

EMPLOYMENT INCOME

WORKBOOK & MIND MAP:
MALAYSIAN TAXATION

FARIDAH JAAFAR ✦ NUR AISHAH ZAINAL ABIDIN

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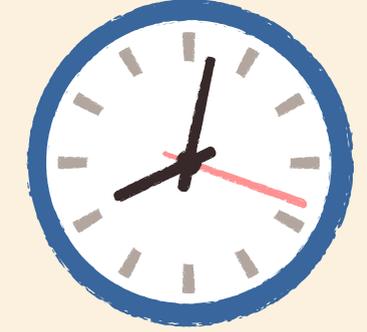


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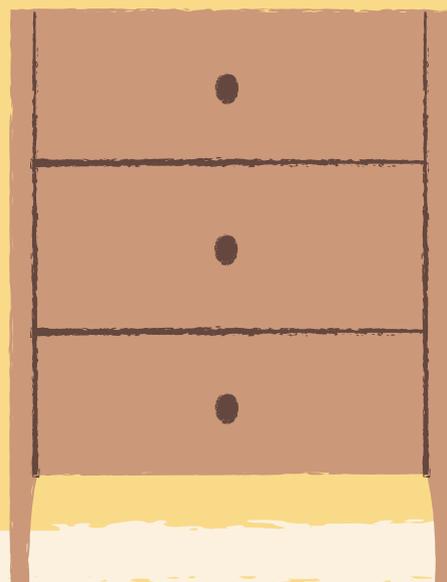
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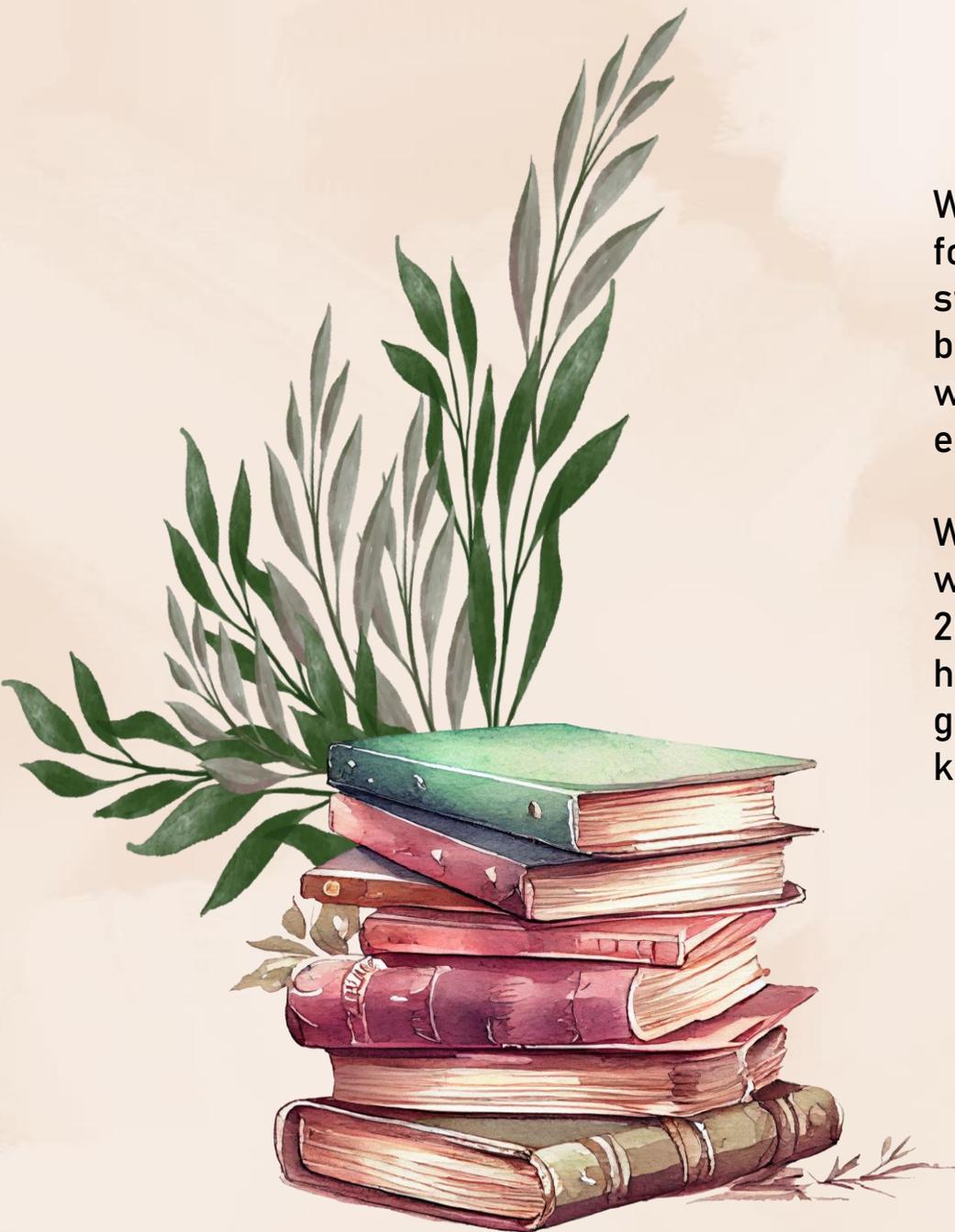




PREFACE

Welcome to the “Employment Income Workbook & Mind Map” for the Malaysian Taxation course. This workbook helps students tackle both calculations and theory-based questions, bridging the gap between theory and practice. Use this workbook alongside your course material and review the exercises to reinforce your learning.

We thank the educators and colleagues who contributed to this workbook. Credit goes to the DAT4A class PPD, session 2 : 2022/2023 for the mind maps they contributed in this book. It is hoped that this eBook will be a valuable tool in your studies, guiding you towards excellence in Malaysian Taxation knowledge.



