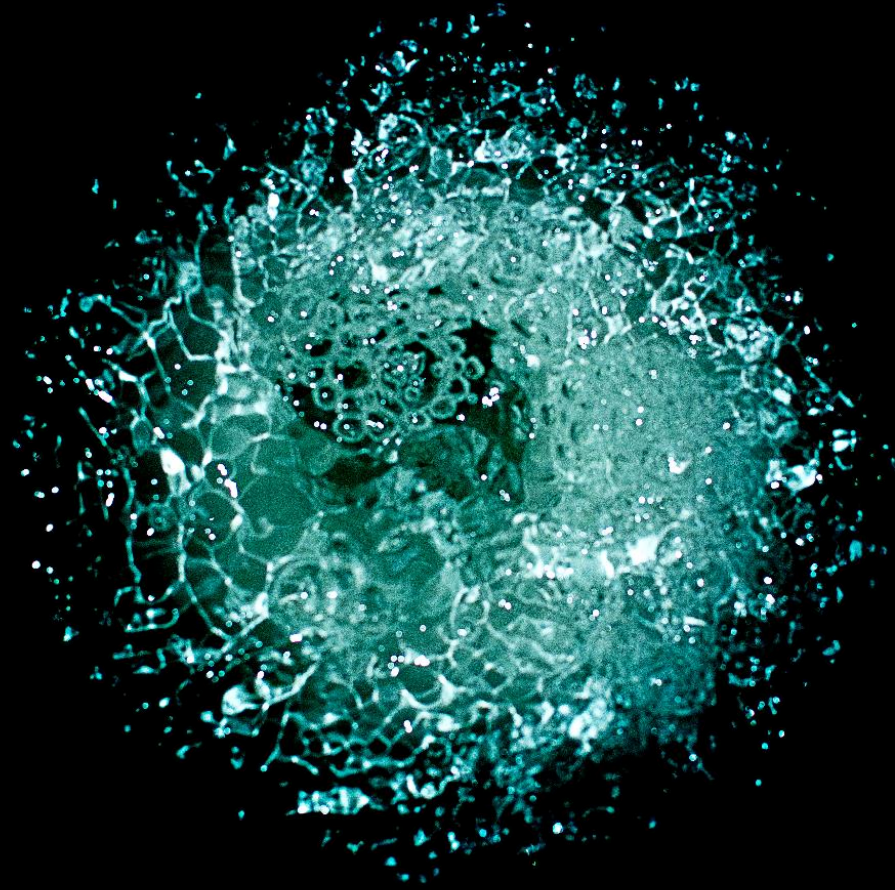


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## **Deloitte Tax Max – The 44<sup>th</sup> Series** #ReadyMalaysia2019: A refreshed landscape

Tuesday, 27 November 2018 | One World Hotel



# 2019 Budget affecting individual

## Highlights of 2019 Budget



Tax relief on contributions made to an approved provident fund, takaful, or life insurance premiums



Tax relief on net annual savings in the National Education Savings Scheme (SSPN)



Decreased statutory contribution rates to the Employees Provident Fund (EPF) for employees aged 60 and above



Tax deduction for contributions to social enterprise

# **Tax relief on contributions made to an approved provident fund, takaful, or life insurance premiums**

# Highlights of 2019 Budget

Tax relief on contributions made to an approved provident fund, takaful, or life insurance premiums

## Finance Bill 2018

### Proposed amendment to Subsection 49(1) and (1A) to the Income Tax Act, 1967

#### Current Legislation

Tax relief of **RM 6,000** for both contributions made to approved provident funds and payment for life insurance premiums or takaful contributions

