



# Assignments to Europe

# Editorial

In times of globalization, 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 cross-border work related risks at an early stage and optimize 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 any cross-border work (e.g. assignments, remote work, foreign local hires). Jointly with our international network, WTS can assist you in more than 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 cross-border work to and within Europe.

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## Personal Income Tax

- Individual's taxes depend on their residential status as well as on their total income earned.
- Austria has a progressive tax system which means that the rates range between 25% to 55% depending on the total yearly income.
- Profits gained from capital invested are taxed at a rate of 27.5% and gains from real estate sales at 30%.
- The tax period is the calendar year.
- The annual income return must be filed electronically the year following the taxable period until 30 June. The deadline can be extended to 31 March the second following year after the tax period with the assistance of a tax advisor.
- Salaries in Austria are usually paid in 14 instalments, including the 13th salary as the holiday allowance and a 14th salary as a Christmas bonus. These two last named special salaries are taxed at a rate of 6% whereas the regular employment income is subject to progressive rates.

## Social Security

Social security contributions are mandatory and generally all employees working in Austria have access to the benefits of the social system. The contribution depends on the employee's monthly income. The employer is responsible for withholding and paying the contribution.

### Employee

- Up to a monthly ceiling of € 5,550 (for 2021), which is adapted annually, an employee's contribution is deducted for health (3.87%), pension (10.25%) and unemployment insurance (3%) as well as Chamber of Labour levy (0.5%) and contribution to public housing funds (0.5%).

### Employer

- Employers are responsible for paying contributions to health (3.78%), pensions (12.55%), unemployment (3%) and work accidents (1.3%) insurance and furthermore contributions to housing funds (0.5%)

and insolvency insurance (0.2%) up to a monthly income ceiling of € 5,550 (for 2021, adjusted annually).

- Furthermore, the employer has to pay the following duties: employee pension fund, employer contribution to the family equalisation fund, municipal taxes and employer contribution surcharge.

## Immigration

### Visa

- Generally, any foreign citizen who wants to work as an employee in Austria must apply for a visa.
- This rule does not apply to citizens of the European Union, the European Economic Area (EEA) and Switzerland. In these cases a visa is not mandatory.

### Work permit

- Third country citizens (other than EU/EEA/Switzerland) must apply for a combined residence and work permit, the so called "Red White Red Card".

### Registration

- All foreigners must register at their local registration office within a certain period.

## Employer's Obligations

### Start of employment

- A correct residence and work permit for the employee is mandatory in case of non-EU/EEA citizenship.
- The employee must be registered at the social security office before he/she starts working for an Austrian company (if subject to the Austrian social security system).

### During employment

- Wage tax must be withheld on a monthly basis and paid to the tax office by the 15th of the following month.
- Same goes for the social security contributions which must also be paid and declared by the 15th of the following month to the competent social security authority.

- A payroll account must be kept for every employee.
- An annual wage tax certificate, the so called "Lohnzettel" must be filed by the end of February of the following year.

### Termination of employment

- The work permit must be cancelled.
- The employee must be de-registered from the social security authority.
- A final wage tax certificate must be filed.



## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	24,92%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	21,92%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
55%	55%	55%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	18,12%
Employer	21,23%

### Social Security Agreements (SSA)

Australia
Canada
Chile
Montenegro
India
Philippines
Serbia
Tunisia
Turkey
USA

<sup>1</sup> Excluding fringe benefits such as housing.



## Personal Income Tax

- Individuals whose domicile or seat of wealth is located in Belgium are considered tax residents and are taxable on their worldwide income, while non-residents are only liable to tax on their Belgian-sourced income.
- Executives on a temporary assignment to Belgium may apply for the special tax regime for expatriates provided a number of conditions are met.
- 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 (which varies from 0% to 9% for Belgian residents and is set at 7% for non-residents).
- The taxpayer may be entitled to a basic tax-free amount of € 9,050 (income year 2021). This basic tax-free amount is increased when the taxpayer has children for whom they are responsible.
- The tax year runs from 1 January to 31 December.
- The filing deadline for the annual income tax return is the year following the income year: the deadline is determined each year. The following generally applies:
  - Residents: at the end of June on paper or mid-July via tax-on-web; in October when the tax return is filed by an intermediary (tax advisor);
  - Non-residents: usually at the end of November.
- Employment income is in principle 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.
- Income may be exempt on the basis of double tax treaties. Belgium uses the exemption with progression method (for Belgian tax residents), which means that tax-exempt income is taken into account to determine the progressive tax rates applicable to the income that is taxable in Belgium.

## Social Security

Unless provided otherwise by an international agreement or EU Regulation 883/2004, employees working in Belgium will generally 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 the social security system of his home country upon application, provided that the secondment does not exceed a certain duration (up to 5 years in certain cases).

Under the Belgian social security scheme, both employees and employers must pay contributions to the National Social Security Office ("RSZ – ONSS").

### Employee

- The employee's contributions are fixed at 13.07% and are deducted from their 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 January 2018, the basic rate of employer social security contributions has been reduced to approximately 25%. For certain sectors, different rates apply. On top of this basic rate, a number of other specific contributions apply, such as, for instance, a contribution to the fund for closure of undertakings (up to 0.17% 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 employees. Moreover, extraordinary social security contributions (linked to the joint committee to which the employer belongs) may also be due.
- The employer is obliged to take up an insurance for occupational accidents with a private insurer.

## Immigration

### Visa

- The visa requirements depend on the nationality of the employee and the duration of their stay.
- Nationals of a member state of the European Economic Area ("EEA nationals") are allowed to stay in Belgium for a maximum of 3 months without a residence permit, provided they declare their presence at the town hall of the local district in which

they are staying within 10 working days following the day of their arrival in Belgium. This obligation does not apply for employees who stay at a hotel or Airbnb.

- EEA nationals who stay for more than 3 months in Belgium must register their presence at the town hall of the local district in which they are staying. To be able to register their presence in Belgium, the individuals must demonstrate their employed activity in Belgium or be able to demonstrate that they have sufficient means of existence and medical insurance covering all risks during their stay in Belgium.
- Non-EEA nationals must, in principle, obtain a residence permit prior to being posted to Belgium. If their posting does not exceed 90 days, they must apply for a Schengen visa (short-stay type). Some exceptions exist depending on the nationality of the posted employee and the passport type.
- Non-EEA nationals who are posted for more than 90 days must be in possession of a single permit, i.e. a permit that combines an authorisation to work and a long-term residence permit into a single application procedure. On average, a single permit application can take up to 4 months prior to receiving all authorisations.

