

Personal Tax Express

Issue 2 • July 2006

A Personal Taxation publication by PricewaterhouseCoopers Human Resource Services.



Singapore Permanent Residence – Implications for you and your employees

Are many of your foreign employees Singapore Permanent Residents (PRs) or considering becoming PRs? Are the implications of PR status fully understood by the individuals, their families and the company? At PricewaterhouseCoopers (PwC), we have observed that an increasing number of foreign employees, from graduate level to CEOs, are obtaining PR status. Needless to say, this will have an impact on the company.

If you would like to learn more about the hard and soft issues associated with PR status, act now. We can help you understand the trends as well as the implications in terms of tax, social security, housing and education. We can also assist you to prepare against potential pitfalls relating to CPF contributions, immigration, national service and other issues.

For further information regarding PR, the implications and the application process, PwC's Global Visa Services (GVS) network is here to assist you. We provide a comprehensive service in relation to your corporate immigration queries and visa requirements for your employees.

Contact: Caroline Wicks at +65 6236 4089 or caroline.wicks@sg.pwc.com

UK bound?

Is your company thinking of sending employees on assignment to the UK? If so, be sure to plan those assignments in such a way that the UK tax, social security and administrative burdens are kept to an absolute minimum. Planning ideas surrounding contractual arrangements, payroll delivery, the duration of the assignment and corporate recharging can be simple to implement as well as generating considerable savings in such a high tax jurisdiction.

Contact: Jonathan Dunlea at +65 6236 7201 or jonathan.dunlea@sg.pwc.com

Postings to India – Plan ahead to enjoy savings

It has been about a year since the Fringe Benefit Tax (FBT) was introduced in India. If your company is sending assignees to India, it may be advisable to examine the income tax and regulatory implications and to design the compensation structure after considering the implications of the Indian FBT.

Under the FBT regime, an employer is liable to pay FBT on the value of prescribed fringe benefits provided or deemed to be provided to its employees, which is calculated on the basis of rules prescribed in this regard. The benefits which are taxable in the hands of the employees as perquisites are not subject to FBT.

If the assignees are tax equalised or tax-protected, the overall impact on the income tax may need to be considered, i.e. FBT payable by the company as well as the individual income tax payable for the assignee.

Our team in PwC Singapore can understand your needs and coordinate such assignments with the International Assignments and Tax specialists from our India offices. If required, they can also help with the relevant tax filings required to be made with the Revenue authorities in India.

Contact: Alok Agrawal at +65 6236 3885 or alok.agrawal@sg.pwc.com

Expansion into new territories made easy

Of late we have seen a number of Singapore-based companies expand their businesses across international borders. If you are sending your employees overseas to grow your business, you should be mindful of the tax implications for both the employer and employee.

With tax filing requirements, payroll reporting, immigration and social security all being important considerations, it is vital you plan your expansion into these new territories carefully.

Contact: Gene Kwee at +65 6236 3835 or gene.kwee@sg.pwc.com

How PricewaterhouseCoopers can help you

With more than 6,000 professionals in over 100 countries, PricewaterhouseCoopers is one of the world's largest human resources advisory organisations. PwC offers a full range of international assignment services in consulting, compliance and administration. We assist companies in harnessing the value of global mobility while managing risks. Our multi-disciplinary approach allows us to advise on all aspects of people management, helping our clients to create value. Visit our website at www.pwc.com/sg/hrs