

**Income Tax (Applicable Maximum Relief Amounts and Deduction Limits for
Section 39(3) and (3A)) Rules 2021**

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No. S 1028

**INCOME TAX ACT
(CHAPTER 134)**

**INCOME TAX (APPLICABLE MAXIMUM RELIEF
AMOUNTS AND DEDUCTION LIMITS FOR
SECTION 39(3) AND (3A)) RULES 2021**

In exercise of the powers conferred by section 7(1) of the Income Tax Act, the Minister for Finance makes the following Rules:

Citation and commencement

1. These Rules are the Income Tax (Applicable Maximum Relief Amounts and Deduction Limits for Section 39(3) and (3A)) Rules 2021 and come into operation on 1 January 2022.

Definitions

2.—(1) In these Rules —

“basic healthcare sum” means the amount directed under section 13(6) of the Central Provident Fund Act 1953;

“claimant” means any individual who claims a deduction under section 39(3) or (3A) of the Act for any year of assessment;

“member” means any individual to whose credit any amount is standing in the Central Provident Fund established under section 6 of the Central Provident Fund Act 1953, or for whom any account in the Central Provident Fund is maintained for any of the purposes of that Act;

“preceding year”, in relation to a deduction claimed under section 39(3) or (3A) of the Act for a year of assessment, means the year preceding that year of assessment;

“prevailing retirement sum” has the meaning given by regulation 3(1) of the Central Provident Fund (Retirement Sum Topping-Up Scheme) Regulations (Rg 3);

“related member” means a member who is related to a claimant in one of the ways specified in section 39(3) of the Act;

“retirement account”, “retirement sum” and “special account” have the meanings given by section 2(1) of the Central Provident Fund Act 1953.

(2) In these Rules, the retirement sum that has been set aside by a member at any time is determined in accordance with the Central Provident Fund (Retirement Sum Topping-Up Scheme) Regulations.

Applicable maximum relief amount for section 39(3)(c)(i) and (3A)(c)(i) of Act

3.—(1) For the purposes of allowing a deduction to a claimant for the year of assessment 2023 or a subsequent year of assessment under section 39(3) of the Act, the applicable maximum relief amount for section 39(3)(c)(i) of the Act is an amount

calculated using the formula $A + B$, where —

(a) A is the specified amount in —

- (i) rule 4(1), if the claimant made only one payment under section 39(3)(a) of the Act to the retirement account of a related member in the preceding year; or
- (ii) rule 4(2), if the claimant made more than one payment under section 39(3)(a) of the Act to the retirement account or accounts of one or more related members in the preceding year; and

(b) B is the specified amount in —

- (i) rule 5(1), if the claimant made only one payment under section 39(3)(a) of the Act to the special account of a related member in the preceding year; or
- (ii) rule 5(2), if the claimant made more than one payment under section 39(3)(a) of the Act to the special account or accounts of one or more related members in the preceding year.

(2) For the purposes of allowing a deduction to a claimant for the year of assessment 2023 or a subsequent year of assessment under section 39(3A) of the Act, the applicable maximum relief amount for section 39(3A)(c)(i) of the Act is an amount calculated using the formula $C + D$, where —

(a) C is the specified amount in —

- (i) rule 4(1), if only one payment under section 39(3A)(a) of the Act is made to the claimant's retirement account in the preceding year; or
- (ii) rule 4(2), if more than one payment under section 39(3A)(a) of the Act is made to the claimant's retirement account in the preceding year; and

(b) D is the specified amount in —

- (i) rule 5(1), if only one payment under section 39(3A)(a) of the Act is made to the claimant's special account in the preceding year; or
- (ii) rule 5(2), if more than one payment under section 39(3A)(a) of the Act is made to the claimant's special account in the preceding year.