

IRAS e-Tax Guide

GST: Fringe Benefits
(Fourth Edition)



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TABLE OF CONTENTS

1	Introduction	1
2	Input Tax Recovery	1
3	Input Tax Disallowed.....	2
4	Accounting of Output Tax.....	3
5	Value of Supply	6
6	Flowchart and Table.....	7
7	Contact Information.....	8
	Appendix A.....	9
	Appendix B.....	12
	Appendix C.....	13
	Appendix D.....	15

Fringe Benefits

1 INTRODUCTION

- 1.1 This booklet provides a guide on the treatment of fringe benefits given free to employees.
- 1.2 It has been prepared based on the Goods and Services Tax Act (Cap 117A) and the Goods and Services Tax (General) Regulations 2001 made under the Act.

2 INPUT TAX RECOVERY

- 2.1 A taxable person is entitled to claim input tax credit for GST incurred on *supplies* of goods and services made to *him*, which are used *for the purpose of his business in the making of taxable supplies*.
- 2.2 A taxable person is one who is registered or is required to be registered under the GST Act.
- 2.3 The goods and services acquired and given as fringe benefits to employees are considered as used “for the purpose of business”. Thus, GST incurred on these supplies may be claimed by the taxable person as input tax except those prohibited under Regulations 26 and 27 of the GST (General) Regulations 2001.
- 2.4 Can input tax be claimed if the goods and services are acquired solely for the benefit of sole-proprietors, partners, directors or persons connected to the aforementioned persons for their private use?
- No. Input tax cannot be claimed by the taxable person as these supplies will not be considered as used “for the purpose of business”.
- 2.5 Should the supply of goods and services be contractually made to the taxable person before input tax can be claimed?
- Yes. The supply must be made contractually to the taxable person before he is able to claim the GST incurred as his input tax.
- 2.6 What evidence is required to prove that the supply is contractually made to the taxable person and which would allow him to claim input tax?
- Tax invoices addressed to the taxable person or simplified tax invoices given to the taxable person are prima facie evidence to prove that supplies are contractually made to the taxable person. These documents would allow him to claim input tax.
- 2.7 Can input tax be claimed if the tax invoice is addressed to the employee?

Fringe Benefits

No. Unless the taxable person is able to prove that the supply is contractually made to the taxable person or the employee is acting as an agent of the taxable person in receiving the supply of goods or services. For example, meal expenses billed in the name of employees when entertaining clients for company's business purpose.

3 INPUT TAX DISALLOWED

3.1 Input tax incurred for the purpose of business and supported by relevant tax invoices is generally claimable. However, a taxable person is not entitled to claim input tax credit under Sections 19 and 20 of the GST Act in the following situations:

- (a) The supply of goods or services is purchased from traders who are not registered for GST. Since no GST is charged by these traders, the taxable person is not entitled to claim input tax credit;
- (b) The supply of goods or services is an exempt supply under the GST Act (e.g. residential properties or financial services). Since GST is not incurred in the making of taxable supplies, the taxable person is not entitled to claim input tax credit; or
- (c) The supply of goods or services purchased is subject to GST but the GST incurred is disallowed as input tax credit under Regulations 26 and 27 of the GST (General) Regulations 2001.

3.2 What are the input tax disallowed under Regulations 26 and 27 of the GST (General) Regulations 2001?

Under Regulations 26 and 27 of the GST (General) Regulations 2001, a taxable person is not allowed to claim input tax credit for GST incurred on the following:

- (a) club subscription fee;
- (b) medical and accident insurance premium (excluding those expenses incurred under the provision of the Work Injury Compensation Act⁺ or any collective agreement within the meaning of the Industrial Relations Act);
- (c) medical expenses;
- (d) family benefits;
- (e) any transaction involving betting, sweepstakes, lotteries, fruit machines or games of chance;

⁺ Work Injury Compensation Act replaces Workmen's Compensation Act with effect from 01 Apr 2008.

Fringe Benefits

- (f) Q-plated motor car with COE issued on or after 1 Apr 1998 (including purchase and running expenses like petrol, maintenance, parking fees);
- (g) SZ-plated motor car rented on or after 1 Jul 1999 (including running expenses); and
- (h) Non-Q-plated motor car (including purchase and running expenses).

3.3 What is the definition of “club subscription fee”, “medical and accident insurance premium”, “medical expenses”, “family benefits” and “motor car”?

The definitions of the above terms are stated in Regulation 25 of the GST (General) Regulations 2001. Please refer to Appendix A for details.

