara		1,000 <input type="text"/>

D. MONTHLY TAX DEDUCTION (MTD) FOR COMPUTERIZED CALCULATION

The MTD calculation depends on the residence status of the employee. There are 2 types of residence status 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 **30 %** of his remuneration.

Example: Employee is not resident in calendar year 2024.

Total monthly remuneration	: RM3,000.00
MTD calculation	: RM3,000.00 x 30%
Total MTD	: RM900.00

A non-resident employee is eligible to get tax exemption on allowances, benefits and perquisites as stated on pages **21 and 22** in this document. The exempt income shall be excluded from the remuneration for MTD purposes.

Note:

With effect from August 2017, MTD for resident on foreign workers is applicable to employees with an employment contract of or more than 182 days i.e. covering holders of the Visit Pass (Temporary Employment) [VP(TE)] as well as expatriates.

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 Income Tax Act (ITA), 1967.

MTD formula is categorized into five (5) formulas. The employer may change the category of remuneration based on the approval from the IRBM. The formulas are:

- 1) Computerized calculation for Normal Remuneration
- 2) Computerized calculation for Additional Remuneration
- 3) Computerized calculation for An Approved Individual Under The Returning Expert Program (REP)
- 4) Computerized calculation for Knowledge Workers in The Specified Region
- 5) Computerized calculation for An Individual Resident who is not a citizen and holds C Suite position in an approved company

1. COMPUTERIZED 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 Computerized Calculation is determined in accordance with the following formula:

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

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

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

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, 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 , 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 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,
 Value of S = Deduction for husband or wife, and
 Value of 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,
 Value of S = 0, and
 Value of 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	3	- 250	-650
35,001 - 50,000	35,000	6	600	600
50,001 - 70,000	50,000	11	1,500	1,500
70,001 - 100,000	70,000	19	3,700	3,700
100,001 - 400,000	100,000	25	9,400	9,400
400,001 - 600,000	400,000	26	84,400	84,400
600,001 - 2,000,000	600,000	28	136,400	136,400
Exceeding 2,000,000	2,000,000	30	528,400	528,400

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

Therefore, MTD should calculate based on current year additional remuneration formula and reported together with current month's MTD in CP39 text file format.

Note :

With effect from the Year of Assessment 2016, where gross income from an employment is receivable in respect of any particular period, it shall, when received, be taxed in the year in which it is received [Subsection 25(1) of ITA 1967].

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

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.

Monthly Tax Deduction for additional remuneration for the current month = 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.

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)

3. COMPUTERIZED CALCULATION FOR AN APPROVED INDIVIDUAL UNDER THE RETURNING EXPERT PROGRAM (REP)

An approved employee under the REP is an expert in a field specified by the Minister and shall be taxed at the rate of 15% on chargeable income for five (5) consecutive years of assessment. If chargeable income does not exceed RM35,000, the employee is eligible for self and spouse rebate of RM400, respectively.

The method of determining the amount of MTD should refer to Garis Panduan Potongan Cukai Bulanan Di Bawah Kaedah-Kaedah Cukai Pendapatan (Potongan Daripada Saraan) 1994 and related Rulings issued by LHDNM.

The amount of MTD is determined in accordance with the following formula:

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

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
 $\sum (Y - K)$ Total chargeable income for a year;
 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, if any, subject to the total qualifying amount per year;

Y₁ Gross normal remuneration for the current month;

K_1	Contribution to Employees Provident Fund or other approved scheme paid in respect of Y_1 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 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 <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 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

4. COMPUTERIZED CALCULATION FOR KNOWLEDGE WORKER IN THE SPECIFIED REGION

A qualified knowledge worker shall be taxed at the rate of 15% on chargeable income from employment with a designated company engaged in qualifying activities as approved by the Minister.

If chargeable income does not exceed RM35,000, the employee is eligible for self and spouse rebate of RM400, respectively.

The method of determining the amount of MTD should refer to Garis Panduan Potongan Cukai Bulanan Di Bawah Kaedah-Kaedah Cukai Pendapatan (Potongan Daripada Saraan) 1994 and related Rulings issued by LHDNM.

The amount of MTD is determined in accordance with the following formula:

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

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

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

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, 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 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 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;
 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 3 where the value of T depends on the category of employee.

Table 3: 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

5. COMPUTERIZED CALCULATION FOR AN INDIVIDUAL RESIDENT WHO IS NOT A CITIZEN AND HOLDS C SUITE POSITION IN AN APPROVED COMPANY

A resident employee who is not a citizen and holds C Suite position in the company as approved by the Minister shall be taxed at the rate of 15% on chargeable income.

The method of determining the amount of MTD should refer to Garis Panduan Potongan Cukai Bulanan Di Bawah Kaedah-Kaedah Cukai Pendapatan (Potongan Daripada Saraan) 1994 and related Rulings issued by LHDNM.

The amount of MTD 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, 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 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 for the balance of qualifying months $[[\text{Total qualifying amount per year} - (K + K_1 + K_2)] / n]$ 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.

Upon getting the value of P & R is determined based on Table 4 depends on the category of employee.

Table 4: Value of P and R

P (RM)	R (%)
Exceeding 35,000	15

E. TERMS AND CONDITIONS

Monthly Tax Deduction for normal and additional remuneration based on computerized calculation shall be subject to the followings:

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

Example : 123.4534 = **123.45**

2. The amount of Monthly Tax Deduction to be rounded up to the nearest five cents as follows:

- i) 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 ≈ **287.05**

- ii) six, seven, eight and nine cents to be rounded up to ten cents; and

6, 7, 8, 9 – rounding to the 10 cents

Example: 152.06 ≈ **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 Deduction (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	< 10	0
		≥ 10	Deduct as per MTD calculation

5. Zakat and departure levy shall be treated as follows:

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

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

ii) 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)
	(a)	(b)	Step 1(c) (a - b = c)	(d)	Step 4 (e)	Step 5 (c + e = f)
a.	8.00 ≈ 0.00	5.00	-5.00 ≈ 0.00	5.00	9.00 ≈ 0.00	0.00
b.	8.00 ≈ 0.00	5.00	-5.00 ≈ 0.00	5.00	25.00	20.00
c.	15.00	20.00	- 5.00 ≈ 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

6. MTD for computerized calculation method must be paid for the actual amount (including the decimal point amount).
7. 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.
8. If additional remuneration paid before the monthly remuneration, value of Y1 shall refer to the monthly remuneration which will be paid for that month.
9. 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 Form E Explanatory Notes for references.

All the tax exemption on allowances, perquisites, gifts and benefits shall be reported in the Form EA, Part F – TOTAL TAX EXEMPT ALLOWANCES / PERQUISITES / GIFTS / BENEFITS.

