INLAND REVENUE BOARD OF MALAYSIA

TAXATION OF A RESIDENT INDIVIDUAL PART I - GIFTS OR CONTRIBUTIONS AND ALLOWABLE DEDUCTIONS

PUBLIC RULING NO. 5/2026

Translation from the original Bahasa Malaysia text

DATE OF PUBLICATION: 04 NOVEMBER 2026

Published by

Inland Revenue Board of Malaysia

Eighth edition

Seventh edition on 05 December 2025

Sixth edition on 27 December 2024

Fifth edition on 20 November 2023

Fourth edition on 30 September 2021

Third edition on 9 October 2020

Second edition on 13 September 2018

First edition on 6 June 2005

© 2026 by Inland Revenue Board of Malaysia

All rights reserved on this Public Ruling are owned by the Inland Revenue Board of Malaysia. One print or electronic copy may be made for personal use. Professional firms and associations are permitted to use the Public Ruling for training purposes only. Systematic or multiple reproduction, distribution to multiple location via electronic or other means, duplication of any material in this Public Ruling for a fee or commercial purposes, or modification of the content of the Public Ruling is prohibited.

CONTENTS **Page**

1.	Objective	1
2.	Relevant Provisions of the Law	1
3.	Interpretation	1
4.	Introduction	2
5.	Gifts or Contributions	3
6.	Allowable Deductions	8
7.	Updates and Amendments	67
8.	Disclaimer	68
	Appendix	69

DIRECTOR GENERAL'S PUBLIC RULING

Section 138A of the Income Tax Act 1967 (ITA) provides that the Director General is empowered to make a Public Ruling in relation to the application of any provisions of the ITA.

A Public Ruling is published as a guide for the public and officers of the Inland Revenue Board of Malaysia. It sets out the interpretation of the Director General in respect of the particular tax law and the policy as well as the procedure applicable to it.

The Director General may withdraw this Public Ruling either wholly or in part, by notice of withdrawal or by publication of a new Public Ruling.

Director General of Inland Revenue,
Inland Revenue Board of Malaysia.

1. Objective

The objective of this Public Ruling (PR) is to explain the tax treatment beginning year of assessment (YA) 2026 for:

1.1 Gifts or contributions made by a resident individual that are allowable in determining the total income for a YA; and

1.2 Tax deductions that are allowable to a resident individual in computing his chargeable income for a YA.

2. Relevant Provisions of the Law

2.1 This PR takes into account laws which are in force as at the date this PR is published.

2.2 The provisions of the ITA related to this PR are sections 2, 5, 7, 18, 44, 45, and 45A to 51.

3. Interpretation

The terms used in this PR have the following meaning:

3.1 "Child" in relation to an individual or his wife, means a legitimate child or step-child of his or his wife, or a child proved to the satisfaction of the Director General of Inland Revenue (DGIR) to have been adopted by the individual or his wife in accordance with any law.

3.2 "Adopted child" in relation to an individual or his wife, means a child adopted by the individual or his wife under the Registration of Adoptions Act 1952 [*Act 253*] or in accordance with any law (not necessarily Malaysian law) where the adoption is recognised by the DGIR.

3.3 "Step-child" in relation to an individual or his wife, means a son or daughter of one's husband or wife by a former marriage.

3.4 "Individual" means a natural person.

3.5 "Total income" for a YA is the aggregate income less business losses for the basis year, expenditure under Schedule 4 or 4B, and gifts of money, contributions in kind, manuscripts, artefacts and paintings under section 44 of the ITA.

3.6 "Disabled person" means any individual who has been officially certified in writing by the Department of Social Welfare (DSW) as a person with a disability.

3.7 "Medical practitioner" in relation to deductions on medical expenses for parents, means a medical practitioner (doctor) registered with the Malaysian Medical Council and Malaysian Dental Council.

3.8 "Year of assessment" means calendar year.

3.9 "Basis period" in relation to a person, a source of his, and a YA, means such basis period, if any, as is ascertained in accordance with section 21 of the ITA.

4. Introduction

Chargeable income for a YA is ascertained in accordance with section 5 of the ITA. Chargeable income is to be ascertained in the following manner i.e., by determining each stage of income:

(a) gross income

(b) adjusted income

(c) statutory income

(d) aggregate income and total income; and

(e) chargeable income

In ascertaining the total income of a resident individual, gifts and/or contributions made by an individual to the government and approved institutions or organizations are allowed as deductions from his aggregate income. Certain deductions are also allowed to be deducted from the total income in determining the chargeable income of an individual.

For further information, please refer to PR No. 5/2022 titled "Taxation of A Resident Individual Part II - Computation of Total Income and Chargeable Income" which can be obtained from the official portal of the Inland Revenue Board of Malaysia (IRBM) at www.hasil.gov.my.

5. Gifts or Contributions

5.1 The total income of an individual for a YA is the aggregate income of his for a YA less the deductions for any gifts or contributions made in the basis year.

5.2 The gifts or contributions which can be claimed by an individual are as provided under subsections 44(6) to 44(11D) of the ITA as shown below:

5.2.1 **Gift of money to the Government, a State Government, a local authority or an institution or organization, or a fund approved by the DGIR – subsection 44(6) of the ITA**

The amount allowed as a deduction is equivalent to the amount of gift of money made to the Government, a State Government, or a local authority with no restrictions.

Gift of money made to any approved institution, organization, or fund approved by the DGIR is also allowed as a deduction but restricted to 10% of the aggregate income of an individual.

The list of names for approved institutions or organizations can be obtained from the official portal of IRBM at www.hasil.gov.my.

5.2.2 **Gift of artefact, manuscript, or painting to the Government or State Government – subsection 44(6A) of the ITA**

The amount allowed as a deduction is equivalent to the value of the gift as determined by the Department of Museums Malaysia or the National Archives.

5.2.3 **Gift of money for the provision of library facilities that are accessible to the public, to public libraries and libraries of schools and institutions of higher education – subsection 44(8) of the ITA**

The amount allowed as a deduction is limited to a maximum amount of RM20,000 provided that a claim for the same expenses is not made under paragraph 34(6)*(g)* of the ITA in computing the adjusted income from a business source.

5.2.4 **Gift of money or contribution in kind for the provision of facilities in public places for the benefit of disabled persons – subsection 44(9) of the ITA**

The amount allowed as a deduction is equivalent to the amount of gift of money or contribution in kind (the value of which is determined by the relevant local authority).

5.2.5 **Gift of money or the cost or value of any gift of medical equipment to any healthcare facility approved by the Ministry of Health – subsection 44(10) of the ITA**

The amount allowed as a deduction is equivalent to the amount of gift of money or the cost or value (as certified by the Ministry of Health) of any gift of medical equipment which is limited to a maximum amount of RM20,000.

5.2.6 **Gift of painting to the National Art Gallery or any state art gallery – subsection 44(11) of the ITA**

The amount allowed as a deduction is equivalent to the value of the gift of painting as determined by the National Art Gallery or the respective state art galleries.

5.2.7 **Gift of money for any sports activity approved by the Minister of Finance – subsection 44(11B) of the ITA**

The amount allowed as a deduction is equivalent to the amount of gift of money made for any sports activity approved by the Minister of Finance.

The amount allowed as a deduction shall not exceed the difference between the amount of 10% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6), 44(11C) and 44(11D) of the ITA.

Example 1

Rowers Extreme Team (RET) is a kayaking sports activity club. In March 2026, RET plans to organize a kayaking expedition touring Terengganu and intends to raise funds for the expedition. RET seeks approval from the Ministry of Finance for the expedition.

If this sports activity is granted an approval, any gift of money made to RET for the success of this event is eligible for deduction under subsection 44(11B) of the ITA.

However, the allowable deduction shall not exceed the difference between the amount of 10% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6), 44(11C), and 44(11D) of the ITA of that person who contributes.

(Please refer to **Example 2** for further explanation)

5.2.8 **Gift of money or cost of contribution in kind for any project of national interest approved by the Minister of Finance – subsection 44(11C) of the ITA**

The amount allowed as a deduction is equivalent to the amount of gift of money or cost of contribution in kind provided that the amount shall not exceed the difference between the amount of 10% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6), 44(11B) and 44(11D) of the ITA.

(Please refer to **Example 2** for further explanation)

5.2.9 **Gift of money in the form of wakaf or endowment – subsection 44(11D) of the ITA**

The amount allowed as a deduction is equivalent to the amount in respect of gift of money in the form of–

(a) wakaf to any appropriate religious authority established under any written law, the body established by that appropriate religious authority or public university allowed by that appropriate religious authority to receive wakaf; or

(b) endowment to a public university.

The allowable deduction is subject to the following conditions:

(i) wakaf or endowment is made for the purpose of achieving the objective of establishment of the appropriate religious authority, body, or public university;

(ii) the appropriate religious authority, body, or public university is approved by the DGIR for the purposes of subsection 44(11D) of the ITA on the application of the appropriate religious authority, body, or public university concerned; and

(iii) the amount to be deducted shall not exceed the difference between the amount of 10% of the aggregate income and the total amount that has been deducted pursuant to the proviso to subsections 44(6), 44(11B), and 44(11C) of the ITA.

For the purpose of deduction under subsection 44(11D) of the ITA, "public university" means a higher educational institution having the status of a University established under the Universities and University Colleges Act 1971 [*Act 30*] and the Universiti Teknologi MARA established under the Universiti Teknologi MARA Act 1976 [*Act 173*].

The following guidelines explain the application procedure for approval of DGIR under subsection 44(11D) of the ITA for wakaf and endowment:

(a) *Garis Panduan Permohonan Untuk Kelulusan Ketua Pengarah Hasil Dalam Negeri Di Bawah Subseksyen 44(11D) Akta Cukai Pendapatan 1967 Bagi Wakaf bertarikh 8/10/2020* (available in Malay Language only); and

(b) *Garis Panduan Permohonan Untuk Kelulusan Ketua Pengarah Hasil Dalam Negeri Di Bawah Subseksyen 44(11D) Akta Cukai Pendapatan 1967 Bagi Endowmen bertarikh 6/10/2020* (available in Malay Language only).

Example 2

Firdaus's aggregate income from the FM Enterprise (a sole proprietorship business) for the YA 2026 is RM220,000. The gift of money and the cost of contributions made by the business in that YA are as follows:

	RM
Gift of money to an approved institution under subsection 44(6)	12,000
Gift of money under subsection 44(11B)	6,000
Gift of money or contribution under subsection 44(11C)	3,000
Gift of money under subsection 44(11D)	5,000
Total gift and contributions	26,000

The restriction on the gift of money or cost of contribution can be computed using two methods as follows:

Method 1

(a) Restriction on the gift of money under the proviso to subsection 44(6) of the ITA

10% x RM220,000 = RM22,000

Therefore, the gift of money of RM12,000 to the approved institution qualifies as a deduction.

(b) Restriction on the cost of contribution under the proviso to subsections 44(11B), 44(11C), and 44(11D) of the ITA.

10% of the aggregate income minus the deduction under the proviso to subsection 44(6) of the ITA.

