Assignments to Europe 2017

Austria | Belgium | Bulgaria | Croatia | Cyprus | Czech Republic | Denmark | Estonia | Finland | France | Germany | Greece | Hungary | Ireland | Italy | Latvia | Lithuania | Luxembourg | Netherlands | Norway | Poland | Portugal | Romania | Slovakia | Slovenia | Spain | Sweden | Switzerland | United Kingdom

Editorial

In times of globalisation, the importance of international employee deployment is growing. As a global company, you are therefore faced with the ever increasing complexity of managing your expatriates' cross-border taxation, Social Security, legal and immigration-related matters. The legal regulations in these fields are not only subject to constant change but they are also becoming more and more complex when applied in different jurisdictions at the same time. Incorrect decisions can be both difficult and costly to rectify.

At WTS, we can help you to identify assignment-related risks at an early stage and optimise tax and Social Security payments for you and your employees while keeping the administrative burden to a minimum.

Our expertise helps you to strategically plan and manage your intercompany assignment cost and compliance. Our Global Expatriate Services specialists guide you smoothly through the planning, structuring and implementation of every international assignment. Jointly with our international network, WTS can assist you in close to 100 locations worldwide. We provide local expertise from international professionals wherever you are.

This booklet offers you a brief overview of tax, Social Security and immigration-related matters you might consider for your assignments to and within Europe.

Editorial team
WTS Global
www.wts.com

Frank Dissen
Partner/Head of Global Expatriate Services
WTS Steuerberatungsgesellschaft mbH
Taunusanlage 19
60325 Frankfurt
Phone +49 69 1338456-52
Mobile +49 162 2444916
frank.dissen@wts.de

Content

Austria 4
Belgium 7
Bulgaria 11
Croatia 14
Cyprus 16
Czech Republic 18
Denmark 21
Estonia 23
Finland 25
France 29
Germany 31
Greece 33
Hungary 36
Ireland 39
Italy 42
Latvia 45
Lithuania 47
Luxembourg 49
Netherlands 52
Norway 55
Poland 58
Portugal 61
Romania 63
Slovakia 66
Slovenia 69
Spain 72
Sweden 75
Switzerland 78
United Kingdom 81

Appendix 84
- Taxation of Fringe Benefits 84
- Social Security Rates 85
- Effective Income Tax Rates 86

Contacts 88

Austria

Personal Income Tax

- Individuals are taxed on income depending on source/residency status.
- The tax rate is progressive and ranges from 25% to 50%. Limited to the years 2016 to 2020, a tax rate of 55% is applicable to income exceeding EUR 1 million.
- The capital gains tax amounts to 27.5%, the real estate gains tax is 30%.
- Tax-free threshold up to EUR 11,000.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: electronically by 30 June of the year following the tax year. Extensions are possible until 31 March of the second following year for tax returns with assistance of a tax advisor.
- Employment income is subject to a monthly withholding tax (in general). Annual salary is usually paid in 14 instalments. Apart from the monthly salaries, a 13th (holiday allowance) and 14th (Christmas bonus) salary are paid, which are subject to a reduced flat tax rate of 6%.
- Tax-exempt income may be considered for calculating personal tax rate (progression clause).

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Austria. The contributions are based on the monthly employment income. The employer is responsible for withholding and paying the contributions.

Employee

- Up to a monthly ceiling of EUR 4,980 (for 2017, adapted annually) the following contributions are deducted from an employee's monthly gross salary: health (3.87%), pension (10.25%) and unemployment (3%) insurance as well as Chamber of Labour levy (0.5%) and contribution to public housing funds (0.5%).

Employer

- An employer is required to pay contributions to health (3.78%), pension (12.55%), accident (1.3%) and unemployment (3%) insurance as well as contribution to public housing funds (0.5%) and insolvency insurance supplement (0.35%) up to a monthly income ceiling of EUR 4,980 (for 2017, adapted annually).
- Additionally, the employer is required to pay the following duties (amounting to approximately 10% of the gross salary): employee pension fund, employer contribution to the family equalisation fund, employer contribution surcharge and municipal tax.

Immigration

Visa

- As a rule, any foreigner who wants to work as an employee in Austria must first obtain a visa to enter Austria (or the Schengen Area).
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- To be allowed to work in Austria, third-country nationals (other than EU/EEA/CH nationals) must apply for a residence permit (e.g. Red-White-Red Card).

Registration

- Upon arrival in Austria, all foreigners must register at their local registration office within a specific period of time.

Employer's Obligations

Start of employment

- Obtain correct residence and work permit for an employee (if applicable).
- Register the employee for Social Security purposes with the competent Social Security authority before the employee starts working.

During employment

- Withhold wage tax on a monthly basis by the Austrian employer and pay to tax office by the 15th of the following month.
- Withhold Social Security contributions on a monthly basis for the employee and pay to the competent Social Security authority by the 15th of the following month.

- Keep a payroll account for every employee.
- Prepare and submit an annual wage tax certificate ("Lohnzettel") as well as a Social Security certificate ("Beitragsgrundlagennachweis").

Termination of employment

- Cancel the work permit for the employee (if applicable).
- De-register the employee with the competent Social Security authority.
- Prepare and submit a final wage tax certificate ("Lohnzettel") as well as Social Security certificate ("Beitragsgrundlagennachweis") for work period within the calendar year.

[1] Excluding fringe benefits such as housing.
[2] Limited to 2016 – 2020 for income exceeding EUR 1 mil.
[3] 17.12% for 13th and 14th salary (without Chamber of Labour levy and contribution to public housing funds).
[4] 20.98% for 13th and 14th salary (without Chamber of Labour levy).
[5] Due to annual Social Security contribution ceiling.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	✗

Tax Rates

Single, no children	25.85%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	25.18%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
50%	50%	55%[2]

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	18.12%[3] – max. EUR 12,533.66[5]
Employer	21.48%[4] – max. EUR 14,926.06[5]

Social Security Agreements (SSA)

Australia	✓
China	✗
India	✓
Russia	✗
United States	✓

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Belgium

Personal Income Tax

- Individuals whose domicile or seat of wealth is located in Belgium are considered tax residents and are taxed on their worldwide income, while non-residents only pay tax on their Belgian-sourced income. Income may be exempt on the basis of double tax treaties.
- Executives on a temporary assignment to Belgium may apply for the special tax regime for expatriates if they and their employers meet a number of conditions.
- The general tax rates are progressive and range from 25% to 50%. The income tax calculated according to these tax rates is increased by a municipal surcharge (0% to 9%).
- The taxpayer is entitled to a basic tax-free allowance from EUR 7,130 up to EUR 7,420 (income year 2016) (amount depending on the amount of taxable income).
- The tax year runs from 1 January to 31 December.
- Filing deadline for the annual income tax return in the year following the tax year: the deadline is not a fixed date and is determined on a yearly basis. For information purposes, please find the dates of 2016 (income 2015) below:
  - Residents: 30 June on paper; 13 July via Tax-on-web and 7 November when filing is carried out by an intermediary (tax advisor);
  - Non-residents: 7 December on paper and 14 December via Tax-on-web.
- Employment income is subject to a withholding tax at source by the employer. This salary withholding tax is an advance payment which is creditable against the final tax liability.
- Tax-exempt income is taken into account for calculating the personal tax rate applicable to taxable income (progression clause – related to double tax treaty exemptions).

Social Security

Unless stated otherwise by an international agreement, employees working in Belgium will in principle be subject to the Belgian Social Security scheme for employees.

An exception may apply if the employee is seconded to Belgium, in which case the employee remains covered by his/her home Social Security system, provided that the secondment does not exceed a certain duration (maximum up to 5 years in certain cases).

Under the Belgian Social Security scheme, both employees and employers have to pay contributions to the National Social Security Office ("RSZ - ONSS").

Employee

- The employee's contributions are fixed at 13.07% and are deducted from his/her gross salary. These contributions cover old-age and survivor's pension (7.5%), healthcare (3.55%), sickness and disability benefits (1.15%) and unemployment (0.87%).

Employer

- From 1 April 2016, the basic rate of employer Social Security contributions for white-collar workers has been reduced to 30% and will further drop to 25% from 1 January 2018 onwards. For blue-collar workers, an amount of 5.65% is added as for this category of workers, holiday pay is paid through the Social Security system. Therefore, the basic rate of employer Social Security contributions for blue collars currently amounts to 35.65%.
- For the employer contributions, one global percentage applies, without any direct link to the different branches of the Social Security benefits.
- On top of this basic rate, other specific contributions apply, such as, amongst others, a contribution to the asbestos fund (0.01%), an extraordinary contribution for occupational accidents (0.02%), a contribution to the Fund for Closure of Undertakings (up to 0.19% depending on the kind of undertaking and the number of employees) and a specific contribution of 1.6% if the employer employs at least 10 workers. Moreover, extraordinary Social Security contributions (linked to the Joint Committee to which the employer belongs) are also due.

Therefore, in general, the total rate of Social Security contributions that an employer must pay on its white-collar employees' salaries will be on average 32.5%.

- The employer must take up an insurance for occupational accidents with a private insurer.

Immigration

Visa

- In the case of a short stay in Belgium (less than 90 days within any given period of 6 months), the question whether or not a visa is required for entering Belgium will depend on the foreign employee's nationality.
- In the case of non-EEA (or Swiss) nationals staying in Belgium for more than 90 days within any given period of 6 months, they must be in possession of a type-D visa to enter the country and are required to obtain a Belgian residence permit.

Work permit

- In principle, every non-EEA (or Swiss) national working in Belgium must be in possession of a work permit, although some categories of employees are exempt from this requirement.
- A work permit is provided when the employer obtains an employment authorisation. Both documents must be obtained prior to the commencement of work in Belgium. In practice, both applications are filed at the same time by the employer with the regional work permit authority.

Registration

- Within 8 days following the arrival in Belgium, all foreigners must register at the local municipality of the place of residence (inscription in the register of foreign nationals).

Employer's Obligations

Start of employment

- If applicable, obtain the necessary employment authorisation and ensure that the employee has a proper visa, work permit and residence permit.
- Declare the entering into service and the departure of its employees subject to Belgian Social Security to the Belgian Social Security Office via an electronic message (Dimona declaration). If the employer works with a payroll agency, the latter takes care of these registration formalities.
- In the case of a secondment, a certificate of coverage must be issued as a proof that the employee and the employer are subject to the payment of Social Security contributions in the foreign country. Moreover, a so-called "LIMOSA" declaration must be filed electronically with the Belgian Social Security Office prior to the start of the activities.

During employment

- Salary withholding tax is to be withheld on a monthly basis by the employer granting the income. It is also due by foreign entities for benefits granted or payments made to residents or non-residents if the cost thereof is effectively deducted from a Belgian taxable base.
- Withhold employee Social Security contributions on the monthly salary payment and calculate the employer contributions. The employer must pay the employer and deducted employee contributions to the National Social Security Office on a quarterly basis (DmfA-declaration).
- Allocate the employee's remuneration in taxable and non-taxable portions. Some income or benefits may indeed be tax-free.
- Draft the necessary pay slips and a yearly overview of the paid remuneration ('individual account'). Draft the required tax slips.

Termination of employment

- Prepare and submit a final pay slip and the individual account for the year of termination.
- For employees subject to Belgian Social Security, take care of the Dimona-out.

[1] Cash salary. For fringe benefits, deviating specific social security rules may apply.
[2] Basic rate for white-collar employees is 30%, increased with several special contributions, the average rate is 32.5%.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	43.3%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	41.2%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

(to be increased with local municipal taxes varying from 0 to 9% – see above)

2015	2016	2017
50%	50%	50%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	13.07%
Employer	32.5%[2]

Social Security Agreements (SSA)

Australia	✓
Canada	✓
China	×
India	✓
United States	✓

✓ Tax-exempt / SSA available
× Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Personal Income Tax

- Individuals are taxed on income depending on source/residency status.
- Tax rate is flat and is 10% (except for dividends and liquidation proceeds which is 5%, and interest income on bank deposits which is 8%).
- The tax year is the calendar year.
- The annual personal income tax return is filed until 30 April of the year following the tax year.
- The employment income is subject to tax in advance, i.e. the personal income tax is withheld and paid on a monthly payroll basis by the employer/economic employer.

Social Security

As a rule, all persons who work under an employment contract are subject to Social Security for all Social Security risks. The due Social Security contributions are determined and paid on the basis of the accrued monthly gross employment income. The maximum Social Security income determined in the Social Security Budget Act for 2017 is BGN 2,600.

Employee

- The Social Security contributions are distributed between employer and employee in the ratio 60%/40%.
- An employee is required to pay contributions to the "Pensions" fund (6.1% for individuals born after 31 December 1959, and 8% for the individuals born before 1 January 1960), supplementary compulsory pension contribution (2.2% for individuals born before 31 December 1959), unemployment (0.4%), "General sickness and maternity" fund (1.4%), health (3.2%).

Employer

- An employer is required to pay Social Security contributions to the "Pensions" fund (7.7% for individuals born before 31 December 1959/after 1 January 1960, and 10.5% for individuals born before 1 January 1960), supplementary compulsory pension contribution (2.8% for individuals born after 31 December 1959), unemployment (0.6%), "General sickness and maternity" fund (2.1%), health (4.8%).
- Labour accident contributions are borne by the employer (0.5%).
- The employer is liable for the Social Security contributions on a monthly (i.e. payroll) basis.

Immigration

Visa

- As a rule, any foreigner who wants to work as an employee in Bulgaria and for that purpose has obtained a work permit from the competent Bulgarian authorities, must also on that basis obtain a visa type "D" to enter Bulgaria.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- A third-country national (i.e. an individual who is other that EU/EEA/CH national) is allowed to work in Bulgaria if he/she applies for and obtains a work permit from the Director of the Bulgarian Employment Agency.
- The work permit application together with all required documents is filed by the Bulgarian employer and is issued within 30 days as of submission of the application form.

Registration

- Upon arrival in Bulgaria, the foreign individual is obliged to register at the local office of Migration Directorate at the Bulgarian Ministry of Interior.

Employer's Obligations

Start of employment

- Apply for and obtain a work permit for the concrete employee based on which the foreign employee could obtain a visa for entering the country, and the respective residence permit in Bulgaria.
- Register the individual with the local tax office by issuing of a tax identification number.
- Notify the local competent tax office about the concluded employment agreement.

During employment

- Withhold and pay to the budget personal income tax on the employment income on a monthly (i.e. payroll) basis.
- Withhold and pay to the budget monthly Social Security contributions for the employee through the payroll.
- Prepare and submit monthly reporting documents (i.e. template returns) on the withheld and paid personal income tax and Social Security for the employee.

Termination of employment

- Notify the Bulgarian Employment Agency upon termination of the employment agreement.
- Notify the local tax office of the termination of the employment agreement.
- Prepare and provide the employee with a certificate on the income paid and withheld tax and Social Security contributions for the respective work period within the calendar year.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	10%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	10%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
10%	10%	10%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	13.3%
Employer	18.5%

Social Security Agreements (SSA)

Australia	✗
China	✗
India	✗
Russia	✓
United States	o

[1] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
o Special regulations applicable / SSA under negotiation

Croatia

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive, rates are 24% (for the tax base up to HRK 17,500) and 36% (for the tax base over HRK 17,500), plus city tax if applicable (up to 18% on the income tax).
- Personal allowance is HRK 3,800, and there are additional allowances if the taxpayer supports qualifying family members.
- The tax year is the calendar year.
- Employment income is subject to a monthly withholding tax.

Social Security

Social Security contributions generally apply to all employees working in Croatia. Base for contribution calculation is the monthly employment income.

Employee

- Social Security contributions with respect to employment income that are withheld from gross salary (employee's burden) are as follows:
  - 15% state pension fund contributions;
  - 5% individual capitalised pension fund contributions.

Employer

- Social contributions paid by the employer as an addition to the gross salary:
  - 15% basic health insurance contribution;
  - 1.7% employment contribution;
  - 0.5% health insurance contribution for injuries at work.
- The employer is liable for all payments on a monthly basis. The employer contributions are not subject to taxation.

Immigration

Visa

- As a rule, any foreigner who wants to work as an employee in Croatia must first obtain a visa to enter Croatia.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- In order to be allowed to work in Croatia, third-country nationals (means: other than EU/EEA/CH nationals) must apply for a work and residence permit from the Croatian consulate abroad or at the foreigner's registration office in Croatia.

Registration

- Upon arrival in Croatia, all foreigners must register at their local registration office at the Ministry of Internal Affairs within a specific period of time. Croatian tax number (OIB) will be issued upon registration.