### Work permit

- The obligation to obtain a work permit depends on the nationality of the employee.
- EEA nationals are exempt from the requirement to obtain a work permit.
- Non-EEA nationals must, in principle, obtain a work permit prior to being posted to Belgium. The employer of a non-EEA national whose posting does not exceed 90 days must apply in advance for a so-called 'type B' work permit that allows the posted employee to perform any professional activity in Belgium.
- The employer of a non-EEA national whose posting exceeds 90 days must apply in advance for a so-called single permit, i.e. a permit that combines an authorisation to work and a long-term residence permit.

### Registration

- 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 if necessary.
- Declare the entering into service and the departure of its employees subject to Belgian social security to the Belgian social security office (Dimona declaration).
- In case the employee remains subject to social security in the home state, a certificate of coverage or A1-certificate must be issued as proof.
- Moreover, in case the employee is not subject to Belgian social security, a "LIMOSA" declaration must be filed with the Belgian social security office prior to the start of activities.

### During employment

- Salary withholding tax may have to be withheld each month by the employer.
- Foreign entities are subject to the obligation to withhold salary withholding tax if they have a Belgian establishment.
- In addition, the Belgian group entity is also subject to the obligation to withhold salary withholding tax in the event that (taxable) benefits or salary are granted by a foreign group company to employees working in Belgium for the benefit of the Belgian group entity.
- Also, employee social security contributions are to be withheld on the monthly salary payment. The employer must pay the employer contributions and the deducted employee contributions to the national social security office on a quarterly basis (DmfA-declaration).
- Allocate the employees remuneration in taxable and non-taxable portions. Some income or benefits may indeed be tax-free.

- Submit the annual Belgian tax slips reporting the remuneration.

#### Termination of employment

- Prepare and submit a final tax slip for the year of termination.
- Employees subject to Belgian social security, must complete the Dimona-out declaration.

### Comparisons

#### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

#### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	40,02%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	34%

#### Maximum Effective Personal Income Tax Rates for the past 3 years<sup>2</sup>

2019	2020	2021
50%	50%	50%

#### Social Security Rates

Employment Gross Income<sup>3</sup> € 100,000 p.a.

Employee	12,07%
Employer	25%

#### Social Security Agreements (SSA)

Australia
USA
Canada
Brazil
DR Congo
India
Japan
Morocco
Turkey
and more

<sup>1</sup> Note that the given tax rates are excl. the communal surcharges (0% to 9% for Belgian residents and 7% for non-residents). For non-residents, the given average tax rates are furthermore based on the assumption that the tax benefits such as the basic tax-free amount, children for whom they are responsible and the marital quotient are applicable. In general, this is the case if the employee earns at least 75% of their professional income in Belgium.

<sup>2</sup> Note that given tax rates are excl. the communal surcharges (0% to 9% for Belgian residents and 7% for non-residents).

<sup>3</sup> Excluding fringe benefits such as housing.



### Personal Income Tax

- Individuals are taxed on income depending on source/residency status.
- The 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 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 2021 is BGN 3,000.

#### Employee

- Most social security contributions (with certain exceptions) are distributed between the employer and the employee in the ratio 60%/40%.
- An employee is required to pay contributions to the pensions fund (6.58% for individuals born after 31 December 1959, and 8.78% 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 insurance (3.2%).

#### Employer

- An employer is required to pay social security contributions to the pensions fund (8.22% for individuals born after 31 December 1959 and 11.02% 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%).
- Accident at work and occupational disease contributions are borne by the employer (0.4%- 1.1%). The exact percentage is determined based on the business activities sector of the employer.
- 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

- Third-country nationals (i.e. an individual who is other than EU/EEA/CH national) are allowed to work in Bulgaria if they apply for and obtain 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. A less burdensome and more expedient procedure is applicable under certain conditions (i.e. EU Blue Card, postings, intra-corporate transfers).

#### Registration

- Upon arrival in Bulgaria, the foreign individual is obliged to register at the local office of the Migration Directorate at the Bulgarian Ministry of Interior.
- Certain information about posted employees is submitted by the Bulgarian company receiving the posted personnel with the Bulgarian employment agency.

## Employer's Obligations

### Start of employment

- Apply for and obtain a work permit for the particular 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 personal income tax on the employment income on a monthly (i.e. payroll) basis.
- Withhold and pay monthly social security contributions for the employee through the payroll.
- Prepare and submit monthly reporting documents (i.e. template returns) on the personal income tax and social security withheld and paid 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 tax and social security contributions paid and withheld for the respective work period within the calendar year.

<sup>1</sup> Excluding fringe benefits such as housing.

<sup>2</sup> Social security is deducted on income up to the maximum monthly social security threshold of BGN 3,000 (€ 1500) for 2021. Any income exceeding the maximum monthly threshold is exempt from social security.

<sup>3</sup> The exact percentage depends on the accident at work and occupational illness contributions which vary depending on the employer's business activity. Social security is deducted on income up to the maximum monthly social security threshold of BGN 3,000 (€ 1500) for 2021. Any income exceeding the maximum monthly threshold is exempt from social security.



# Croatia

## Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Tax rate is progressive, rates are 20% (for the tax base up to HRK 30,000) and 30% (for the tax base over HRK 30,000), plus city tax if applicable (up to 18% on the income tax).
- Personal allowance is HRK 4,000, 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. The base for contribution calculation is the monthly employment income.

### Employee

Social security contributions with respect to employment income that are withheld from the gross salary (employee's burden) are as follows:

- 15% state pension fund contributions;
- 5% individual capitalised pension fund contributions.

### Employer

Social security contributions paid by the employer as an addition to the gross salary:

- 16,5 % basic health insurance contribution.

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.

- Starting with 1 January 2021, Croatia introduced visas for "digital nomads" i.e. citizens outside EU who perform their work activities by using ICT for employers (companies, including their own) with a registered headquarters outside of Croatia. Visas for digital nomads are granted for a period of one year.

### Work permit

- 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 purposes with the competent social security authority.

### During employment

- Withhold wage tax each month (meaning any contractual or economic employer whose registered headquarters is located in Croatia).
- Withhold social security contributions each month 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	B, A (in case of posting)
Home Flights	A (in case of posting)
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	10%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	10%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
10%	10%	10%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	13,78% <sup>2</sup>
Employer	18,92 - 19,62% <sup>3</sup>

### Social Security Agreements (SSA)

Azerbaijan
Canada
Israel
Moldova
Montenegro
Quebec
Republic of Korea
Russian Federation
Serbia
Tunisia



## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	23,28%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	21,24%

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
36%	36%	30%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	20%
Employer	16,5%

### Social Security Agreements (SSA)

Australia
Canada
Montenegro
Serbia
Turkey
Korea
Bosnia and Herzegovina

<sup>1</sup> Excluding fringe benefits such as housing.