= (10% x RM220,000) - RM12,000

= RM22,000 - RM12,000

= RM10,000

Therefore, Firdaus is only allowed a deduction of RM10,000 from the contribution under subsections 44(11B), 44(11C) and 44(11D) of the ITA as shown below:

	RM
Gift of money under subsection 44(11B) of the ITA	6,000
Gift of money or contribution under subsection 44(11C) of the ITA	3,000
Gift of money under subsection 44(11D) of the ITA (RM10,000 – RM6,000 – RM3,000) restricted to	1,000

Therefore, the amount of gifts and donations that can be allowed as deductions is:

	RM
Gift of money under subsection 44(6) of the ITA	12,000
Cost of Gift of money or contribution under subsection 44(11B), 44(11C) and 44(11D) of the ITA	10,000
(RM6,000 + RM3,000 + RM1,000)	
Total gift of money and cost of contribution allowed	22,000

Method 2

Restriction on the gift of money and the cost of contribution under the proviso to subsections 44(6), 44(11B), 44(11C) and 44(11D) of the ITA.

10% x RM220,000 = RM22,000

Therefore, from the total gift and contribution of RM26,000, only RM22,000 can be allowed as a deduction under the proviso to subsections 44(6), 44(11B), 44(11C), and 44(11D) of the ITA in computing the total income.

6. Allowable Deduction

An individual may make a claim for the allowable deductions which are provided under sections 45A to 49 of the ITA in computing his chargeable income.

There are two types of deductions which are-

(a) deductions that are not based on an expense incurred but the deduction allowable is a fixed amount; and

(b) deductions that are based on an expense incurred and claimed by an individual but restricted to an allowable amount.

The deduction can only be claimed by an individual who is resident in Malaysia. The determination of the residence status of an individual is based on the number of days he is in Malaysia in a basis year for a YA. Please refer to the PR No. 11/2017 titled “Residence Status of Individuals” for further information.

Deductions that can be claimed and allowed to be deducted against the total income of an individual resident in Malaysia in a basis year for a YA in computing his chargeable income are as follows:

6.1 Self and dependant relatives

Paragraph 46(1)*(a)* of the ITA provides that a deduction of RM9,000 is allowed to every individual who has total income and is assessed in his own name.

6.2 Medical treatment, dental treatment, complete medical examination (including vaccination), special needs or carer expenses for parents and grandparents

6.2.1 Paragraph 46(1)*(c)* of the ITA provides that a deduction up to a maximum of RM8,000 is allowed to an individual on the expenses incurred by him for the medical treatment, dental treatment, complete medical examination, special needs or carer for his parents and grandparents.

6.2.2 Parents refer to natural parents or foster parents where the individual is an adopted child. Meanwhile, grandparents refer to the parents of an individual's parents.

6.2.3 Expenses on medical treatment for parents and grandparents which qualify for deduction include:

(a) medical treatment and care services provided by a nursing home.

The scope of medical treatment for parents and grandparents also includes expenses on medical treatment and care for parents and grandparents who suffer from diseases or with physical or mental disabilities and who need regular treatment certified by qualified medical practitioners registered with the Malaysian Medical Council. Certification of a medical practitioner is needed to confirm that the medical condition of the parents and grandparents require medical treatment, dental

treatment, complete medical examination, special needs, or a carer. Such treatment and care provided to parents and grandparents include treatment and care at home or any care centers.

Qualifying expenses related to the treatment and care are as follows:

(i) medical treatment expenses evidenced by receipts; or

(ii) expenses on special needs for parents and grandparents evidenced by receipts as proof of purchase; or

(iii) expenses for the care of parents and grandparents evidenced by receipts or written certification from carers or work permits of the carers. Foreign-hired carers are required to possess valid visas or special work permits for the care of the parents and grandparents of the individual. Salaries paid to carers to take care of parents and grandparents who are physically and mentally healthy do not qualify for this deduction.

(b) dental treatment includes **all types of expenses for dental examinations and treatments,** such as tooth extraction, filling cavities, cleaning tartar, dentures, root canal treatment, treatment for replacing teeth, and dental repairs. Dental treatment performed in Malaysia must be endorsed by a dental practitioner registered with the Malaysian Dental Council and evidenced by an official receipt; and

(c) complete medical examination for parents and grandparents including vaccination is limited to RM1,000. From YA 2026, the scope of vaccinations that are eligible for tax deduction must be vaccines that are registered and approved for use by the National Pharmaceutical Regulatory Agency (NPRA), Ministry of Health Malaysia (MOH).

Example 3

Zubir is an employee in a private company. The following is the expense claim made by him in 2026:

Type of expenses	Expended amount (RM)	Allowable deduction (RM)
Medical treatment of grandparents in private clinics	4,500	4,500
Dental treatment of parents in private clinics	1,000	1,000
Vaccination of parents and grandparents	2,800	1,000 (Restricted to)
Total expenses	**8,300**	**6,500**

Dental treatment and complete medical examination expenses for parents are allowed tax deductions with effect from YA 2024.

Effective from the YA 2025, medical treatment, dental treatment, complete medical examination (including vaccination), special needs or carer expenses for parents will be extended to an individual's grandparents.

6.2.4 However, the deduction as mentioned in paragraph 6.2 of this PR is subject to the following conditions:

(a) the carer for parents and grandparents shall not include that individual, his wife or her husband, or the child of the individual;

(b) the parents and grandparents shall be residents of Malaysia;

(c) the medical treatment, dental treatment, complete medical examination and care services are provided in Malaysia; and

(d) the medical practitioner or dental practitioner is registered with the Malaysian Medical Council or Malaysian Dental Council.

6.2.5 The list of special needs including medical equipment that qualify for deduction are as per **Appendix** . However, the list is not exhaustive and may include other equipment as determined by medical practitioners registered with the Malaysian Medical Council.

6.3 Expenses on basic supporting equipment for disabled persons

6.3.1 Paragraph 46(1)*(d)* of the ITA provides that a deduction of up to RM6,000 is allowed to the individual or spouse who has incurred the expenditure for the purchase of any necessary basic supporting equipment for the use by :

(a) the individual, if he or she is a disabled person;

(b) the spouse, if he or she is a disabled person;

(c) his or her child, if the child is a disabled person; or

(d) his or her parent, who is a disabled person.

6.3.2 Basic supporting equipment includes a hemodialysis machine, wheelchair, artificial legs, and hearing aids but excludes spectacles and optical lenses.

The purchase of basic supporting equipment for disabled persons not registered with the DSW is not allowed as deductions.

Example 4

Megat lost his right leg in an accident and purchased a wheelchair for his own use. Megat is not registered with the DSW as a disabled person.

Megat does not qualify to claim a deduction for the expenses expended for the purchase of the wheelchair as he is not registered with the DSW as a disabled person.

6.4 Disabled person

6.4.1 Paragraph 46(1)*(e)* of the ITA allows a further deduction of RM7,000 if the individual is a disabled person.

6.4.2 An individual is eligible to claim this deduction if he is certified in writing by the DSW as a disabled person.

6.5 Individual education fees

6.5.1 Paragraph 46(1)*(f)* of the ITA provides that a deduction of up to RM7,000 is allowed to the individual on the fees expended by that individual for any field of study undertaken by him –

(a) for the purpose of acquiring any skill or qualification in the fields of law, accounting, Islamic financing, technical, vocational, industrial, scientific or technology up to the degree level in any institution or professional body in Malaysia recognized by the Government or approved by Minister;

(b) a degree at Master's or Doctorate level for the purpose of acquiring any qualification or skill, in any institution or professional body in Malaysia recognized by the Government or approved by the Minister; or

(c) any course of study undertaken for the purpose of up-skilling or self-enhancement and that course is conducted by a body recognized by the Director General of Skills Development under the National Skills Development Act 2006 [*Act 652*]. The amount allowed as a deduction is limited to a maximum amount of RM2,000 for YA 2023 up to YA 2026 respectively.

6.5.2 “Scientific skills” means the study of the nature or behavior of the material and physical universe such as studies in the fields of biology, physics, chemistry, mathematics, information technology, engineering, or medicine.

6.5.3 The course for tertiary level (up to graduate level), degree at Master’s or Doctorate level must be undertaken in any institution or professional body in Malaysia recognized by the Government or approved by the Minister.

For Islamic finance studies, the course of study must be approved by the Bank Negara Malaysia or the Securities Commission and can be undertaken at any institution or professional body in Malaysia recognized by the Government or approved by the Minister of Finance, including at the International Center for Education in Islamic Finance (INCEIF).

6.5.4 The list of local institutions or professional bodies in Malaysia recognized by the Government or approved by the Minister of Finance can be obtained from the official portal of the Ministry of Higher Education at https://www.mohe.gov.my.

6.5.5 Department of Skills Development (DSD) is the Government agency responsible for coordinating and formulating the implementation of the skill training system. Further information regarding the skill training can be obtained from the official portal of DSD at www.dsd.gov.my.

Example 5

Lieza is an officer who serves at the National Archives and attends a Master's level archaeological studies at a local university. She paid study fees of RM2,000 each year starting from 2024 and graduated in April 2026.

Lieza then decided to pursue her studies for a Doctorate in Philosophy in the same course of study in July 2026. She paid tuition fees of RM3,500 in 2026 and claimed a deduction for the fees paid.

The fees of RM2,000 paid in the YAs 2024 and 2025 and RM5,500 (RM2,000 + RM3,500) paid in the YA 2026 respectively are allowed as deductions under paragraph 46(1)*(f)* of the ITA.

Example 6

The same facts as in **Example 5**.

Due to financial constraints, Lieza decided not to continue her Doctorate degree in 2026.

The amount of RM3,500 paid in 2026 is not allowed as a deduction as Lieza did not continue her degree at Doctorate level.

Example 7

Razif pursued his Bachelor Degree in Islamic Finance at a local university and graduated in August 2026. In October the same year, he continued his Master's degree in the same course of study at the same university. In 2026, Razif paid his tuition fees amounting to RM8,500 (i.e. RM3,000 for his Bachelor degree and RM5,500 for his Master's degree).

Although the course fees for both courses of study qualify for deduction, Razif is only allowed a deduction subject to a maximum of RM7,000 in the YA 2026.

6.6 Medical expenses on serious diseases, fertility treatment, vaccination and dental examination or treatment

6.6.1 Paragraph 46(1)*(g)* of the ITA provides for deduction of up to RM10,000 on the amount expended by an individual for –

(a) the treatment of a serious illness on himself, or his wife or child, or for a wife, on herself or her husband or child. Refer to paragraph 6.6.2.

(b) undergoing fertility treatment for himself, or his wife or in the case of a wife for herself or her husband. Refer to paragraph 6.6.3.

(c) vaccination on himself, his wife or child or in the case of a wife on herself, her husband or child. Refer to paragraph 6.6.4. The expenses are limited to an amount of RM1,000.

(d) for a dental examination or treatment on himself, or his wife or child, or for a wife, on herself or her husband or child. The expenses are limited to an amount of RM1,000.

