

EXPLANATORY NOTES FOR FORM TP3 (2026)

Form TP3 is used to provide information regarding an employee's previous employment(s) within the current year for the purpose of Monthly Tax Deductions (PCB).

Employers must ensure that new employees complete Form TP3 in order to obtain details of their prior employment and accumulated deductions from previous employers. The completed and signed TP3 form must be retained by the employer and furnished to HASiL upon request during a PCB audit.

SECTION A: EMPLOYER INFORMATION		
A1 - A4 (Mandatory field) Use an attachment if there is more than one previous employment in the current year		
SECTION B: INDIVIDUAL INFORMATION		
B1 – B3 (Mandatory field)		
SECTION C: REMUNERATION, EPF, ZAKAT, AND PCB INFORMATION		
C1	Each of C1 – C5 shows the total amount from previous employment(s) in the current year	
C2		
C3		
C4		
C5		
SECTION D: DEDUCTION INFORMATION (Please state the total amount from previous employment(s) during the current year)		
D1	<p>Expenditures for Parents</p> <p>a) Medical treatment, special needs, and caregiving services</p> <p>b) Dental treatment</p> <p>c) Full medical check-up / vaccinations (Limited RM1,000)</p>	<p>Expenditures for Medical Treatment, Dental Treatment, Full Medical Check-ups, Special Needs, and Care for Parents / Grandparents are allowed as deductions up to RM8,000.</p> <p>Eligible expenses include:</p> <p>(a) Medical treatment and caregiving services provided by nursing homes;</p> <p>(b) All types of expenses for dental check-ups and treatments, including dentures, root canals, as well as treatments to replace and repair teeth;</p> <p>(c) Full medical check-ups, including vaccinations provided in Malaysia, limited to RM1,000 (must be certified by a medical practitioner registered with the Malaysian Medical Council (MPM) and supported with an official receipt).</p> <p>Claims must be supported by a medical practitioner registered with the Malaysian Medical Council, the National Pharmaceutical Regulatory Division (NPRA), the Ministry of Health Malaysia (MOH), or a dental practitioner registered with the Malaysian Dental Council, confirming that the health condition of the parent(s) / grandparent(s) requires medical treatment, dental treatment, a full medical check-up, special needs, or care services</p> <p>Additional conditions for this income tax deduction include:</p> <ul style="list-style-type: none"> Caregivers not include individuals, the spouse, or children of the taxpayer; Parents must be residents of Malaysia; Medical treatment, dental treatment, caregiving services, and full medical check-ups must be conducted in Malaysia; In the case of caregivers, proof must be provided with a receipt or written confirmation from the caregiver, or a copy of the caregiver's work permit. <p>Paragraph 46(1)(c) of the Income Tax Act 1967 (ACP 1967).</p>
D2	<p>Basic support equipment for personal use, spouse, children, or parents with disabilities</p>	<p>Expenditures for the Purchase of Basic Support Equipment are allowed as a deduction up to RM6,000 for use by:</p> <p>(i) The taxpayer themselves, if they have a disability;</p> <p>(ii) The taxpayer's spouse, if the spouse has a disability;</p> <p>(iii) The taxpayer's child, if the child has a disability;</p> <p>(iv) The taxpayer's parents, if the parents have a disability.</p>