3.4 If input tax credit is disallowed under Regulations 26 and 27 of the GST (General) Regulations 2001, is the GST incurred a deductible expense under Income Tax?

The GST incurred, which is disallowed as input tax credit, will be a deductible expense if the underlying expense is allowable under the normal rules of deduction for Income Tax.

4 ACCOUNTING OF OUTPUT TAX

4.1 Generally, a taxable person is required to account output tax on fringe benefits given to employees for his private usage.

4.2 If services are provided free to employees, should output tax be accounted?

No. There is no need to account output tax as no supply is treated as being made by the taxable person when services are provided free to employees.

For example, a carpet cleaning company provides free carpet cleaning service to his employees.

4.3 When goods are given free to employees, should output tax be accounted?

Yes. The taxable person is required to account output tax on the supply of goods, except for the situations under 4.6 and 4.7.

4.4 If business goods are temporarily used free of charge by employees for their private usage, should output tax be accounted?

Yes. A supply of services is deemed to be made by the taxable person when business goods are put to private use by his employees. The taxable person

Fringe Benefits

is required to account output tax on that supply. The value of the supply is the full cost to the taxable person of providing the services.

For example, a carpet cleaning company allows its employees to use its carpet cleaning equipment free of charge for their private usage.

- 4.5 If the taxable person does not claim input tax credit when he is actually entitled to a claim under Sections 19 and 20 of the GST Act, can he avoid accounting output tax when the goods are given free to employees as fringe benefit?

No. The taxable person is still required to account output tax when the goods are given free to employees as fringe benefits except for situation under 4.7.

- 4.6 If the goods were imported by the taxable person under the Major Exporter Scheme or under the GST (Import Relief) Order 2001 and there was no payment of tax when the goods were imported, is it still necessary to account output tax when the imported goods are given free to employees as fringe benefits?

Yes. Output tax must be accounted when the goods are given free to employees as fringe benefits except for the situation under 4.7.

- 4.7 If the goods given free to the employees are purchased without GST (e.g. purchased from non-GST registered traders), is it necessary to account output tax?

No. There is no need to account output tax.

- 4.8 If the cost of the gift given free to an employee is a small amount, is it necessary to account output tax?

If the cost of the gift given free to an employee is not more than \$200 and the gift does not form a series or succession of gifts given to the same employee, no supply is treated as being made by the taxable person and there is no need to account output tax.

- 4.8.1 What is a “series or succession of gifts”?

When three or more gifts are given to the same person within a period of three months, it will be considered as a “series or succession of gifts”.

- 4.8.2 In determining whether there is a “series or succession of gifts”, should the gifts purchased without GST (e.g. purchased from non-GST registered traders) be taken into consideration?

Yes. If the total number of gifts purchased with and without GST is equivalent to 3 or more gifts, it will be considered as a “series or succession

Fringe Benefits

of gifts". However, the taxable person need not account output tax on the gifts purchased from non-GST registered traders.

4.8.3 What is the three months' time frame for taxable persons with one month and three months prescribed accounting period?

For taxable persons with the standard prescribed accounting period of three months, the three months' time frame refers to his prescribed accounting period.

For taxable persons with a prescribed accounting period of one month, the three months' time frame refers to:

- (i) 1 Jan to 31 Mar
- (ii) 1 Apr to 30 Jun
- (iii) 1 Jul to 30 Sep
- (iv) 1 Oct to 31 Dec

ILLUSTRATION

This illustration shows whether output tax should be accounted when a gift or a series of gifts of various costs to the taxable person is given to an employee.

Company XYZ buys the following types of gifts:

A - \$20 (GST \$1.40*); B - \$201 (GST \$14.07*); C - \$30 (No GST - purchased from a non-GST registered trader)

The table shows the various combinations of the above gifts, which the taxable person may give to an employee during a three-month period and the output tax that should be accounted for each combination:

COMBINATION OF GIFTS	SERIES OF GIFT?	OUTPUT TAX ACCOUNTED * (S\$)
A	No	N.A.
B	No	14.07
C	No	N.A.
A + A	No	N.A.
A + B	No	14.07
A + C	No	N.A.
A + A + A	Yes	1.40 + 1.40 + 1.40 = 4.20
A + B + C	Yes	1.40 + 14.07 = 15.47
A + C + C	Yes	1.40
C + C + C	Yes	N.A.

