1. What is the objective of this incentive?

- In order to retain talent in the workforce, particularly women, employers are encouraged to implement Flexible Work Arrangements (FWA) in their organisation. This initiative is to promote better work-life integration in balancing career and family responsibilities, especially for working parents.

- Malaysia has a strong pipeline of female talent enrolled in public universities and entering the workforce. However, they tend to drop off the workforce as they progress in their career, resulting in a low female participation rate compared to our neighbouring countries. This is in part due to the challenge faced by many women in balancing their professional and personal commitments.

- As part of our efforts to retain talent in the workforce and to promote better work-life integration particularly for working parents, the tax incentive is given with the following objectives:
  a) To motivate employers to implement and sustain FWA in their organisation and
  b) To help employers defray the cost to implement FWA.

2. What is Flexible Work Arrangements (FWA)?

- FWA refers to work arrangements which provide greater flexibility in the following areas:
  (a) the workplace,
  (b) the scheduling of hours worked, and
  (c) the number of hours worked.

- Such arrangements give employees greater control over where and when work gets done and over how much time they choose to work, leading to greater opportunities for employees to be able to enjoy an optimal balance between work and life responsibilities.

*Source: Society for Human Resource Management*

3. What are the various types of FWA which employers can opt to implement or enhance?

- The following are some of the examples which illustrate the above definition of FWA:

  FLEXI HOURS
  Employees are able to choose and adjust their daily working hours as long as they meet the required working hours within a week.

  JOB SHARING
  Part-time work where two or more employees share the responsibility and compensation of a full-time position.
Tax Incentive for Flexible Work Arrangements (FWA)
Frequently Asked Questions

**REDUCED / PART TIME**  Working arrangements that allow employees to work less than the standard full-time hours, typically involving shorter work days, fewer work days, weekend work, or a combination of any of the options.

**STAGGERED HOURS**  Employees are able to adjust their start and end working hours provided they work the standard 8 hours and are present during the defined core hours (e.g. 10a.m. – 4p.m.).

**TELECOMMUTING**  Employees are able to work from home or anywhere other than the office.

*For more examples, visit: www.flexWorkLife.my*

4. **Will other types of FWA which are not stated on flexWorkLife.my be considered for the tax incentive?**
   
   - Yes, these FWA will be considered at the discretion of TalentCorp based on the impact of these FWA’s implementation on the company’s workforce.

5. **Is there a limit to the number of FWA allowed to be implemented or enhanced?**
   
   - No

6. **What are the incentives offered for companies which implement FWA?**
   
   - Double tax deduction incentives for the cost incurred on the following expenses in relation to FWA implementation or enhancement:
     (a) consultancy and / or
     (b) training

7. **What is the cost covered by the tax incentive?**
   
   - Companies can claim double tax deduction incentive for both consultancy and training cost up to a **maximum of RM500,000 per year (subject to confirmation from Ministry of Finance)**, for up to **36 months** from the date of the first endorsement obtained from TalentCorp.

8. **What are some examples of the types of training which are claimable?**
   
   - Employers may claim for training programmes which help their employees adapt to a new way of working, or help managers to address concerns and overcome resistance to flexible work as well as how to adapt their management style to one that is more supportive, sensitive, and knowledgeable in creating and managing a flexible workforce. Some examples of these courses are:

   **REDUCED / PART TIME**

   - **Weekend work**
   - **Shorter work days**
   - **Fewer work days**
   - **Combination of any of the options**

   **STAGGERED HOURS**

   - **Core hours**
   - **Flexible working hours**
   - **Presence during core hours**

   **TELECOMMUTING**

   - **Home or anywhere**
   - **Not the office**
(a) how to manage a flexible workforce  
(b) managing parenthood and flexible work  
(c) guidance on managing the transition to maternity leave, and the return to work  
(d) guidelines on how to effectively manage telecommuting arrangements.

9. What types of training programmes are allowed for this tax incentive?  

- Trainings could be delivered through the following options:  
  a) in-house or external programmes;  
  b) local or overseas programmes; and  
  c) classroom or online programmes;

10. What type of consultancy is covered under this incentive?  

- Implementation of FWA may involve a review of the current human resource processes and policies, as well as changes in mindset and working culture. Companies will be given tax incentives to help defray the cost if they engage consultants to help them with these areas, for example:  
  a) Assess current state of organisation to determine suitable FWA practices for implementation  
  b) Develop business case to identify costs and benefits of implementing FWA  
  c) Design FWA framework and programmes  
  d) Revise/ enhance organisation policies and processes  
  e) Design FWA pilot programme  
  f) Develop mitigation action for identified challenges and pitfalls  
  g) Develop long-term implementation roadmap and plans.  
  h) Review implementation progress

11. Is there a limit to the number of training or consultancy engagements allowed?  

- No

12. Are there criteria in the selection of training providers and/or consultants?  

- Companies are to select the training providers and/or consultants based on your internal guidelines and policies.

13. What is the application process for FWA tax incentive?  

- To apply for the tax incentive, companies will need to complete an online application through the www.flexWorkLife.my portal to TalentCorp for review. The online application is currently in development and will involve 2 stages:  
  a) Stage 1 - initial endorsement for the consultancy and training services prior to implementing or enhancing the flexible work arrangements, and  
  b) Stage 2 – endorsement of the consultancy and training services engaged after having implemented or enhanced the flexible work arrangements
14. Who approves the application?
   - The application will be reviewed and endorsed by TalentCorp.

15. What is the validity of the tax incentive?
   - 3 years i.e. from 1 January 2014 until 31 December 2016

16. How will the validity of the tax incentive affect companies which obtain endorsement from TalentCorp only in the year 2016?
   - This incentive will be claimable for applications received from 2014 – 2016 (3 years). However once applications are received, even in the year 2016, these companies can claim for the next 3 years.

17. Where do I get more information on the FWA tax incentive application process?
   - The detailed application guidelines for the FWA tax incentive will be made available on www.flexWorkLife.my soon.