6.6.2 For the purpose of this deduction, “serious disease” means immunodeficiency syndrome (AIDS), Parkinson's disease, cancer, kidney disease, leukemia and other similar diseases. For further information, please refer to the “Garis Panduan Berkenaan Dengan Jenis Penyakit Serius Bagi Maksud Perenggan 46(1)(g) ACP 1967” which can be obtained from the official portal of the Inland Revenue Board of Malaysia (IRBM) at www.hasil.gov.my.

6.6.3 The claim for fertility treatment is only eligible for married individuals. “Fertility treatment” means Intrauterine Insemination (IUI) or In Vitro Fertilization (IVF) treatment or any other fertility treatment. Besides that, consultation fees and medicines are also part of the fertility treatment for the purpose of claiming this deduction.

6.6.4 The vaccinations which qualify for deduction include **all types of vaccines** registered and approved for use by NPRA, MOH. The list of vaccines registered and approved can be obtained on the NPRA official website. Among the vaccines included in the scope of this relief are Dengue, Typhoid, Measles, Rubella, Hepatitis A & B and Yellow Fever Vaccines.

6.6.5 A summary of medical treatment expenses based on the eligible amount according to the YA:

Types of medical expenses	**Qualifying expenditure (RM)**					
	YA 2015 until YA 2019	**YA 2020**	**YA 2021**	**YA 2022**	**YA 2023**	**YA 2024 onwards**
Serious diseases	√	√	√	√	√	√
Fertility treatment	-	√	√	√	√	√
Vaccination	-	-	Restricted to 1,000	Restricted to 1,000	Restricted to 1,000	Restricted to 1,000
Dental treatment or examination	-	-	-	-	-	Restricted to 1,000
Total allowable deduction	**6,000**	**6,000**	**8,000**	**8,000**	**10,000**	**10,000**

6.6.6 The claim for medical expenses has to be evidenced by a receipt and certification issued by a medical practitioner registered with the Malaysian Medical Council that the serious disease treatment was provided to that individual, spouse, or child, or fertility treatment was provided to the individual or the spouse. For dental examination and treatment, claims must be proved by receipts and certificates issued by dental practitioners registered with the Malaysian Dental Council.

Example 8

In the year 2026, the cost of leukemia treatment suffered by Jasmine amounted to RM14,000. From that amount, Jasmine paid a sum of RM10,000, and her husband, Isaac paid the balance of RM4,000, and separate receipts were issued in Jasmine and Isaac's name. Isaac and Jasmine are assessed separately in the YA 2026.

For the YA 2026, Jasmine is allowed a deduction for medical expenses paid by her RM10,000 while Isaac is allowed a deduction of RM4,000 for the treatment of his wife's serious disease.

Example 9

Fahim and his wife, Anita have been married for 10 years but they do not have any children. In the year 2026, both of them underwent an In Vitro Fertilization (IVF) treatment to have a baby at Hospital Pakar Wanita. The treatment cost of RM20,000 was borne by both of them and the receipt was issued in Fahim's name. Fahim and Anita made a separate assessment whereby each of them made a claim for RM10,000 as a deduction in respect of this treatment in their respective tax computation.

The total deduction that can be claimed for the YA 2026 is as follows:

	Expended amount (RM)	**Allowable deduction (RM)**
Fahim	10,000	10,000 (Restricted to)
Anita	10,000	Not eligible

Anita is not eligible to claim this deduction since the receipt was issued in her husband's name even though Anita also incurred the expenses.

Example 10

The facts are the same as in **Example 9**, **except** that separate receipts were issued in the names of Fahim and Anita, each for RM10,000. In the year 2026, Anita claimed this amount from her employer, and her employer paid her RM5,000. The amount of RM5,000 was reported as a benefit in kind in Anita's income statement. Anita and Fahim are eligible to claim a deduction for these expenses because they both have receipts as evidence of the

incurred expenses. The allowed deduction is limited to a maximum amount of RM10,000 each.

Example 11

In the year 2026, Azli expended RM12,000 on the fertility treatment undergone by his wife at Hospital Pakar Wanita, and a receipt was issued in Azli's name. Azli also incurred RM6,000 on a serious disease treatment of his son. Azli claimed for deduction on all of the medical expenses incurred by him.

The total deduction for medical expenses that can be claimed by Azli in the YA 2026 is as follows:

Types of medical expenses	Expended Amount (RM)	Allowable deduction (RM)
Serious disease	6,000	10,000 (Restricted to)
Fertility treatment	12,000	

Example 12

In the year 2026, Nina spent RM15,000 on fertility treatment of In-Vitro Fertilization (IVF) underwent by her at a specialist hospital. Nina elected for a combined assessment with her husband and tax is assessed in the name of the husband, Syahmi. Syahmi can claim the medical expense on fertility treatment restricted to RM10,000 because that expense is deemed to be incurred by him.

Example 13

In the year 2026, Khadijah incurred expenses for herself and her children as follows:

Types of expenses	Expended amount (RM)	Allowable deduction (RM)
Influenza Vaccination (children)	500	500
Dental examination and treatment (children)	1,400	1,000 (Restricted to)
Serious disease (self)	5,000	5,000
Total expenses	**6,900**	**6,500**

Khadijah is only eligible to claim up to RM6,500 from her expenses because the claim for dental examination and treatment expenses is limited to RM1,000 only.

6.7 **Expenses for complete medical examination, mental health examination, disease detection examination and purchase of self-testing medical devices**

6.7.1 Paragraph 46(1)*(h)* of the ITA provides that a deduction up to RM1,000 for an individual who incurred expenses for himself, his spouse, or his child for:

(a) a complete medical examination;

(b) payment of fees for disease detection test;

(c) purchase of self-testing medical device registered under the Medical Device Act 2012 [*Act 737*]; or

(d) mental health examination expenses or consultations.

6.7.2 For YA 2021, this amount of RM1,000 is a part of the deduction amount of RM8,000 that can be allowed for medical expenses under paragraph 46(1)*(g)* of the ITA.

6.7.3 Effective from the YA 2023, the amount of RM1,000 is a part of the deduction amount of RM10,000 that can be allowed under paragraph 46(1)*(g)* of the ITA.

6.7.4 "Complete medical examination" means full medical check-up as defined by the Malaysian Medical Council which includes -

(a) physical examination such as eye, ear, nose, throat, neck, chest, heart, breast, abdomen, hand, foot, body weight examinations, blood pressure;

(b) x-ray examination;

(c) blood and urine test; and

(d) discussion with the physician conducting the test on the results of the examination.

A person who undergoes laboratory tests such as blood tests, urine analysis, and x-ray examination is not eligible for this deduction as such tests cannot be categorized as a complete medical examination.

6.7.5 The mental health examination or consultation on the individual, his spouse, or child must be obtained from -

(a) a psychiatrist within the meaning of section 2 under the Mental Health Act 2001 [*Act 615*];

(b) clinical psychologists registered under the Allied Health Professions Act 2016 *[Act 774*]; or

(c) counselors registered under the Counselors Act 1998 [*Act 580*].

The expenses for mental health examination or consultation must be evidenced by a receipt issued by a psychiatrist/psychologist or counselor clinic as mentioned above, where the service is received.

Example 14

John had a medical examination in the year 2026 due to depression after being placed on unpaid leave by his employer. He has obtained consultation treatment at a registered psychological clinic with a fee of RM800. In the same year, John also had a complete medical examination with a charge of RM800.

The amount eligible to be claimed by John under paragraph 46(1*)(h)* of the ITA for YA 2026 is limited to RM1,000.

6.7.6 Payment of fees for disease detection examination:

(a) tests carried out in clinics or hospitals;

(b) detection examination such as blood test, ultrasound, mammogram, pap smear, including influenza virus and COVID-19; and

(c) the expenses must be proven by a receipt issued by a hospital or clinic or medical practitioner registered with the Malaysian Medical Council.

6.7.7 Purchase of self-testing medical devices:

(a) purchase of self-testing medical devices such as pulse oximeter, blood pressure monitor machine, thermometer, including self-test kit for influenza virus and COVID-19;

(b) purchase of device registered under the Medical Device Act 2012 and not being used for the purposes of his own business; and

(c) the expenses must be proven by a receipt.

Example 15

Shanti bought a self-test kit to detect the COVID-19 virus for herself and her children for RM120 in 2026. Shanti's husband Kumar also bought a self-test kit for his use worth RM80 in the same year. All purchase receipts are kept by Shanti and her husband. Shanti chose to have her income assessed along with her husband's income. The amount spent by Shanti is considered spent by her husband. Kumar is eligible to claim the cost of purchasing a COVID-19 self-test kit of RM200 under paragraph 46(1)(*h*) of the ITA.

Example 16

Diana has a child with kidney disease. In the year 2026, Diana has spent RM12,500 for medical costs and additional vaccinations (RM500) for her son. In the same year, Diana spent RM750 to

undergo a full medical check-up at a private hospital in Seremban registered with Malaysian Medical Council.

She was asked to undergo a Rapid Molecular PCR Test to detect the COVID-19 virus before a full medical check-up was conducted. The cost for the test is RM300.

Diana is eligible to claim medical treatment relief under paragraph 46(1)*(g)* of the ITA of RM12,500 for her son's medical treatment expenses. Deduction is limited to a maximum of RM10,000. Diana is also eligible to claim for the expenses of a full medical check-up and expenses for a COVID-19 detection test but limited to RM1,000. However, the total expenditure allowed incurred by Diana is subject to paragraph 46(1)*(g)* and paragraph 46(1)*(h)* of the ITA .

Type of medical expenses	**Expended amount (RM)**	**Allowable deduction (RM)**
Serious illness medicine and additional vaccine injections	12,500	10,000 (restricted to)
Full medical check-up	750	
Rapid Molecular PCR Test	300	
Total expenses	13,550	

Example 17

In the year 2026, Jasmin has incurred expenses for herself and her children as follows –

No.	Type of expenses	Expended amount (RM)	Allowable deduction (RM)
1.	Serious diseases	9,000	9,000
2.	Mammogram test (self)	200	200
3.	Purchase of pulse oximeter and blood pressure monitor machine	700	700
4.	Purchase of self-testing medical devices for COVID-19 and influenza (children)	400	100
Total expenses		**10,300**	**10,000** (restricted to)

Note: The deduction allowed for the purchase of pulse oximeters and blood pressure monitor machines and self-testing medical devices for COVID-19 and influenza (children) is limited to RM1,000.

6.7.8 The summary table of medical treatment expenses based on the amount eligible to be claimed according to YA:

Types of medical expenses	Qualifying expenditure (RM)						
	YA 2015 until YA 2019	YA 2020	YA 2021	YA 2022	YA 2023	YA 2024	YA 2025 onwards
Full medical examination	Restricted to 500	Restricted to 500	Restricted to 1,000	Restricted to 1,000	Restricted to 1,000	Restricted to 1,000	Restricted to 1,000
Covid -19 testing	-	-					
Mental health assessments	-	-	-				
Payment of fees for disease detection examination	-	-	-	-	-	-	
Purchase of self-testing medical devices	-	-	-	-	-	-	

6.8 Treatment expenses on early intervention program or rehabilitation for children with learning disabilities

6.8.1 Paragraph 46(1)(*ha*) of the ITA provides that a deduction of up to RM10,000 is allowed on the amount expended by the individual on his child in respect of assessment for the purpose of diagnosis, early intervention program or rehabilitation treatment for the following learning disability –

(a) Autism Spectrum Disorder;

(b) Attention Deficit Hyperactivity Disorder (ADHD);

(c) Global Developmental Delay (GDD);

(d) Intellectual Disability;

(e) Down Syndrome; and

(f) Specific Learning Disability

6.8.2 Individuals must be parents of children who have been diagnosed by a registered medical practitioner with the Malaysian Medical Council as having a Learning Disability and are aged 18 years and below.

