

PENSION INCOME



LHDNM-R/009/10

Together We Develop The Nation



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Introduction

Pension is payment received by a pensioner

Categories of Pension

- Attains the compulsory age of retirement
- Due to ill-health
- On death : pensions received by widows, children or dependants

Taxable Pension

- Received from unapproved retirement scheme
- Received more than one pension
- Retire before the compulsory age of retirement

Term and Condition for Exempted Pension

	TERM	CONDITION
1	Attain the compulsory age of retirement	● 55 years of age or at the compulsory age of retirement under any written law
2	Due to ill-health	● Approved by Medical Board
3	Wound and disability pensions	● Specially for armed forces ★ Injuries/casualties in service ★ Pensions received by widows/ dependants
4	Widow's and orphan's pensions	● Paid under any approved pension scheme
5	Political Pensions	● Attained the age of 55 ● Retired due to ill health

The tax exemption of non-government pension scheme requires the approval from LHDNM

Taxable Income Of Pensioner

- Income from business
- Income from employment
- Dividend, interest and discount
- Rent, royalty and premium
- Annuity and other periodical payment
- Other Income

Optional Retirement

If employee opts to retire before the compulsory age of 55 or retire not due to ill-health, the pension received is taxable until the age of 55

Responsibility After Retirement

Pensioners are still required to declare their income and submit their return form, if they receive any income which is subject to tax