		<p>This deduction is NOT allowed if the basic support equipment is purchased for a person with a disability who is not registered with the Department of Social Welfare (Jabatan Kebajikan Masyarakat, JKM) as a person with a disability.</p> <p>Basic support equipment includes items such as hemodialysis machines, wheelchairs, prosthetic limbs, and hearing aids, but does not include eyeglasses and contact lenses.</p> <p>Paragraph 46(1)(d) of the Income Tax Act 1967 (ACP 1967).</p>
D3	<p>Tuition Fees for Personal Education</p> <p>(a) For levels other than Master's and Doctor of Philosophy (PhD) – Fields such as law, accounting, Islamic finance, technical, vocational, industrial, scientific, or technology-related subjects;</p> <p>(b) For Master's or Doctor of Philosophy (PhD) level – Any field or course of study;</p> <p>(c) Courses for skill enhancement or self-improvement in recognized fields – (Limited RM2,000).</p>	<p>Deductions of up to RM7,000 can be claimed for tuition fees spent by an individual on the following courses of study:</p> <p>(a) For levels other than Master's or Doctor of Philosophy (PhD) Any course of study up to the tertiary level aimed at acquiring skills or qualifications in fields such as law, accounting, Islamic finance (approved by Bank Negara Malaysia or the Securities Commission), technical, vocational, industrial, scientific, or technology-related subjects at any local institution or professional body in Malaysia recognized by the Malaysian Government or approved by the Minister of Finance.</p> <p>(b) For Master's or Doctor of Philosophy (PhD) degrees Any course of study aimed at acquiring skills or qualifications at any local institution or professional body in Malaysia recognized by the Malaysian Government or approved by the Minister of Finance.</p> <p>Please refer to the list of local institutions or professional bodies recognized in Malaysia on the official website of the Ministry of Higher Education Malaysia at www.mohe.gov.my for deductions under C3(a) and C3(b).</p> <p>(c) Courses for skill enhancement or self-improvement A deduction of up to RM2,000 is allowed for any course taken for skill enhancement or self-improvement, recognized by the Director-General of the Department of Skills Development under the National Skills Development Act 2006 [Act 652]. This relief is allowed until the assessment year 2026.</p> <p>Paragraph 46(1)(f) of the Income Tax Act 1967 (ACP 1967) [Amended]</p>
D4	<p>Medical treatment expenses for:</p> <p>a) Serious illness for oneself, spouse, or child</p> <p>b) Fertility treatment for oneself or spouse</p> <p>c) Vaccinations for oneself, spouse, or child (Limited RM1,000)</p> <p>d) Dental examinations or treatments for oneself, spouse, or child (Limited RM1,000)</p> <p>e) Full medical check-ups, COVID-19 screening tests including the purchase of self-test kits, mental health screenings or consultations, diagnostic disease detection fees, and the purchase of self-health monitoring equipment for oneself, spouse, or child (Limited RM1,000).</p>	<p>A deduction of up to RM10,000 is allowed for the following expenses:</p> <p>(a) Medical expenses for serious illness for oneself, spouse, or child, including treatments for diseases such as Acquired Immunodeficiency Syndrome (AIDS), Parkinson's disease, cancer, kidney disease, leukemia, and other similar diseases. "Other similar diseases" include heart attacks, pulmonary hypertension, chronic liver disease, fulminant viral hepatitis, head trauma with neurological deficits, brain tumors, vascular defects, severe burns, organ transplants, and amputation of limbs. Claims must be substantiated with receipts and a certificate from a registered medical practitioner confirming that the individual, spouse, or child received treatment for the serious illness.</p> <p>Subparagraph 46(1)(g)(i) ACP 1967</p> <p>(b) Fertility treatment expenses covering intrauterine insemination (IUI), in vitro fertilization (IVF), and other certified fertility treatments, including consultation fees and medications for oneself or spouse. Conditions for claims are:</p> <p>(i) Claims must be substantiated with receipts and a certificate from a registered medical practitioner confirming that the individual or their spouse received fertility treatment; and</p> <p>(ii) The individual must be married.</p> <p>Subparagraph 46(1)(g)(ii) ACP 1967</p> <p>(c) Up to RM1,000 for vaccination expenses for oneself, spouse, or child, covering the following vaccines: (i) Pneumococcal; (ii) Human papillomavirus (HPV); (iii) Influenza; (iv) Rotavirus; (v) Varicella; (vi) Meningococcal; (vii) Tetanus-diphtheria-acellular-pertussis (TDAP) combination; and (viii) Coronavirus Disease 2019 (COVID-19), Dengue, Typhoid, Measles, Rubella, Hepatitis A & B include Yellow Fever</p>

f) Assessments for diagnosis, early intervention programs, or rehabilitation treatment for children with learning disabilities aged 18 years and below (**Limited RM10,000**).

Subparagraph 46(1)(g)(iii) ACP 1967

(d) Up to RM1,000 for dental examination or treatment expenses for oneself, spouse, or child. Claims must be substantiated with receipts and a certificate from a registered dental practitioner.

