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AMENDMENT TO:

**SPECIFICATION FOR
MONTHLY TAX DEDUCTION (MTD)
CALCULATIONS USING
COMPUTERISED CALCULATION
FOR
2024**

Updated : 12 January 2024

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

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

B. PROCEDURE FOR VERIFICATION OF COMPUTERISED 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 computerised payroll system provided by software providers/employers *who complied with the MTD calculation specifications (from year 2012 to 2023)* **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 COMPUTERISED CALCULATION METHOD FOR YEAR 2024

Notice:

All software providers/employers who obtained verification for MTD from year 2012 to 2023 should apply the amendment to the specification for MTD Computerised Calculations pursuant to Budget 2024 to their payroll system without obtaining further verification for MTD 2024 from IRBM.

This amendment provides clarification in relation to Budget 2024. Amendments for computerised calculation method of Monthly Tax Deduction (MTD) 2024 are as follows:

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

Current Treatment

Presently, a resident individual taxpayer is eligible to claim up to RM8,000 on expenditures of medical treatment, special needs and carer expenses incurred on parents.

Medical treatment includes limited dental treatment to extracting teeth, filling teeth and cleaning tartar but does not include cosmetic treatments such as replacing and repairing teeth involving consolidation, root canals and dentures.

Proposal

It is proposed that the scope for dental treatment is expanded to include all types of examination and treatment expenses for dentistry including false teeth, root canal and treatment for replacement and repair teeth.

Dental treatment performed in Malaysia must be certified by a dental practitioner registered with the Dental Council Malaysia and supported by an official receipt.

In addition, the scope of this tax relief is expanded to include full medical examination for parents limited to up to RM1,000. The total amount of the deduction under paragraph 46(1)(c) shall not exceed RM8,000.

Effective Date:

From year of assessment 2024

2. EXTENSION OF EDUCATION FEES (SELF) FOR UP-SKILLING AND SELF-ENHANCEMENT COURSE FEE

Current Treatment

From year of assessment 2021, resident individuals attending the course up-skilling or self-enhancement to improve skills or self-advance in any skill area recognized by Director General of Skills Development under the Act National Skills Development 2006 [Act 652] can make deduction claim for tuition fees is limited to RM1,000 for every assessment year. The individual exemption limit for up-skilling or self-enhancement course fees is increased from RM1,000 to RM2,000 per year 2022 assessment and 2023 assessment year.

Proposal

It is proposed that the period for deduction on the expenses of fees attending up-skilling courses or self-enhancement to advance oneself in any field skills recognized by the Director General of Skills Development under the National Skills Development Act 2006 [Act 652] extended for three (3) years from assessment year 2024 to assessment year 2026.

Effective Date:

From year of assessment 2024 to 2026

3. EXPANSION OF TAX RELIEF ON MEDICAL EXPENSES FOR INSPECTION AND DENTAL TREATMENT

Current Treatment

The Current provisions allow tax relief to individuals up to RM10,000 for medical expenses that cover:

- (a) serious illness on an individual, spouse or child;
- (b) fertility treatment on individuals or couples;
- (c) vaccination of individuals, spouses or children, limited to RM1,000;
- (d) full medical examination including mental health and COVID-19 detection tests as well as the purchase of self-test kits on individuals, spouses or children, limited to RM1,000; and
- (e) cost of examination and rehabilitation treatment for disabled children learning such as Autism, Down Syndrome and Specific Learning Disabilities is limited to RM4,000.

Proposal

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

Effective Date:

From year of assessment 2024

4. EXPANSION OF TAX RELIEF ON LIFESTYLE FOR SELF-ENRICHMENT COURSE FEE

Current Treatment

The existing provision gives tax relief under para 46(1)(p) to individuals as follows:

- (a) purchase or subscription of books, journals, magazines, newspapers and other publications for the purpose of increasing knowledge for own use or wife/husband or child;
- (b) purchase of a personal computer, smartphone or tablet for own use or wife/husband or child;
- (c) purchase of sports equipment for any sports activity below Sports Development Act 1997 [Act 576] (excl motorized two-wheeled bicycles) and gym membership fees for own use or wife/husband or child; and
- (d) Internet subscription fee expenses for personal use or wife/husband or child.

