



BUDGET 2021 highlights

Prepared by :
NSH Corporate Consultants



Individual Tax Relief changes

- ❖ **Lifestyle Relief** - up from RM2,500 to RM3,000
 - The up RM500 for Sport related include competition fee, Relief now covering online news subscription fee
- ❖ **Parent medical fee** - up from RM5,000 to RM8,000
- ❖ **Disable Spouse** - up from RM3,500 to RM5,000
- ❖ **Medical expenses for servarage illness** - up from RM6,000 to RM8,000
 - Include **medical check up** - up from RM500 to RM1,000
- ❖ **Vaccination cost** - (New relief) = RM1,000
- ❖ **Tax rate on income 50k to 70k** - drop by 1% (from 14% to 13%)

Employment

- ❖ **EPF contribution - employee portion** drop 2% from 11% → 9% w.e.f. 1 Jan 2021
- ❖ **Hire Fresh Graduate** - RM1,000 x 3 mths for employer + RM4,000 (max) for claiming training fee
- ❖ **Wages Subsidy Programme** - RM600/mth x 3 mths for employer in **Tourism and retail sector** limit at 500 employees
- ❖ **Job search allowance** - by Perkeso for jobseeker
 - 1st mth -80%
 - 2nd to 6th mth -50%
 - 7th to 9th mth - 30%
- ❖ **EPF withdrawal** -
 - A/C 1 lost job, permit to withdraw RM500/mth x 12 mths w.e.f. 1/1/21
 - A/C 2 purchase life and critical illness insurance for family
- ❖ **Retrenched staff** - Tax exempt for VSS, compensation upto RM20k (2020: RM10K)/year of service

Employment

- ❖ **Penjanakerjaya Incentive** (jobseeker) - under PERKESO - employer incentive where;
 - employee salary >RM1,500/mth, incentive 40% upto RM4,000/mth
 - Additional incentive 20% for employing disable, long term unemployed and retrenched workers
 - Replacing foreign worker (Plantation & Construction) 40% channel to employer 20% top up the local worker's salary for 6 mths
 - Training fee for upskilling and professional certification can claim RM7,000 (as above at RM4,000)
- ❖ **Employing ex-convicts, former drugs addicts** - "further tax deduction given to employer"
- ❖ **HRDF - exemption contribution** for 6 mths w.e.f. 1/1/21



Government servant

- ❖ **Covid-19 Frontliners** - RM500 to frontliner as one off allowance
- ❖ **Special Financial Assistance** - RM600 to all government servant grade 56 and below, RM300 to retiree



Consumers

- ❖ **E-Belia programme** - RM50 ewallet giving to those aged 18 to 20 year old
- ❖ **Unlimited monthly travel pass** - RM5/mth for form 1 to 6 student, beaufort - Tenom (for Sabah area).
- ❖ **Buying first house** - full stamp duty exemption on MOT and Loan agreement between 1/1/21 -31/12/25.
 - for <=RM500,000 value house
 - For abandoned housing project (certified by housing ministry)
- ❖ **Cigarette** - tax be imposed on cigarette at retail shop in free zone and Duty free island
- ❖ **Electronic Cigarette (VAPE)** - 10% excise duty on the device, RM0.40/ml excise duty for its liquid
- ❖ **SAVE 2.0 programme** - RM200 e-Rabate for buying locally manufacturing energy efficiency air conditioner and refrigerator
- ❖ **Exchange Traded Fund** - Stamp duty exemption on contract note for another 5 years to 31/12/25
- ❖ **Online hotel booking** through platform (Agoda, Booking.com, etc) subject to tourism tax w.e.f. 1/07/21

B40 and M40 benefits

- ❖ **B40 - “Perlindungan Tenang Voucher programme”** financial aids RM50 for purchase life takaful or Accident insurance
- ❖ **B40 - Bantuan Sara Hidup (BSH)**
 - Household income <RM2,500/mth
 - 1 child RM1,200
 - \geq 2 children RM1,800
 - Household income RM2,501 to RM4,000/mth
 - 1 child RM800
 - \geq 2 children RM1,200
 - Household income RM4,001 - RM5,000/mth
 - 1 child RM500
 - \geq 2 children RM750
 - Single individual with income <RM2,500/mth, age \geq 21yrs
 - RM350
- ❖ **B40 - Jaringan PRIHATIN Programme** - RM180 for telecommunication credit

B40 and M40 benefits

- ❖ **B40 & Micro** - BSH receiver eligible **loan** upto RM150k to
 - *Option 1* - Moratorium 3 mths for 100% of their loan instalment
 - *Option 2* - Moratorium 6 mths for 50% of their loan instalment
- ❖ **M40** - self declaration and contact bank for moratorium



Incentives

- ❖ **Principal hub incentive** - extended to 31/12/22
- ❖ **Global Trading Centre (New incentive)** - tax at 10% flat rate for 5 yrs + 5 yrs
- ❖ Value added and activities in **Free trade zone and LMW** increase from 10% to 40% (limit) from annual sales value.
- ❖ **Non resident key position person** tax at 15% flat rate for 5 yrs **for relocate operation** to Malaysia under PENJANA incentive package
- ❖ **Selected manufacturing company for relocate operation** to Malaysia incentive extended to 31/12/22, now extended to services relocation to Malaysia at tax flat rate 0% to 10% for 10 yrs (Fixed asset investment >RM300m)
- ❖ **Tax incentives extension** - for all incentive expiring this year (2020) to be extended to 2022

Financial Assistance

- ❖ **Forest Plantation Development Loan (PPLH)** - RM500m fund , revolving, >=4 hectare eligible
- ❖ **Grant Khas Perihatin** - RM1,000 one off to trader,hawker, taxi driver, e-hailing, rent car and tour driver in Sabah
- ❖ **SME Digitalization Grant Scheme and Automation grant** - RM150m fund, business must started up >6 mths eligible
- ❖ **Industrial Digitalization Transformation Scheme** - RM1b fund, extended to 31/12/23
- ❖ **Lestari Bumi Financing Facility Scheme** - RM300m, for bumi macro and small business, by SME bank
- ❖ **National Supply Chain Finance Scheme** - RM300m, supplier of government/GLC, by EXIM bank (“Jana Niaga”)
- ❖ **Micro Credit Facility** - RM1.2b, for gig worker and self employed, to support iTEKAD programme, byTEKUN, PUNB, Agrobank, BSN, etc - B40 group

Sabah Business Opportunity

- ❖ **Community Drumming Programme** - RM150m - RM200m for transporting **Basic Goods** (Such as rice, Sugar, Flour, cooking oil, LPG (cooking gas), RON 95, diesel at regulate price) to 34 remote area at Sabah and Sarawak
- ❖ **Subsidy to Farmer and Fishermen** - RM1.7b for Paddy price, crop and fertiliser in Kanowit, Sabah and Nabawan, Sarawak, Fishermen allowance RM300/mth
- ❖ **Bumiputra entrepreneur** - Loan RM4.6b
- ❖ **Small and medium project** - RM2.5b gov projects for **G1 to G4 contractor**
- ❖ **Construction of Pan Borneo Highway**, Sabah from Serusop to Pituru
- ❖ **Sapangar Bay Container Port Expansion project** under SDC
- ❖ **Existing tax incentive for Sabah** expiring this year extended to 2022
- ❖ **Development fund** (water, electricity, road, health and education facilities) **for Sabah RM5.1b**

Thank You !

Do not hesitate to contact us for any inquiry

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