

# FREQUENTLY ASKED QUESTIONS – APPLY FOR PIC CASH PAYOUT

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## **General**

### **1. Do I need to be authorised before I can submit a PIC cash payout application on behalf of my company?**

Yes. The company's employee or a third party (e.g. company's appointed tax agent firm) has to be authorised in Corppass to be able to e-File the PIC cash payout application form.

If the employee/third party is **authorised as a Preparer** for "PIC Cash Payout" in Corppass, he can complete the PIC cash payout application form for submission to the Approver.

Only an employee/third party **authorised as an Approver** for "PIC Cash Payout" in Corppass can complete, approve and submit the PIC cash payout application form to IRAS.

### **2. I am unable to find any option for PIC e-Services under More on the menu at myTax Portal. Why is that so?**

You have not been authorised by the company to act for its PIC cash payout matters. Please arrange for the company to set up your authorisation for PIC cash payout e-Services in Corppass.

### **3. I would like to submit an application for PIC cash payout for my company via myTax Portal. Why is my name and NRIC, instead of my company's name and tax reference number, reflected at the main menu of myTax Portal?**

Please log out of myTax Portal.

At [www.mytax.iras.gov.sg](http://www.mytax.iras.gov.sg), re-log in to myTax Portal by selecting "Business Tax". You should see your company's name and tax reference number at the main menu of myTax Portal. Once this is in order, you may proceed to apply for PIC cash payout for your company via the "Apply for PIC Cash Payout" e-Service.

### **4. Can I save a draft copy of the PIC cash payout application form during e-Filing?**

Yes, you can save a draft of your PIC cash payout application form at any point of filing before submission. To do so, click the "Save Draft" button located at the bottom of the form.

### **5. How do I retrieve the draft PIC cash payout application form I have saved previously?**

At the main menu of myTax Portal, click on the "Apply for PIC Cash Payout" e-Service. You will be directed to the "General Information" section of this e-Service where you may retrieve your saved draft by selecting the radio button of the application which was saved as draft previously, followed by the "Proceed" button (see screenshot below).

**Step 1: Select "Apply for PIC Cash Payout"**

**Step 2: Select the radio button of the application saved as draft**

**Step 3: Select "Proceed" to retrieve the saved draft**

Year of Assessment	Quarter/ Combined quarters	Status	Remarks
<input checked="" type="radio"/> 2016	01/04/2014 - 31/08/2015	DRAFT	This draft is saved by TEST_Olle vetter on 28/06/2016 17:21:18.

**6. I saved a draft copy of the PIC cash payout application form at myTax Portal earlier. I would like to continue the filing now but I notice that I am not able to make amendments to the application (e.g. amendments to the accounting year-end, relevant financial period and Year of Assessment fields in Part A of application form). Why is that so?**

Once the PIC cash payout application form is saved as a draft, you would not be able to amend fields that are greyed out (e.g. the accounting year-end, relevant financial period and Year of Assessment fields). To make changes for these fields, please delete the existing draft and create a new application.

**7. I am a Preparer and need to make some amendments to the PIC cash payout application form after my submission to the Approver. What should I do?**

You can approach the Approver to retrieve the "Pending Approval" form and save it as "Draft". You will then have the edit rights to amend the PIC cash payout application form. Alternatively, the Approver can amend the PIC cash payout application form directly.

**8. Will the Approver be alerted after the Preparer has submitted the PIC cash payout application form to the Approver for approval?**

No, there will be no alerts sent and the Preparer will need to inform the Approver.

**9. My company's financial year ended on 31 Dec 2017 (Year of Assessment (YA) 2018). When can I apply for PIC cash payout and receive the cash payout?**

From YA 2013, companies may apply for PIC cash payout on a quarterly or combined consecutive quarter basis. This means that you can apply for cash payout by submitting the PIC cash payout application form any time after the end of your financial quarter(s), but not later than the income tax return filing due date of the relevant YA (15 Dec if you e-File the income tax return; 30 Nov if you submit a paper income tax return).