TYPES OF JOBS / PROFESSIONS



DOCTOR



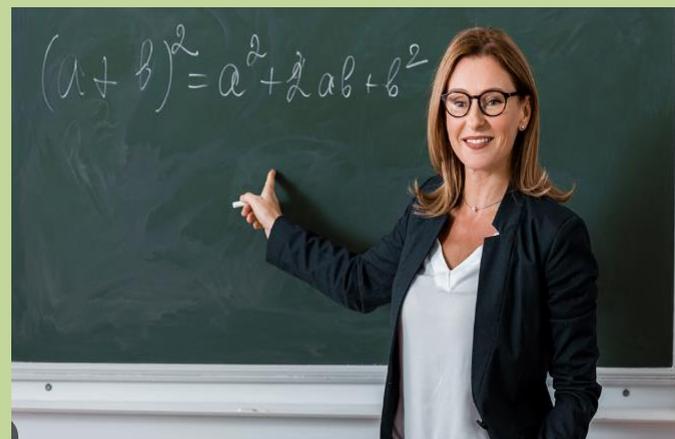
FIREFIGHTER



OIL & GAS
ENGINEER



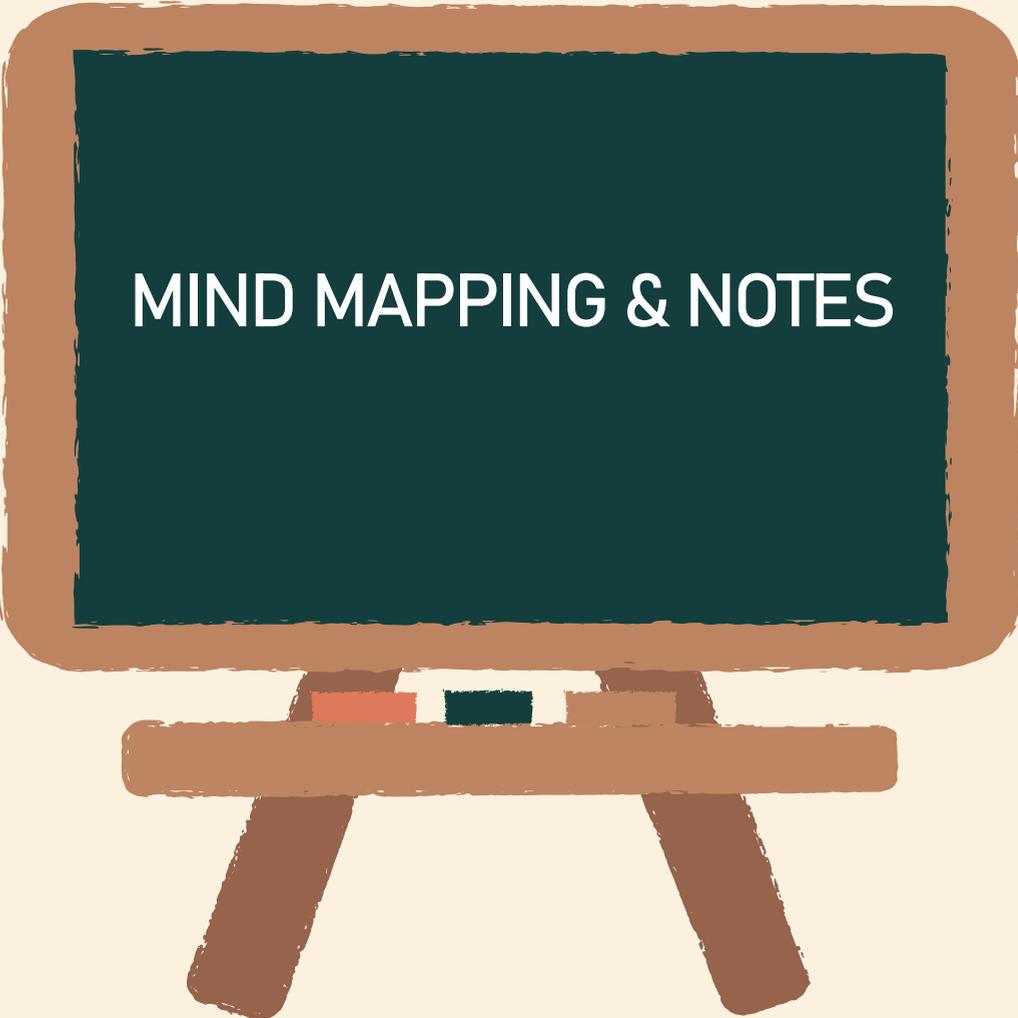
PROJECT
ENGINEER



TEACHER



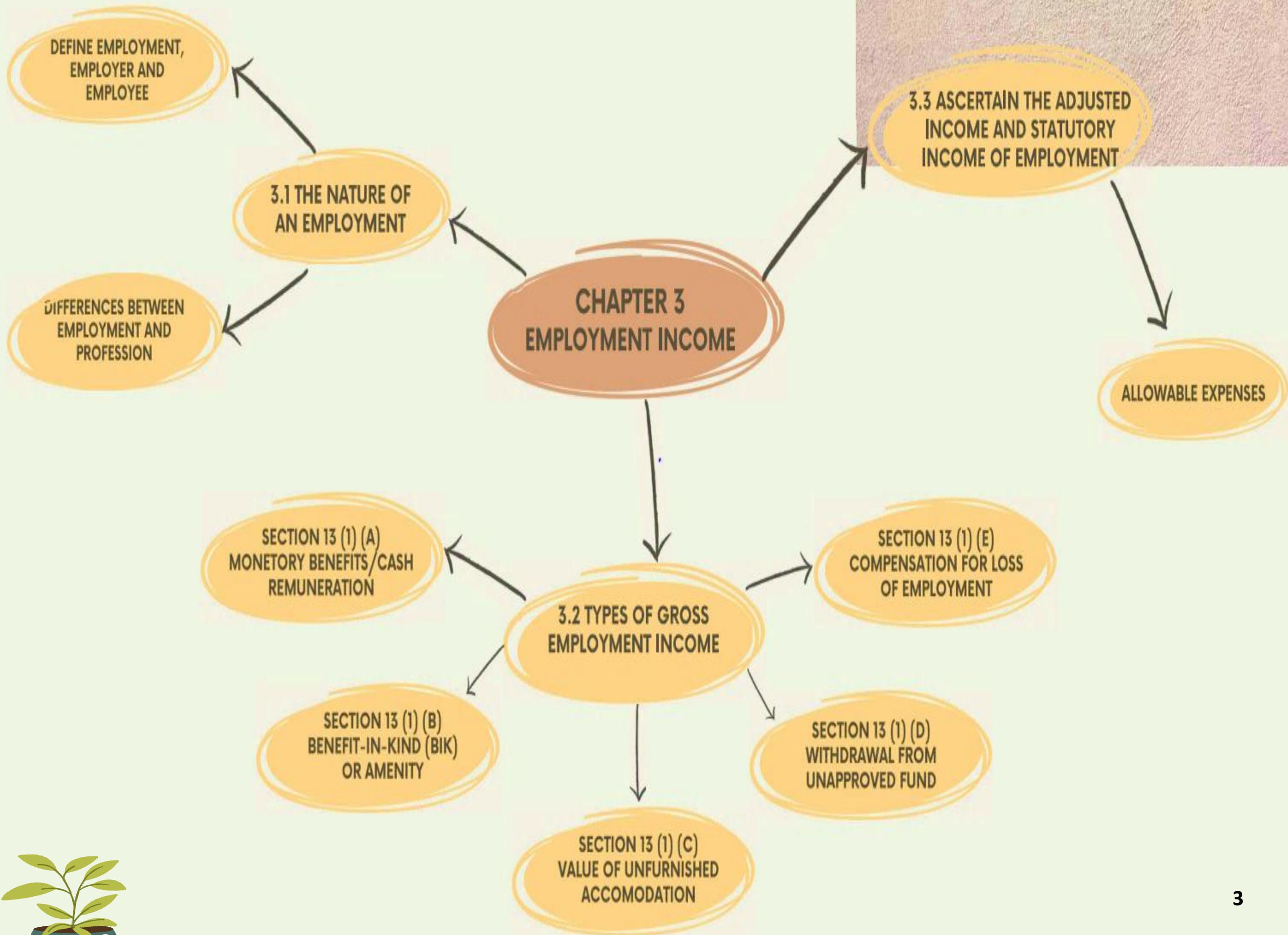
POLICEMAN



MIND MAPPING & NOTES

- The nature of an employment.
- Types of gross income under Section 13, Income Tax Act 1967.
- Ascertain the adjusted income and statutory income of employment.
- Employment income tax format





EMPLOYMENT

- When there is a relationship of a master and a servant
- When there is an appointment of office , whether public or not and whether or not that relationship between master and servant subsist , as a result of which a remuneration is payable

EMPLOYER

- the person who pays or is responsible for paying any remuneration to employee who had the employment

3.1 THE NATURE OF AN EMPLOYMENT

EMPLOYEE

- the holder of the appointment or office which constitutes the employment



DIFFERENCES BETWEEN EMPLOYMENT AND PROFESSION

01

Employment income is assessable under section 4(b) while profession is assessable under section 4(a) of ITA 1967 .

02

Employment income is assessed by reference to the calendar year while profession is assessed based on financial year.

03

Profession is given more flexible deductions for expenses compared to employment income , provided these expenses are within scope 'wholly and exclusively' incurred in the production of income

04

Profession is eligible for deduction of capital allowance but not for employment income because only profession has qualifying expenditure on certain assets .

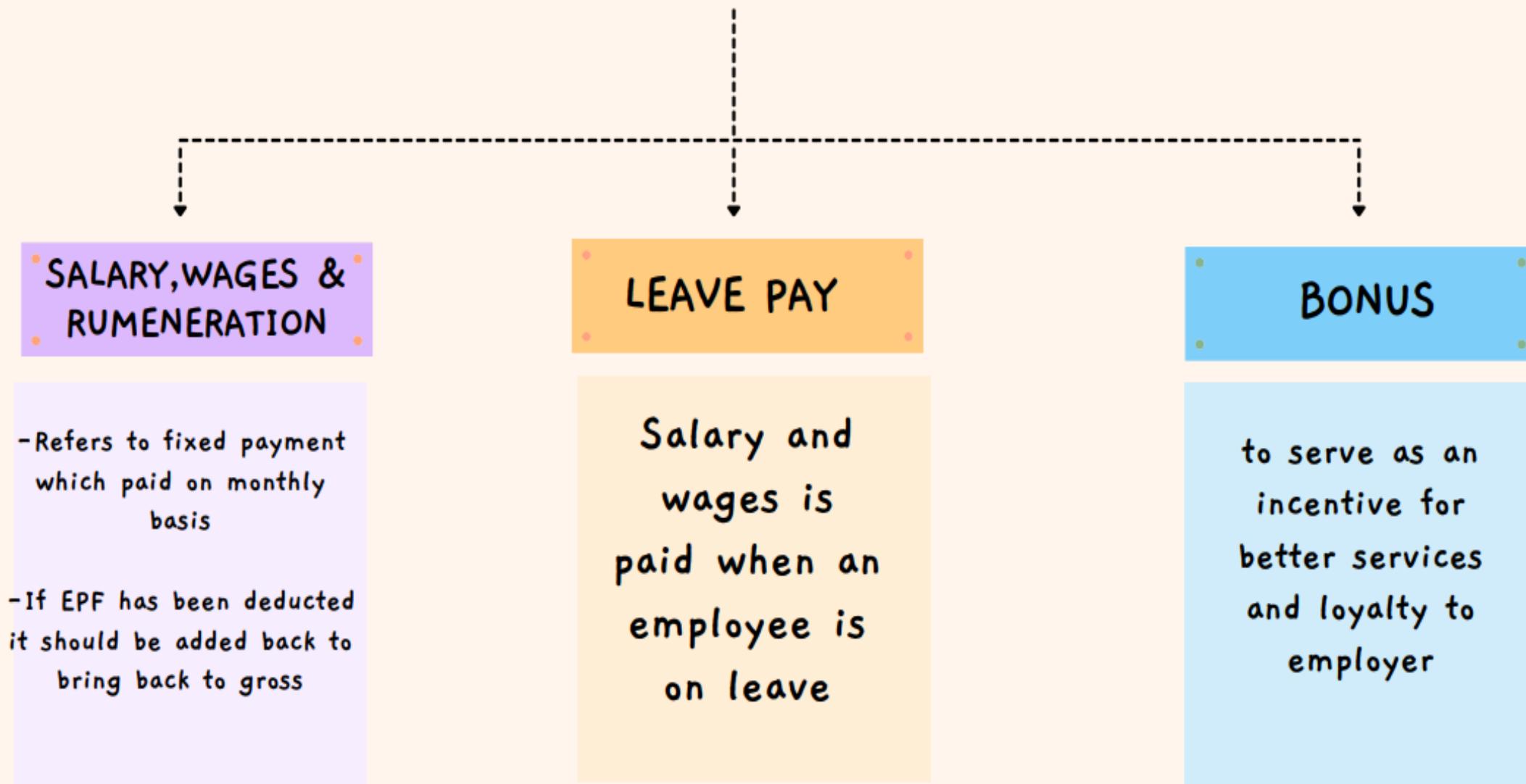
05

Tax payer of employment income can deduct Monthly Tax Deduction (MTD) , while profession can be required to pay income tax on a six bi-monthly basis

3.2 TYPES OF GROSS EMPLOYMENT INCOME

Section 13(1)(a) Monetary benefits

-Gross income of an employee in respect of gains or profits from employment



3.2 TYPES OF GROSS EMPLOYMENT INCOME

Section 13(1)(a) Monetary benefits

-Gross income of an employee in respect of gains or profits from employment

GRATUITY

Sum of money that be paid after resignation or retirement
-Fully exemption

- 1.Retirement gratuity
-due to ill- health,reach 55 years (work 10 years continuous at the same companies. contract has lasted 10 years continuous. reach 5 years.
- 2.Gratuity paid out of public funds
- 3.Gratuity paid to a contract officer
- 4.Death gratuity

