

Training Cost for Women Returning to the Workforce Guidelines on double tax deduction incentive

Objective

The tax incentive is designed to encourage employers to provide relevant trainings for women who are being re-employed after their career break, with the aim to assist them to assimilate into their new role.

Tax Incentive

A company that hires Malaysian women who have been on a career break of at least 2 years and provides them with a training programme that is endorsed by TalentCorp, is eligible for double tax deduction incentive for the training cost incurred within twelve months from the commencement date of employment of these women.

Interpretation

The following are definitions applicable to this tax incentive:

- a. “qualifying company” means a company–
 - (i) incorporated in Malaysia under the Companies Act 1965 [Act 125];
 - (ii) that employs and registers women returning to the workforce to undergo a qualifying programme within twelve months from the date of commencement of employment.

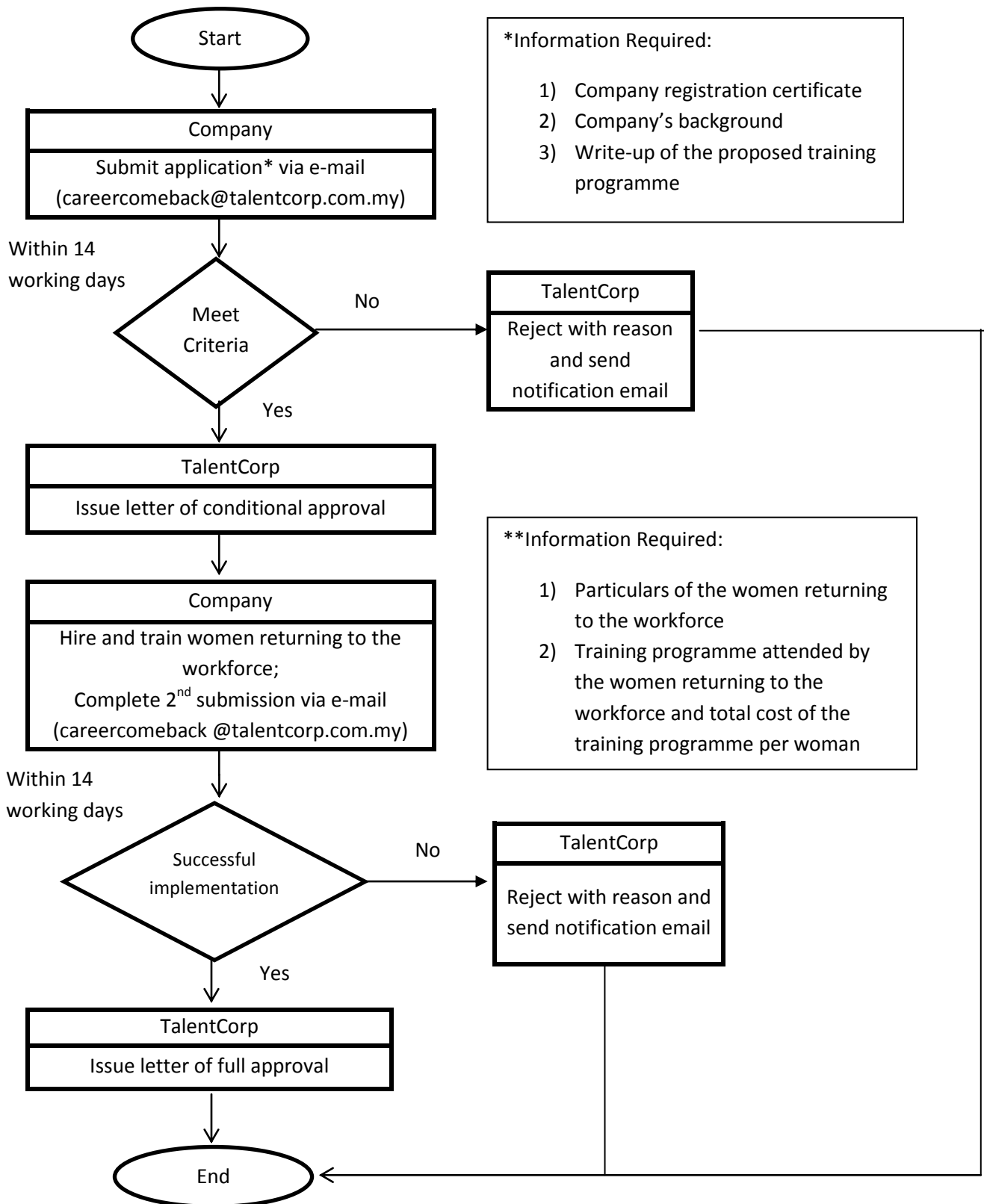
- b. “woman returning to the workforce” means a woman who–
 - (i) is a Malaysian citizen;
 - (ii) had at least 3 years full time working experience in a managerial and professional capacity prior to ceasing employment;
 - (iii) had no employment income for a period of two years before commencing employment in the current organisation;
 - (iv) receives a minimum basic salary of three thousand ringgit (RM3,000) per month from the qualifying company; and
 - (v) is an employee of the qualifying company employed in a managerial or professional capacity;

- c. “qualifying programme” means a training programme for women returning to the workforce as approved by Talent Corporation Malaysia Berhad;

- d. “Talent Corporation Malaysia Berhad” means a company limited by guarantee incorporated under Companies Act 1965 [Act 125] established under the Prime Minister’s Department to initiate and facilitate initiatives to address the talent needs in Malaysia.