Purchases or expenses must be proven with receipts of payment. The amount of deduction allowed is limited to RM2,500

Proposal

Income tax relief for restructured lifestyles and amended as follows:

- (a) claims for the purchase of sports equipment and membership fees for gyms are **excluded** from this provision. However, these expenses can be claimed under paragraph 46(1)(u).
- (b) the exemption for lifestyle is also expanded in scope to cover self-enrichment course fees.

Amount of deduction allowed deduction allowed is limited to RM2,500.

Expenses for self-enrichment course fees under lifestyle do not need to be registered or recognized by any Government body. Adequate expenses are proven by a receipt issued by the course provider. An intended course is a course which taxpayers are encouraged to study skills that are not related to the job such as the course related to hobbies, religion or language.

Effective Date:

From year of assessment 2024

5. INCREASE TAX RELIEF LIFESTYLE FOR THE PURCHASE OF SPORTS EQUIPMENT, RENTAL/ENTRY FEES FOR SPORTS FACILITIES AND REGISTRATION FEES IN SPORTS COMPETITIONS.

Current Treatment

The existing provision gives tax relief up to RM500 to individuals for the purchase of sports equipment for any activity sports under the Sports Development Act 1997 [Act 576] (not including motorized two-wheeled bicycles), rental fees or fees admission to any sports facility and registration fee payment for participation in any sports competition which the organizer approved and licensed by the Sports Commissioner.

Purchases or expenses must be for personal use or wife/husband or child and evidenced by a payment receipt. The amount allowed for deduction is limited to RM500. The amount of this deduction does not include the amount of the deduction that has been claimed under paragraph 46(1)(p)

Proposal

Income tax relief for structured sports equipment and activities revised and amended as follows:

(a) allowed claim limit increased from RM500 to RM1,000.

(b) the amount of expenditure allowed is:

(i) purchase of sports equipment for any sports activity under the Sports Development Act 1997 [Act 576] (not including motorized two-wheeled bicycles);

(ii) rental fees or entry fees to sports facilities;

(iii) payment of the registration fee to participate in the competition; and

(iv) gym membership fees or sports training

Effective Date:

From year of assessment 2024

6. EXTENSION OF TAX RELIEF FOR ELECTRIC VEHICLE (EV) CHARGING FACILITY PAYMENT EXPENSES

Current Treatment

The existing provision gives tax relief up to RM2,500 to the individual on the amount spent by him for electric vehicle (EV) charging facility fees such as the following:

(a) EV charging device installation cost;

(b) purchase including hire purchase of charging equipment EV;

(c) rental of EV charging equipment; or

(d) EV charging facility subscription fee.

The EV must be used by the individual claiming for the purpose of personal and not for business. Tax relief is granted for assessment year 2022 and assessment year 2023 must be proved with a payment receipt issued in the name of an individual who make a claim for relief.

Proposal

It is proposed that the period on tax relief for EV charging facility fees to be extend for another four (4) years starting from the assessment year 2024 to the assessment year 2027.