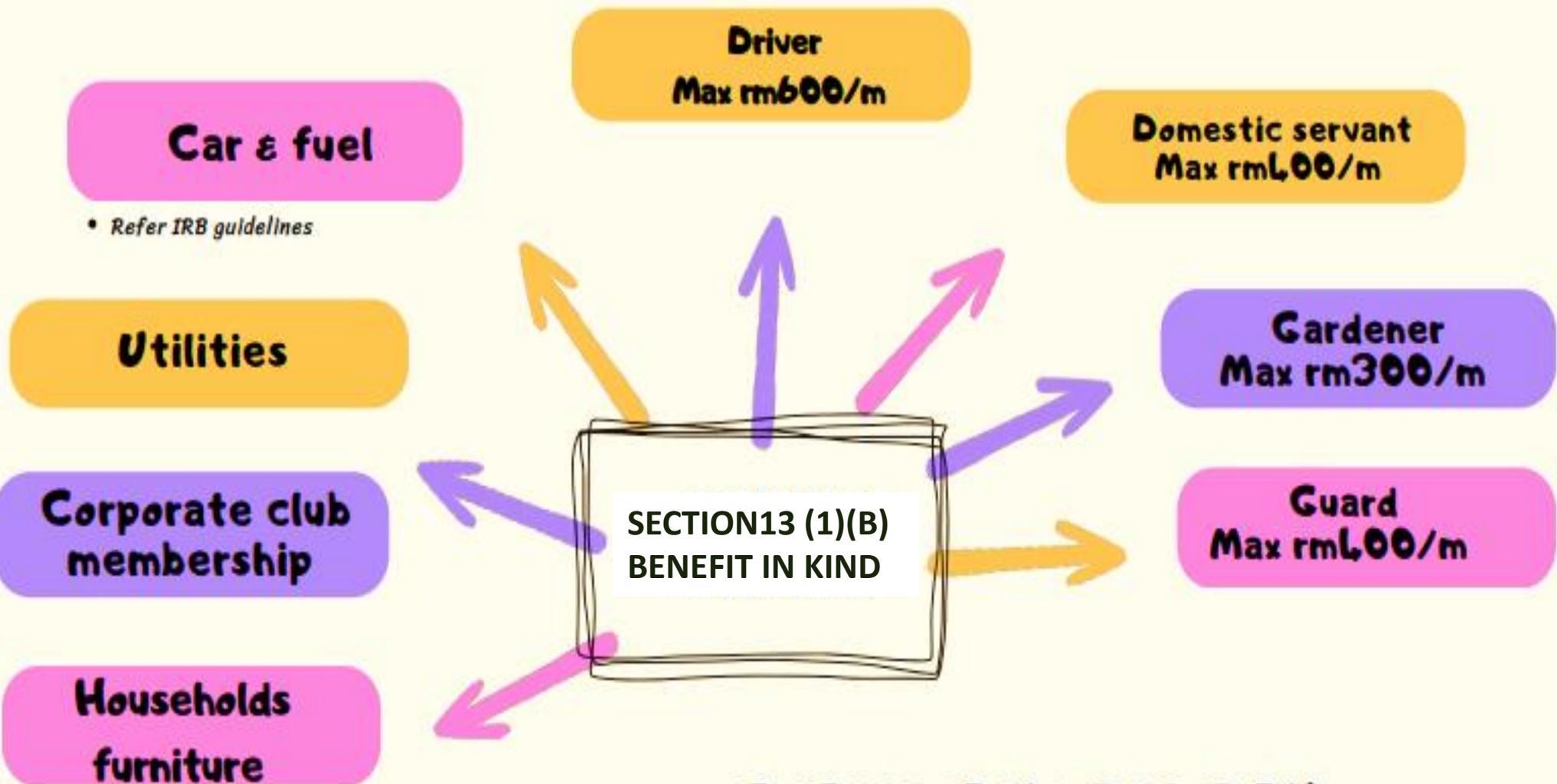
ALLOWANCES/ PERQUISITES

PERQUISITES RECEIVED FROM EMPLOYER
ALLOWANCES paid by employer
Travelling allowances- exempted up to RM 6,000
Childcare allowances-exempted up to RM 2,400
Entertainment allowances- fully exempted
Clothing allowances- fully exempted
meal allowances- fully exempted
Parking allowances- fully exempted
CIVIL SERVANT ALLOWANCE-fully exempted Ent., public service, housing, cost of living & regional
PERQUISITES-exempted up to RM 2,000
-past award, service award, long service award
Credit card, membership, tuition or school fees, insurance premium are all perquisites

SHARE OPTION

Share option- employer give employee to buy shares at the fixed price. Has right to exercise the shares.

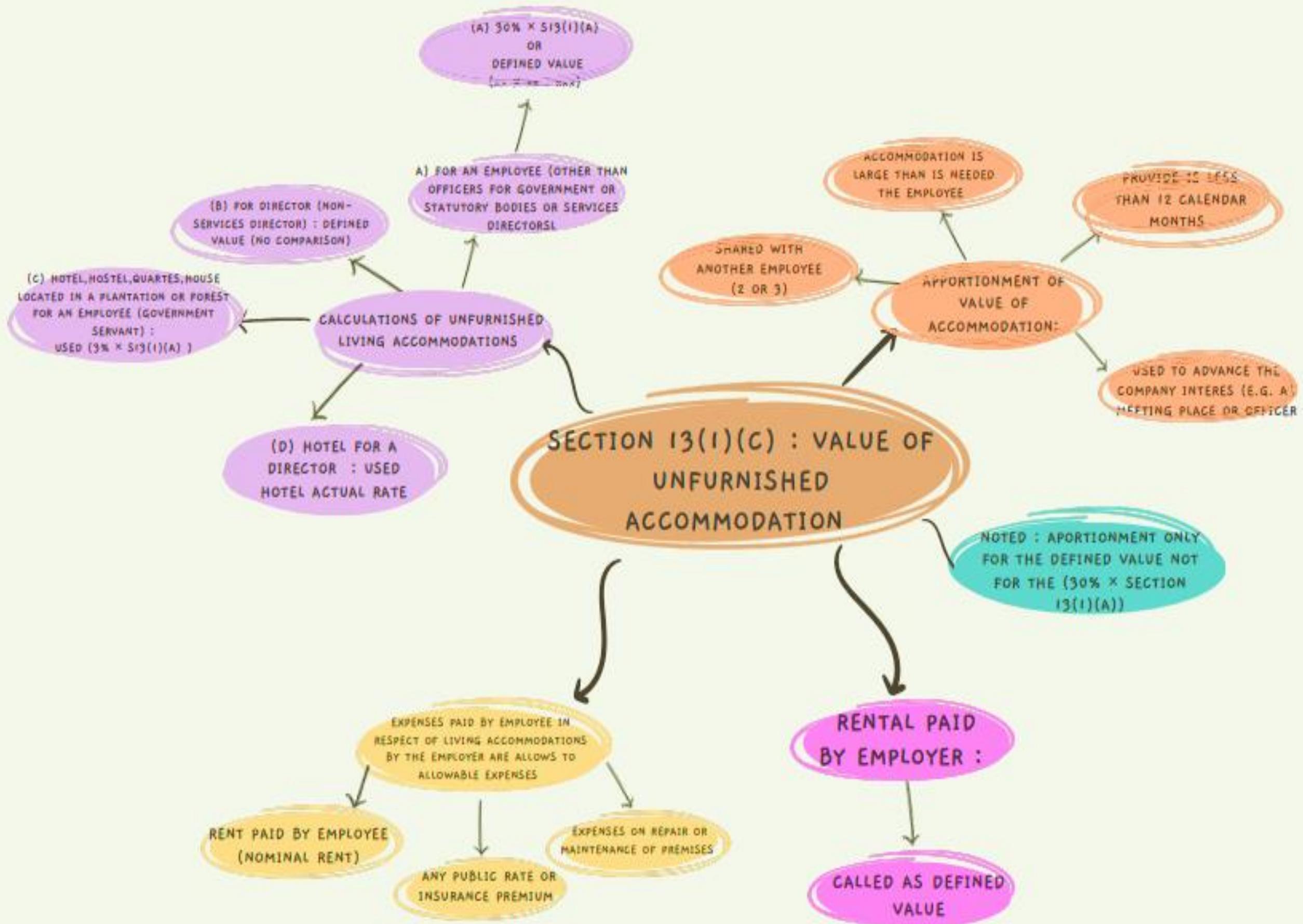
3.2 TYPES OF GROSS EMPLOYMENT INCOME



EXEMPTION FOR B.I.K

- Leave passages
 - 3times within Malaysia
 - 1 Time within outside Malaysia
- Medical,dental treatment and childcare benefits
- Food and drink
- Free transportation
- Telephone bills,pager, PDA and broadband subscription
- Rm5000 foe mobile phone, laptop and tablet