### Example

As your financial year ended on 31 Dec 2017, the relevant financial quarters for YA 2018 are:

Quarter	From	To
Q1	Jan 2017	Mar 2017
Q2	Apr 2017	Jun 2017
Q3	Jul 2017	Sep 2017
Q4	Oct 2017	Dec 2017

Your company may submit an application for PIC cash payout after the end of each quarter i.e.:

- (a) Q1: Submit from Apr 2017
- (b) Q2: Submit from Jul 2017
- (c) Q3: Submit from Oct 2017
- (d) Q4: Submit from Jan 2018

You may also submit a cash payout application for combined consecutive quarters, for example, combine Q1 and Q2 and submit one application from Jul 2017, after Q2 has ended.

The last day to submit the application(s) for YA 2018 PIC cash payout is:

- 15 Dec 2018 if you e-File the corporate income tax return; or
- 30 Nov 2018 if you submit a paper corporate income tax return.

If your company's claim for cash payout is approved, you will generally receive the cash payout within three months of receipt of the duly completed PIC cash payout application form. For instance, if you are claiming PIC cash payout on qualifying expenditure incurred in Q4 (financial quarter from Oct 2017 to Dec 2017) and have submitted the PIC cash payout application form on 15 Aug 2018, the cash payout will generally be made to your company by 15 Nov 2018 if your claim is approved.

Please note that IRAS selects a sample of applications for audit. For cases selected for audit, IRAS will request further details and supporting documents for review. We strive to complete the review within three months from receiving the complete information. The processing time may take up to six months, depending on the complexity of each case.

## **Completing the PIC Cash Payout Application Form**

**10. I understand that the PIC cash payout conversion rate was reduced to 40% for expenses incurred from 1 Aug 2016 ("rate change"). My company's financial year ends on 30 Jun. I would like to submit a PIC cash payout claim for the relevant financial period 1 Jul 2016 to 30 Sep 2016. Do I need to submit separate applications in this instance, i.e. one application for expenses incurred before 1 Aug 2016 and another application for expenses incurred from 1 Aug 2016?**

If you are claiming PIC qualifying expenditure of 15 items or less for one YA, you may submit a single PIC Cash Payout application even if the incurred dates straddle 1 Aug 2016. The PIC e-Service will automatically compute the eligible cash payout rate.

If your PIC cash payout application consists of more than 15 items for one YA, please submit separate forms on two days in the following order to maximise your PIC Cash Payout conversion cap –

- 1st application: for expenditure incurred before 1 Aug 2016; and
- 2nd application: for expenditure incurred on or after 1 Aug 2016.

**The 60% cash payout conversion rate for expenditure incurred before 1 Aug 2016 will continue to apply notwithstanding that your PIC cash payout application is submitted on or after 1 Aug 2016.**

Please note that the total qualifying expenditure of all items in one PIC cash payout application must be at least \$400.

You may wish to refer to the following guidance on [determining the dates that expenditure is incurred for PIC cash payout purposes](#).

### **“Declaration” Section of PIC Cash Payout Application Form**

**11. I am claiming PIC cash payout for a sole-proprietorship business held/owned by my company. How should I indicate this on the PIC cash payout application form?**

In your case, please complete the:

- “Name of Business” field with the name of the sole-proprietorship business that incurred the PIC qualifying expenditure;
- “Tax Reference No. of Business” field with the Unique Entity Number (UEN) of the sole-proprietorship business.

If the sole-proprietorship business incurred the PIC-qualifying expenditure for its business, please note that the three-local-employee condition under the PIC cash payout scheme has to be met at the sole-proprietorship business level.