# 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% up to the maximum annual assessment base for social security contributions which is defined as 48 times the monthly average wage (2021: CZK 1,701,168). When the income exceeds this limit, a flat tax rate of 23% is applied.
- The tax year is the calendar year.
- Employment income is subject to a monthly income tax advance payments.
- 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 or has more than one employer at the same time should submit a personal income tax return.
- Filing deadline for the annual income tax return: 1 April (paper form) - 1 May (electronical form) - 1 July (tax advisor) of the year following the tax year.
- Allowable deductions are deducted from the tax base.
- The credits may be deducted from the tax - basic, spouse, child, 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 and self-employed persons working or undertaking work in the Czech Republic. The contributions are based on the monthly employment income.

The maximum annual assessment base for rent, unemployment and care insurance contributions in 2021 is CZK 1,701,168. There is no cap on health insurance contributions.

### 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 (2.1%) 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

- To be allowed to work in the Czech Republic, third-country nationals (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 foreign police office within a specific period of time.
- 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 start of employment).
- Notify, in writing, the relevant regional office of the public employment service of the foreigner's starting work date, and 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 each month (meaning any contractual or economic employer whose registered headquarters is located in the Czech Republic).
- Withhold social and health security contributions each month 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 the work period within the calendar year.
- Prepare and submit an employment record ("Zápočtový list") – details about the employee leaving work.

**Comparisons****Taxation of Fringe Benefits**

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

**Tax Rates**

Single, no children	16,7%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	14,4%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

**Maximum Effective Personal Income Tax Rates for the past 3 years**

2019	2020	2021
22%	22%	23%

**Social Security Rates**Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	25,2%
Employer	8,8%

**Social Security Agreements (SSA)**

Slovakia
Germany
Austria
Poland
Hungary
Russia
Spain
Netherlands
Luxembourg
USA

<sup>1</sup> Excluding fringe benefits such as housing.**Personal Income Tax**

- Individuals are taxed on income, depending on source/residency status.
- The 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 56,500 (2021) and a rate of 42% on the excess amount.
- The tax-free threshold up to DKK 46,700 (2021) and a job-allowance of up to DKK 40,600 (2021) apply.
- The tax year is the calendar year.
- The 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.

- The contributions are not based on the monthly employment income and are generally very low compared to other EU countries.

**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 with free movement.
- Nordic citizens are free to reside and work in Denmark.
- 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.
- Report income of the employee to the Danish tax authorities and 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.

#### Termination of employment

- For some employees, the right to reside in Denmark is dependent on the employment contract. By termination of employment, the employee may lose its right to residency.



## Comparisons

### Taxation of Fringe Benefits

Housing	B
Home Flights	C
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	Up to 56%*
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	Up to 56%*
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
56%	56%	56%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

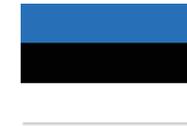
Employee	DKK 1,136 / year (approx. € 152)
Employer	approx. DKK 10,000-12,000 / year (approx. € 1,330-1,600)

### Social Security Agreements (SSA)\*

Australia
Canada
Chile
India
China
United States
Turkey
Pakistan
Philippines
Israel

<sup>1</sup> Excluding fringe benefits such as housing.

\* Some only deal with certain aspects of social security



# Estonia

## Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- The tax rate is 20%.
- The tax year is the calendar year.
- The filing deadline for the annual income tax return is 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 a contribution to the unemployment insurance fund (1.6%, withheld by the employer).

### Employer

- An employer is required to pay social tax at a rate of 33%, contributions to the unemployment insurance fund (0.8%) and contributions to mandatory funded pensions (2%).
- The employer is liable for all the payments on a monthly basis.

## Immigration

### Visa

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

### Work permit

- To be permitted 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 without applying for a residence permit.

### Registration

- As a general rule, upon arrival in Estonia, all foreigners must register their address in Estonia in the population register of Estonia within 1 month (in 3 months for EU nationals).
- Employees must be registered in the Tax and Customs Board and generally also at the Police and Border Guard Board before commencing work.

## Employer's Obligations

### Start of employment

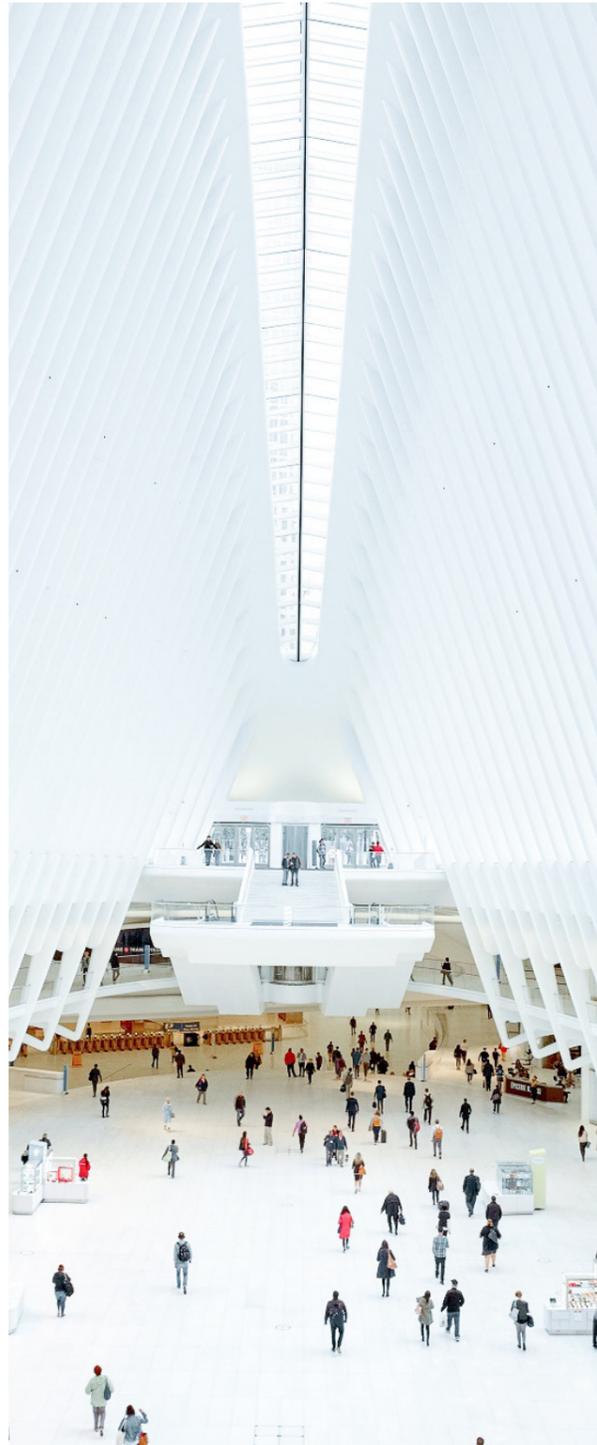
- Register the employee as an employee in Estonia.
- Non-resident companies should register as a non-resident employer.