Subparagraph 46(1)(g)(iv) ACP 1967

(e) Up to RM1,000 for expenses for oneself, spouse, or child as follows:

(i) Full medical check-up as defined by the Medical Practice Council (MPM), with claims substantiated by receipts issued by a registered hospital or medical practitioner;

(ii) COVID-19 screening tests conducted at a clinic or hospital, with claims substantiated by receipts issued by the clinic, hospital, or registered medical practitioner, or the purchase of self-test kits supported by a purchase receipt; or a certificate from a registered medical practitioner, substantiated with receipts from the hospital or practitioner;

(iii) Mental health examinations or consultations, substantiated with receipts issued by a hospital, psychiatrist (Section 2 of the Mental Health Act 2001 [Act 615]), clinical psychologist registered under the Allied Health Professions Act 2016 [Act 774], or counselor registered with the Board of Counselors under the Counselor Act 1998 [Act 580];

(iv) Fees for disease detection tests conducted at clinics or hospitals, such as blood tests, ultrasound, mammograms, pap smears, including tests for diseases like COVID-19 and influenza. Examinations must be conducted at hospitals or by medical practitioners registered with the Medical Practice Council, with claims supported by receipts from the hospital or practitioner;

(v) Purchase of self-health monitoring equipment registered under the Medical Device Act 2012 [Act 737], such as pulse oximeters, blood pressure monitors, thermometers, including self-testing kits for COVID-19 and influenza. Purchases must be substantiated with receipts and not used for personal business purposes.

Paragraph 46(1)(h) ACP 1967.

(f) Up to RM10,000 for expenses for children aged 18 years and below as follows:

(i) Assessment for diagnosing learning disabilities conducted in Malaysia, certified by a registered medical practitioner with the Medical Practice Council (MPM). Claims must be substantiated with receipts and a certificate from the medical practitioner confirming that the assessment was done and the child was diagnosed with a learning disability; or

(ii) Early intervention programs or rehabilitation treatments for learning disabilities conducted in Malaysia, carried out by allied health professionals registered under the Allied Health Professions Act 2016. Claims must be substantiated with receipts and a certificate from the allied health professional confirming that the child underwent early intervention or rehabilitation programs.

Learning disability categories include:

- Autism Spectrum Disorder
- Attention Deficit Hyperactivity Disorder (ADHD)
- Global Developmental Delay (GDD)
- Intellectual Disability
- Down Syndrome
- Specific Learning Disabilities.

The maximum RM10,000 deduction applies regardless of the number of children an individual has.

		<p>Subparagraph 46(1)(ha) ACP 1967</p> <p>The total deductions for items (a) through (f) above are limited to RM10,000. Receipts for treatment expenses and certificates issued by the relevant parties must be retained for reference or review by HASiL.</p>
D5	<p>Lifestyle – Expenses for personal use or for spouse/child for:</p> <p>(a) Purchase or subscription of books/journals/magazines /newspapers and other similar publications (Not including prohibited reading materials)</p> <p>(b) Purchase of personal computers, smartphones, or tablets (Not for business use)</p> <p>(c) Monthly bills for internet subscriptions (in the individual's name)</p> <p>(d) Payment for skill enhancement or personal development courses</p>	<p>A deduction of up to RM2,500 is allowed for expenses for personal use or for spouse/child as follows:</p> <p>(a) Purchase or subscription of books, journals, magazines, newspapers, and other similar publications (in either hardcopy or electronic format, but NOT including prohibited reading materials such as adult magazines).</p> <p>(b) Purchase of personal computers, smartphones, or tablets (NOT including additional warranty charges and NOT used for business purposes).</p> <p>(c) Monthly bills for internet subscriptions registered in the individual's name for personal use/spouse/child.</p> <p>(d) Payment for skill enhancement or personal development courses that do not need to be registered or recognized by any government body. The expense must be supported by receipts issued by the course provider. These courses are intended to encourage taxpayers to learn skills unrelated to their employment, such as courses related to hobbies, religion, or languages.</p> <p>Purchases or expenses under (a) – (d) must be supported by receipts.</p> <p>Subsection 46(1)(p) of the ACP 1967</p>
D6	<p>A deduction is allowed for sports-related expenses for personal use or for spouse/child/parents as follows:</p> <p>(a) Purchase of sports equipment for activities as defined under the Sports Development Act 1997.</p> <p>(b) Rental or entry fees for sports facilities.</p> <p>(c) Registration fees for participation in sports competitions.</p> <p>(d) Gym membership fees or sports training fees.</p> <p>These expenses are eligible for deductions under the relevant tax provisions.</p>	<p>A deduction of up to RM1,000 is allowed for expenses related to sports for oneself, spouse, child, or parents, as follows:</p> <p>(a) Purchase of sports equipment for activities listed under the Sports Development Act 1997 [Act 576] (excluding motorized two-wheeled bicycles);</p> <p>(b) Rental or entry fees for any sports facility;</p> <p>(c) Registration fees for participation in sports competitions, where the organizer is approved and licensed by the Sports Commissioner under the Sports Development Act 1997;</p> <p>(d) Gym membership fees or sports training fees charged by associations or sports clubs registered with the Sports Commissioner, or companies incorporated under the Companies Act 2016 [Act 777] to conduct sports activities listed under the Sports Development Act 1997.</p> <p>These purchases or expenses must be substantiated with receipts.</p> <p>Paragraph 46(1)(u) ACP 1967</p>
D7	<p>The purchase of breastfeeding equipment for personal use for a child aged 2 years and below</p>	<p>This deduction is specifically allowed for female taxpayers, provided that the individual:</p> <p>(i) is a mother who is breastfeeding her child;</p> <p>(ii) has incurred expenses for the purchase of breastfeeding equipment for her own use in breastfeeding her child aged 2 years and below; and</p>

