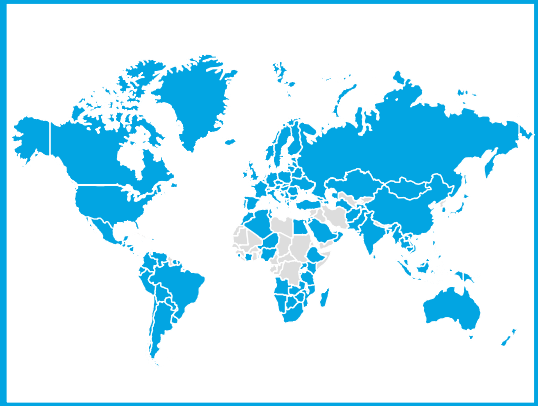


# EXPATRIATES

## 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 subject to income tax. Income derived from sources outside Singapore by resident individual is not taxable when received in Singapore, except if received through a partnership in Singapore.

Employment income in relation to the employment exercised in Singapore is sourced in Singapore and hence taxable. This is regardless of who the employer is, where the contract is signed or where the remuneration is paid.

An employee who is posted overseas would not be taxed on income earned from his overseas employment/assignment being income not sourced in Singapore.

However, where an employee who is on Singapore employment and goes overseas for business trips, these overseas business workdays are regarded as incidental to his Singapore employment, hence 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 - EXIT PROCEDURES

A Singaporean leaving Singapore may elect to be treated as a non-resident for any year of assessment if he/she is employed overseas for the full preceding calendar year.

Non-resident employees who exercise employment in Singapore for 60 days or less in a calendar year (excluding company director, public entertainer or professional) can enjoy income tax exemption on the employment income relating to the workdays in Singapore. Hence, Singaporeans who are employed overseas but travel into Singapore for business trips could benefit from the non-resident election.

Being assessed as a non-resident individual may also be disadvantageous if he/she exceeds the aforesaid 60-day threshold and receives Singapore sourced taxable income. The individual should therefore consider his overall tax position before electing for non-resident status.

Singapore does not have a part year tax residency rule.

## INCOME TAX RATES

### RESIDENT TAX RATES

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

(Year of Assessment 2023)

### NON-RESIDENT TAX RATES

Type of income	Income Tax Rate (%)
Employment income	Higher of 15% or resident rates
Director's fees, consultation fees & other sources of income	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](mailto:expat@bdo.global)

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