Employer's Obligations

Start of employment

- Obtain correct work permit type for the employee (if applicable).
- Register the employee for Social Security purpose with the competent Social Security authority.

During employment

- Withhold wage tax on a monthly basis by the Croatian employers (meaning any contractual or economic employer whose registered seat is located in Croatia).
- Withhold Social Security contributions on a monthly basis for the employee, if the employee is not subject to Social Security in another country.
- Allocate the employee's remuneration in taxable and non-taxable portions.

Termination of employment

- Cancel the work permit for the employee (if applicable).

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	30.45%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	28%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
40%	40%	36%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	17.2%
Employer	20%

Social Security Agreements (SSA)

Australia	✓
Canada	✓
China	✗
Russia	✗
Serbia	✓

[1] Calculated on base decreased by contributions.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Cyprus

Personal Income Tax

- Individuals are taxed on their worldwide income, if tax resident in Cyprus. Otherwise only on Cyprus-sourced income.
- Tax rate is progressive and ranges from 0% to 35%.
- Tax-free threshold up to EUR 19,500 per tax year.
- Tax exemption of 50% on employment income of more than EUR 100,000 annually for non-tax residents taking up employment in Cyprus.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 31 July of the year following the tax year.
- Employment income is subject to a monthly withholding tax under the PAYE (Pay As You Earn) scheme.

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Cyprus. The contributions are based on the monthly employment income with maximum monthly emoluments of EUR 4,533.

Employee

- An employee is required to pay contributions to old-age pension at 7.8% of his/her employment income including fringe benefits.

Employer

- An employer is required to pay contributions to the old-age pension at 7.8%, industrial training fund at 0.5%, redundancy fund at 1.2% and social cohesion fund at 2% (without the above-mentioned threshold) for a total of 11.5% on the employees gross emoluments.
- The employer is liable for all payments on a monthly basis. The employer's contributions are generally tax-free.

Immigration

Visa

- EEA nationals have the right to enter Cyprus by simply showing a valid EU passport or ID card without having to register upon arrival.

Work permit

- Application for the issue of entry and work permits of non-EU nationals are submitted to the Civil Registry and Migration Department by the intended employer, on condition that the third-country nationals are abroad. The applications should be accompanied by a work contract, stamped by the Department of Labour of the Ministry of Labour and Social Insurance.

Registration

- For EEA nationals, if there is intention to stay for more than three months (and / or take up employment), then they have to:
  - Apply for an Alien Registration Certificate (ARC).
  - Apply for a social insurance number securing employment in Cyprus.
  - Apply for a residence permit.

Employer's Obligations

Start of employment

- Obtain correct working visa type for the employee (if applicable).
- Request the tax identification number of the employee.
- Obtain the annual personal allowances declaration from the employee for correct deductions from taxable income.
- Register the employee for Social Security purpose with the competent Social Security authority.

During employment

- Withhold wage tax on a monthly basis and remit the amount to the tax authorities.
- Withhold Social Security contributions on a monthly basis for the employee and remit the amount together with employer's contributions to the Social Security authority.
- Prepare and deliver to the employee the annual wage tax certificate.

Termination of employment

- Cancel the work permit for the employee (if applicable).
- Inform the Social Security authorities of the termination of the employment.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	28.87%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	28.87%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
35%	35%	35%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	7.8% – max. EUR 4,262
Employer	11.5% – max. EUR 7,190

Social Security Agreements (SSA)

Australia	✓
Canada	✓
Egypt	✓
Quebec	✓
Serbia, Syria	✓

[1] Excluding fringe benefits such as housing and not taking into consideration potential allowable deductions (e.g. life insurance payments or non-tax resident exemption upon taking up employment in Cyprus).

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable /SSA under negotiation

Czech Republic

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- The tax base is calculated separately for each type of income.
- The income of individuals is subject to a flat tax rate of 15%. An additional 7% (a "solidarity tax increase") is applied on income (either the gross salary or the self-employment tax base) in excess of the maximum annual assessment base for Social Security contributions (CZK 1,296,288 in 2016).
- The tax year is the calendar year.
- Employment income is subject to a monthly withholding tax (in general). The 15% flat tax on employment income is calculated on the basis of the super-gross salary, which is the gross salary increased by Social Security and health insurance contributions payable by the employer.
- Each taxpayer whose yearly income that is subject to personal income tax has exceeded CZK 15,000 or who has made a loss from self-employment should submit a personal income tax return.
- Filing deadline for the annual income tax return: 31 March of the year following the tax year. Extensions are possible until 31 June for tax returns with the assistance of a tax advisor or attorney.
- Allowable deductions are deducted from the tax base.
- Tax credits may be deducted from the tax – basic tax credit, spouse tax credit, child tax credit, disability tax credit etc.
- A joint tax return for married couples is not possible.

Social Security

- Social Security contributions are compulsory and generally apply to all employees **working** in the Czech Republic. The contributions are based on the monthly employment income.
- The maximum annual assessment base for Social Security premiums in 2016 is CZK 1,296,288. There is no cap on health insurance premiums.

Employee

- An employee is required to pay contributions to health insurance (4.5%) and pension insurance (6.5%).

Employer

- An employer is required to pay contributions to health insurance (9%), pension insurance (21.5%), sickness insurance (2.3%) and unemployment insurance (1.2%)

Immigration

Visa

- Any foreigner who wants to work as an employee in the Czech Republic must first obtain a long-term visa (Employee Card or Blue Card) to enter the Czech Republic. The application shall be submitted at any consulate of the Czech Republic abroad.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- In order to be allowed to work in the Czech Republic, third-country nationals (means: other than EU/EEA/CH nationals) must apply for an employment permit from the relevant regional office of the Public Employment Service.

Registration

- Upon arrival in the Czech Republic, all foreigners must register at their local office of Foreign Police within a specific period of time.
- For the Czech birth number (used also as tax ID) and Social Security ID shall be applied for the employer.

Employer's Obligations

Start of employment

- Report a vacancy and its characteristics to the relevant Public Employment Office if the employer intends to employ a foreigner (at least 30 days before the beginning of employment).
- Notify, in writing, the relevant regional office of the Public Employment Service of the foreigner's starting work date, and to do so no later than by the date on which that person starts work.
- Register the employee at the competent tax, social and health security authority.

During employment

- Withhold wage tax on a monthly basis by the Czech employer (meaning any contractual or economic employer whose registered seat is located in the Czech Republic).
- Withhold social and health security contributions on a monthly basis for the employee.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Prepare and submit an annual wage certificate ("Potvrzení o zdanitelných příjmech").

Termination of employment

- Notify, in writing, the relevant regional office of the Public Employment Service of the fact that the employment was terminated.
- Inform the competent tax, social and health security authority about the termination of employment.
- Prepare and submit a final wage certificate ("Potvrzení o zdanitelných příjmech") for work period within the calendar year.
- Prepare and submit an employment record ("Zápočtový list") – details of employee leaving work.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	15%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	15%[2]
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
15%	15%	15%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	11%
Employer	34%

Social Security Agreements (SSA)

Austria	✓
China	✗
India	✓[3]
Russia	✓
United States	✓[3]

[1] Excluding fringe benefits such as housing.
[2] Tax credits for children applicable.
[3] Regulated are only pensions.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Denmark

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive and ranges from approximately 42% to 56% including 8% AM contribution. Investment income is taxed up to a maximum of 42% and capital gains on shares and dividend distributions are taxed at a flat tax rate of 27% up to a threshold of DKK 51,700 (2017) and a rate of 42% on the excess amount.
- Tax-free threshold up to DKK 45,000 and a job allowance of up to DKK 30,000 apply.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return is generally 1 May of the year following the tax year. However, if foreign income or business income is relevant, the filing deadline for the annual income tax return is 1 July of the year following the tax year.
- Employment income is subject to a monthly withholding tax.

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Denmark. Rules on Social Security are regulated by EU Regulation no. 883/2004, etc.

- The contributions are not based on the monthly employment income.

Employee

- An employee is required to pay ATP contributions of DKK 1,136 per year. The costs are collected by the employer on a monthly basis.

Employer

- An employer is required to pay ATP contributions plus other various contributions. The annual costs vary depending on the work performed by the employee but are approximately DKK 10,000 - 12,000 per year. The costs including the employee contributions collected are paid quarterly to the Danish Social Security authority.
- Work accident contributions are paid by the employer.

Immigration

Visa

- Any foreigner from a country with a visa requirement for entering Denmark who wants to perform certain work-related activities in Denmark; such as receiving or providing educational training or participating in negotiations, for up to 90 days within a 180 days' period, must obtain a visa prior to entry.
- Any foreigner who has been granted certain types of residence or re-entry permits in other countries within Schengen does not need a visa to enter Denmark.

Work permit

- EU citizens may reside and work in Denmark under EU legislation on free movement.
- Nordic citizens are free to reside and work in Denmark.

- In order to be allowed to reside and work in Denmark, third-country nationals (from outside the EU/EEA/CH and the Nordic countries) must apply for a work and residence permit in Denmark.
- Different schemes are available, e.g. the Positive List, The Pay Limit scheme and The Fast-track scheme.

Registration

- Upon arrival in Denmark, all foreigners must register at their local registration office within a specific period of time.

Employer's Obligations

Start of employment

- Ensure that the employee does legally reside and work in Denmark – or else the employer may become liable to a fine or imprisonment.
- Request a tax identification number for the employee and assist the employee in obtaining a preliminary income assessment and a tax card.
- Register the employee for Social Security purposes with the competent Social Security authority.

During employment

- Ensure to apply for an extension of the residence and work permit before the expiry date.
- Withhold taxes, including labour market contributions, Social Security contributions (ATP contributions) and pay these withheld amounts to the Danish tax authorities. This is a requirement for any employer with permanent establishment in Denmark.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	✗

Tax Rates

Employment gross income EUR 100,000 p.a.	up to 56%[1]

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
56%	56%	56%

Social Security Contributions

Not based on employment gross income.

Employee	DKK 1,136 per year (approx. EUR 152)
Employer	Approx. DKK 10,000 – 12,000 per year (approx. EUR 1,330 – 1,600)

Social Security Agreements (SSA)[2]

Australia	✓
Canada	✓
China	✓
Hong Kong	✗
United States	✓

[1] The top tax rate applies to income exceeding DKK 479,600
[2] Some only deal with certain aspects of Social Security

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Estonia

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- The tax rate is 20%.
- The general tax-free threshold is EUR 180 per month (annually EUR 2,160).
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 31 March of the year following the tax year.
- Employment income is subject to a monthly withholding tax. Personal income tax is withheld monthly by the employer at a rate of 20% of the gross salary of the employee.

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Estonia. The contributions are based on the monthly employment income.

Employee

- An employee is required to pay contributions to the unemployment insurance fund (1.6%).

Employer

- An employer is required to pay social tax at a rate of 32.5%, contributions to unemployment insurance fund (0.8%) and contributions to Mandatory Funded Pensions (2% to 3%).
- The employer is liable for all the payments on a monthly basis.

Immigration

Visa

- As a rule, any foreigner who wants to work as an employee in Estonia must first obtain a visa to enter Estonia.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals (3-month period).

Work permit

- In order to be allowed to work in Estonia, third-country nationals (other than EU, EEA, CH nationals) must apply for a residence permit. The person to whom the residence permit has been granted does not need a separate work permit.
- For specific purposes, it is possible to work in Estonia for short-term employment (less than 6 months) without applying for a residence permit. Short-term employment must be registered with the Police and Border Guard Board.

Registration

- As a general rule, upon arrival to Estonia, all foreigners must register their address in Estonia at the Population Registration of Estonia within 1 month.
- Employees must be registered in the Tax and Customs Board before commencing work.

Employer's Obligations

Start of employment

- Register the employee as an employee in Estonia.

During employment

- Inform the Police, the Border Guard Board and the Tax and Customs Board about the start of the employment.
- Withhold wage tax on a monthly basis.
- Withhold Social Security contributions on a monthly basis for the employee.
- Prepare and submit declarations for the income, social tax and contribution to unemployment insurance fund of the employee.

Termination of employment

- Employer is obliged to inform the Police and the Border Guard Board of the termination of employment with the foreigner.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	20%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	20%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
20%	20%	20%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	1.6%
Employer	33.3%

Social Security Agreements (SSA)

Canada	✗
Moldova	✗
Russia	✗
Ukraine	✗

[1] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Finland

Personal Income Tax

- Taxable income comprises earned income and capital income, depending on source/residency status.
- Tax rate for the state tax is progressive and ranges from 6.25% to 31.50%. In addition, there are two flat rates of tax applicable, to earned income; municipal tax ranging from 17% to 22.5% and, if applicable church tax ranging from 1% to 2.2%.
- Tax-free threshold up to EUR 16,899 in state taxation. For assessing of the municipal income, tax deductions up to certain income levels will be considered.
- The final tax at source rate for non-residents staying in Finland max. 6 months and foreign key employees (a special Act applies) is 35%. As of 2014, a non-resident can request taxation under the progressive scale under certain conditions.
- The capital income tax rate is 30% for income up to EUR 30,000 and 34% for the exceeding amount.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: in May of the year following the tax year. The exact filing date is stated on the pre-completed tax return form. An extension may be granted upon application.
- Employment income is subject to a monthly withholding tax (in general).
- Tax-exempt income, e.g. income from foreign sources may be considered for calculating personal tax rate (progression clause).

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Finland for longer than 4 months. The contributions are generally based on the gross monthly employment income (some positions such as severance pay may be exempt). There is no annual income ceiling when calculating the contributions.

Employee

- An employee is required to pay contributions to old-age pension (6.15% to 7.65%) and unemployment (1.6%) insurance on his/her gross income. The sickness insurance fee i.e. the per diem payment (1.58%, no healthcare payment as of 2017) is included in the tax percent.
- The contributions are usually collected in the monthly payroll by the employer.

Employer

- An employer is required to pay contributions to old-age pension (on average 17.95%), unemployment (0.8% to 3.3%), accident (on average 0.8%) and group life (on average 0.07%) insurance.
- The contributions can at the moment be paid only once a year or on a monthly basis.
- The employer contributions are generally tax-free.
- If the foreign employer is considered to have a permanent establishment for income tax purposes in Finland, it has to pay the employer's Social Security contribution (1.08%). If there is no

permanent establishment, but the employees are covered by the Finnish Social Security system, the contribution has to be paid as well. The contribution is payable to the tax authority.

Immigration

Visa

- A residence permit is an authorisation issued to a foreign national allowing repeated entry into the country and residence in the country for purposes other than tourism. The type of residence permit depends on the purpose of the stay.
- Basically, an application for a residence permit must be submitted abroad, before entering into Finland.
- Working in Finland with a permit granted by another country is usually not allowed, especially if the duration of the job is longer than 90 days.
- In some cases, it is sufficient to have a residence permit or a visa granted by another Schengen country, or it might be allowed to reside in Finland without a visa. In these situations, the right to work is limited to certain jobs and it applies for max. 90 days, yet no longer than the visa is valid.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- Any foreigner who intends to work in Finland usually needs a residence permit based on employment, granted by the state of Finland (exceptions apply to EU, EEA and Swiss citizens).
- A residence permit for an employed person must be requested if working is not allowed with another residence permit or without one.
- For instance, foreign specialists, researchers and employees for religious or non-profit associations do not need a residence permit for an employed person, however, they need a residence permit to reside in Finland (please note the countries with exceptions).

Registration

- Usually, an application for a residence permit must be submitted abroad before entering into Finland. When applying fot the permit after entering into Finland, the Finnish Immigration Service is in charge of the handling of all permits for foreign nationals.
- EU, EEA and Swiss citizens need to register their right of residence with the Finnish Immigration Service if they stay in Finland for longer than 3 months.
- If the estimated assignment period in Finland is less than 12 months, the register entry, the Finnish tax number and the personal ID can be applied for at a tax office.
- If the estimated assignment period in Finland is more than 12 months, the register entry and the Finnish personal ID must be requested from a local register office. The tax number and the tax card (if applicable) must be applied for at a tax office.

Employer's Obligations

Start of employment

- An employer must verify that a foreign employee has the required residence permit for an employed person or that the employee does not need a residence permit. The employer must also verify that the foreign employee has the right to reside of in Finland.

Business with no permanent establishment

- No obligation to register as an employer paying wages on a regular basis, however, voluntary registration is possible. If the employer does not apply for the registration on a voluntary basis, it does not withhold the tax on the monthly salary, instead of that the employee applies for the tax prepayments by himself in the event that Finland has taxation rights on the salary.

