



Awards

Tax treatment of awards given to employees for passing examinations, innovation, long-service, providing good service, referrals, work performance, etc.

Cash awards refer to cash or gift/shopping vouchers. Examples of non-cash awards are a pen, a plaque and a watch.

Tax Treatment of Awards (Summary Table)

Nature		Taxable / Not taxable
1	Award for passing internal/ external examination (cash / non-cash)	This award is not taxable if the value of the benefit does not exceed \$200. If the award exceeds the exemption threshold of \$200, the whole value is taxable.
2	Bursary	
	a) The scheme is open to all employees with the purpose of providing financial assistance to needy employees and awards are only given to eligible employees who satisfy certain criteria, e.g. income of family members.	Not taxable
	b) Reward for services rendered by a specific employee	Taxable
3	Innovation / Improvement	Not taxable due to administrative concession
4	Long Service / Retirement	
	a) Cash awards	Taxable
	b) Non-cash awards	Not taxable if it does not exceed \$200. If the award exceeds the exemption threshold, the whole value is taxable.
		See Long Service/Retirement below.
5	Recognition for good service provided (cash / non-cash) e.g. GEMS award, Most Courteous Employee Award. These are awards given to recognise good services provided to external or internal customers.	This award is not taxable if the value of the benefit does not exceed \$200. If the award exceeds the exemption threshold, the whole value is taxable.
		See Recognition for Good Service below.
6	Recognition for work performance (cash / non-cash) e.g. awards given to promote corporate culture and organising company events and attaining goals / targets	Taxable

Nature		Taxable / Not taxable
7	Payment for successfully referring friends or relatives to work for the company.	Taxable even if the award is also available to non-employees
8	Zero/low Medical Leave (cash / non-cash)	<p>This award is not taxable if the value of the benefit does not exceed \$200.</p> <p>If the award exceeds the exemption threshold, the whole value is taxable.</p>

Long Service/ Retirement (Non-Cash Awards)

Non-cash awards are taxable as they are granted in respect of employment.

Administrative Concession

Non-cash awards that **do not exceed \$200** are considered to be not substantial in value and are **not taxable** due to an administrative concession granted.

If the award exceeds the exemption threshold, the whole value is taxable.The cost incurred by the employer must be declared if the award is taxable.

Engravings on Awards

When the company engraves its logo on the award, e.g. a watch or a pen, the award is still taxable if it exceeds \$200 (substantial in value).

Recognition for Good Service

There can be different types of awards given for good service. The exemption is applied on a per award category basis.

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Example 1: Two Good Service Awards from Different Categories	▼
Example 2: Two Good Service Awards from Same Category	▼
Example 3: One Long Service Award and One Good Service Award	▼

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