* 7% GST applicable with effect from 1 Jul 2007

Fringe Benefits

5 VALUE OF SUPPLY

5.1 When goods (new or used) are given free to the employees:

- (a) the value of supply on which output tax is accountable would be the amount that the taxable person would pay if he were to purchase identical goods, taking into account the age and condition of the goods which are given free; or
- (b) if the value of (a) cannot be determined, the value of supply will be the amount that the taxable person would pay if he would to purchase similar goods (taking into account the age and condition of the goods which are given free; or
- (c) if both (a) and (b) cannot be determined, then the value of supply would be the cost of producing the goods which are given free.

5.2 However, the value of supply shall be taken to be nil (i.e. charge GST at nil value) when the taxable person gives the following items free to his employees as fringe benefits:

- (a) Catering of food or beverages;
- (b) Accommodation in a hotel, inn, boarding house or similar establishment.

5.3 When goods are temporarily used free of charge by the employees for their private usage, what is the value of supply on which output tax is accounted?

The value of supply on which output tax is accounted should be the full cost to the taxable person in providing the services.

Normally, output tax should be accounted on the amount of depreciation on the goods plus any other costs related to the goods, multiplied by the proportion that the private use forms of the total use.

$$\text{i.e. Output tax} = \frac{\text{Private use}}{\text{Total use}} \times [\text{Amount of depreciation} + \text{any other cost}] \times 7\%$$

5.4 For Q-plate cars (COE purchased before 01 Apr 1998), where GST incurred on the purchase of the vehicle and the running expenses is allowed as input tax claim, output tax should be accounted using either one of the following methods:

Method I

$$\text{Output tax} = \frac{A}{B} \times \left[\frac{C}{10} \times \frac{D}{12} + E \right] \times 7\%$$

Fringe Benefits

Where,

A = Private mileage for one vehicle in one prescribed accounting period

B = Total mileage for one vehicle in one prescribed accounting period

C = Purchase price of vehicle

D = Number of months in one prescribed accounting period

E = Running expenses incurred in one prescribed accounting period

Method II

If car is provided only,

Output tax = \$0.10 x Private Mileage x 7%

If car and running expenses are provided,

Output tax = \$0.30 x Private Mileage x 7%

- 5.5 If the taxable person provides fringe benefits to his employees at a subsidised or discounted price, what is the value of supply on which output tax is accounted?

Where fringe benefits are provided to the employees at a subsidised or discounted price, the value of supply on which output tax is accounted should be the subsidised price or discounted price.

6 FLOWCHART AND TABLE

- 6.1 Appendix B shows the flow chart summary for input tax recovery while Appendix C shows the flow chart summary for charging output tax when fringe benefits are given free to employees.
- 6.2 The table in Appendix D shows the GST treatment for some of the fringe benefits that are commonly given free to employees. It should be emphasised that the table does not show an exhaustive list of fringe benefits.
- 6.3 As there are various combinations of methods to give fringe benefits to employees, the table has been done based on certain assumptions to refrain from producing a long and repetitive table.

The assumptions are:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.

Fringe Benefits

- (c) The supply is contractually made to the taxable person. (i.e. the tax invoice is addressed to the taxable person or where the tax invoice is addressed to the employee, the taxable person is able to prove that the supply is contractually made to the taxable person or the employee is merely acting as agent of the taxable person in receiving the supply of goods or services.)

7 CONTACT INFORMATION

7.1 For enquiries on this e-Tax Guide, please contact:

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DEFINITION IN REGULATION 25

“Club subscription fee” means any joining fee, subscription fee, membership fee, transfer fee or other consideration charged by any club, association, society or organisation established principally for recreational or sporting purposes or by the transferor of the membership of such club, association, society or organisation, as the case may be;

“Family benefits” means any benefits (including hospitality of any kind) provided by the taxable person for the benefit of any person who is the wife, husband, child or relative of any person employed by the taxable person for the purposes of any business carried on or to be carried on by the taxable person;

“Medical and accident insurance premium” means any payment or contribution towards any of the following insurance contracts:

- (a) a contract for the provision of insurance for indemnifying the taxable person against the cost of medical treatment to any person;
- (b) a contract for the provision of insurance against the cost of medical treatment in which the insured is any person employed by the taxable person;
- (c) a contract for the provision of insurance against any personal accident in which the insured is any person employed by the taxable person,

but excludes any insurance contract against any liability which the taxable person may incur under the provisions of the Work Injury Compensation Act⁺ to any workman employed by him where such insurance is obligatory under that Act or any collective agreement within the meaning of the Industrial Relations Act;

