1 – DAY
PAYROLL TAX COMPUTATION

Introduction

The computerised calculation method was introduced in 2009 and applicable for employers that use a computerised payroll system with specifications approved by the Inland Revenue Board Malaysia (IRBM). However, an employer who does not use a computerised payroll system will continue to deduct employees' monthly tax using the Schedular Tax Deduction (STD) Method.

This was subsequently streamlined further in 2010 where employers no longer refer to employees' monthly tax deduction as monthly Schedular Tax Deduction (STD) but Monthly Tax Deduction (MTD), using either the computerised calculation method or the schedular tax deduction table method.

Due to these changes in 2009 and 2010, employers experienced difficulty in answering their employees' queries on the sudden increase/ decrease in their monthly tax deductions. This program seeks to shed light on these queries and to enhance understanding of the calculations and formula.

Course Objectives

By the end of this course, you will be able to understand and apply:

- Understand the impact and implication of the MTD using the computerised calculation method and the STD table
- Gain an understanding of the computerised calculation method formula
- Manually compute the MTD using the formula provided by IRBM
- Manually compute the additional remuneration using the formula provided by IRBM
- Understand why the MTD was implemented and its benefits so as to understand what are the year-end reports and statutory requirements

Methodology

A highly interactive learning session with trainer/ speaker-led facilitation, live Q&As, quick polls/ surveys, self-assessment quizzes and participant's feedback on learning outcome achievement.

Who Should Attend?

- Accountants
- Finance Managers
- Finance/ Accounts Executives
- HR/ Personnel/ Administration Managers & Executives
- Payroll Executives & Specialists
- Anyone responsible for payroll processing

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Course Outline

MODULE 1: INTRODUCTION

- Background of:
  - the Schedular Tax Deduction (STD)
  - Monthly Tax Deduction (MTD)
- The MTD Method:
  - Why it was implemented
  - Scenarios before its implementation

MODULE 2: : IMPLEMENTATION OF THE MTD METHOD

- Adjustment of Allowance, Perquisites, Provisions and Benefits
  - Method of Implementation for Allowances, Perquisites, Provisions and Benefits
  - Allowances, Perquisites, Provisions and Benefits that are Exempted from Income Tax (in accordance to limits allowed)
- Allowable Deductions and rebates under Income Tax Act
  - Claiming for deductions and rebates
  - Method of implementation for claiming deductions and rebates
- Changes in the tax deduction formula calculations
  - Method of implementation for the changes in the tax deduction formula calculations
- Minimum Remuneration and reduction in MTD
- Options to include Benefits-in-kind (BIK) and value of living accommodation (VOLA) as part of remuneration
  - MTD for BIK and VOLA
  - Method of implementation for MTD for BIK and VOLA

MODULE 2: [CONTINUED]

- Changes in the additional remuneration formula
  - Comparison between the previous bonus calculation and the additional remuneration formula
- Amendment of rules: Rules of Income Tax Act (Deduction from remuneration) 1994
  - Amendment in the definition of remuneration
  - General definition of remuneration
  - Definition of additional remuneration
- MTD Method
- New hires in the company

MODULE 3: MTD UNDER SPECIAL PROGRAMS

- Returning Expert Program (REP)
- Knowledge worker at specific region (ISKANDAR)

MODULE 4: CONCLUSION

- Furnishing of data and payment method for MTD
- Benefits of the MTD Method
- Final remarks