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10 Min Read Exposing How A Professional Saved $8,400 in Taxes Using 7 Overlooked Reliefs

A line-by-line breakdown of the legal reliefs Singapore's tax system rewards but most professionals never claim

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In the year of assessment 2023, IRAS processed tax returns from over 1.6 million working residents, and internal estimates suggest a significant share overpaid because they claimed only the automatic reliefs (CPF contributions, earned income relief) and stopped there. If you are earning S$120,000 a year in Singapore, your chargeable income after standard deductions typically lands you paying tax at the 15 percent to 22 percent marginal bracket. That means every S$1,000 in relief you fail to claim is S$150 to S$220 of cash you have handed over unnecessarily.

This guide walks through a realistic scenario: a 38 year old marketing director earning S$120,000 a year, married, with one child, one dependent parent, and a habit of taking evening courses to stay competitive. Before reviewing her reliefs, her estimated tax bill sat close to S$11,050. After working through seven reliefs she qualified for but had never claimed, her bill dropped to roughly S$2,650, a difference of S$8,400. None of this involved aggressive planning, offshore structures, or grey areas. Every relief used here is published on the IRAS website and available to any tax resident who meets the criteria.

The reason most professionals miss these reliefs is not laziness, it is that Singapore's tax relief system is scattered across different government touchpoints, CPF, SRS providers, IRAS's own portal, MOE course registries, and MINDEF NS records. Nobody sends you a consolidated checklist. Your employer's payroll department withholds tax based on your income alone and has no visibility into your SRS account, your caregiving arrangements, or your donation receipts. The result is a system that is technically fair but practically invisible unless you go looking for it.

What follows is a section by section walkthrough of each relief used in this scenario, with the exact dollar mechanics, who qualifies, how to claim it, and the mistakes that cause people to lose the benefit entirely. Read it once, then treat it as a checklist against your own income and circumstances before 31 December this year.

01

SRS Contributions: The Single Largest Lever

The Supplementary Retirement Scheme allows Singapore citizens and permanent residents to contribute up to S$15,300 a year (S$35,700 for foreigners) into a dedicated account, and every dollar contributed is deducted from your chargeable income dollar for dollar. For our S$120,000 earner sitting in the 22 percent marginal bracket, a full S$15,300 contribution translates to S$3,366 in tax saved in that single year, simply by moving money from a regular bank account into an SRS account with DBS, OCBC, or UOB. The money is not lost, it can be invested in unit trusts, ETFs, bonds, or single stocks inside the SRS account, so the relief is effectively a tax deduction on capital you still control and can grow.

The mechanics matter here because SRS is often confused with CPF, and the two behave differently. SRS withdrawals before the statutory retirement age (currently 63 for those born in 1958 or later) are taxed at 100 percent of the withdrawn amount plus a 5 percent penalty, while

withdrawals after that age enjoy 50 percent tax exemption on the amount withdrawn, spread over up to 10 years to keep each year's withdrawal below the tax-free threshold. This means SRS works best as a genuine long-term retirement bucket, not a parking spot for short-term tax arbitrage. Our example professional contributed S$15,300 in December, three weeks before year end, which still counted for that year of assessment because IRAS recognises contributions made any time within the calendar year.

The most common mistake is waiting until the last week of December and finding the bank's SRS processing window has closed, or contributing partial amounts across multiple years without tracking the cumulative cap. Another frequent error is assuming SRS relief is automatic. It is not; you must actually make the transfer into the account before 31 December, and the relief only reflects in your tax bill the following March when IRAS auto-includes it based on data submitted by the SRS operator banks. Key takeaway: if you earn S$80,000 or more, a full S$15,300 SRS contribution before year end is close to a guaranteed 15 to 22 cent return on every dollar you set aside, before any investment growth on top.

02

CPF Cash Top-Up: Two Reliefs, One Transfer

The CPF Cash Top-Up scheme lets you top up your own Special Account or Retirement Account, and separately top up a family member's account, each earning its own relief bucket. For yourself, contributing up to S$8,000 cash into your Special Account or Retirement Account earns you up to S$8,000 in tax relief, and a further S$8,000 relief is available if you top up the SA or RA of an eligible family member such as a parent, parent-in-law, grandparent, or spouse, provided their combined income for the preceding year did not exceed S$4,000. Combined, this is a potential S$16,000 relief ceiling, which at the 22 percent bracket is worth up to S$3,520 in tax saved, second only to SRS in raw dollar impact.

In the working scenario, our professional topped up her own SA by S$6,000 and her mother's RA by S$4,000, a combined S$10,000 outlay that generated S$10,000 in relief and saved S$2,200 in tax at her marginal rate. She chose this over maxing out the full S$16,000 because her cash flow that year was tighter after a home renovation, illustrating that these reliefs are not all-or-nothing, you can calibrate the amount to what you can genuinely afford to lock away. It is worth noting CPF SA and RA top-ups are largely irreversible, the money stays in the CPF system until the statutory withdrawal age, so this relief suits people who see CPF as a legitimate part of their retirement portfolio rather than idle cash.

