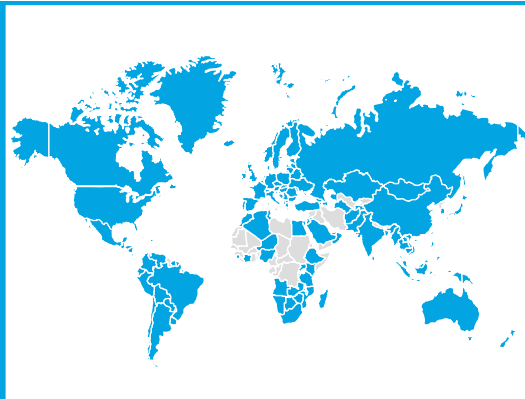


EXPATRIATES

Singapore

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

Singapore operates on a territorial basis of assessment. Only Singapore-sourced income, which is accrued in or derived from Singapore, is taxable in Singapore. Foreign-sourced income remitted into Singapore by an individual is exempted from tax, except if received through a partnership in Singapore.

Employment income, which includes salaries, bonuses, allowances, perquisites and benefits in kind, is taxable in Singapore if the employment is exercised, or deemed to be exercised in Singapore. This is regardless of who the legal employer is, where the contract is signed or where the remuneration is paid.

An employee who is posted overseas would not be taxed on the employment income attributable to his overseas employment/assignment being the income is not from Singapore sources .

Where an employee who is on Singapore employment and is required to travel overseas for business pursuant to his Singapore duties, his business trips are regarded as incidental to his Singapore employment. Accordingly, the employment income earned in respect of those days is taxable as part of his Singapore employment income.

EXIT PROCEDURES

Employers are required to seek tax clearance for their foreign employees (including Singapore Permanent Residents) who cease employment in Singapore or go on an overseas assignment for a period exceeding 3 months.

The employer must notify IRAS at least one month prior to the cessation date by filing Form IR21. The employer is also required to withhold any monies that are due to the individual (e.g. salaries, bonus, etc.) from the date they are aware of the cessation. The monies withheld is to be used to offset the individual's final tax payable. The employer generally releases any excess after settling the outstanding taxes.

Where an individual has any unvested shares/ unexercised stock options that were granted during his Singapore employment, the shares will be deemed exercised/vested and a deemed exit tax would have to be paid as part of the tax clearance.

BREAKING RESIDENCY

A Singaporean / Permanent Resident (SPR) departing from Singapore may elect, under an administrative concession, to be treated as a non-resident for any year of assessment if he/she is employed overseas for a period of six months or more in the previous calendar year.

In the absence of the above election, a Singaporean or SPR will continue to be treated as a tax resident in Singapore even if the period for overseas employment in any year is longer than 6 months.

Singapore does not have a part year tax residency rule.

INCOME TAX RATES

Resident Tax Rates

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable (S\$)
First S\$20,000 Next S\$10,000	0 2	0 200
First S\$30,000 Next S\$10,000	- 3.5	200 350
First S\$40,000 Next S\$40,000	- 7	550 2,800
First S\$80,000 Next S\$40,000	- 11.5	3,350 4,600
First S\$120,000 Next S\$40,000	- 15	7,950 6,000
First S\$160,000 Next S\$40,000	- 18	13,950 7,200
First S\$200,000 Next S\$40,000	- 19	21,150 7,600
First S\$240,000 Next S\$40,000	- 19.5	28,750 7,800
First S\$280,000 Next S\$40,000	- 20	36,550 8,000
First S\$320,000 In excess of S\$320,000	- 22	44,550

Higher of a flat tax rate of 15% without any tax reliefs, or progressive income tax rate applies to non-tax residents.

Non-Resident Tax Rates

Types of Income	Income Tax Rate (%)
Employment income	Higher of 15% or resident rate
Director's fees; and Other Singapore-sourced income (e.g. rental income derived from Singapore property)	22%

SOCIAL SECURITY CONTRIBUTION

Generally, employers are required to pay Central Provident Fund (CPF) contributions for all employees who are Singapore Citizens/ Permanent Residents. This is applicable even if they are hired on a part-time/ ad-hoc/ contract basis or during their probation period.

CPF contributions are not payable for employees working overseas.

For further information and to register for future updates contact expat@bdo.global

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations. The information contained within this publication is based upon information available up to the version date indicated in the document footer, and is accurate only as of such version date. While every reasonable effort has been taken by BDO to ensure the completeness and accuracy of the matter contained in this publication, the information contained herein does not constitute an examination of any recipient's compliance with laws, regulations, or other matters. You should not act, or refrain from acting, upon the information contained herein without obtaining specific professional advice. Please contact the appropriate BDO Member Firm to discuss these matters in the context of your particular circumstances. Neither the BDO network, nor the BDO Member Firms or their partners, employees or agents accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it.

BDO is an international network of public accounting, tax and advisory firms, the BDO Member Firms, which perform professional services under the name of BDO. Each BDO Member Firm is a member of BDO International Limited, a UK company limited by guarantee that is the governing entity of the international BDO network. Service provision within the BDO network is coordinated by Brussels Worldwide Services BVBA, a limited liability company incorporated in Belgium. Each of BDO International Limited, Brussels Worldwide Services BVBA and the member firms of the BDO network is a separate legal entity and has no liability for another such entity's acts or omissions. Nothing in the arrangements or rules of the BDO network shall constitute or imply an agency relationship or a partnership between BDO International Limited, Brussels Worldwide Services BVBA and/or the member firms of the BDO network.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

© Brussels Worldwide Services BV, December 2020

www.bdo.global