### During employment

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

### Termination of employment

- Inform the Police and Border Guard Board and the Tax and Customs Board about the termination of the employment of the foreigner.



## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	20%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	20%

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
20%	20%	20%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	1,6%
Employer	33,8%

### Social Security Agreements (SSA)

Russia	
Canada	
Ukraine	
Australia	
Belarus	
Moldova	

<sup>1</sup> Excluding fringe benefits such as housing.



## Personal Income Tax

- Taxable income comprises earned income and capital income, depending on source/residency status.
- The tax rate for the state tax is progressive and ranges from 6% to 31.25%. In addition, there are two flat rates of tax applicable to earned income; municipal tax ranging from 16.50% to 23.50% and, if applicable, church tax ranging from 1% to 2.20%.
- Tax-free threshold up to € 18,600 in state taxation. For assessing 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 is 35% and for foreign key employees (a special act applies) 32%. 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 € 30,000 and 34% for the exceeding amount.
- Public broadcasting tax is 2.50% of the net earned and net capital income exceeding € 14,000, max. amount of tax is € 163.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return is 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 the personal tax rate (progression clause).

## Social Security

Social security contributions are compulsory and generally apply to all employees working in Finland. 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

- Employees are required to pay contributions to

- old-age pension (7.15% to 8.65%), unemployment (1.4%) and health insurance, i.e. the contribution for daily allowance coverage (1.36%) and contribution for medical care coverage (0.68%, included in the tax percent) on their gross income.
- 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 16.95%), unemployment (0.5% to 1.9%), accident (on average 0.7%) and group life (on average 0.06%) insurance.
- The contributions can be paid just once a year, quarterly or on a monthly basis. Pension insurance contributions are usually paid monthly.
- 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 health insurance contribution (1.53%) if the employee does not have an A1 certificate. 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 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 the employee 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 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 is to be requested if working is not permitted with another residence permit or without one.
- For instance, foreign specialists, researchers, 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 Finland. When applying for the permit after entering 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.
- An individual working in Finland usually requires a Finnish personal ID. A Finnish personal ID is normally requested from a local register office of the Finnish Digital Agency. If the personal ID is needed for a tax-related reason, the personal ID and the Finnish tax number can be applied for at a tax office.
- If the estimated assignment period in Finland is more than 12 months, the individual may obtain the right to be registered in a Finnish municipality of domicile by a local registry office of the Finnish Digital Agency.

## 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 resi-

dence permit. The employer must also verify that the foreign employee has the right to reside 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 the employees apply for the tax prepayments by themselves in the event that Finland has a taxation right 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.
- Foreign employers must submit earnings payment reports to the Incomes Register in the following situations:  
Income is paid to an income earner working in Finland, and one of the following criteria is met:
  - The income earner is insured in Finland.
  - The income earner resides in Finland for more than 6 months, even if he/she is not insured in Finland.
  - The income earner works in Finland as a leased employee for a service recipient in Finland. The data must be submitted when the tax treaty between the employee's country of residence and Finland allows the taxation of a leased employee's wages in Finland, or when there is no tax treaty.

An income earner working abroad is paid income, and the income earner is insured in Finland.

##### 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 submit earnings payment reports to the Incomes Register each month.
- If no wages are paid during some months, the company must submit the "No wages payable" entry on an employer's separate report.
- A foreign employer is obligated to pay the employer's health insurance contribution based on the wages if it obtains a permanent establishment for income taxation in Finland. The employer must report the employer's health insurance contribution to the Incomes Register on an employer's separate report.

#### Termination of employment

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

<sup>1</sup> Excluding fringe benefits such as housing.

<sup>2</sup> Health insurance contributions of 2.04% and public broadcasting tax included, municipality tax for Helsinki, no church tax.

<sup>3</sup> Including state tax, church tax, municipality tax and broadcasting tax.

<sup>4</sup> No ceiling for contributions. On average: contributions depend on e.g. the employee's age, accident risk of the employment.

<sup>5</sup> Covers national pensions, urgent medical treatment included.

<sup>6</sup> Covers old-age pensions and survivor pensions.

<sup>7</sup> Covers old-age pensions, survivor pensions and medical treatment (for pensioners).

<sup>8</sup> Covers only pensions awarded under the statutory earnings-related pension scheme and unemployment insurance contributions.

<sup>9</sup> Covers only pensions awarded under the statutory earnings-related pension scheme.

<sup>10</sup> Covers old-age pensions, survivor pensions, child benefits and maternity grants. With respect to posted workers, it also covers health insurance and parental benefits.

<sup>11</sup> Includes the countries Denmark, Finland, Iceland, Norway and Sweden.

<sup>12</sup> Covers medical treatment and health insurance.

<sup>13</sup> Covers medical treatment and health insurance.

<sup>14</sup> Covers national pensions and survivor pensions; for foreign delegates: health insurance, parental insurance and child benefits too.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	31,5% <sup>2</sup>
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	31,5% <sup>2</sup>

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

	2019	2020	2021
	55,95%	56,20%	56,95% <sup>3</sup>

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	10,43% <sup>4</sup>
Employer	20,66% <sup>4</sup>

### Social Security Agreements (SSA)

Australia <sup>5</sup>
Canada <sup>6</sup>
Chile <sup>7</sup>
China <sup>8</sup>
India <sup>9</sup>
Israel <sup>10</sup>
Nordic Convention <sup>11</sup>
Province of Quebec <sup>12</sup>
South-Korea <sup>13</sup>
USA <sup>14</sup>



## Personal Income Tax

- The French personal and annual income tax rate is progressive and ranges from 0% to 45%.
- Foreign tax residents are only subject to tax in France on their French source income with a minimum rate of taxation of 20% (30% for the share of the net taxable income exceeding € 25,710). This minimum rate does not apply if the foreign taxpayers provide evidence that their 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.
- A contribution on high income (€ 250,000 for a single person or € 500,000 for a married couple) may also be due.
- Foreign tax residents must file an annual income tax return under the same conditions as a French tax resident including their French source income. Filing deadline: no later than mid-May for the paper return and end of May or beginning of June for the 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 are in place 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 20% to 25% of the gross salary.