A frequent mistake is confusing the Retirement Sum Topping-Up Scheme relief cap with the total CPF Annual Limit of S$37,740, which governs how much can flow into CPF overall from all sources including mandatory contributions. Topping up beyond your remaining headroom under the Full Retirement Sum will simply not generate further relief, so professionals in their 40s and 50s should check their current SA or RA balance against the prevailing Enhanced Retirement Sum (S$426,000 in 2025) before assuming the full S$8,000 will count. Key takeaway: a S$10,000 to

S$16,000 CPF top-up split between yourself and a low-income family member is one of the few reliefs that simultaneously reduces your tax and strengthens retirement adequacy for people you care about.

03

Course Fees Relief: Learning That Pays You Back

Course Fees Relief allows a claim of up to S$5,500 a year for fees paid on courses, seminars, or certifications that lead to an approved qualification or are relevant to your current employment or trade. This includes professional certifications like the CFA, ACCA, PMP, or SkillsFuture-approved courses in data analytics, digital marketing, or leadership, provided the course itself qualifies and you were not fully reimbursed by your employer or a government subsidy. At the 22 percent bracket, a full S$5,500 claim is worth S$1,210 in tax saved, and unlike SRS or CPF top-ups, this relief does not require you to set aside new capital, it simply recognises money you were likely spending on career development anyway.

In our scenario, the professional had paid S$4,200 out of pocket for a digital marketing certification after her SkillsFuture Credit and employer subsidy covered part of the cost, and she claimed the net S$4,200, worth S$924 in tax relief. The critical detail here is that only the portion you personally paid counts, if your employer reimbursed S$3,000 of a S$7,000 course, you can only claim the remaining S$4,000, and you need to retain the official receipt and course completion certificate as supporting documents in case IRAS requests verification. Note that this relief is only available if you had taxable earned income during the year the course was taken, so it does not apply to sabbaticals or career breaks with zero income.

Many professionals miss this relief because they assume it only applies to formal degree programmes, when in fact short professional certifications, language courses relevant to your role, and even certain workshops qualify, as long as the course provider is accredited and the subject matter connects to your current or intended trade. The common error is failing to keep receipts past the tax filing deadline, since IRAS can request documentation up to two years after assessment, and without proof the relief can be clawed back with penalties. Key takeaway: if you spent money on professional development this year, check your receipts before you file, this is close to a free S$1,000-plus tax reduction sitting in your inbox as unclaimed invoices.

04

Caregiver Relief: Parent And Handicapped Dependent

Parent Relief allows a claim of S$9,000 per dependent parent, grandparent, or parent-in-law if you are not living with them but supporting them, or S$14,000 if you are living in the same household, provided their annual income does not exceed S$8,000 and you provided at least S$2,000 in support during the year. If the dependent is handicapped, the relief rises further under

Handicapped Parent Relief to S$14,000 (not living with you) or S$16,000 (living with you), recognising the higher cost of care involved. For someone at the 22 percent bracket supporting two parents living with them, this can mean up to S$28,000 in relief, worth S$6,160 in tax saved, making this one of the highest-value reliefs available to any professional in the sandwich generation.

In the working example, our professional lived with her mother and provided clear financial support, qualifying for the full S$14,000 Parent Relief, worth S$3,080 in tax saved at her marginal rate. She also shared the caregiving with her brother, and importantly, only one sibling can claim Parent Relief for the same dependent in a given year, so they had to agree between themselves who would claim it, since IRAS will reject duplicate claims for the same parent. This relief can also be split proportionally if agreed in advance, for instance 50-50 between two siblings, each claiming S$7,000 rather than one claiming the full amount.

The most common mistake is families assuming the relief is automatic because they are obviously supporting a parent, when IRAS requires the parent's income to genuinely fall under the S$8,000 threshold and expects the claimant to be able to show at least S$2,000 of actual support in cash, necessities, or medical costs if audited. Another mistake is two working siblings both claiming the same parent without coordination, which triggers an IRAS query and can delay both tax assessments while the matter is resolved. Key takeaway: if you support a parent financially, confirm with siblings who is claiming the relief before filing, and keep basic records of transfers or expenses paid on your parent's behalf as evidence.

05

NSman Relief: An Easy Win For Reservists

NSman Relief rewards operationally ready national servicemen and their spouses or parents with S$1,500 for the NSman who did not perform any activity that year, rising to S$3,000 if key appointment holder duties were performed, or S$5,000 for those who completed high key appointment holder duties, with additional S$750 or S$1,500 reliefs available to the wife or parent of an NSman who performed national service activities that year. This is one of the few reliefs that requires no application at all in most cases, MINDEF transmits the data directly to IRAS, and the relief appears automatically in your tax assessment if you served your in-camp training or key appointment duties within the year.

