



## INCOME TAX / PCB CALCULATIONS

+ EPF ACT 1991, SOCSO 1969 & EIS RULES 2018

## CONTRIBUTIONS & BENEFITS

*HRD Corp Claimable Courses*

Duration

2 Days

Time

9.00am to 5.00pm

### INTRODUCTION

#### **Purpose of EPF, SOCSO and Employment Insurance Scheme 2018**

The EPF Act 1991 is a compulsory retirement scheme for employees. The SOCSO Act 1969 is a compulsory insurance scheme for Malaysian employees for employment injury or invalidity. The Employment Insurance Scheme 2018 is a compulsory scheme for retrenched employees

Both employer and employees are required by law to contribute to EPF, SOCSO and EIS. All the schemes have benefits for employees and there are rules on how to avail of them

#### **Obligations of Employer for 'PCB'**

The Monthly Tax Deduction (MTD/PCB) scheme is a compulsory pay-as-you-earn (PAYE) scheme whereby employers are required to deduct employees' tax on a monthly basis using the schedule, formula, approved vendor software or e-calculator methods

#### **Benefits of the Programme**

There are many workshops for participants to master the PCB & Employee Tax Issues and EPF 1991 & SOCSO 1969 Acts and EIS (2018)

## **HIGHLIGHT OF THE PROGRAMME: The Step-by-Step Benefit of the Experiential Workshop on the PCB Monthly Tax Deduction**

The workshop also demonstrates how the MTD/PCB is computed step-by step using the manual formula method so that you are able to explain to other employees the process; and answer the golden question: 'why does MTD / PCB vary from month to month?'.

### **LEARNING OBJECTIVES**

Participants will learn the following:

- Identify wages and remuneration for SOCSO , EPF and EIS contribution; and the conditions to avail of their benefits.
- Compute MTD / PCB deductions and contributions using the manual formula method
- Compute VOLA and value of benefits –in-kind (BIK) and perks for income tax using the prescribed value and formula methods; Compute tax for gratuity and compensation payments
- Compute tax for non-residents and those on secondment and regional offices under the Double Taxation Agreement (DTA)
- Prepare the EA form correctly

### **LEARNING APPROACH**

Presentations, discussions, workshop exercises, case-studies

## **COURSE OUTLINE**

### (1) EPF: Contributions & Deductions

- Who must contribute?
- Definition of wages for EPF contributions
- Rate of contributions under Parts A, B, C, D
- Rate of contribution by non-citizens & employers
- Rate of contribution for employees below and above 60 years of age
- Maximum age for contribution
- Documentation

### (2) EPF: Benefits & Claims

- Withdrawal on reaching 50 & 55 & 60 years of age and for other reasons
- Re-contribution to EPF after full withdrawal
- Full and partial and periodic withdrawals
- Additional payments for death and permanent disablement
- Maximum age for withdrawal

### (3) SOCSO: Contributions & Deductions

- Who needs to contribute and under what categories?
- Definition of wages for SOCSO
- Penalties for non-contribution
- Who is responsible for contribution?
- Maximum ages of contribution under Employment Injury Scheme and Invalidity Schemes
- Documentation

#### (4) SOCSO: Benefits & Claims

- Temporary and Permanent Disablement Benefit
- Total and Partial Disablement
- Occupational Diseases
- Invalidity Grant
- Pension Schemes
- Contribution qualification for benefit
- Survivors' / dependents' pension
- Constant Attendance Allowance
- Medical Benefit
- Funeral Benefit
- Education Benefit
- Accidents while traveling
- Procedures in claims

#### (5) Employment Insurance Scheme 2018

- Contributions
- Benefits

#### (6) Income Tax Remuneration

- Definition of wages for income tax deductions
- Minimum income level for income tax deduction
- Normal vs additional remuneration

#### (7) Tax Residency

- Who is a tax resident?
- Qualifying period of stay in Malaysia for tax residency
- Tax rates for resident & Non-residents

#### (8) MTD / PCB

- Using the schedule and formula methods to compute MTD/ PCB
- Compulsory and optional deductions
- Rebates after tax
- Deductions for previous years

#### (9) Withholding Tax

- Types of income
- Quantum of tax
- Categories of personnel

#### (10) Tax Treatment for Gratuity and Compensation Payments

- Definition of gratuity and compensation
- Conditions for Tax free gratuity and compensation
- Rate of tax for qualified exemptions

(11) Benefits-in-kind and Perks & Others

- What are benefits-in-kind and perks
- Formula and prescribed value methods of determining values for VOLA and perks
- Double Taxation Agreement

(12) Key Public Rulings by LHDN

- Perks and benefits
- Seconded employees
- Foreigners in Regional Offices in Malaysia
- Double Taxation Agreements (DTA)

(13) Tax on Shares Offered by Employer

- Local shares
- Cross-border shares
- ESOS

(14) Preparing the EA Form & Other Documentation

- Exemptions from tax
- Salary and allowances
- CP38
- Other documentation

## TRAINER PROFILE: MR CYRIL PAGADALA

Cyril has a BA (English) and MA (Human Resource Management).

Cyril has vast real work experience, in local and multinational companies, of more than 18 years in the field of Human Resources Management, Administration and Operations in various industries: banking, manufacturing, hospitality, tourism, and publications. He last held the position of Director of Administration and Human Resources of a group of companies.

He has managed all HR functions from recruitment to termination/dismissal such as:

***Setting up the HR Department A-Z and company start-up operations with appropriate systems in a new organization as part of start-up operations, developing policies and procedures, writing operational procedures, developing performance appraisal standards, managing recruitment and selection, setting up wage systems, designing motivation strategies, reducing employee turnover, training, handling misconduct, taking disciplinary action, conducting the domestic inquiry, handling grievances, carrying out negotiations with trade unions and collective agreements, etc***

He is now a lecturer and corporate trainer since 2007 in the field of: human resource management, HR laws, leadership principles, customer service, business communication and English. He lectures on the OUM degree programmes in Human Resource Management hosted by the Malaysian Employers Federation (MEF) .

His tenure in organizations has provided him with deep insight and lasting exposure to various problems and solutions of different kinds. He brings this exposure to his specialised areas of training.

He delivers and facilitates the programmes in a simple, easy-to-understand way and willingly shares knowledge. Due to his real hard-knock work experience, he is able to provide many simple solutions to work challenges.

## Participation Registration & Fee

Kindly email to marketing department at [mytrain2@mytrainingmalaysia.com](mailto:mytrain2@mytrainingmalaysia.com) for latest participation fees.  
The Course Fee is fully claimable under HRD Corp Claimable Courses

Course is conducted through the following method

- 1. Public Training Series*
- 2. Exclusive In House Training Series*

Registration via online can be done thru our website at [www.eliteedge.com.my](http://www.eliteedge.com.my)

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## ORGANISED BY

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**ELITE EDGE TRAINING (202403112918 (LA0067857-X))**

**(HRD Corp Registered Training Provider)**

**LEVEL 23-1, Premier Suite, One Mont Kiara No 1,**

**Jalan Kiara, Mont Kiara 50480 Kuala Lumpur Malaysia**

**Tel: +603 – 27856816**

**Marketing WhatsApp: + 6013 335 8805 & +6016 221 5364**

