Get cashback or miles on your income tax payments? Why not!

Description

Wow, I wasnâ??t expecting so many of you to appreciate my previous post on reducing your income tax â?? thanks for the support! Remember to maximise your tax reliefs and deductions every year, so youâ??ll end up saving up to thousands of dollars with just a few minutes of work!

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HO Ching shared a link.
42 mins ·

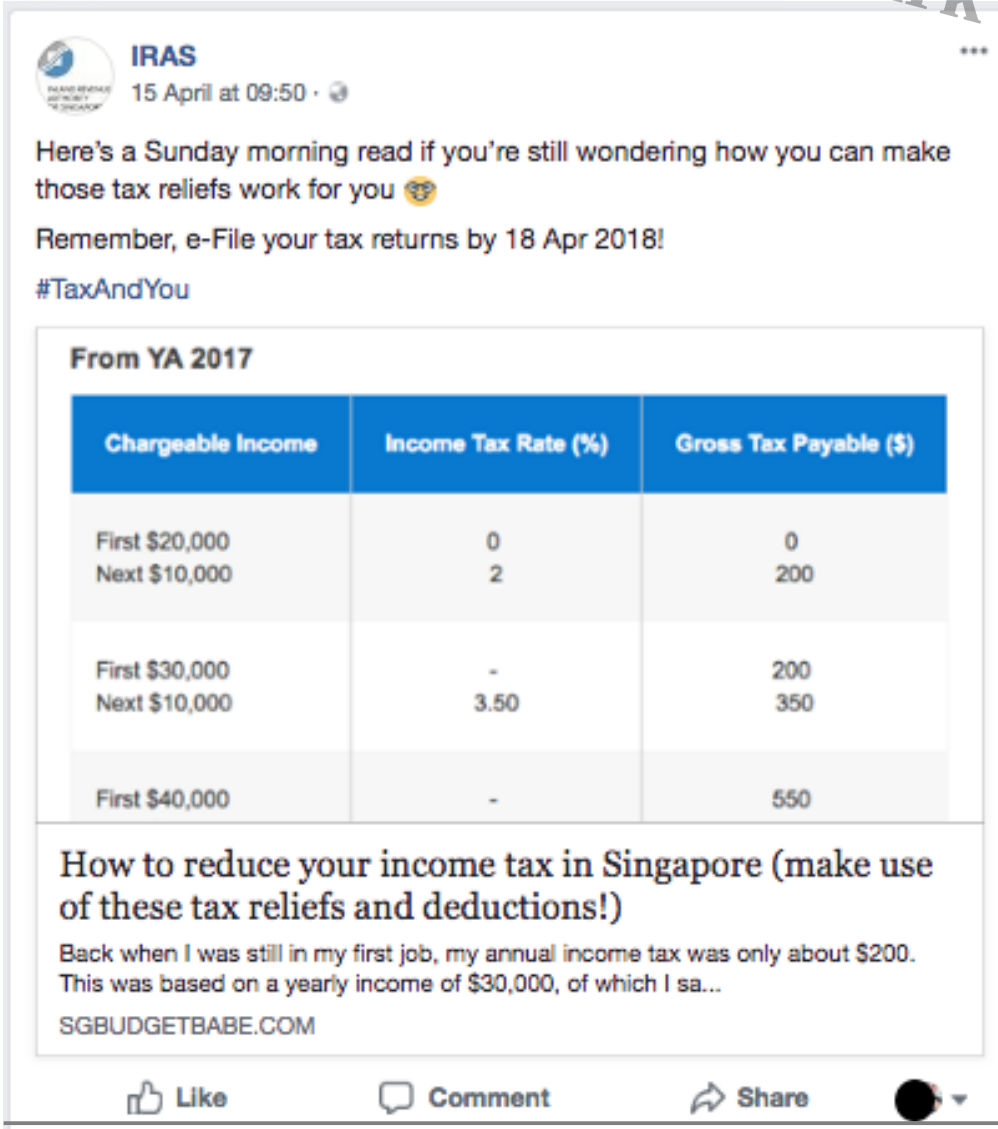
From YA 2017

Chargeable Income	Income Tax Rate (%)	Gross Tax Payable ($)
First $20,000 Next $10,000	0 2	0 200
First $30,000 Next $10,000	- 3.50	200 350
First $40,000	-	550

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How to reduce your income tax in Singapore (make use of these tax reliefs and deductions!)