List of tax exempt allowances / perquisites / gifts / benefits which are required to declare:

	SUBJECT	EXEMPTION LIMIT (PER YEAR)
i.	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.	RM6,000.00
ii.	Child care allowance in respect of children up to 12 years of age. Tax exemption limit income on child care allowance received by the employee or paid directly by the employer to the child care centre increased to RM3,000 per year.	RM3,000.00
iii.	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
iv.	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 unit for each category of assets
v.	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).	RM2,000.00
vi.	Parking rate and parking allowance. This includes parking rate paid by the employer directly to the parking operator.	} Restricted to the actual amount expended
vii.	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.	

viii.	<p>Subsidized 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.</p> <p>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> $A \times \frac{B}{C}$ <p>Where;</p> <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>	
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Example	:	Normal remuneration	:	RM5,000 per month
		Car allowance	:	RM 800 per month
		Meal allowance	:	RM 300 per month (Exempted)
		Childcare allowance	:	RM 250 per month (Exempted – limit to RM3,000 per year)
		Total	:	RM6,350 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. Employee who newly joined the company during the year shall submit Form TP3 (**Exhibit 2**) 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 .

11. Employee who has benefits-in-kind (BIK) and value of living accommodation (VOLA) as part of his monthly remuneration shall deduct MTD 5 as per normal remuneration.
12. Amount of BIK/VOLA shall be treated as part of Y₁ 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 as gross salary/remuneration.

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

- i) Employer input monthly amount and system treated as Y₁ in the MTD formula.
- ii) Employer input the total amount of each BIK/VOLA and system calculate the monthly amount that system treated as Y₁ in the MTD formula. The method of calculation to obtain a monthly amount is as follow:

$$\text{Monthly amount} = \frac{\text{Value of BIK/VOLA for a year}}{12/\text{Remaining working month in a year including current month}}$$

Example :

Value of car in a year	: RM25,000
Month/year of deduction agreed by the employer	: April 2023
Remaining working month in a year including current month	: 9 months
Monthly amount	: $\frac{\text{RM25,000}}{9}$
	: RM2,777.77 ≈ RM2,777.00

* The value of BIK/VOLA for a year is the actual benefit received by the employee.

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

Benefit In Kind	Value of benefits in kind received by employee from employer. Refer to Public Ruling No. 3/2013 and Public Ruling No. 11/2019
Value Of Living Accommodation	Value of living accommodation benefit received by employee from employer. Refer to Public Ruling No. 3/2005 (original and Addendum)

13. EPF for the purpose of MTD calculation are as follows:
 - i) If allowances categorized as the remuneration subject to EPF but not subject to tax, all amount of EPF shall be treated as K₁.

Salary	: RM2,400.00
Child care allowance	: RM250.00
	(receives every month – remuneration category)
EPF deducted from the salary	: RM297.00
K ₁ (as per EPF deduction)	: RM297.00

- ii) 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

- iii) 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

- iv) If employee claim Voluntary EPF Contribution through Form TP1 (Exhibit 1), the Voluntary EPF Contribution shall be treated as LP_1

Salary	:	RM4,500.00
EPF deducted from the salary	:	RM330.00
Voluntary EPF (from Form TP1)	:	RM200.00
K_1 (EPF for remuneration)	:	RM330.00
LP_1 (Voluntary EPF from Form TP1)	:	RM200.00

Example:

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

$$P = [\sum(0.00-0.00)+(4,500.00-330.00)+[(4,500.00-330.00) \times 11] + (0-0)] - (9000.00+0.00+0.00+0.00+(2000 \times 0)+0.00+200.00)$$

- v) If employee have a Mandatory EPF Contribution but also claim Voluntary EPF, the total amount of K_1 shall not exceed RM 4,000.

Salary	:	RM40,000.00
EPF deducted from the salary	:	RM4,400.00
Voluntary EPF (from Form TP1)	:	RM1,000.00
Life Insurance (from Form TP1)	:	RM3,000.00
K_1 (EPF for remuneration)	:	RM4,000.00
LP_1 (Voluntary EPF)	:	RM0.00
LP_1 (Life Insurance)	:	RM3,000.00

Example:

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

$$P = [\sum(0.00-0.00)+(40,000.00-4,000.00)+[(40,000.00-0.00) \times 11] + (0-0)] - (9000.00+0.00+0.00+0.00+(2000 \times 0)+0.00+3,000.00)$$

- vi) If employee does not have a Mandatory EPF Contribution, the Voluntary EPF can be claimed up to RM 7,000

Director Fee	:	RM40,000.00
EPF (deducted from the salary)	:	RM0.00
Voluntary EPF (from Form TP1)	:	RM7,000.00
K_1 (EPF for remuneration)	:	RM0.00
LP_1 ((EPF for remuneration) under para 49(1)(b))	:	RM4,000.00
LP_1 (Voluntary EPF from Form TP1) under para 49(1)(a)	:	RM3,000.00

Example:

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

$$P = [\sum(0.00-0.00)+(40,000.00-0.00)+[(40,000.00-0.00) \times 11] + (0-0)] - (9000.00+0.00+0.00+0.00+(2000 \times 0)+0.00+7,000.00)$$

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.

- i) Compulsory deductions

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

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

	Reliefs	Amount limited to (RM)
a.	<p>Individual</p> <p>Relief of RM9,000 for an individual in respect of himself and his dependent relatives is granted automatically.</p>	9,000.00
b.	<p>Husband / Wife</p> <p>i. A husband relief of RM4,000 is given in respect of a husband who has no source of income / no total income or the husband has elected for joint assessment.</p> <p>With effect from Year of Assessment 2017, husband relief is NOT allowed if the husband (not a husband who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</p> <p>ii. A wife relief of RM4,000 is given in respect of a wife who has no source of income / no total income or the wife has elected for joint assessment.</p> <p>With effect from Year of Assessment 2017, wife relief is NOT allowed if the wife (not a wife who is a disabled person) has gross income exceeding RM4,000 derived from sources outside Malaysia.</p>	4,000.00
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> <p>i. receiving full-time instruction at any university, college or other higher education institution (similar to a university or college); or</p> <p>ii. serving under articles or indentures with a view to qualifying in a trade or profession.</p> <p>A relief of RM2,000 per child is allowed if the child is unmarried and below the age 18 years in the current year.</p> <p>A relief of RM2,000 per child is allowed if the child is unmarried, 18 years of age and above, and is receiving full-time education; OR</p> <p>Where a child falls within these conditions, the employee is treated as having the respective number of children:</p>	2,000.00

	Reliefs	Amount limited to (RM)										
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%; text-align: center;"><u>In circumstances where</u></th> <th style="width: 30%; text-align: center;"><u>Relief to be given as if the employee has this number of children</u></th> </tr> </thead> <tbody> <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 style="text-align: center;">4</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 style="text-align: center;">4</td> </tr> <tr> <td>Disabled child as certified by the Department of Social Welfare.</td> <td style="text-align: center;">4</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 style="text-align: center;">8</td> </tr> </tbody> </table> <p><i>*Relief for:</i></p> <p><i>*1 child below the age of 18 or a child who is studying = RM2,000</i></p> <p><i>*Child - 18 years and above and studying (diploma or higher) = RM8,000 (considered with 4 children)</i></p> <p><i>*Disabled child = RM8,000 (considered with 4 children)</i></p> <p><i>*Disabled child - 18 years and above and studying (diploma or higher) = RM16,000 (considered with 8 children)</i></p>	<u>In circumstances where</u>	<u>Relief 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.	4	Child over the age of 18 years and receiving full-time instruction at degree level onwards in an institution of higher education outside Malaysia.	4	Disabled child as certified by the Department of Social Welfare.	4	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.	8	
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Child over the age of 18 years and receiving full-time instruction at diploma level onwards in an institution of higher education in Malaysia.	4											
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Disabled child as certified by the Department of Social Welfare.	4											
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.	8											
d.	<p>Employees Provident Fund (EPF) or Other Approved Scheme</p> <p>Total relief for contributions to approved provident funds and life insurance premium is separated as follows:</p> <ul style="list-style-type: none"> i. relief of up to RM4,000 is given on contributions to approved provident funds such as the Employees Provident Fund (EPF). ii. Payments for <i>takaful</i> or life insurance premiums are eligible for a tax relief of up to RM3,000 will be expanded to include voluntary Employees Provident Fund (EPF) contributions and applicable to all taxpayers among civil servants with a pension scheme, other than civil servants pension scheme and self-employment. 	4,000.00										