### Employer

- The employer's contributions represent around 35% to 45% of the gross salary, depending particu-

- larly on the salary, employee status and activity.
- Both contributions are effectively paid by the employer to the French authorities.

## Immigration

### Visa

- As a rule, foreign individuals who want to work as an employee in France must first obtain a visa or a residence permit to enter France unless they are 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.
- To be allowed to work in France, third-country nationals (meaning other than EU/EEA/CH nationals) must hold a work permit which can be
  - a long-stay visa or a residence permit that 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 must 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 at the 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 called "RAS" 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%.
- For French tax residents, a monthly withholding tax called "PAS" is levied by the employer. The rate is calculated on the last income released by the taxpayer.

### Termination of employment

- Specific formal requirement applies at the time of the termination of employment.
- Specific tax and social security exemptions may apply on termination payments.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children approx. 20%  
Employment Gross Income<sup>1</sup> € 100,000 p.a.

Married, 2 children approx. 12%  
Employment Gross Income<sup>1</sup> € 100,000 p.a.

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
45%	45%	45%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	approx. 22%
Employer	approx. 45%

### Social Security Agreements (SSA)

USA
Canada
Japan
India
China
Brazil
South Korea
Philippines
Argentina
Morocco

<sup>1</sup> Excluding fringe benefits such as housing.



# Germany

## Personal Income Tax

- Individuals are taxed on income, depending on source/residency status
- The 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% or 9% of the income tax).
- Tax-free threshold up to € 9,744 (single filing)/€ 19,488 (joint filing).
- The tax year is the calendar year.
- Filing deadline for the annual income tax return: 31 July of the year following the tax year. Extensions are possible until February 28/29 of the year that follows with the assistance of a tax advisor (i.e. 28 February 2022 for the tax return 2020).
- Employment income is generally subject to a monthly withholding tax.
- Depending on the status of residency, tax-exempt income needs to be considered for calculating personal tax rates (progression clause).

## Social Security

Employees working in Germany are generally subject to German social security. Individuals on assignment to Germany from other EU/EEC member states or Switzerland may be exempt from contributing to the German social security scheme upon application based on the EEC regulation. Individuals coming from other countries may be exempt based on totalisation agreements or under Germany's domestic law.

### Employee

- An employee is required to pay contributions to old-age pension (9.3%), unemployment (1.3%), health (7.3%) and nursing care (1.525%) insurance up to an annual income ceiling for pension and unemployment (€ 85,200) and for health and nursing care (€ 58,050). Additional nursing care insurance contributions (0.25%) up to an annual income ceiling (€ 58,050) will be due for individuals without children and above the age of 23.
- If the employment exceeds the annual threshold

of € 64,350, a private health and nursing care insurance is possible.

### Employer

- An employer is required to pay contributions to old-age pension (9.3%), unemployment (1.2%), health (7.3%) and nursing care (1.525%) insurance up to an annual income ceiling for pensions and unemployment (€ 85,200) and for health and nursing care (€ 58,050).
- 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.

Social security income ceilings for pension and unemployment insurance differ from those as mentioned above in the new German states (Brandenburg, Mecklenburg Vorpommern, Saxony, Saxony-Anhalt and Thüringen). In these states, the income ceiling for pensions and unemployment insurance contributions amounts to € 80,400.

## 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 Europe Economic Area (EEA) citizens and to Swiss (CH) nationals.
- Citizens of Australia, Canada, Israel, Japan, New Zealand, the Republic of Korea; United Kingdom and the USA may also be required to obtain residence permits after entering Germany at the local immigration authority, without applying for a visa beforehand.

### Work permit

- In order to be allowed to work in Germany, third-country nationals (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, foreigners residing in Germany must register at their local registration office within

a specific period of time (general within 2 weeks).

- After registration, a German tax ID will be issued automatically.

## Employer's Obligations

### Start of employment

- Appropriate sharing of costs based on transfer pricing aspects should be agreed between the home and host company and documented properly.
- Obtain correct working visa type for an employee (if applicable).
- Request the electronic wage tax characteristics ("EL-StaM") for payroll enrolment.
- Register the employee at the competent social security authority.

### During employment

- Home and host company should establish a reporting system to exchange payroll data especially in the case of split pay out scenarios.
- Withholding wage tax on a monthly basis by the German employer (meaning any contractual or economic employer whose registered seat is located in Germany).
- Withholding social security contributions on a monthly basis for the employee.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- File special wage tax applications (i.e. to exempt income from taxation based on double tax treaty, to apply special tax classes).
- 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	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	32%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	20%

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
47,48%	47,48%	47,48%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	19,575%
Employer	19,575%

### Social Security Agreements (SSA)

Australia
China
India
Japan
Russia
USA
and SSAs with 18 further countries

<sup>1</sup> Excluding fringe benefits such as housing.



## 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 identical with the calendar year.
- The filing deadline for the annual personal income tax return is 20th May of the following year. 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 prolongation has to 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 utilized 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 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 18.5% social security contribution.
- In general, social security contribution is withheld from the employment income on a monthly basis.

### Employer

- Employer's social security tax is 15.5% 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 for (for example) Australia, Brazil, Canada, Mexico, United States in the case of a stay for 90 days.

### Work permit

- EU/EEA and Swiss citizens can be employed in Hungary without a work permit. Only a reporting obligation is required.
- 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 officer or other official location authorized to receive residence permit applications in the home country of the individual.
- The request for Hungarian tax ID number and social security number (if needed) has to 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 at 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.
- Foreign employers employing Hungarian private persons who are subject to Hungarian social security, have to be registered for payroll purposes at the Hungarian tax authority and fulfil monthly tax

and social security liability.

### During employment

- If the employee has 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 has to 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.
- The employer is obliged to prepare an annual tax and social security certificate (form M30).
- The employer is not obliged to prepare a yearly personal income tax return for the employee. Nevertheless, the Hungarian tax authority prepares a draft of the yearly income tax return based on the information available in its database.

### 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 final wage tax certificate.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	15%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	13,67%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

	2019	2020	2021
	15%	15%	15%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	18,5%
Employer	15,5 + 1,5%

### Social Security Agreements (SSA)

Australia
Bosnia Herzegovina
Canada
India
Japan
Republic of Korea
Russian Federation
Serbia
USA
Turkey

<sup>1</sup> Excluding fringe benefits such as housing.