“Medical expenses” means any of the following medical expenses in connection with the provision of medical treatment to any person employed by a taxable person:

- (a) expenses incurred in or in connection with the provision of maternity health care, natal care, and preventive and therapeutic treatment;
- (b) expenses incurred in or in connection with the provision of a medical clinic by the taxable person,

⁺ Work Injury Compensation Act replaces Workmen’s Compensation Act with effect from 01 Apr 2008.

but excludes expenses incurred under the provisions of the Work Injury Compensation Act⁺ to any workman employed by him where such expenses is obligatory under that Act or any collective agreement within the meaning of the Industrial Relations Act;

“Medical treatment” includes all forms of treatment for, and procedures for diagnosing, any physical or mental ailment, infirmity or defect;

“Motor car” means a motor car which is constructed or adapted for the carriage of not more than seven passengers exclusive of the driver and the weight of which unladen does not exceed 3,000 kilograms but excludes -

- (a) a motor car registered before 01 Apr 1998 as a business service passenger vehicle for the purposes of the Road Traffic Act;
- (b) a taxi;
- (c) a motor car registered as a private car (school transport);
- (d) an unused motor car which has not been previously registered under the Road Traffic Act supplied or imported for purpose of being let on hire or sold;
- (e) a motor car supplied to a financial institution for purposes of making a supply of that motor car by financial institution under a hire purchase contract;
- (f) a motor car supplied to or imported by a taxable person for the purposes of being let on hire or sold by that taxable person who is a dealer of motor cars licensed under the Second-hand Dealers Act; and
- (g) a motor car used for instructional purposes for reward and registered under Paragraph IX (1) of the Second Schedule to the Road Traffic (Motor Vehicles, Registration & Licensing) Rules by a person who holds a driving school license issued under the Road Traffic Act.

For the purposes of the definitions of “family benefits”, “medical and accident insurance premium” and “medical expenses”,

- (a) directors and officers of a company
- (b) persons engaged in the management of a company

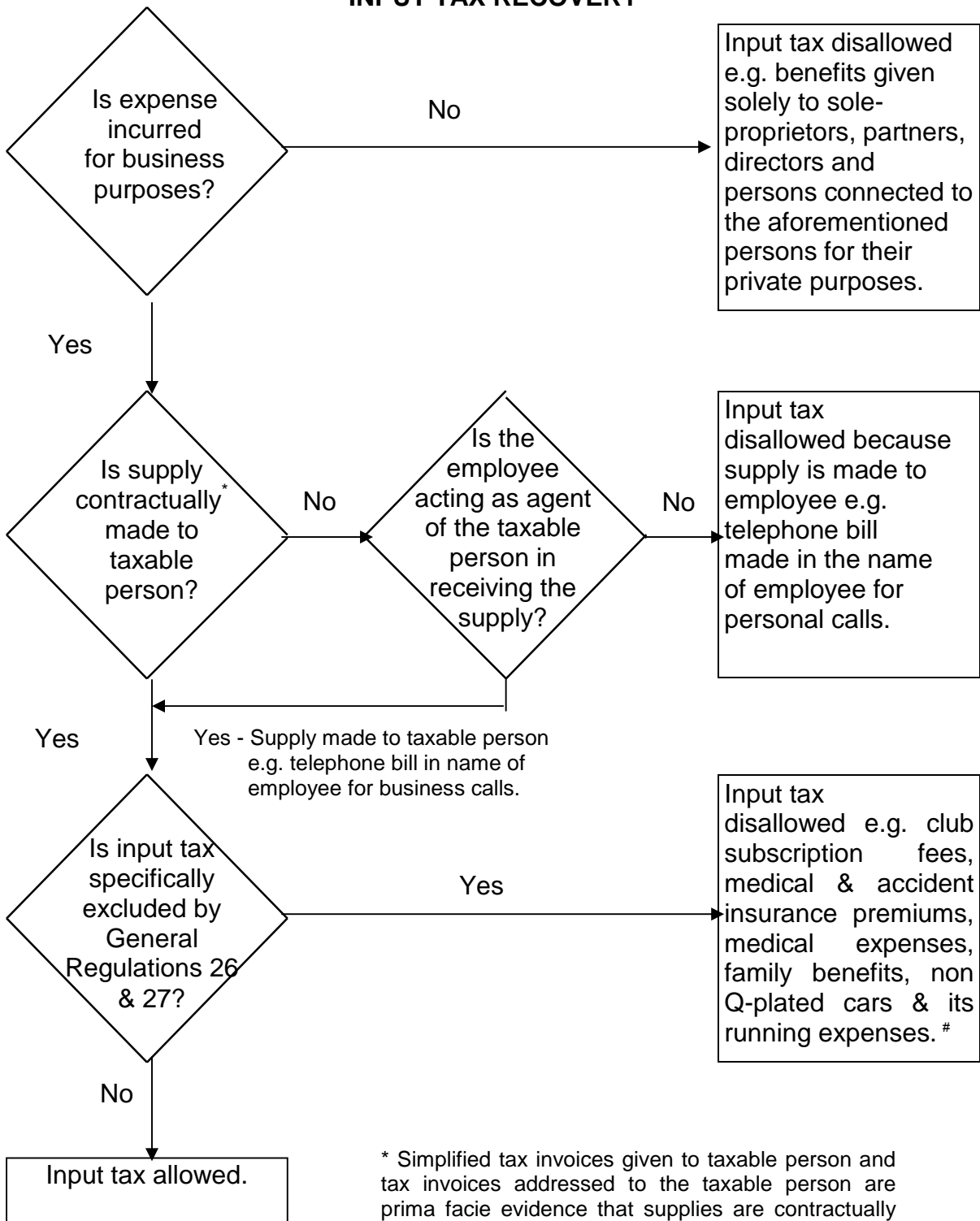
⁺ Work Injury Compensation Act replaces Workmen’s Compensation Act with effect from 01 Apr 2008.