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IRAS
15 April at 09:50 ·

Here's a Sunday morning read if you're still wondering how you can make those tax reliefs work for you

Remember, e-File your tax returns by 18 Apr 2018!

#TaxAndYou

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How to reduce your income tax in Singapore (make use of these tax reliefs and deductions!)

Back when I was still in my first job, my annual income tax was only about $200. This was based on a yearly income of $30,000, of which I sa...

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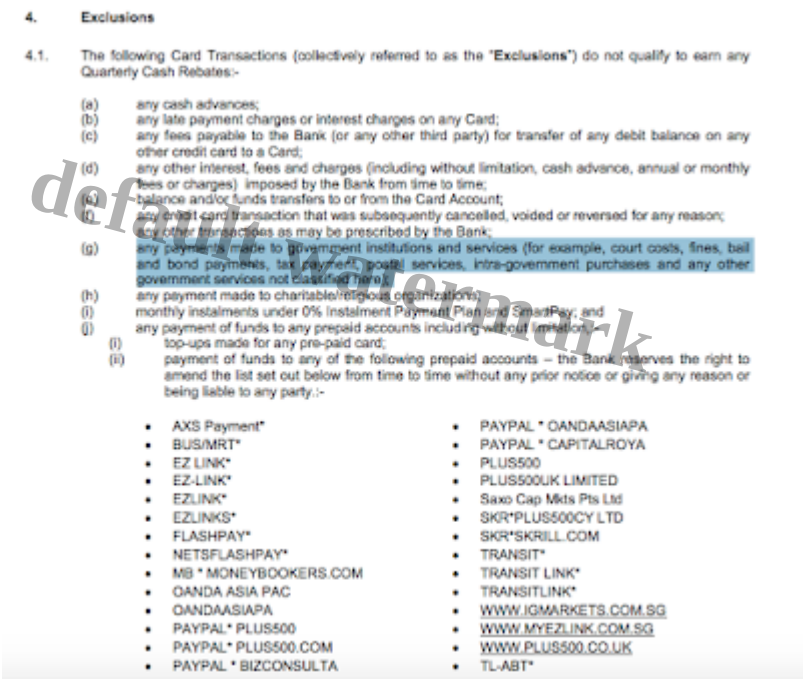
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To all the new readers who just visited this space because you got directed here from Ho Ching or IRAS, hello!

Anyway, as a continuation to the earlier post, now that weâ??ve explored the various ways to reduce our income taxes, the next step to look at would be the mode of payment. Should you opt for monthly repayments or a one-time yearly bill? Should you use GIRO or your credit card?

Unfortunately, if youâ??ve ever tried paying for your cashback with your credit card in a bid to earn cashback or miles, you would have probably realised by now that tax payments (as well as that to government organisations) are usually excluded from these rewards.



4. **Exclusions**

4.1. The following Card Transactions (collectively referred to as the "**Exclusions**") do not qualify to earn any Quarterly Cash Rebates:-

(a) any cash advances;
(b) any late payment charges or interest charges on any Card;
(c) any fees payable to the Bank (or any other third party) for transfer of any debit balance on any other credit card to a Card;
(d) any other interest, fees and charges (including without limitation, cash advance, annual or monthly fees or charges) imposed by the Bank from time to time;
(e) balance and/or funds transfers to or from the Card Account;
(f) any credit card transaction that was subsequently cancelled, voided or reversed for any reason;
(g) any other transactions as may be prescribed by the Bank;
(h) any payments made to government institutions and services (for example, court costs, fines, bail and bond payments, tax payment, postal services, intra-government purchases and any other government services not classified here);
(i) any payment made to charitable/religious organizations;
(j) monthly instalments under 0% Instalment Payment Plan and SmartPay; and
any payment of funds to any prepaid accounts including without limitation:
(i) top-ups made for any pre-paid card;
(ii) payment of funds to any of the following prepaid accounts – the Bank reserves the right to amend the list set out below from time to time without any prior notice or giving any reason or being liable to any party.:-