3.2 TYPES OF GROSS EMPLOYMENT INCOME



3.2 TYPES OF GROSS EMPLOYMENT INCOME

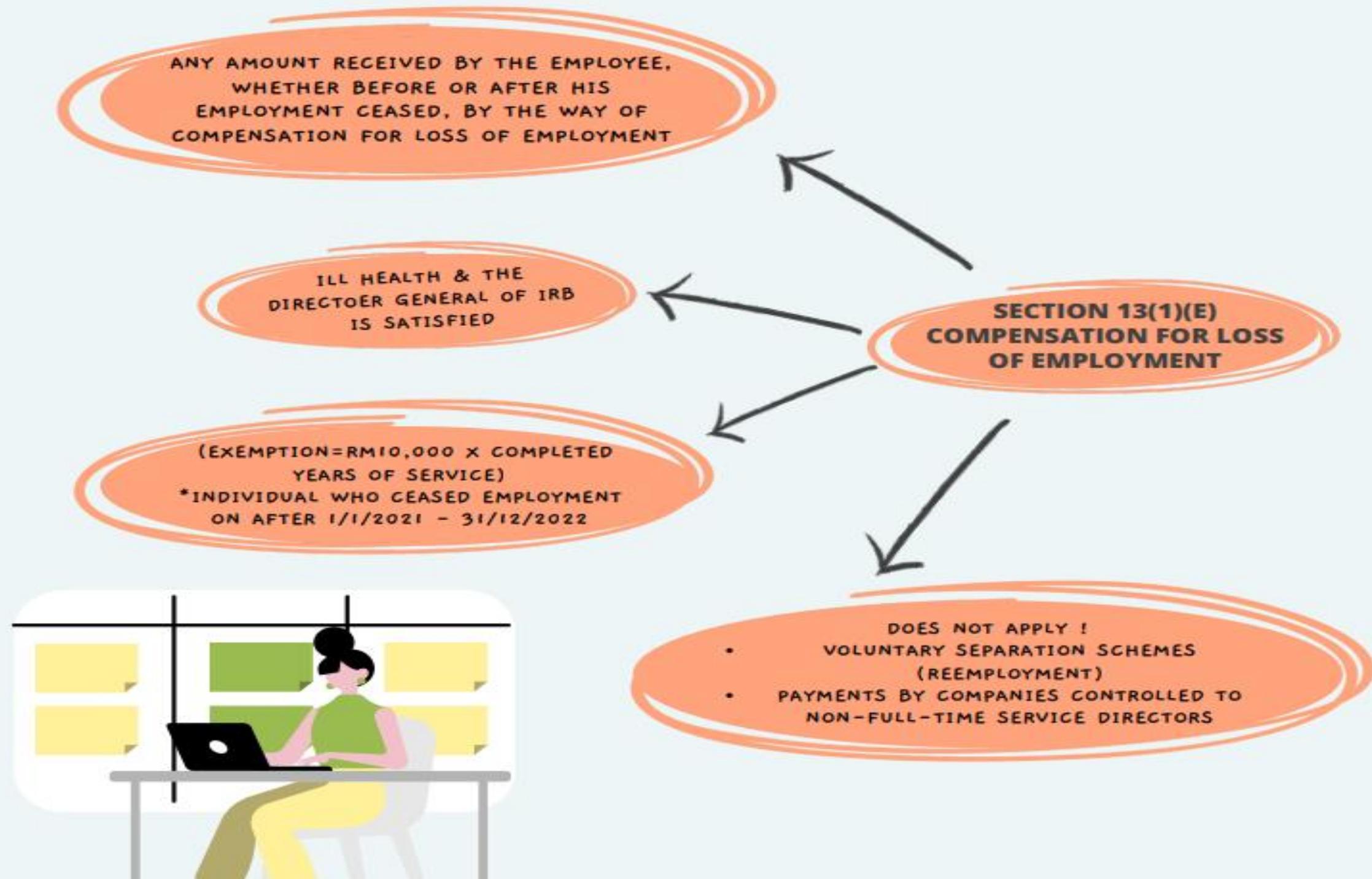
Section 13(1)(d) Refund from unapproved fund

withdrawal of money from unapproved fund, scheme or society and any interest earned or bonus earned by such unapproved fund, scheme or society will be taxable.

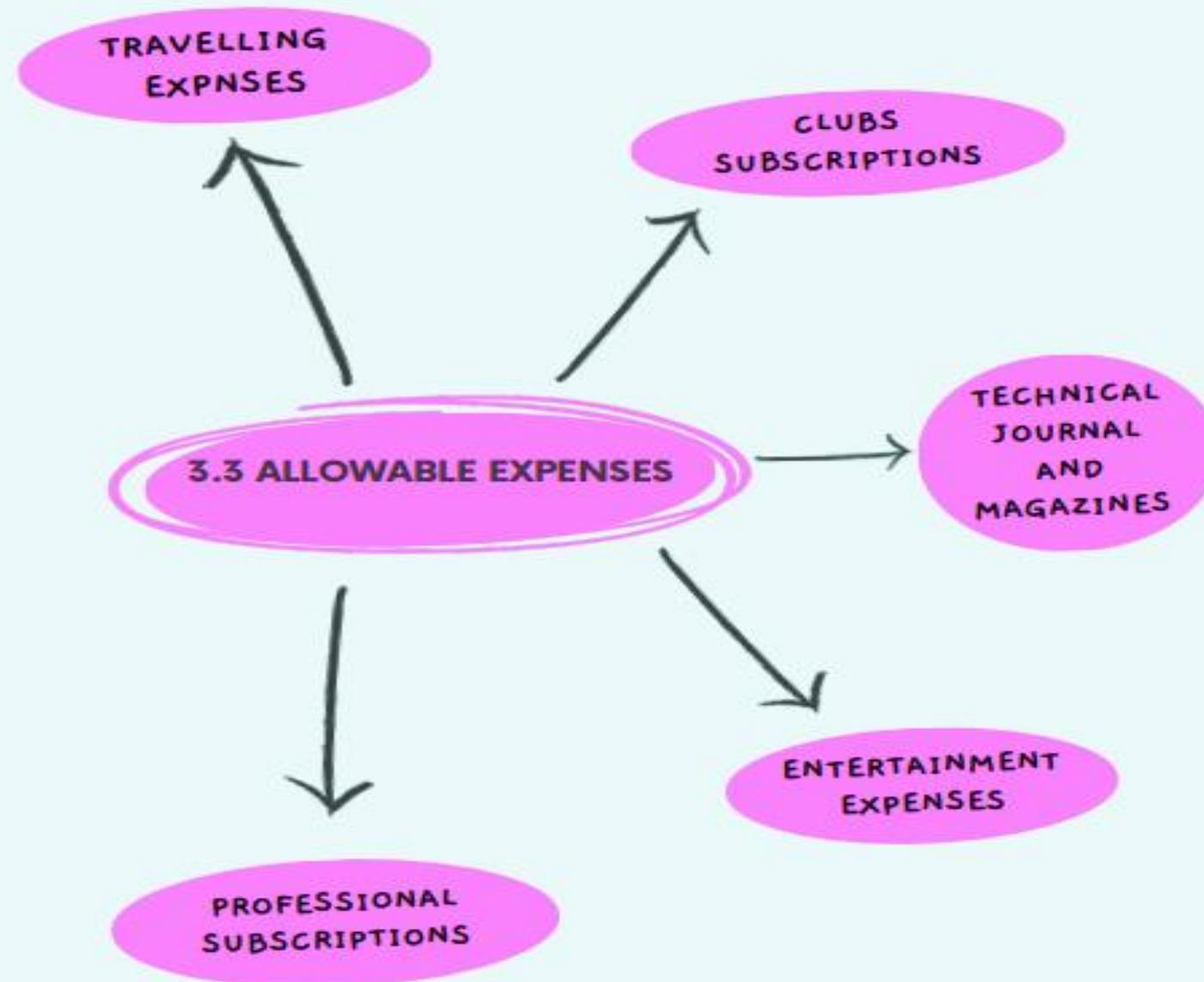
the amount assessable to tax will be the amount

- contributed by the employer
- plus interest or bonus earned on contributions

3.2 TYPES OF GROSS EMPLOYMENT INCOME



3.3 ASCERTAIN THE ADJUSTED INCOME & STATUTORY INCOME OF EMPLOYMENT



FORMAT OF GROSS, ADJUSTED & STATUTORY INCOME FROM EMPLOYMENT

ADJUSTED/STATUTORY INCOME FOR MR. XYZ FOR THE YEAR OF ASSESSMENT 2023

| <u>Section 13(1)(a)</u> | RM | RM |
|--|-----------|---------------|
| Salary (gross) | XX | |
| Bonus | XX | |
| Gratuity (fully exempted @ less exemption) | XX | |
| Allowances | XX | |
| Leave pay | XX | |
| Credit card (private purchases) | XX | |
| Individual Club Membership (recreational) | <u>XX</u> | XX |
| <u>Section 13(1)(b)</u> | | |
| Furniture | XX | |
| Car, fuel (refer guidelines) | XX | |
| Driver (max RM600 per month) | XX | |
| Domestic servant (max RM400 per month) | XX | |
| Gardener (max RM300 per month) | XX | |
| Leave passage (less exemption) | XX | |
| Medical, dental (exempt) | XX | |
| Childcare benefits (exempt) | <u>XX</u> | XX |

FORMAT OF GROSS, ADJUSTED & STATUTORY INCOME FROM EMPLOYMENT

Section 13(1)(c)

Living accommodation:

30% x Section 13(1)(a) = xx

@

take the lower

Defined value = xx

~~xx~~

AND

If Hotel

3% Section 13(1)(a)

xx

~~xx~~

Section 13(1)(d)

Withdrawal of money from unapproved fund:

Employer's portion

xx

Interest, bonus

xx

~~xx~~

Section 13(1)(e)

Compensation for loss of employment

xx

(-) Exemption (10,000 x complete year service)

(x)

xx

GROSS EMPLOYMENT INCOME

xxx

(-) ALLOWABLE EXPENSES

Rental (paid by taxpayer)