### **Part A of PIC Cash Payout Application Form**

**12. My company changed its financial year end from 31 Jul 2016 to 31 Dec 2016. The company purchased a piece of PIC-qualifying equipment in Nov 2016. How should I complete the “Update of Accounting Year-End” section?**

In your case, as the change is within the same YA, the basis period for YA 2017 is 1 Aug 2015 to 31 Dec 2016. You will need to:

- Complete the “New accounting year-end” field with “31/12/2016”
- Indicate the reason(s) for the change in financial year to 31 Dec
- Complete the “Quarter/ combined quarters in which the PIC qualifying cost was incurred” field with 01/10/2016 to 31/12/2016.
- Complete the “Year of Assessment” field with “2017”.

**13. My company changed its financial year end from 31 Dec 2016 to 31 Mar 2017. The company purchased a piece of PIC-qualifying equipment in Feb 2017. How should I complete the “Update of Accounting Year-End” section?**

In your case, as the change is across two YAs, the relevant YAs and basis period are:

YA	Basis Period
2017	1 Jan 2016 to 31 Dec 2016
2018	1 Jan 2017 to 31 Mar 2017

As such, you will need to:

- Complete the “New accounting year-end” field with “31/03/2017”
- Indicate the reason(s) for the change in financial year to 31 Mar
- Complete the “Quarter/ combined quarters in which the PIC qualifying cost was incurred” field with 01/01/2017 to 31/03/2017.
- Complete the “Year of Assessment” field with “2018” since you are making a PIC cash payout claim for equipment expenditure incurred in Feb 2017.

**14. My company’s financial year ended on 31 Jul 2017 (basis period: 1 Aug 2016 to 31 Jul 2017) and I would like to apply for PIC cash payout for YA 2018 with the relevant financial period from 1 May 2017 to 31 Jul 2017 (i.e. Quarter 4 of financial year ended 31 Jul 2017). However, when selecting the relevant period under the “Accounting year in which PIC qualifying costs were incurred” field, the drop down list does not show the 4th quarter “May 2017 to Jul 2017”, but reflects the entire basis period of Aug 2016 to Jul 2017. What should I do?**

There will not be an option to select the 4th quarter “1 May 2017 to 31 Jul 2017”. Please select the entire basis period of “1 Aug 2016 (start of financial year) to 31 Jul 2017” even though the company did not incur any expenditure during the first three quarters (i.e. Aug 2016 to Apr 2017).

Please declare the company’s revenue for the entire basis period of 1 Aug 2016 to 31 Jul 2017 in the “Revenue” field.

**15. My company’s financial year ended on 31 Dec 2017 and I would like to make a claim for PIC cash payout for the entire basis period from 1 Jan 2017 to 31 Dec 2017. For the purposes of completing the “3-local-employee” declaration in the PIC cash payout application form – assuming I have met the 3-local-employee condition for all months from Jan 2017 to Dec 2017: do I have to check the boxes for all the quarters in which I have made CPF contributions for 3 local employees; or can I just check the box to confirm that I have met the 3-local-employee condition in the last three months of the basis period (i.e. 01/10/2017 to 31/12/2017)?**

You may just check the box for “01/10/2017 to 31/12/2017”.

Please declare your company’s revenue from 1 Jan 2017 to 31 Dec 2017 in the “Revenue” field.

**Part B of PIC Cash Payout Application Form**

**16. My company bought a piece of equipment at cost \$2,000, and received a government grant of \$500 in respect of this equipment. What is the qualifying cost I should indicate in Part B of the PIC cash payout application form?**

The qualifying expenditure for PIC benefits is the expenditure amount minus the grant or subsidy by the Government or any statutory board. Therefore, you should indicate the qualifying cost of the equipment to be \$1,500 (\$2,000 - \$500).

**17. My company bought a piece of equipment at cost \$1,070 (amount inclusive of GST; \$1,000 + \$70 GST). What is the qualifying cost I should indicate in Part B of the PIC cash payout application form?**

If your company is GST-registered, the qualifying cost to be indicated is \$1,000 (amount before GST). The GST component is not claimable for income tax purpose as your company will be entitled to claim input tax on this amount in its GST return.

