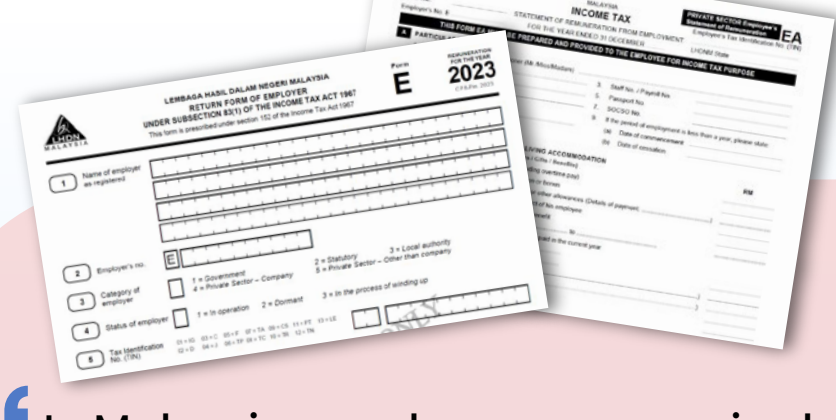


MALAYSIA'S ANNUAL TAX EA & E FORM GUIDE:

Everything Employers Need to Know

These forms are essential for ensuring compliance with the **Inland Revenue Board of Malaysia (LHDN)** and helping employees file their taxes accurately. The EA Form, which summarizes an employee's earnings and deductions, must be **distributed to employees by 28 February**. Meanwhile, Form E, which reports **employee income and tax details to LHDN, is due by 30 April**. Late submissions can result in penalties, making it crucial for HR departments to manage these tasks efficiently.

Navigating Malaysia's tax regulations can be challenging, especially with frequent updates and varying requirements. While



“ In Malaysia, employers are required to prepare and submit two critical tax-related forms annually: The EA Form and Form E. ”

some employers rely on all-in-one HR systems to stay compliant, understanding the specifics of these forms is vital. In this guide, we'll break down everything you need to know about the EA Form and Form E, their importance, and how they contribute to effective human resource management.



Understanding the EA Form in Malaysia

The EA Form is a statutory document that employers must prepare for their employees. It serves as a summary of an employee's total earnings, deductions, and contributions for the year. Whether your employees are full-time, part-time, or have worked for more than seven days, they are entitled to receive this form.

What is the EA Form?

The EA Form, also known as CP8A or Borang EA, is a statement of remuneration from employment. It includes details such as:

- Gross salary
- Bonuses and commissions
- Allowances (e.g., petrol, meal allowances)
- Benefits-in-kind (e.g., health insurance, company car)
- Contributions to private pensions
- Additional tax deductions

This form enables employees to file their personal income tax returns accurately and declare their earnings to LHDN.

Why is the EA Form Important?

The primary purpose of the EA Form is to ensure that employees can:

- Determine their income tax bracket.
- Accurately declare their earnings, deductions, and contributions.
- Use it as a reference for tax payments and disclosures.

For employers, preparing the EA Form is a legal obligation. Failure to distribute it on time can result in penalties, including fines of **up to RM20,000**, imprisonment for up to six months, or both.

Understanding Form E in Malaysia

In addition to the EA Form, employers must also submit **Form E to LHDN**. This form provides an overview of the company's workforce and their income details for the year.

What is Form E?

Form E, or Borang E, is an annual report submitted by employers to LHDN. It includes:

- The total number of employees in the company.
- Employee income details.
- Tax deductions made throughout the year.
- Information on new hires and resignations.

As of recent updates, LHDN no longer accepts manual submissions for Form E. Employers must use the e-PCB system or LHDN-approved payroll software to file the form.

Why is Form E Important?

Form E serves as a critical tool for LHDN to monitor tax compliance and ensure accurate reporting of employee income. It also provides employees with the necessary information to file their annual tax returns.



Key Deadlines for EA Form and Form E

EA Form	Form E
Must be distributed to employees by 28 February of the assessment year.	Must be submitted to LHDN by 30 April of the assessment year.

Missing these deadlines can lead to significant penalties, including fines and reputational damage.

Penalties for Late Submission

Failing to meet the deadlines for the EA Form and Form E can result in:

- Monetary Fines**
 - Ranging from RM200 to RM20,000.
- Increased Scrutiny**
 - Repeated late submissions may lead to closer monitoring by tax authorities.
- Imprisonment**
 - Up to six months for non-compliance.
- Employee Dissatisfaction**
 - Delays can disrupt employees' tax filing processes, leading to frustration and mistrust.

To avoid these risks, employers should prioritize timely preparation and submission of these forms.

How to Ensure Compliance and Accuracy

- Use Automated HR Systems**
 - Leverage LHDN-approved payroll software to streamline the preparation of EA Forms and Form E.
- Employee Dissatisfaction**
 - Delays can disrupt employees' tax filing processes, leading to frustration and mistrust.
- Double-Check Data**
 - Verify employee details, income, and deductions to avoid errors in tax calculations.
- Plan Ahead**
 - Start preparing these forms early to avoid last-minute rushes and potential mistakes.

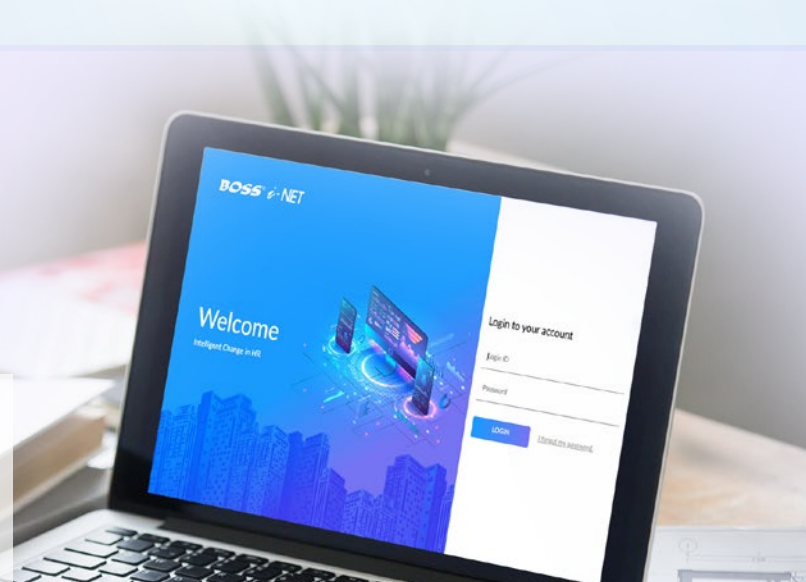
Empowering HR Teams

with **BOSS HRMS**

Managing tax compliance can be complex, but with the right tools, it doesn't have to be overwhelming. BOSS HRMS is a comprehensive HR solution designed to simplify payroll and tax management for Malaysian businesses.

With features like automated tax calculations, instant payroll reports, and real-time compliance updates, BOSS HRMS helps HR professionals:

- Prepare EA Forms and Form E accurately and efficiently.
- Stay updated with the latest tax regulations.
- Enhance employee satisfaction by ensuring timely submissions.



Timely submission of the EA Form and Form E is not just a legal requirement—it's a demonstration of your commitment to employee well-being and financial security. By leveraging advanced HR tools like **BOSS HRMS**, you can streamline the process, ensure compliance, and focus on what matters most – growing your business.

With automated tax calculations and instant payroll reports features, **BOSS can help you to simplify the preparation of EA Form Malaysia and Form E Malaysia**, while ensuring compliance.

EXPLORE BOSS HRMS: BOOK A FREE DEMO TODAY!