6.8.3 Early intervention program or rehabilitation treatment for learning disability is conducted by an allied health practitioner in the field of learning disability who is registered with the Malaysian Allied Health Professions Council (MAHPC) under the Allied Health Professions Act 2016 (AHPA) [*Act 774*].

Claims must be proven as follows:

a) assessment for the purpose of diagnosis - a receipt and certification issued by a registered medical practitioner with the Malaysian Medical Council; or

b) early intervention programme or rehabilitation treatment - a receipt and certification issued by allied health practitioners who are registered with the MAHPC under the AHPA.

6.8.4 The amount eligible to be claimed which forms part of the total deduction of RM10,000 under paragraph 46(1)(*g*) of the ITA, is as follows:

YA	Deduction Amount (RM)
Starting 2025	6,000
2026	10,000

6.8.5 If both husband and wife have made payment for an early intervention program or rehabilitation for the same child and they opt for separate assessment, the tax deduction under paragraph 46(1)(*ha*) of the ITA can be claimed by both the husband and wife provided that separate receipts were issued to the husband and wife for their respective amounts incurred.

6.8.6 Where a husband and a wife are divorced, the tax deduction can be claimed by the former husband and the former wife if they jointly made payment for the child's early intervention program or rehabilitation for a learning disability. This is provided that separate receipts were issued to the former husband and the former wife for their respective amounts incurred.

Example 18

Anis is a single mother with 2 children. Her second child, who is 3 years old, has been diagnosed by a medical practitioner as having autism. In the year 2026, Anis fully bears the expenses for early intervention and rehabilitation treatments for this child. She also incurs other expenses for her eldest child, who is 5 years old, as follows:

Expenses	**Expended amount (RM)**	**Allowable deduction (RM)**
Influenza vaccination (paragraph 46(1)(*g*)) of the ITA	300	300
Early rehabilitation or intervention treatment (paragraph 46(1)(*ha*)) of the ITA	11,000	10,000 (Restricted to)
Total expenses	**11,300**	**10,300 (Restricted to 10,000)**

Each expenditure should be evidenced by receipts and certification as required. For the purpose of deduction, Anis is eligible to claim only RM10,000 from the total expenses incurred for early intervention and rehabilitation treatment, as the deduction for early intervention and rehabilitation treatment expenses is limited to RM10,000.

Example 19

The same facts as in **Example 18**, except that in the year 2026, Anis also incurred other expenses for herself.

Expenses	Expended Amount (RM)	Allowable Deduction (RM)
Medical on a serious disease (paragraph 46(1)(*g*) of the ITA)	9,800	9,800
Influenza vaccination (paragraph 46(1)(*g*)of the ITA)	300	300
Early rehabilitation intervention treatment (paragraph 46(1)(*ha*) of the ITA)	11,000	10,000 (Restricted to)
Total expenses	**21,100**	**20,100 (Restricted to 10,000)**

For the purpose of relief, Anis is eligible to claim up to RM10,000 from her total expenses. The claim for relief on expenses for early intervention and rehabilitation treatments is not eligible since reliefs under paragraph 46(1)(*g*) of the ITA are fully claimed.

Example 20

Peter and Jill are divorced with joint custody of their 17-year-old son with Down syndrome. During the year 2026, both the former husband and former wife collectively incurred RM20,000 for their son's rehabilitation treatment which includes speech therapy and occupational therapy for a Down syndrome youth. They each paid for their son's different treatment sessions and have separate receipts issued under their respective names by an allied health practitioner who is registered with the MAHPC under the AHPA. Peter incurred a total of RM17,000 while Jill incurred a total of RM3,000 for the year 2026.

Rehabilitation treatment expenses payee	Expended Amount (RM)	Allowable Deduction (RM)
Peter (former husband) (paragraph 46(1)(*ha*) of the ITA)	17,000	10,000 (Restricted to)
Jill (former wife) (paragraph 46(1)(*ha*) of the ITA)	3,000	3,000

Example 21

The same facts as in **Example 20**. In early 2027 Peter and Jill were remarried and resumed their status as husband and wife. Their child's rehabilitation treatment expenses in 2027 are the same as in 2026. Peter and Jill chooses combined assessment for YA 2027. Peter and Jill are eligible to claim their son's rehabilitation treatment expenses limited to RM10,000 only.

6.9 Net savings in the National Education Savings Scheme (NESS)

6.9.1 NESS is a saving scheme introduced by the Perbadanan Tabung Pendidikan Tinggi Nasional (PTPTN). PTPTN was established under the Perbadanan Tabung Pendidikan Tinggi Nasional Act 1997 [*Act 566*]. NESS was introduced to enable parents to save and eventually finance their children's education at higher learning institutions. To encourage individuals to deposit into the NESS account, paragraph 46(1)*(k)* of the ITA was introduced to allow a deduction for individuals who make deposits into the scheme.

6.9.2 The amount allowed as a deduction is the net savings amount in the relevant year, limited to the maximum amount based on the YA as follows:

YA	Maximum limit for the net savings amount (RM)
2012 - 2018	6,000
2019 - 2027	8,000

The net savings amount is the total savings made during a year reduced by the amount of any withdrawal made during that year.

6.9.3 Effective from YA 2025 to YA 2027, the allowable deduction is subject to the following conditions:

(a) spouses who elect separate assessment for a YA, the deduction can only be claimed by either the husband or the wife who makes savings in the NESS, with a maximum amount of RM8,000;

(b) withdrawals from the NESS account for the purpose of financing the education costs of children who continue their studies to the higher level (diploma level and above) are not taken into account in the calculation of net savings for the relevant basis year; and

(c) the maximum amount of RM8,000 applies notwithstanding that the individual may have more than one child.

6.9.4 The following are conditions for claiming deductions on net savings in the NESS account:

No.	Category	Types of assessment	Who is eligible to claim and eligible amount
1.	Husband Wife	Separate	Only one person is eligible to claim (limited to the amount expended up to a maximum of RM8,000).
		Combined in husband's/wife's name	Spouse's expenses is deemed to be incurred by the husband/wife and limited to the amount expended up to a maximum of RM8,000.
2.	Divorced spouses	Self	Mother **and** father are eligible to claim the amount expended up to a maximum of RM8,000.

Example 22

Arif and his wife Lisa, opened a NESS account for their child since the age of 12. Each year, Arif and his wife individually deposit a total sum of RM8,000 without any withdrawals.

In the year 2026, Arif deposited a sum of RM8,000 into the account and withdrew RM3,000 from it for his child's university registration fees. Lisa also deposited RM8,000 in 2026 and withdrew RM2,000 for her medical expenses.

The statement of the NESS account of Arif's child is as follows:

Details	**Year**			
	2025 (RM)		**2026 (RM)**	
	Arif's Deposit	**Lisa's Deposit**	**Arif's Deposit**	**Lisa's Deposit**
Deposit	8,000	8,000	8,000	8,000
Less: Withdrawal	Nil	Nil	3,000 (university registration fees)	2,000 (medical expenses)
Ending balance	**8,000**	**8,000**	**5,000**	**6,000**

The amount of deduction for deposits into the NESS account that can be claimed by Arif and Lisa is as follows:

YA 2025:

Arif or Lisa are eligible to claim RM8,000 (maximum).

YA 2026:

a) If Arif and Lisa are **to be assessed separately**, then only one of them is eligible to claim limited to the amount below:

Arif : RM8,000 (maximum); **or**

Lisa : RM6,000 (RM8,000 – RM2,000).

Only one person is eligible to claim the NESS deduction, limited to the amount spent.

b) If Arif or Lisa chooses **combined assessment**, the couple's expenses is deemed to be incurred by Arif or Lisa limited to RM8,000 (maximum).

Example 23

The same facts as in **Example 22.**

In the year 2026, Arif and Lisa got divorced. Each of them is eligible to claim the NESS contribution deposit amount limited to the amount spent and a maximum of RM8,000 each.

6.9.5 NESS accounts can be opened by parents for children aged 18 years and below and maintain the account until the child reaches the age of 29 years old. Deposits made by parents to this account until the child reaches the age of 29 can be allowed as a deduction. For children aged 18 years and above, they have the option to either open an account under their own name or under their parents' name. If the account is opened under the child's name, the child is not eligible for deduction on the deposit made into the account because the deduction under paragraph 46(1)*(k)* of the ITA is only eligible for the depositors who are the parents or the guardians. The parents are also not eligible for deduction since they are not depositors of the account when it is opened under the child's name.

6.10 Contribution to the Social Security Organization (SOCSO)

6.10.1 Paragraph 46(1)*(n)* of the ITA allows a personal deduction to an individual in respect of a contribution made or suffered in that basis year by that individual to the SOCSO pursuant to the Employees' Social Security Act 1969 [*Act 4*] or Employment Insurance System Act 2017 [*Act 800*].

6.10.2 The amount allowed as a deduction is limited to a maximum of RM350.

6.11 Lifestyle relief

6.11.1 Paragraph 46(1)*(p)* of the ITA provides a deduction for expenses incurred by an individual for the use of himself, his spouse, or children in a basis year for :

(a) the purchase of books, journals, magazines, newspapers, and other similar publications for the purpose of enhancing knowledge. Books would include school textbooks, e-books, periodicals, and comics whether purchased locally or overseas but exclude any banned reading materials such as morally offensive magazines. Buying e-books online is also allowed as a deduction.

(b) the purchase of a personal computer, smartphone, or tablet (not being used for the purpose of his own business) for his own use, the use of his or her spouse, or his or her child. Additional charge for the warranty is not allowed for deduction under this paragraph;

(c) the payment of monthly bills for internet subscription registered under the individual's name or the use of his or her spouse or his or her child.

6.11.2 Effective from the YA 2024, the lifestyle relief has been extended to expenses for the payment of self-enrichment course fees other than courses under subparagraph 46 (1) (*f*)(*iii*) of the ITA.

These expenses are allowed as tax deduction under paragraph 46(1)(*p*) of the ITA and limited to courses attended by that individual only.

The course does not need to be registered or recognized by any government body. The receipts issued by the course provider as proof of expenditure is sufficient.

The course attended must be one that encourages individuals to learn skills **unrelated to** their job such as courses related to hobbies, religion, languages, and so on.

6.11.3 The total deduction for the amount expended under this paragraph is subject to a maximum amount of RM2,500 and must be evidenced by receipts issued in respect of the purchase or payment.