#### Proposed Legislation

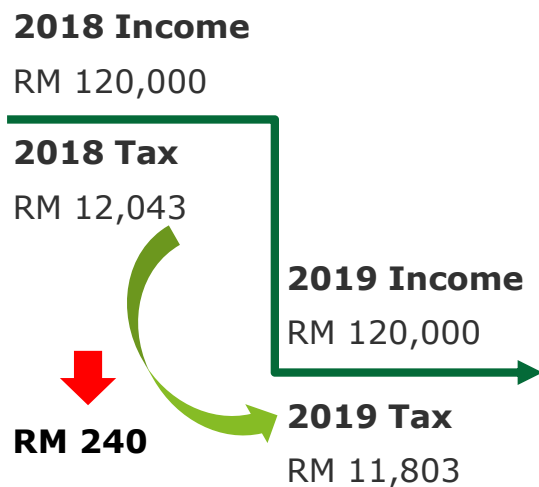
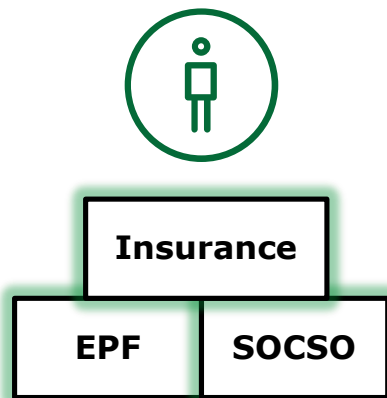
Tax relief of **RM 4,000** for contributions to approved provident funds  
+  
Tax relief of **RM 3,000** for payment for life insurance premiums or takaful contributions  
=  
**RM 7,000**

**Effective date:** From year of assessment 2019

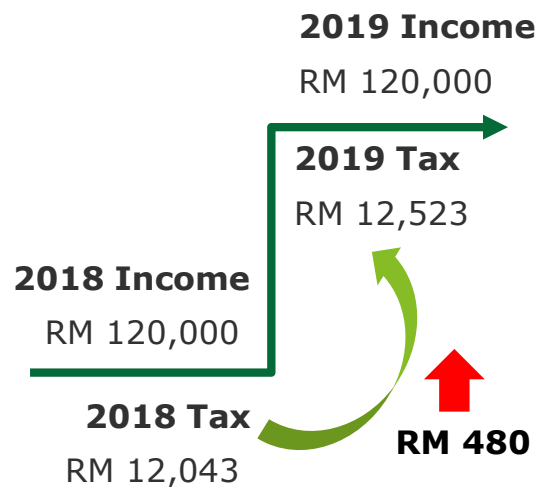
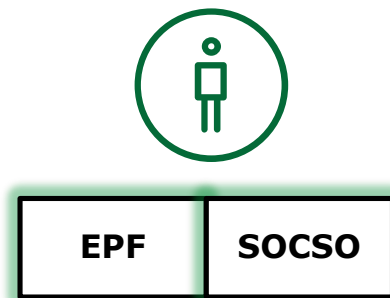
# Highlights of 2019 Budget

## Tax implication on individual - Overview

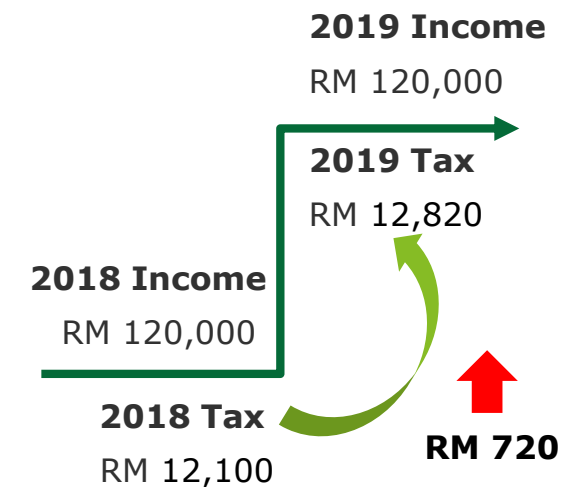
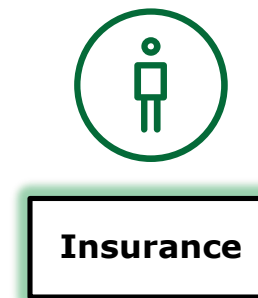
Scenario 1