For a male professional earning S$120,000 who held a key appointment holder role in his reservist unit and completed his cycle that year, the S$3,000 relief is worth S$660 in tax saved at the 22 percent bracket, purely for fulfilling an obligation he was already required to complete. If his wife wants to claim the NSman Wife Relief of S$750 because he performed NS activities that year, she can do so on her own tax filing if she has assessable income, effectively doubling the household benefit from a single reservist's training cycle.

The mistake here is not that people fail to serve, it is that some professionals do not realise the relief tier changes based on role, and fail to update their particulars or confirm their appointment status with their unit, which can result in being credited the base S$1,500 relief instead of the higher S$3,000 or S$5,000 they actually qualify for. It is worth checking your NS Portal or year end tax statement to confirm the correct tier was applied, and flagging any discrepancy to IRAS or MINDEF directly rather than assuming the system got it right. Key takeaway: if you are an operationally ready NSman, this relief should appear without any action from you, but it is worth a five minute check each year to confirm the tier matches your actual appointment and training completed.

06

Donation Deductions: A 2.5x Multiplier

Donations to Institutions of a Public Character and other approved recipients such as approved museums or the government under matching grant schemes qualify for a tax deduction of 2.5 times the donation amount, meaning a S$1,000 donation reduces your chargeable income by S$2,500, not S$1,000. At the 22 percent marginal bracket, that S$1,000 donation delivers S$550 in tax savings, effectively meaning the government is subsidising 55 percent of your giving, a multiplier most people are unaware exists because they think of donations purely as a cost rather than a tax-efficient reallocation of funds.

In the working scenario, our professional donated S$2,000 across the year to two IPCs, one supporting elderly welfare and one supporting children's education, both appearing on the IPC list published by the Ministry of Culture, Community and Youth. This S$2,000 donation generated a S$5,000 deduction, worth S$1,100 in tax saved, meaning her net cost of giving S$2,000 to causes she cared about was effectively S$900 after the tax benefit is accounted for. Crucially, donations must be made to registered IPCs, donations to informal fundraisers, overseas charities without IPC status, or crowdfunding campaigns for individuals typically do not qualify, regardless of how worthy the cause.

The common mistake is donating cash directly to individuals or informal collection drives assuming it counts, or losing the tax deduction receipt that the IPC is required to issue, without which IRAS cannot verify and auto-include the deduction in your assessment. Since 2017, most IPCs submit donation records electronically to IRAS directly, so the deduction usually appears automatically, but it is worth checking your Notice of Assessment each year against your own donation records to confirm nothing was missed, particularly for donations made late in December when processing delays can push the record into the following year. Key takeaway: if you are already inclined to donate, doing so through a registered IPC before year end turns every S$1,000 given into S$550 of real tax savings, making structured giving one of the most efficient reliefs per dollar spent.

07

Working Mother's Child Relief: Household Leverage

Working Mother's Child Relief allows a working mother who is married, divorced, or widowed to claim a percentage of her earned income for each qualifying child who is a Singapore citizen, set at 15 percent of earned income for the first child, 20 percent for the second, and 25 percent for the third and each subsequent child, subject to an overall cap across all child reliefs of S$50,000 per child when combined with Qualifying Child Relief. For a mother earning S$120,000 with one child, this translates to S$18,000 in relief, worth S$3,960 in tax saved at the 22 percent bracket, making it one of the single largest reliefs available to working mothers in Singapore, often exceeding the value of SRS or CPF top-ups combined.

In the working scenario, this relief alone accounted for close to half of the total S$8,400 tax reduction, since our professional had not previously realised WMCR could be claimed on top of the standard Qualifying Child Relief of S$4,000, rather than instead of it, provided the combined cap of S$50,000 per child is respected. Households need to decide which parent claims Qualifying Child Relief versus WMCR to optimise total household tax, since WMCR is only available to the mother while QCR can be split or assigned between both parents, and running the numbers both ways before filing can reveal several hundred to several thousand dollars of difference depending on each spouse's respective income and marginal rate.

The most frequent mistake is mothers assuming WMCR is only for lower income earners or that it phases out at higher salaries, when in fact it is calculated purely as a percentage of earned income with no upper income disqualification, meaning higher earning mothers actually receive a larger absolute relief. Another mistake is not reassessing the QCR versus WMCR split when income changes year to year, for instance after a promotion or when one spouse switches to part-time work, which can shift the optimal claiming strategy substantially. Key takeaway: working mothers earning S$80,000 or more should recalculate their WMCR versus QCR split every year rather than defaulting to the same allocation, since a shift in either spouse's income can change the optimal claim by thousands of dollars.

