

E

REMUNERATION FOR THE YEAR

2008



EXPLANATORY NOTES

RETURN FORM OF EMPLOYER

SELF ASSESSMENT SYSTEM

Mesra

Membantu

Memuaskan

BASIC INFORMATION																										
1	NAME OF EMPLOYER	Name of employer as registered with the Companies Commission of Malaysia (CCM). For an individual who is not registered with CCM, fill in the name as per identity card/passport.																								
2	REFERENCE NO.	Employer's reference number. <i>Example:</i> For reference no. E 0123456708 E <table border="1" style="display: inline-table; vertical-align: middle;"> <tr> <td>0</td><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>0</td><td>8</td> </tr> </table>	0	1	2	3	4	5	6	7	0	8														
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3	STATUS	Status codes for employers are as follows:- <table border="1" style="width: 100%;"> <thead> <tr> <th>Code</th> <th>Status</th> </tr> </thead> <tbody> <tr><td>01</td><td>Government</td></tr> <tr><td>02</td><td>Government (computerised)</td></tr> <tr><td>03</td><td>Statutory</td></tr> <tr><td>04</td><td>Statutory (computerised)</td></tr> <tr><td>05</td><td>Private</td></tr> <tr><td>06</td><td>Private (computerised)</td></tr> <tr><td>07</td><td>Public Education Centre</td></tr> <tr><td>08</td><td>Public Education Centre (computerised)</td></tr> <tr><td>09</td><td>Private Education Centre</td></tr> <tr><td>10</td><td>Private Education Centre (computerised)</td></tr> <tr><td>11</td><td>Army</td></tr> </tbody> </table> <i>Note: 'COMPUTERISED' means the Forms EA/EC used by the employer are computer-generated and not forms provided by LHDNM.</i>	Code	Status	01	Government	02	Government (computerised)	03	Statutory	04	Statutory (computerised)	05	Private	06	Private (computerised)	07	Public Education Centre	08	Public Education Centre (computerised)	09	Private Education Centre	10	Private Education Centre (computerised)	11	Army
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		Enter the code in the first two boxes and followed by the reference number in the boxes provided. <i>Example I:</i> For reference no. OG 1023456708 0 2 1 0 2 3 4 5 6 7 0 8 0 <i>Example II:</i> For reference no. D 1234567809 0 3 1 2 3 4 5 6 7 8 0 9
5	NEW IDENTITY CARD NO.	New identity card number of precedent partner/sole proprietor.
6	OLD IDENTITY CARD NO.	Old identity card number of precedent partner/sole proprietor.
7	PASSPORT NO.	Passport number of precedent partner/sole proprietor as per passport book.
8	REGISTRATION NO. WITH COMPANIES COMMISSION OF MALAYSIA OR OTHERS	Number as registered with the Companies Commission of Malaysia.
9	CORRESPONDENCE ADDRESS	Address to be used for any correspondence with LHDNM.
10	TELEPHONE NO.	Telephone number of office/house/handphone.
11	e-mail	e-mail address (if any).

Note: Company/Co-Operative director need not be filled in items 5, 6 and 7.

PART A		INFORMATION ON NUMBER OF EMPLOYEES FOR THE YEAR ENDED 31 DECEMBER 2008
A1	NUMBER OF EMPLOYEES	Total number of employees in the company/business as at 31 December 2008.
A2	NUMBER OF EMPLOYEES UNDER THE STD SCHEME	Total number of employees subject to the Schedule Tax Deduction Scheme (STD) during the year 2008.
A3	NUMBER OF NEW EMPLOYEES	Total number of employees who commenced employment in the company/business during the year 2008 .
A4	NUMBER OF EMPLOYEES WHO CEASED EMPLOYMENT	Total number of employees who ceased employment in the year 2008.
A5	NUMBER OF EMPLOYEES WHO CEASED EMPLOYMENT AND LEFT MALAYSIA?	Total number of employees who ceased employment to leave Malaysia ('foreign leaver') in the year 2008.
A6	HAS THE CESSATION BEEN REPORTED TO LHDNM?	Enter "1" if the cessation has been reported to LHDNM or "2" if not reported and immediately contact the LHDNM branch which handles your employee's income tax file. This item has to be filled if item A5 is applicable.
PART B		DECLARATION
If the form is not affirmed and duly signed, it shall be deemed incomplete and returned to you. Penalty will be imposed in case of late resubmission of the form to Lembaga Hasil Dalam Negeri Malaysia.		