Business with permanent establishment

- Obligation to register as an employer paying wages on a regular basis with the tax authority.

During employment

Business with no permanent establishment

- Obligation to withhold Social Security contributions on a monthly basis for the employee payable to the home or host country insurance company.
- If the employee is covered by a Finnish insurance, an Annual Information Return must be filed with the insurance companies.
- If the employee stays in Finland for more than 6 months, or if Finland with ref. to the DTT has the taxation rights on the salary, the employer must file an Annual Information Return of the salary calculated on the basis of the Finnish regulations with the Finnish tax authority by the end of January of the following year.

Business with permanent establishment

- Obligation to withhold Social Security contributions on a monthly basis for the employee payable to the home or host country insurance company.
- Obligation to withhold the tax on the monthly salary calculated on the basis of the Finnish regulations and to file the Employer's Payroll Return with the tax authority monthly.
- If the employee is covered by a Finnish insurance, an Annual Information Return must be filed with the insurance companies.
- The employer must file an Annual Information Return on the salary paid with the Finnish tax authority by the end of January of the following year.

Termination of employment

- Cancel the work permit for the employee if applicable.
- Deregistration from the employer's register if once registered as an employer paying wages on a regular basis and if no intention to employ any employees in the future.

→ If the employer has a PE or if the employee stays in Finland for more than 6 months, or Finland has taxation rights on the salary, the employer must file an Annual Information Return on the salary paid with the Finnish tax authority and the social insurance companies (if applicable) by the end of January of the following year.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	33.5%[2]
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	33.5%[2]
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
56.25%	56.25%	56%[3]

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	9.63%[4]
Employer	22.31%[4]

Social Security Agreements (SSA)

Australia[5]	✓
Canada[6]	✓
Chile[7]	✓
India[8]	✓
Israel[9]	✓
Nordic Convention[10]	✓
Province of Quebec[11]	✓
United States[12]	✓

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

[1] Excluding fringe benefits such as housing.
[2] Finnish social ins. coverage incl. "Sava-Beitrag" 1.58%, municipality tax for Helsinki, no church tax.
[3] Including state tax, church tax, municipality tax and broadcasting tax.
[4] No ceiling for contributions. On average: contributions depend on e.g. the employee´s age, accident risk of the employment.
[5] Covers national pensions.
[6] Covers old-age pensions and survivor pensions.
[7] Covers old-age pensions, survivor pensions and medical treatment (for pensioners).
[8] Covers only pensions awarded under the statutory earnings-related pension scheme.
[9] Covers old-age pensions, survivor pensions, child benefits and maternity grants. With respect to posted workers, it also covers health insurance and parental benefits.
[10] Includes countries Denmark, Finland, Iceland, Norway and Sweden.
[11] Covers medical treatment and health insurance.
[12] Covers national pensions and survivor pensions; for foreign delegates: health insurance, parental insurance and child benefits as well.

France

Personal Income Tax

→ The French personal and annual income tax rate is progressive and ranges from 0% to 45%.
→ A foreign tax resident is only subject to tax in France on his/her French source income with a minimum rate of taxation of 20%. This minimum rate does not apply if the foreign taxpayer provides evidence that his/her French personal income tax, resulting from the application of the progressive tax scale represents a total taxation rate lower than 20%. In this event, the taxation under the standard tax scale applies.
→ The foreign tax resident must file an annual income tax return under the same conditions as a French tax resident including his/her French source income. Filing deadline: no later than mid-May for paper return and end of May or beginning of June for online return depending on the place of residence of the taxpayer.
→ The salaries earned in France by a non-French tax resident are subject to a withholding tax due quarterly by the employer. The withholding tax is levied on a progressive tax rate up to 20%.
→ Specific tax regimes exist for impatriates who become French tax residents and for French tax residents posted abroad.

Social Security

→ The contributions are shared between the employer and employee.

Employee

→ The employee's contributions represent around 22% of the gross salary.

Employer

→ The employer's contributions represent around 25% to 45% of the gross salary, depending in particular on the salary, employee status and activity.
→ Both contributions are effectively borne by the employer.

Immigration

Visa

→ As a rule, any foreign individual who wants to work as an employee in France must first obtain a visa or a residence permit to enter France unless he/she is exempt.
→ Exceptions apply to all European Union (EU) and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

→ EU, EEA and CH nationals are not required to hold a work permit to work in France.
→ In order to be allowed to work in France, third-country nationals (meaning other than EU/EEA/CH nationals) have to hold a work permit which can be:
  › a long-stay visa or a residence permit automatically allows the employee to work in France;
  › a temporary visa or residence permit for professional purposes;
  › a temporary work permit for a renewable period up to 12 months;

› a certificate of application for a residence permit.

Registration

- Upon arrival in France, the employee has to register with the immigration services (OFII).

Employer's Obligations

Start of employment

- Apply for a work permit with the French local authorities ("Préfecture") if applicable.
- File a pre-employment statement with French Social Security ("URSSAF") no later than 8 days before the beginning of the employment.
- Pre-employment medical examination before the beginning of the employment or no later than the end of the probation period.
- Registration of the new employee with the official employees' registry.

During employment

- A withholding tax is levied on a quarterly basis by the employer only if the employee is a non-French tax resident. The rate is progressive and varies between 12% and 20%.
- The French draft finance bill for 2017 provides for a withholding tax mechanism for personal income tax purposes applicable as of 1 January 2018.

Termination of employment

- No specific requirement applies at the time of the termination of employment.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	23%
Employment gross income[1] EUR 100,000 p.a./ Net Income EUR 75,000	
Married, 2 children	11%
Employment gross income[1] EUR 100,000 p.a./ Net Income EUR 75,000	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
45%	45%	45%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	max. 22%
Employer	max. 45%

Social Security Agreements (SSA)

Australia	✗
China	✓[2]
India	✓
Russia	✗
United States	✓

[1] Excluding fringe benefits such as housing.
[2] SSA signed but not entered into force yet.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive and ranges from 14% to 45% (except for investment income with a general flat tax rate of 25%) plus solidarity surcharge (5.5% of the income tax) and if applicable church tax (8% to 9% of the income tax).
- Tax-free threshold up to EUR 8,820 (single filing) / EUR 17,640 (joint filing).
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 31 May of the year following the tax year. Extensions are possible until 31 December for tax returns with the assistance of a tax advisor.
- Employment income is subject to a monthly withholding tax (in general).
- Tax-exempt income may be considered for calculating personal tax rate (progression clause).

Social Security

Social Security contributions are compulsory and based on the monthly employment income of all employees **working** in Germany.

Employee

- An employee is required to pay contributions to old-age pension (9.35%), unemployment (1.5%), health (8.4%) and nursing care (1.275%) insurance up to an annual income ceiling for pension and unemployment (EUR 76,200) and for health and nursing care (EUR 52,200).
- If the employment income exceeds the annual threshold of EUR 57,600, a private health and nursing care insurance is possible.

Employer

- An employer is required to pay contributions to old-age pension (9.35%), unemployment (1.5%), health (7.3%) and nursing care (1.275%) insurance up to an annual income ceiling for pension and unemployment (EUR 76,200) and for health and nursing care (EUR 52,200).
- The employer is liable for all payments on a monthly basis. The employer contributions are generally tax-free.
- Work accident contributions are borne by the employer.

Immigration

Visa

- As a rule, any foreigner who wants to work as an employee in Germany must first obtain a visa to enter Germany.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.
- Citizens of Australia, Canada, Israel, Japan, New Zealand, the Republic of Korea and the United States may also be required to obtain residence permits after entering Germany.

Work permit

- In order to be allowed to work in Germany, third-country nationals (means: other than EU/EEA/CH nationals) must apply for a residence work permit at the German consulate abroad or at the foreigners registration office in Germany.

Registration

- Upon arrival in Germany, all foreigners must register at their local registration office within a specific period of time. Then the German tax ID will be issued automatically.

Employer's Obligations

Start of employment

- Obtain correct working visa type for an employee (if applicable).
- Request the electronic wage tax characteristics ("ELStaM") for payroll enrolment.
- Register the employee with the competent Social Security authority.

During employment

- Withhold wage tax on a monthly basis by the German employers (meaning any contractual or economic employer whose registered seat is located in Germany).
- Withhold Social Security contributions on a monthly basis for the employee.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Prepare and submit an annual wage tax certificate ("Lohnsteuerbescheinigung") as well as Social Security certificate ("Jahresentgeltbescheinigung").

Termination of employment

- Cancel the work permit for the employee (if applicable)
- Prepare and submit a final wage tax certificate ("Lohnsteuerbescheinigung") as well as Social Security certificate ("Jahresentgeltbescheinigung") for the work period within the calendar year.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	34.73%[2]
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	25.45%[2]
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
45%	45%	45%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	20.475% – max. EUR 12.941[3]
Employer	19.575% – max. EUR 12.381[3]

Social Security Agreements (SSA)

Australia	✓
China	✓
India	✓
Russia	✗
United States	✓

[1] Excluding fringe benefits such as housing.
[2] With solidarity surcharge, without church tax.
[3] Due to annual Social Security contribution ceiling.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable /SSA under negotiation

Greece

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive and ranges from 22% to 45% plus solidarity contribution which ranges from 2.2% to 10% (rate of 0% for taxable income till EUR 12,000).
- The tax-free threshold is EUR 8,636 (single filing)/EUR 8,863 (family with one child)/EUR 9,090 (family with two children/EUR 9,545 (family with three children). For taxable income which is higher than EUR 20,000, the amount of deduction is EUR 10 per EUR 1,000 of the taxable income.
- There is no tax-free threshold for freelancers.
- Individuals are also taxed for benefits in kind (goods or services, vouchers (for daily amount over the EUR 6.00, tuition fees, medical expenses, mobile phone, cars (80% of the annual costs per user)) which are not related to the activities of the company.
- The tax year is the calendar year.
- On a monthly basis, withholding tax and solidarity contribution is withheld through the payroll.
- Personal annual income tax return filing deadline is 30 April of the following year.

Social Security

Social Security Contributions are compulsory and generally apply to all employees working in Greece. There is exemption on the Social Security contributions in Greece for the employees who pay Social Security contributions in other countries (Greece has an agreement on this area with them) by law. In this case, exemption document (A1) is required. The contributions are based on the monthly employment income.

Employee

- The maximum gross salary on which the monthly Social Security contribution (ceiling) is calculated is EUR 5,860.80 according to legislation 4387/2016.
- The rate applied on the monthly gross salary is 16%.

Employer

- The maximum gross salary on which the monthly Social Security contribution (ceiling) is calculated is EUR 5,860.80 according to legislation 4387/2016.
- The rate applied on the monthly gross salary is 25.06%.
- The employer is liable for all the payments of the employee and employer.

Immigration

Visa

- Mandatory for non-EU citizens in order to enter Greece.

Work permit

→ Mandatory for non-EU citizens, in order to work in Greece.

Registration

→ Tax and Social Security Registration has to take place, in order to enter into a legal employment relationship in Greece.

Employer's Obligations

Start of employment

→ Registration of the company in the Social Security fund and receipt of codes for the electronic basis of the fund. This has to take place the 1st day the first employee is hired by the company.

→ Hiring and employment agreement are saved on the electronic database of the labour authorities.

During employment

→ On a monthly basis, the employer withholds the following through payroll:
1. Social security contributions
2. Withholding tax
3. Solidarity contribution

→ Prepare and submit on the relevant electronic database the following:
1. On a monthly basis, the monthly Social Security report;
2. On a bi-monthly basis, the monthly withholding tax report;
3. On an annual basis, the annual income certification of the employees. Salary, contributions, tax, solidarity contributions and benefits in kind have to be included so that the personal income return for the employee can be prepared correctly.

Termination of employment

→ The termination of the employment relationship can take place in the following ways:
1. End of the fixed term contract;
2. Resignation;
3. Dismissal (with and without notice).

The relevant documentation must be submitted on the electronic database of the labour authorities and the severance indemnity amount to be provided in case of dismissal.

Comparisons

Taxation of Fringe Benefits

Housing	×
Home Flights	×
Education for Children	×

Tax Rates

Single, no children	43.25%[2]
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	43.15%[2]
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
42%	42%	45%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	16% – max. EUR 13,186.79
Employer	25.06% – max. EUR 20,653.81

Social Security Agreements (SSA)

Canada	✓
China	×
Egypt	○
United States	✓

[1] Excluding fringe benefits such as housing.
[2] Including solidarity charge.

✓ Tax-exempt / SSA available
× Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Hungary

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- A flat 15% personal income tax rate is levied on the taxable income, no tax-free threshold applies.
- The tax year is the calendar year.
- The filing deadline for the annual income tax return is 20 May of the following year. An extension is possible only under limited circumstances, e.g. official document on foreign income is not available by the deadline. In such cases, a request for an extension should be filed with the tax authority.
- Family tax base allowance system applies for individuals with children. Family tax base allowance and other tax credits could be utilised by non-residents under certain circumstances.
- In general, income tax is withheld from the employment income on a monthly basis.

Social Security

Participation in the Hungarian Social Security system consisting of health, pension insurance and labour force market contribution is mandatory for individuals working in Hungary. EU provisions on the coordination of Social Security as well as the provisions of Social Security agreements have also to be taken into account.

Employee

- Employment income is subject to 10% pension insurance contribution, 7% health insurance contribution and 1.5% labour force market contribution.
- In general, Social Security contributions are withheld from the employment income on a monthly basis.

Employer

- Employer's social security tax is 22% of the employment income plus 1.5% training fund contribution.

Immigration

Visa

- In general, foreigners who are coming to work in Hungary are required to possess a visa.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.
- No visa is needed from individuals from (for example) Australia, Brazil, Canada, Mexico and the United States.

Work permit

- EU/EEA and Swiss citizens can be employed in Hungary without a work permit. Only a reporting obligation is required.
- A work permit must be requested for third- country employees who wish to work in Hungary.

Registration

- EU/EEA nationals are required to report their stay longer than 90 days within a 180-days period at the immigration office.
- Residence permit applications for third-country employees shall be requested at the consular office or other official location authorised to receive residence permit applications in the home country of the individual.
- The request for a Hungarian tax ID number and Social Security number (if needed) should be submitted by the individual to the competent authority.

Employer's Obligations

Start of employment

- Requesting work permit for the employee.
- Reporting new employees from EU/EEA to the government office.
- Reporting new employees to the Hungarian tax authority if Hungarian Social Security liability applies.
- In the case of hiring third-country employees, a preliminary request should be filed with the labour office who decides whether a third-country employee could be hired for the job in question.
- Employees of a foreign employer sent to Hungary to perform activity (employment or assignment) should be reported online to the Hungarian Labour Inspectorate by the foreign employer.

During employment

- If the employee has a local (Hungarian) contract, the employer withholds the income tax and the Social Security contribution from the gross salary and transfers these amounts to the tax authority on a monthly basis.
- If the employee has an employment contract with a foreign company and works in Hungary (receives income taxable in Hungary), personal income tax advance should be paid by the employee on a quarterly basis. Should the employee be obliged to pay Hungarian Social Security, the foreign employer has to register in Hungary and is obliged to report and pay Social Security contributions. If the employer fails to register, the employee becomes obliged to fulfil the employer's obligations.
- Tax allowance could be taken into account by the employer during the monthly payroll based on the declaration of the employee.
- Prepares an annual tax and Social Security certificate (form M30).

Termination of employment

- Reporting the end of activity of foreign employees leaving Hungary at the tax authority and the government office.
- Cancel the work permit for the employee (if applicable).
- Prepare a final wage tax certificate.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	15%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	14.5%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
16%	16%	15%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	18.5%
Employer	23.5%

Social Security Agreements (SSA)

China	✗
India	✓
Japan	✓
Mexico	✗
United States	✓

[1] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Ireland

Personal Income Tax

- Individuals are taxed on income, depending on source, residency and domicile status.
- Special rules apply to limit the income tax scope of non-doms.
- Tax rate is progressive but only two tiers apply.
- Effective tax-free threshold of EUR 8,250 (single filing) / EUR 16,500 (joint filing). Increases apply depending on personal/family circumstances and whether the income arises from a local employment contract or under the home country contract.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 31 October of the year following the tax year. Short extensions are possible for online filing.
- Employment income is subject to a monthly withholding tax (in general).

Social Security

Social security contributions are compulsory and generally apply to all employees working in Ireland. The contributions are based on the monthly employment income.