Effective Date:

From year of assessment 2024 to 2027

In line with the Budget 2024 as above, there is no amendment to the MTD formula. However, there are some amendments of deduction items on **Form TP1(2023)** and **TP3(2023)** as proposed below:

1. Form TP1(2023)

i) Deletion of item C5 (c)

C5	Gaya Hidup – Perbelanjaan untuk kegunaan / manfaat diri / pasangan / anak bagi:		
a)	Pembelian atau langganan buku / jurnal / majalah / surat khabar / lain- lain penerbitan seumpamanya (Bukan bahan bacaan terlarang)	<input type="text"/>	} 2,500
b)	Pembelian komputer peribadi / telefon pintar / tablet (Bukan untuk kegunaan perniagaan)	<input type="text"/>	
c)	Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997 dan bayaran keahlian gimnasium	<input type="text"/>	
d)	Bayaran bil bulanan untuk langganan internet (Atas nama sendiri)	<input type="text"/>	

2. Form TP3 (2023)

i) Deletion of item D5 (c)

D5	Gaya Hidup – Perbelanjaan untuk kegunaan / manfaat diri / pasangan / anak bagi:		
a)	Pembelian atau langganan buku / jurnal / majalah / surat khabar / lain- lain penerbitan seumpamanya (Bukan bahan bacaan terlarang)	<input type="text"/>	} 2,500
b)	Pembelian komputer peribadi / telefon pintar / tablet (Bukan untuk kegunaan perniagaan)	<input type="text"/>	
c)	Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997 dan bayaran keahlian gimnasium	<input type="text"/>	
d)	Bayaran bil bulanan untuk langganan internet (Atas nama sendiri)	<input type="text"/>	

D. MONTHLY TAX DEDUCTION (MTD) FOR COMPUTERISED 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 2023.

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 **20 and 21** 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 categorised into five (5) formulas. The employer may change the category of remuneration based on the approval from the IRBM. The formulas are:

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

1. COMPUTERISED CALCULATION FOR NORMAL REMUNERATION

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

- If the employee has no salary and only receives a commission, the commission paid is considered as remuneration.
- If the monthly salary is paid on a daily or hourly basis, the total monthly salary paid is considered as remuneration.
- If the monthly salary changes due to the change in currency values, the total monthly salary paid is also considered as remuneration.

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

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

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

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

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;

ΣLP	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. COMPUTERISED CALCULATION FOR ADDITIONAL REMUNERATION

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

Such additional remuneration includes:

- bonus/incentive
- arrears of salary or any other arrears paid to an employee
- employee's share option scheme (if employee opts for MTD deduction)

- tax borne by employer
- gratuity
- compensation for loss of employment
- ex-gratia
- director's fee (not paid monthly)
- commissions (not paid monthly)
- 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. COMPUTERISED 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. COMPUTERISED 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
 $\sum(Y - K)$ 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;

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. COMPUTERISED 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 computerised 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 <i>zakat</i> /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 computerised 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 center 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>Subsidised interest for housing, education or car loan is fully exempted from tax if the total amount of loan taken in aggregate does not exceed RM300,000.</p> <p>If the total amount of loan exceeds RM300,000, the amount of subsidised 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 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="text-align: center; width: 60%;"><u>In circumstances where</u></th> <th style="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;">3</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;">7</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 = RM6,000 (considered with 3 children)</i></p> <p><i>*Disabled child - 18 years and above and studying (diploma or higher) = RM14,000 (considered with 7 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.	3	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.	7	
<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											
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Disabled child as certified by the Department of Social Welfare.	3											
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.	7											
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 RM6,000 is allowed if the individual is a disabled person.	6,000.00
f.	Disabled Husband / Wife An further deduction of RM5,000 is given in respect of a disabled husband / wife.	5,000.00

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</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> <ul style="list-style-type: none"> i. medical care and treatment provided by a nursing home; and ii. dental treatment limited to tooth extraction, filling, scaling and cleaning. 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 this tax relief is expanded to include full medical examination for parents limited up to RM1,000</p> <p>The parents shall be resident in Malaysia. The medical treatment and care services are provided in Malaysia.</p> <p>In the case of carer, shall be proved by a written certification, receipt or copy of carer's work permit. "Carer" shall not include that individual, husband, wife or the child of that individual.</p>	8,000.00