Fringe Benefits

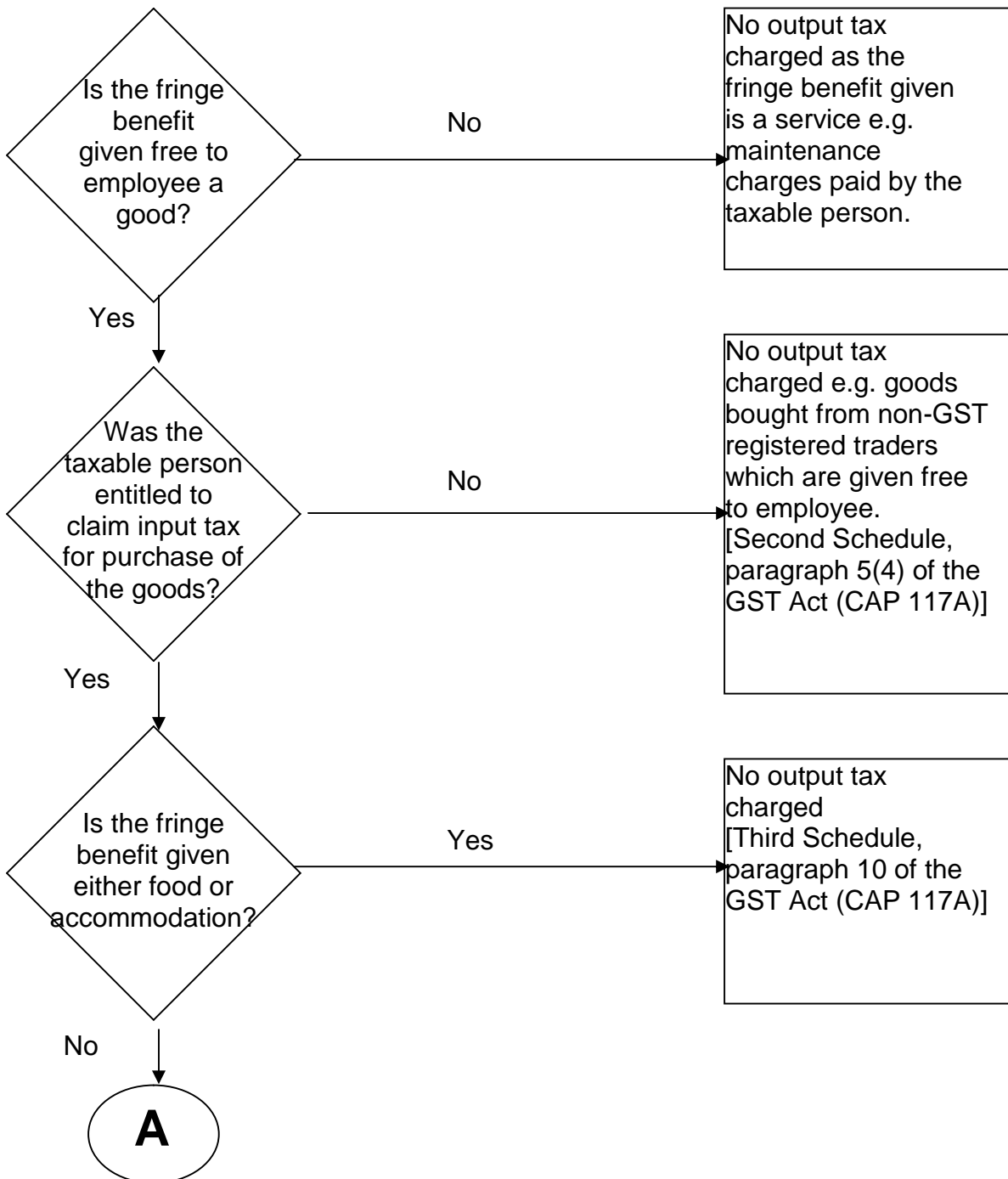
- (c) the directors, officers or employees of a related corporation as defined in section 4 of the Companies Act