Employee

- An employee is required to pay contributions to the Social Security fund at the rate of 4% of all employment income.
- Contributions are also payable by the employee in respect of Universal Social Charge. The rates are progressive ranging from a blended rate of 1.22% on the first EUR 18,772 of income to a top rate of 8% on income over EUR 70,044. Income between EUR 18,773 and EUR 70,043 is liable at a 5% rate.

Employer

- The employer contributes at the rate of 10.75% of employment income.
- The employer is liable for all payments on a monthly basis but deducts the employee contribution from gross pay.

Immigration

Visa

- Employees do not need a visa to enter Ireland if they are a citizen of the EEA or one of the countries listed in the Immigration Act 2004 (Visas) Order 2014 (full list available on request).
- They also do not need a visa if they hold a valid travel document issued in accordance with Article 28 of the Geneva Convention, hold either a valid residence card 4 EU FAM or a valid permanent residence card 4 EU FAM issued under the European Communities (Free Movement of Persons) Regulations 2015 or if they are a family member of an EU citizen and hold a document called "Residence card of a family member of an Union citizen".
- They will need a visa if they are citizens of a country not covered by the visa exemptions listed above. Also, citizens of the following countries require a transit visa if passing through Ireland on the way to another country (Afghanistan, Albania, Cuba, DR of the Congo, Eritrea,

Ethiopia, Ghana, Iran, Iraq, Lebanon, Moldova, Nigeria, Somalia, Sri Lanka, Zimbabwe).

Work permit

- In general, non-EEA nationals must have an employment permit to work in Ireland.
- EEA nationals and Swiss nationals do not need an employment permit.

Registration

- With the exception of EEA and Swiss nationals, all other nationals must register with the local immigration officer in the area where they intend to live in Ireland. Registration is by appointment only which must be booked online and upon completion of the process, a Registration Certificate will be issued.
- Application must also be made to the Irish Department of Social Protection for a Personal Public Service Number (PPSN).
- Tax registration application is made upon commencing employment (see below).

Employer's Obligations

Start of employment

- Obtain correct work/employment permit for an employee (if applicable) and ensure the employee is in possession of the correct entry visa (if applicable).
- Request certificate of tax credits from the Irish Revenue Commissioners (employee tax registration).

During employment

- Withhold wage tax, Social Security and universal Social Security charge contributions on a monthly basis (obligation extends to non-Irish resident employers where employee is working in Ireland).
- Prepare and submit an annual wage tax and Social Security charge certificate and provide a copy to the employee.

Termination of employment

- Cancel the work permit for the employee (if applicable).
- Prepare and submit a final wage tax and Social Security charge certificate and provide copy to the employee.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	29.94%
Employment gross income[1] EUR 100,000 p.a.[2]	
Married, 2 children	26.49%
Employment gross income[1] EUR 100,000 p.a.[2]	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
52%	52%	52%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee[3]	9.19%
Employer	10.75%

Social Security Agreements (SSA)

Australia/New Zealand	✓
Canada	✓
Isle of Man and Channel Islands	✓
Switzerland	✓
United States	✓

[1] Excluding fringe benefits such as housing.
[2] Various rates totalling.
[3] Includes universal social charge, various rates totalling.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable /SSA under negotiation

Italy

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive and ranges from 23% to 43% (except for passive income that, in general, is taxed on the basis of a 26% substitute tax). On top of this, municipal (up to 0.8 %) and regional surcharges (in the range of 1.2 % to 2.03 %) apply.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 30 September of the year following the tax year. It is possible, under the payment of a reduced penalty of EUR 25, to file the annual income tax return within the following ninety days.
- Employment income is subject to a monthly withholding tax (in general) applied by the employee directly.

Social Security

Social Security contributions are compulsory and generally apply to all persons, either self-employed or employed, **working** in Italy.

For employees, the contributions are based on the monthly employment income. Contributions are calculated as a percentage of the gross wages accrued during the employment relationship. The applicable rate mainly depends on the company sector of activity (i.e. industry, agriculture, credit, services etc.).

For those employees who had not paid contributions until 1 January 1996, registered on that date to the compulsory Social Security and who choose the contribution system, is established an annual ceiling of contributions base (EUR 100,324), subject to annual re-evaluation by the administrative authority. The ceiling also applies to employers.

Employee

- An employee is required to pay contributions to old-age pensions, unemployment, health and nursing care (mainly 9.19%).

Employer

- An employer is required to pay the contributions to old-age pensions, unemployment, health and nursing care (mainly 30%). The effective applicable rate depends on the company sector of activity (i.e. industry, agriculture, credit, services etc.).
- The employer is liable for all payments on a monthly basis. The employer contributions are generally tax-free.
- Work accident contributions are borne by the employer.

Immigration

Visa

- As a rule, any non-EU national who wants to work as an employee in Italy must first obtain a visa to enter Italy. The visa to enter Italy for reasons of work is mainly subject to the previous obtaining of a work permit (i.e. "nulla-osta") by the immigration authority within the framework of the immigration quotas periodically fixed by the law. The work permit must be submitted by the employer.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- In order to be allowed to work in Italy, third-country nationals (meaning: other than EU/EEA/CH nationals) must apply for a work permission submitted by the employer within the framework of the immigration quotas periodically fixed by the law.

Registration

- Upon arrival in Italy, third-country nationals have to apply for the residence permit in Italy within 8 days.
- All foreigners must apply for the italian tax ID from the relevant authority.

Employer's Obligations

Start of employment

- Communicate the start of the employment to the employment services no later than the day before the commencement of the employment relationship (this rule is mandatory and its violation would cause the employment relationship to be considered as being undeclared work).
- Obtain a proper work permit and residence permit for the relevant employee (if applicable).
- Obtain for all employees the identity card (or passport if applicable) and the Italian tax ID, for payroll enrolment.
- Register the employee for Social Security with the competent authority.
- Communicate to the immigration services the hiring of the third national employee and provide also the employment office with all documents specifically required (i.e. residency agreement copy and residence) within 5 days (if applicable).

During employment

- Withhold employee's Social Security contributions and employee's taxes on a monthly basis.
- Complete and send to every employee the annual tax certificate (so called CU Model) that declares the salary paid for the employment relationship.
- Complete and send to the tax authority the formal declaration regarding – mainly - withholdings (both taxes and social charges) related to all employment relationships (so-called 770 Model).
- Communicate to the immigration services and to the employment service every variation related to the employment relationship with a third-national employee (if applicable).

Termination of employment

- Communicate the termination of the employment relationship to employment services.
- Communicate the termination of the employment relationship with the third-nationals' employee (if applicable).
- Complete and send to the relevant employees the annual tax certificate (so called CU Model) that declares the salary paid due to the employment relationship until the termination.
- Other specific rules could be applicable due to the specific reason for the termination occurred (i.e. specific procedure to confirm employee dismissal or payment by the employee of the special contribution for unemployment insurance due to the termination of the employment relationship by the employer).

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	36.17%[1]
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	35.95%[1]
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
43%	43%	43%

Social Security Rates

Employment gross income[2] EUR 100,000 p.a.

Employee	9.19 % + 1%[3]
Employer	30%

Social Security Agreements (SSA)

Australia	○
China	✗
India	✗
Russia	✗
United States	○

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

[1] Excluding municipal and regional surcharges.
[2] Excluding fringe benefits such as housing.
[3] The 1% tax rate is applied when the employee exceeds the threshold of EUR 46,123 of the contributions base.

Latvia

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- General flat rate of personal income tax (PIT) is 23%.
- A 10% PIT applies to dividends, interest and rental income and 15% PIT to capital gains.
- The tax year is the calendar year.
- Annual income tax declarations for the preceding year shall be submitted in the time period from 1 March until 1 June of the following year.

Social Security

Social Security contributions (SSC) are compulsory for employees working in Latvia. The contributions are specified for both employee and employer and the total standard rate of the SSC is 34.09%. Annual salary exceeding EUR 52,400 is not a subject to SSC, but is subject to solidarity tax at the same rate as SSC.

Employee

- Employee rate is 10.5% of the gross salary.

Employer

- Employer rate is 23.59% on top of the gross salary.
- Foreign employers not registered in Latvia but having employees working in accordance with employment agreements in Latvia, who are subject to Social Security in Latvia, must register as employers in Latvia for SSC purposes and pay SSC accordingly.

Immigration

Visa

- Foreigners who want to enter Latvia must first obtain a visa.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss nationals as well as countries mentioned in 15 March 2001 European Council Regulation (EC) No 539/2001.
- To EU, EEA and to Swiss citizens there are incentives to receive a visa in Latvia.
- Based on mutual agreement, incentives to receive a visa are also with Albania, Armenia, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Georgia, Cape Verde Islands, Russia, Montenegro, Moldova, Serbia, and Ukraine.
- Additionally, there is a simplified procedure of issue of short-term visas for Russian Federation citizens.

Work permit

- Any foreigner who wants to work as an employee in Latvia must obtain a visa or residence permit with rights to work in Latvia. A specific work permit obtaining exceptions apply to all EU, EEA and Swiss citizens.
- If the employment of a foreigner is for a regular stay in Latvia which exceeds 90 days within six months, the foreigner must obtain a residence permit with the right to work.

Registration

- The visa and residence permit has to be obtained from the Latvian representative office abroad within a specific period of time.
- In certain exceptional cases, visas may be issued at the Latvian Republic customs border.
- The residence permits should be registered at the Office of Citizenship and Migration Affairs once a year.

Employer's Obligations

Start of employment

- Obtain correct working visa/residence permit type for the employee (if applicable).
- Register the new employee on the employees register with the State revenue service.

During employment

- Employer withholds, pays and reports PIT and SSC on a monthly basis.
- Prepare a summary report for the year for all employees regarding annual salary and taxes paid.

Termination of employment

- Cancel employee status on the employees register with the State revenue service.
- Cancel the work permit for the employee (if applicable).

Comparisons

Taxation of Fringe Benefits

Housing	×
Home Flights	×
Education for Children	○

Tax Rates

Single, no children	23%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	23%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
24%	23%	23%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	10.5%
Employer	23.59%

Social Security Agreements (SSA)

Belarus	✓
Canada	×
Russia	×
Ukraine	✓
United States	×

[1] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
× Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Lithuania

wts

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- General flat rate of personal income tax (PIT) is 15%.
- A 15% PIT applies to dividends, interest, rental income and capital gains.
- The tax year is the calendar year.
- Annual PIT declaration must be filed no later than 1 May of the year following calendar year.

Social Security

Social Security contributions (SSC) are compulsory for employees working in Lithuania. The contributions are specified for both employee and employer and the total standard rate of the SSC may vary between 39.98% and 41.6% depending on which of four categories the employer is attributed for accidents at work and professional diseases social insurance (as one part of SSC) purposes.

Employee

- Employee's rate is 9% of the gross salary.

Employer

- Employer's rate varies from 30.98% to 32.6% and is applied on top of the gross salary of the employee.
- Foreign employers not registered in Lithuania but having employees working in accordance with employment agreements in Lithuania, who are subject to Social Security in Lithuania, must register as employers in Lithuania for SSC purposes and pay SSC accordingly.

Immigration

Visa

- Foreigners who want to enter Lithuania must obtain a visa first. This requirement does not apply to foreign nationals who are subject to visa-free regime (e.g. citizens of the US, Canada, Australia etc.).
- Foreign nationals intending to stay in Lithuania for a period longer than 90 days within any 180 day period should obtain residence permits or long-term (i.e. national) visas.
- Visa exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss nationals as well as countries mentioned in 15 March 2001 European Council Regulation (EC) No 539/2001.

Work permit

- Any foreigner who wants to work in Lithuania must obtain a work permit or a special type of residence permit granting the right to work in Lithuania.
- Highly-skilled professionals, start-up founders and workers in professions that are in high-demand may apply for permits under preferential terms.
- EU, EEA and Swiss citizens are not subject to any work permit requirements.

Employer's Obligations

Start of employment

- Employer has to be sure that the employee has the correct work permit/visa/residence permit required for the job (if applicable).
- Employer has to submit a report at the start of employment for each employee to a competent territorial division of the State Social Insurance Fund Board.

During employment

- Employer withholds, pays and reports PIT and SSC on a monthly basis.
- Employer has to prepare an annual report on taxes withheld from employees' salaries and submit it to the State Tax Inspectorate.

Termination of employment

- Employer has to submit a report on the termination of employment for each employee to a competent territorial division of the State Social Insurance Fund Board.
- Notify the appropriate migration authorities about the end of the employee's employment (if applicable).

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	15%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	15%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
15%	15%	15%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	9%
Employer	From 30.98% to 32.6%

Social Security Agreements (SSA)

Belarus	✓
Canada	✓
Russia	✓
Ukraine	✓
United States	✓

[1] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Luxembourg

Personal Income Tax

- Individuals are taxed on income, depending on the category of income/residency status/tax class (which depends on the civil status of the taxpayer).
- Tax rate is progressive and includes 19 brackets ranging from 0% (up to EUR 11,265) to 40% (above EUR 100,000). A project of tax reform is currently debated in the Luxembourg Parliament and provides for two additional brackets of 41% (for income between EUR 150,000 and EUR 200,000) and 42% (for income above EUR 200,000).
- A contribution for the employment fund amounting to 7% for income below EUR 150,000 and 9% for income above EUR 150,000 (EUR 300,000 for taxpayers filing jointly) is also due and leads to a marginal tax rate of 43.6% for income above EUR 150,000 (EUR 300,000 for taxpayers filing jointly).
- A "temporary tax" of 0.5% due on professional income and aiming at financing improvements in childcare was introduced as of 1 January 2015 (and could be abolished as of 1 January 2017 provided the project of tax reform is adopted by the Luxembourg Parliament).
- The first exempted income bracket goes up to EUR 11,265 for single individuals and up to EUR 22,530 for taxpayers filing jointly. The marginal tax rate is reached with a level of taxable income of EUR 100,000 and of EUR 200,000 for taxpayers filing jointly.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 31 March of the year following the tax year (extension possible until 31 December).
- Employment income is subject to a monthly withholding tax (creditable against personal income tax).
- Tax exempt income under DTT may be considered for calculating personal tax rate (progression clause).
- A special tax regime provided by the Luxembourg tax administration and implemented as from 2011 is applicable to highly skilled mobile employees (expatriates) provided several conditions are met by the employer and the employee. Such special tax regime may lead to substantial tax savings.

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Luxembourg. The contributions are calculated on the monthly employment income. Social Security contributions are limited to a ceiling of yearly income amounting to EUR 115,000 (except for the portion of contributions financing the dependency insurance, see below).

Employee

- Employees' contributions include: old-age pension (8%), sickness (2.8% to 3.05%), and dependency insurance (1.4%).

Employer

- Employers' contributions include: old-age pension (8%), sickness (2.8% to 3.05%), accident insurance (1%), mutual insurance (0.51% to 3.04%) and health at work (0.11%).
- The employer is liable for the all payments (employee's and employer's contributions) on a monthly basis.

Immigration

Before entering Luxembourg

- Third-country nationals who wish to come to Luxembourg to work for more than 3 months must apply, from their country of origin, for a temporary residence authorisation to the Immigrate Directorate of the Ministry of Foreign Affairs (or to a Luxembourg diplomatic or consular representation) and request the required visa if they are subject to visa requirements in order to enter Luxembourg and the Schengen area.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss, Island, Norway, Liechtenstein nationals.

After entering Luxembourg

- Third-country nationals must file a declaration of arrival to the municipality of residency 3 days after the arrival in Luxembourg. Afterwards, they must undergo a medical check-up as soon as possible. Finally, they must apply for a residence permit to the Ministry of Foreign Affairs within 3 months as from the entry in Luxembourg.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss, Island, Norway, Liechtenstein nationals.

Employer's Duties

Start of employment

- Before the start of the employment of a third-country national, employers must file a declaration of vacant position to the Luxembourg Employment Administration, which will first check whether a suitable candidate is available on the local market. If the job position is not filed by the Luxembourg Employment Administration within 3 weeks, the employer is then allowed to request a certificate from the director of the Luxembourg Employment Administration allowing him/her to enter into an employment agreement with a third-country national. The employer will have to notify the beginning of the working relationship to the Ministry of Foreign Affairs within 3 days as from the first working day.
- Register the employee for Social Security purposes with the competent Social Security authority.

During employment

- Withhold wage tax on a monthly basis by the Luxembourg employers.
- Withhold Social Security contributions on a monthly basis on behalf of the employee.
- Allocate the employee's remuneration.
- Prepare and submit an annual wage tax certificate as well as Social Security certificate.

