

SALARIES TAX

Proposed Changes to Allowances and Deductions

| | <i>Present</i> | <i>Proposed/ New</i> | <i>Increase</i> | |
|--|-------------------------------|-------------------------------|-----------------|-----|
| | (\$) | (\$) | (\$) | (%) |
| Personal Allowances: | | | | |
| Basic | 132,000 | 132,000 | — | — |
| Married | 264,000 | 264,000 | — | — |
| Single Parent | 132,000 | 132,000 | — | — |
| Disabled | 75,000 | 75,000 | — | — |
| Other Allowances: | | | | |
| Child: | | | | |
| 1st to 9th child | | | | |
| Year of birth | 240,000 | 260,000 | 20,000 | 8 |
| Other years | 120,000 | 130,000 | 10,000 | 8 |
| Dependent Parent/Grandparent: | | | | |
| Aged 60 or above | | | | |
| Basic | 50,000 | 50,000 | — | — |
| Additional allowance (for a dependant living with the taxpayer) | 50,000 | 50,000 | — | — |
| Aged 55 to 59 | | | | |
| Basic | 25,000 | 25,000 | — | — |
| Additional allowance (for a dependant living with the taxpayer) | 25,000 | 25,000 | — | — |
| Dependent Brother/Sister | 37,500 | 37,500 | — | — |
| Disabled Dependant | 75,000 | 75,000 | — | — |
| Deduction Ceiling: | | | | |
| Self-Education Expenses | 100,000 | 100,000 | — | — |
| Home Loan Interest | 100,000 | 100,000 | — | — |
| (Number of years of deduction) | (20 years of assessment) | (20 years of assessment) | | |
| Approved Charitable Donations | 35% of income | 35% of income | — | — |
| Elderly Residential Care Expenses | 100,000 | 100,000 | — | — |
| Contributions to Recognised Retirement Schemes | 18,000 | 18,000 | — | — |
| Qualifying Voluntary Health Insurance Scheme Policy Premiums | \$8,000 per insured person | \$8,000 per insured person | — | — |
| Annuity Premiums and MPF Voluntary Contributions | 60,000 | 60,000 | — | — |
| Domestic Rents | 100,000 | 100,000 | — | — |