e.	Disabled Individual A further deduction of RM7,000 is allowed if the individual is a disabled person.	7,000.00
f.	Disabled Husband / Wife An further deduction of RM6,000 is given in respect of a disabled husband / wife.	6,000.00

ii) Optional deductions

Employee can claim deductions and rebates in the relevant month subject to approval by employer by submitting Form TP1 (**Exhibit 1**) 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:

	Reliefs	Amount limited to (RM)
a.	<p>Medical Treatment, Special Needs or Carer Expenses for Parents / Grandparents</p> <p>Medical treatment, special needs and carer expenses incurred on parents is limited to RM8,000 in a basis year.</p> <p>Medical expenses which qualify for deductions includes:</p> <ol 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. iii. the scope for dental treatment is expanded to include all types of examination and treatment expenses dentistry including false teeth, root canal and treatment for replace teeth and repair teeth. <p>In addition, the scope of individual income tax relief for medical treatment, special needs and carer expenses for parents is expanded to cover grandparents. Full medical examination is limited up to RM1,000 and is expanded to cover all vaccines expenses registered and approved for use by the National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health.</p> <p>The parents / grandparents shall be resident in Malaysia. The medical treatment and care services are provided in Malaysia.</p>	8,000.00

	Reliefs	Amount limited to (RM)
	<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> <p>The claim must be supported by a certified medical practitioner registered with the Malaysian Medical Council that the medical conditions of the parents / grandparents require medical treatment or special needs or carer.</p>	
b.	<p>Basic Supporting Equipment</p> <p>The purchase of any supporting equipment for use by a disabled individual, husband, wife, child or parent, may be claimed up to a maximum of RM6,000.00 in a basis year. Basic supporting equipment includes hemodialysis 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 RM7,000.00 is allowed as a relief 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 level) for the purpose of acquiring law, accounting, Islamic financing, technical, vocational, industrial, scientific or technological skills or qualifications; or ii. any course of study at Masters or Doctorate level – for acquiring any skill or qualification. iii. any course of study undertaken for the purpose of up-skilling or self-enhancement. The course has to be conducted by a body recognized by the Director General of Skills Development, under the National Skills Development Act 2006. The tax relief is limited to RM2,000 for each year of assessment. 	7,000.00
d.	<p>Expenses on Admission Fees to Tourist Centres and Cultural Programmes</p> <p style="color: red;">Tax relief of up to RM1,000 on expenses for entrance fees to the following:</p> <ul style="list-style-type: none"> i. Tourist attractions such as museums, theme parks, national parks, marine parks, wildlife parks, zoos, and geoparks; and ii. Cultural and arts programs. <p>The relief is given to support the Government's efforts in organizing the Visit Malaysia Year 2026 program and as an incentive for Malaysians to travel domestically in conjunction with Visit Malaysia Year 2026.</p>	1,000.00

	Reliefs	Amount limited to (RM)
e.	<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, leukemia 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 tumor 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 RM10,000.00.</p> <p>Additionally, the income tax relief be expanded to cover the cost of fertility treatment for the taxpayer or the spouse.</p> <p>Medical Expenses on Fertility treatment for self or spouse</p> <p>Expenses for fertility treatment include Intrauterine Insemination (IUI) treatment, In vitro fertilization (IVF) or any other fertility treatments including consultation fees and medicines on yourself or your spouse.</p> <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 RM1,000 includes:</p> <ul style="list-style-type: none"> i. COVID-19 and influenza detection test fee: <ul style="list-style-type: none"> a. tests performed at a clinic or hospital b. purchase of self-test kits ii. Mental health examinations or consultations iii. Purchase of self-examination equipment such as glucometer, pulse oximeter, blood pressure monitor and thermometer iv. Fees for disease detection test carried out in clinics or hospital such as blood tests, ultrasounds, mammograms and pap smears 	10,000.00

Vaccination

Income tax relief on medical treatment expenses includes vaccination expenses **up to a maximum of RM1,000** for self, spouse and child. The types of vaccines eligible for individual income tax relief **to be expanded to cover all vaccines registered and approved for use by the National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health.**

Medical Expenses on Diagnosis, Early Intervention & Rehabilitation

Medical expenses on assessment for the purpose of diagnosis, early intervention programs or rehabilitation treatment for children with learning disabilities

Intervention expenditure for Autism, Attention Deficit Hyperactivity Disorder (ADHD), Global Developmental Delay (GDD), Intellectual Disability, Down Syndrome and Specific Learning Disabilities, **increased to RM10,000 as below:**

- i. Diagnostic assessment certified by a medical practitioner registered with the Malaysian Medical Council
- ii. Early intervention and rehabilitation programmes conducted by health profession practitioners registered under the Allied Health Profession Act 2016

Examination and Dental Treatment Expenses

The tax relief for medical expenses to include inspection and dental treatment expenses that is limited to an **amount of RM1,000**. The claim must be proved by a receipt issued by dental practitioner registered with the Malaysian Dental Council.

	Reliefs	Amount limited to (RM)						
f.	<p>Net Deposit in <i>Skim Simpanan Pendidikan Nasional</i> (SSPN)</p> <p>Amount deposited in SSPN by an individual for his/her children's education is deductible up to a maximum of RM8,000.00 per year was given from year of assessment 2012 to year of assessment 2024 and extended to 2027.</p> <p>The allowable deduction is limited to the net amount deposited in that basis year only with additional conditions as follows:</p> <ul style="list-style-type: none"> i. tax relief can only be claimed by either mother or father, who make SSPN savings, with a maximum claim limit of RM8,000; and ii. Disbursements from the SSPN fund that aim to fund education costs to further studies are not taken into account in the calculation of net savings for the year and will not affect the amount of eligible relief. <p>Example:</p> <p><u>For the year 2024</u></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">Balance Brought Forward</td> <td style="text-align: right;">RM 4,500.00;</td> </tr> <tr> <td>Total Deposit</td> <td style="text-align: right;">RM 2,000.00; and</td> </tr> <tr> <td>Total Withdrawal</td> <td style="text-align: right;">RM 1,500.00.</td> </tr> </table> <p>Allowable deduction is RM500 (RM2,000 – RM 1,500). The Balance Brought Forward of RM4,500 is not taken into account.</p>	Balance Brought Forward	RM 4,500.00;	Total Deposit	RM 2,000.00; and	Total Withdrawal	RM 1,500.00.	8,000.00
Balance Brought Forward	RM 4,500.00;							
Total Deposit	RM 2,000.00; and							
Total Withdrawal	RM 1,500.00.							
g.	<p>Payment of Alimony to Former Wife</p> <p>Deduction for payment of alimony to a former wife is limited to RM4,000 or the actual amount paid if the amount of alimony paid is less than the allowable deduction. The total deduction for a wife living together and alimony payments to the former wife is restricted to RM4,000.</p> <p>Voluntary alimony payments under a mutual agreement but without any formal agreement do not qualify for deduction.</p> <p>Note: Payment of alimony to former wife is not allowed in the case where the employee claimed deduction for wife.</p>	4,000.00						