- AXS Payment*
- BUS/MRT*
- EZ LINK*
- EZ-LINK*
- EZLINK*
- EZLINKS*
- FLASHPAY*
- NETSFLASHPAY*
- MB * MONEYBOOKERS.COM
- OANDA ASIA PAC
- OANDAASIAPA
- PAYPAL * PLUS500
- PAYPAL * PLUS500.COM
- PAYPAL * BIZCONSULTA
- PAYPAL * OANDAASIAPA
- PAYPAL * CAPITALROYA
- PLUS500
- PLUS500UK LIMITED
- Saxo Cap Mkts Pte Ltd
- SKR*PLUS500CY LTD
- SKR*SKRILL.COM
- TRANSIT*
- TRANSIT LINK*
- TRANSITLINK*
- WWW.IGMARKETS.COM.SG
- WWW.MYEZLINK.COM.SG
- WWW.PLUS500.CO.UK
- TL-ABT*

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Even the SCB Unlimited Cashback card, which Iâ??ve previously reviewed and raved about here *(seriously, go get one now if you havenâ??t already! Whatâ??s more, get $270 in cold hard cash if you apply for one before 30 April 2018 here)*, excludes tax payments from cashback as seen in their exclusion clause 3j.

You see, most of the banks and credit cards reward based on discretionary spending i.e. products or services that you *want* to buy instead of the stuff that you *need*. Thatâ??s why categories like dining and shopping get such generous cashback / miles rewards, because you could technically live without eating out and buying new stuff.

As such, one glaring gap in my credit card strategy was in how I could never get any rewards back on my mandatory spending, such as when paying for income taxes, insurance and clearing off my loans. It was frustrating to see how I wasnâ??t able to get anything back on the expenses I couldnâ??t avoid every month!

Until recently, that is.

Those of you who have read my Guidebook to the Best Cashback Tools in Singapore should be familiar with how much Iâ??ve raved about **CardUp** since discovering them months ago.
With CardUp, you can now pay for insurance premiums, rent, school fees, condominium charges, income taxes and get cashback / miles doing so!



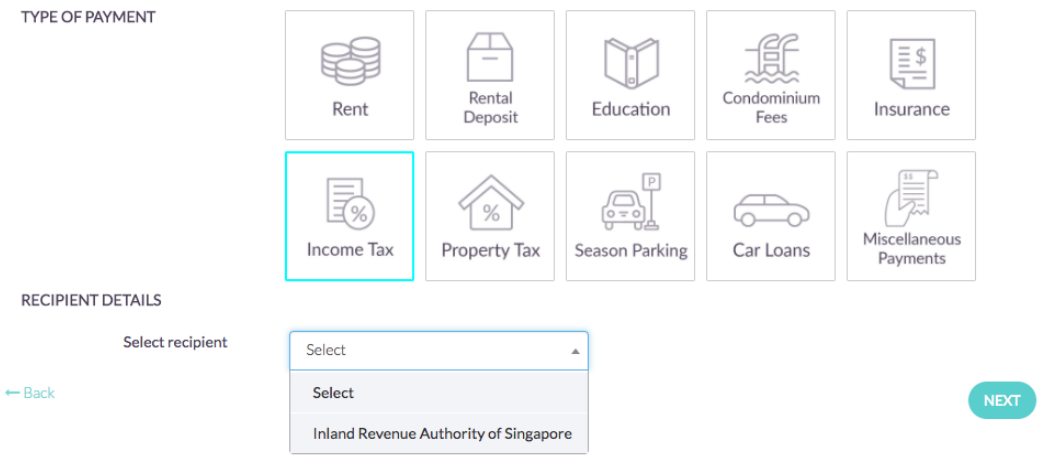
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How CardUp works

If you study the T&Cs of most credit cards, youâ??ll realise that no miles or cashback are given for payments made to government agencies, insurance premiums, ez-link top-ups, donations to charitable organisations, etc. CardUp basically enables you to make single or recurring payments online via your credit cards on these spending categories where you couldnâ??t previously use your card.

