

## FAQ on the Fixed Expense Deduction Ratio (FEDR) for delivery workers

### Eligibility

No.	Question	Answer
1	<p>If my total annual gross income earned from delivery services is more than \$50,000, can I still claim my allowable business expenses based on the following percentage:</p> <ul style="list-style-type: none"> <li>• <b>20%</b> for walkers and bicycles</li> <li>• <b>35%</b> for power-assisted bicycles, motorised personal mobility devices (including motorised personal mobility aids), and motorcycles; or</li> <li>• <b>60%</b> for van</li> </ul> <p>If not, what is an appropriate amount of expenses I can claim as tax deductions?</p>	<p>If the total annual gross income earned from delivery services is more than \$50,000, you do not fulfil the <a href="#">qualifying conditions</a> for claiming FEDR(s).</p> <p>However, you can claim the actual allowable business expenses that you have incurred to perform your delivery services.</p>
2	<p>Can I claim FEDR(s) if I am performing the delivery services on a part-time or ad-hoc basis?</p>	<p>You can claim FEDR(s) as long as you fulfil the <a href="#">qualifying conditions</a>. This is regardless of whether you are providing delivery services on a full-time, part-time, or ad-hoc basis.</p>
3	<p>Can I claim FEDR(s) if I fulfil all of the qualifying conditions, except that I use both the:</p> <ul style="list-style-type: none"> <li>• Prescribed delivery mode (e.g. van); and</li> <li>• Other delivery mode (e.g. truck)?</li> </ul>	<p>If you use multiple delivery modes to perform your delivery services, the FEDR(s) option should be elected across all delivery modes used or none at all.</p> <p>As such, if any of your delivery modes does not fall within the <a href="#">prescribed list of delivery modes</a>, you will not be able to claim FEDR(s) for any of your delivery income (including delivery income earned using the prescribed delivery mode(s)).</p> <p>Instead, you can claim the actual allowable business expenses against your total delivery income earned from all delivery modes.</p>
4	<p>I have set up a sole proprietorship/ partnership/ company to provide delivery services by employing delivery</p>	<p>No, the FEDRs for delivery workers are only available for self-employed individuals.</p> <p>The FEDR(s) for delivery workers is introduced to simplify tax filing for self-employed delivery workers.</p>

	<p>workers or working with some freelancers.</p> <p>Can my business claim FEDR(s)?</p>	<p>Individuals who set up businesses such as sole-proprietorships, partnerships or companies to provide delivery services are not allowed to claim FEDR(s) for delivery workers.</p> <p>However, you can claim the actual allowable business expenses incurred by you to perform your delivery services.</p>
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### **Claiming FEDR(s)**

No.	Question	Answer						
5	How do I claim the FEDR(s) when I am filing my Income Tax Return?	<p><b><u>For e-Filing</u></b></p> <p>When you e-File your Income Tax Return and declare your income from delivery services, you can select the 'Deemed Expenses' option when claiming your allowable business expenses.</p> <p>To do so, you can:</p> <ol style="list-style-type: none"> <li>1. Log in to <a href="#">myTax Portal</a> with your Singpass/ <a href="#">Singpass Foreign user Account (SFA)</a></li> <li>2. Select '<b>Individuals</b>' &gt; '<b>File Income Tax Return</b>'</li> <li>3. Scroll down and select '<b>Edit My Tax Form</b>'</li> <li>4. Go to '<b>2. Trade, Business, Profession or Vocation</b>' &gt; '<b>Sole-Proprietorship/ Self-Employed Income</b>'</li> <li>5. Select '<b>Update</b>'</li> <li>6. Complete the tax form as follow:</li> </ol> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #0070C0; color: white;"> <th style="width: 40%;">Fields</th> <th style="width: 60%;">What you need to complete</th> </tr> </thead> <tbody> <tr> <td style="background-color: #D9E1F2;"><b>Nature of Business</b></td> <td>Select '<b>DELIVERY WORKERS (e.g. FOOD, PARCELS, PETS, etc.)</b>'</td> </tr> <tr> <td style="background-color: #D9E1F2;"><b>Delivery Mode</b></td> <td>           Select the applicable delivery mode:           <ul style="list-style-type: none"> <li>• Walker (including use of Public Transportation), Bicycle</li> <li>• Power-Assisted Bicycle, Motorised Personal Mobility Device, Motorcycle</li> <li>• Van</li> <li>• Others*</li> </ul> <p><small>*Others refer to other delivery modes such as cars, lorries or trucks that do not fall within the list of prescribed delivery modes which qualifies for FEDR. You will also need to input the applicable delivery mode(s) that</small></p> </td> </tr> </tbody> </table>	Fields	What you need to complete	<b>Nature of Business</b>	Select ' <b>DELIVERY WORKERS (e.g. FOOD, PARCELS, PETS, etc.)</b> '	<b>Delivery Mode</b>	Select the applicable delivery mode: <ul style="list-style-type: none"> <li>• Walker (including use of Public Transportation), Bicycle</li> <li>• Power-Assisted Bicycle, Motorised Personal Mobility Device, Motorcycle</li> <li>• Van</li> <li>• Others*</li> </ul> <p><small>*Others refer to other delivery modes such as cars, lorries or trucks that do not fall within the list of prescribed delivery modes which qualifies for FEDR. You will also need to input the applicable delivery mode(s) that</small></p>
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<b>Nature of Business</b>	Select ' <b>DELIVERY WORKERS (e.g. FOOD, PARCELS, PETS, etc.)</b> '							
<b>Delivery Mode</b>	Select the applicable delivery mode: <ul style="list-style-type: none"> <li>• Walker (including use of Public Transportation), Bicycle</li> <li>• Power-Assisted Bicycle, Motorised Personal Mobility Device, Motorcycle</li> <li>• Van</li> <li>• Others*</li> </ul> <p><small>*Others refer to other delivery modes such as cars, lorries or trucks that do not fall within the list of prescribed delivery modes which qualifies for FEDR. You will also need to input the applicable delivery mode(s) that</small></p>							