	Reliefs	Amount limited to (RM)
	The claim must be supported by a certified medical practitioner registered with the Malaysian Medical Council that the medical conditions of the parents require medical treatment or special needs or carer.	
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 haemodialysis machine, wheel chair, artificial leg and hearing aid but exclude optical lenses and spectacles.</p>	6,000.00
c.	<p>Higher Education Fees (Self)</p> <p>Payment of annual fee limited to 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

	Reliefs	Amount limited to (RM)
d.	<p>Medical Expenses on Serious Diseases</p> <p>Medical expenses on serious diseases include the treatment of acquired immune deficiency syndrome (AIDS), Parkinson’s disease, cancer, renal failure, 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 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 	10,000.00

	<p>Vaccination</p> <p>Income tax relief on medical treatment expenses be expanded to include vaccination expenses up to a maximum of RM1,000 for taxpayer, spouse and child.</p> <p>Medical Expenses on Diagnosis, Early Intervention & Rehabilitation</p> <p>Medical expenses on assessment for the purpose of diagnosis, early intervention programs or rehabilitation treatment for children with learning disabilities</p> <p>Intervention expenditure for Autism, Attention Deficit Hyperactivity Disorder (ADHD), Global Developmental Delay (GDD), Intellectual Disability, Down Syndrome and Specific Learning Disabilities, limited to RM4,000 as below:</p> <ul style="list-style-type: none"> 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 <p>Examination and Dental Treatment Expenses</p> <p>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.</p>	
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	Reliefs	Amount limited to (RM)						
e.	<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. The allowable deduction is limited to the net amount deposited in that basis year only.</p> <p>Example:</p> <p><u>For the year 2023</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.							
f.	<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)
g.	<p>Life Insurance</p> <p>Total relief for 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. <p>The total relief for the above should not exceed RM7,000.</p>	7,000.00
h.	<p>Private Retirement Scheme (PRS) and Deferred Annuity</p> <p>This deduction is effective from the Year of Assessment 2012 until 2025.</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
i.	<p>Education and Medical Insurance</p> <p>A deduction not exceeding RM3,000.00 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 RM3,000 for an individual and RM3,000 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 RM3,000.</p>	3,000.00

	Reliefs	Amount limited to (RM)
j.	<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
k.	<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.</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 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 addition 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 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. 	2,500.00

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-Data PCB. Employer can register to use the e-Data PCB at <https://eapps.hasil.gov.my/>.

BORANG PCB/TP1 (1/2024)

LEMBAGA HASIL DALAM NEGERI MALAYSIA
BORANG TUNTUTAN POTONGAN DAN REBAT INDIVIDU BAGI TUJUAN POTONGAN CUKAI BULANAN (PCB)
KAEDAH-KAEDAH CUKAI PENDAPATAN (POTONGAN DARIPADA SARAAAN) 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) :
 B4 No. Pekerja / Gaji :