	Reliefs	Amount limited to (RM)
h.	<p>Life Insurance and EPF</p> <p>Total relief for life insurance premium is separated as follows:</p> <ol style="list-style-type: none"> i. relief of up to RM4,000 is given on contributions to approved provident funds such as the Voluntary or Compulsory Employees Provident Fund (EPF) contributions. ii. Premium payments for <i>takaful</i> or life insurance premiums for self, husband / wife and children are eligible for a tax relief of up to RM3,000 iii. the eligibility criteria for insured children for the purpose of claiming individual income tax relief on life insurance premiums / takaful contribution be determined as follows: <ul style="list-style-type: none"> • aged below 18 and unmarried; • aged 18 and above, unmarried and pursuing tertiary education; or • no age limit for unmarried disabled children. <p>The total relief for the above should not exceed RM7,000.</p>	3,000.00
i.	<p>Private Retirement Scheme (PRS) and Deferred Annuity</p> <p>This deduction is effective from the Year of Assessment 2012 until 2025 and extended to 2030.</p> <p>The deduction allowed shall not exceed RM3,000 in respect of contributions made to a Private Retirement Scheme (PRS) approved by the Securities Commission and paid premiums for deferred annuity.</p> <p>The total deduction for PRS contributions and deferred annuity premiums is restricted to RM3,000 for an individual and RM3,000 for the spouse who has source of income. If the husband or wife elects for joint assessment, the deduction allowed for the aggregate amount of PRS contributions and deferred annuity premiums is restricted to RM3,000.</p>	3,000.00
j.	<p>Education and Medical Insurance</p> <p>A deduction not exceeding RM4,000.00 is available on insurance premiums in respect of education or medical benefits for an individual, husband, wife or child.</p> <p>The total deduction in respect of premiums paid for insurance on education and medical benefits is restricted to RM4,000 for an individual and RM4,000 for the wife who has source of income. If the husband or wife elects for joint assessment, the deduction allowed for the total of premiums paid for insurance on education and medical benefits is restricted to RM4,000.</p>	4,000.00

	Reliefs	Amount limited to (RM)
k.	<p>Contribution to the Social Security Organisation (SOCSO)</p> <p>A relief not exceeding RM350 is allowed in respect of contribution to the Social Security Organisation (SOCSO) made or suffered by the individual in basis year.</p>	350.00
l.	<p>Lifestyle</p> <p>Tax relief of up to RM2,500 be given to a resident taxpayer for payment of the following expenditure:</p> <ul style="list-style-type: none"> • Expenditure for the purchase or subscription of books, journals, magazines, newspapers and other similar publications. • Expenditure for the purchase of personal computer, smartphone or tablet. • Payment of monthly bill for internet subscription registered under own name for the use by own self, spouse or child. • Expenditure for self-enrichment course fees under lifestyle. 	2,500.00
m.	<p>Purchase of Breastfeeding Equipment for own use for a child aged 2 years and below</p> <p>The deduction is allowed can be made in complete set or separate parts. The deduction is applicable to working women with child aged up to 2 years and can be claimed once every 2 years.</p>	1,000.00
n.	<p>Child Care fees to a registered child care centre / kindergarten for a child aged 6 years and below.</p> <p>This relief is restricted to RM3,000 per year. Individual who enroll their children below 6 years of age, in child care centres registered with the Director General of Social Welfare under the Child Care Centre Act 1984 or kindergartens registered under the Education Act 1996.</p> <p>This relief can be claimed by either parent of the children. This relief was given from year of assessment 2020 to year of assessment 2024 and extended to 2027. The eligible childcare premises be expanded to include daily care centres or after-school transit centres registered with Department of Social Welfare (JKM) for children aged up to 12 years old.</p>	3,000.00

	Reliefs	Amount limited to (RM)
o.	<p>Additional Lifestyle.</p> <p>An additional relief limited to RM1,000 be given to a resident individual taxpayer for taxpayer's own use or for the use of the spouse or child and is expanded for the use of the parents for the following:</p> <ul style="list-style-type: none"> • Cost of purchasing sports equipment for any sports activity as defined under the Sports Development Act 1997. • Rental or entrance fees to any sports facilities; and • Registration fees for any sports competitions where the organizer is approved and licensed by the Commissioner of Sports under the Sports Development Act 1997. • Gym membership fees or sports training. <p>The taxpayer is allowed to claim this relief in additional to the existing lifestyle relief provided that the total amount claimed under this relief has not been claimed under the existing lifestyle tax relief. The relief is restricted to RM1,000.</p>	1,000.00
p.	<p>Electric Vehicle (EV) Charging Facilities / Purchase of Food Waste Composting Machines expenditure.</p> <p>Tax relief of up to RM2,500 be given to a resident taxpayer for payment of the following expenditure:</p> <ul style="list-style-type: none"> • The cost of installing an electric vehicle charger • Purchases include purchase on hire purchase of vehicle chargers; • Vehicle charger rental; or • Electric vehicle charging facility subscription fee • Purchase of food waste composting machines for household use • household food waste grinders • Closed-Circuit Television (CCTV) for home use. <p>The tax relief claim for the purchase of food waste grinders and / or CCTV is allowed once within a period of 2 years of assessment.</p>	2,500.00
q.	<p>Interest on Housing Loan</p> <p>Tax reliefs will be given on interest expenses incurred by first-time home buyers:</p> <ul style="list-style-type: none"> • up to RM7,000 for a home valued up to RM500,000; or • up to RM5,000 for a home valued between RM500,001 and RM750,000. <p>with additional conditions as follows :</p> <ul style="list-style-type: none"> • the residential house is not used to generate any income; • the sale and purchase agreement must be completed from 1 January 2025 to 31 December 2027; • the amount of individual income tax relief on interest payments allowed is for 3 consecutive assessment years, starting from the first year housing loan interest is paid; and • two or more individuals are eligible to claim tax relief on housing loan interest payments for the same residential house according to the basis of interest payment division. 	7,000.00

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. Form TP1 and Form TP3 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:

- i) Unique ID and password to login by each employee.
- ii) Employee's declaration section
 - a. Date of employee's declaration : date of submission via online
 - b. Employee signature : employee's name
- iii) Approval by employer
 - a. 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.
 - b. Name : person in charged for payroll processing
 - c. Designation : designation of the person in charged
 - d. Employer address : employer address

System must provide list of employees 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 3**).