		<p>(iii) submits a claim supported by receipts for the purchase.</p> <p>Eligible breastfeeding equipment for the deduction includes: (i) breast pump kit and ice pack; (ii) breast milk collection and storage equipment; (iii) cooler set or cooler bag.</p> <p>The deduction amount is limited to RM1,000, even if the individual has more than one child.</p> <p>The deduction is only allowed ONCE every two (2) assessment years.</p> <p>In the case of a Joint Assessment, this deduction is only allowed if the assessment is raised in the wife's name.</p> <p>Example 1: Joint Assessment in the Wife's Name Mrs. Arina gave birth in 2022 and purchased breastfeeding equipment totaling RM1,700. Her husband, who is not a resident but is a Malaysian citizen, chose joint assessment under his wife's name. Mrs. Arina is eligible to claim this deduction but is limited to RM1,000.</p> <p>Example 2: Joint Assessment in the Husband's Name Mrs. Sally gave birth in 2022 and purchased breastfeeding equipment totaling RM1,300. Mrs. Sally chose joint assessment under her husband's name. The claim for this deduction is not allowed because the assessment was made in her husband's name.</p> <p>Paragraph 46(1)(q) ACP 1967</p>
D8	The fees for sending a child aged 12 years and below to a registered childcare center / kindergarten.	<p>This deduction is allowed for the fees related to sending a child aged 12 years and below to:</p> <p>Childcare premises and transit centres registered with the Department of Social Welfare and subject to the Child Care Centres Act 1984 [Act 30] under the Ministry of Women, Family and Community Development; and State Education Departments under the Ministry of Education Malaysia and subject to the Education Act 1996 [Act 550]</p> <p>This deduction is limited to RM3,000, even if the number of children meeting the conditions exceeds one. If the claim amount is less than RM3,000, the allowed deduction is limited to the amount actually paid.</p> <p>If the tax assessment for the husband and wife is made separately, this tax deduction can only be claimed by either the husband OR the wife who made the payment.</p> <p>For divorced couples, this tax deduction can be claimed by both the ex-husband and ex-wife, provided both have made payments for the child's care fees and the child is not the same one. The claim for this deduction must be supported by the child's birth document (MyKid or birth certificate) and the payment receipts for the monthly fees issued by the childcare center or kindergarten.</p> <p>Paragraph 46(1)(r) ACP 1967</p>
D9	Net savings in the National Education Savings Scheme (SSPN) (total savings in the current year minus total withdrawals in the current year).	<p>Savings into the SSPN fund by an individual to finance the education of their children are allowed as a deduction, limited to RM8,000. The deduction claimed is limited to the amount of net savings made in a given year only.</p> <p>Example: In 2022 Opening balance carried forward: RM4,500 Savings: RM2,000 Withdrawals: RM1,500</p> <p>The deduction that can be claimed is RM500 (RM2,000 – RM1,500). The opening balance of RM4,500 is not considered.</p> <p>For a husband or wife who is assessed separately for a particular tax year, the deduction can only be claimed by either the husband or the wife who made the savings in the SSPN fund, with a maximum claim of RM8,000.</p>

