

SURPLUS SHARING FOR GENERAL TAKAFUL

Definition

Surplus Sharing is the sharing of underwriting surplus and investment income between takaful operator and participants at the end of certificate period following an agreed sharing ratio.

This surplus sharing is applicable to takaful certificates issued by Etiqa Takaful Berhad and shall be payable once Etiqa Takaful Berhad announces its financial result preceding the expiry of the certificate.

Payment Eligibility

Surplus Sharing is eligible to the following:

- Certificate has been issued and has been paid fully
- No claims on takaful cover (except windscreen claims, Knock for Knock (KFK), and Accessories)

Surplus Sharing Rate Declared for Certificate Expiring from 2013-2017

The Surplus Sharing payment will be calculated based on the following rates:

For Certificate Expiring	Surplus Sharing Rate (%)			Withholding Tax Rate (%)	
	Motor	Marine, Aviation and Transit (MAT)	Others	Resident	Non Resident
Jan-13 to Dec-13	3.60	0.00	36.10	6.60	25.00
Jan-14 to Dec-14	10.20	0.00	29.55	8.00	25.00
Jan-15 to Dec-15	7.00	62.58	29.92	8.00	25.00
Jan-16 to Dec-16	4.00	11.19	28.35	3.44	25.00
Jan-17 to Dec-17	7.55	28.35	26.85	8.00	24.00

Surplus Sharing Payment Computation

Surplus Sharing payment is computed based on total premium receivable after deducting:

1. Goods and Services Tax (GST)
2. Discount (%)
3. Service Fee
4. Service Tax
5. Stamp Duty
6. Retakaful Outwards
7. Cotakaful Outwards

Surplus Sharing Calculation Formula

Surplus Payment = [Surplus Sharing Rate (%) x (Total Contribution Received – Total Charges)] -
Withholding Tax Rate (%)

Example

Certificate Information	
Certificate Expiry date	: Jan 2017
Product Category	: Motor
Type Of Customer	: Individual - Residential
Any Claim?	: No
Calculation Variables	
Contribution received	: RM 500.00
Total Charges =	RM 40.00
+ Discount (%)	RM 0
+ Goods and Services Tax (GST)	RM 30.00
+ Service Fee	: RM 0
+ Service Tax	RM 0
+ Stamp Duty	RM 10.00
+ Retakaful Outwards	RM 0
+ Coninsurance Outwards	RM 0
Surplus Sharing Rate (%)	: 7.55
Withholding Tax (%)	: 8.00
Surplus Sharing Payment (Gross)	: $7.55\% \times (RM\ 500.00 - RM\ 40.00) = RM\ 34.73$
Withholding Tax Amount	: $8.00\% \times (RM\ 34.73) = RM\ 2.78$
Surplus Sharing Payment (Nett)	: $RM\ 34.73 - RM\ 2.78 = RM\ 31.95$

Surplus Distribution Payment

All surplus distribution will be credited directly into your bank account via e-Payment (auto credit) facility. To facilitate this payment, kindly revert to us with your bank account number by completing and the [payment instruction form](#) and returning to the nearest branch.

Etiqa will only retain the data of your account and contact details in compliance with the Etiqa Privacy Notice which can be found at www.etiqa.com.my or at any Etiqa branch. The Etiqa Privacy Notice provides details on how we collect, use, maintain and disclose your personal data and Etiqa will only retain the data to fulfill the purpose(s) for which it was collected or to comply with legal, regulatory and internal requirements.

Frequently Asked Questions

No	Question	Answer
Purpose		
1	What is surplus distribution? Can you explain it to me?	<p>Surplus distribution is the process of sharing the underwriting surplus and investment income between the takaful operator and its participants at the end of the certificate period following an agreed sharing ratio.</p> <p>Surplus sharing is applicable to all general takaful certificates issued by Etiqa Takaful Berhad and shall be payable once Etiqa Takaful Berhad announces its financial results before the expiry of the certificate(s).</p>
Payment		
2	When will I get my surplus payment?	Your surplus distributable amount, if any, will be paid to you after the end of the financial year following the expiry of your General Takaful certificates.
3	How will Etiqa Takaful pay the surplus?	The surplus amount will be paid directly into your savings or current account.
4	Can it be credited into my bank account?	<p>Direct credit of surplus payment can be made into any of your GIRO accounts. It is advisable to update your bank account and contact details by:</p> <ul style="list-style-type: none"> a) calling Etiqa Oneline at 1300 13 8888 <i>or</i> b) completing the payment instruction form and returning it to the nearest Etiqa branch.
5	I did not receive my surplus for one of my certificates, why is this so?	<p>You may not be entitled to the surplus for a number of reasons which include:</p> <ul style="list-style-type: none"> a) The relevant certificate has been cancelled prior to the contractual expiry; b) No surplus arising in respect of the fund performance or the particular risks for which the certificate is covering; c) If the surplus payable is RM10.00 or less, it will be donated to a charitable fund approved by Etiqa Takaful Berhad's Shariah Committee; d) If a claim was made within the period of takaful

No	Question	Answer
Usage		
6	How will the accumulated charitable fund be distributed?	The fund will be contributed to the underprivileged community and institution which have been approved by the Shariah Committee of Etiqa Takaful.
Tax		
7	Is there any tax deductible on the surplus paid to me?	A withholding tax is levied on the investment income portion of the surplus distributed and this is deducted from the surplus payable to an individual participant.
8	What is withholding tax?	Withholding tax is the tax on income distributed to participants and it is only applicable to individual participants only. The amount withheld will be paid to LHDN directly by Etiqa. This is based on Income Tax Act 1967 S109E (1) to (7).
Methodology		
9	If my certificate is cancelled, will I be entitled to surplus distribution?	Certificates cancelled prior to the expiry date shall not qualify for surplus distribution.
10	I have made an endorsement, which resulted in an additional contribution paid, will this be considered for surplus distribution?	Your additional contribution collected arising from an endorsement will be part of the annual contribution used to determine the surplus distribution calculation.
11	I have made an endorsement and this has resulted in the refund of some contribution paid, how would this affect my surplus?	The reduction of contribution arising from an endorsement will reduce the annual contribution used to determine the surplus distribution calculation.