

# SEA Quarterly Chronicles

## Payroll & Compliance



**July 2023**

### Singapore

#### Enhanced Medical Insurance for Foreign Employees to be implemented

In July the Ministry of Manpower (MOM) has proposed to implement enhanced medical insurance (MI) for all new and existing Work Permit (including Migrant Domestic Workers) and S Pass holders in two stages.

##### **In Stage 1 which is implemented from 1 July 2023**

Under this stage, co-payment option is introduced for all employers and insurers for any amount above 15,000 SGD, up to an annual claim limit of at least 60,000 SGD.

##### **In Stage 2 which is proposed to be implemented from 1 July 2025, the below changes are planned to be adopted:**

- a) Standardisation of allowable exclusion clauses.
- b) Introduction of age-differentiated premiums for those aged 50 and below, and those aged above 50.
- c) Requirement for insurers to reimburse hospitals directly upon the admissibility of the claim.

##### **To read further details, please refer the official website:**

[Implementation of Enhanced Medical Insurance for Foreign Employees to Better Support Employers \(mom.gov.sg\)](https://mom.gov.sg/Implementation-of-Enhanced-Medical-Insurance-for-Foreign-Employees-to-Better-Support-Employers)



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### Malaysia

#### Changes to Monthly Tax Deduction Calculation 2023

IRBM released the Specification for MTD Calculation Using Computerised Calculation for 2023 in its website for year of assessment 2023.

The below are the highlights for the changes made.

- 1) The income tax rate for resident individual will be adjusted as table below:

P (MYR)	M (MYR)	R (%)	B Category 1 & 3 (MYR)	B Category 2 (MYR)
5,001 - 20,000	5,000	1	- 400	- 800
20,001 - 35,000	20,000	3	-250	-650
35,001 - 50,000	35,000	6	600	600
50,001 - 70,000	50,000	11	1,500	1,500
70,001 - 100,000	70,000	19	3,700	3,700
100,001 - 400,000	100,000	25	9,400	9,400
400,001 - 600,000	400,000	26	84,400	84,400
600,001 - 2,000,000	600,000	28	136,400	136,400
Exceeding 2,000,000	2,000,000	30	528,400	528,400

- 2) The tax relief of medical treatment expenses will be increased to 10,000 MYR from 8,000 MYR and the scope of the relief will be expanded.
- 3) The tax relief of 3,000 MYR on life insurance expenses will be expanded to cover voluntary EPF contribution.
- 4) The tax relief limited to 3,000 MYR of fees paid by individuals who send children up to six years of age to an orphanage or kindergarten registered with the Department of Social Welfare or the Ministry of Education Malaysia will be extended to year of assessment 2023 and 2024.
- 5) The tax relief of amount deposited in Skim Simpanan Pendidikan Nasional (SSPN) by an individual taxpayer for his/her children's education is deductible up to a maximum of 8,000 MYR will be extended to year of assessment 2023 and 2024. The allowable deduction is limited to the net amount deposited in that basis year only.
- 6) On top of the above mentioned, there is a new computerized calculation of 15% flat tax rate for Position of C-suite executives being introduced in the specification as well.

To read further details, please refer the official notification: [Spesifikasi-kaedah-pengiraan-berkomputer-pcb-2023.pdf \(hasil.gov.my\)](#)

#### IRBM would cease to accept cheques and money orders / postal orders payments

Inland Revenue Board of Malaysia (IRBM) will cease to accept cheques and money orders/postal orders (MOPO) as payment instruments for direct taxes at all Revenue Management Centres, Stamp Duty Counter, IRBM collection agent bank and post office.

From 1 August 2023, payments for employees' monthly tax deduction (MTD) through the IRBM's MTD system (e-DATA / e-PCB / eCP39) can be made using cash, bank draft or online banking or transfer (FPX, TT, IBG).

Please refer the various date of cessation and acceptable payment instrument from the IRBM Media Release: [Pemberhentian-penerimaan-cek-dan-money-order-postal-order-sebagai-instrumen-terimaan-bayaran-di-hasil.pdf](#)

### Philippines

#### Minimum Wage Hike in NCR in Philippines for 2023

The Regional Tripartite Wages and Productivity Board in the National Capital Region (NCR) has notified an increase of Php 40.00 for the minimum wage limits. This increase has brought up the daily minimum wage in the region from P570.00 to Php610.00 for the non-agriculture sector and from Php533.00 to Php573.00 for the agriculture sector, service and retail establishments employing 15 or less workers, and manufacturing establishments regularly employing less than 10 workers.

To read the complete notification and go through the rate chart, please refer the official link: <https://nwpc.dole.gov.ph/regionandwages/national-capital-region/>