xx

Subscription to professional bodies

xx

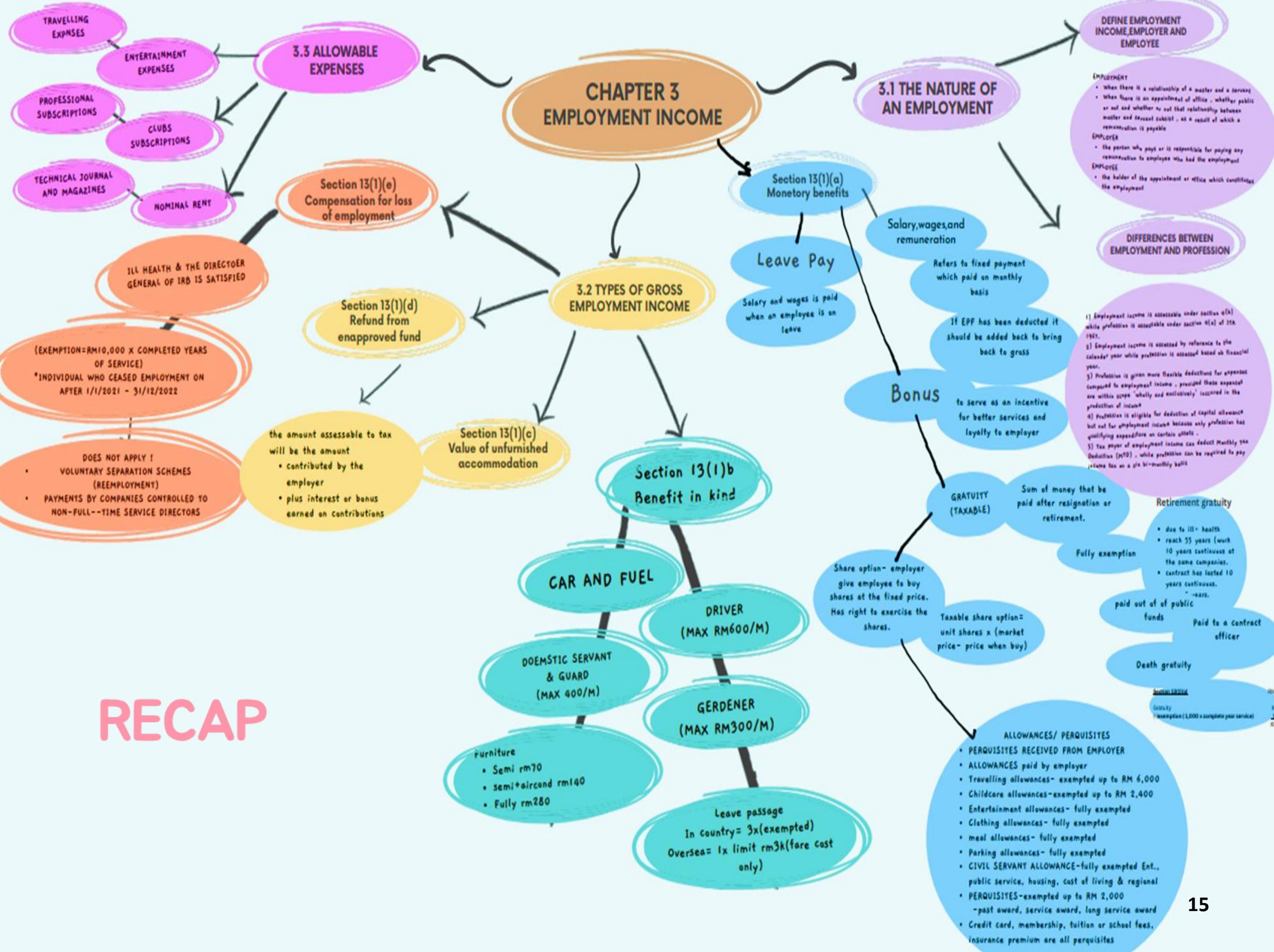
Allowance (for employment)

xx

(xxx)

ADJUSTED/STATUTORY EMPLOYMENT INCOME

xxx



CHAPTER 3 EMPLOYMENT INCOME

3.1 THE NATURE OF AN EMPLOYMENT

DEFINITION OF EMPLOYMENT

- When there is a relationship of a master and a servant
- When there is an appointment of office, whether public or not and whether or not that relationship between master and servant subsist, as a result of which a remuneration is payable

EMPLOYER

- the person who pays or is responsible for paying any remuneration to employee who had the employment

EMPLOYEE

- the holder of the appointment or office which constitutes the employment

DIFFERENCES BETWEEN EMPLOYMENT AND PROFESSION

- 1) Employment income is assessable under section 6(1) while profession is assessable under section 6(a) of ITA 1967.
- 2) Employment income is assessed by reference to the calendar year while profession is assessed based on financial year.
- 3) Profession is given more flexible deductions for expenses compared to employment income, provided these expenses are within scope 'wholly and exclusively' incurred in the production of income.
- 4) Profession is eligible for deduction of capital allowance but not for employment income because only profession has qualifying expenditure on certain assets.
- 5) Tax payer of employment income can deduct Monthly Tax Deduction (MTD), while profession can be required to pay income tax on a six bi-monthly basis.

3.2 TYPES OF GROSS EMPLOYMENT INCOME

Section 13(1)(a) Monetary benefits

Salary, wages, and remuneration

Refers to fixed payment which paid on monthly basis

If EPF has been deducted it should be added back to bring back to gross

Leave Pay

Salary and wages is paid when an employee is on leave

Bonus

to serve as an incentive for better services and loyalty to employer

GRATUITY (TAXABLE)

Sum of money that be paid after resignation or retirement.

Retirement gratuity

- due to ill-health
- reach 55 years (work 10 years continuously at the same companies)
- contract has lasted 10 years continuously

Fully exemption

paid out of public funds

Death gratuity

Paid to a contract officer

Section 13(1)(b) Benefit in kind

CAR AND FUEL

DRIVER (MAX RM600/M)

GARDENER (MAX RM300/M)

DOMESTIC SERVANT & GUARD (MAX 400/M)

- Furniture**
- Semi rm70
 - semi+aircond rm140
 - Fully rm280

Leave passage

In country = 3x(exempted)

Oversea = 1x limit rm3k(fare cost only)

Section 13(1)(e) Compensation for loss of employment

ILL HEALTH & THE DIRECTOR GENERAL OF IRD IS SATISFIED

(EXEMPTION=RM10,000 X COMPLETED YEARS OF SERVICE)

*INDIVIDUAL WHO CEASED EMPLOYMENT ON AFTER 1/1/2021 - 31/12/2022

DOES NOT APPLY!

- VOLUNTARY SEPARATION SCHEMES (REEMPLOYMENT)
- PAYMENTS BY COMPANIES CONTROLLED TO NON-FULL-TIME SERVICE DIRECTORS

the amount assessable to tax will be the amount

- contributed by the employer
- plus interest or bonus earned on contributions

Section 13(1)(c) Value of unfurnished accommodation

RECAP

- ### ALLOWANCES/ PERQUISITES
- PERQUISITES RECEIVED FROM EMPLOYER
 - ALLOWANCES paid by employer
 - Travelling allowances- exempted up to RM 6,000
 - Childcare allowances-exempted up to RM 2,400
 - Entertainment allowances- fully exempted
 - Clothing allowances- fully exempted
 - meal allowances- fully exempted
 - Parking allowances- fully exempted
 - CIVIL SERVANT ALLOWANCE-fully exempted Ent., public service, housing, cost of living & regional
 - PERQUISITES-exempted up to RM 2,000 -past award, service award, long service award
 - Credit card, membership, tuition or school fees, insurance premium are all perquisites

ADDITIONAL NOTES

EMPLOYMENT INCOME
(SECTION 4b-GAINS AND PROFITS FROM EMPLOYEMENT)
 Income that is derived or earned from exercising

| EMPLOYMENT | VS | PROFESSION |
|--|----|---|
| Assessable under section 4(b) | | Assessable under section 4(a) |
| Assessed by reference to the calendar year | | Assessed by reference on financial year |
| Limited deduction expenses | | Flexible deduction for expenses |
| Capital allowance cannot be claim | | Capital allowance can be claim |

TYPES OF EMPLOYMENT INCOME



Section 13(1)(a): MONEYTARY BENEFIT

Cash remuneration e.g. salary and wages, bonus, leave pay

- ❖ Taxed at gross
- ❖ **If EPF has been deducted, it should be added back to bring back to the gross amount.**

Gratuity:

Was paid to the employee upon resignation or retirement.

Fully exempted if:

1. Due to ill health
2. Reach the age 55 years or other compulsory age retirement
3. Contract employment /collective agreement at age 50

*Employment has lasted 10 years continuous employment with same company

4. Paid out from public funds on his/her retirement

Partial exempted:

Exemption of RM 1,000 per

***completed year services is given if an individual does not qualify for full exemption**

Section 13(1) (a)

| | |
|--|-----------|
| | RM |
| Gratuity | XX |
| (-) Exemption | |
| (RM 1,000 X number of Completed year of service). | X |
| | XX |

Allowance or Perquisite

- ❖ Travelling allowances, petrol allowances or toll rate: **exempted up to an amount of RM6,000 per annum**
- ❖ Childcare subsidies/ allowances: **exempted from tax up to an amount of RM 2,400 per annum**
- ❖ **Entertainment allowances are assessed in full. (If spend in performing his duties, these expenses would then be allowed as deductions in arriving at his adjusted income)**
- ❖ **Clothing allowance is assessed in full**
- ❖ Meal allowance, Monthly broadband subscription, Parking fees or parking allowances-**Full exempted**
- ❖ Interest on loan subsidies-Loans totalling RM300,000 for housing / passenger motor vehicles and education-**Exempted**
- ❖ **Award - Exemption up to RM2,000 per annum for the following types of awards: ***
 - **long service (more than 10 years of employment with the same employer)**

Share Option

Taxpayer is taxed only when the option is being exercised.

TAXABLE SHARE OPTION:

UNIT EXERCISE X (MARKET PRICE OFFERED-PAR VALUE)

Section 13(1)(b): BENEFIT IN KIND

Motor vehicle and related and related benefits

Prescribed method for motor vehicle

*The amount will reduce by half if the age of car > 5 years

Household furniture

Unfurnished RM70 monthly

Semi-furnished RM140 monthly

Fully furnished RM280 monthly

Leave passage

3 leave passages within Malaysia (including fares, meals and accommodation)

One leave passage for travel outside Malaysia limited to RM 3000 (cost of fares only)

Gardener RM300 per month

Driver RM600 per month

Corporate membership

Entrance fee is exempted

Monthly/annual subscription is taxable

Medical, dental treatment and childcare benefits
Food and drinks provided and
Transportation (pick up point to office)
Fully exempted

Servant RM400 per month

Guard RM400 per month

Employer's goods provided free or discount

Exemption up to RM1,000 per annum

Mobile phones, laptop, and tablets

Exemption up to RM5,000 from YA 2020

Telephone (including mobile telephone), telephone bills, pager, personal data assistant and broadband subscription

Fully exempted (limited to ONE unit)

Utilities Value charges and bills paid by employer

***Exemptions are not extended to directors of controlled companies, sole proprietors and partnerships**

Section 13(1)(c): VALUE OF UNFURNISHED ACCOMODATION

**Housing accommodation
(unfurnished)**

Employee or Service Director

30% of cash remuneration/ (S13(1)(a))

or

Defined value (rental paid - furniture)

THE LOWER OF

**Housing accommodation
(unfurnished)
Director of controlled
company**

**Defined value
accommodation**

Hotel/Hostel

3% S 13(1)(a)

Section 13(1)(e): COMPENSATION OF LOSS EMPLOYMENT

ill health

**Fully
exempted**

RM10,000 exemption for each completed year of services.