		<p>Withdrawals from the SSPN fund for the purpose of financing the education costs of a child pursuing tertiary education are not considered in calculating the net savings for that base year.</p> <p>Subparagraph 46(1)(k) ACP 1967</p>						
D10	<p>Alimony payments to a former wife.</p>	<p>(a) A deduction of RM4,000 is granted to the wife if the husband has no source of income or no income amount; or if the husband has chosen a joint assessment in the name of his wife. This deduction can only be claimed by one wife, even if the husband has more than one wife. - Subsection 45A (1) ACP 1967.</p> <p>Starting from the Year of Assessment 2017, a deduction for the husband is NOT allowed if the husband (not a disabled husband) receives gross income exceeding RM4,000 from sources outside Malaysia. - Subsection 45A (2) ACP 1967.</p> <p>(b) A deduction of RM4,000 is granted to an individual who has a wife living with him in the assessment year, and the wife has no source of income or income amount; or the wife has chosen a joint assessment in the name of her husband. - Paragraph 47(1)(a) and Subsection 47(5) ACP 1967.</p> <p>Starting from the Year of Assessment 2017, a deduction for the wife is NOT allowed if the wife (not a disabled wife) receives gross income exceeding RM4,000 from sources outside Malaysia. - Subsection 47(6) ACP 1967.</p> <p>(c) A deduction for alimony or maintenance payments to a former wife is limited to RM4,000 or the actual amount paid if the alimony/maintenance amount is less than the allowed deduction. The total deduction for the wife living with the husband and the deduction for alimony/maintenance payments to the former wife is limited to RM4,000.</p> <p>Voluntary alimony/maintenance payments to a former wife under a mutual agreement without any formal agreement are not eligible for deduction.</p> <p>Subsections 47(2) and 47(3) ACP 1967</p>						
D11	<p>(a) Life Insurance / Voluntary EPF (KWSP) Contributions: A deduction is allowed for premiums paid on life insurance or contributions to Voluntary EPF (KWSP) accounts, limited to a maximum of RM3,000.</p> <p>(b) Voluntary EPF Contributions: A deduction is allowed for contributions to Voluntary EPF (KWSP), with a limit of RM4,000, which includes both mandatory and voluntary EPF contributions.</p>	<p>Subsection 49(1) of the Income Tax Act 1967 (ACP 1967) provides for a deduction of up to RM7,000 as follows:</p> <table border="1"> <thead> <tr> <th>Types of contributions</th> <th>Amount of deduction (RM)</th> </tr> </thead> <tbody> <tr> <td>Premium payment for life insurance, family takaful contributions, or voluntary additional contributions to EPF Paragraph 49(1)(a) of the Income Tax Act 1967</td> <td>3,000 (limited)</td> </tr> <tr> <td>Mandatory contributions to an approved scheme or voluntary contributions to EPF (excluding private retirement schemes) or contributions under any written law Paragraph 49(1)(b) of the Income Tax Act 1967</td> <td>4,000 (limited)</td> </tr> </tbody> </table> <p>Life Insurance Premiums or Family Takaful Contributions</p> <p>Life insurance premiums or family takaful contributions for policies that cover the life of the individual or spouse are allowed as deductions. However, premiums for life insurance policies that cover the life of the child are not allowed as deductions.</p>	Types of contributions	Amount of deduction (RM)	Premium payment for life insurance, family takaful contributions, or voluntary additional contributions to EPF Paragraph 49(1)(a) of the Income Tax Act 1967	3,000 (limited)	Mandatory contributions to an approved scheme or voluntary contributions to EPF (excluding private retirement schemes) or contributions under any written law Paragraph 49(1)(b) of the Income Tax Act 1967	4,000 (limited)
Types of contributions	Amount of deduction (RM)							
Premium payment for life insurance, family takaful contributions, or voluntary additional contributions to EPF Paragraph 49(1)(a) of the Income Tax Act 1967	3,000 (limited)							
Mandatory contributions to an approved scheme or voluntary contributions to EPF (excluding private retirement schemes) or contributions under any written law Paragraph 49(1)(b) of the Income Tax Act 1967	4,000 (limited)							

This deduction can be claimed by self-employed individuals as defined under the Employees Provident Fund Act 1991 (Act 452), pensionable officers as defined under Section 2 of the Pensions Act 1980 (Act 227), or other non-pensionable officers.