BAHAGIAN C: MAKLUMAT POTONGAN

	HAD TAHUNAN (RM)	POTONGAN	
		SEMASA (RM)	TERKUMPUL (RM)
C1 Perbelanjaan untuk ibu bapa:			
a) Rawatan perubatan, keperluan khas dan perkhidmatan penjagaan	8,000		
b) Rawatan pergigian			
c) Pemeriksaan perubatan penuh (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 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 dan rawatan pergigian ke atas diri sendiri / pasangan / anak (Terhad RM1,000)			
e) Pemeriksaan perubatan penuh, ujian pengesanan COVID-19 termasuk pembelian kit ujian sendiri, pemeriksaan kesihatan mental atau konsultasi 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 RM4,000)			
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 bagi:					
	a) Pembelian peralatan sukan untuk aktiviti sukan mengikut Akta Pembangunan Sukan 1997	<input type="text"/>	}	1,000	<input type="text"/>	<input type="text"/>
	b) Bayaran sewa atau fi kemasukan ke fasiliti sukan	<input type="text"/>				
	c) Bayaran fi pendaftaran bagi menyertai pertandingan sukan	<input type="text"/>				
	d) Bayaran yuran keahlian gimnasium atau yuran latihan sukan	<input type="text"/>				
C7	Pembelian peralatan penyusuan ibu untuk kegunaan diri sendiri bagi anak berumur 2 tahun dan ke bawah (Potongan dibenarkan sekali dalam setiap 2 tahun taksiran)	1,000	<input type="text"/>	<input type="text"/>		
C8	Yuran penghantaran anak berumur 6 tahun dan ke bawah ke taman asuhan kanak-kanak / tadika yang berdaftar	3,000	<input type="text"/>	<input type="text"/>		
C9	Tabung bersih dalam Skim Simpanan Pendidikan Nasional	8,000	<input type="text"/>	<input type="text"/>		
C10	Bayaran alimoni kepada bekas isteri	4,000	<input type="text"/>	<input type="text"/>		
C11	Insuran nyawa / KWSP Sukarela					
	a) Insuran nyawa / KWSP Sukarela (Terhad RM3,000)	<input type="text"/>	}	7,000	<input type="text"/>	<input type="text"/>
	b) KWSP Sukarela (Terhad RM4,000 termasuk KWSP wajib)	<input type="text"/>				
C12	Skim persaraan swasta dan anuiti tertangguh	3,000	<input type="text"/>	<input type="text"/>		
C13	Insurans pendidikan dan perubatan	3,000	<input type="text"/>	<input type="text"/>		
C14	Caruman kepada PERKESO mengikut Akta Keselamatan Sosial Pekerja 1969 / Akta Sistem Insurans Pekerjaan 2017	350	<input type="text"/>	<input type="text"/>		
C15	Perbelanjaan bayaran pemasangan/sewaan/pembelian termasuk sewa-beli peralatan / langganan bagi penggunaan kemudahan pengecasan kenderaan elektrik bagi kenderaan sendiri (Bukan untuk kegunaan perniagaan)	2,500	<input type="text"/>	<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

Permohonan tuntutan pekerja di atas adalah dipersetujui bagi potongan **BULAN:** **TAHUN:**

Tarikh :

Nama :

Jawatan :

Alamat Majikan :

BORANG PCB/TP3 (1/2024)

LEMBAGA HASIL DALAM NEGERI MALAYSIA
BORANG MAKLUMAT BERKAITAN PENGAJIAN 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

Nama Majikan Terdahulu 1 :
 No. Pengenalan Cukai (TIN) :
 Nama Majikan Terdahulu 2 :
 No. Pengenalan Cukai (TIN) :

*Sila gunakan lampiran tambahan bagi majikan seterusnya

BAHAGIAN B: MAKLUMAT INDIVIDU

Nama :
 No. Kad Pengenalan / Pasport :
 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 perniagaan 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:		
a) Rawatan perubatan, keperluan khas dan perkhidmatan penjagaan	8,000	<input type="text"/>
b) Rawatan pergigian		
c) Pemeriksaan perubatan penuh (Terhad RM 1,000)		
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 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 dan rawatan pergigian ke atas diri sendiri / pasangan / anak (Terhad RM1,000)		
e) Pemeriksaan perubatan penuh, ujian pengesanan COVID-19 termasuk pembelian kit ujian sendiri, pemeriksaan kesihatan mental atau konsultasi 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 RM4,000)		
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 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 (Potongan dibenarkan sekali dalam setiap 2 tahun taksiran)	1,000	<input type="text"/>
D8 Yuran penghantaran anak berumur 6 tahun dan ke bawah ke taman asuhan kanak-kanak / tadika yang berdaftar	3,000	<input type="text"/>
D9 Tabung 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) Insuran nyawa / KWSP Sukarela (Terhad RM3,000)	<input type="text"/>	<input type="text"/>
	b) KWSP Sukarela (Terhad RM4,000 termasuk KWSP wajib)	<input type="text"/>	<input type="text"/>
D12	Skim persaraan swasta dan anuiti tertangguh	3,000	<input type="text"/>
D13	Insurans pendidikan dan perubatan	3,000	<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 / langganan bagi penggunaan kemudahan pengecasan kenderaan elektrik bagi kenderaan sendiri (Bukan untuk kegunaan perniagaan)	2,500	<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 LHDNM.