Exemption: RM10,000 X Completed Years of Services

PRACTICAL EXERCISE

Computation

Let's count



QUESTION 1

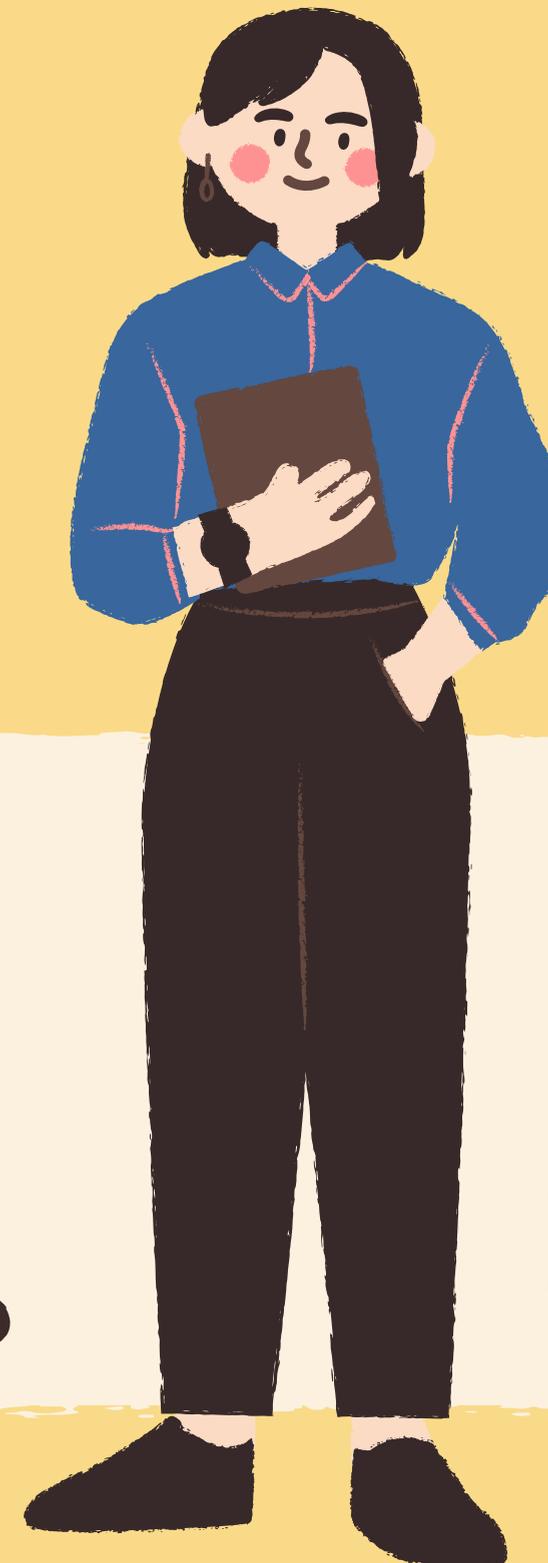
Mr. Owen, a Malaysian resident, has a contract of employment with Plastic Wraps Sdn. Bhd. His income for year 2023 are as follows:

| | |
|--------|------------|
| Salary | RM 135,000 |
| Bonus | RM 20,000 |

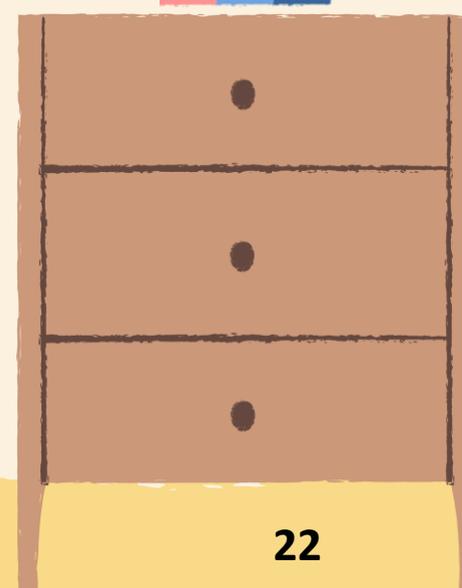
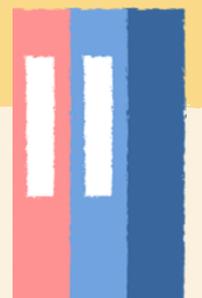
Additional information:

- i) Reimbursement of salary in respect of a driver employed by him amounted to RM7,200 per annum
- ii) The child care allowance for his daughter, amounted to RM2,400 per annum.
- iii) The company provided him a car, including the petrol. The annual value of benefit in respect of the car is RM9,000 and petrol of RM2,100. It was agreed by the Inland Revenue Board (IRB) that, $\frac{2}{3}$ of the time the car was used for personal purposes.
- iv) During the first month of the year 2023, the company provided him with accommodation at Salloma Hotel. The hotel room charge was RM7,500.
- v) The company provided him an unfurnished house from 1 February to 31 December 2023. The company paid the rental of RM2500 per month. $\frac{1}{5}$ of the house is related to office used.
- vi) Plastic Wraps Sdn. Bhd. employed a domestic servant for Mr. Owen at a monthly salary of RM1,500 commencing 1 May 2023.

You are required to calculate the gross employment income of Mr. Owen for the year assessment of 2023.



ANSWER



QUESTION 2

Mrs. Shanty has worked at the Hospital Pantai Merdeka since 1st August 2017 and ceased employment on 31st December 2023. On 1st October until 31 December 2023, she has taken paid leave. The following information is regarding the employment income for the year assessment 2023.

Salary RM13,000 per month

Leave pay RM15,000 per month

Benefit by an employer: Medical RM7,000

Leave passage: Turkey RM7,000

Kuching RM2,500

Additional information:

i) For the period of 1st August 2017 until 30th September 2023 a car was provided by the employer. The cost of the car was RM140,000. The car was purchased in June 2017. The employer also provided the fuel and driver. The General Director of IRB agreed that 1/3 time of car, fuel, and driver was used for personal purposes.

ii) The company provide her with a fully-furnished bungalow from August 2017 until 30th October 2023. The defined value for that bungalow is RM4,000 per month not including the value of furniture RM500 per month.

You are required to calculate the gross employment income of Mrs. Shanty for the year assessment 2023.



ANSWER



QUESTION 3

Mr. Aliff was a sales manager with a company in Sungkai. For the year ended 31 December 2023, he received the following income and benefits from the company:

| | |
|--|----------|
| Salary per month | RM10,000 |
| Bonus | RM12,000 |
| Entertainment allowance per month | RM2,000 |
| Parking allowance per annum | RM1,200 |
| Medical and dental care for his family | RM6,000 |

He was provided a fully furnished bungalow house. The rental of the house paid by the employer was RM3,200 per month (including RM400 per month for the fully furnished furniture).

Mr. Aliff fully utilizes his entertainment allowance for official duties.

You are required to calculate the Statutory income for Mr. Aliff for the year of assessment 2023.



ANSWER

QUESTION 4

Having lived and worked abroad for many years, Mr. Ryan (47 years old) returned to Malaysia to take up residence on 1 February 2023. On 1 Mac 2023, Mr. Ryan commenced employment as the research assistant of a plantation company. His remuneration package is as follows:

- i) Monthly net salary RM7,120 after 11% EPF contribution.
- ii) Entertainment allowance of RM1,800 a month and 80% out of it is used for official duty.
- iii) For the month of July 2023, Mr. Ryan was provided with a fully furnished house by the company. The monthly rental incurred by the company is RM2,500 (including RM480 per month for furniture). 1/5 of the house is related to office used.
- iv) Exclusive use of a company car (cost of the new car of RM130, 000) including petrol and a driver monthly salary of RM1600. 1/3 time of car and petrol was used for personal purposes.
- v) One domestic servant monthly salary of RM1,000.
- vi) An annual leave passage to Australia costing RM12,500 and Pulau Perhentian RM5,000 for Mr. Ryan and his immediate family members.
- vii) Medical expenses of RM5,000 paid by employer.

You are required to compute the statutory employment income for Mr. Ryan for the year assessment of 2023.



ANSWER

QUESTION 5

Mr. Fawwaz is a manager in Hazel Sdn. Bhd. His employment income for the year 2023 are as follows:

Salary RM90,000

Bonus RM25,000

Leave passages:

Switzerland RM9,000

Semporna, Sabah RM2,500

A fully furnished house was provided which has a defined value of RM2,400 per month (including RM280 value of furniture). He paid the nominal rental of RM1,300 per month for the house provided.

Withdrawal from unapproved fund:

employee's contribution RM25,000

employer's contribution RM35,000

You are required to calculate the statutory/adjusted income from employment of Mr. Fawwaz for the year of assessment 2023.



ANSWER

QUESTION 6

Mr. Kumar, a Malaysian resident, has an of employment contract with Jaya Bhd.

His income for 2023 is as follows:

| | |
|-------------------------|-----------|
| Salary | RM156,000 |
| Entertainment allowance | RM40,000 |
| Bonus | RM26,000. |

Additional information:

- i. The salary refund for driver employed by him amounted to RM4,800.
- ii. A local maid for Mr. Hairi employed by Jaya Bhd with a monthly salary of RM950 starting 1 May 2023.
- iii. The childcare allowance for his daughter aged 12, amounting to RM2,000.
- iv. The company provided him a new car which cost RM300,000, excluding the car fuel. The fuel costs were RM 3,800.
- v. Accommodation at the hotel room provided by the company amounted of RM18,000 from 1 January to 31 March 2023.
- vi. The company provides unfurnished house from 1 April 2023 to 31 December 2023. The company pays the rental of RM5,000 per month. He was required to pay RM500 per month for nominal rental.
- vii. Mr. Hairi incurred entertainment expenses of RM45,000 in carrying out official duties.
- viii. He paid RM350 for his professional MIA annual membership fees.

You are required to calculate the Adjusted Income from employment of Mr. Kumar for the year of assessment 2023

SCAN ME



ANSWER



QUESTION 7

Mr Amirul, a Malaysian resident (aged 49) had been employed by a Malaysian company since 1 July 2005 as a retail manager. However, his service was terminated by the company on 31 October 2023 due to non-performance. Upon his termination, he received a compensation of RM100,000 and gratuity of RM50,000.