Example 1: Mr. Loga is a civil servant who has opted for a pension scheme. He has also made voluntary contributions to the EPF. In 2023, he made the following contributions and insurance payments:

- Voluntary contributions to EPF: RM6,000
- Life insurance premium for himself: RM1,200
- Life insurance premium for his child: RM600

In this example, Mr. Loga is entitled to claim a deduction for the voluntary EPF contributions (RM6,000) and the life insurance premiums for himself (RM1,200), but **not** for the life insurance premium paid for his child (RM600).

For the assessment year 2023, Mr. Loga is eligible to claim deductions for voluntary EPF contributions and life insurance premiums as follows:

Type of contribution / premium payment	Amount of contribution / payment (RM)	Amount eligible for claim (RM)
Voluntary EPF Contributions Paragraph 49(1)(b) of the Income Tax Act 1967	6,000	4,000 (limited)
Additional Voluntary EPF Contributions Paragraph 49(1)(a) of the Income Tax Act 1967	2,000	1,200 (limited) or 2,000
Life Insurance Premium Payment Paragraph 49(1)(a) of the Income Tax Act 1967	1,800	1,800 or 1,000 (limited)
Total Paragraph 49(1A)(a) of the Income Tax Act 1967	9,800	7,000 (limited)

Example 2:

Mr. Reza works with a private company. In the year 2023, he made contributions to the EPF and family takaful as follows:

- Mandatory contribution to EPF: RM36,000
- Voluntary contribution to EPF: RM6,000
- Family takaful contribution: RM3,600

The amount eligible for tax relief for the assessment year 2023 is as follows:

Type of contribution / donation	Amount of contribution / donation (RM)	Amount eligible for claim (RM)
Mandatory contributions to EPF Paragraph 49(1)(b) of the Income Tax Act 1967	36,000	4,000 (limited)
Family takaful contributions Paragraph 49(1)(a) of the Income Tax Act 1967	3,600	3,000 (limited)
Voluntary contributions to EPF Paragraph 49(1)(a) of the Income Tax Act 1967	6,000	Not eligible
Total Paragraph 49(1A)(a) of the Income Tax Act 1967	45,600	7,000 (limited)

Example 3:

Ms. Charlene is a freelance consultant who makes voluntary contributions to the EPF. For the year 2023, her total contribution is RM12,000. She did not make any payment for life insurance premiums.

For the assessment year 2023, Ms. Charlene is eligible to claim RM7,000 for the voluntary contribution to the EPF as provided below:

Type of contribution / donation	Amount of contribution / donation (RM)	Amount eligible for claim (RM)
Voluntary contributions to EPF Paragraph 49(1)(b) of the Income Tax Act 1967	12,000	4,000 (limited)
Voluntary additional contributions to EPF Paragraph 49(1)(a) of the Income Tax Act 1967		3,000 (limited)
Total [Paragraph 49(1A)(a) of the Income Tax Act 1967]	12,000	7,000 (limited)

Example 4:

Ms. Sabrina is a civil servant who has chosen the pension scheme. For the year 2023, she made a life insurance premium payment of RM10,000. She did not make any contributions to the EPF.

The amount eligible to be claimed as tax relief for the assessment year 2023 is as follows:

Type of contribution/premium payment	Amount of contribution/payment (RM)	Amount eligible for claim (RM)
Contributions to EPF Paragraph 49(1)(b) of the Income Tax Act 1967	None	None
Life insurance premium payment Paragraph 49(1)(a) of the Income Tax Act 1967	100,000	3,000 (limited)
Total Paragraph 49(1A)(a) of the Income Tax Act 1967	10,000	3,000 (limited)

D12

Private pension scheme and deferred annuity

(a) A deduction of up to RM3,000 is allowed for contributions made to a Private Retirement Scheme (PRS) approved by the Securities Commission and for premium payments for a deferred annuity.