				<p>you have used to earn your delivery income.</p> <p>Do note that when you select 'Others', you will not be allowed to claim the FEDR option on <b>ALL</b> your delivery income. Instead, you have to claim tax deductions based on your actual allowable business expenses incurred.</p>
			<b>Revenue</b>	Declare your total annual gross income earned from delivery services.
			<b>Less: Expenses</b>	<p><b><u>Claiming FEDR(s)</u></b> The 20%/ 35%/ 60% deemed expenses will automatically be computed depending on the prescribed delivery mode selected.</p> <p><b><u>Claiming actual allowable business expenses</u></b> Select 'Actual Allowable Business Expenses' and declare the amount of allowable business expenses incurred for the above delivery mode.</p>
			<b>Adjusted Profit/ Loss (Revenue – Expenses)</b>	<i>This amount will be auto computed after you have completed all of the fields above.</i>
			<p><b><u>For paper filing</u></b> When you are filing your Income Tax Return (i.e. Form B/ B1) via hardcopy, you will need to compute the amount of FEDR(s) manually and declare the amount in the paper Form B/ B1.</p>	
			<p><b><u>Illustrative Example:</u></b></p> <p>Assuming that:</p> <ul style="list-style-type: none"> <li>• Your total annual gross income from delivery services is \$40,000</li> <li>• You are claiming 35% FEDR for the use of your motorised personal mobility device as your delivery mode</li> </ul>	

		<p>Based on the above, you will declare the following amount in your paper Form B/ B1</p> <table border="1" data-bbox="668 322 1378 499"> <tr> <td></td> <td>S\$40,000</td> </tr> <tr> <td></td> <td>(Blank)*</td> </tr> <tr> <td></td> <td>(Blank)*</td> </tr> <tr> <td></td> <td>S\$26,000^</td> </tr> </table> <p>* You are not required to complete these fields if your revenue is \$200,000 or less.  ^\$40,000 – (35% X \$40,000)</p>		S\$40,000		(Blank)*		(Blank)*		S\$26,000^
	S\$40,000									
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	S\$26,000^									
6	<p>How will the FEDRs be allowed to me if I use multiple delivery modes.</p> <p>In such case, how do I declare them in my Income Tax Return?</p>	<p>The FEDRs corresponding to the respective delivery modes will be applied to the revenue earned under that delivery mode.</p> <p>When you are e-Filing your Income Tax Return (i.e. Form B/ B1), you can declare income under the respective delivery modes as separate sources of self-employed income in your tax return and claim the appropriate amount of FEDR(s) for each delivery mode.</p> <p>You can refer to Question 5 above for the step-by-step instruction on how to claim FEDR(s) in your Income Tax Return.</p> <p><b>Note:</b></p> <p>If any of your delivery modes does not fall within the prescribed list of delivery modes, you are not allowed to claim FEDR(s) for any of your income earned from delivery services, including those income earned using the prescribed delivery mode(s).</p> <p>In order to claim FEDR(s), the FEDR(s) option should be elected across all delivery modes used or none at all.</p> <p>However, you can claim the actual allowable business expenses against your total annual gross delivery income earned from all delivery modes.</p>								
7	<p>If I use more than one delivery mode, why am I not allowed to claim FEDR(s) on certain delivery mode(s) and actual allowable business expenses for other delivery mode(s)?</p>	<p>The purpose of applying the FEDR(s) option consistently is to avoid situations where tax deductions on the same expenses (e.g. mobile phone subscription plans) are claimed twice – as once as actual expenses incurred under one delivery mode and FEDR(s) under another delivery mode.</p>								