Termination of employment

- Prepare and submit a final wage tax certificate as well as Social Security certificate for work period within the calendar year.

[1] After deduction of Social Security contributions (Art. 118 LIR).
[2] 31.80% including contribution for employment fund.
[3] After deduction of Social Security contributions (Art. 121 LIR).
[4] 21.87% including contribution for employment fund.
[5] Excl. employment fund contribution.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	29.72%[2]
Employment gross income EUR 100,000 EUR p.a.[1]	
Married, 2 children	20.44%[4]
Employment gross income EUR 100,000 p.a.[3]	

Maximum Effective Personal Income Tax Rates for the Past 3 Years[5]

2014	2015	2016
40%	40%	40%

Social Security Rates

Employment gross income EUR 100,000 p.a.

Employee	12.2% to 12.45% EUR 12,200 to EUR 12,450
Employer	12.42% to 15.2% EUR 12,420 to EUR 15,200

Social Security Agreements (SSA)

Albania	✓
Brazil	✓
Canada	✓
India	✓
Quebec	✓

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

The Netherlands

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status. 3 boxes apply.
- Box 1 includes income from work and home ownership. This includes employment and entrepreneurial income as well as home ownership of a principal residence. Tax rate is progressive ranging from 8.9% to 52%.
- Box 2 includes income from a substantial interest, taxed at a flat rate of 25%.
- Box 3 includes (deemed) income from savings and interest. The deemed income ranges from 2.9% to 5.5%, depending on the fair market value of the total assets as per 1 January of the tax year. The deemed income is taxed at a flat rate of 30%, taking into account a tax exempt base of EUR 25,000 per person.
- The tax year is the calendar year.
- Filing deadline for the annual personal income tax return: 1 May of the year following the tax year. Extensions of a couple of months are possible up to 30 April of the following year when filed by a tax advisor.
- As from 1 March after the tax year, resident tax payers can download their tax return from the tax authorities, website, including the information already known by the Dutch tax authorities.
- In general, employment income is subject to a monthly withholding tax (i.e. wage tax).
- Foreign tax-exempt income may be considered for calculating the personal income tax rate (progression clause).

Social Security

Social Security contributions are compulsory and generally apply to all employees working in the Netherlands. The contributions are based on the monthly employment income.

Employee

- An employee is required to pay contributions of 17.9% to the state old-age pension ("AOW"), 0.1% to the survivor pension ("ANW") and 9.65% to the long term nursing care insurance ("WLZ") up to an annual income ceiling of EUR 33,791. The premium amounts to a maximum of EUR 9,343.
- In addition, a private health insurance is required of which the monthly premium amount to around EUR 100 per month depending on the coverage of the insurance and the policy excess.

Employer

- An employer is required to pay contributions for unemployment, the disability and health insurance. Some of the premiums partially depend on the size and industry of the employer. The premiums include:
  - WW: 2.64% plus on average 1.77% (ranging from 0.54% to 12.38%)
  - WAO/WIA: 6.66%, including 0.5% child day care allowance;
  - WHK, ranging from 0.43% to 5.08%, and;
  - ZVW: 6.65%.

  Premiums are due on the employment income of an employee up to an annual income ceiling of EUR 53,701. For large employers (more than EUR 3,100,000 premium wage) in the Netherlands slightly different premiums (WHK) may apply. There is a possibility to self-insure the WHK premiums, taking over the obligation to pay the disabled or ill employee.
- The employer is liable for the payments on a monthly basis. The employer contributions are generally tax-free.
- Work accident insurance contributions are borne by the employer.

Immigration

Visa

- Any foreigner that works as an employee in The Netherlands must have a valid residence permit and work permit.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- According to the Dutch Foreign Employment Act an employer needs to be in possession of a work permit for a non-EEA national (excluding Swiss nationals) who will perform work activities in the Netherlands.

Registration

- Upon arrival in the Netherlands, all foreigners must register at the town hall of the municipality where they will live. They register as a resident or temporary resident. After registration, the foreigner will receive a Citizen Service Number ("Burgerservicenummer", BSN, i.e. also the Dutch tax number).

Employer's Obligations

Start of employment

- Obtain the correct work permit (if applicable).
- Identify the employee and administer the required personal details of the employee, including a copy of his/her passport and a copy of the certificate of coverage (A1/E101 declaration) when relevant.
- Obtain a 30% ruling when possible, reducing the wage tax/personal income tax.
- Arrange for Dutch acceptance of foreign pension scheme (if applicable).

During employment

- The Dutch legal or economic employer must withhold Dutch wage tax monthly, including Dutch Social Security premiums when relevant.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Prepare an annual wage tax certificate ("Jaaropgaaf") and submit when requested.
- Administer cost reimbursements and allowances (also in kind) to determine the (non-)taxation monthly or annually ("Werkkostenregeling").

Termination of employment

- Cancel the work permit for the employee (if applicable).
- Prepare and submit final a wage tax certificate ("Jaaropgaaf") for the work period within the calendar year.
- Determine in advance the timing of the final wage/bonus/redundancy/option payment(s).

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	33.48%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	33.48%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
52%	52%	52%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	27.65% – max. EUR 9,343
Employer	±18.5% – max. ± EUR 9,935

Social Security Agreements (SSA)

Australia	✓
China	✓○
India	✓
Russia	✗
United States	✓

[1] Excluding fringe benefits such as housing, excluding 9.34% Social Security, so 42.82% including Social Security.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Norway

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive and ranges from 24% to 38.52% for salaries. Investment income is taxed with a general flat tax rate of 24% and dividend/gain at shares at a flat rate of 29.76%.
- Tax-free threshold up to NOK 94,910 – (single filing) / NOK 139,821 (joint filing).
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 30 April of the year following the tax year. Extensions are possible until 31 May and to 18 June for tax returns with the assistance of a tax advisor.
- Employment income is subject to a monthly withholding tax (in general).
- Tax-exempt income may be considered for calculating personal tax rate (progression clause).

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Norway. The contributions are based on the monthly employment income (including fringe benefits).

Employee

- An employee is required to pay contributions to old-age pension, unemployment, health and nursing care insurance. The rate is 8.2% of gross salary.
- For self-employed the rate is 11.4%.
- For pension and life annuities the rate is 5.1%.
- For individuals under 17 years or over 69 years the rate is 5.1%.
- Income below NOK 54,650 is exempt from contributions. For income above NOK 54, 650, the contribution cannot exceed 25% of the income in excess of this threshold.

Employer

- The payroll taxes is generally 14.1%.
- For employers that run their business in northern Norway and certain provinces, a lower rate between 0% and 10.6% is applicable.

Immigration

Visa

- Visa is applicable for entrance to Norway for citizens of some countries. When a visa-national is granted a residence permit with the right to work, prior to arrival to Norway, he/she is always automatically granted an entry-visa.

Work permit

- As a general rule, any foreigner who wants to work as an employee in Norway must first obtain a residence permit allowing him/her to work in Norway.
- Exceptions apply to all citizens of the Nordic countries. Citizens of these countries are not in need of a residence permit of any kind. Citizens of EU and European Economic Area (EEA) and to Swiss (CH) nationals do not need a residence permit but are obliged to register with the police no later than 3 months after arrival in Norway.

- Exemptions also apply to technical experts/employees of multinational enterprises that will work in Norway for less than three months. A notice to the police before arrival in Norway is then required.

Registration

- After arrival in Norway, the foreigner must register with the local immigration authority (often the local police) and go through an ID check.
- Upon arrival in Norway, all foreigners must also register at an ID tax office, bringing with them ID, application for tax withholding card and employment contract. Then Norwegian tax ID will be issued automatically.
- If the employee is covered by the Social Security scheme in the home country, the A1-serticicate/Certificate of Coverage should be submitted to the ID tax office. The A1-sertificate/ Certificate of Coverage should also be submitted to the National Insurance Service (NAV Internasjonalt) for verification.

Employer's Obligations

Start of employment

- Contracts and sub-contracts awarded to an enterprise resident abroad have to be reported to the Central Office of Foreign Tax Affair by filing the Form RF-1199. Employees used to carry out the assignment have also to be reported to the Central Office of Foreign Tax Affair on the same form within 14 days after the work has commenced.
- Obtain the tax withholding card either from the employee or electronically from the tax authorities. If a tax withholding card is not available (e.g. the employee has not made an application), the withholding tax rate is 50%.

During employment

- Withhold wage tax on a monthly basis by the Norwegian employers (meaning any contractual or economic employer whose registered seat is located in Norway). Deduction for the Social Security contribution (if applicable) is included in the tax withholding card.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Issue Norwegian pay slips.
- Monthly reporting to the Norwegian tax authorities.

Termination of employment

- Filing of form RF-1199 to the Central Office of Foreign Tax Affair for termination of the employment.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates[1]

Single, no children	32.28%
Employment gross income[2] NOK 100,000 p.a.	
Married, 2 children	31.61%
Employment gross income[2] NOK 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
39%	38.7%	38.52%

Social Security Rates

Employment gross income[2] NOK 100,000 p.a.

Employee	8.2%
Employer	14.1%

Social Security Agreements (SSA)

Austria	✓
China	×
India	✓
Russia	×
United States	✓

[1] Including Social Security contribution.
[2] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
× Taxable / SSA not available
○ Special regulations applicable /SSA under negotiation

Poland

Personal Income Tax

- Individuals are taxed on income, depending on source and residency status.
- Tax rate is progressive (annual taxable income up to PLN 85,528 is taxed at the rate of 18% and the excess is taxed at the rate of 32%), except for capital gains with a flat tax rate of 19% and specific income of non-residents with a flat tax rate of 20%.
- Tax-free threshold ranges from PLN 6,600 to PLN 0 depending on annual taxable income.
- The tax year is the calendar year.
- The deadline for annual tax payment and filing the annual income tax return: 30 April of the year following the tax year, except for non-residents leaving Poland before that date – then the deadline is the day of departure.
- Employment income is subject to a monthly withholding tax (in general).

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Poland. The contributions are based on the monthly employment income, except for health insurance contributions based on the monthly employment income less: pension and disability insurance contributions payable by the employee and sickness insurance contributions.

Employee

- The employee is required to pay contributions towards:
  - pension (9.76%) and disability insurance (1.5%) up to an annual income ceiling (gross income of PLN 127,890 in 2017);
  - sickness (2.45%) and health (9%) insurance – irrespective of employee's income level.

Employer

- The employer is required to pay contributions towards:
  - pension (9.76%) and disability insurance (6.5%) up to an annual income ceiling (gross income of PLN 127,890 in 2017)
  - accident insurance (ranges from 0.4% to 3.6%, depending on sector of employer's activity and number of employees), Labour Fund (2.45%) and Employee Benefits Fund (0.1%) irrespective of employee's income level.
- As a rule, the employer is liable for all the payments on a monthly basis. The employer's contributions may be considered as tax-deductible expenses, provided that statutory requirements are met.

Where one is not covered by Social Security on a mandatory basis, one may access the pension, disability and health insurance system on a voluntary basis.

Immigration

Visa

- As a rule, a foreigner who wants to work as an employee in Poland must first obtain a visa to enter Poland.
- Exceptions apply to a number of countries, including in particular all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals.

Work permit

- In order to be allowed to work in Poland, as a rule third-country nationals (meaning nationals other than EU/EEA/CH) must apply for a residence permit and/or work permit, depending on the specific case.
- An exception is provided for citizens of Armenia, Belarus, Georgia, Moldova, Russian Federation and the Ukraine. No work permit is required, provided that the employer fulfils certain reporting obligations and work is performed up to 6 months in any 12-month period.

Registration

- Registration at the place of temporary residence ("zameldowanie na pobyt czasowy"):
  - EU/EEA/CH citizens staying in Poland for at least 3 months within 30 days from the date of arrival in Poland
  - third-country nationals (meaning nationals other than EU/EEA/CH) staying in Poland for at least 14 days within 4 days from the date of arrival in Poland.
- Registration of stay ("rejestracja pobytu"):
  - EU/EEA/CH citizens staying in Poland for at least 3 months at the latest on the day following that 3-month period.

Employer's Obligations

Start of employment

- Check (before assigning work) the document authorising the employee to stay in Poland.
- Obtain work permit for the employee (if applicable).
- Register the employee for Social Security purposes with the competent Social Security authority.
- Submit a statement to the National Labour Inspectorate (if the employer is seated outside Poland and certain conditions are fulfilled).

During employment

- Withhold wage tax on a monthly basis.
- Withhold Social Security contributions on a monthly basis for the employee.
- Prepare and submit an annual wage tax certificate (PIT-11) (Polish employees only).
- Keep employee's records in the territory of Poland over the period of secondment and 2 years afterwards for the purpose of an audit by National Labour Inspectorate (foreign employers only), if additionally certain conditions are fulfilled.

Termination of employment

- Report termination of employment to the authorities that issued the work permit (if applicable).
- Deregister the employee from the Social Security system.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	21.26%[1]
Employment gross income EUR 100,000 p.a.	
Married, 2 children	17.74%[1, 2]
Employment gross income EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2015	2016	2017
32%	32%	32%

Social Security Rates

Employment gross income EUR 100,000 p.a.

Employee	14.28%[3]
Employer	9.19%[3, 4]

Social Security Agreements (SSA)

Australia	✓
Canada	✓
Russia	✗
Ukraine	✓
United States	✓

✓ Tax exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

[1] Effective tax rate = tax calculated on the basis of progressive tax scale (annual taxable income up to PLN 85,528: tax rate of 18%; the excess: tax rate of 32%).
[2] Assumption: spouse does not earn taxable income.
[3] Pension and disability insurance contributions – up to annual income ceiling.
[4] Assumption: accident insurance contribution at the rate of 1.8%.

Portugal

wts

Personal Income Tax

- Individual's resident for tax purposes in Portugal are subject to Personal Income Tax on their worldwide income. Non-residents are only subject to Personal Income Tax on the income deemed to be obtained in Portuguese territory.
- Individuals are taxed on income, under six different categories: employment income, business and professional income, capital income, real estate income, net worth increases and pensions.
- A beneficial tax regime intended to attract individuals and investments to Portugal applies to the income obtained by non-habitual residents (individuals not residents herein for the last 5 years who decide to become resident in Portugal).
- Under the non-habitual residents regime (i) Portuguese source employment and self-employment income may be taxed at a flat 20%, (ii) foreign source income will be exempt from tax.
- The Personal Income Tax rates are progressive and range from 14.5% to 48%, plus a surcharge (levied on income ranging from EUR 20,261 and EUR 80,640 at variable rates ranging from 0.88% to 3.21%) and an additional solidarity tax (levied on income exceeding EUR 80,000 at variable rates up to 5%).
- Income obtained by non-residents is, as a general rule, subject to final withholding tax at a rate of 28%.
- Filing deadline for the annual income tax return: between the first day of April and the last day of May.
- The tax year corresponds to the calendar year, although Portuguese legislation foresees the concept of partial tax residency.

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Portugal. The contribution area is based on the monthly employment income.

Employee

- The law sets forth a contribution of 33.5%[1], being the employee liable for 11%.
- The general 33.5% contribution covers risks and events regarding illness, parenting, unemployment, disability, retirement and death.

Employer

- The employer is liable for Social Security payments on a monthly basis.

Immigration

Visa

- As a general rule, any foreigner who wants to enter into Portugal to work as an employee should first obtain a visa.
- Exceptions apply to all EU and European Economic Area citizens (EEA).

Work permit

- In order to be allowed to work in Portugal, third-country nationals must apply for a residence permit, and an employment contract is required for this purpose.

[1] The general standard Social Security rate is 34.75%. However, as from February 2017, the Portuguese government has reduced the contribution rate of the employer (previously 23.75%) as an exceptional measure, which will apply for one year (until the end of 2017).

Registration

» All foreigners coming into Portugal should obtain a Portuguese tax identification number.

Employer's Obligations

Start of employment

→ Among other references, the work contract should refer to the foreigner's work permit (if applicable), functions and salary agreed.
→ Register the employee for Social Security purposes.

During employment

→ Withhold wage tax on a monthly basis by the employer.
→ Withhold Social Security contributions on a monthly basis for the employee.

Termination of employment

→ Communicate the termination of the employment agreement to the Social Security authorities.
→ Provide to the employee a work certificate specifying the admission and termination dates, as well as the functions held.
→ Cancel the work permit for the employee (if applicable).