(b) The total deduction for contributions to the PRS and premium payments for a deferred annuity is limited to RM3,000 for an individual and RM3,000 for a spouse with income. If the husband or wife chooses joint assessment, the allowable deduction for contributions to the PRS and premium payments for a deferred annuity is limited to RM3,000.

References: General Determination No. 4/2014 (Deferred Annuity); and General Determination No. 9/2021 (Private Retirement Scheme).

Subsections 49(1D), 49(1E), 49(3), 50(2), and 50(3) of the Income Tax Act 1967 (ACP 1967)

D13	Education insurance and medical insurance	<p>A deduction of up to RM4,000 is allowed for premiums paid on education insurance or medical benefits for individuals, spouses, or children.</p> <p>Education Insurance Policy must meet the following criteria:</p> <p>(i) The policy must be taken for oneself, spouse, or child; (ii) The beneficiary of the policy must be the child; (iii) If the insured person is the mother or father, the insurance benefits must be owned by the child as the policy's nominee; (iv) If the insured person is the child:</p> <ul style="list-style-type: none"> • The life of the person paying the premium (mother or father) must be covered (payor benefit rider); • The term of the rider must be the same as the base policy; • If the rider is packaged together with the base policy under one premium, all premiums paid are allowed as a deduction; • If the mother or father is not eligible for the payor benefit rider, premiums paid for the base policy are not eligible for a deduction. <p>(v) For takaful policies, the participant must be the mother or father, and the policy's benefits must be bequeathed to the child; (vi) The maturity amount for both conventional and takaful policies must be scheduled to be paid during the child's age between 13 and 25 years.</p> <p>Medical Insurance Policy must meet the following criteria:</p> <p>(i) The expenses must relate to medical treatment caused by illness, accident, or disability; (ii) The policy protection must be for a period of 12 months or more; (iii) The policy can be obtained separately or as a rider to a life insurance policy. If as a rider, only the rider premium is eligible for deduction; (iv) If critical illness protection is combined with the base policy, the total rider premium paid is eligible for deduction; (v) If critical illness protection is packaged with life/accident insurance, 60% of the premium is eligible for deduction; (vi) Employees who pay premiums under a group medical insurance policy are eligible for a deduction; (vii) Premium waiver benefit riders and insurance for medical and travel expenses are not eligible for deduction.</p> <p>The deduction for the total premium paid for education insurance and medical insurance is limited to RM3,000 for an individual and RM3,000 for a spouse with income. If the husband/wife opts for joint assessment, the allowable deduction for the total premium payments for education insurance and medical insurance is limited to RM3,000.</p> <p>Subsections 49(1B), 49(4), and 50(2) of the Income Tax Act 1967 (ACP 1967)</p>
D14	Contributions to the Social Security Organization (SOCSO) under the Employees' Social Security Act 1969 or the Employment Insurance System Act 2017	<p>The personal deduction for an individual shall not exceed RM350 on the contributions made or borne by that individual in the base year to the Social Security Organization (PERKESO) under the Employees' Social Security Act 1969 [Act 4] or the Employment Insurance System Act 2017 [Act 800].</p> <p>Paragraph 46(1)(n) of the Income Tax Act 1967</p>
D15	A deduction of up to RM2,500 is allowed for individuals on the amount spent for the payment of electric vehicle charging facilities and the purchase of food waste composting machines.	<p>The purchase and installation of CCTV and food-waste composting machines for household use is allowed as a one-off deduction once every 2 Years of Assessment:</p> <p>(a) The individual tax deduction is granted on the expenses for electric vehicle charging facilities, which include installation, rental, purchase, including hire-purchase of equipment, or subscription fees for the use of electric vehicle charging facilities for personal use and not for business purposes. This tax deduction aims to encourage the use of electric vehicles, contributing to sustainable practices and low-carbon initiatives, such as increasing the use of sustainable raw materials and renewable energy.</p> <p>(b) As part of promoting sustainable practices, composting machines are among the solid waste technologies used to recycle organic waste, such as food waste, to help reduce the amount of solid waste sent to landfills. The use of composting machines can produce high-quality organic fertilizer that can be used for landscaping and further support Malaysia's</p>

efforts towards a circular economy through more sustainable waste management practices.

