MANAGEMENT SERVICES DIVISION

Ref.: IIUM/202/4/1

Date: 15th November 2023

All Deans / Directors Kulliyyahs / Divisions / Centres / Institutes / Offices / Mahallahs International Islamic University Malaysia

Dear YBhg. Dato'/Prof./Dr./Sir/Madam,

Assalamualaikum wa rahmatullahi wa barakatuh

STAFF SERVICE CIRCULAR NO. 23/2023

NOTIFICATION OF INCOME TAX EXEMPTION FOR EARLY PAYMENT FOR CASH COMPENSATION OF UNUTILISED ANNUAL LEAVE (IIUM GOLDEN HAND SHAKE)

1. OBJECTIVE

The objective of this circular is to notify all Deans/Directors of the Kulliyyahs / Divisions / Centres / Institutes / Offices / Mahallahs pertaining to the income tax exemption for Early Payment for Cash Compensation of Unutilised Annual Leave (IIUM Golden Hand Shake).

2. BACKGROUND

- 2.1 The Staff Service Committee (SSC) Meeting No. 1/2023 and No. 2/2023 held on 28th March 2023 and 13th June 2023 respectively, agreed to adopt the Amendment to PP.1.3.4: Early Payment for Cash Compensation of Unutilised Annual Leave (IIUM Golden Hand Shake) with some modifications. Details of implementation are stated in the Staff Service Circular No. 14/2023.
- 2.2 The Amendment to PP.1.3.4 however did not state the status of tax exemption.
- 2.3 The Ministry of Finance Malaysia (MOF) in its letter ref. MOF.TAX(S)700-1/3/14 JLD.3 (SK.2) (10) dated 13th September 2023 informed that the Minister of Finance has approved the tax exemption for Early Payment for Cash Compensation of Unutilised Annual Leave to eligible Civil Servants.

















3. DECISION

- 3.1 The Staff Service Committee (SSC) Meeting No. 4/2023 held on 26th September 2023 took note of the above said MOF letter accordingly.
- 3.2 The tax exemption due to Early Payment for Cash Compensation of Unutilised Annual Leave (IIUM Golden Hand Shake) is applicable from 1st January 2023, i.e. the date of approval of an Early Payment for Cash Compensation of Unutilised Annual Leave (IIUM Golden Hand Shake).

All Deans/Directors are kindly required to disseminate this information to all relevant staff at the Kulliyyah/Centre/Division/Institute/Offices/Mahallahs.

Thank you. Wassalam.

"Leading the Way"

FAZIDAH HJ. BAKHTIAR

Executive Director
Management Services Division

c.c. : Rector

: Deputy Rector (Academic and Internationalisation)

: Deputy Rector (Responsible Research and Innovation)

: Deputy Rector (Student Development and Community Engagement)

: Executive Director (Finance Division)

: Executive Director (Development and Planning)

: Campus Director, IIUM Kuantan Campus

: Legal Adviser