[1] If certain conditions are met, this fringe benefit may be exempted.
[2] With surcharge and additional solidarity tax.
[3] With surcharge.
[4] Progressive tax rates applicable to tax residents in Portugal (e.g. employment income).
[5] Plus a surcharge up to 3.5% and an additional solidarity tax of 5% (for income above EUR 250,000).
[6] Idem.
[7] Plus a surcharge up to 3.21% and an additional solidarity tax of 5% (for income above EUR 250,000).

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	○[1]

Tax Rates

Single, no children	39.57%[2]
Employment gross income EUR 100,000 p.a.	
Married, 2 children	29.35%[3]
Employment gross income EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years[4]

2015	2016	2017
48%[5]	48%[6]	48%[7]

Social Security Rates

Employment gross income EUR 100,000 p.a.	
Employee	11%
Employer	22.5%

Social Security Agreements (SSA)

Australia	✓
Brazil	✓
Canada	✓
Russia	✗
United States	✓

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Romania

wts

Personal Income Tax

→ Residents and non-residents are taxed on income depending on their fiscal residency status and the source of the income.
→ Income is taxed with a flat rate of 16%.
→ The tax year is the calendar year.
→ Individuals hired based on an employment contract by companies whose main activity is software development can be exempted from tax on income provided that the conditions set forth in specific legislation in force are met.
→ The employer is obliged to calculate, withhold, declare and pay to the state budget the tax on income on a monthly basis, by the 25th of the following month. In the case of foreigners seconded to Romania, the individuals are obliged to declare and pay monthly the tax on income to the state budget, by the 25th of the following month.

Social Security

Social security contributions are due, both by the individual and the company. The employer is obliged, based on the gross salary of the employee, to calculate, withhold, declare and pay monthly Social Security contributions, by the 25th of the following month.

In the case of secondment agreements or pluriactivity, the individuals can be exempted from paying Social Security contributions provided that they can present a form valid for the period of their assignment, certifying that respective individuals are subject to the Social Security system in their home country. If such a certificate cannot be presented, Social Security contributions are due in Romania.

Employee

→ An employee is required to pay the following: unemployment fund (0.5%), health insurance contribution (5.5%) and Social Security contribution (10.5%).
→ The contribution base for social contribution is capped at 5 average gross salaries (EUR 2,980 for year 2016). Starting with 2017, also the contribution base for health insurance will be capped at 5 average gross salaries.

Employer

→ An employer is required to pay the following: unemployment fund (0.5%), health insurance contribution (5.2%), Social Security contribution (15.8% for normal working conditions, 20.8% for specific working conditions, 25.8% for hard/special working conditions), medical leave contribution (0.85%), guarantee fund (0.25%), work accident fund (0.15%-0.85% depending on the main activity of the employer).
→ Any employer with more than 50 employees must also pay a contribution for the non-employment of disabled persons calculated as 4 x 50% of the minimum gross salary for every 100 employees.
→ The contribution base for Social Security is capped at 5 average monthly gross salaries multiplied with the number of

employees and the base for medical leave contribution is capped at 12 minimum monthly gross salaries multiplied with the number of employees.

Immigration

Visa

- EU/EEA/Swiss nationals do not need a visa to enter Romanian territory. However, if the stay exceeds 90 days within a 6-month period, the individual must obtain a registration certificate from the General Inspectorate for Immigration.
- Nationals of US, Japan, Canada and of the states listed in Annex II of EC Regulation 539/2001 are visa-exempted for a short-stay only. For stays over 90 days, a long-stay visa must be obtained from the Romanian consulates abroad.
- No Romanian visa is required for: holders of valid Schengen visas for short or long term stays, holders of permanent residence permits issued by an EU Member State, nationals of states with which Romania has signed agreements in this respect, as settled in these agreements.

Work permit

- EU/EEA/Swiss nationals do not need a work authorisation.
- A work authorisation is compulsory for non-EU/EEA/CH nationals working in Romania. The work authorisation is granted at the employer's request by the Romanian immigration authorities and is needed when obtaining a long-term visa or residence permit for employment or assignment purposes. A foreigner who moves from one company to another must obtain a new work authorisation.

Registration

- All foreigners exceeding 90 days of stay in Romania must register at the local immigration office regardless of whether or not they obtain revenue in Romania. The immigration office will grant an identification number which will be used when submitting the tax returns.
- In the case of secondment agreements, the individuals must register also as taxpayers with the relevant tax authorities.
- In 30 days after accomplishing 183 days of presence in Romania the foreigner must complete and submit to the tax authorities a questionnaire for determining the fiscal residence status.

Employer's Obligations

Start of employment

- Obtain a work authorisation and correct working visa type for the individual (if applicable).
- In the case of local labour agreements, the Romanian resident employer must declare the labour contract to the labour authorities with a day prior to the commencement date of the contract.
- In the case of secondment agreements, the Romanian resident employer must submit a statement to the tax authorities regarding the secondment no later than 15 days from the commencement date of the contract.
- In the case of secondment agreements, the non-resident employer must submit a statement to the labour authorities with at least 5 days before the starting date of the assignment and no later than the first day of the contract.

During employment

- Calculate, withhold, declare and pay on a monthly basis the tax on income and Social Security contributions to the state budget, both for the employee and the employer.

Termination of employment

- Cancel the work authorisation for the employee (if applicable).
- In the case of local labour agreements, declaring the termination of the contract to the labour authorities in the first non-working day.
- In the case of secondment agreements, the Romanian resident employer must submit a statement at the tax authorities regarding the termination of the secondment no later than 15 days from the closing date of the contract.

[1] The contribution base for social and health contributions are capped at 5 average gross salaries.
[2] The contribution base for social security contribution is capped at 5 average monthly gross salaries multiplied with the number of employees and the base for medical leave contribution is capped at 12 minimum monthly gross salaries multiplied with the number of employees.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children Employment gross income EUR 100,000 p.a.	16%
Married, 2 children Employment gross income EUR 100,000 p.a.	16%

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
16%	16%	16%

Social Security Rates

Employment gross income EUR 100,000 p.a.

Employee	16.5%[1]
Employer	22.5 % – 33.2%[2]

Social Security Agreements (SSA)

Austria	✓
China	✗
India	✗
Russia	✗
United States	✗

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Slovakia

Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Two tax rates: 19% (for tax base up to EUR 35,022.31) and 25% (tax base above EUR 35,022.31). There are some exceptions, such as withholding tax of 19% on interest income on bank deposits and other type of investments, 7% on dividends from the profit reported for the period from 1 January 2017.
- Maximum basic tax allowance for the individual up to EUR 3,803.33 (up to the yearly tax base of EUR 35,022.32).
- Employment premium, tax bonus for child, dependent-spouse allowance applicable.
- The tax year is the calendar year.
- Annual clearing carried out by the employer is possible.
- Filing deadline for the annual income tax return: 31 March of the year following the tax year. Extensions are possible until 30 September if income from source outside of Slovakia has been achieved.
- Employment income is subject to a monthly withholding tax (generally).

Social Security

Social Security contributions and contributions to health insurance agency are compulsory and generally apply to all employees working in Slovakia. The contributions are based on the monthly employment income.

In the case of employee assignment to Slovakia, a standardised form A1 (confirming that Social Security contribution will be paid in the home country) will be required.

Employee

- An employee is required to pay Social Security contributions (9.4% of gross salary) and health insurance contributions (4% gross salary) up to the monthly income ceiling for Social Security (EUR 6,181) and with no annual income ceiling for health insurance since 2017.

Employer

- An employer is required to pay Social Security contributions (25.2% of gross salary) and health insurance contributions (10% of gross salary) up to the monthly income ceiling for Social Security (EUR 6,181) and with no annual income ceiling for health insurance since 2017.
- The employer is liable for all payments on a monthly basis. The employer contributions are tax-free.

Immigration

Foreign nationals who are subject to visa requirements and want to enter the Schengen area, with Slovakia being their target destination, must file a visa application with the competent Slovak embassy or consulate general.

A third-country national has the same right to use employment services as a citizen of the Slovak Republic, provided:

- He/she has been granted a work permit and temporary residence permit for the purpose of employment.
- They are holders of the EU Blue Card.
- They are asylum applicants whose labour market entry is permitted by an act of asylum.

Employment permit

- A third-country national shall, prior to arrival at the territory of the Slovak Republic, apply in writing for an employment permit from the competent office of labour, social affairs and family, in whose territorial jurisdiction he/she is to carry out employment.
- The employer's promise to hire a third-country national in employment shall be the component part of the application.
- The office can grant the employment permit to a third-country national, if the vacancy cannot be filled with a jobseeker that has been filed in the Jobseekers Register.
- Various maximally permitted employment periods.

EU citizens and residents who want to work and who are looking for work may request to be registered in the Job Seekers Register at the Office of Labour, Social Affairs and Family. It is the right, but not the obligation, of every citizen to be registered as a job seeker.

Registration

- Upon arrival in Slovakia, all foreigners (third countries, EU) must register with their local registration office (police office) within a specific period of time. The Slovak ID will be issued.

Employer's Obligations

Start of employment

- The hosting employer, posting his/her workers to the territory of Slovak republic to perform work at provision of services, is obliged to notify the national labour inspectorate of various data such as commercial name, identification number, expected number of posted workers etc.
- Slovak employer registers the employee for social and health security purpose with the competent social and health security authority.
- Preparation of a contract of employment.
- Advice on safety at work.

During employment

- Withhold wage tax on a monthly basis by the Slovak employers (meaning any contractual or economic employer whose registered seat is located in Slovakia).
- Withhold social and health security contributions on a monthly basis for the employee.
- File an overview of any advances in view of the tax on income from dependent activities earned by its employees

and of employment premiums and tax bonuses.
- Keeping of wage cards and payroll-sheets.
- Preparation of all relevant documents relating to the period during which a taxable wage has been paid to its employees such as annual clearing, if requested, or final wage tax certificate etc.

Termination of employment
- Preparation of all relevant documents relating to the period, during which a taxable wage has been paid to its employees such as annual clearing, if requested, or final wage tax certificate etc.
- Cancellation of registration in all relevant institutions.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Education for Children	✗

Tax Rates

Single, no children	19% and 25%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	19% and 25%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
25%	25%	25%

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	9.4%
Employer	25.2%

Social Security Agreements (SSA)

Australia	✓
China	✗
India	✗
Russia	✓
United States	✓

[1] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Slovenia

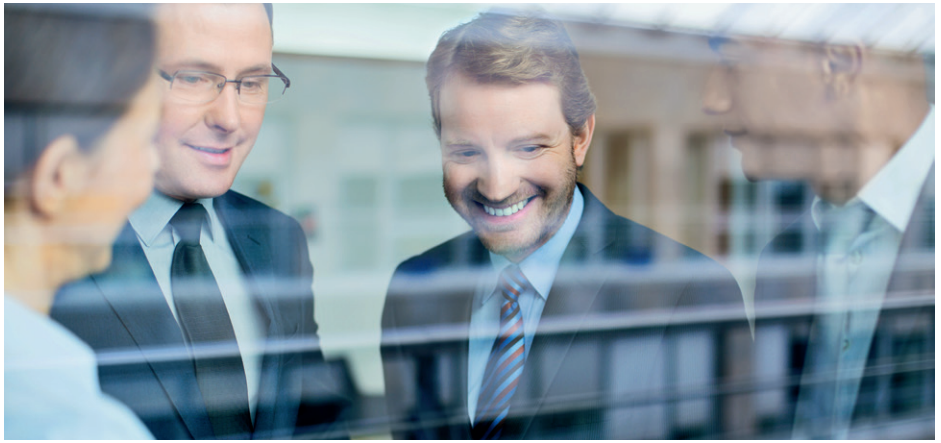
Personal Income Tax
- Individuals are taxed on income received, depending on the source/residency status.
- Tax rate is progressive and ranges from 16% at EUR 8.021 to 50% at EUR 70.907 tax base p.a. (except for investment and rental income with a general flat tax rate of 25%).
- Income not exceeding tax allowances is not taxable (applicable only for resident taxpayers. Non-resident taxpayers are entitled to tax allowances only under certain conditions).
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: pre-filled annual tax returns are sent to resident taxpayers on 31 March or on 31 May of the year for the previous tax year. If they do not appeal against it within 15 days after receipt, the pre-filled return is considered to be the final income tax return. If a resident taxpayer does not receive the pre-filled annual tax return by 15 June, he/she has to submit an annual tax return. A non-resident taxpayer neither receives a pre-filled annual tax return nor is obliged to submit annual tax return unless he/she claims tax allowances (subject to certain conditions). The final deadline for the annual tax return submission is 31 July of the current year for the year before the previous year.
- Employment income is subject to a monthly withholding tax.
- Tax exempt income may be considered for calculating the personal tax rate (progression clause).

Social Security
Social Security contributions are compulsory and generally apply to all employees working in Slovenia. The contributions are calculated as a percentage of the gross monthly employment income.

Employee
- An employee is required to pay contributions to old-age pension (15.5%), unemployment (0.14%), health (6.36%) and nursing care (0.1%) insurance. Total 22.1%.
- There is no cap on paying social security contributions.

Employer
- An employer is required to pay contributions to old-age pension (8.85%), unemployment (0% to 0.3%), health (6.56%), nursing care (0.1%) and accident at work (0.53%) insurance. Total 16.04% to 16.34%.
- The employer is liable for employees' and employers' payments on a monthly basis. The employer contributions are generally tax-free.
- There is no cap on paying social security contributions.

Immigration
Visa
- As a rule, any foreigner who wants to work as an employee in Slovenia must first obtain a visa to enter Slovenia.
- Exceptions apply to all EU and European Economic Area (EEA) citizens and to Swiss (CH) nationals. Exceptions apply also to nationals of the countries of



North America, most countries in South America, most Balkan states, Japan, Australia, New Zealand, Israel and the UAE.

Work permit

- In general, foreigners who want to work in Slovenia (or stay more than 90 days) must obtain a temporary residence permit or a unified residence and working permit. At the same time the temporary address in Slovenia should be registered. Depending on the type of permit, it may be applied for at the Slovenian consulate abroad or at the appropriate administrative office in Slovenia. In some cases, the employer of the foreigner may be eligible to apply for the permit in the name of the foreigner.

Registration

- A foreigner who registers his temporary address in Slovenia obtains a Slovenia tax ID automatically. He/she should amend his file at the Financial Administration with additional information not part of the temporary address registration. If a foreigner does not register his temporary address in Slovenia for and receives taxable income in Slovenia, he/she should obtain a Slovenia tax ID by himself/herself. If the foreigner stays in Slovenia for a longer period of time, he/she should consider his/her tax residency status.

Employer's Obligations

Beginning of employment

- Obtain correct visa type/work permit for an employee (if applicable).
- Employer has to register on an e-Taxes application and AJPES (if not registered yet) in order to arrange all necessary monthly reporting.
- Register the employee into compulsory social security system on the online platform E-vem.

During employment

- Withhold income tax on a gross monthly basis by the Slovenian employers (meaning any formal employer whose registered seat is located in Slovenia or a foreign employer having a PE in Slovenia for corporate tax purposes).
- Withhold social security contributions on a monthly basis for the employee (meaning any formal employer whose registered seat is located in Slovenia).
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Carry out the applicable annual reporting to the Financial Administration and Pension and Disability Insurance Institute, unless it will be automatically.
- Prepare an annual report on income received for tax purposes and a notice of annual leave entitlement. Both reports must be sent to the employees via email or via normal post.

Termination of employment

- Cancel the work permit for the employee (if applicable).
- Deregister the employee from the compulsory social security system online.
- An annual report on income received and a notice of annual leave entitlement shall be prepared.

[1] With medical assistance abroad.
[2] Also telecommunications equipment.
[3] Excluding fringe benefits.
[4] For non-residents.
[5] For residents.

Comparisons

Taxation of Fringe Benefits

Housing	✗
Home Flights	✗
Individual health[1]	○
Computer for private purposes[2]	✓

Tax Rates

Single, no children	33.94%[4], 33.23%[5]
Employment gross income[3] EUR 100,000 p.a.	
Married, 2 children	33.94%[4], 32%[5]
Employment gross income[3] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
50%	50%	50%

Social Security Rates

Employment gross income[3] EUR 100,000 p.a.