### Personal Income Tax

- Individuals are taxed on income depending on source/residency status
- The income tax rate is progressive ranging from 31.45% - 46.25%
- The tax-free threshold is up to ISK 609,509.
- The tax year is the calendar year.
- Financial income (interest/dividend) is taxed at 22% of the income tax rate.
- Employment income is subject to withholding tax at source.
- Experts with special skills are entitled to a 25% tax discount for a period of three years subject to certain conditions.

### Social Security

In Iceland, the pension fund system is an important part of the social security system and therefore pension fund contributions are categorized as social security contributions here below.

#### Employee

- The employee pays 4% of their gross salary as a contribution to a pension fund. The contribution is deductible from income tax. (The employee can choose to pay a further contribution (max. 4%) as an additional specific pension fund payment which would also be tax deductible).
- The employee pays no other social security contribution.

#### Employer

- The employer pays 6.10% of the gross salary as a social security contribution.
- If the employee holds an A1 certificate, the social security contribution applicable is 0.425%.
- The employer generally pays 11.5% of the gross salary as a contribution into the employee's pension fund.
- If the employee has chosen to pay a specific additional pension, the employer pays an additional 2% contribution to this specific additional pension.

### Immigration

#### Visa

Iceland is a member of Schengen. 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 Iceland. All foreigners requiring visas and who do not hold a valid Schengen visa in their travel document must apply for a visa at the applicable embassy/consulate before travelling to Iceland. Visas may be granted for business trips, tourism, private reasons (family and friends), official visits, short-term studies and for political, scientific, cultural, sports or religious events.

#### Work permit

- EU and EEA citizens may reside and work in Iceland under EU and EEA legislation on free movement.
- Nordic citizens are free to reside and work in Iceland.
- To be allowed to reside and work in Iceland, third-country nationals (from outside EU/EEA/EFTA/CH) must apply for a work and residence permit in Iceland.
- Different schemes are available, e.g. the fast-track scheme.

#### Registration

- Third-country nationals, who plan to stay in Iceland for more than three months, must apply for a residence permit at the Directorate of Immigration.
- To be able to work in Iceland, all individuals must register in the National Registry and receive an identification number.

### Employer's Obligations

#### Start of employment

- Ensure that the employee does legally reside and work in Iceland – otherwise the employer may become liable for 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, and pay these withheld amounts to the relevant authorities. This is a requirement for any employer with a permanent establishment in Iceland.

#### Termination of employment

- The employer must notify authorities if an employment contract is terminated before a temporary work permit ends.



### Comparisons

#### Taxation of Fringe Benefits

Housing	B
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

#### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	36%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	36%

#### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
46,25%	46,25%	46,25%

#### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	4%
Employer	17,6%

#### Social Security Agreements (SSA)

Europe – EU	
EEA	
Nordic Countries	

<sup>1</sup> Excluding fringe benefits such as housing.



## 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 € 8,250 (single filing)/€ 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, unless coverage in the (EU) home country is obtained via a certificate of coverage. 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 the universal social charge. The rates are progressive, ranging from a blended rate of 1.13% on the first € 20,687 of income to a top rate of 8% on income over € 70,044. Income between € 20,687 and € 70,044 is liable at a rate of 4.5%.

### Employer

- The employer contributes at the rate of 11.05% of the 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, the UK (because of the common travel area provisions) or one of the countries listed in the Immigration Act 2004 (isas) Order 2014 (full list available on request).
- They also do not need a visa to enter Ireland if they hold a valid travel document issued in accordance with Article 28 of the Geneva Convention, hold a travel document issued under the New York Convention of 1951, 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, Bolivia, Brazil, Chile, Colombia, Cuba, DR of the Congo, Ecuador, Eritrea, Ethiopia, Georgia, Ghana, Guyana, Iran, Lebanon, Moldova, Nigeria, Paraguay, Peru, Somalia, South Africa, Sri Lanka, Suriname, Ukraine, Uruguay, Zimbabwe).

### Work permit

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

### Registration

- With the exception of EEA, UK and Swiss nationals, all other nationals must register with the local immigration office 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).
- Make the necessary report under EU Regulation No 2014/67/EU (Temporary Postings) which is included in Irish Law under the European Union (Posting of Workers) (Amendment) Regulations 2020.

### During employment

- Withhold wage tax, social security and universal social charge contributions and remit on a monthly basis (obligation extends to non-Irish resident employers where employee is working in Ireland).

### Termination of employment

- Cancel the work permit for the employee (if applicable).
- Complete termination of employment submission with Irish Revenue.

## Comparisons

### Taxation of Fringe Benefits

Housing	B
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	29,64%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	26,39%

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

	2019	2020	2021
	52%	52%	52%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	8,85%
Employer	11,05%

### Social Security Agreements (SSA)

Canada
Quebec
Australia
USA
New Zealand
Austria
Republic of Korea
Japan
UK (covering Channel Islands and Isle of Man)
The Swiss Confederation

<sup>1</sup> Excluding fringe benefits such as housing.



## Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- The tax rate is progressive and ranges from 23% to 43%. On top of this, municipal (up to 0.8%) and regional surcharges (in the range of 1.2% to 2.03%) apply. Financial income is, in general, taxed on the basis of a 26% substitute tax.
- The tax year is the calendar year.
- The filing deadline for the annual income tax return is 30 November of the year following the tax year. It is possible, upon the payment of a reduced penalty of € 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 employer directly.

## Social Security

- Social security contributions (SSC) are mandatory and generally applicable to all people who are employed and actually work in Italy.
- SSC covers retirement, unemployment, illness, maternity/parental care (national authority "INPS") as well as work accident contributions (national authority "INAIL").
- SSC are paid by the employer and the employee according to the rates below.
- SSC due are paid by the employer monthly on the salary due to the employee.
- The employer is liable for all payments and must withhold the relevant amount of the employee's salary.
- SSC are tax free for the employee and can be deducted by the employer from company income as a part of employment.
- If the relevant employee has been enrolled in the social security system before 1 January 1996, SSC are calculated on the full salary without any ceiling applicable.
- If the relevant employee has been enrolled in the social security system after 1 January 1996, SSC are calculated within the limit of a ceiling fixed yearly by law (i.e. € 103,055 for 2021).

- The applicable rate depends on the employer's sector of activity (i.e. industry, agriculture, credit, services etc.) and the employer's workforce dimension.

### Employee

- Applicable rate: 9.19% (10.19% for the part of the salary higher than a ceiling fixed yearly by law which is € 47,379.00 for 2021).

### Employer

- Applicable rate: 30%.