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. Cukai Pendapatan Pekerja _____

No. Pekerja _____

No. Majikan (E) _____

Dengan hormatnya saya merujuk kepada perkara di atas.

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

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

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

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

Sekian. Terima kasih.

Nama pegawai _____

Jawatan _____

No. Telefon _____

Nama Dan Alamat Majikan _____

SPECIFICATION FORMAT FOR MTD TEXT FILE DATA

File name of text file data : xxxxxxxxxxxxmm_yyyy.txt

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

Header:

No	Field Name	Start	End	Length	Type	Notes
1	Record Type	1	1	1	Alphabet	H - 'Header'
2	Employer No. (HQ)	2	11	10	Num	Right justify with zeroes
3	Employer No.	12	21	10	Num	Right justify with zeroes
4	Year of Deduction	22	25	4	Num	YYYY
5	Month of Deduction	26	27	2	Num	MM (01-12)
6	Total MTD Amount	28	37	10	Num	Right justify with zeroes and with 2 decimal point
7	Total MTD Records	38	42	5	Num	Right justify with zeroes
8	Total CP38 Amount	43	52	10	Num	Right justify with zeroes and with 2 decimal point
9	Total CP38 Records	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	IncomeTax No.	2	11	10	Num	Right justify with zeroes
12	Wife code	12	12	1	Num	0-9
13	Employee's Name	13	72	60	Alphabet	Left justify with spaces
14	Old IC No.	73	84	12	Alphanumeric	A valid Old IC No. or just leave it blank if not applicable
15	New IC No.	85	96	12	Num	A valid New IC No. (without '-') or just leave it blank if not applicable
16	Passport No.	97	108	12	Alphanumeric	Left justify or just leave it blank if not applicable
17	Country Code	109	110	2	Alphabet	Refer to Country Code list
18	MTD Amount	111	118	8	Num	Right justify with zeroes and with 2 decimal point
19	CP38 Amount	119	126	8	Num	Right justify with zeroes and with 2 decimal point
20	Employee No. or Salary No.	127	136	10	Alphanumeric	Left justify

Transaction Record Length = 136

The Example of Data as required (IRB Diskette Specification)

1	2	3	4	5	6	7	8	9											
H	0291212306	0	0291212306	2002	05	0000835000	00006	0000150050	00002										
D	0053136708	0	ABDUL HANIFAH MOHD ARIF							A4457334	530706015461			00090000	00000000	AB012283			
D	0674134910	0	DULIP KUMAR S/O HARJEET							2887349				00080000	00000000				
D	1007134501	0	TAN MENG SOON								780906035559			00045000	00000000				
D	1054435508	1	SABARIAH BT. ABDULLAH							6753211	700725015720			00120000	00000000	KWD1321			
D	0777135509	0	ABE TAMURA									J1294567	JP	00300000	00050050				
D	0383132508	0	TATSURO KOJIYAMA									J2089982	JP	00200000	00100000				
10	11	12	13							14	15	16	17	18	19				20