Employee	22.1%
Employer	16.04% to 16.34%

Social Security Agreements (SSA)

China	✗
Macedonia	✓
Russia	✗
Serbia	✓
United States	✗

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Spain

Personal Income Tax

- The income tax rate for Spanish tax residents is progressive, and ranges from 0% up to 48%, depending on the autonomous community of residency.
- Foreign tax residents are only subject to tax in Spain on their Spanish source income, at a flat tax rate of 24% for non-EU countries residents, or at a flat rate of 19% for EU-countries residents.
- Salaries earned in Spain by both non-Spanish and Spanish tax residents, are subject to a withholding tax on a quarterly or monthly basis by the employer.
- Spanish tax residents must file a final income tax return on May-June of the following year on which the amounts withheld shall be offset against the final tax due.
- Foreign tax residents are not obliged to file a final income tax return, unless they have been withheld in excess during the tax year. In this case, they should file a final income tax return claiming the refund of the amounts withheld in excess by the employer.
- A special tax regime is applicable for workers posted to Spain becoming Spanish tax residents ("Beckham law"). Posted employees benefiting from this regime are taxed only on their worldwide work income and on other Spanish source incomes.

Social Security

Both, the employee and employer, shall contribute to the Social Security system. Contributions are calculated on the employees' monthly salary of the previous month. Nevertheless, monthly salaries are capped at EUR 954.44 downwards and at EUR 3,751.26 upwards when calculating Social Security contributions.

Employee

- Employee's contributions represent around 6.35% of his/her Social Security contribution base.

Employer

- Employer's contributions represent up to 33.2% of employee's Social Security contribution base.

Immigration

Visa

- In general, all foreign individuals intending to work in Spain must first obtain a visa or a resident permit to enter Spain, unless he/she is exempt.
- Exceptions apply to all EU and EEA nationals as well as to Swiss citizens.

Work permit

- EU citizens are able, generally speaking, to work in Spain without holding any work permit.
- To be allowed to work in Spain, non-EU nationals (meaning other than EU/EEA/CH nationals) have to hold one of the 7 different work permits issued by the Spanish immigration services.

Registration

- Upon arrival in Spain, non-EU residents must register with the Spanish immigration services.

Employer's Obligations

Start of employment

- Foreign tax resident employers are obliged to apply for a Spanish ID number for tax purposes before contracting employees under the Spanish law and to register with the Social Security authorities.
- The employer is responsible for applying for the employee's corresponding work permit before the start date of the employment relationship.
- The employer is responsible for registering its employees with the Social Security system before the starting date of the employment relationship.

During employment

- A withholding tax is levied on a quarterly or monthly basis by the employer, depending on its turnover. Non-residents at a rate of 19% or 24% (depending on if the taxpayer is EU-resident or not) and Spanish residents at a tax rate up to 45%.
- The employer shall pay Social Security contributions for its employees on a monthly basis.
- At the end of each tax year, employers shall file information returns disclosing the employees' gross salary and the amounts withheld to it.

Termination of employment

- The employer must prepare settlement documentation to be signed by the former employee and deregister him/her with the Social Security authorities.

Employee's Obligations

- Spanish tax-resident employees must notify the employer of their personal and familiar circumstances through a Form 145 at the beginning of each tax period.
- Spanish tax-resident employees must file their annual Spanish income tax return on May-June of the following year.
- As a result of the final income tax return, a tax refund payment becomes effective.
- Payments must be made before 30 June of the following year, but on the contrary, refunds are provided by the tax authorities within the following 6 months.
- Foreign tax residents do not have any specific obligation unless they have been withheld in excess by the employer. In this case, they shall file a final tax return within the following four years claiming the refund of taxes withheld in excess.
- Employees posted to Spain interested in "Beckham's regime" shall apply for it within the first six months from his/her arrival to Spain.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	✗

Tax Rates

Single, no children	32.03%
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	29.58%
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years[1]

2014	2015	2016
51.5%	43.5%	43.5%

Social Security Rates

Employment gross income[2] EUR 100,000 p.a.

Employee	6.35%
Employer	33.2%

Social Security Agreements (SSA)

Australia	✓
Japan	✓
LATAM countries	✓
Russia	✓
United States	✓

[1] Depending on the Autonomous Community of residence (Data shown for Madrid). Social Security base for calculating the contribution capped to EUR 3,751.26.
[2] Multilateral agreement.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Sweden

Personal Income Tax

- Tax residents in Sweden are subject to tax on their worldwide income. Income from employment includes, inter alia, salary income, pensions, benefits and allowances.
- Non-tax residents are normally subject to Swedish tax on a salary earned from work performed in Sweden as well as on certain pensions and other income sourced from Sweden.
- According to Swedish tax law, an individual is deemed as Swedish tax resident if:
  - he/she is domiciled in Sweden (i.e. has his/her permanent home in Sweden);
  - he/she has a habitual abode in Sweden, or;
  - he/she has "essential ties" to Sweden and previously has been a Swedish tax resident.
- Habitual abode ("stadigvarande vistelse") in Sweden normally requires that the person stays continuously for more than six months in Sweden.
- Local communal tax is levied on employment income at rates ranging from 29% to 36%.
- In addition, annual employment income exceeding/over approx. SEK 440,000 up to approx. SEK 630,000 is subject to a national tax at a flat rate of 20% (in addition to the local tax). Income over approx. SEK 630,000 is subject to a national tax at a rate of 25% (in addition to the local tax). Local taxes are levied on employment income at rates ranging from 29% to 36%.
- Employment income is taxed on a cash basis when the income is available/paid out to the employee.
- If an individual is deemed resident abroad, a special income tax ("SINK") is payable on, inter alia, salary paid from a Swedish employer for the work conducted in Sweden. Tax is levied at a tax rate of 20%.
- Capital (net) income is normally taxed at a rate of 30%.
- The income tax year is the calendar year.
- The filing deadline for the personal annual income tax return is 2 May following the income tax year.

Social Security

Social security contributions are required and generally apply to all employees that perform work in Sweden.

Self-employed

- Individuals that are self-employed sustain (apart from income tax) Social Security charges at a rate of 28.97% (2016/2017) based on their gross taxable remuneration. Reduced rates/levels (16.36%) apply for individuals born from 1938 to 1950. If the individual is born 1937 or earlier, the rate is 6.15% (2016/2017) and for individuals born after 1991 the rate is 28.97% (2016/2017).

Employer

- An employer is required to pay Social Security contributions on behalf of its employees, consisting of charges for pension, health insurance and other social benefits at a rate of 31.42% (2016/2017).
- Remuneration to employees born 1937 or earlier is exempt from payroll tax and for employees born in the years 1938 to 1946, the employer only levy the retirement pension contributions which amount to 10.21% (2016/2017).
- The liability to pay Social Security contributions (for employees belonging to the Swedish Social Security system) applies to both Swedish and foreign companies (regardless of whether the employer operates from a permanent establishment in Sweden or not).
- The employer is liable to report and pay Social Security contributions monthly.

Immigration

Visa

- Non-European (EU) and European Economic Area (EEA) citizens or Swiss (CH) nationals (CH) must in most cases obtain a visa to enter Sweden.
- Non-EU/EEA/CH nationals are also required to hold a valid passport or identification document which states their citizenship.
- Exceptions apply to all EU/EEA/CH nationals.

Work permit

- Non-EU/EEA/CH nationals will in most cases need to obtain a work permit and cannot enter Sweden until the permit has been granted.
- EU/EEA/CH nationals are entitled to work in Sweden without a work permit.

Registration

- If an EU/EEA/CH national intends to stay in Sweden for more than six months, the employee is required to register as a resident at the Swedish Tax Agency.

Employer's Obligations

Start of employment

- Non-EU/EEA/CH nationals must apply for a work permit. An application for a work permit must be accompanied by an offer of employment form issued by the Swedish employer.
- The employer may not hire a non-EU/EEA/CH national to work in Sweden if they do not have a work permit.

During employment

- Required to submit information to the Swedish Tax Agency regarding employees' income.
- Must withhold preliminary income tax (both national and municipal income tax) on behalf of their employees. These amounts are preliminary until the Tax Agency's final decision the following year.

Termination of employment

- Employment contracts are valid until further notice unless otherwise agreed.

[1] Every child from the age of six has equal access to free education in Sweden. Some boarding schools may take a fee for housing which is a taxable benefit for the employee.
[2] Excluding fringe benefits such as housing.

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable / SSA under negotiation

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children[1]	○

Tax Rates

Single, no children	approx. 44%
Employment gross income[2] EUR 100,000 p.a.	
Married, 2 children	approx. 44%
Employment gross income[2] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
57%	57%	60% to 63%

Social Security Rates

Employment gross income[2] EUR 100,000 p.a.

Employee	7%
Employer	31.42%

Social Security Agreements (SSA)

Canada	✓
Cape Verde	✓
Chile	✓
India	✓
Israel	✓
Morocco	✓
Quebec	✓
Turkey	✓
United States	✓

Switzerland

Personal Income Tax

- Individuals are taxed on income, depending on source, residency status and domicile.
- The tax rates are progressive and range from 9% to 45% depending on the amount and domicile. Additionally, Social Security charges are due on employment income.
- Employment income of foreign residents is subject to source tax.
- Reduced rates may be applicable for pension lump-sum payments.
- Capital gains on private property are generally tax-exempt with reservation to gains from real estate at the cantonal and communal tax level.
- Swiss residents will be taxed on their net wealth. The rates range between 0.1% to 1% depending on the amount and domicile.
- Tax rates are calculated on worldwide income and wealth. However, foreign real estate and business activities are only taken into consideration for determining the tax rate (exemption with progression).
- The tax year equals the calendar year.

Social Security

Social Security contributions are compulsory and generally apply to all employees working in Switzerland. The contributions are based on the monthly employment income. Social security contributions are borne half by the employee and half by the employer. A minimum of 50% of the pension fund payments must be paid by the employer (may pay more on a voluntary basis).

Employee

- An employee is required to pay contributions to old-age and survivors' insurance (AHV) of 4.2%, disability insurance (IV) of 0.7% and income compensation/maternity allowance (EO-MSE) of 0.225%. Unemployment insurance is levied of 1.1% up to CHF 148,200 and 0.5% from CHF 148,201.
- If annual employment income exceeds the threshold of CHF 21,150 (for 2017), additional charges for a pension fund are due. These charges depend on the employee's compensation and age.

Employer

- An employer is required to pay contributions to old-age and survivors' insurance (AHV) of 4.2%, disability insurance (IV) of 0.7% and income compensation/maternity allowance (EO-MSE) of 0.225%. Unemployment insurance is levied of 1.1% up to CHF 148,200 and 0.5% from CHF 148,201.
- If the employee's annual employment income exceeds the threshold of CHF 21,150 (for 2017), additional charges for a pension fund are due. These charges depend on the employee's compensation and age.
- The employer is liable for all contribution payments.

Immigration

Entry

- In general, foreign citizens require a visa to enter Switzerland.
- Exceptions apply to EU, European Economic Area (EEA) citizens and countries for which Switzerland has waived the visa requirement.

Work permit

- EU and EEA citizens have to apply for a residence permit if they want to work more than 90 days within one year.
- Non-EU and non-EEA citizens need a residence permit in order to work in Switzerland. However, for such citizens, residence permits will only be granted to a limited extent and for highly qualified employees.

Registration

- Upon arrival in Switzerland, all foreigners must register at their local registration office prior to taking up work in Switzerland.

Employer's Obligations

Start of employment

- Obtain correct visa type / permit of residence for employee.
- Request source tax rates for employment income from competent tax authority (if applicable).
- Register the employee for Social Security purpose with the competent Social Security authority.

During employment

- Source tax on compensation, if employee is a foreign individual or non-resident of Switzerland.
- Withhold employee's share of the Social Security contributions from employee's compensation.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Prepare and submit annual salary certificate ("Lohnausweis").

Termination of employment

- Prepare and submit a final wage certificate ("Lohnausweis") for work period within the calendar year.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	○

Tax Rates

Single, no children	11.5%[2] – 23.4%[3]
Employment gross income[1] EUR 100,000 p.a.	
Married, 2 children	9.3%[2] – 16.1%[3]
Employment gross income[1] EUR 100,000 p.a.	

Maximum Effective Personal Income Tax Rates for the Past 3 Years[4]

2014	2015	2016
14.4% to 39.8%	–>	–>

Social Security Rates

Employment gross income[1] EUR 100,000 p.a.

Employee	6.225%
Employer	6.225%

Social Security Agreements (SSA)

Australia	✓
Canada	✓
Chile	✓
Japan	✓
Macedonia	✓
Philippines	✓
United States	✓

✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable /SSA under negotiation

[1] Excluding fringe benefits such as housing.
[2] Bäch
[3] Geneva
[4] City of Zurich

United Kingdom

wts

Personal Income Tax

- Income tax is imposed on individuals. The liability to income tax is based on the source of income and an individual's tax residence and domicile status.
- Income tax rates range from 20% on the first GBP 32,000 of taxable income (known as "basic rate"), to 40% on the next GBP 118,000 of taxable income (known as "higher rate") to 45% in excess of this amount (known as "additional rate").
- The personal tax-free allowance provides an exemption from tax on the first GBP 11,000 of taxable income. This allowance is reduced by GBP 1 for every GBP 2 that adjusted net income is over GBP 100,000. This means that the personal allowance is zero if income is above GBP 122,000.
- Depending on the level of taxable income, further exemptions are available for interest on savings income of up to GBP 6,000.
- Dividends are taxed at different rates, currently 0% for the first GBP 5,000, then 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.
- The first GBP 11,100 of capital gains are tax-free. Gains in excess of this are charged at 10% for basic rate taxpayers (excluding property which is taxed at 18%) and 20% for higher or additional rate taxpayers (excluding property which is taxed at 28%).
- The tax year runs from 6 April to 5 April and the filing deadline is the following 31 January (for tax returns filed electronically).
- There is no joint filing in the UK and married couples must file separate tax returns.

Social Security

Social security contributions, known as National Insurance Contributions (or "NIC") apply to all employees working in the UK, in the absence of an exemption certificate from an overseas authority.

Employee

- An employee is required to pay Class 1 NIC up to State Pension Age (this varies by gender and date of birth). For the majority of employees who are paid monthly, the rates are as follows: 0% on the first GBP 672 per month, 12% on earnings from GBP 672 to GBP 3,583 per month, 2% on earnings above GBP 3,583 per month.

Employer

- An employer is required to pay Class 1 NIC regardless of the age of the employee. For the majority of employees who are paid monthly, the rates are as follows: 0% on the first GBP 676 per month and 13.8% on earnings in excess of GBP 676 per month.

- Additional contributions are required on non/cash benefits in kind under Class 1A NIC. The rate for Class 1A NIC is 13.8% on the whole of the taxable value of the benefit in kind.

Immigration

Visa

- If you are not a British citizen, you may need permission to enter the UK. Only British nationals, EU citizens, citizens of non-EU member states of the European Economic Area (EEA), i.e. Iceland, Liechtenstein and Norway, citizens of Switzerland and members of the Overseas Countries and Territories (OCT) are exempt.
- Further agreements with 56 additional countries provide for a "visa waiver" system allowing stays of up to 6 months for visiting or studying in the UK.

Work permit

- In order to work in the UK, citizens of any country other than the EU, EEA or Switzerland will require a permit to work in the UK.
- A work permit must be applied for by the prospective UK employer.
- Nationals of Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia and Slovenia must additionally register under the Worker Registration Scheme.

Registration

- Individuals arriving from certain countries must register with the local police station and / or embassy or consulate. For most, the only requirement is to register with the local authority for council tax purposes.
- An individual who is working as an employee in the UK should also apply for and obtain a National Insurance number.

Employer's Obligations

Start of employment

- Obtain a work permit where required.
- Complete the employee "Starter Declaration" and submit online as part of the local payroll submission (Full Payment Submission/FPS).

During employment

- Withhold tax according to pay period (usually monthly) and report online to tax authorities under Real Time Information procedures.
- Withhold NIC according to pay period (usually monthly) and report online to tax authorities under Real Time Information procedures.
- Prepare and issue Form P60 (annual certificate of pay and tax) to employee by 31 May following tax year end and file with tax authorities.
- Prepare and issue Form P11D (annual report of expenses and benefits) to employee by 6 July following tax year end and file with tax authorities. Class1A NIC on benefits to be paid by 22 July.

Termination of employment

- Cancel work permit for employee where applicable.
- Prepare and file "Leaver Declaration" and submit online as part of local payroll submission (Full Payment Submission/FPS).
- Employee should complete and submit Form P85 to declare their departure from UK and claim non-resident tax status as appropriate.