Example 24

Mimi, an interior designer expended the following on lifestyle and claimed a deduction for the YA 2026:

- Purchase of newspaper for RM55;
- Purchase of e-book for RM280;
- Purchase of a smartphone for RM580; and
- Payment of internet subscription for one year amounting to RM1,800.
- Payment to attend a baking course amounting to RM300.

All receipts of purchases and payments are kept by Mimi for the purpose of claiming the deductions.

The total sum of the above purchases and payments amounts to RM3,015. However, Mimi is only eligible to claim a deduction for lifestyle expenses subject to a maximum amount of RM2,500.

Example 25

Brian Wong purchased a Mountain Bike for RM1,499 in the year 2026. He also purchased a new laptop worth RM750.

The amount expended on lifestyle by Brian Wong that can be allowed as a deduction for YA 2026 is RM750 for the purchase of a laptop only.

The amount expended on the purchase a Mountain Bike priced at RM1,499 cannot be allowed as a deduction under paragraph 46(1)(*p*) of the ITA but is allowed as a deduction under paragraph 46(1)(*u*) of the ITA which is an additional tax relief for lifestyle related to sports activities limited to RM1,000 only. For more information, please refer to paragraph 6.15.

Example 26

Aqil and Liyani have employment income and elect for separate assessments for the YA 2026. The following are the expenditure claims made by them in the year 2026:

Expenses	Expended amount (RM)	
	Aqil	**Liyani**
Book	500	600
Internet subscription	1,000	1,000
Arabic language course fees	None	500
Fertigation cultivation course fees	1,400	None
Purchase of a tennis racket	None	800
Gym membership fee	2,400	None
Total expenses	**5,300**	**2,900**

Each expenditure is evidenced by a receipt as required.

For the purpose of claiming tax relief under paragraph 46(1)(*p*) of the ITA for the YA 2026, Aqil is eligible to claim relief for the purchase of books, internet subscription, and fertigation cultivation course fees, limited to RM2,500.

While Liyani is eligible to claim relief for books, internet subscription, and Arabic language course fees amounting to RM2,100.

The expenditures incurred by Aqil and Liyani for gym membership fees and the purchase of a tennis racket are not eligible for a claim under paragraph 46(1)(p) of the ITA but can be claimed under paragraph 46(1)(*u*) of the ITA if they meet the conditions under that provision. Refer **Example 33**.

6.12 Purchase of breastfeeding equipment

6.12.1 Effective from the YA 2017, paragraph 46(1)(*q*) of the ITA provides for a tax deduction on the purchase of breastfeeding equipment, exclusively for working women who are still breastfeeding their children.

6.12.2 The amount of deduction allowed for the purchase of breastfeeding equipment is limited to a maximum of RM1,000 expended in that basis year for that YA, regardless of the number of children, and the deduction is allowed once in **every two YAs**.

6.12.3 The deduction is allowed provided that the individual –

(a) is a breastfeeding mother;

(b) breastfeeds her child aged up to 2 years;

(c) expended on the purchase of breastfeeding equipment for her own use; and

(d) makes a claim that is evidenced by receipts issued in respect of the purchase.

6.12.4 Breastfeeding equipment that qualifies for a deduction under this paragraph are as follows:

(a) a breast pump kit and an ice pack;

(b) breast milk collection and storage equipment; and

(c) a cooler set or a cooler bag.

6.12.5 For the case of a combined assessment, this deduction is allowed where the assessment is made in the **name of the wife**.

Example 27

Balqis gave birth to her first child in November 2024. She purchased breastfeeding equipment for RM1,450 in January 2025 before she started working after her maternity leave ended. In the YA 2025, Balqis was assessed separately and made a claim for a deduction on the purchase of breastfeeding equipment. Receipts for the purchase of breastfeeding equipment were retained by Balqis.

Balqis satisfied the conditions to claim the deduction which are–

(a) she is a breastfeeding mother to her child aged not more than 2 years; and

(b) she incurred expenses on the purchase of breastfeeding equipment in the year 2025.

The amount allowed as a deduction to Balqis for the purchase of breastfeeding equipment is limited to a maximum of RM1,000.

Example 28

The same facts as in **Example 27**.

In 2026, Balqis purchased a new breast pump kit worth RM950 to replace the old set which was damaged. She made a claim for a deduction on the purchase of the new breast pump kit as evidenced by the receipts retained by her.

The claim made by Balqis in the year 2026 for the purchase of the new breast pump kit is not allowable because Balqis has already been allowed a deduction in the YA 2025. The deduction under paragraph 46(1)*(q)* of the ITA is allowable once in every two YAs.

Example 29

Alicia had a second child in June 2026 and purchased RM750 breastfeeding equipment in that year. For the YA 2026, Alicia's husband elected for a combined assessment in his wife's name.

Alicia is eligible to claim a tax deduction of RM750 for the purchase of breastfeeding equipment for the YA 2026 because the assessment is made in her name.

Example 30

The same facts as in **Example 29 except** that for the YA 2026, Alicia elected for a combined assessment in her husband's name**.**

The deduction on the purchase of breastfeeding equipment for RM750 is not allowable as the assessment is made in her husband's name.

6.13 Child care centre and kindergarten fees

6.13.1 Paragraph 46(1)*(r)* of the ITA provides a tax deduction to individuals on the amount expended in respect of the payment for child care fees to a child care centre or a kindergarten for a child of that individual aged six years and below.

6.13.2 The establishment of the child care centre must be registered with the DSW under the Child Care Centre Act 1984 [*Act 308*] under the Ministry of Women, Family, and Community Development while a kindergarten is subject to the Education Act 1996 [*Act 550*] and must be registered with the State Education Department under the Ministry of Education.

6.13.3 The allowed amount for the deduction, regardless of the number of children sent to childcare centers or kindergartens, is the amount spent in the respective year, limited to the maximum amount based on the YA as follows:

YA	Deduction amount (RM)
2017 - 2019	1,000
Starting 2020	3,000

6.13.4 This deduction can only be claimed by a husband **or** a wife and must be evidenced by –

(a) birth document of the child such as MyKid or birth certificate; and

(b) receipts of the monthly fees issued by such childcare centre or kindergartens.

6.13.5 Where a husband and a wife are assessed separately, the tax deduction under this paragraph can only be claimed either by the husband or the wife who incurs the expenses.

6.13.6 Effective from YA 2026, the tax relief for expenses on child care fees has been extended to expenses for day care centre or transit centre fees to assist working parents who require a childcare place after finishing school.

6.13.7 Eligible childcare premises have been expanded to include:

(a) day care centre; or

(b) transit centre

that are registered with the DSW.

6.13.8 The age limit for the child has also been increased from 6 years to **12 years and below**.

6.13.9 Where a husband and a wife are divorced, the tax deduction can be claimed by the former husband and the former wife provided that they both made payment for the child care fees.

Example 31

Nuri and her husband divorced in the year 2025 and they have 2 children, Alia and Alisya aged 4 and 9 years old respectively. Nuri obtained full custody of both of her children. In the year 2026, Nuri paid fees of RM1,800 to a childcare centre for Alia and her former husband paid RM2,000 for Alisya's transit centre fees. Nuri and her former husband are eligible to claim this deduction of RM1,800 and RM2,000 respectively because both of them had incurred allowable expenses on their children and the amounts incurred do not exceed the maximum amount of RM3,000 deductible for a YA.

Note:

If the divorced couple has only one child and both of them share expenses for the childcare fee, each is eligible to claim this deduction limited to the expended amount and not exceeding the maximum amount of RM3,000 for a YA.

6.14 Tax relief on expenses for entrance fees to tourism centre and cultural programme

Effective from the YA 2026, a tax deduction under paragraph 46(1)(*sa*) of the ITA has been introduced to support the government's efforts in organising the Visit Malaysia Year 2026. An incentive to Malaysians travelling domestically through tax relief of up to RM1,000 on expenses for entrance fees as follows:

(a) tourism centre such as museum, theme park, national park, marine park, wildlife park, zoo, and geopark; and

(b) cultural and arts programme.

6.15 Additional tax relief for lifestyle-related sports activity

6.15.1 Effective from YA 2021, paragraph 46(1)(*u*) of the ITA is introduced to promote a healthy lifestyle through sport activity. The deduction allowed is an amount limited to a maximum of RM500 expended or deemed expended in that basis year by an individual –

(a) for the purchase of sports equipment for any sport activity as defined under the Sports Development Act 1997 [*Act 576*] (excluding motorised two-wheel bicycles);

(b) for the payment of rental or entrance fee to any sports facility; and

(c) for the payment of registration fee for any sports competition where the organizer is approved and licensed by the Commissioner of Sports under the Sports Development Act 1997 [*Act 576*] .

6.15.2 Effective from YA 2024, the allowable claim limit has been increased from RM500 to RM1,000.

Deductions as stated in paragraph 6.15.1 are permitted and also extended to gym membership fees or sports training provided by associations/clubs/companies registered with the Commissioner of Sports or incorporated under the Companies Act 2016 [*Act 777*] to conduct sports activities listed under the Sports Development Act 1997 [*Act 576*].

6.15.3 The expenditure is for his own use or under his name or for the use of or under the name of his wife or husband or child.

6.15.4 Effective from the YA 2025, lifestyle expenses related to sports activities are extended to include an individual's parents. The parents of the individual claiming this deduction shall be residents of Malaysia. Each purchase or payment must be evidenced by a payment receipt.

Example 32

In February 2026, Perez purchased sports equipment used in the sport of tennis for his children and his parents for RM3,500. Perez is eligible to claim for this expense in the YA 2026 up to the maximum amount of RM1,000 for the purchase of sports equipment under paragraph 46(1)(*u*) of the ITA.

Example 33

The same facts as in **Example 26,** Liyani is eligible to claim a tax deduction for the purchase of a tennis racket. Aqil is eligible to claim a deduction for gym membership fees up to RM1,000.

Example 34

Lee and Shywen elect separate assessments for YA 2026. The following are the expenses incurred by them:

Expenses	Amount (RM)	
	Lee	**Shywen**
Sports equipment (tennis racket and balls) for their child.	300	250
Payment of golf training fees to Golf Academy registered with the Commissioner of Sports for Lee's parents who are residents in Malaysia.	800	Nil
Entrance fees to sports facilities for Shywen's parents who are residents in Singapore.	Tiada	700
Total expenses	**1,100**	**950**

Lee is eligible to claim a tax deduction under paragraph 46(1)(*u*) of the ITA for his child's sports equipment and golf training fees for his parents, limited to RM1,000.

Shywen is only eligible to claim under the same provision for the purchase of sports equipment for her child, amounting to RM250. Shywen is not eligible to claim the entrance fees to sports facilities for her parents who are residents of Singapore.

6.16 Electric vehicle charging facility fees, purchase of food waste composting machine, payment of installation or purchase of food waste grinder machines and closed - circuit television (CCTV) for domestic use

Paragraph 46(1)(*v*) of the ITA provides that a deduction of up to RM2,500 can be claimed by an individual for electric vehicle charging facility fees and purchase of domestic food waste composting machine for household use.