shall be construed as persons employed by the company.

**FRINGE BENEFITS (GIVEN FREE)
FLOWCHART SUMMARY
INPUT TAX RECOVERY**



**FRINGE BENEFITS (GIVEN FREE)
FLOWCHART SUMMARY
CHARGING OUTPUT TAX**



**FRINGE BENEFITS (GIVEN FREE)
FLOWCHART SUMMARY
CHARGING OUTPUT TAX
(CONTINUED)**

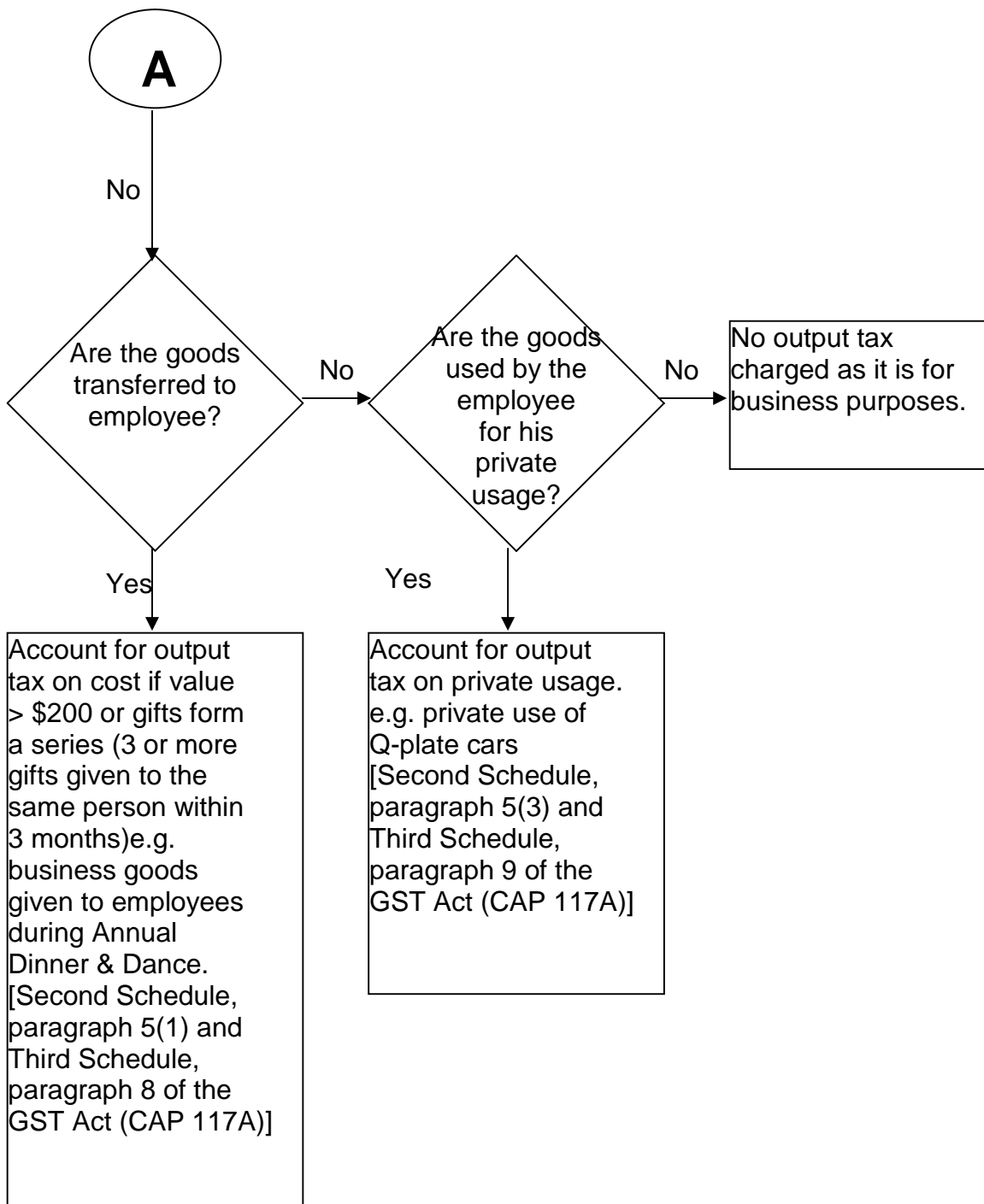


TABLE ON FRINGE BENEFITS

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
<u>ACCOMMODATION</u>			
1) Hotel or holiday chalet charges	Claimable.	No.	
2) Housing – Premises owned or rented by employer			
a. Rented premises – unfurnished	No GST incurred.	N.A.	Sale or rental of residential property is an exempt supply
b. Rented premises – furnished			
i. Furniture & Fittings (owned by taxable person)	Claimable.	Yes.	Sale or rental of furniture & fittings is a taxable supply. GST incurred may be claimed.
ii. Furniture & Fittings (rented by taxable person)	Claimable.	Yes.	
3) Utilities Charges	Claimable.	Yes.	
4) Telecom charges	Claimable.	No.	

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
5) Maintenance service charge	Claimable.	No.	
6) Cleaning services			
a. Provided by a GST-registered cleaning service company	Claimable.	No.	
b. Provided by a non GST-registered individual	No GST incurred.	N.A.	
<u>CLUB SUBSCRIPTION</u>			
1) Entrance fee and subscription fee			
a. Recreational / sporting club	Non-claimable.	No.	Input tax claim disallowed under (General) Regulation 26.
b. Professional bodies			
- sole-proprietors & partners	Claimable.	No.	Input tax is disallowed in the case of an employee as the grant of membership in the professional association is made to the employee in his personal capacity and not as agent of the taxable person.
- employees	Non-claimable.	No.	

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
<u>CREDIT CARD</u> 1) Credit card subscription (corporate card)	Claimable.	No.	