18. System must provide the text file data format (**Exhibit 4**) for the purpose of MTD submission to the IRBM.

Employer is recommended to submit CP39 text file format data via internet banking or e-PCB Plus. Employer can register to use the e-PCB Plus at <https://mytax.hasil.gov.my/>

BORANG PCB/TP1 (1/2026)

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 ini ditetapkan di bawah seksyen 152 Akta Cukai Pendapatan (ACP) 1967

BULAN POTONGAN:

TAHUN POTONGAN:

BAHAGIAN A: MAKLUMAT MAJIKAN

A1 Nama :
A2 No. Pengenalan Cukai (TIN) :

BAHAGIAN B: MAKLUMAT INDIVIDU

B1 Nama :
B2 No. Kad Pengenalan / Pasport :
B3 No. Pengenalan Cukai (TIN) :

BAHAGIAN C: MAKLUMAT POTONGAN

	HAD TAHUNAN (RM)	POTONGAN	
		SEMASA (RM)	TERKUMPUL (RM)
C1 Perbelanjaan untuk ibu bapa / datuk nenek:			
a) Rawatan perubatan, keperluan khas dan perkhidmatan penjagaan	8,000		
b) Rawatan pergigian			
c) Pemeriksaan perubatan penuh termasuk kos pemvaksinan (Terhad RM 1,000)			
C2 Peralatan sokongan asas untuk kegunaan diri sendiri / pasangan / anak / ibu bapa yang kurang upaya	6,000		
C3 Yuran pengajian (diri sendiri):			
a) Peringkat selain Sarjana / Doktor Falsafah – Bidang undang-undang/ perakaunan/kewangan islam/teknikal/vokasional/ industri/ saintifik / teknologi	7,000		
b) Peringkat Sarjana/ Doktor Falsafah – sebarang bidang atau kursus pengajian			
c) Kursus peningkatan kemahiran atau kemajuan diri (Terhad RM2,000)			
C4 Perbelanjaan rawatan perubatan bagi:			
a) Penyakit serius ke atas diri sendiri/ pasangan / anak	10,000		
b) Rawatan kesuburan ke atas diri sendiri / pasangan			
c) Pemvaksinan ke atas diri sendiri/ pasangan / anak (Terhad RM1,000)			
d) Pemeriksaan atau rawatan pergigian ke atas diri sendiri / pasangan / anak (Terhad RM1,000)			
e) Pemeriksaan perubatan penuh, pemeriksaan kesihatan mental atau konsultasi, fi bayaran ujian pengesanan penyakit dan pembelian peralatan pemeriksaan kesihatan sendiri (Bukan untuk kegunaan perniagaan) ke atas diri sendiri/ pasangan/ anak (Terhad RM1,000)			
f) Penilaian bagi tujuan diagnosis, program Intervensi awal atau rawatan pemulihan bagi anak kurang upaya pembelajaran berumur 18 tahun dan ke bawah (Terhad RM10,000)			
C5 Gaya Hidup – Perbelanjaan untuk kegunaan diri sendiri / pasangan / anak bagi:			
a) Pembelian atau langganan buku / jurnal / majalah / surat khabar / lain- lain penerbitan seumpamanya (Bukan bahan bacaan terlarang)	2,500		
b) Pembelian komputer peribadi / telefon pintar / tablet (Bukan untuk kegunaan perniagaan)			
c) Bayaran bil bulanan untuk langganan internet (Atas nama sendiri)			
d) Bayaran kursus peningkatan kemahiran atau kemajuan diri			

	HAD TAHUNAN (RM)	POTONGAN	
		SEMASA (RM)	TERKUMPUL (RM)
C6	Gaya hidup – Perbelanjaan berkaitan sukan bagi kegunaan diri sendiri / pasangan / anak / ibu bapa:		
	a) Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997	<input type="text"/> <input type="text"/> <input type="text"/>	<input type="text"/>
	b) Bayaran sewa atau fi kemasukan ke fasiliti sukan		
	c) Bayaran fi pendaftaran bagi menyertai pertandingan sukan		
	d) Bayaran yuran keahlian gimnasium atau yuran latihan sukan		
C7	Pembelian peralatan penyusuan ibu untuk kegunaan diri sendiri bagi anak berumur 2 tahun dan ke bawah (Terhad sekali setiap 2 tahun taksiran)	1,000	<input type="text"/>
C8	Yuran penghantaran anak berumur 12 tahun dan ke bawah ke taman asuhan kanak-kanak / Tadika/ pusat jagaan harian/ pusat transit yang berdaftar.	3,000	<input type="text"/>
C9	Tabung bersih dalam Skim Simpanan Pendidikan Nasional	8,000	<input type="text"/>
C10	Bayaran alimoni kepada bekas isteri	4,000	<input type="text"/>
C11	Insuran nyawa / KWSP Sukarela		
	a) KWSP Sukarela (Terhad RM4,000 termasuk KWSP wajib)	<input type="text"/> <input type="text"/>	<input type="text"/>
	b) Insuran Nyawa / KWSP Sukarela (Terhad RM3,000)		
C12	Skim persaraan swasta dan anuiti tertanggung	3,000	<input type="text"/>
C13	Insurans pendidikan dan perubatan	4,000	<input type="text"/>
C14	Concomitant kepada PERKESO mengikut Akta Keselamatan Sosial Pekerja 1969 / Akta Sistem Insurans Pekerjaan 2017	350	<input type="text"/>
C15	Perbelanjaan bayaran pemasangan,sewaan,pembelian termasuk sewa beli peralatan atau langganan bagi penggunaan kemudahan pengecasan kenderaan elektrik bagi kenderaan sendiri/Pembelian mesin kompos sisa makanan bagi kegunaan isi rumah (Terhad sekali setiap 3 tahun taksiran)/Pembelian & pemasangan mesin rincih sisa makanan & OCTV bagi kegunaan isi rumah (Terhad sekali setiap 2 tahun taksiran)	2,500	<input type="text"/>
C16	Bayaran faedah pinjaman rumah kediaman pertama (perlu penuhi syarat kelayakan)		
	a) Harga rumah sehingga RM500,000	7,000	<input type="text"/>
	b) Harga rumah melebihi RM500,000 hingga RM750,000	5,000	<input type="text"/>
C17	Bayaran fi kemasukan ke pusat pelancongan dan program kebudayaan / kesenian bagi pelancongan dalam negara.	1,000	<input type="text"/>

BAHAGIAN D: REBAT

D1	a) Zakat selain yang dibayar melalui potongan daripada gaji bulanan	<input type="text"/>
	b) Levi pelepasan bagi perjalanan umrah / perjalanan bagi tujuan keagamaan (Terhad 2 kali tuntutan seumur hidup)	<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:

Tandatangan:

BAHAGIAN F: PERSETUJUAN MAJIKAN

Pemohonan tuntutan pekerja di atas adalah dipersetujui bagi potongan BULAN: TAHUN:

Tarikh :
 Nama :
 Jawatan :

BORANG PCB/TP3 (1/2026)

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 ini ditetapkan di bawah seksyen 152 Akta Cukai Pendapatan (ACP) 1967

BAHAGIAN A: MAKLUMAT MAJIKAN

A1 Nama Majikan Terdahulu 1 :
 A2 No. Pengenalan Cukai (TIN) :
 A3 Nama Majikan Terdahulu 2 :
 A4 No. Pengenalan Cukai (TIN) :
 *Sila gunakan lampiran tambahan bagi majikan seterusnya

BAHAGIAN B: MAKLUMAT INDIVIDU

B1 Nama :
 B2 No. Kad Pengenalan/Pasport :
 B3 No. Pengenalan Cukai (TIN) :