6.16.1 Expenses for electric vehicle charging facilities fees include:

(a) installation cost of electric vehicle charging equipment;

(b) the hire-purchase of electric vehicle charging equipment;

(c) rental of electric vehicle charging equipment; or

(d) subscription fee for the use of electric vehicle charging facility.

6.16.2 A composting machine is a solid waste technology used to recycle organic waste such as food waste to help reduce the amount of solid waste disposed at landfills. The use of a composting machine can produce end products such as organic fertilizers.

6.16.3 Effective from YA 2026, the tax relief under paragraph 46(1)(*v*) of the ITA has been expanded to the purchase and installation of food waste grinder machine and CCTV for domestic use , which are among the key elements in shaping a smart home as they facilitate daily life in terms of safety and waste management while supporting a modern and sustainable lifestyle through the integration of technology that provides long-term benefits to occupants.

6.16.4 The amount allowed as a deduction is the amount expended in the relevant year according to the conditions and YA as follows:

YA	Types of expenses	Conditions for Deductions	Allowable deduction (RM)
2022 - 2027	Electric vehicle charging facility fees	• Personal use • Not for business purposes	2,500
2025 - 2027	Purchase of domestic food waste composting machine	• Household use • Not for business purposes • Once in every 3 years of assessment	
2026 - 2027	Purchase and payment of installation: • food waste grinder machine • CCTV	• Household use • Not for business purposes • Once in every 2 years of assessment	

The claim must be evidenced by a receipt issued in the name of the individual claiming.

Example 35

Rayyan owns an electric car that is for his own use. Rayyan installed the electric vehicle charging equipment at his home in early 2026. At the end of 2026 Rayyan bought a food waste composting machine to produce organic fertilizer for his plants. Rayyan has incurred the following expenses:

Types of Expenses	Expenses Amount (RM)
Cost of electric charging device	2,000
Cost of installing the electric charging device	200
Cost of food waste composting machine	1,500
Total	**3,700**

Rayyan is eligible to claim a deduction limited to a maximum of RM2,500 in YA 2026 for the amount expended on the purchase of an electric vehicle charging equipment, the cost of installing the device and purchase of food waste composting machine.

Example 36

The same facts as in **Example 35.**

At the beginning of 2027 Rayyan bought another food waste composting machine to produce more organic fertilizer for his plants. Rayyan also bought a food waste grinder machine. Rayyan's expenses in 2027 are as follows:

Types of Expenses	Expenses Amount (RM)
Cost of food waste composting machine	1,700
Cost of food waste grinder machine	1,500
Total	**3,200**

Rayyan is only eligible to claim RM1, 500 for the purchase of a food waste grinder in YA 2027. Rayyan is not eligible to claim the cost of purchasing a food waste composting machine in YA 2027 considering that Rayyan has claimed the cost of purchasing a food waste composting machine in YA 2026.

Example 37

For the year 2026, Husna expended RM2,800 to pay the subscription fee for the charging facility for her own electric vehicle. Husna used the vehicle for personal purposes.

Husna is eligible to claim a deduction for the amount expended on electric vehicle charging facility subscription fee payments limited to RM2,500 for YA 2026. The remaining balance of RM300 for subscription fee expenses is disregarded.

Example 38

In 2025, Izran made a payment for the subscription fee of the charging facility for his electric vehicle at a cost of RM4,200 for his own use. The receipt issued has details that the payment amount of RM4,200 is for a period of 3 years effective from YA 2025 until YA 2027.

The amount of deduction that can be claimed by Izran is as follows:

YA	Expended amount as per receipts (RM)	Allowable deduction (RM)
2025	1,400	1,400
2026	1,400	1,400
2027	1,400	1,400
Total	**4,200**	**4,200**

Example 39

Darus renovated his house in 2026 and for home security purposes, he installed a smart security system throughout his house. The cost of the smart security system was RM25,000, including the cost of installing and purchasing CCTV cameras totaling RM5,800. The installation of the smart security system was completed and ready for use on 26 October 2026. Darus also purchased a food waste

grinder machine worth RM1,299 to be installed in the kitchen of the renovated house.

Darus can claim an income tax deduction for YA 2026 on the expenses incurred to purchase CCTV and a food waste grinder machine for his house limited to RM2,500.

The following year, Darus purchased a set of CCTV cameras to be installed in a room for the purpose of monitoring the care of his mother at home at a cost of RM1,800 including the cost of installation. Darus is not eligible to claim an individual tax deduction on the purchase of CCTV cameras for YA 2027 because he has claimed a deduction for the purchase of CCTV cameras in YA 2026.

6.17 Deduction for interest payment on the first residential housing loan

Subsection 46B of the ITA provides tax relief for Malaysian citizens and resident individuals for interest payments on their housing loan taken to finance the purchase of their first residential property.

6.17.1 The amount of tax relief allowable is based on the following range of residential house prices:

Residential house prices	Total tax relief per year (RM)
Up to RM500,000	7,000
Above RM500,000 and up to RM750,000	5,000

6.17.2 Individual income tax relief on the interest payment is subject to the following conditions:

(a) the residential property must be the first residential property and must not be used to generate any income;

(b) the sale and purchase agreement must be executed **from 1 January 2025 until 31 December 2027**;

(c) the amount of individual income tax relief on allowable interest payments is applicable for three (3) consecutive YA commencing from the first year the housing loan interest is paid;

(d) for the purpose of three (3) consecutive YA, it is counted from the year the interest is first paid. Individuals are not allowed to select which YA to claim the tax relief; and

(e) two or more individuals are eligible to claim tax relief on housing loan interest for the same residential property based on apportionment of the interest payment as per the formula below:

$$\text{The amount of deduction allowed in the relevant year} \times \frac{\text{The amount of interest incurred by the individual in the relevant year}}{\text{The total interest incurred by all individuals in the relevant year}}$$

Example 40

Damia purchased her first residential house for RM600,000, and the sale and purchase agreement was completed on 1st February 2027. The interest payment for the loan commenced on 1st November 2027.

The tax relief eligible to be claimed by Damia on the interest payment for her residential housing loan is as follows:

YA	Amount interest paid (RM)	Allowable deduction (RM)
2027	3,000	3,000
2028	16,700	5,000
2029	16,700	5,000
2030 onwards	16,700	Not eligible

The amount of tax relief eligible to be claimed by Damia is limited to RM5,000 per year because the price of the purchased house is in the range of RM500,001 to RM750,000.

Damia is not eligible to claim a tax relief on the interest paid for her residential housing loan for the YA 2030 onwards as this relief is only allowed for three consecutive YA starting from the year the interest payment is made, which is YA 2027.

Example 41

The first residential house purchased by Alia was priced at RM450,000. The sale and purchase agreement was signed on 1st September 2027 and interest payments on the loan began on 1st December 2028.

The tax relief eligible to be claimed by Alia on the interest payment for her residential housing loan is as follows:

YA	Amount interest paid (RM)	Allowable deduction (RM)
2028	1,800	1,800
2029	11,000	7,000
2030	11,000	7,000
2031 onwards	11,000	Not eligible

The amount of tax relief eligible to be claimed by Alia is limited to RM7,000 each year because the price range of the house purchased does not exceed RM500,000.

Alia is not eligible to claim tax relief on the interest paid for her residential housing loan for the YA 2031 onwards as this relief is only allowed for three (3) consecutive YA starting from the year the interest is first paid in YA 2028.

Example 42

The same facts as in **Example 41.**

Alia is claiming a tax relief for housing loan interest from YA 2029 to YA 2031.

YA	Amount interest paid (RM)	Amount interest claimed (RM)	Allowable deduction (RM)
2028	1,800	None	
2029	11,000	11,000	7,000
2030	11,000	11,000	7,000
2031	11,000	11,000	Not eligible

Alia is not eligible to claim a tax relief on the interest paid for her residential housing loan for the YA 2031 onwards as this relief is only allowed for three (3) consecutive YA starting from the year the interest is first paid in YA 2028.

Example 43

Auni and Aini are twin siblings who jointly purchased a residential house for their parents to live in, costing RM560,000. The sale and purchase agreement was signed on 1st September 2026. Each of them took separate bank loans and made their respective instalment payments including loan interest.

The amount of interest that has been spent and is eligible to be claimed as a deduction by Auni and Aini is as follows:

Details	YA 2026		YA 2027	
	Expended amount (RM)	Allowable deduction (RM)	Expended amount (RM)	Allowable deduction (RM)
Auni	2,000	2,000	6,000	5,000 X 6,000 / 12,500 = **2,400**
Aini	3,000	3,000	6,500	5,000 X 6,500 / 12,500 = **2,600**

6.17.3 When a wife/husband elects for combined assessment under subsection 45(2) of the ITA, the interest paid by the wife/husband is deemed to have been paid by:

(a) the husband if the wife elects to be assessed under the husband's name; or

(b) the wife if the husband elects s to be assessed under the wife's name.

Example 44

Kamal and his wife, Rose purchased their first residential house for RM400,000 in the year 2027. Each of them paid the interest on their loan amounting to RM3,000 in that year.

Kamal elected for combined assessment under Rose's name. The interest paid by Kamal amounting to RM3,000 is deemed to have been paid by Rose. Rose is eligible to claim a deduction for loan interest totaling RM6,000 in YA 2027.

6.18 Deduction for wife and payment of alimony or maintenance to former wife

6.18.1 Under subsection 47(1) of the ITA, an individual resident in Malaysia who has a wife living together with him in the basis year is entitled to claim a deduction for the wife of RM4,000 for that YA. Further deduction of RM6,000 is given if the wife is a disabled person.

Note:

If the amount of alimony or maintenance paid to a former wife in the basis year is less than the allowable deduction under subsection 47(1) of the ITA, then the amount allowed as a deduction is restricted to the amount of alimony or maintenance actually paid to the former wife.

6.18.2 In the event of a divorce or death of the wife in the basis year, the individual would still be entitled to a full deduction and further deduction under subsection 47(1) of the ITA for the relevant YA.

Example 45

Muaz and his wife were married in 2022. In February 2026, Muaz's wife passed away.

Muaz is eligible to claim a full deduction of RM4,000 for his wife for the YA 2026.

6.18.3 An individual is also entitled to claim a deduction for the wife if his wife has no total income - subsection 47(5) of the ITA.

However, an individual is not allowed for this deduction if the wife is assessed separately.

6.18.4 Subsection 47(2) of the ITA provides that a deduction is allowed for the payment of alimony or maintenance made by an individual to a former wife and that individual is required under the law to make those payments. However, this section is subject to subsection 47(3) of the ITA which provides that the amount of deduction allowed shall not exceed RM4,000 and this deduction is part of the wife's deduction under subsection 47(1) of the ITA.

Example 46

Morris is a resident in Malaysia in the basis year 2025. He was divorced from his wife on 1st February 2025 and starting from 1st October 2025 he made alimony payments of RM12,000 to his former wife in accordance with a court order.

Morris is eligible to claim a deduction for a wife in the basis year of 2025 and for alimony payments but limited to a maximum amount of RM4,000 for the YA 2025.