The purchase and installation of CCTV and food-waste composting machines for household use is allowed as a one-off deduction once every 2 Years of Assessment.

Paragraph 46(1)(v) of the Income Tax Act 1967

D16 Payment of interest on a loan for the first residential property (subject to eligibility conditions).

To encourage the purchase of the first residential property among the public and to increase disposable income, Section 46C was introduced to allow a tax deduction for resident individuals on the payment of interest for their first residential property loan.

Total deduction allowed is based on the following price range of the house:

House Price	Total annual tax deduction
Up to RM500,000	RM7,000
Exceeding RM500,000 up to RM750,000	RM5,000

To qualify for this deduction, the following conditions must be met:

(a) The property must be the first residential property and not generate any income.

Example: Arman signed the sale and purchase agreement for his first residential property on 1 February 2025, priced at RM180,000. However, Arman did not occupy the house and rented it out to Rosli starting from June 1, 2025. Arman is not eligible to claim the interest expenses on the loan for the purchase of the first residential property as he receives rental income from the property.

(b) The sale and purchase agreement must be completed between 1 January 2025 and 31 December 2027.

Example: Zikri purchased a first residential property priced at RM700,000, and the sale and purchase agreement was completed on 30 December 2024. He began paying interest on the loan from 1 June 2025. Zikri is not eligible to claim the interest expenses on the loan for the property purchase because the sale and purchase agreement was completed before 1 January 2025.

(c) The amount of tax deduction allowed for the interest payment is for three (3) consecutive assessment years, starting from the year the interest payments begin.

Example: Darlyna purchased a first residential property priced at RM655,000, and the sale and purchase agreement was completed on 1 March 2027. Interest payments on the loan began on 1 October 2027. The tax deduction Darlyna is eligible to claim for the interest payments on the residential property loan would be as follows:

YA	Amount of interest paid (RM)	Amount of interest allowed (RM)
2027	4,000	4,000
2028	15,600	5,000
2029	15,600	5,000
2030 onwards	15,600	Not eligible

(d) Two or more individuals may be eligible to claim a deduction for the same residential property. If the total interest paid by all the individuals exceeds the allowable amount for that year, each individual is allowed a deduction according to the following formula:

Formula for the deduction:

$$\text{Individual Deduction} = \frac{\text{Interest Paid by Individual}}{\text{Total Interest Paid by All Individuals}} \times \text{Maximum Allowable Deduction}$$

Example: Rahman and Saiful jointly purchased a residential property worth RM550,000, and the sale and purchase agreement was signed on 1 October 2025. To finance the payment for the property, Rahman and Saiful took out separate bank loans and paid their

respective installments, including interest on their loans. The total interest paid, which is eligible to be claimed as a deduction by Rahman and Saiful, is as follows:

	YA 2025		YA 2026	
	Spent (RM)	Eligible to be claimed (RM)	Spent (RM)	Eligible to be claimed (RM)
Rahman	3,000	3,000	6,500	$5,000 \times (6,500/12,500)$ = 2,600
Saiful	2,000	2,000	6,000	$5,000 \times (6,000/12,500)$ = 2,400
Total	5,000	5,000	12,500	5,000

e) When a wife or husband chooses joint assessment under subsection 45(2), the interest paid by the wife or husband is considered to have been paid by:

- (a) the husband, if the wife chooses to be assessed under the husband's name;
- (b) the wife, if the husband chooses to be assessed under the wife's name.

Section 46C [New]

D17 Entrance fees to tourist centre and cultural/arts program domestic tourism **(Limited RM1000)**

A deduction of up to RM1,000 is allowed on expenses for admission fees to the following:

- (a) tourism centres such as museums, theme parks, national parks, marine parks, wildlife parks, zoos and geoparks; and
- (b) arts and cultural programmes such as handicrafts, Batik, People's Theatre, and Traditional Dance Workshops.

This deduction is provided to support the Government's efforts in organising the Visit Malaysia Year 2026 programme as an incentive for Malaysians travelling domestically during the Visit Malaysia Year 2026.

Paragraph 46(1)(sa) of the Income Tax Act 1967

SECTION E: EMPLOYEE DECLARATION