<u>EDUCATION</u> 1) Education for employees' family members	Non-claimable.	No.	Input tax claim disallowed by (General) Regulation 26.
<u>INSURANCE</u> 1) Insurance required under Work Injury Compensation Act ⁺ 2) Insurance not required under Work Injury Compensation Act ⁺ : a. Medical or accident insurance for employee (employee or company as beneficiary)	Claimable. Non-claimable.	No. No.	 Input tax claim disallowed by (General) Regulation 26.

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

⁺ Work Injury Compensation Act replaces Workmen's Compensation Act with effect from 01 Apr 2008.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
b. Life insurance policy for employee (employee or company as beneficiary)	No GST incurred.	N.A.	
<u>LOANS</u>			
1) Interest free loans given by company to employees			No GST incurred as the provision of loan is an exempt supply.
a. Housing loan	}	}	
b. Housing renovation loan	}	}	
c. Car loan	} No GST incurred.	} No.	
d. Study loan/grant	}	}	
e. Personal loan	}	}	
<u>MEALS</u>			
1) Food/Beverage catered for employees at company functions (e.g. annual dinner & dance)	Claimable.	No.	

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
2) Food/Beverage catered for spouse / child / relative at company functions (e.g. annual dinner & dance)	Non-claimable.	No.	Input tax claim disallowed by (General) Regulation 26.
3) Provision of food/beverage in staff cafeteria/canteen	Claimable.	No.	
4) Provision of food/beverage in the workplace or pantry	Claimable.	No.	
<u>MEDICAL</u>			
1) Medical expenses			
a. Maternity health care, natal care, preventive and therapeutic treatment, medical consultation, medical examinations, hospitalisation, dental treatment;	Non-claimable.	No.	Input tax claim disallowed by (General) Regulation 26.
b. Medicine	Non-claimable.	No.	Input tax claim disallowed by (General) Regulation 26.

