

## Annex B: Common Employment Expenses

### Section 1: General rules for tax deductible employment expenses

Employment expenses are expenses which are wholly and exclusively incurred in the production of your employment income in Singapore.

To qualify for deduction, the employment expenses must satisfy **all** the following conditions:

- ✓ incurred when you are carrying out your official duties;
- ✓ not reimbursed by your employer;
- ✓ not private or capital in nature;
- ✓ not estimated; and
- ✓ supporting documents (e.g. receipts, vouchers or other relevant documents showing details of the expenses incurred) have been kept.

### Section 2: Employment expenses commonly claimed

| Type of employment expenses    | Examples of expenses that are <u>not</u> tax deductible                                                                                                                                                                                                                                                                     | Examples of expenses that are tax deductible<br><br>(provided they have satisfied the general rules outlined in Section 1 above)             |
|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>1. Entertainment</b>        | <ul style="list-style-type: none"><li>☒ Meals with family members/colleagues.</li><li>☒ Your own meals, including for working overtime.</li><li>☒ Your own share of meals when meeting clients.</li><li>☒ Expenses incurred for social purposes, meeting potential clients, and building or maintaining goodwill.</li></ul> | <ul style="list-style-type: none"><li>☑ Meals paid for clients for business meetings over lunch/dinner/tea, excluding your share.</li></ul>  |
| <b>2. Transport/travelling</b> | <ul style="list-style-type: none"><li>☒ Public transport (bus, taxi, MRT) when travelling between your office and your home.</li></ul>                                                                                                                                                                                      | <ul style="list-style-type: none"><li>☑ Public transport (bus, taxi, MRT) when travelling between your office and client's office.</li></ul> |

| Type of employment expenses                                      | Examples of expenses that are <u>not</u> tax deductible                                                                                                                                                                                                                                                                                                                                                                                                                     | Examples of expenses that are tax deductible<br><br>(provided they have satisfied the general rules outlined in Section 1 above)                                                                                                                                         |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                  | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> All private car expenses (i.e. car plate starting with "S") even if you use it for business meetings.</li> <li><input checked="" type="checkbox"/> Air tickets and hotel accommodation for family members who accompanied you when you travelled overseas to meet clients.</li> </ul>                                                                                                            | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Your air tickets and hotel accommodation for travelling overseas to meet clients.</li> </ul>                                                                                                  |
| <b>3. Referral fees/commission/ discounts given to customers</b> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Referral fees/commission given to your family member that is above the market rate for a similar job done.</li> </ul>                                                                                                                                                                                                                                                                            | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Referral fees/ commission given to individuals for introducing clients to you.</li> <li><input checked="" type="checkbox"/> Discounts given to customers to secure business deals.</li> </ul> |
| <b>4. Telecommunications</b>                                     | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Purchase of mobile phone/ computer/ electronics for your work purposes.</li> <li><input checked="" type="checkbox"/> Installation of phone line/ internet for personal use.</li> <li><input checked="" type="checkbox"/> Subscription fees and bills for your phone/internet for private usage.</li> <li><input checked="" type="checkbox"/> Fees for cloud storage for personal use.</li> </ul> | <ul style="list-style-type: none"> <li><input checked="" type="checkbox"/> Subscription fees for your phone/internet for work purpose (e.g. maintaining a separate phone/ internet account for work).</li> </ul>                                                         |

| Type of employment expenses | Examples of expenses that are <u>not</u> tax deductible                                                                                                                                                                                                          | Examples of expenses that are tax deductible<br><br>(provided they have satisfied the general rules outlined in Section 1 above)                                                                                             |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>5. Others</b>            | <input checked="" type="checkbox"/> Subscription fees to hobby clubs which are not related to your employment.<br><br><input checked="" type="checkbox"/> Expenses that also contain private element (e.g. housing rent, personal grooming or wellbeing, gifts). | <input checked="" type="checkbox"/> Subscription fees paid to professional bodies or societies.<br><br><input checked="" type="checkbox"/> Mosque building fund, zakat fitrah or any other religious dues authorised by law. |