

## EXPLANATORY NOTES FOR COMPLETION OF FORM IR8S FOR THE YEAR ENDED 31 DEC 2011

1. Form IR8S is part of the Return of Employee's Remuneration made by an Employer under Section 68(2) of the Income Tax Act (Cap. 134). You must prepare **Form IR8S if Section A of paragraph 4 below is applicable** and give the form to your employee by **1 Mar 2012**. Your employee must attach Form IR8S when he files his Income Tax Return for the Year of Assessment 2012.
2. For tax treatment of excess/voluntary contributions to CPF by employer, please refer to paragraph 12d (IV) of the Explanatory Notes for Completion of Form IR8A and Appendix 8A. Furnish only the CPF contributions on wages in respect of Singapore employment as **no** deduction can be allowed in respect of the employee's contribution on his overseas wages. Similarly, employer's CPF contributions on the employee's overseas wages are **not** taxable in Singapore.
3. Ordinary Wages (OW) and Additional Wages (AW) in the Form IR8S have the same meaning as in the CPF Act:
  - a) OW are wages due or granted wholly and exclusively in respect of an employee's employment in that month and payable before the due date for payment of CPF contributions for that month. Examples of ordinary wages are basic salary, overtime pay, monthly meal allowances.
  - b) AW are any remuneration other than ordinary wages (excludes directors' fee and value of benefits-in-kind on which **no** CPF contribution is required). Examples of additional wages are annual bonus, leave pay, quarterly sales incentive.
4. Please note the following when completing the Form IR8S:

### **Section A**

Complete this Section if CPF contributions made in 2011 by you and /or your employee:

- a) are more than the compulsory contributions under the CPF Act;  
Example:  
The compulsory employer's CPF contribution rate of an employee who is above 50 to 55 years old is 11% from 1 Jan 2011 to 28 Feb 2011 and 11.5% from 1 Mar 2011 to 31 Dec 2011. If the employer contributes more than the compulsory CPF contribution rate for the employee, the excess portion (less amount refunded or to be refunded) is taxable.  
  
You may refer to CPF Board website [www.cpf.gov.sg](http://www.cpf.gov.sg) for the contribution rates of the different age groups.  
  
OR
- b) on monthly OW subject to CPF contribution is more than:
  - \$4,500 from 1 Jan 2011 to 31 Aug 2011
  - \$5,000 from 1 Sep 2011 to 31 Dec 2011 AND / OR
- c) on total Additional Wages (AW) more than \$79,333 less OW subject to CPF contributions or total wages (OW subject to CPF contributions + AW) more than \$79,333; OR
- d) are not compulsory under the CPF Act.  
Example:  
Foreigners are not required to make CPF contribution. The CPF contributions made by employer for foreign employees or on director's fees are considered as voluntary contributions.

Compute the excess/voluntary contributions made by you and/or your employee and indicate the amount under 'Excess/Voluntary contribution to CPF'.

### **Section B**

Complete this section if you and/or your employee claimed or will claim a refund of the excess contributions from CPF Board.

Item	What does it refer to
Amount	OW and/or AW in excess of the statutory limit
Period	The calendar year in which the amount relates to
Date Paid	The date when the excess CPF contribution is paid