Example 47

The same facts as in **Example 46.**

On 1st February 2026, Morris married Usha who is not working and has no total income. Morris is eligible to claim a deduction for a wife and for alimony payments for his former wife but is restricted to a maximum amount of RM4,000 for the YA 2026.

Note:

If Usha is working and has total income and she elects for a separate assessment, Morris is still eligible to deduct for alimony payment for his former wife but restricted to RM4,000.

6.18.5 Voluntary payments of alimony to a former wife under a mutual agreement without any formal agreement would not qualify for a deduction.

6.18.6 Where a wife (**other than** a wife who is a disabled person) has an income that is derived from sources outside Malaysia and her gross income from those sources is more than the amount of deduction allowed for a wife, the husband is not eligible to claim a deduction for the wife.

Example 48

Amin is a resident and runs a printing business. His wife, Nabila is a flight attendant with an overseas airline company. In the year 2026, the income received by Nabila from that airline company is RM180,000.

Amin does not qualify for a deduction for the wife as his wife's income which is derived from overseas exceeds the amount of deduction for wife of RM4,000.

6.19 Deduction for husband

6.19.1 Section 45A of the ITA allows a wife a deduction of RM4,000 for her husband where he –

(a) has no source of income;

(b) has no total income that can be aggregated with that of his wife; or

(c) elects for a combined assessment with his wife and tax is assessed in the name of the wife.

The deduction can be allowed to one wife only even though the husband has more than one wife.

6.19.2 A further deduction of RM6,000 is given if the husband is a disabled person.

6.19.3 Where a husband (**other than** a husband who is a disabled person) has an income that is derived from sources outside Malaysia and his gross income from those sources is more than the amount of deduction allowed for a husband, the wife is not eligible to claim the husband's deduction.

Example 49

Intan is a resident in Malaysia and works as an accountant in Kuala Lumpur. Her husband, Rizal is an engineer who works in Dubai and received an income of RM300,000 from Dubai in year 2026.

Intan does not qualify to claim a deduction for husband as his income which is derived from overseas is more than the amount of deduction allowed for husband of RM4,000.

6.20 **Deduction for children**

6.20.1 Section 48 of the ITA allows an individual to claim a deduction for a child provided that the —

(a) individual must be resident in Malaysia;

(b) individual pays wholly or in part for the maintenance of the child; and

(c) the child must be unmarried.

6.20.2 The amount of deduction allowed for a child is as follows:

(a) Child under the age of 18 years

A deduction of RM2,000 for an unmarried child who at any time in the basis year is under the age of 18 years – paragraphs 48(1)*(a)* and 48(2)*(a)* of the ITA.

(b) Disabled child

A deduction of RM8,000 for an unmarried child who is physically or mentally disabled regardless of age and whether the child is receiving full-time instruction – paragraphs 48(1)*(d)* and 48(2)*(b)* of the ITA.

A further deduction of RM8,000 for an unmarried child who is disable and is receiving full-time instruction in or outside Malaysia (a degree including a degree at Master's or Doctorate level) at any institution approved by the Government. This

deduction is in addition to the deduction for a child who is a disabled person.

(c) Child 18 years and above and studying

A deduction of RM2,000 for an unmarried child who at any time in the basis year is receiving full-time instruction / serving under articles / indentures– paragraphs 48(1)*(b)* and *(c),* and 48(2)*(a)* of the ITA.

OR

A deduction of four times the amount of deduction for a child under paragraphs 48(1)*(b)* or *(c)* of the ITA which is RM8,000 (RM2,000 x 4) for an unmarried child who is over the age of 18 years – Paragraph 48(3) ITA :

(i) receiving full-time instruction (not including matriculation course or pre-degree or A-Level) at a university, college, or other similar educational establishment in Malaysia; or

(ii) serving under articles or indentures with a view to qualify in a trade or profession in Malaysia; or

(iii) receiving full-time instruction outside Malaysia in respect of a degree (including a degree at Master's or Doctorate level) or the equivalent of a degree.

6.20.3 Deductions for children can be allowed if the child pursues studies in courses and in institutions approved by the Gorvernment. For further information, please refer to the Minister of Higher Education official portal at https://www.mohe.gov.my.

6.20.4 The summary on the deduction for a child is as follows:

Details on children	Deduction Amount (RM)
A child who is under the age of 18 years	2,000
A child who is disabled	8,000
A child over the age of eighteen years and is receiving full-time instruction in Malaysia	8,000
A child over the age of eighteen years and is receiving full-time instruction outside Malaysia (a degree including a degree at Master's or Doctorate level)	8,000
A child over the age of eighteen years and is serving under articles or indentures with a view to qualify in a trade or profession in Malaysia	8,000
A child who is disabled and is receiving full-time instruction in and outside Malaysia	16,000

6.20.5 Where a wife is assessed separately in her own name, she may elect by filling in the relevant parts in the Income Tax Return Form that the appropriate deduction for a child is wholly allowed to her – proviso to subsection 48(1) of the ITA.

Where two or more individuals are entitled to claim a deduction for payments in respect of the same child, the deduction for the child to be allowed to each of the individuals is 50% of the allowable deduction – subsection 48(4) of the ITA.

Example 50

Zahid and Nurin have a son. They were divorced in the year 2026 when their son was 12 years old. Both Zahid and Nurin claimed the deduction in respect of the child as they both paid for the maintenance of the child.

The deduction allowed for the child in the YA 2026 is RM2,000. Since there are two (2) individuals who are entitled to claim a deduction, the deduction allowed to each of them is 50% of the allowable deduction. Details are as follows:

Details	Amount
Zahid (father)	50% x RM2,000 = RM1,000
Nurin (mother)	50% x RM2,000 = RM1,000

Example 51

A married couple adopted a child on 1st March 2026. The couple then divorced in the same year and both claimed a deduction for the child. The child's legitimate father also claimed a deduction as he had paid for the maintenance of the child in that year.

The deduction for child which can be allowed in the YA 2026 is as follows:

Details	Amount
Legitimate father	50% x RM2,000 = RM1,000
Adopted father	50% x RM2,000 = RM1,000
Adopted mother	50% x RM2,000 = RM1,000

Example 52

Ayu has a son from a previous marriage. She married Raimi and both paid for the maintenance of the child. Ayu's former husband, Amri also claimed a deduction for the child as he had expended on the maintenance of that child.

The deduction for the child which can be claimed by Ayu, Raimi, and Amri for the YA 2026 is as follows:

Details	Amount
Ayu (assessed separately and elects that the deduction for the child be wholly allowed to her)	RM1,000 (50% x RM2,000)
Raimi	-nil-
Amri	1,000 (50% x 2,000)

Note:

Although Ayu is assessed separately and elects that the deduction for her child be wholly allowed to her, she is only allowed 50% of the whole deduction as there are two individuals (Ayu and Amri) who are entitled to claim a deduction in respect of the same child – subsection 48(4) of the ITA.

Raimi is not entitled to claim child deduction in respect of the same child even though he has also paid for the expenses for the child because his wife, Ayu who is assessed separately elects that the child deduction be wholly allowed to her – proviso to subsection 48(1) of the ITA.

6.20.6 Additional information pertaining to the deduction for children:

(a) "Full-time instruction" means the curriculum of the educational establishment requires the child to devote full time to his studies. Where the child is required to spend part of his time away for reading or practice as in the case of musical studies, the deduction for child can be allowed if the course of study is a full-time course.

(b) "Other similar educational establishment" refer to an establishment which is similar to a university, college or school (where applicable).

(c) "Serving under articles or indentures" means the child who is studying and working at the same time under articles or indentures is required to devote the whole of his time to the training for a period of not less than two years.

6.20.7 The deduction for child is not allowed to an individual or spouse if the child is in receipt of his own income which his total income exceeds the amount of deduction that would otherwise be allowed – subsection 48(5) of the ITA.

However, the following receipts are not treated as income of a child:

(a) amount received as a scholarship, grant or allowance of a similar nature – paragraph 24 Schedule 6 of the ITA; and

(b) payments received by a child who is serving an employer under articles or indentures. At the commencement of the training, an amount of premium is payable by the individual or the spouse to enable the child to undergo training with that employer. Payments received by the child from his employer is treated as a return of premium and not his salary.

Example 53

Fariz has a child, Julia who is currently studying at degree level in a private institution recognized by the government. Julia received a total income of RM15,000 in year 2026 as an agent selling online nutritious food.

Fariz and his wife are not entitled to claim a deduction for their child as Julia's total income for the YA 2026 exceeds the allowable deduction for that YA which is RM8,000.

6.21 Deduction for insurance premiums/ Takaful contribution and contribution to an approved scheme

6.21.1 Effective from the YA 2005, subsection 49(1) of the ITA provides that the total allowable tax deduction for life insurance premium/family Takaful contribution payments and contributions to the Employees Provident Fund (EPF) or other approved funds is limited to RM 6,000. This deduction was extended until the YA 2018.

6.21.2 Starting from YA 2019 until YA 2022, the amount of tax deductions for life insurance premium/family Takaful contribution payments and contributions to the EPF or other approved funds were extended as follows:

YA	Category	Paragraph 49(1)*(a)* of the ITA **Life insurance premium/** family Takaful contribution	Paragraph 49(1)*(b)*of the ITA **EPF contribution**	**Conditions for EPF contribution**
2019-2021	Individuals (other than public servants)	Restricted to RM3,000	Restricted to RM4,000	Mandatory contributions only.
	Public servants	Restricted to RM7,000	-	
Starting 2022	Individuals	Restricted to RM3,000	Restricted to RM4,000	Mandatory contributions and **voluntary contributions**
	Public servants	Restricted to RM7,000	-	-

Note:

a) A public servant must be a pensionable officer who opted for the pensionable retirement scheme and has been confirmed in his appointment in accordance with section 2 of the Pensions Act 1980 [*Act 227*].

b) Paragraph 49(1A)(*c*) of the ITA allows public servants to claim a tax deduction for life insurance premium/family Takaful contribution payments of up to RM7,000 under paragraph 49(1)(a) of the ITA, provided that the public servant does not claim contributions to the EPF under paragraph 49(1)(b) of the ITA, contributions to an approved scheme (other than a private retirement scheme), or contributions under any written law. Paragraph 49(1A)(*c*) of the ITA deleted by Finance Act 2023 [*Act 845*] effective for the YA 2023 and subsequent years of assessment.

6.21.3 Effective from the YA 2023, the tax relief for life insurance premiums or family Takaful contribution including additional voluntary contributions to the EPF or approved schemes are as follows :

<table>
<tr><th>YA</th><th>Individual category</th><th colspan="3">Type of contribution</th></tr>
<tr><td rowspan="2">Starting 2023</td><td rowspan="2">Individuals</td><td>Paragraph 49(1)(a) of the ITA</td><td>Paragraph 49(1)(b) of the ITA</td><td>Paragraph 49(1)(c)of the ITA</td></tr>
<tr><td>Life insurance premium/ family Takaful contribution or additional voluntary contribution to EPF or both</td><td>Contribution to approved schemes or Mandatory and voluntary contributions to EPF (excluding private retirement schemes)</td><td>Contribution to an approved scheme under any written law relating to widow, widower and orphan’s pension or under any approved scheme within the meaning of any such law</td></tr>
<tr><td colspan="2">A deductible amount can be claimed</td><td>Restricted to RM3,000</td><td colspan="2">Restricted to RM4,000</td></tr>
</table>

Example 54

In 2026, Ateya paid RM3,000 in respect of premium for life insurance and contributed RM7,000 to EPF.