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
<p>2) Medical expenses required under Work Injury Compensation Act⁺:</p> <p>a. Maternity health care, natal care, preventive and therapeutic treatment, medical consultation, medical examinations, hospitalisation, dental treatment;</p> <p>b. Medicine (including those billed separately from medical services)</p>	<p>Claimable.</p> <p>Claimable.</p>	<p>No.</p> <p>No.</p>	
<p>3) Annual medical examination and pre-employment medical examination</p>	<p>Claimable.</p>	<p>No.</p>	<p>For compulsory medical examinations only.</p>
<p><u>TRAINING</u></p> <p>1) Training expenses for courses that enhance employees' performance</p>	<p>Claimable.</p>	<p>No.</p>	

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
<u>TRANSPORT</u>			
1) Driver/Chauffeur services			
a. Provided by GST-registered transport company	Claimable.	No.	
b. Provided by a non GST-registered individual	No GST incurred.	N.A.	
2) Cost of purchase of privately registered vehicle and running expenses e.g. petrol, parking, repair & maintenance, insurance	Non-claimable.	No.	Input tax claim disallowed by (General) Regulation 27.
3) Transport Allowance	No GST incurred.	N.A.	
4) Rental and running expenses for rented cars incurred on or after 01 Jul 1999	Non-claimable.	No.	
5) Running expenses for rented vehicles other than motor cars. e.g. vans & lorries	Claimable.	No.	Only the portion of input tax in relation to business use will be claimable.

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
6) Cost of purchase of motorcycle and running expenses. e.g. petrol, parking, repair & maintenance, insurance	Claimable.	Yes.	Output tax must be charged for company vehicle temporarily used free of charge by the employees for their private usage. (Please see page 8 for method of charging output tax)
7) Cost of purchase of company registered vehicle and running expenses. e.g. petrol, parking, repair & maintenance, insurance.			
a. With COE issued before 1 April 1998	Claimable.	Yes.	Output tax must be charged for company registered vehicle temporarily used free of charge by the employees for their private usage. (Please see page 8 for method of charging output tax)
b. With COE issued on or after 01 Apr 1998	Non-Claimable.	No.	

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
<u>OTHERS</u>			
1) Business entertainment expenses	Claimable.	No.	
2) Awards/Prizes given	Claimable.	Yes.	Exception: Not required to charge output tax where the cost of the goods is \leq \$200 and less than 3 gifts are given to the same person within 3 months.
3) Cash or Gift vouchers given	No GST incurred.	N.A.	
4) Holidays			
a. Tour Packages (Inbound Tours)			
i. For employees	Claimable.	No.	
ii. For employee's family members.	Non-Claimable.	No.	Input tax claim disallowed by (General) Regulation 26. However, if cost incurred for family members is marginally increased, input tax will be allowed as a concession.

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
b. Cash subsidy	No GST incurred.	N.A.	
5) Leave			
a. Annual leave	}	}	
b. Maternity leave	}	}	
c. Sick leave	}	}	
d. Long term illness leave	} No GST incurred.	} N.A.	
e. Compassionate leave	}	}	
f. Paternity leave	}	}	
g. Marriage leave	}	}	
6) Retrenchment benefit (cash)/ retirement gratuity (cash)/ Approved pensions scheme (cash)	No GST incurred.	N.A.	
7) Payment for voluntary separation/ Non-contractual compensation for loss of office	No GST incurred.	N.A.	

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.

Fringe Benefits

APPENDIX D

TRANSACTION	INPUT TAX CLAIMABLE?	ACCOUNT FOR OUTPUT TAX?	REMARKS
8) Profit sharing	No GST incurred.	N.A.	
9) Share option scheme	No GST incurred.	N.A.	
10) Stock certificates to staff	No GST incurred.	N.A.	
11) Clothing and uniforms			
a. Given to employee	Claimable.	Yes.	Exception: Not required to charge output tax where the cost of the goods is \leq \$200 and less than 3 gifts are given to the same person within 3 months.
b. Returnable to employer	Claimable.	No.	
12) Preparation of employee's income tax returns	Claimable (subject to conditions – see remarks)	No.	Input tax will be allowed if the benefits are provided for in the employment letter or contract as part of the company's contractual obligations to the employees

This table is based on the following assumptions:

- (a) The fringe benefits are given free to employees.
- (b) The fringe benefits are not given solely to the sole-proprietor, partners, directors or persons connected to the aforementioned persons for their private use.
- (c) The supply is contractually made to the taxable person.