Now, this is a big game-changer because prior to CardUp, there was no other service or tool that allowed you to do this! Previously, you could only pay for your rent, mortgage and other mandatory expenses through bank transfer, cash or cheque options. This eliminated a huge chunk of big-ticket spending that can actually help you rack up significant credit card rewards.

There is a **2.6% processing fee** imposed (due to the banks and credit card fees), so it is vital that you choose a card that netts you positive rewards even after paying this.



What if the recipient doesnâ??t accept credit cards?

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CardUp does a bank transfer to your recipient, so it doesnâ??t matter whether or not they accept credit card, and neither do they need to be registered with CardUp. This is what makes CardUp such a fantastic solution, and I only wish I discovered it sooner.

CardUp already has many recipients on its platform, but if you still canâ??t find yours, all you need to do is to set up a new recipient so that the transfer can go through. In addition, you can even set up recurring payments so you donâ??t have to log in every month just to transfer.

What you can use it for

- Paying your income tax, property tax or utility bills
- Insurance premiums
- School fees (childcare, secondary schools, universities and private institutions)
- Condominium fees
- Charity donations
- Car loans
- Rental
- and more!

Sounds good! Which cashback card should I use on Cardup then?

The best strategy would be to use a cashback credit card that gives you a higher rate than CardUpâ??s service fee in order to net positive cashback.

Here are the cards I would recommend to use with CardUp:

- ~~UOB One~~
- ~~Standard Chartered Manhattan~~ *(SCB is no longer accepting new signups for this card, which is a huge pity, but if you were lucky enough to get your hands on it previously please maximise it!)*
- BOC Family
- Maybank Platinum Visa

July 2022 Update: UOB One has also recently announced CardUp transactions will now be excluded from earning cashback

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You can also check out their cashback calculator here first to calculate the amount of cashback youâ??ll get when you pay via the recommended cards!

Before CardUp broke into the scene, I was paying for my tax bills either through online or at the AXS machine, but now Iâ??m opting for **repayments via CardUp in order to get my credit card rewards.**



I donâ??t want cashback! Which miles card should I use on Cardup?If youâ??re collecting miles for your next *free* flight(s), here are the miles cards which I favour and would recommend to use with CardUp:

- AMEX Krisflyer
- Citi PremierMiles Visa
- DBS Altitude Visa Signature
- UOB PRVI Miles

You can also check out their miles calculator here first to calculate the amount of cashback youâ??ll get when you pay via the recommended cards!
So when you pay for your income tax bills from next month onwards, donâ??t forget to route them through CardUp so you can chalk up more cashback / miles while doing so!

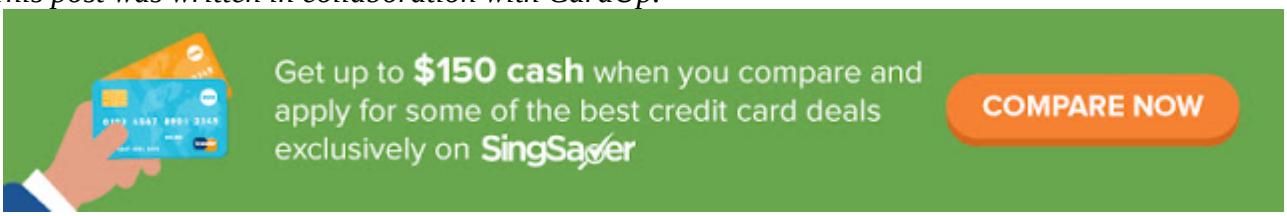
For readers looking for a further discount, Iâ??ve reached out to CardUp and theyâ??ve offered $20 off your first payment fees when you enter the promo code â??**SGBUDGETBABE**â??.



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Always remember, credit cards can be your best friend if you know how to use them well! [You can read more about maximising cashback tools in Singapore here on my previous post too](#) ; have fun!

Note: This post was written in collaboration with CardUp.



With love,
Budget Babe

Category

1. Credit Cards
2. Savings