1. Record Type: H for Header

2. Employer's No. (Headquarter)

Please complete with 10 digits without the letter E

Example 1 : E 908915-10 have to be filled as 0090891510

Example 2 : E 6918546-05 have to be filled as 0690891510

Example 3 : E 90002135-00 have to be filled as 9000213500

3. Employer's No.

Same as No. 2 above

4. Year of Deduction

Please complete the year of deduction with 4 digits

Example : Year 2005 have to be filled as 2005

5. Month of Deduction

Example : Month of August have to be filled as 08

6. Total MTD Amount

Please complete the deduction amount without RM and decimal point

Example : RM8350.00 have to be filled as 0000835000

7. Total MTD Records

The total must be tally with employees whom subject to MTD

Example : 6 employees have to be filled as 00006

8. Total CP38 Amount

Please complete the deduction amount without the word RM and decimal point

Example : RM1500.50 have to be filled as 0000150050

9. Total CP38 Records

The total must be tally with employees whom subject to MTD

Example : 2 employees have to be filled as 00002

10. Record Type: D for Details

11. and 12. Income Tax No. and Wife code

A. Please complete the Income Tax No. with 11 digit without SG/OG/IG

Example 1 : SG 531367-08 (0) have to be filled as 00531367080

Example 2 : OG10544355-08 (1) have to be filled as 10544355081

B. 1. For Male / Single Woman - the last digit is 0

2. For Married Woman - the last digit is between 1 until 9

C. If the income tax no. is not known, please fill as 00000000000

13. Employee's Name

Please complete the employee's full name as IC / Passport

14. and 15. Old / New Identity Card No.

Please complete the IC no. for local employee (if applicable)

Example 1 : Old IC No. A 4457334 have to be filled as A4457334

Example 2 : New IC No. 530706-01-5641 have to be filled as 530706015641

16. Passport No.

Please complete the Passport No. for foreigner employee (if applicable)

Example : J 1294567 have to be filled as J1294567

17. Country Code

Please complete the Country Code for foreigner employee only. The code is for which country that has issued the passport.

18. and 19. MTD Amount and CP38 Amount

Please complete the deduction amount without the word RM and decimal point

Example 1 : RM900.00 have to be filled as 00090000

Example 2 : RM500.50 have to be filled as 00050050

20. Employee's No

Complete Employee's No. or Salary No.

Example : AB012283 have to be filled as AB012283

EXAMPLE OF CALCULATION

MTD Calculation for January 2023

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

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

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

$$\begin{aligned}
 P &= [\sum (Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^*)] - [D + S + 2000C + (\sum LP + LP_1)] \\
 &\quad \text{Where } (Y_t - K_t) = 0 \\
 &= [\sum (\text{RM0.00} - \text{RM0.00}) + (\text{RM5,500.00} - \text{RM605.00}^*) + [(\text{RM5,500.00} - \text{RM308.63}^*) \times 11] + (\text{RM0.00} \\
 &\quad + \text{RM0.00}^*)] - [\text{RM9,000.00} + \text{RM0.00} + \text{RM2,000.00}(3) + (\text{RM0.00} + \text{RM0.00})] \\
 &= [[\text{RM4,895.00}] + [(\text{RM5,191.37} \times 11)] - [\text{RM9,000.00} + \text{RM6,000.00}] \\
 &= \text{RM 4,895.00} + \text{RM57,105.07} - \text{RM15,000.00} \\
 &= \text{RM47,000.07}
 \end{aligned}$$

[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.

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

MTD Calculation for February 2023

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 2023

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

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

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

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

[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 2023 (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; $n = 8$

$$P = [\sum(Y - K^*) + (Y_1 - K_1^*) + [(Y_2 - K_2^*) \times n] + (Y_t - K_t^{**})] - [D + S + 2000C + (\sum LP + LP_1)]$$

Where; $(Y_t - K_t) = 0$

$$\begin{aligned}
 &= (RM16,500.00 - RM1,815.00) + (RM5,500.00 - RM605.00) + [(RM5,500.00 - RM197.50) \times 8] + (RM0.00 + RM0.00) \\
 &= [RM14,685.00 + RM4,895.00 + RM42,420.00] - [RM9,000.00 + RM6,000.00 + RM300.00 + RM300.00] \\
 &= RM62,000.00 - RM15,600.00 \\
 &= RM46,400.00
 \end{aligned}$$

[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
---	---

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.