During the year 2023, his remuneration package was as follows:

- i. Monthly salary of RM7,920 (net) after an EPF deduction of 12%.
- ii. Entertainment allowance of RM800 per month which 60% was claimed for official purpose.
- iii. A new Perdana Executive at a cost of RM105,000 including petrol was provided to him. 2/3 of the car benefit is for personal used.
- iv. The company provided him a driver with a salary of RM1,100 per month.
- v. A fully furnished bungalow was provided with a monthly rental value of RM3,600, inclusive of RM600 for furniture rental paid by the company. He had to pay rental RM1,000 per month.
- vi. Lump sum RM200,000 withdrawals from the unapproved fund, of which 60% represents the employer's contribution.
- vii. Reimbursement of utilities bills by the company amounted to RM 4,800.

REQUIRED:

Calculate the adjusted employment income of Mr Amirul for the year of assessment 2023.



ANSWER



QUESTION 8

Mr. Ling works as senior marketing manager at Kilau Berhad since 2010. His employment income for the year 2023 is as follows:

Net monthly salary (after 12% Employee Provident Fund deduction) RM13,200

Bonus (for the year ended 31 December 2022 but paid in 2023) RM13,000

Monthly entertainment allowance (80% of the allowance is being used for official duties) RM2,000

Monthly bills for mobile phone allowance RM400

Other benefits paid by Kilau Berhad received by Mr. Ling during his employment are as follows:

- i. Individual membership of executive golf club with annual fee of RM12,500.
- ii. Company provided a car which cost RM250,000 together with free fuel. 2/3 of the car benefit is for official duties. A driver was also provided whose salary are paid by employer amount RM1,500.
- iii. A domestic servant with a monthly salary of RM1,700.
- iv. Leave passage were provided by the company for a family holiday in Korea. Where the air fare RM is RM3,500 and the hotels bills RM5,000 (accommodation and food)
- v. An unfurnished bungalow house until 31 December 2023. The monthly rental paid by Kilau Berhad is RM3,300. Mr. Ling paid a monthly nominal rent of RM1,000.
- vi. Withdrawal of money by Mr Ling from unapproved fund:

| | |
|-------------------------|-----------|
| Employee's contribution | RM 16,120 |
|-------------------------|-----------|

| | |
|-------------------------|------------|
| Employer's contribution | RM 100,200 |
|-------------------------|------------|

| | |
|-------------------------------|-------|
| vi. Monthly parking allowance | RM400 |
|-------------------------------|-------|

You required to compute Mr. Ling statutory income for the year of assessment 2023.



ANSWER



QUESTION 9

Mr. Hairi, a Malaysian resident, has an of employment contract with Jaya Bhd. His income for 2023 is as follows:

| | |
|---------------------------------|---------------------------------|
| Salary | RM165,000 |
| Bonus | RM15,000 |
| Entertainment monthly allowance | RM4,000 (1/4 for personal used) |
| Petrol monthly allowance | RM500 |
| Parking monthly fees allowance | RM500 |

Additional information:

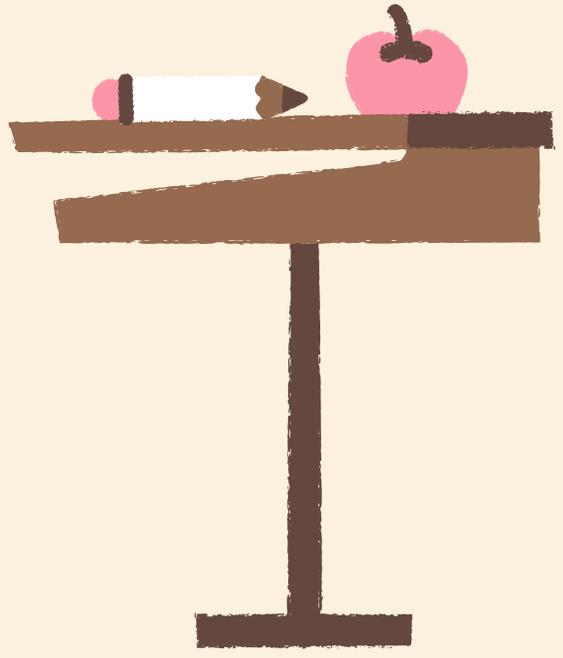
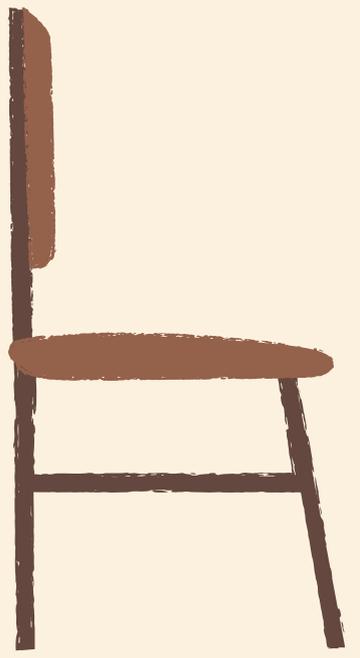
- i. The salary refund for driver employed by him amounted to RM1,800 monthly.
- ii. A local maid for Mr. Hairi employed by Jaya Bhd with a monthly salary of RM950 starting 1 April 2023.
- iii. The childcare allowance for his daughter aged 15, amounting to RM2,000 monthly.
- iv. The company provided him a new car which cost RM300,000, excluding the car fuel. 1/3 of car benefit is for personal used.
- v. The hotel room fee is RM9,000 from 1 January to 31 March 2023.
- vi. The company provides semi-furnished house from 1 April 2023 to 31 December 2023. The company pays the rental of RM3,000 per month (including furniture RM250 per month). 1/5 of the house was related to office use.
- vii. Corporate membership fees RM2,500
- viii. Withdrawal from unapproved fund. Employee's portion RM15,000. Employer's portion RM25,000. Interest earned from the fund RM2,300.

You are required to calculate the Adjusted Income from Employment of Mr. Hairi for



ANSWER

PRACTICAL
EXERCISE:
Theory





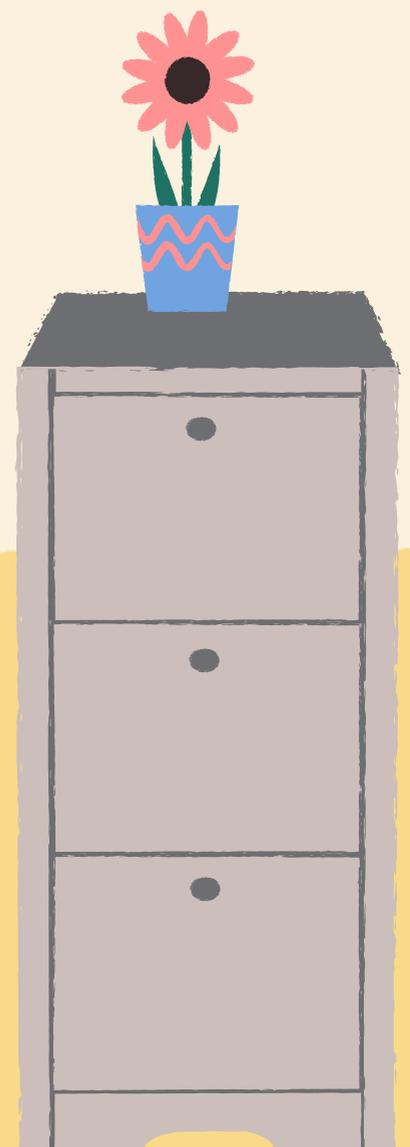
QUESTION 1

“An employee who received a reward upon retirement as gratuity from employment will be exempt from income tax in the following circumstances.”

Explain FIVE exemptions on gratuity under paragraph 25 of Schedule 6, Income Tax Act 1967.

ANSWER

SCAN ME



QUESTION 2

List FOUR tax exemptions for Benefit-in-Kind under Section 13(1)(b) Income Tax Act 1967.



ANSWER



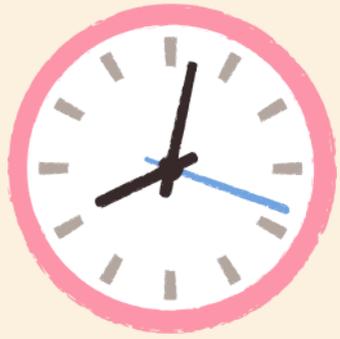
QUESTION 3

List THREE taxable income under section 13(1)(a) Income Tax Act 1967.