Scenario 2



Scenario 3



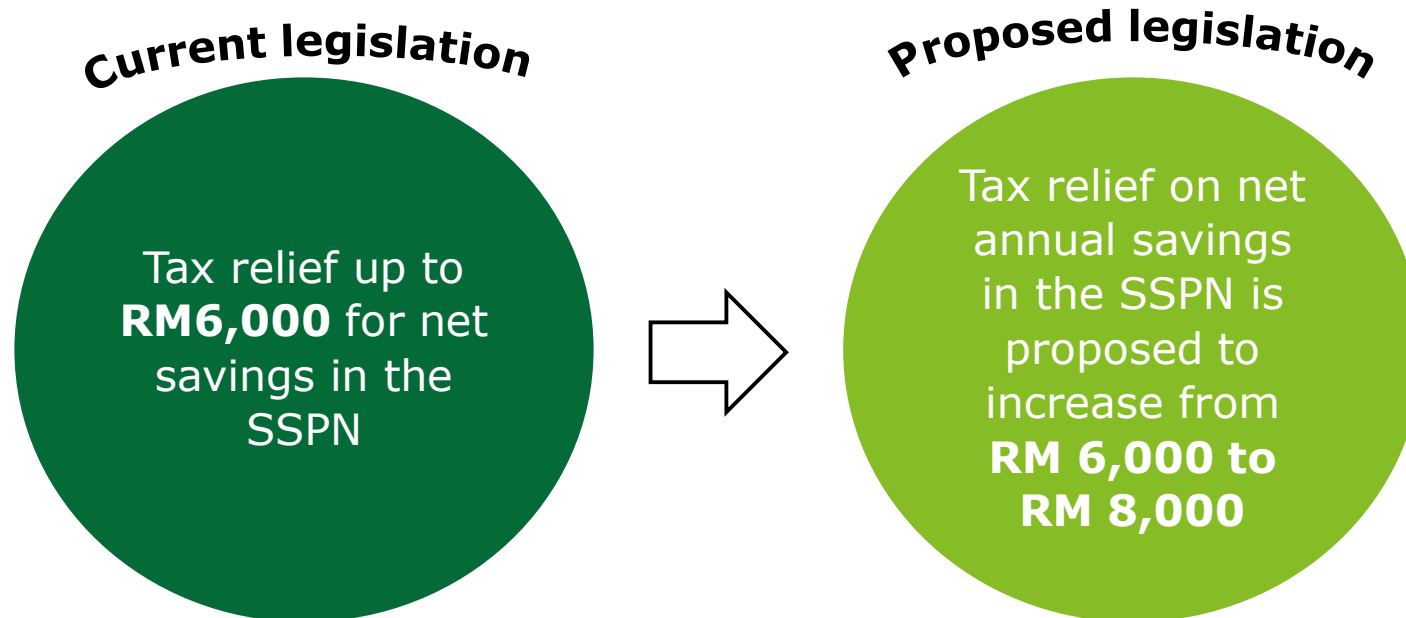
# Tax relief on net annual savings in the National Education Savings Scheme (SSPN)

