

## MEDIA RELEASE

### Over 2 Million Employees to Benefit from Pre-filled Tax Returns

#### 120,000 AIS Employers to Submit Employees' Employment Income Data by 1 Mar to Avoid Penalties

- **11,000 employers missed AIS deadline in 2024, leading to inaccurate and/or delayed tax assessments for 140,000 employees**
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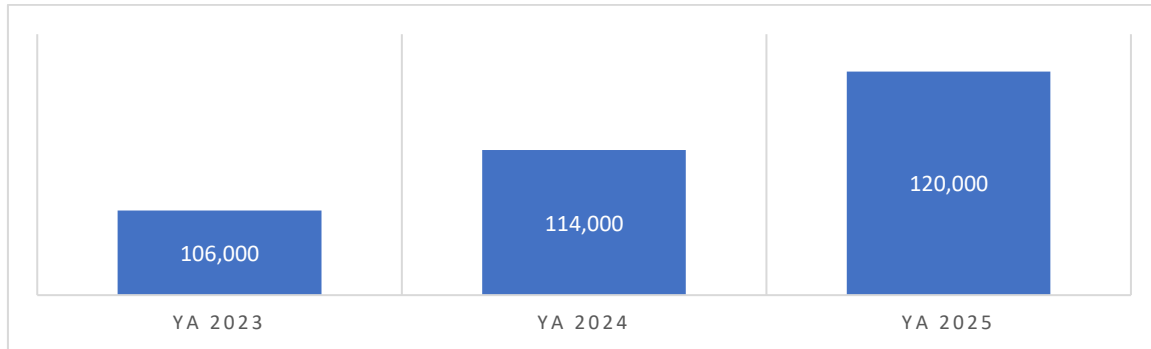
**11 Feb 2025:** Over 2 million employees (9 in 10 employees) whose employers are on the Auto-Inclusion Scheme (AIS) will benefit from the convenience of pre-filled tax returns, No-Filing Service (NFS) or Direct Notice of Assessment (D-NOA) for Year of Assessment 2025. This is made possible as the Inland Revenue Authority of Singapore (IRAS) extends the AIS to about 120,000 employers, requiring them to electronically submit their employees' 2024 employment income information to IRAS by 1 March 2025, ahead of the tax filing season. The submission requirement applies to all employers that are already on the AIS even if they have less than 5 employees in 2024, and employers that started having 5 or more employees in 2024. Non-compliance is an offence under the Income Tax Act.

While majority of the employers have been compliant, some 11,000 employers missed the AIS deadline in 2024, causing inaccurate or delayed tax assessments for 140,000 employees. Employers that do not file on time commit an offence and cause inconvenience to their employees due to the missing pre-filled employment income information.

#### **About 120,000 AIS Employers to File Employees' Employment Income Data for YA 2025**

This year, 12,500 new AIS employers join the growing AIS employer base, and will submit their employees' income data to IRAS for the first time under the AIS. This brings the number of AIS employers to about 120,000 employers. These employers would have received a letter from IRAS in January 2025 informing them of their AIS obligations.

## Growing base of AIS employers<sup>1</sup>



### Penalties Collected from Repeat Offenders Exceeded \$790,000 in 2024

Employers that do not file by 1 March 2025 can be fined up to \$5,000. Key personnel of non-compliant businesses such as company directors or precedent partners can also be fined up to \$10,000, and/or face imprisonment for a term of up to 12 months.

For YA 2024, 1 in 10 employers on the AIS failed to file on time (i.e., late or non-submission). IRAS prosecuted 654 repeat offenders and collected penalties exceeding \$790,000 in 2024. These repeat offenders would have received multiple letters, emails and/or calls from IRAS to remind them of their filing obligations. Majority of these employers are in the food and beverage, wholesale trade and construction industries.

### Common AIS Filing Errors

Employers must ensure the submission of complete and accurate employment income information for their employees to IRAS, as this data will be used to calculate their employees' tax bills.

[Common AIS filing errors made by employers](#) include omitting taxable benefits-in-kind (cash/ non-cash) and employee income/ benefits outside the payroll system, incorrect reporting of accommodation benefit, as well as the under-reporting of stock/ options gains.

### Voluntary Disclosure Programme

Submitting inaccurate employees' employment income information is an offence and may result in a penalty up to double the amount of tax undercharged. Employers are encouraged to voluntarily disclose any past errors or omissions in their employees' information immediately, for

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<sup>1</sup> For YA 2025, over 6,000 AIS employers are no longer required to file under the AIS as they have ceased business operations and/or no longer have employees in 2024.

reduced penalties under IRAS' Voluntary Disclosure Programme. More details on the Voluntary Disclosure Programme can be found at [go.gov.sg/iras-iitvdp](https://go.gov.sg/iras-iitvdp).

**Inland Revenue Authority of Singapore**