8	<p>Instead of claiming the 20%/ 35%/ 60% FEDR(s), can I claim tax deductions based on the actual allowable business expenses incurred by me?</p>	<p>Yes, you can choose to claim my actual allowable business expenses to perform the delivery services, especially if your actual allowable business expenses are higher than the deemed expenses.</p> <p>You can refer to Question 5 above for the step-by-step instructions on how to claim the actual allowable business expenses in your Income Tax Return.</p>
9	<p>If I have already e-Filed my Income Tax Return and claimed the 20%/ 35%/ 60% FEDR(s), can I still change my decision and claim tax deductions based on the actual allowable expenses instead?</p>	<p>You may re-file your Income Tax Return and amend your option once:</p> <ul style="list-style-type: none"> <li>• within 7 days after you e-Filed; or</li> <li>• by 18 April</li> </ul> <p>whichever is earlier.</p> <p>To do so, you can:</p> <ol style="list-style-type: none"> <li>1. Log in to <a href="#">myTax Portal</a> with your Singpass/ <a href="#">Singpass Foreign user Account (SFA)</a></li> <li>2. Select '<b>Individuals</b>' &gt; '<b>Filing Matters</b>' &gt; '<b>File Income Tax Return</b>'</li> <li>3. Follow Step 3 to 6 of instruction found in Question 5 above to re-file.</li> </ol> <p><b><u>What to do if you are unable to re-file?</u></b></p> <p>If you are unable to re-file (i.e. more than 7 days has passed since your original submission or after 18 Apr), please wait for your income tax bill (i.e. Notice of Assessment).</p> <p>Once you have received your tax bill (i.e. Notice of Assessment), you can amend your option using the "Object to Assessment" digital service:</p> <ol style="list-style-type: none"> <li>1. Log in to <a href="#">myTax Portal</a> with your Singpass/ <a href="#">Singpass Foreign user Account (SFA)</a></li> <li>2. Select '<b>Individuals</b>' &gt; '<b>Filing Matters</b>' &gt; '<b>Object to Assessment</b>'</li> <li>3. Follow Step 3 to 6 of the instruction found in Question 5 above to amend your claim option</li> </ol> <p>Your amendments must be filed <b>within 30 days</b> from the date stated in your income tax bill (i.e. Notice of Assessment). IRAS will review your amendments and inform you of the outcome.</p> <p>Notwithstanding any objections/ amendments filed, please note that you must still pay the taxes (if any), via GIRO or within 1 month from the date stated on your tax bill (i.e. Notice of Assessment) to avoid any late payment penalty.</p> <p>IRAS will refund you the credit balance, if any, within 30 days from the date of your new tax bill (i.e. amended</p>

		Notice of Assessment), after reviewing your objection and revising your tax assessment.
10	<p>If I have claimed the 20%/ 35%/ 60% FEDR(s) this year, can I opt to claim the actual allowable expenses incurred next year?</p> <p>Is the FEDR(s) option irrevocable once I have elected to claim?</p>	<p>You can elect your preferred claim basis yearly.</p> <p>Even though you may have exercised the option to claim tax deductions based on the FEDR(s) this YA, you may choose not to do so for future YAs.</p>

### **Record keeping requirement**

No.	Question	Answer
11	<p>If I am claiming tax deductions based on actual business expenses, do I need to keep documentation and records?</p>	<p>Yes, you are required to keep proper records.</p> <p>You will qualify for Simplified Record Keeping (SRK) if your total income from delivery services is less than \$200,000 for the past 2 financial years.</p> <p><b><u>If you qualify for SRK</u></b> You will need to keep simple records (e.g. listings) without the need to keep supporting documents (e.g. receipts and invoices).</p> <p>For more information on keeping of simple records, please refer to <a href="#">Simplified Record Keeping Requirements for Small Businesses</a>.</p> <p><b><u>If you do not qualify for SRK</u></b> You are required to keep proper daily records and retain all supporting documents e.g. receipts, statements issued by the platform operators for at least 5 years from the YA to which the claim relate.</p> <p>For more information on proper record keeping, please refer to the <a href="#">Record Keeping Guide for Non GST-Registered Business</a>.</p>
12	<p>If I opt for the 25% FEDR(s), do I need to keep documentation and records?</p>	<p>Yes, you are still required to keep proper records, even if you opt for the FEDR(s).</p> <p>FEDR(s) simplify tax compliance by eliminating the need to determine the tax-deductibility of expenses.</p> <p>As a delivery worker, you are still required to keep business records:</p>

