

Essential Tax Information for Religious Practitioners

Frequently Asked Questions (FAQs)

Q1	Who are religious practitioners?
A2	Individuals who commit their time to do religious work (e.g. missionary work, communication of religious belief, teaching and counselling devotees and members of the surrounding community, providing devotees and members of the surrounding community with spiritual guidance and support) as a holder of an office or on an independent basis. They include ordained religious leaders, missionaries and religious workers in religious institutions.
Q2	Are all monies received by a religious practitioner subject to tax?
A2	If a person is exercising an employment or carrying on a profession or vocation as a religious practitioner, the fees, allowances, offerings, collections including cash gifts from the members of congregation or devotees received by him for services rendered constitute income and are taxable.
Q3	Why are the offerings received by a religious practitioner subject to tax?
A3	Under the Income Tax Act, unless the income is specifically exempted or covered under any administrative concession, all income accruing, deriving or received in Singapore are subject to tax under Section 10(1). In this regard, for an individual who exercises an employment or carrying on a profession or vocation as a religious practitioner, the assessable income includes all remuneration, allowance, fees, perquisites, cash or non-cash benefits received by him in respect of or in relation (directly or indirectly) to his employment or services rendered by him.
Q4	Is a religious practitioner considered an employee or self-employed person?
A4	<p>Generally, you are an employee if you are under an employment contract where you perform services for someone who has the legal right to control both what you do and how you do it, even if you have considerable discretion and freedom of action.</p> <p>If a religious institution employs you and pays you a salary, you are an employee. The income received by you by virtue of your employment is employment income.</p> <p>On the other hand, if you perform religious services under a service contract or as a vocation, you are considered as a self –employed person and not an employee. The income received by you for your services rendered as a religious practitioner is your self-employment income assessable under trade, business profession or vocation.</p>

Q5	I am not employed by a religious institution but I am carrying on missionary work on volunteering basis. The missionary is not remunerated by religious institutions but funded by friends, relatives and religious members. Are the monies received by me subject to tax?
A5	If you make a living by regularly and systematically carrying on the missionary activities, the income including fees, offerings or collections received by you from such activities are subject to tax under S10(1)(a) as trade income.
Q6	Are “love gifts” received by religious practitioners taxable?
A6	Generally, cash gifts received by an employee or a self-employed person are considered part of his income if the gifts accrue to him by virtue of his office or for services rendered. In this respect, if a person is exercising an employment or carrying on a vocation as a religious practitioner and receives cash gifts from the members of congregation or devotees, the gifts constitute income received by him for services rendered and are taxable.
Q7	How do I declare the ‘love gifts’ received as a religious practitioner?
A7	<p>If you are exercising an employment as a religious practitioner and receive cash gifts from the members of congregation or devotees, the gifts constitute income from your employment. Please declare under “Employment” income in your tax filing.</p> <p>If you are carrying out a vocation as a religious practitioner, then the income is your self-employment income. Please declare the income under “Trade, business, Profession or Vocation” in your tax filing.</p>
Q8	I receive “love gifts” on adhoc basis as a full time religious practitioner. As it is on adhoc basis, when do I declare the income?
A8	Generally, such adhoc receipts are taxable based on the date of receipt although the funds may be used over a period of time. You would declare the monies received in the Year of Assessment following the date of receipt. For example, adhoc love gifts received in year 2021 should be declared in the tax return for the Year of Assessment 2022.
Q9	Can I claim for expenses relating to services that I perform for the members of the congregation?
A9	<p>If you received fees directly from the members of the congregation for services such as performing marriages, baptisms, funerals and delivering sermons, you can claim for expenses (e.g public transport) incurred in carrying out such services.</p> <p>Do note that you can only claim for expenses that are wholly and exclusively incurred in the production of income and not reimbursed by the religious institutions.</p> <p>If you are an employee, you can claim the expenses as employment expenses and if you are a self-employed person, you can claim them as business expenses.</p>

Q10 Why do I need to keep records of my receipts and expenses as an independent missionary?

A10 This is to enable us to ascertain your income and allowable business expenses readily. These records need not to be forwarded to IRAS unless they are specifically requested for verification. Improper records and mere estimations are not acceptable for tax purposes.

You are required to keep proper records and accounts of your business transactions for 5 years. The accounts prepared must be supported by proper documents such as invoices, receipts and payment vouchers.

You may refer to more information on our website on [Keeping Proper Records and Accounts](#).

Q11 Do I need to contribute Medisave as a self-employed religious practitioner?

A11 You need to make compulsory contributions to your Medisave Account as a self-employed person. The amount to be contributed is calculated based on the Medisave Contribution Rates ([Medisave Contribution Rates](#)) of your net trade income. Net trade income is your gross receipts minus all allowable business expenses.

A Notice of Computation (NOC) of CPF contributions will be issued to you after we have finalised your assessment.

You will also be eligible to claim tax relief on the Medisave contributions paid in current year in the following Year of Assessment, subject to certain conditions. Please refer to [CPF Relief](#) for Self-Employed.