BAHAGIAN C: MAKLUMAT SARAAN / KWSP / ZAKAT / PCB (Sila nyatakan jumlah keseluruhan daripada majikan-majikan terdahulu)

		AMAUN TERKUMPUL (RM)
C1	Jumlah saraan kasar bulanan dan saraan tambahan termasuk elaun / perkuisit / pemberian / Manfaat yang dikenakan cukai	<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	<input type="text"/>
	ii) Elaun penjagaan anak	<input type="text"/>
	iii) Produk yang dikeluarkan oleh pemiagaan majikan yang diberi secara percuma atau diberi pada harga diskaun	<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	<input type="text"/>
	v) Lain - lain elaun/ perkuisit/ pemberian/ manfaat yang dikecualikan cukai. *Sila rujuk nota penerangan Borang BE	<input type="text"/>
C3	Jumlah caruman KWSP atau Kumpulan Wang Lain Yang Diluluskan ke atas semua saraan (Saraan bulanan dan saraan tambahan)	<input type="text"/>
C4	i) Jumlah Zakat	<input type="text"/>
	ii) Levi pelepasan bagi perjalanan umrah / perjalanan tujuan keagamaan agama lain (Terhad 2 kali tuntutan seumur hidup)	<input type="text"/>
C5	Jumlah PCB (tidak termasuk CP38)	<input type="text"/>

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

		HAD TAHUNAN (RM)	POTONGAN TERKUMPUL (RM)
D1	Perbelanjaan untuk ibu bapa / datuk nenek:		
	a) Rawatan perubatan, keperluan khas dan perkhidmatan penjagaan	8,000	<input type="text"/>
	b) Rawatan pergigian		
	c) Pemeriksaan perubatan penuh termasuk kos pemvaksinan (Terhad RM1,000)		
D2	Peralatan sokongan asas untuk kegunaan diri sendiri / pasangan / anak / ibu bapa yang kurang upaya	6,000	<input type="text"/>
D3	Yuran pengajian (diri sendiri):		
	a) Peringkat selain Sarjana / Doktor Falsafah – Bidang undang-undang/ perakaunan/kewangan islam/teknikal/vokasional/ industri/ saintifik / teknologi	7,000	<input type="text"/>
	b) Peringkat Sarjana/ Doktor Falsafah – sebarang bidang atau kursus pengajian		
	c) Kursus peningkatan kemahiran atau kemajuan diri (Terhad RM2,000)		
D4	Perbelanjaan rawatan perubatan bagi:		
	a) Penyakit serius ke atas diri sendiri / pasangan / anak	10,000	<input type="text"/>
	b) Rawatan kesuburan ke atas diri sendiri / pasangan		
	c) Pemvaksinan ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	d) Pemeriksaan atau rawatan pergigian ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	e) Pemeriksaan perubatan penuh, pemeriksaan kesihatan mental atau Konsultasi, fi bayaran ujian pengesanan penyakit dan pembelian peralatan pemeriksaan kesihatan sendiri (Bukan untuk kegunaan perniagaan) ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
	f) Penilaian bagi tujuan diagnosis, program Intervensi awal atau rawatan pemulihan bagi anak kurang upaya pembelajaran berumur 18 tahun dan ke bawah (Terhad RM10,000)		
D5	Gaya hidup – Perbelanjaan untuk kegunaan diri sendiri /pasangan/anak bagi:		
	a) Pembelian atau langganan buku / jurnal / majalah / surat khabar / lain-lain penerbitan seumpamanya (Bukan bahan bacaan terlarang)	2,500	<input type="text"/>
	b) Pembelian komputer peribadi / telefon pintar / tablet (Bukan untuk kegunaan perniagaan)		
	c) Bayaran bil bulanan untuk langganan internet (Atas nama sendiri)		
	d) Bayaran kursus peningkatan kemahiran atau kemajuan diri		
D6	Gaya hidup – Perbelanjaan berkaitan sukan bagi kegunaan diri sendiri/pasangan/ anak/ ibu bapa bagi:		
	a) Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997	1,000	<input type="text"/>
	b) Bayaran sewa atau fi kemasukan ke fasiliti sukan		
	c) Bayaran fi pendaftaran bagi menyertai pertandingan sukan		
	d) Bayaran yuran keahlian gimnasium atau yuran latihan sukan		
D7	Pembelian peralatan penyusuan ibu untuk kegunaan diri sendiri bagi anak berumur 2 tahun dan ke bawah (Terhad sekali setiap 2 tahun taksiran)	1,000	<input type="text"/>
D8	Yuran penghantaran anak berumur 12 tahun dan ke bawah ke taman asuhan kanak-kanak / Tadika/ pusat jagaan harian/ pusat transit yang berdaftar	3,000	<input type="text"/>
D9	Tabungan bersih dalam Skim Simpanan Pendidikan Nasional	8,000	<input type="text"/>

		HAD TAHUNAN (RM)	POTONGAN TERKUMPUL (RM)
D10	Bayaran alimoni kepada bekas isteri	4,000	<input type="text"/>
D11	Insuran nyawa / KWSP Sukarela		
	a) KWSP Sukarela (Terhad RM4,000 termasuk KWSP wajib)	7,000	<input type="text"/>
	b) Insuran nyawa / KWSP Sukarela (Terhad RM3,000)		
D12	Skim persaraan swasta dan anuiti tertanggung	3,000	<input type="text"/>
D13	Insurans pendidikan dan perubatan	4,000	<input type="text"/>
D14	Caruman kepada PERKESO mengikut Akta Keselamatan Sosial Pekerja 1969 / Akta Sistem Insurans Pekerjaan 2017	350	<input type="text"/>
D15	Perbelanjaan bayaran pemasangan/sewaan/pembelian termasuk sewa-beli peralatan atau langganan bagi penggunaan kemudahan pengecasan kenderaan elektrik bagi kenderaan sendiri / Pembelian mesin kompos sisa makanan bagi kegunaan isi rumah (terhad sekali setiap 3 tahun taksiran) / Pembelian dan pemasangan mesin rincihsis makanan & CCTV bagi kegunaan isi rumah (Terhad sekali setiap 2 tahun taksiran)	2,500	<input type="text"/>
D16	Bayaran faedah pinjaman rumah kediaman pertama (perlu penuhi syarat kelayakan)		
	a) Harga rumah sehingga RM500,000	7,000	<input type="text"/>
	b) Harga rumah melebihi RM500,000 hingga RM750,000	5,000	<input type="text"/>
D17	Bayaran fi kemasukan ke pusat pelancongan dan program kebudayaan / kesenian bagi pelancongan dalam negara	1,000	<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:

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 HASIL.

Sila rujuk Nota Penerangan TP3 untuk maklumat lanjut pengisian.