ANSWER



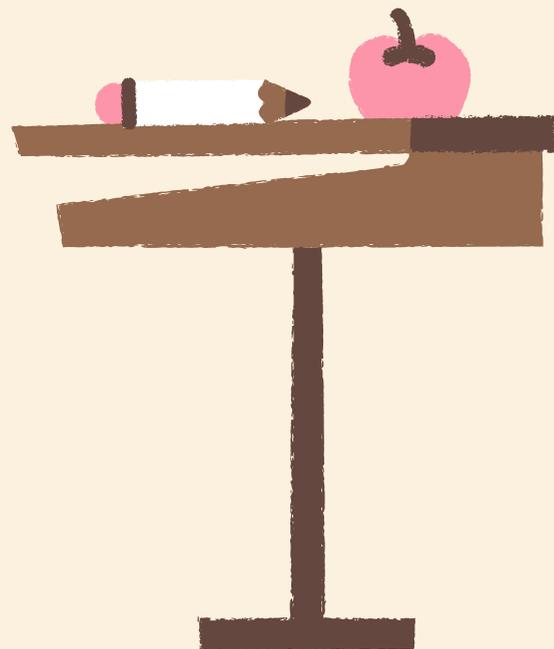


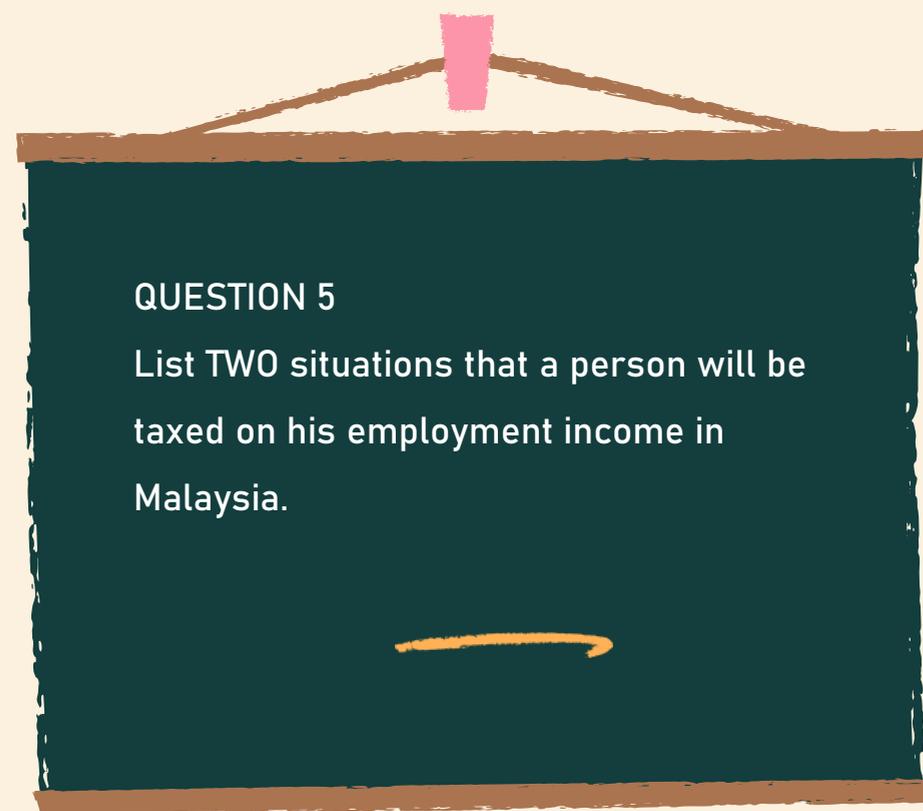
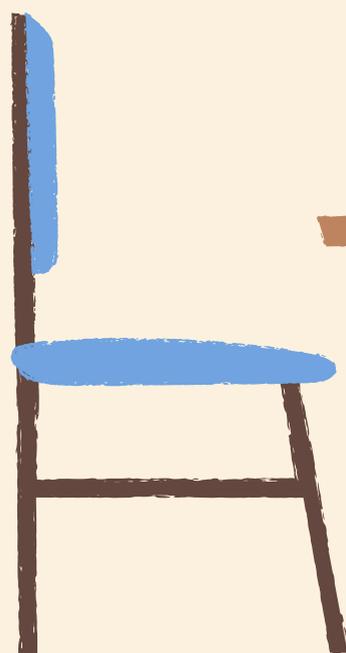
QUESTION 4

List FIVE allowable expenses that can be deducted in respect of the employment income.



ANSWER





ANSWER

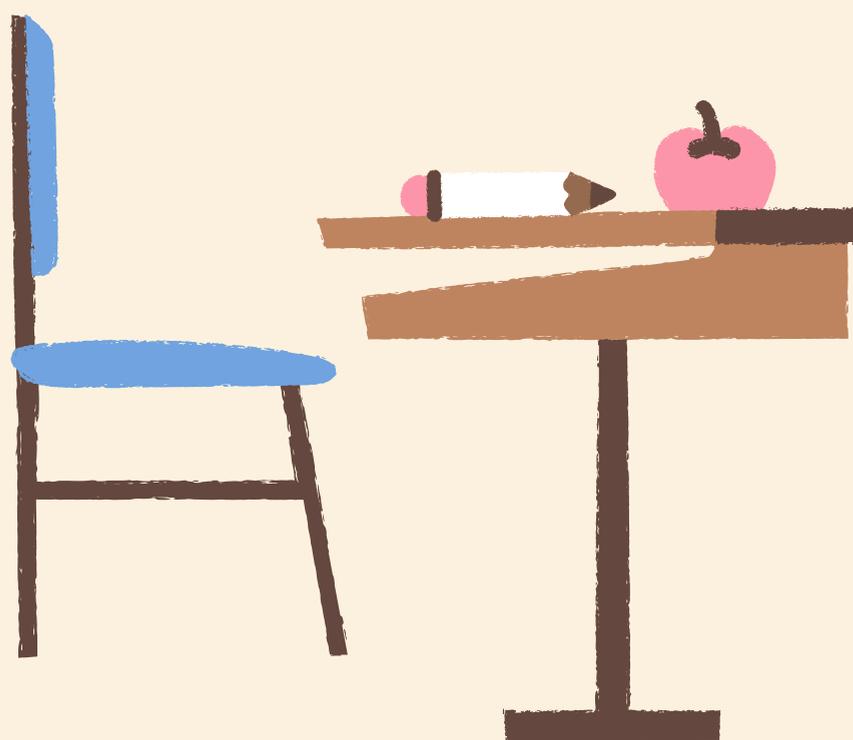
SCAN ME





QUESTION 6

List FIVE types of employment income under Section 13 (1)(d) Income Tax Act 1967.



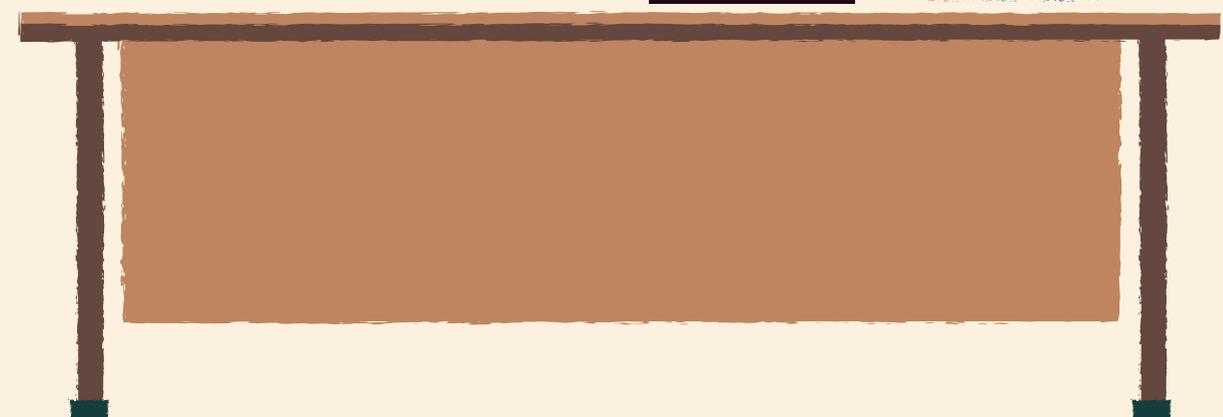
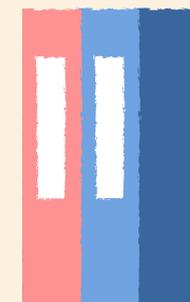
ANSWER



QUESTION 7
Describe FIVE differences between
employment and profession.



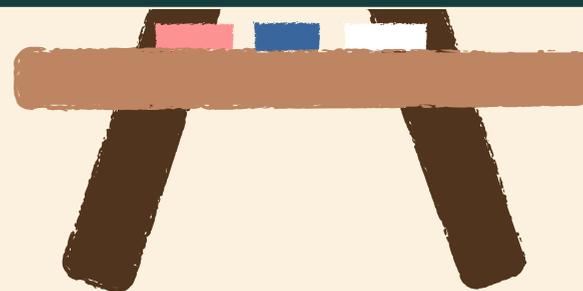
ANSWER





QUESTION 8

Explain the derivation of employment income under Section 3, Income Tax Act 1967.



ANSWER



INTERACTIVE ACTIVITIES

VIDEO TOPIC: EMPLOYMENT INCOME



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VIDEO LINK

<https://www.youtube.com/watch?v=RhjGqkC23OY>



TOPIC: INTRODUCTION TO MALAYSIAN TAXATION

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TOPIC: SECTION 13(1)(B) BENEFIT IN KIND, EMPLOYMENT INCOME

Click link below:

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MATCHING GAMES

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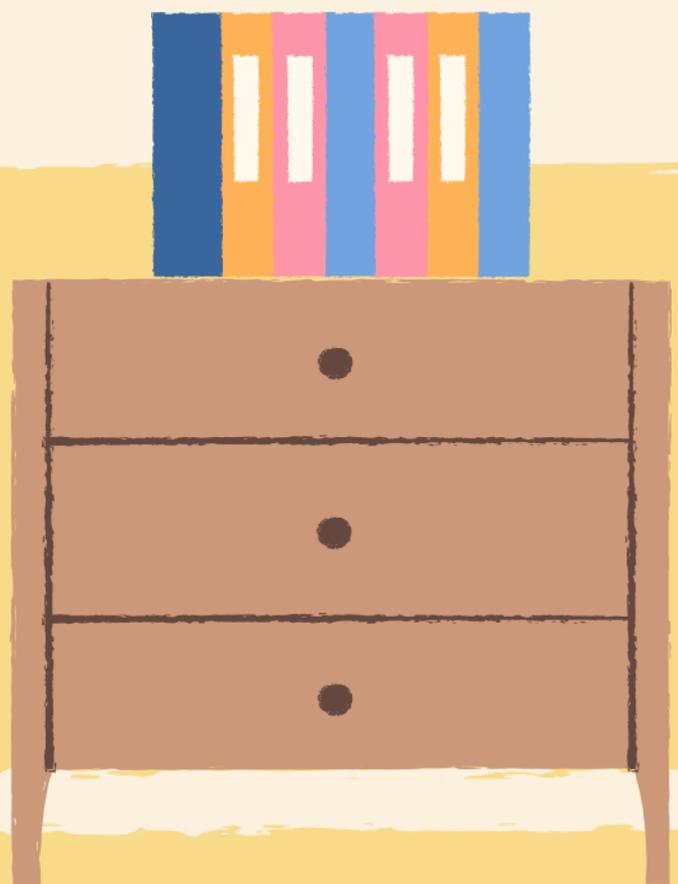
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