		<ul style="list-style-type: none"> <li>• <b><u>If your gross revenue is \$200,000 or less in the past 2 financial years AND you are eligible for Simplified Record Keeping (SRK)</u></b> You will need to keep simple records (e.g. listings) without the need to keep supporting documents (e.g. receipts and invoices).  For more information on keeping of simple records, please refer to <a href="#">Simplified Record Keeping Requirements for Small Businesses</a>.</li> <li>• <b><u>If your gross revenue is more than \$200,000 in any of the past 2 financial years OR you do not qualify for SRK</u></b> You are required to keep proper daily records and retain all supporting documents e.g. receipts, statements issued by the platform operators for at least 5 years from the YA to which the claim relate.  For more information on proper record keeping, please refer to the <a href="#">Record Keeping Guide for Non GST-Registered Business</a>.</li> </ul>
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### **Other general questions**

No.	Question	Answer
13	How are the different rates and groupings determined for the various delivery modes?	<p>IRAS had sought industry feedback and conducted a survey with delivery workers to develop the appropriate FEDRs. The delivery modes were grouped based on the revenue and cost structures, while ensuring that the FEDR(s) structure remains relatively simple as a tax-filing simplification measure.</p> <p>The FEDRs were developed using information on actual expense ratios and covers most of the common allowable business expenses incurred by self-employed delivery workers with gross income of up to \$50,000.</p>
14	Why is FEDR(s) made solely available for delivery workers earning a gross delivery income not exceeding \$50,000 annually?	The revenue threshold takes into consideration that delivery workers who exceed the threshold could derive a significant proportion of their income from other value-added services, rather than delivery services. For these delivery workers, who usually use motorised large vehicles, their income might be higher as they engage in additional services that are add-on components to delivery fees, such as assembling or moving fees. These fees might not directly correlate to delivery costs, which might potentially skew the FEDR(s) for the whole sector. Extending the current proposed FEDR(s) of 60% for delivery workers using

		<p>vans to those above the threshold would not be an accurate reflection of their true level of allowable business expenses and would unduly benefit the higher earning group. Thus, the revenue threshold was put in place.</p> <p>Delivery workers who earn revenue above \$50,000 can continue to claim tax deductions based on the actual allowable business expenses incurred.</p>
15	<p>Why are delivery workers using cars, lorries and trucks, not given any FEDR(s) for tax deduction claims?</p> <p>As these vehicles are similar to vans (i.e. four-wheeled vehicles) and a 60% FEDR(s) is extended to taxi and private hire car drivers, we should extend the 60% FEDR(s) to them as well.</p>	<p>The FEDR(s) is a tax-filing simplification measure, based on existing tax rules and policies.</p> <p><b><u>For cars</u></b>  Delivery workers using cars do not have any FEDR(s) as tax deductions for private motor car expenses are generally disallowed under our tax rules in alignment with the broader national transport car-lite policy. As the remaining allowable expenses for delivery workers using cars form a small proportion of their expenses, it is not meaningful to provide any FEDR(s) for them.</p> <p>Taxi and private hire car drivers can claim a 60% FEDR(s), as there is a need for a motor car for the purposes of point-to-point transport of passengers. In contrast, a wider variety of delivery modes is available for foods and goods delivery.</p> <p>Delivery workers using cars can continue to claim the actual allowable business expenses that are not related to private motor car expenses such as labour costs incurred for moving and assembling the goods delivered, mobile phone subscription plans etc.</p> <p><b><u>For lorries/ trucks</u></b>  There is currently insufficient data for IRAS to propose an appropriate FEDR(s). As drivers for lorries/ trucks tend to charge higher delivery fees and hence derive higher incomes, they are likely to have a lower expense ratio than those using vans. As and when more data is available for this group of delivery workers, IRAS will review if an appropriate FEDR(s) option can be provided. These delivery workers can continue to claim tax deductions based on the actual allowable business expenses.</p>