

# How they compare

	Scenario 1				Scenario 2				Scenario 3			
	With SRS (\$)		Without SRS (\$)		With SRS (\$)		Without SRS (\$)		With SRS (\$)		Without SRS (\$)	
<b>Annual salary</b>		<b>180,000</b>		<b>180,000</b>		<b>105,000</b>		<b>105,000</b>		<b>45,000</b>		<b>45,000</b>
<b>Less personal reliefs</b>												
• Earned income		(1,000)		(1,000)		(1,000)		(1,000)		(1,000)		(1,000)
• Wife		(2,000)		(2,000)		(2,000)		(2,000)		(2,000)		(2,000)
• Children		(8,000)		(8,000)		(8,000)		(8,000)		(8,000)		(8,000)
• CPF		(20,400)		(20,400)		(18,600)		(18,600)		(9,000)		(9,000)
• <b>SRS</b>		<b>(15,300)</b>		<b>0</b>		<b>(15,300)</b>		<b>0</b>		<b>(15,300)</b>		<b>0</b>
<b>Chargeable income</b>		<b>133,300</b>		<b>148,600</b>		<b>60,100</b>		<b>75,400</b>		<b>9,700</b>		<b>25,000</b>
<b>Tax on first</b>	120,000	7,950	120,000	7,950	40,000	550	40,000	550	20,000	0	20,000	0
<b>Next</b>	13,300 @ 15%	1,995	28,600 @ 15%	4,290	20,100 @ 7%	1,407	35,400 @ 7%	2,478			5,000 @ 2%	100
		<b>9,945</b>		<b>12,240</b>		<b>1,957</b>		<b>3,028</b>		<b>0</b>		<b>100</b>
<b>Annual savings</b>		<b>2,295</b>				<b>1,071</b>				<b>100</b>		

NOTE: Individuals who do not currently pay any income tax or are in the lower tax brackets would not receive significant current year tax benefit from SRS contributions. Based on the current progressive tax rate structure, SRS members who have yearly chargeable income exceeding \$40,000 would likely benefit more from the scheme. Annual salary includes three months' bonus.