PENYATA BAYARAN CUKAI OLEH MAJIKAN

PCB 2(II)-Pin. 2012

Kepada:

Tarikh: _____

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

Tuan,

Potongan Cukai Yang Dibuat Dalam Tahun _____

Nama Pekerja _____

No. Kad Pengenalan/No. Passport _____

No. Pengenalan Cukai Pekerja (IG) _____

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 _____

SPECIFICATION FORMAT FOR MTD TEXT FILE DATA

File name of text file data : xxxxxxxxxxxmm_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	53	57	5	Num	Right justify with zeroes

Transaction Record Length = 57

Transaction record (Details):

No	Field Name	Start	End	Length	Type	Notes
10	Record Type	1	1	1	Alphabet	D - 'Detail'
11	Tax Identification Number	2	12	11	Num	Left justify with zeroes (Please complete with 11 digits IG 531367080 to be filled as 00531367080)
12	Employee's Name	13	72	60	Alphabet	Left justify with spaces
13	Old IC No.	73	84	12	Alphanumeric	A valid Old IC No. or just leave it blank if not applicable
14	New IC No.	85	96	12	Num	A valid New IC No. (without '-') or just leave it blank if not applicable
15	Passport No.	97	108	12	Alphanumeric	Left justify or just leave it blank if not applicable
16	Country Code	109	110	2	Alphabet	Refer to Country Code list
17	MTD Amount	111	118	8	Num	Right justify with zeroes and with 2 decimal point
18	CP38 Amount	119	126	8	Num	Right justify with zeroes and with 2 decimal point
19	Employee No. or Salary No.	127	136	10	Alphanumeric	Left justify

Transaction Record Length = 136

EXAMPLE OF CALCULATION

MTD Calculation for January 2025

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

Monthly normal remuneration for January	= RM5,500.00	
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

$$\begin{aligned}
 K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme for the balance of the} \\
 &\text{qualifying month} \\
 &= [\text{RM4,000.00 (limited)} - (K + K_1 + K_t)] / n \text{ or } K_t, \text{ whichever is lower} \\
 &= [\text{RM4,000.00} - (\text{RM0.00} + \text{RM605.00} + \text{RM0.00})] / 11 \\
 &= \text{RM 308.63}
 \end{aligned}$$

$$\begin{aligned}
 \text{*Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq \text{RM 4,000.00 (limit)} \\
 &= \text{RM0.00} + \text{RM605.00} + \text{RM0.00} + (\text{RM308.63} \times 11) \leq \text{RM 4,000.00 (limit)} \\
 &= \text{RM605.00} + \text{RM3,394.93} \leq \text{RM 4,000.00 (limit)} \\
 &= \text{RM3,999.93} \leq \text{RM 4,000.00 (limit)}
 \end{aligned}$$

where; $n = 11$

$$\begin{aligned}
 P &= [\sum (Y - K^*) + (Y_1 - K_t^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)^{**}] - [D + S + 2000C + (\sum LP + LP_t)] \\
 &\text{Where } (Y_t - K_t) = 0 \\
 &= [\sum (\text{RM0.00} - \text{RM0.00}) + (\text{RM5,500.00} - \text{RM605.00}^*) + [(\text{RM5,500.00} - \text{RM308.63}^*) \times 11] + (\text{RM0.00} \\
 &\quad + \text{RM0.00})^{**}] - [\text{RM9,000.00} + \text{RM0.00} + \text{RM2,000.00}(3) + (\text{RM0.00} + \text{RM0.00})] \\
 &= [[\text{RM4,895.00}] + [(\text{RM5,191.37} \times 11)] - [\text{RM9,000.00} + \text{RM6,000.00}] \\
 &= \text{RM 4,895.00} + \text{RM57,105.07} - \text{RM15,000.00} \\
 &= \text{RM47,000.07}
 \end{aligned}$$

[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 Table 1 above.

$$\begin{aligned}
 \text{MTD for current month} &= \frac{[(P - M) \times R + B]}{n + 1} - \frac{(Z + X)}{n + 1} \\
 &= \frac{[\text{RM47,000.07} - \text{RM35,000.00}] \times 6\% + \text{RM600.00} - (\text{RM0.00} + \text{RM0.00})}{11 + 1} \\
 &= \text{RM110.00}
 \end{aligned}$$

MTD Calculation for February 2025

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 – RM110

[A] Determine category of employee

Category 3 / KA3

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

Firstly determine value K_2

$$\begin{aligned} K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium} \\ &\text{for the qualifying monthly balance} \\ &= [[RM4,000.00 \text{ (limited)} - (K + K_1 + K_t) / n] \text{ or } K_1, \text{ whichever is lower} \\ &= [[RM4,000.00 - (RM605.00 + RM605.00 + RM0.00)] / 10] \\ &= RM 279.00 \end{aligned}$$

$$\begin{aligned} \text{*Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq RM 6,000.00 \text{ (limit)} \\ &= RM605.00 + RM605.00 + RM0.00 + (RM279.00 \times 10) \leq RM 4,000.00 \text{ (limit)} \\ &= RM605.00 + RM605.00 + RM2,790.00 \leq RM 4,000.00 \text{ (limit)} \\ &= RM4,000.00 \leq RM 4,000.00 \text{ (limit)} \end{aligned}$$

where; $n = 10$

$$\begin{aligned} P &= [(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)^{**}] - [D + S + 2000C + (\sum LP + LP_1)] \\ &\text{Where } (Y_t - K_t) = 0 \\ &= [(RM5,500.00 - RM605.00^*) + (RM5,500.00 - RM605.00^*) + [(RM5,500.00 - RM279.00^*) \times 10] + (RM0.00 + \\ &\quad RM0.00)^{**}] - [RM9,000.00 + RM0.00 + RM2,000.00(3) + (RM0.00 + RM0.00)] \\ &= [RM4,895.00] + RM4,895.00 + [(RM5,221.00 \times 10)] - [RM9,000.00 + RM6,000.00] \\ &= RM 4,895.00 + RM4,895.00 + RM52,210.00 - RM15,000.00 \\ &= RM47,000.00 \end{aligned}$$

[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.

$$\begin{aligned} \text{MTD for current month} &= \frac{[(P - M) \times R + B]}{n + 1} - (Z + X) \\ &= \frac{(RM47,000.00 - RM35,000.00) \times 6\% + RM600.00 - (RM0.00 + RM110.00)}{10 + 1} \\ &= \text{RM110} \end{aligned}$$

MTD Calculation for Mac 2025

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	= RM200.00
	<u>RM300.00</u>
MTD paid	= January until February – RM220.00

[A] Determine category of employee

Category 3 / KA3

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

Firstly determine value K_2

$$\begin{aligned}
 K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the qualifying monthly balance} \\
 &= [[RM4,000.00 \text{ (limited)} - (K + K_1 + K_t)] / n] \text{ or } K_1, \text{ whichever is lower} \\
 &= [[RM4,000.00 - (RM605.00 \times 2) + RM605.00 + RM0] / 9] \\
 &= RM 242.77
 \end{aligned}$$

$$\begin{aligned}
 *Total EPF &= K + K_1 + K_t + (K_2 \times n) \leq RM 6,000.00 \text{ (limit)} \\
 &= (RM605.00 \times 2) + RM605 + RM0 + (RM242.77 \times 9) \leq RM 4,000.00 \text{ (limit)} \\
 &= RM1,210.00 + RM605.00 + RM2,184.93 \leq RM 4,000.00 \text{ (limit)} \\
 &= RM3,999.93 \leq RM 4,000.00 \text{ (limit)} \\
 &\text{where; } n = 9
 \end{aligned}$$

$$\begin{aligned}
 P &= [\sum (Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 2000C + (\sum LP + LP_1)] \\
 &\text{Where } (Y_t - K_t) = 0 \\
 &= [(RM11,000.00 - RM1,210.00) + (RM5,500.00 - RM605.00^*) + [(RM5,500.00 - RM242.77^*) \times 9] + (RM0.00 + RM0.00)^{**}] - [RM9,000.00 + RM0.00 + RM2,000.00(3) + (RM0.00 + RM300.00)] \\
 &= [RM9,790.00 + RM4,895.00 + [(RM5,257.23 \times 9)]] - [RM9,000.00 + RM6,000.00 + RM300.00] \\
 &= RM62,000.07 - RM15,300.00 \\
 &= RM46,700.07
 \end{aligned}$$