Flowchart of Application Process

Please refer to the application process illustrated in the flowchart below:



The Company

Participating companies (include partnerships such as legal and professional services firms) shall observe the following guidelines for application of endorsement to Talent Corporation Malaysia Berhad:

Application Process

To enjoy the tax incentive, the companies will need to apply to TalentCorp for approval under a 2-stage process:

- a) First, conditional approval for the training programme prior to employing women returning to the workforce, and
- b) Second, full approval for the training programme upon submission of information on the employed women returning to the workforce and expenses incurred on the training programme.

Stage 1: Conditional approval for the Training Programme

1. Participating companies shall initiate e-mail application via careercomeback@talentcorp.com.my and provide the following information:
 - a) Company registration certificate
 - b) Company background – size of workforce, gender ratio by levels, flexible working arrangements, family friendly facilities and work-life benefits' initiatives (if any)
 - c) A write-up of the proposed training programme which is relevant and meets the needs of a woman returning to the workforce after a career break and details out the following of the programme:
 - (i) objectives;
 - (ii) learning outcome; and
 - (iii) methodology.
2. The criteria for **conditional approval** on the training programme will be based on the following:
 - i) **Relevance of the training programme** to prepare the woman returning to the workforce
 - ii) **Commitment** of the participating companies to facilitate women at work

Stage 2: Full approval for the Training Programme

1. To secure the full approval for the tax incentive after implementing the training programme, the participating companies will need to make a 2nd submission for full approval latest by 30th April annually with the following details:
 - a) particulars of the women returning to the workforce (including CV and Letter of Offer)
 - b) training programme attended by each woman returning to the workforce and total cost of the training programme per woman using the costing template.
3. Participating companies shall re-submit their application for the following year of assessment at least one (1) month before its expiry date.

Definitions for the Criteria in Stage 1

1. Training programme must be relevant to the job assigned to the woman returning to the workforce and may include the following options:
 - i) Buddy system;
 - ii) technical or soft skills;
 - iii) in-house or external programmes;
 - iv) local or overseas programmes;
 - v) classroom or online programmes; or
 - vi) professional membership subscription.

2. Commitment of the participating companies to facilitate women at work could be reflected through the following:
 - a. A company culture which is supportive of a diverse and inclusive workforce

 - b. Flexible working arrangements
 - Participating companies are in the midst of implementing or already have in place flexible working arrangements, family-friendly facilities or work-life benefits

3. An eligible woman returning to the workforce means a woman who:
 - (i) is a Malaysian citizen;
 - (i) had at least 3 years full time working experience in a managerial and professional capacity prior to ceasing employment;
 - (ii) had no employment income for a period of at least 2 years before commencing employment in the current organisation;
 - (iii) receives a minimum basic salary of RM3,000 per month from the qualifying company; and
 - (iv) is an employee of the qualifying company employed in a managerial or professional capacity

Definitions for the Required Information in Stage 2

1. Training expenses eligible for double deduction incentive

Participating companies are eligible to claim the tax incentive for the training and training-related travel expenses incurred for the year of assessment for each woman returning to the workforce, limited to the following:

A maximum of RM40,000 per year of assessment for the following expenses (for the second deduction):

- a) course or programme fee;
- b) internal trainer's fee;
- c) consumable training materials;
- d) training centre's rent;
- e) examination fee; and
- f) professional membership subscription

A maximum of RM10,000 per year of assessment for the following training-related travel expenses (for the second deduction):

- a) economy class air fare;
- b) a maximum of RM300 per day for accommodation; and

- c) a maximum of RM150 per day for sustenance;
- 2. Dates of the training programme shall fall within 12 months from the commencement date of employment of the woman returning to the workforce.
- 3. The women returning to the workforce must achieve the required attendance as per the participating company's training policy.

Submission of Annual Income Tax

In order to claim for the double tax deduction incentive, the company must have in place the following documents:

- a) The Company shall attach the *Letter of Endorsement* from TalentCorp for the claimed training cost of the qualifying programme.
- b) The Company shall have the following supporting documents for tax submission purpose. The list below is non-exhaustive:
 - i) Employment contract/letter of the woman returning to the workforce
 - ii) Proof of the woman returning to the workforce having no employment income for a period of at least 2 years before commencing employment in the current organisation
 - iii) Proof of attendance of the woman returning to the workforce for the qualifying programme; and
 - iv) Proof of training costs incurred on the woman returning to the workforce

The Company shall provide correct and accurate information in their submission for this tax incentive.