If your company is not GST-registered, the qualifying cost of the equipment to be indicated is \$1,070 (amount inclusive of GST) as the GST incurred is not claimable as input tax and would form part of the total cost of the equipment.

**18. How should I complete the “Identification Type of Vendor (Vendor Type)” and “Identification Number of Vendor (Vendor ID)” fields in Part B of the PIC cash payout application form?**

Please refer to the table below for details.

Scenario	How to Complete PIC Cash Payout Application Form	
	Vendor Type	Vendor ID
Overseas vendor (be it a company/individual) whereby the business registration no. is not available	Others	To indicate “NA”



Overseas vendor (be it a company/individual) whereby the business registration no. is available	Others	As per the ID given by the vendor
The vendor is a Singaporean/ Singapore PR	NRIC	As per the ID given by the vendor  If you are unsure of your vendor's ID, you may use the <a href="#">Search UEN</a> function to retrieve the ID using your vendor's name
The vendor is a foreigner with work permit or employment pass	FIN	
The vendor is a local company with UEN/ROC (yyyynnnnX format for e.g. 201499999M)	UEN-Local	
The vendor is: <ul style="list-style-type: none"> <li>A foreign company with UEN (TyyPQnnnnX format for e.g. T08FC1234A)</li> <li>A limited liability partnership with UEN (TyyPQnnnnX format for e.g. T08LL1234A)</li> </ul>	UEN-Others	
The vendor is a sole proprietor or partnership	UEN-Business	

### **“Summary” Section of PIC Cash Payout Application Form**

**19. I am unable to submit my PIC cash payout application to IRAS because the e-Filing system prompts me to attach/submit the Hire Purchase (HP) template in respect of HP equipment which I had made a PIC cash payout claim on. Why am I still required to submit the HP template to IRAS even though I had submitted the same template to IRAS in my earlier application(s)?**

To allow us to verify the principal repayments made by your company throughout the hire-purchase period (which may extend beyond a quarter or a year of assessment) and facilitate the processing of your PIC cash payout claim, we seek your understanding to submit the HP template to us. You will need to update Part C of the HP template with the financial period of your claim each time you submit the HP template to us.

### **Submitting the PIC Cash Payout Application Form**

**20. How many PIC cash payout applications can my company submit in a day?**

Persons authorised as “Preparers” may only submit one application per YA to the “Approver” for approval in a day.

Persons authorised as “Approvers” may only submit one application per YA to IRAS in a day.

**21. After submitting the PIC cash payout application to IRAS, I realised that I had omitted to make a claim for some other equipment my company purchased. How can I make a claim for these omitted equipment?**

You may claim cash payout for the omitted equipment, either:

- After your next financial quarter or combined quarters of the same YA ends (i.e. claim cash payout on the equipment together with the other expenditure incurred in the next financial quarter or combined quarters of the same YA); or
- By submitting a new application on the following day. Please note, however, that the total qualifying cost claimed in this new application must be at least \$400.

**22. How do I know whether my PIC cash payout application form has been transmitted to IRAS successfully?**

You will be able to see an acknowledgement page upon successful submission of the form. The PIC cash payout application status will be available for viewing via the "View PIC Cash Payout Application Status" e-Service within three days from the date of your PIC cash payout application submission.

**23. I have forgotten to save/print the acknowledgement page. Am I able to retrieve a copy of the acknowledgement page at myTax Portal?**

Yes, you can do so at myTax Portal by selecting the "View PIC Scheme Notices" e-Service.

**24. The PIC cash payout application that I have just submitted does not appear in the "View PIC Cash Payout Application Status" e-Service. How do I know if my company's PIC cash payout application submission has been successful?**

The PIC cash payout submission and application status will be available for viewing via the "View PIC Cash Payout Application Status" e-Service within three working days from the date of your PIC cash payout application submission.