08

Putting It Together: The Full $8,400 Breakdown

Laid out side by side, the seven reliefs in this scenario worked as follows: SRS contribution of S$15,300 saved S$3,366, CPF top-up of S$10,000 saved S$2,200, Course Fees Relief of S$4,200 saved S$924, Parent Relief of S$14,000 saved S$3,080, NSman Relief did not apply to her directly but her husband's S$3,000 relief saved S$660 on his own filing, donations of S$2,000 generating a S$5,000 deduction saved S$1,100, and Working Mother's Child Relief of S$18,000 saved S$3,960. Summed across her own personal filing (excluding her husband's NSman relief which sits on a separate tax return), the total tax reduction came to approximately S$8,400, taking her estimated tax bill from S$11,050 down to roughly S$2,650, a reduction of 76 percent.

What makes this achievable is that none of these reliefs required aggressive restructuring or unusual financial products, they required documentation, timing, and awareness, three things most professionals underinvest in relative to the dollar value at stake. It is worth noting that reliefs stack against your chargeable income progressively, so someone earning S$80,000 rather than S$120,000 would see smaller absolute savings on each relief since they sit in a lower marginal bracket (11.5 percent to 15 percent rather than 22 percent), but the percentage reduction in their tax bill can be just as dramatic, sometimes larger, since a bigger share of their income sits in the lower brackets that reliefs can eliminate first.

The overall lesson is that Singapore's tax system is not designed to be adversarial, it is designed to reward specific behaviours: saving for retirement, caring for family, investing in skills, giving to community causes, and serving national obligations. Professionals who treat tax planning as a once a year scramble in December tend to miss two or three reliefs simply from lack of preparation time, while those who build a running list throughout the year rarely leave money on the table. Key takeaway: build a personal relief tracker in January each year, updating it every time you make an SRS contribution, CPF top-up, donation, or course payment, so that by December you are executing a plan rather than guessing.

09

Your Year-End Tax Optimisation Checklist

The window to act on most of these reliefs closes on 31 December each year, since IRAS assesses based on the calendar year regardless of when you eventually file between March and April. A practical timeline starts in October: review your SRS contribution room against the S$15,300 cap and top up any shortfall, check your CPF SA or RA balance against the Enhanced Retirement Sum to confirm remaining headroom for top-ups, and gather receipts for any professional courses paid out of pocket during the year. By November, confirm with siblings who will claim Parent Relief this year if applicable, and calculate whether donating before year end to a registered IPC makes sense given your current marginal bracket.

In December, execute all contributions and donations with at least a week of buffer before the 31st, since bank processing and IPC receipt issuance can lag during the year end rush, and a transfer initiated on 30 December that only clears on 2 January will not count for that year of assessment. It is also worth logging into the myTax Portal in early January to review your Notice of Assessment auto-inclusions from employers, CPF, MINDEF, and IPCs, cross-checking each against your own records before the filing deadline, since errors or missing data are far easier to correct before submission than after assessment has been finalised.

A final practical note: these reliefs are not one-time events, they reset every calendar year, meaning the S$8,400 saved in this scenario is not a one-off windfall but a repeatable annual outcome if the same habits and contributions are maintained. Over a 10 year working career, disciplined use of these seven reliefs alone, compounded with the growth on SRS and CPF balances, can represent well over S$80,000 in cumulative tax savings, not accounting for

investment returns on the capital redirected into SRS and CPF along the way. Key takeaway: treat late October to mid December as your annual tax optimisation window, and build a two hour calendar block each year to review, contribute, and document before the year closes.

> The seven reliefs covered here, SRS contributions, CPF cash top-ups, course fees relief, parent and handicapped caregiver relief, NSman relief, donation deductions, and Working Mother's Child Relief, are all published, legal, and available to any Singapore tax resident who meets the criteria. The difference between paying S$11,050 and S$2,650 in tax on the same S$120,000 income was not aggressive planning, it was awareness, timing, and documentation. If you take one action after reading this, let it be pulling up your last Notice of Assessment and checking which of these seven reliefs you claimed and which you did not.
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> If you would like a second pair of eyes on your specific numbers, whether that is calculating your exact SRS headroom, working out the optimal QCR versus WMCR split with your spouse, or reviewing which caregiver reliefs you may be missing, Umar is happy to walk through your situation directly. There is no pressure to act immediately, the goal of this guide is that you leave with more clarity than you had before, and a conversation is simply there if you want to go one level deeper on how these reliefs fit into your broader wealth picture.

About Umar

Umar Yusof is a practising investor across stocks, property, and private businesses, and runs an AI agency alongside his investing work. He helps Singapore professionals and business owners build and protect wealth using his S.H.I.F.T. Method, a structured approach to turning income into lasting financial leverage. This guide reflects the same practical, numbers-first approach he applies to his own portfolio and to the professionals he works with directly.

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