Comparisons

Taxation of Fringe Benefits

Housing	○
Home Flights	○
Education for Children	✗

Tax Rates

Employment gross income[1] GBP 100,000 p.a.	40%

Maximum Effective Personal Income Tax Rates for the Past 3 Years

2014	2015	2016
45%	45%	45%

Social Security Rates

Employment gross income[1] GBP 100,000 p.a.

Employee	5%
Employer	13%

Social Security Agreements (SSA)

Australia	✗
Canada	✓
Singapore	✗
South Africa	✗
United States	✓

[1] Excluding fringe benefits such as housing.

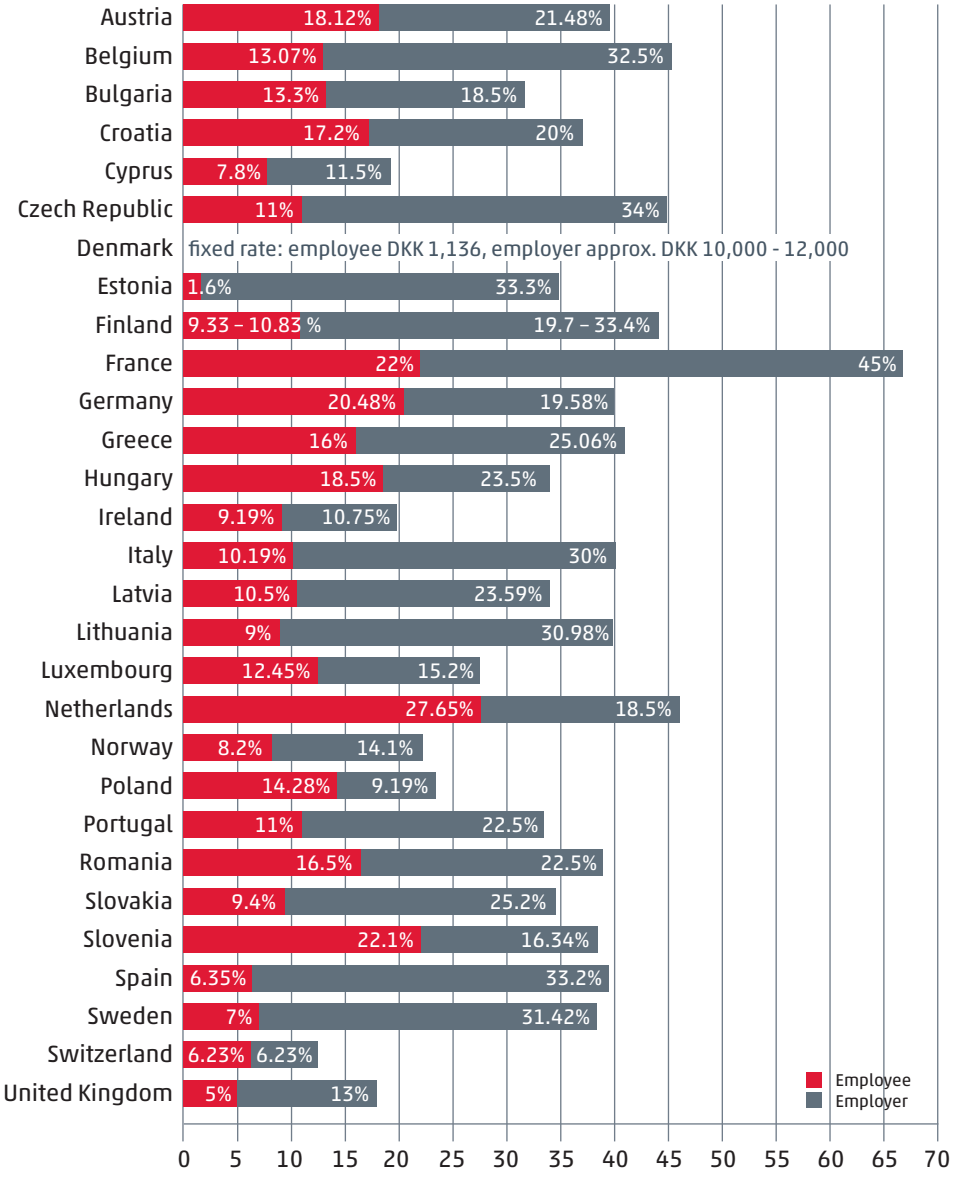
✓ Tax-exempt / SSA available
✗ Taxable / SSA not available
○ Special regulations applicable /SSA under negotiation)

Taxation of Fringe Benefits

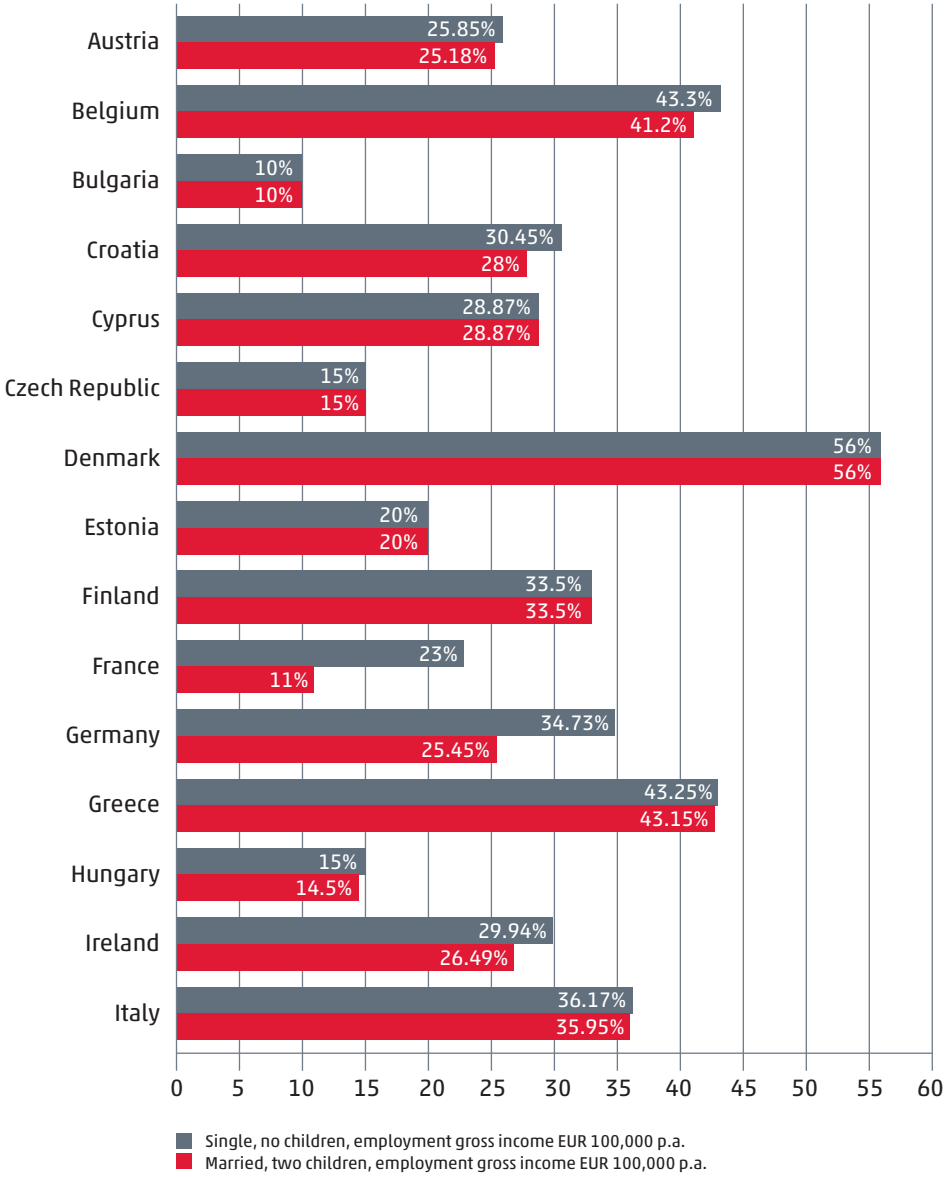
	Housing	Home Flights	Education for Children
Austria	o	o	×
Belgium	o	o	o
Bulgaria	×	×	×
Croatia	×	×	×
Cyprus	×	×	×
Czech Republic	o	o	o
Denmark	o	o	×
Estonia	×	×	×
Finland	o	o	o
France	o	o	o
Germany	o	o	o
Greece	×	×	×
Hungary	o	o	o
Ireland	×	×	×
Italy	o	o	o
Latvia	×	×	o
Lithuania	×	×	×
Luxembourg	o	o	o
The Netherlands	o	o	o
Norway	o	o	o
Poland	o	×	×
Portugal	×	×	o
Romania	×	×	×
Slovakia	×	×	×
Slovenia	×	×	×
Spain	o	o	×
Sweden	o	o	o
Switzerland	o	o	o
United Kingdom	o	o	×

✓ Tax exempt / SSA available
× Taxable / SSA not available
o Special regulations applicable /SSA under negotiation

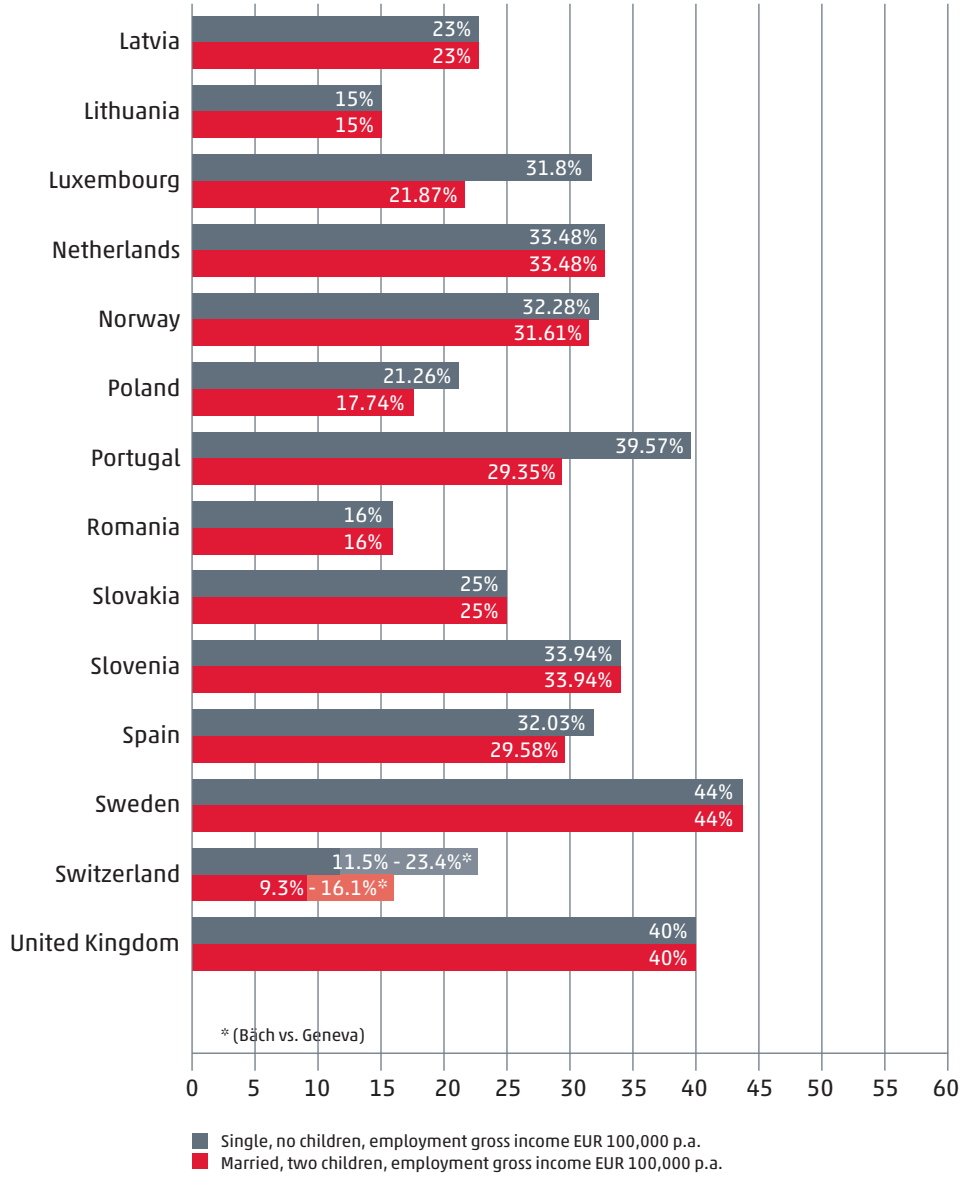
Social Security Rates



Effective Income Tax Rates (Part 1)



Effective Income Tax Rates (Part 2)



Austria
Kerstin Weber
kerstin.weber@wts.at
+43 1 24266 17

Belgium
Brigitte Lievens
brigitte.lievens@tiberghien.com
+32 2 773 40 00

Bulgaria
Emil Delchev
emil.delchev@delchev-lawfirm.com
+359 2 933 0979

Croatia
Edo Tuk
edo.tuk@tukiprimorac.hr
+385 1 7980 311

Cyprus
Nicolas Kypreos
nicolas.kypreos@wtscyprus.com
+357 2 2028 700

Czech Republic
Jana Alfery
jana.alfery@alferypartner.com
+420 221 111 777

Denmark
Malene Overgaard
mao@lundgrens.dk
+45 3 525 2536

Estonia
Tanel Molok
tanel.molok@sorainen.com
+372 6 400 900

Finland
Taina Lautala
taina.lautala@wts.de
+358 9 25166 379

France
Alice Mounier-Estay
alice.mounier-estay@wtsf.fr
+33 1 422 705 38

Germany
Frank Dissen
frank.dissen@wts.de
+49 69 1338456-52

Greece
Tasos Panatsias
accounting@prooptikiltd.gr
+30 210 33188 55-7

Hungary
Réka Kiss
reka.kiss@klient.hu
+36 1 887 37 00

Ireland
Andrew Gelling
andrew.gelling@agellingtax.com
+353 1 676 067 5

Italy
Valentina Stecca
valentina.stecca@taxworks.it
+39 011 433 83 51

Latvia
Aija Lasmane
aija.lasmane@sorainen.com
+371 67 365 000

Lithuania
Saule Dagilyte
saule.dagilyte@sorainen.com
+370 52685040

Luxembourg
Jean-Luc Dascotte
jean-luc.dascotte@tiberghien.com
+352 27 475 111

The Netherlands
Jan Boekel
jan.boekel@wtsnl.com
+31 10 21791 72

Norway
Arne Hjertholm
arne.hjertholm@steenstrup.no
+47 2281 4646

Poland
Ewelina Buczkowska
ewelina.buczkowska@wtssaja.pl
+48 61 64345 50

Portugal
Rogério M. Fernandes Ferreira
rogeriofernandesferreira@rffadvogados.pt
+ 351 21 591 522 0

Romania
Mihaela Danalache
mihaela.danalache@ensight.ro
+40 31 4055 468

Slovakia
Jana Princová
jana.princova@mandat.sk
+421 2 571 042 35

Slovenia
Mateja Babič
mateja.babic@wts-tax.si
+386 40 509 499

Spain
Rafael Villena
rafaelvillena@arcoabogados.es
+34 963 517 619

Sweden
Michel Weimer
michel.weimer@svalner.se
+46 8 52801 296

Switzerland
Bruno Bächli
b.baechli@wengervieli.ch
+41 58 958 5858

United Kingdom
Richard Watts-Joyce
rwattsjoyce@globaltaxnetwork.co.uk
+44 2071002126

Imprint

WTS Alliance
P.O. Box 19201
3001 BE Rotterdam
The Netherlands
wts.com

This WTS information shall not constitute any consulting service and exclusively aims to provide a general description of selected topics. Any statements and information contained herein make no claim to completeness and cannot substitute any individual consultancy. We shall accept no liability for the correctness of the statements contained herein. In case of questions with regard to the topics mentioned herein or any other professional topics, please refer to your WTS contact person or one of the other above-mentioned contact persons.

The label "WTS" refers to WTS Alliance, an association ("Vereniging") incorporated under the laws of The Netherlands, and to its members. All WTS Alliance members are legally separate and independent firms only liable for own acts and omissions, not, however, for those of other members. They are also not allowed to represent or legally bind other members of the WTS Alliance. The same applies insofar as the relationship between WTS Alliance and its members is concerned.

© Photos: plainpicture/OJO/
Daly and Newton (Cover); iStock