

Allowance, Benefits-in-kind and Perquisites Exempted

- (a) Medical and dental care;
- (b) Childcare benefits in childcare centre provided by employers;
- (c) The value of employer's own products or services received by employees of up to RM200 a year;
- (d) Mobile phones exceeding RM300 and telephone bills exceeding RM300;
- (e) Broadband subscription fee provided by employer;
- (f) Free transport from certain pick-up points or from between the home and work place;
- (g) Meals and drinks provided free of charge;
- (h) Group insurance premiums to cover workers in the event of an accident;
- (i) Leave passage including food and accommodation in Malaysia not exceeding three times in a calendar year or leave passage outside Malaysia once in a calendar year not exceeding RM3,000.

Effective from YA 2008:-

- (j) Petrol card or petrol allowance or travel allowance between the home and work place up to RM2,400 a year (YA2008 – YA2010)
- (k) Petrol card or petrol allowance or travel allowance and toll card for official duties up to RM6,000 a year;
- (l) Allowance or fees for parking;
- (m) Meal allowance;
- (n) Allowance or subsidies for childcare of up to RM2,400 a year;
- (o) Telephone and mobile phone; telephone bills, pager, personal data assistant (PDA) and internet subscription;
- (p) Employers' own goods provided free of charge or at discounted value where the value of the discount does not exceed RM1,000 a year
- (q) Employers' own services provided free or at a discount provided such benefits are not transferable, e.g. private schooling;
- (r) Subsidies on interest on loans totaling up to RM300,000 for housing, passenger motor vehicles and education. The exemption will be given to existing and new loans;
- (s) Medical benefits exempted from tax to be extended to include expenses on maternity and traditional medicines such as ayurvedic and acupuncture

The above exemptions are not extended to directors of controlled companies, sole proprietors and partnerships. Expenses on allowances paid, benefits-in-kind and perquisites provided by employers are to be given full deduction even though such benefits are not stipulated in the services contract of the employee.