[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.

$$\begin{aligned}
 \text{MTD for current month} &= \frac{[(P - M) \times R + B]}{n + 1} = \frac{(Z + X)}{n + 1} \\
 &= \frac{[RM46,700.07 - RM35,000.00] \times 6\% + RM600.00 - (RM0.00 + RM220.00)}{9 + 1} \\
 &= RM108.20
 \end{aligned}$$

MTD Calculation for April 2025 (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 deduction i) Purchase of sport equipment	= RM100.00	
ii) Expenses for SSPN	= RM200.00	
	<u>RM300.00</u>	
MTD paid	= January until March – RM328.20	
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

$$\begin{aligned}
 K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the balance of the qualifying month} \\
 &= [[RM4,000.00 (\text{limited}) - (K + K_1 + K_t)] / n] \text{ or } K_1, \text{ whichever is lower} \\
 &= [[RM4,000.00 - (RM605.00 \times 3) + RM605.00 + RM0.00] / 8] \\
 &= RM 197.50
 \end{aligned}$$

$$\begin{aligned}
 \text{*Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq RM 6,000.00 (\text{limit}) \\
 &= (RM605.00 \times 3) + RM605.00 + RM0.00 + (RM197.50 \times 8) \leq RM 4,000.00 (\text{limit}) \\
 &= RM1,815.00 + RM605.00 + RM1,580.00 \leq RM 4,000.00 (\text{limit}) \\
 &= RM4,000.00 \leq RM 4,000.00 (\text{limit})
 \end{aligned}$$

where; $n = 8$

$$\begin{aligned}
 P &= [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^{**})] - [D + S + 2000C + (\sum LP + LP_1)] \\
 \text{Where; } (Y_t - K_t) &= 0 \\
 &= (RM16,500.00 - RM1,815.00^*) + (RM5,500.00 - RM605.00^*) + [(RM5,500.00 - RM197.50^*) \times 8] + (RM0.00 + RM0.00) \\
 &= [RM14,685.00 + RM4,895.00 + RM42,420.00] - [RM9,000.00 + RM6,000.00 + RM300.00 + RM300.00] \\
 &= RM62,000.00 - RM15,600.00 \\
 &= RM46,400.00
 \end{aligned}$$

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

$$\begin{aligned} \text{MTD for current month} &= \frac{[(P - M) \times R + B] - (Z + X)}{n + 1} \\ &= \frac{[\text{RM}46,400.00 - \text{RM}35,000.00] \times 6\% + \text{RM}600.00 - (\text{RM}0.00 + \text{RM}328.20)}{8 + 1} \\ &= \text{RM}106.20 \end{aligned}$$

[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.

$$\begin{aligned} \text{Net MTD} &= \text{MTD for current month} - \text{zakat for current month} \\ &= \text{RM}106.20 - \text{RM}0.00 \\ &= \text{RM}106.20 \end{aligned}$$

[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.

$$\begin{aligned} \text{Total MTD for a year} &= X + [\text{Step [C]} \times (n + 1)] \\ &= \text{RM}328.20 + [(\text{RM}106.20 \times (8 + 1))] \\ &= \text{RM}328.20 + \text{RM}955.80 \\ &= \text{RM}1,284.00 \end{aligned}$$

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

$$\begin{aligned} K_2 &= \text{Estimated balance of total contribution to EPF or other Approved Scheme and life insurance premium for the qualifying monthly balance} \\ &= [[\text{RM}4,000.00 \text{ (limited)} - (K + K_1 + K_t)] / n] \text{ or } K_1, \text{ whichever is lower} \\ &= [[\text{RM}4,000.00 - (\text{RM}605.00 \times 3) + \text{RM}605.00 + \text{RM}908.00] / 8] \\ &= \text{RM } 84.00 \end{aligned}$$

$$\begin{aligned}
 \text{*Total EPF} &= K + K_1 + K_t + (K_2 \times n) \leq \text{RM } 6,000.00 \text{ (limit)} \\
 &= (\text{RM}605.00 \times 3) + \text{RM}605.00 + \text{RM}908.00 + (\text{RM}84.00 \times 8) \leq \text{RM } 4,000.00 \text{ (limit)} \\
 &= \text{RM}1,815.00 + \text{RM}605.00 + \text{RM}908.00 + \text{RM}672.00 \leq \text{RM } 4,000.00 \text{ (limit)} \\
 &= \text{RM}4,000.00 \leq \text{RM } 4,000.00 \text{ (limit)}
 \end{aligned}$$

$$\begin{aligned}
 P &= [\sum (Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 2000C + (\sum LP + LP_1)] \\
 &= [(\text{RM}16,500.00 - \text{RM}1,815.00^*) + (\text{RM}5,500.00 - \text{RM}605.00^*) + [(\text{RM}5,500.00 - \text{RM}84.00^*) \times 8] + \\
 &\quad (\text{RM}8,250.00 - \text{RM}908.00)] - [\text{RM}9,000.00 + \text{RM}0.00 + \text{RM}2,000.00(3) + (\text{RM}300.00 + \text{RM}300.00)] \\
 &= [\text{RM}14,685.00 + \text{RM}4,895.00 + \text{RM}43,328.00 + \text{RM}7,342.00] - [\text{RM}9,000.00 + \text{RM}0.00 + \text{RM}6,000.00 \\
 &\quad + \text{RM}600.00] \\
 &= \text{RM } 70,250.00 - \text{RM}15,600.00 \\
 &= \text{RM}54,650.00
 \end{aligned}$$

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.

$$\begin{aligned}
 \text{Total tax for a year} &= (P - M) \times R + B \\
 &= (\text{RM}54,650.00 - \text{RM}50,000.00) \times 11\% + \text{RM}1,500.00 \\
 &= \text{RM}2,011.50
 \end{aligned}$$

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	3	-250	-650
35,001 - 50,000	35,000	6	600	600
50,001 - 70,000	50,000	11	1,500	1,500
70,001 - 100,000	70,000	19	3,700	3,700
100,001 - 400,000	100,000	25	9,400	9,400
400,001 - 600,000	400,000	26	84,400	84,400
600,001 - 2,000,000	600,000	28	136,400	136,400
Exceeding 2,000,000	2,000,000	30	528,400	528,400

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

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

$$\begin{aligned}
 &= \text{RM}2,011.50 - [\text{RM}1,284.00 + \text{RM}0.00] \\
 &= \text{RM}727.50
 \end{aligned}$$

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) = RM106.20 + RM727.50 = RM 833.70 ≈ RM 833.70
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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.