C.P. 8D RETURN OF REMUNERATION FROM EMPLOYMENT FOR THE YEAR ENDED 31ST DECEMBER 2008 AND PARTICULARS OF INCOME TAX DEDUCTION UNDER INCOME TAX RULES (DEDUCTION FROM REMUNERATION) 1994

An employer is required to fill in this section if there is any employee whose annual gross remuneration is **RM30,000 and above** OR for any employee whose annual gross remuneration is less than RM30,000 but the monthly gross remuneration is **RM2,500 and above** (for whichever month) in the year 2008.

A	No.	Enter the listing number for the employees.																																	
B	Name of Employee	Enter the full name of the employee as per identity card/passport.																																	
C	Tax Reference No.	Enter the employee's tax reference number in this box. Example: SG 10234567080																																	
D	Identity Card No. / Passport No. / Police No./ Army No.	Enter employee's Identity Card No. / Passport No. / Police No. / Army No. in the box provided.																																	
E	Total Gross Remuneration	Total amount of taxable gross remuneration paid to employees INCLUDING benefits-in-kind and value of living accommodation benefit provided but EXCLUDING gross remuneration in arrears received in the year 2008.																																	
F	List of Tax Exempt Allowances / Perquisites / Gifts / Benefits:																																		
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	11.	Gift of new personal computer (up to year of assessment 2010 only)	-	
	12.	Monthly broadband subscription fee registered in the name of the employer (up to year of assessment 2010 only).	-	
	13.	Perquisite (whether in money or otherwise) provided to the employee pursuant to his employment in respect of:- (a) past achievement award; (b) service excellence award, innovation award or productivity award; or (c) long service award provided that the employee has exercised an employment for more than 10 years with the same employer.	2,000	
	14.	Leave passage for travel (confined only to the cost of fares for the employee and members of his immediate family): (i) within Malaysia not exceeding 3 times in any calendar year; or (ii) outside Malaysia not exceeding one passage in any calendar year, is limited to a maximum of RM3,000	3 kali 3,000	
	15.	Insurance premiums which are obligatory for foreign workers as a replacement to SOCSO contributions.	-	
	16.	Group insurance premium to cover workers in the event of an accident.	-	
	17.	Interest subsidies for loans up to RM300,000 in respect of housing, motor vehicle and education loans. Exemption is given on existing loans and new loans. Interest exempted from tax is computed using the following formula: $A \times \frac{B}{C}$ Where; A = the difference between the amount of interest to be borne by the employee and the amount of interest payable by the employee in a basis period for a year of assessment; B = the aggregate of balance of principal amount of housing, education or car loan taken by the employee in a basis period for a year of assessment or RM300,000 whichever is lower; C = the total aggregate of principal amount of housing, education or car loan taken by the employee.	-	
	THE ABOVE EXEMPTIONS ARE NOT APPLICABLE TO EMPLOYEES HAVING CONTROL OVER THE COMPANY, SOLE PROPRIETORS OR PARTNERS OF PARTNERSHIP BUSINESSES			
G	Total Tax Deduction – STD		Total amount of income tax deducted under the Income Tax Rules (Deduction from Remuneration) 1994 and remitted to LHDNM.	
H	Total Tax Deduction – CP 38		Total amount of income tax deducted in accordance with the Form CP 38.	

EA

&

EC



GUIDENOTES

FORM C.P. 8A (EA) &
C.P. 8C (EC)

SELF ASSESSMENT SYSTEM

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GUIDENOTES FOR FILLING OUT THE FORMS C.P. 8A (EA) AND C.P. 8C (EC)

This Form C.P. 8A and C.P. 8C must be prepared and provided for the employee to enable them to complete and submit their respective Return Form within the stipulated period.

1. If the employer is a company or a body of persons, manager or principal officer, partner and sole proprietor, is deemed as an employer for the purpose of this return.
2. The amount to be specified is the gross amount paid and/or payable to the employee or on behalf of the employee in respect of his employment for the year ended 31 December 2008.
3. Under the provision of subsection 13(1) ITA 1967, the gross income from employment includes:

(a) Paragraph 13(1)(a)

Wages, salary, overtime pay, remuneration, leave pay, fee, commission, bonus, gratuity, tip, perquisite, tax allowance/tax borne by the employer, award, reward or allowance (whether in money or otherwise). For the purpose of Forms C.P. 8A and C.P. 8C, subsistence allowances which are exclusively reimbursements for expenditure incurred by the employee in the course of performing his duties are excluded.
(please refer to the Public Ruling No. 1/2006 - Perquisites From Employment).

(b) Paragraph 13(1)(b)

BIK are benefits/amenities not convertible into money. These benefits are provided by/on behalf of the employer for the personal enjoyment by the employee, wife, family, servants, dependents or guests of that employee.
(please refer to the Public Ruling No. 2/2004 and its Addendums - Valuation of Benefits-In-Kind)

(c) Paragraph 13(1)(c)

An amount in respect of the use or enjoyment by the employee of living accommodation in Malaysia provided by or on behalf of the employer rent free or otherwise.
(please refer to the attached Guidelines for the Valuation of Benefit/Value of Living Accommodation Provided).