## 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

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

### Registration

- Upon arrival in Italy, third-country nationals must 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

- Obtain an Italian tax ID in order to be enrolled in the social security system before hiring any employee.
- Communicate the commencement of every em-

ployment relationship to employment services within a day before the employment relationship is initiated; if not, the employment relationship will be considered as 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) and the Italian tax ID so as to enrol the relevant employee in the employer's payroll.
- Register the employee in the social security system.
- Communicate to the immigration services the hiring of the third national employee and provide the employment office with all the required documents (i.e. copy of residency agreement and residence permit) within 5 days (if applicable).

### During employment

- Withhold employee's SSC and employee's taxes each month.
- Communicate to employment services every modification related to each employment relationship (e.g. transformation from fixed-term employment of open-ended employment; transformation from part-time to full-time and vice versa, transformation from apprenticeship to open-ended employment).
- Complete and send to the tax authority and to each employee the annual tax certificate (so-called "CU Statement") that states the salary paid in the previous year.
- Complete and send to the tax authority the formal declaration regarding withholding tax and social contribution applied in the previous year with reference to each employee (so-called "770 Statement").
- 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 tax authority and to the

terminated employee the annual tax certificate (so-called "CU Statement") that states the salary paid due to the employment relationship up to the termination.

- Other specific rules could be applicable with reference to the reason of the termination (e.g. validation of employee's resignation, payment of the additional contribution for unemployment).



## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	36,17%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	35,95%

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
43%	43%	43%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	9,19 + 1%
Employer	30%

### Social Security Agreements (SSA)

Argentina
Australia
Brazil
Canada
India
Israel
Turkey
UK
USA

<sup>1</sup> Excluding fringe benefits such as housing.

# Latvia

## Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- Personal income tax (PIT) rates are 20%/23%/31%.
- 20% PIT applies to dividends, interest and rental income and 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. If annual income exceeds the ceiling of the social security contributions (currently € 62,800), the annual tax return should be submitted from 1 April until 1 July 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. The total standard rate of the SSC is 34.09%. Annual salary exceeding € 62,800 is not subject to SSC but is subject to solidarity tax at the same rate as SSC. After submission of the annual tax return, the solidarity tax is calculated at 25% on an annual basis, and the overpaid amount is refunded to the employer.

### Employee

- Employee SSC 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 who have 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, Swiss nationals and nationals of the United Kingdom, as well as countries mentioned in the 15 March 2001 European Council Regulation (EC) No 539/2001.

- Upon mutual agreement, incentives to receive a visa also apply to 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 issuing short-term visas for the citizens of the Russian Federation, Ukraine, Armenia, Moldova, Georgia, Bosnia and Herzegovina, Montenegro, Serbia, Albania, Azerbaijan, the former Yugoslav Republic of Macedonia and Cape Verde.

### Work permit

- Any foreigner who wants to work as an employee in Latvia must obtain a visa or temporary 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 temporary residence permit with the right to work.

### Registration

- The visa must be obtained from the Latvian representative office abroad within a specific period of time. However, the temporary residence permit can be obtained only personally in Latvia at the Office of Citizenship and Migration Affairs.
- In certain exceptional cases, visas may be issued at the Latvian Republic customs border.
- The temporary residence permits are issued for up to 3 - 5 years, however temporary residence permits should be registered at the Office of Citizenship and Migration Affairs every 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 at 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 salaries 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	B
Home Flights	B
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	20/23/31%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	20/23/31%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
31,4%	31,4%	31%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	10,5%
Employer	23,59%

### Social Security Agreements (SSA)

Belarus	
Canada	
Russia	
Ukraine	
USA	
Australia	

<sup>1</sup> Excluding fringe benefits such as housing.



# 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).
- The tax rate is progressive and ranges from 0% (up to € 11,265/€ 22,530 for taxpayers filing jointly) to 42% (above € 200,004/€ 400,008 for taxpayers filing jointly).
- A contribution for the employment fund amounting to 7% for income up to € 50,000 (€ 300,000 for taxpayers filing jointly), and 9% above, is also due and leads to a marginal tax rate of 44.94% for income up to € 150,000 (€ 300,000 for taxpayers filing jointly) and 45.78% above.
- The tax year is the calendar year.
- The filing deadline for the annual income tax return is 31 March of the year following the tax year (extension possible until 31 December).
- Employment income is usually subject to a monthly withholding tax (creditable against personal income tax).
- Income which is exempt under DTT may be considered for calculating the personal tax rate (progression clause).
- As of 2021, a new special tax regime was implemented and applies to highly qualified employees recruited abroad (expatriates), provided several conditions are met by the employer and the employee. Such a 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 annual income amounting to € 132,115,80 (except for the portion of contributions financing the dependency insurance, see below).

### Employee

- Employees' contributions include: pension insurance (8%), health insurance (2.80%/3.05%), and

dependency insurance (1.4%), i.e. a total of 12.20% to 12.45%.

### Employer

- Employers' contributions include: pension insurance (8%), health insurance (2.80%/3.05%), accident insurance (0.75% subject to bonus-malus), mutual insurance (0.53% to 2.88%) and health at work (0.11%), i.e. a total of 12.19% to 14.79%.
- The employer is liable for all payments (employee's and employer's contributions) each month.

## Immigration

### Visa

- Nationals from certain third countries who wish to come to Luxembourg must, before departure, have a valid travel document with a visa issued by a consular authority from one of the countries in the Schengen Area. The visa enables free movement in the Schengen Area.
- Third-country nationals subject to a visa obligation who wish to stay in Luxembourg for more than 3 months must apply for a long-stay visa. Before applying for a long-stay visa, the applicant must first obtain a temporary residence authorisation by filing a request to the Immigration Directorate of the Ministry of Foreign Affairs.
- Exceptions apply particularly to all European Union (EU) and European Economic Area (EEA) citizens as well as to Swiss nationals.

### Work permit

- Third-country nationals who have been authorised to legally reside in another Member State of the EU or in a EEA country or in Switzerland, and who wish to work in Luxembourg without residing there must apply for a work permit (a visa is necessary if they also want to live in Luxembourg).
- Third-country nationals subject to a visa obligation who wish to work in Luxembourg during a stay of less than 90 days must also apply for a long-stay visa and must request beforehand a work permit from the Immigration Directorate of the Ministry of Foreign Affairs.

- Third-country nationals are subject to a labour market test following which the employer declares the vacant position with the national employment agency (Agence pour le développement de l'emploi - ADEM) which checks, before validating the position, whether it can be filled by an individual available on the national or European labour market.
- Highly qualified employees are not subject to the labour market test, but the employer still needs to declare the vacant position.