The amount allowed as a deduction for Ateya for the payment of premium for life insurance is RM3,000 and is limited to RM4,000 for the contribution made to the EPF.

Example 55

Haikal is a public servant who has opted for the EPF scheme under section 2, Pension Act 1980 [*Act 277*]. In the year 2026, Haikal made a payment of premium for life insurance amounting to RM7,100 and made an EPF contribution of RM3,500.

The total allowable deduction that can be claimed by Haikal in the YA 2026 is as follows:

Details	Actual Expenses (RM)	Allowable Deduction (RM)
Life insurance premium	7,100	3,000 (Restricted to) Paragraph 49(1)*(a)* of the ITA
EPF contribution	3,500	3,500 Paragraph 49(1)*(b)* of the ITA
Total	10,600	6,500

6.21.4 Effective from YA 2026, payments for life insurance premiums or family Takaful contributions is extended to children to encourage the intake of life insurance or family Takaful as financial protection in the event of accidents or unexpected death. The interpretation of children is referred to in subsection 48(9) of the ITA.

Example 56

Sani is a public servant under the pension scheme and has voluntarily contributed RM3,000 to the EPF. Sani also pays RM4,500 for family Takaful contribution. The breakdown of the family Takaful contributions paid by Sani is as follows :

Family Takaful (RM)	
Himself	1,500
Wife and children	3,000
Total payment	**4,500**

The allowable deductions that can be claimed by Sani for the tax year 2026 are as follows:

Details	Actual Expenses (RM)	Allowable Deduction (RM)
Family Takaful contribution	4,500	3,000 (Restricted to) Paragraph 49(1)*(a)* of the ITA
Voluntary EPF contributions	3,000	3,000 Paragraph 49(1)*(b)* of the ITA
Total	**7,500**	**6,000**

Further information on insurance can be found in paragraph 6.21.5.

Example 57

Layla is an employee of a private company. In the year 2026, she has elected via her employer to increase her monthly EPF contribution rate by 3% from the mandatory 11% to 14%. Meanwhile, she did not pay for any life insurance premium/family Takaful contribution in the year 2026. The monthly contribution amounts for Layla's EPF are as follows:

Details	Actual Expenses (RM)	Allowable Deduction (RM)
EPF contribution (11%)	3,500	3,500 Paragraph 49(1)*(b)* of the ITA
Voluntary EPF contributions - additional (3%)	1,000	Restricted to 500 Paragraph 49(1)*(b)* of the ITA Restricted to 500 Paragraph 49(1)*(a)* of the ITA
Total	**4,500**	**4,500**

The additional 3% contribution to EPF made voluntarily by Layla amounting to RM1,000 is allowed as a deduction restricted for YA 2026.

Example 58

The facts are the same as in **Example 57**, **except** that in addition to the additional voluntary EPF contribution through her employer, Layla made a single lump sum additional voluntary EPF contribution of RM10,000 in July 2026. The monthly deduction amounts for Layla's EPF contributions are as follows:

Details	Actual Expenses (RM)	Allowable Deduction (RM)
EPF contribution (11%)	3,500	3,500 Paragraph 49(1)*(b)* of the ITA
Voluntary EPF contributions - additional (3%)	1,000	Restricted to 500 Paragraph 49(1)*(b)* of the ITA Restricted to 500 Paragraph 49(1)*(a)* of the ITA
Voluntary EPF contributions - additional at once	10,000	Restricted to 2,500 Paragraph 49(1)*(a)* of the ITA
Total	**14,500**	**7,000**

The additional EPF contribution by Layla made via her employer and lump sum contributions are allowed as deductions restricted to RM3,500 for the tax year 2026.

6.21.5 For the purpose of claims under this deduction, 'insurance/Takaful' means insurance contracted for by the individual –

(a) on the individual's life;

(b) on the life of the wife, or where the individual is a female, on the life of her husband; or

(c) on the joint lives of the individual and his wife/wives or on the joint lives of two or more wives of his or, where the individual is a female, on the joint lives of –

(i) the individual and her husband;

(ii) the individual, her husband, and any other wives of her husband;

(iii) the individual and any other wives of her husband; or

(iv) her husband and any other wives of his.

(d) on the life of the child (effective from YA 2026).

Children who are insured for the purpose of individual income tax relief on payments of life insurance premiums or Takaful contributions are referred to subsection 48 (9) of the ITA.

The insurance/Takaful or deferred annuity must be contracted for with –

(a) an insurance/Takaful company for securing on death either a capital sum or a deferred annuity or both; or

(b) a government, a public body, or the controlling authority of any nationalized insurance/Takaful business.

6.21.6 "Premiums" in relation to life insurance, includes contributions or instalment payable under a Takaful scheme pursuant to the Islamic Finances Services [*Act 759*]. Premium on life insurance policy or family Takaful contribution purchased from an overseas company not having a branch in Malaysia is also treated as an allowable premium/contribution.

Insurance premiums or Takaful contribution are not deemed to have been paid unless the actual payment has been made by the taxpayer. Therefore, only insurance premiums or Takaful contribution actually paid are allowable as a deduction. However, a deduction is not allowable for :

(a) premiums/contribution which are not in fact paid although treated by the insurance company as having been paid because of a non-forfeiture clause in the policy; and

(b) premiums/contribution or arrears of premiums/contribution which are not in fact paid but carried forward as a debt and deducted from the capital sum due on the maturity or surrender of the policy.

6.22 **Premium for insurance/ Takaful contribution on education or for medical benefits**

6.22.1 Subsection 49(1B) of the ITA provides that a deduction of up to RM4,000 (increase from RM3,000 effective from YA 2025) can be allowed to an individual for premiums paid for insurance on education or for medical benefits.

An education policy must satisfy the following criteria:

(a) the policy must be contracted by the individual for himself or herself, his or her spouse, or child;

(b) the beneficiary should be the child;

(c) where the insured is the parent, the child must be the nominee;

(d) where the child is the insured-

(i) it is compulsory that the life of the person paying the premium (parent) must be covered (payor benefit rider);

(ii) the rider must also have the same duration as the basic policy;

(iii) where the rider is packaged together with the basic policy in a single premium, the whole premium paid will qualify for the deduction; and

(iv) where the parent does not qualify for payor benefit rider, the premium paid for the basic policy will not qualify for deduction;

(e) in respect of a Takaful policy, the participant is the parent, and proceeds of the policy must be made "hibah" (*gift*) to the child;

(f) the maturity amount in respect of both conventional or Takaful policy must be scheduled to be payable when the child is between the ages of 13 and 25.

6.22.2 A medical policy must satisfy the following criteria:

(a) the expenses should be related to the medical treatment resulting from a disease or an accident or a disability;

(b) the policy coverage should be for a period of 12 months or more;

(c) the policy can be a stand-alone policy or as a rider to a life insurance policy or family Takaful. If it is a rider, only the rider premium/contribution can qualify for the deduction;

(d) where a dreadful disease cover is attached to a basic policy, the whole amount of the rider premium/contribution paid is allowed as a deduction;

(e) where a dreadful disease cover is packaged together with a term life/personal accident cover, 60% of the package premium/contribution is allowed as a deduction;

(f) an employee who pays the premium/contribution in a group medical policy also qualifies for deduction; and

(g) premium for waiver benefit rider and travel and medical expenses insurance are not allowable as a deduction.

6.22.3 Effective from YA 2026, children who are insured for the purpose of individual income tax relief on the payment of education insurance and medical insurance premiums are referred to in subsection 48(9) of the ITA.

6.23 **Premium for deferred annuity and contribution to private retirement scheme**

Subsection 49(1D) of the ITA provides that a deduction not exceeding RM3,000 can be claimed by an individual who has -

(a) paid premiums for a deferred annuity; or

(b) made or suffered the making of a contribution to a private retirement scheme approved by the Securities Commission.

The deduction claim period for payments made for private retirement schemes is from the YA 2012 to the YA 2030.

For further information, please refer to PR No. 4/2014 titled “Deferred Annuity” and PR No. 9/2021 titled “Private Retirement Scheme”.

7. Updates and Amendments

This PR replaces the PR No. 7/2025 dated 5 December 2025 (Seventh Edition)

The content of this PR has been updated and amended in accordance with the Finance Act 2024 [Act *862*] as follows:

Paragraph	Explanation
1	Update YA 2026
5	5.2.7 - Update example
	5.2.9 - Update example
6	6.2.3 - Update information and example
	6.5.5 - Update example
	6.6.4 - Update information
	6.6.6 - Update example
	6.7.5 - Update example
	6.7.7 - Update example
	6.8 - Update information
	6.8.4. - Update information
	6.8.6 - Update example
	6.9.4 - Update example
	6.11.3 - Update information and example
	6.12 - Update information
	6.12.5 - Update example
	6.13.4 - Update information
	6.13.6 - Update information
	6.13.7 - Update information
	6.13.8 - Update information
	6.13.9 - Update example
	6.14 - Update information
	6.15.4 - Update example

		6.16 - Update title to Electric vehicle charging facility fees, purchase of food waste composting machine and food waste shredding machines for domestic use.
		6.16.3 - Update information
		6.16.4 - Update information and example
		6.17.2 - Update example
		6.17.3 - Update information
		6.18.2 - Update example
		6.18.4 - Update example
		6.19.3 - Update example
		6.20.5 - Update example
		6.20.7 - Update example
		6.21.3 - Update example
		6.21.4 - Update information and example
		6.21.5 - Update information
		6.22.3 - New information

8. **Disclaimer**

The examples in this PR are for illustration purposes only and are not exhaustive.

Director General of Inland Revenue,
Inland Revenue Board of Malaysia.

APPENDIX

LIST OF EQUIPMENT FOR MEDICAL AND SPECIAL NEEDS

1. Portable automatic blood pressure monitor
2. Silicone ryles tube
3. Common chair
4. Detachable armrest wheelchair (much easier for a patient to transfer position)
5. Standard wheelchair
6. Walking frame
7. Quadripod
8. Rollator with 2 wheels and brake
9. Roller with elbow support
10. Automatic adjustable bed
11. Ripple mattress
12. J-cushion (relieves pressure for those with a risk of pressure sore while sitting)
13. Transfer Board
14. Acapella (for lung physiotherapy)
15. Long-term oxygen therapy
16. Portable suction machine
17. Food thickener (for patients with swallowing problems, especially post-stroke)
18. Clean intermittent catheterization
19. Moist dressings (examples are Duoederm including hydrocolloids dressing)
20. Glucometer
21. Diapers
22. Urinary condom and bag
23. Bedpan
24. Nebulizer
25. Inhalers
26. Insulin pen
27. Urinary catheters