(d) Paragraph 13(1)(d)

So much of any amount received by the employee from an unapproved pension or provident fund, scheme or society (employer's portion only) as would not have been so received if his employer had not made contributions in respect of the employee to the fund, scheme or society or its trustees.

(e) Paragraph 13(1)(e)

Any amount received by the employee by way of compensation for loss of the employment, whether before or after his employment ceases.

4. (a) Gross income in respect of employment includes any amount received not only for any period during which the employment is exercised in Malaysia but also for any period of leave attributable to the exercise of the employment in Malaysia and for any period during which the employee performs outside Malaysia duties incidental to the exercise of the employment in Malaysia.
- (b) Gross income of a Malaysian citizen in respect of employment in the public service or service of a statutory authority includes the amount receivable for any period during which the employment is exercised outside Malaysia and for any period of leave attributable to the exercise of the employment outside Malaysia.
5. (a) Where gross income from an employment is not receivable in respect of any particular period and first becomes receivable in the year when this return is prepared, the amount has to be included in this return.
- (b) Where bonuses and commissions paid by an employer for an accounting period not ending on 31 December, the actual amount paid and the period for which it is paid must be stated in the Forms C.P. 8A and C.P. 8C.
6. Tax exempted allowances / perquisites / gifts / benefits:

Please refer to the explanation in item F on pages 3 and 4 of the Form E Explanatory Notes.

GUIDELINES FOR THE VALUATION OF BENEFIT / VALUE OF LIVING ACCOMMODATION PROVIDED [PARAGRAPH 13(1)(c)]

COMPUTATION OF THE VALUE OF LIVING ACCOMMODATION BENEFIT

Where an employer provides living accommodation for the use or enjoyment by his employee, the value of this benefit determined is to be taken as part of his employee's gross employment income under the provision of paragraph 13(1)(c).

The value of the living accommodation benefit is determined as follows:

- (i) 3% of the gross employment income for **category 1**
- (ii) 30% of the gross employment income or the *defined value* *, whichever is lower for **category 2**
- (iii) The defined value for **category 3**

For the following examples:-

Gross employment income [paragraph 13(1)(a)]	=	T
Value of the living accommodation provided	=	Z
Period for which the living accommodation is provided	=	n
Length of employment	=	m
Portion of the living accommodation provided	=	X
The living accommodation provided as a whole	=	Y
Defined value	=	F

KATEGORI 1: Living accommodation provided for employee (other than officer of a Government/Statutory Body) or service director

Living accommodation provided in a:

- Hotel, hostel or similar premise;
- Premise on a plantation, in a forest or any premise which although in a rateable area, is not subject to public rates.

Value of the living accommodation is 3% of the gross employment income [Paragraph 13(1)(a)]

Example I

- Gross employment income [Paragraph 13(1)(a)] RM36,000 (**T**)
- Period for which the living accommodation is provided 12 months (**n**)
- Length of employment in the current year 12 months (**m**)

Computation of the value of living accommodation provided

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= 3\% \times \mathbf{T} \times \mathbf{n/m} \\
 &= 3/100 \times 36,000 \times 12/12 \\
 &= \text{RM1,080}
 \end{aligned}$$

The taxable value of living accommodation benefit (**Z**) = RM1,080

Transfer amount Z to item C Working Sheet HK-2

Example II

If the living accommodation is provided for **less than 12 months in a year**, the value of the living accommodation is calculated **based on the period** the living accommodation is provided.

- Gross employment income [paragraph 13(1)(a)]	RM150,000	(T)
- Period for which the living accommodation is provided	7 months	(n)
- Length of employment in the current year	9 months	(m)

Computation of the value of living accommodation provided :

$$\begin{aligned}\text{Value of the living accommodation (Z)} &= 3\% \quad \times \quad \mathbf{T} \quad \times \quad \mathbf{n/m} \\ &= 3/100 \quad \times \quad 150,000 \quad \times \quad 7/9 \\ &= \text{RM3,500}\end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM3,500

Transfer amount Z to item C Working Sheet HK-2

CATEGORY 2: Living accommodation provided for employee (other than officer of a Government/Statutory Body) or service director

$\text{Value of the living accommodation} = 30\% \times \begin{matrix} \text{Gross employment income} \\ \text{OR} \\ \text{The defined value} \\ \text{(whichever is lower)} \end{matrix}$

Example I: Living accommodation is not shared with any other employee

- Gross employment income [paragraph 13(1)(a)]	RM150,000	(T)
- Period for which the living accommodation is provided	12 months	(n)
- Length of employment in the current year	12 months	(m)
- Rental of the living accommodation provided	RM2,000 per month	
- Defined value [2,000 x 12 months (m)]	RM24,000	(F)

