

FREQUENTLY ASKED QUESTIONS ON PERSONAL INCOME TAX RELIEF CAP

1. What does the cap on personal income tax relief apply to?

The cap on personal income tax relief applies to the total amount of all tax reliefs claimed, including any relief on voluntary CPF contributions made.

2. When does the cap on personal income tax relief take effect?

The personal income tax relief cap of \$80,000 will apply from Year of Assessment 2018. This cap applies to the total amount of all tax reliefs claimed, including any relief on voluntary CPF contributions made on or after 1 Jan 2017.

3. Why does the cap on personal income tax relief apply to tax relief on voluntary CPF contributions?

Every relief serves a worthy objective, but taken together, they can unduly reduce the total taxable income for a small proportion of individuals. Therefore, all reliefs, including tax relief on voluntary CPF contributions, are subject to the personal income tax relief cap.

4. Can I obtain a refund of the voluntary CPF contributions I made in Year 2017, if for YA 2018, the total amount of personal relief which I can claim is more than \$80,000, even without any tax relief on the voluntary CPF contributions I made?

There will be no refunds for accepted CPF top-up monies. As such, CPF members who make voluntary CPF contributions on or after 1 Jan 2017 should note that the overall personal income tax relief cap of \$80,000 applies from Year of Assessment 2018 (where the income earned in 2017 is assessed to tax). Hence, members should evaluate whether they would benefit from tax relief on the voluntary CPF contributions they make, and make an informed decision accordingly.

5. How can I find out if I've reached the cap on personal income tax relief?

You may use the tax calculator on IRAS' website ([link](#)) to calculate your personal tax relief for YA 2018.