

Tax - Payroll Guide - Free shares / RSU

Singapore	
Tax points	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax on the fair market value of the shares acquired at the time of vesting. No social security.</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: No capital gains tax on increase in value since vesting, provided shares are not held for trading purposes. No social security.</p>
Income tax (maximum rate)	24% (2025). Any change in tax rates usually takes effect from 1 January.
Income tax rates	Tax rates are progressive. The maximum tax rate applies to annual taxable income over SGD1,000,000.
Employer income tax withholding	No
Employer social security withholding	No Central Provident Fund (CPF) contributions (assuming there is no cash settlement).
Employee social security	<p>Employee social security (max rate): the 20% CPF contribution is applicable to cash remuneration only and is not applicable if the relevant awards are not cash-settled. Lower CPF contribution rates apply for employees over 55 years of age. CPF contributions are only payable in respect of Singapore Citizens and Singapore Permanent Residents.</p> <p>Employee social security (cap): CPF contributions are subject to a cap on ordinary wages (CPF Monthly Salary Ceiling) of SGD7,400 per month (2025). The CPF Monthly Salary Ceiling will increase to SGD8,000 on 1 January 2026. The cap on CPF contributions in respect of additional wages (e.g. bonus payments) is SGD102,000 per year minus the total ordinary wages subject to CPF contributions in the same year.</p>
Employer social security	<p>Employer social security (max rate): the 17% CPF contribution is applicable to cash remuneration only and is not applicable if the relevant awards are not cash-settled. Lower CPF contribution rates apply for employees over 55 years of age. CPF contributions are only payable in respect of Singapore Citizens and Singapore Permanent Residents.</p> <p>Employer social security (cap): CPF contributions are subject to a cap on ordinary wages (CPF Monthly Salary Ceiling) at SGD7,400 per month (2025). The CPF Monthly Salary Ceiling will increase to SGD8,000 on 1 January 2026. The cap on CPF contributions in respect of additional wages (e.g. bonus payments) is SGD102,000 per year minus the total ordinary wages subject to CPF contributions in the same year.</p>
Tax reporting - Individual	Yes

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	<p>There is no specific filing in relation to equity related incentives but equity incentive income must be included within the annual tax return.</p> <p>Report name: Annual Tax Return to the Inland Revenue Authority of Singapore (IRAS) (Form B1 and appendices). Most taxpayers file their tax return online through the IRAS e-services portal. A paper Form B1 will only be sent to individual taxpayers who request one. Usually, the employer will have reported employees' income directly to the IRAS and the income will be reflected on the electronic tax return.</p> <p>Tax period: 1 January to 31 December of the preceding year.</p> <p>Reporting deadline: 15 April (18 April if filed electronically).</p> <p>Payment of tax: any income tax is due within one month after service of the Notice of Assessment issued by the IRAS.</p>
Tax reporting - Employing company	<p>Yes</p> <p>Report name: Return of Employee's Remuneration (Form IR8A and appendices).</p> <p>Tax period: 1 January to 31 December of the preceding year.</p> <p>Reporting deadline: 1 March.</p> <p>The local employer is required to include the gains from awards in the annual Return of Employee's Remuneration. This is made up of Form IR8A and accompanying appendices, including Appendix 8B which is specifically required to be completed for employees who derived gains or profits from Employee Stock Option Plans or other forms of Employee Share Ownership Plans. The return must be completed and issued to the employee by 1 March each year (reporting all remuneration of the employee for the preceding calendar year), and the employee is required to include the information in the Form IR8A (and accompanying appendices) in their Annual Tax Return to the IRAS, unless the local employer has arranged with the IRAS for such information to be transmitted directly to the IRAS.</p> <p>Most employers in Singapore are under the Auto-Inclusion Scheme (AIS) for Employment Income. Under the AIS, employers will submit their employees' income information directly to the IRAS electronically and such income information will be reflected on their employees' electronic Annual Tax Return (and automatically included in their income tax assessment).</p>

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	<p>Separate rules apply to an employee who is ceasing employment with their local employer and is neither a Singapore citizen nor a Singapore permanent resident; or a Singapore permanent resident leaving Singapore permanently. These rules are discussed in the 'Other' tax issues section.</p> <p>Payment of tax: CPF contributions are due at the end of the month. Employers have a grace period of 14 days to pay. If the 14th day falls on a Saturday, Sunday or public holiday, the employer can pay by the next working day.</p>
Malus and clawback - Tax points	The existence of a malus or clawback clause does not affect the tax point for the individual.