Computation of the value of living accommodation provided:

$$\begin{aligned}& \begin{matrix} 30\% & \times & \mathbf{T} \\ = & 30/100 & \times & 150,000 \\ = & \text{RM45,000} \end{matrix} \quad \left. \vphantom{\begin{matrix} 30\% \\ = \\ = \end{matrix}} \right\} \text{whichever is lower} \\ \text{OR} & \begin{matrix} = & \mathbf{F} \\ = & \text{RM24,000} \end{matrix}\end{aligned}$$
$$\begin{aligned}\text{Value of the living accommodation (Z)} &= 24,000 \quad \times \quad \mathbf{n/m} \\ &= 24,000 \quad \times \quad 12/12 \\ &= \text{RM24,000}\end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM24,000

Transfer amount Z to item C Working Sheet HK-2

Example II: Living accommodation is shared equally with another employee

- Gross employment income [paragraph 13(1)(a)]	RM150,000	(T)
- Period for which the living accommodation is provided	9 months	(n)
- Length of employment in the current year	9 months	(m)
- Rental of the living accommodation provided	RM3,000 per month	
- 2 persons sharing: - portion of living accommodation provided	1	(X)
- living accommodation provided as a whole	2	(Y)
- Defined value [3,000 x 9 months (m)]	RM27,000	(F)

Computation of the value of living accommodation provided:

	30%	x	T	} whichever is lower
	= 30/100	x	150,000	
	= RM45,000			
OR	= F	x	X/Y	
	= 27,000	x	1/2	
	= RM13,500			

Value of the living accommodation (Z) =	13,500	x	n/m
=	13,500	x	9/9
=	RM13,500		

The taxable value of living accommodation benefit (Z) = RM13,500

Transfer amount Z to item C Working Sheet HK-2

Example III: Part of the living accommodation provided is for official use

- Gross employment income [paragraph 13(1)(a)]	RM100,000	(T)
- Period for which the living accommodation is provided	9 months	(n)
- Length of employment in the current year	12 months	(m)
- Rental of the living accommodation provided	RM4,000 per month	
- 1/3 is for official use - Portion of living accommodation provided	2	(X)
- Living accommodation provided as a whole	3	(Y)
- Defined value [4,000 x 12 months (m)]	RM48,000	(F)

Computation of the value of living accommodation benefit:

	30%	x	T	} whichever is lower
	= 30/100	x	100,000	
	= RM30,000			
OR	= F	x	X/Y	
	= 48,000	x	2/3	
	= RM32,000			

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= 30,000 \quad \times \quad \mathbf{n/m} \\
 &= 30,000 \quad \times \quad 9/12 \\
 &= \text{RM22,500}
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM22,500

Transfer amount Z to item C Working Sheet HK-2

CATEGORY 3: Living accommodation provided for directors of controlled companies

For the director of a controlled company, the value of the living accommodation shall be the defined value of the living accommodation provided. There is no comparison with 30% of the gross employment income.

Example I: Living accommodation is not shared

- Gross employment income [paragraph 13(1)(a)]	RM200,000	(T)
- Period for which the living accommodation is provided	9 months	(n)
- Length of employment in the current year	10 months	(m)
- Rental of the living accommodation provided	RM3,000 per month	
- Defined value [3,000 x 10 months (m)]	RM30,000	(F)

Computation of the value of living accommodation provided:

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= \mathbf{F} \quad \times \quad \mathbf{n/m} \\
 &= 30,000 \quad \times \quad 9/10 \\
 &= \text{RM27,000}
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM27,000

Transfer amount Z to item C Working Sheet HK-2

Example 2: Living accommodation is shared equally with another director / employee

- Gross employment income [paragraph 13(1)(a)]	RM200,000	(T)
- Period for which the living accommodation is provided	12 months	(n)
- Length of employment in the current year	12 months	(m)
- Rental of the living accommodation provided	RM3,000 per month	
- 2 persons sharing: - portion of living accommodation provided	1	(X)
- living accommodation provided as a whole	2	(Y)
- Defined value [3,000 x 12 months (m)]	RM36,000	(F)

Computation of the value of living accommodation provided:

$$\begin{aligned}
 \text{Value of the living accommodation (Z)} &= 36,000 \quad \times \quad \mathbf{X/Y} \quad \times \quad \mathbf{n/m} \\
 &= 36,000 \quad \times \quad 1/2 \quad \times \quad 12/12 \\
 &= \text{RM18,000}
 \end{aligned}$$

The taxable value of living accommodation benefit (Z) = RM18,000

Transfer amount Z to item C Working Sheet HK-2