

# Boost Your Tax Savings with SRS!

For Foreigners

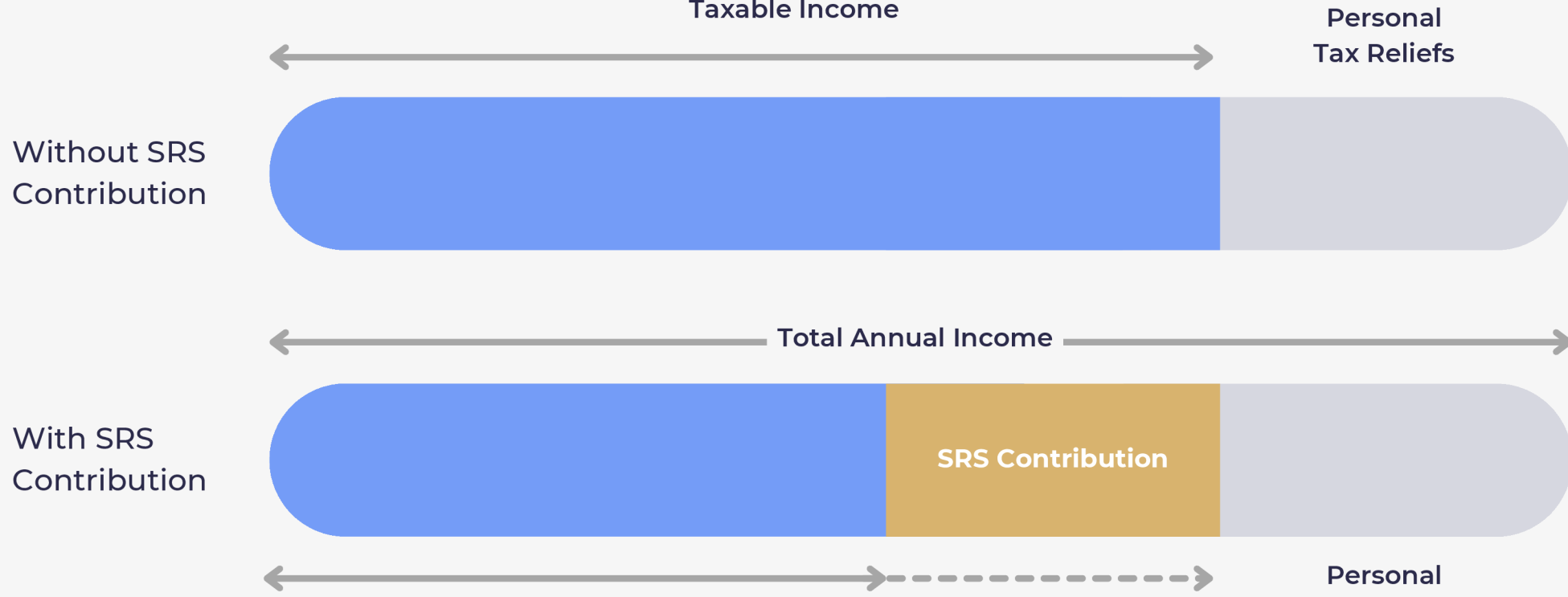


## What is SRS?

The Supplementary Retirement Scheme (SRS) is a voluntary savings scheme that complements your CPF savings for retirement.

**Purpose:** Enhance your retirement savings while enjoying tax benefits.

## Enjoy Tax Savings



## Tax Break Benefits



**Reduce Taxable Income:** Contributions to your SRS account can reduce your taxable income.



**Tax-Free Investment Growth:** Enjoy tax-free growth on your investment returns within the SRS account.



**Only 50%** of the withdrawals from SRS are taxable after retirement age.



From the Year of Assessment 2018, the total personal income tax relief claimable in a year is capped at S\$80,000.

## How Does SRS Work For Foreigners?



### 18 Years Old

Earliest you can start your SRS account



### 63 Years Old

Statutory retirement age as of 2024

### SRS CONTRIBUTION

- The annual contribution cap for SRS accounts for Foreigners is \$35,700.
- Contributions must be made in cash.
- Contributions can be made at any time and in any number of instances (any amount, any time).

### EARLY SRS WITHDRAWAL

- Withdrawals are penalty-free if the SRS account has been maintained for a minimum of 10 years from the date of the initial contribution.\*
- 50% of these withdrawals will be subjected to tax.
- 100% withdrawal must be a one-time full withdrawal of the SRS balance.

### SRS WITHDRAWAL AFTER RETIREMENT AGE

- 50% of these withdrawals will be tax-exempt.
- Starting from the initial withdrawal, you have a period of up to 10 years to withdraw the entire amount.
- Additional contributions to the SRS are not permitted after the first retirement withdrawal.

Retirement age is defined as statutory retirement age that was prevailing when you made your first SRS contribution.

\*A 5% penalty will apply for premature withdrawals, if a foreigner hasn't maintained their SRS account for at least 10 years (this penalty only applies to the amount withdrawn, unless the withdrawal is made under special circumstances).

## Important Deadlines



### Deadline:

Make your contributions by December 31 to qualify for tax breaks for the current year.



### Reminder:

Plan ahead to avoid a last-minute rush and ensure your contributions are processed in time.

## How Can You Get Started?



### Supa Easy!

- Begin by opening an SRS account with DBS, OCBC, or UOB.
- After that, you can start investing your SRS in a range of investment options.
- Keep in mind that funds remaining in the SRS account earns only 0.05% per annum.
- Finally, IRAS will automatically provide you with the tax relief in the year following your contribution!

## Additional Tips



### Check Limits:

Be aware of the annual contribution limits for SRS.



### Consult an Adviser:

Reach out to your financial adviser for personalized advice and planning.

### Sources:

- <https://www.iras.gov.sg/taxes/individual-income-tax/basics-of-individual-income-tax/special-tax-schemes/srs-contributions>
- <https://www.dbs.com.sg/personal/articles/nav/retirement/maximise-the-benefits-of-your-srs-account>
- <https://www.ocbc.com/personal-banking/investments/supplementary-retirement-scheme-account>
- <https://www.uobam.com.sg/insights/srs-investing.page?path=data/uobam/srs-investing>