

LIAM Budget wishlist: More tax relief on insurance premiums

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KUALA LUMPUR (Sept 25): The Life Insurance Association of Malaysia (LIAM) has requested for higher individual tax reliefs on insurance premiums in its 2013 Budget Wish List.

In a statement Tuesday, LIAM said that the current yearly tax relief of RM6,000 given by the government on the aggregate of insurance premiums and EPF contributions needs to be updated in line with inflation and rising wage levels.

"The amount has remained constant for a number of years. With rising wage level, the EPF contributions have taken up a substantial portion of the RM6,000, leaving an ever-diminishing amount left to be claimed as tax relief on insurance premiums," said LIAM.

The insurance group has suggested a separate tax relief of RM6,000 be given on insurance premiums alone to relieve taxpayers of financial burdens and encourage better financial planning.

LIAM president, Vincent Kwo has also called for the current 8% tax on investment income from life insurance funds be removed.

"Whilst other similar investment vehicles such as unit trusts are exempted from paying tax on investment income, this is not the case for the rakyat's investment income in the life insurance fund," said Kwo.