# Highlights of 2019 Budget

## Tax relief on net annual savings in the SSPN

### Finance Bill 2018

### Proposed amendment to Paragraph 46(1)(k) to the Income Tax Act



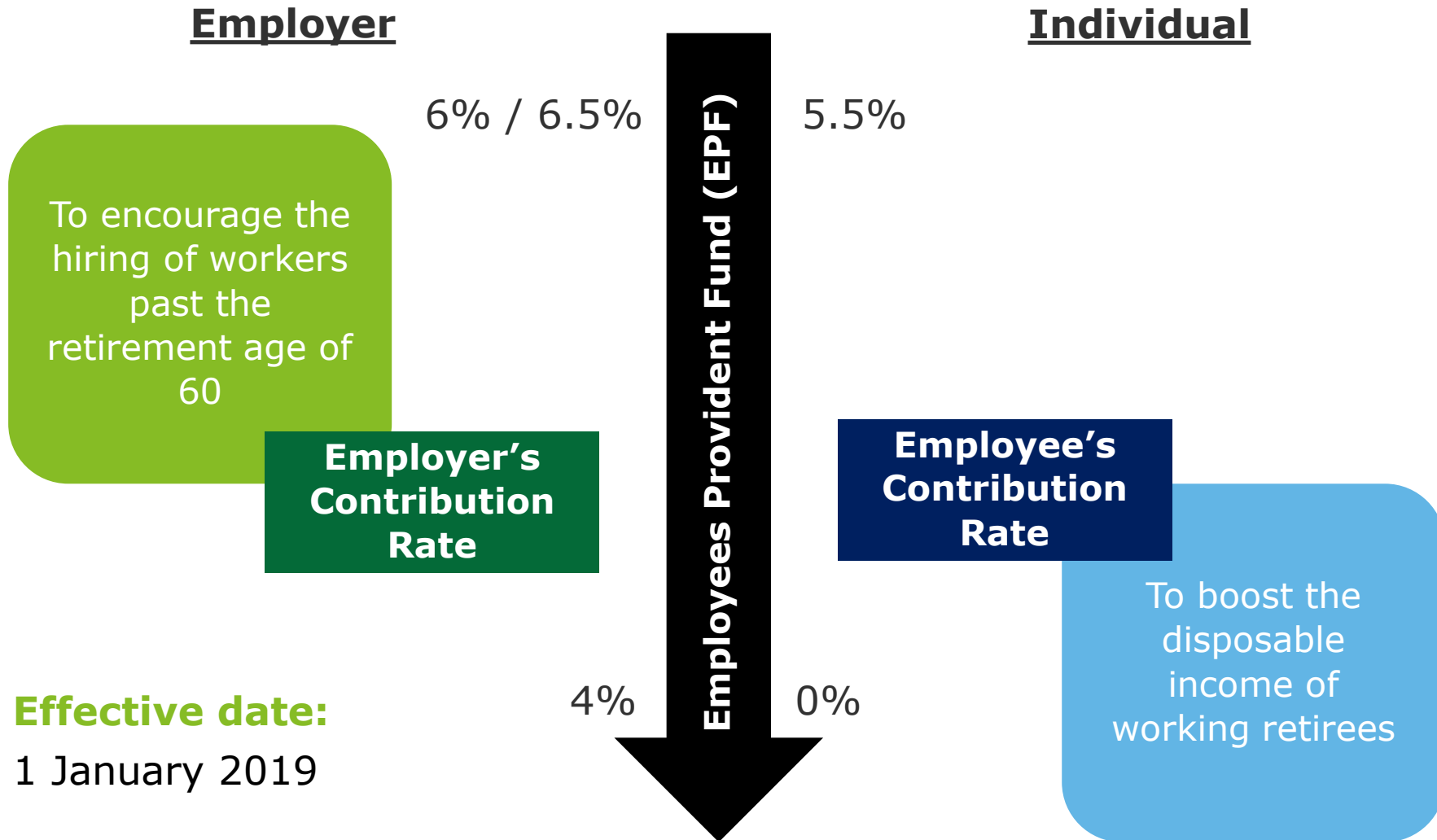
**Effective date:** From year of assessment 2019 to year of assessment 2020

# Decreased statutory contribution rates to the Employees Provident Fund (EPF) for employees aged 60 and above



# Highlights of 2019 Budget

Decreased statutory contribution rates to the EPF for employees aged 60 and above



# Tax deduction for contributions to social enterprises

# Highlights of 2019 Budget



## **Tax deduction for contributions to social enterprises**

Currently, any contributions made to the approved charitable organizations, institutions or funds under the Malaysia Income Tax Act 1967 would qualify for a deduction, capped at 7% of the individual's aggregate income.

It is proposed that contributions to social enterprises be added to the list of approved charitable organizations, institutions and funds.

The definition of companies qualifying as social enterprises has yet to be confirmed.

**Effective date:** To be confirmed



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