

SURPLUS SHARING UNDER 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 paid fully within the certificate's period of Takaful
- No cancellation of certificate
- No claims on takaful cover (except windscreen claims, Knock for Knock (KFK), Own Damage-KFK)

Surplus Sharing Rate Declared for Certificate Expiring from 2021-2025

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

Certificate Expiring Year	Surplus Sharing Rate (%)				Withholding Tax Rate (%)	
	Motor	Marine, Aviation and Transit	Fire and PA Only	Others	Resident	Non Resident
2021	4.40	0.87	13.08		8.00	25.00
2022	8.09	13.84	8.97		8.00	25.00
2023	1.33	0	4.99		8.00	25.00
2024	NIL SURPLUS RATE WAS DECLARED FOR FYE2023					
2025	0.62	0	3.85	0	8.00	25.00

Surplus Sharing Payment Computation

Surplus Sharing payment is computed based total **contribution receivable** after deducting:

- ✓ Re Takaful Outwards Contributions (Facultative + Treaty of proportional and non-proportional)
- ✓ Coinsurance Outwards Contributions
- ✓ Discount
- ✓ SST
- ✓ Service Fee
- ✓ Service Charge
- ✓ Stamp Duty

Surplus Sharing Calculation Formula

Example:

Certificate Information	
Certificate Expiry date	: January 2025
Product Category	: Fire
Type Of Customer	: Individual - Residential
Any Claim?	: No
Calculation Variables	
Contribution received	: RM 500.00
Total Charges = <i>Discount - SST - Service Fee - Service Charge - Stamp Duty - Re Takaful Outwards - Coinsurance Outwards)</i>	: RM 40.00
Surplus Sharing Rate (%)	: 3.85%
Withholding Tax (%)	: 8.00
Surplus Sharing Payment (Gross)	: $3.85\% \times (RM\ 500.00 - RM\ 40.00)$ = RM 17.71
Withholding Tax Amount	: $8.00\% \times (RM\ 17.71) = RM\ 1.42$
Surplus Sharing Payment (Nett)	: $RM\ 17.71 - RM\ 1.42 = RM\ 16.29$

Surplus Distribution Payment Method

All surplus payment will use e-Payment facility to be credited directly to participants' bank account.

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?	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).
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?	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: a) calling Etiqa Online at 1300 13 8888 or b) Visiting our nearest Etiqa branch.
5	I did not receive my surplus for one of my certificates, why is this so?	You may not be entitled to the surplus for a number of reasons which include: 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 a claim was made within the period of takaful; d) Surplus declared shall be paid out to participant's bank account subjected to threshold of RM10.00 set by EGTB. If the surplus declared for is less than RM10.00, EGTB shall donate the amount on behalf of the participants to charitable organizations identified by EGTB. This is as per the aqad in all EGTB certificates issued. The aqad clause is as per below: <i>"This plan also applies the Tabarru' concept, whereby the participants agree to donate or contribute their contributions to the Fund for the purpose of mutual aid and assistance to the participants, in case of need. At the end of each financial year, any distributable surplus in the Fund, less repayment of historic deficits and allowance for a contingency provision, is shared 50% among the participants, and 50% to us for operating and managing the Fund, based on the contract of Ju'alah. Ju'alah is a wage contract that specifies the share of the distribution of surplus on this basis. If the surplus is less than RM10.00, the surplus is to be credited into a charity fund which will be utilized as 'amal jariah' on behalf of the participant. Note: Please refer to the takaful certificate contract for more information. Please refer to www.etiqa.com.my for further information."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;</i>

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.
12	Submission to Unclaimed Money Act (UMA)	Payment that was issued by Etiqa is not claimed by the certificate owner within the period of TWO (2) years from the payment issuance date in which the payment will be categorized as unclaimed money.. Claimants must first head to the insurance company office for confirmation as the rightful recipient, then confirm the amount of unclaimed money and date of payment. Once confirmed, they will be provided with a copy of the transaction, in an Unclaimed Monies Register (UMA-7 & UMA-8) form, and a cover letter from the company. Claimants must then submit the application form, along with supporting documents, to Bahagian Pengurusan Wang Tak Dituntut, Jabatan Akauntan Negara Malaysia, Aras 1, Blok Utara , Perbendaharaan 2 Kompleks Kementerian Kewangan, No 7 Persiaran Perdana, Presint 2 62594 Putrajaya.