**Registration**

- After entering Luxembourg, third-country nationals must file a declaration of arrival to the municipality of residency within 3 days following their arrival in the country.
- In the case of a stay longer than 3 months, third-country nationals must also request a residence permit from the Immigration Directorate of the Ministry of Foreign Affairs and undergo a medical check.
- Exceptions apply particularly to all EU and EEA citizens as well as to Swiss nationals.

**Employer's Obligations**

**Start of employment**

- Before the start of the employment of a third-country national, the employer 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 filled by the national employment agency within 3 weeks, then a certificate allowing the hiring to proceed will be submitted to the employer.
- For social security purposes, the employer must register the employee with the competent social security authority.
- The employer must obtain the employee tax card in order to withhold the correct amount of wage tax.

**During employment**

- The employer must withhold wage tax each month.
- The employer must withhold/pay social security contributions each month.
- The employer must prepare and submit an annual wage tax certificate as well as a social security certificate.

**Termination of employment**

- The employer must prepare and submit a final wage tax certificate as well as a final social security certificate for the work period within the calendar year.



**Comparisons**

**Taxation of Fringe Benefits**

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

**Tax Rates**

Single, no children	30,61%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	19,49%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

**Maximum Effective Personal Income**

**Tax Rates for the past 3 years**

	2019	2020	2021
	45,78%	45,78%	45,78%

**Social Security Rates**

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	12,20%
Employer	12,19%

**Social Security Agreements (SSA)**

Brazil
China
Canada
Korea
USA
India
Japan
Norway
Switzerland
Turkey

<sup>1</sup> Excluding fringe benefits such as housing.



# Netherlands

## Personal Income Tax <sup>1</sup>

- Individuals are taxed on income, depending on source/residency status. The following 3 (so called) 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. The tax rate is progressive ranging from 9.45% to 49.50%. Taking into account 27.65% social security premiums on the first € 35,129, effectively € 37, 10% is levied on the first € 68,507 and 49.50% on the income above € 68,507.
- Box 2 includes income from a substantial interest, taxed at a flat rate of 26.9%.
- Box 3 includes (deemed) income from savings and interest. The deemed income ranges from 0.03% to 5.69%, 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 31%, taking into account a tax exempt base of € 50,000 per person.
- The tax year is the calendar year.
- The filing deadline for the annual personal income tax return: the return needs to be filed before 1 May of the year following the tax year. Extensions of a couple of months are possible up to one 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.

<sup>1</sup> All numbers are regarding the year 2021

### 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 € 35,129. The premium amounts to a maximum of € 9,713 (27.65% of € 35,129).
- In addition, a private health insurance is required of which the monthly premium amount to around € 125 per month depending on the coverage of the insurance and the policy excess.

### Employer

- An employer is required to pay contributions for unemployment, disability and health insurance. Some of the premiums partially depend on the size and industry of the employer. The premiums include:
  - WW: 2.7% for employees with a written labour contract for an indefinite period of time, 7.7% in other cases.
  - WAO/WIA: 7.53%, including 0.5% child day care allowance;
  - WHK: 1.36% on average, and;
  - ZVW: 5.75% – 7%.
- Premiums are due on the employment income of an employee up to an annual income ceiling of € 58,311. For large employers (more than € 3,460,000 premium wage) in the Netherlands 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 who works as an employee in the Netherlands must have a valid residence 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).
- If the employer is in the European Economic Area (EEA) or in Switzerland, as from 1 March 2020, the obligation exists to notify the Dutch authorities of a temporary posting of an employee in the Netherlands through the Dutch online notification portal.
- Identify the employee and administer the required personal details of the employee, including a copy of 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").
- Administer cost reimbursements and allowances (also in kind) to determine the (non-)taxation monthly
- or annually ("Werkkostenregeling").

- In 2021, specific facilities exist to reduce the impact of Covid-19, such as (wage)subsidies, postponement of tax payments and the release of the blocked account ("G-rekening").

### 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	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>2</sup> € 100,000 p.a.	40,63%
Married, 2 children Employment Gross Income <sup>2</sup> € 100,000 p.a.	40,63%

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
51,75%	49,50%	49,50%

### Social Security Rates

Employment Gross Income<sup>2</sup> € 100,000 p.a.

Employee	27,65%
Employer	±18,59%

### Social Security Agreements (SSA)

Argentina
Australia
Canada
China
India
Indonesia
Japan
South Africa
Turkey
USA

<sup>2</sup> Excluding fringe benefits such as housing, for the year 2021.



# Norway

## Personal Income Tax

- Individuals are taxed on income, depending on source/residency status.
- The tax rate is progressive and ranges from 22.00 – 38.20% for salaries. Investment income is taxed with a general flat tax rate of 22.00% and dividend/gain at shares at a flat rate of 31.68%.
- Annual tax-free threshold up to NOK 97,130 - (single filing). Joint filing is not applicable.
- The tax year is the calendar year.
- Filing deadline for the annual income tax return is 30 April of the year following the tax year. Extensions are possible until 3 May and up to 30 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).
- A PAYE scheme is applicable for an income not exceeding NOK 651,250. The rate is 16.8% plus social security contribution. Note that the gross income is usually higher under the PAYE scheme than under ordinary taxation.

## Social Security

This is a general information/short teaser text 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 pension insurance, unemployment, health and nursing care insurance. The rate is 8.20% of gross salary.
- For self-employed, the rate is 11.40%.
- For pension and life annuities the rate is 5.10%.
- For individuals under 17 or over 69 the rate is 5.10%.
- Income below NOK 59,650 is exempt from contribu-

tions. For income above NOK 59,650 the contribution can not exceed 25% of the income in excess of this threshold.

- EEA regulations can exempt the employee from paying social security contribution in Norway, if covered by the social security scheme in their home country. Other rules may be applicable for employees outside the EEA.

### Employer

- The payroll taxes are generally 14.10%.
- For employers that perform the business in northern Norway and certain provinces a lower rate between 0.00% and 10.60% is applicable.
- Exemption is applicable for employees within EEA that are covered by the social security scheme in their home country. Other exemptions may be applicable for employees outside the EEA.

## Immigration

### Visa

- For citizens of some countries a visa is required to enter Norway. When a visa is issued, a residence permit including the right to work - prior to arrival in Norway - is automatically issued with an entry visa.

### Work permit

- As a rule, any foreigner who wants to work as an employee in Norway must first obtain a residence permit allowing them to work in Norway.
- Exceptions apply to all citizens of the Nordic countries. Citizens of these countries do not need a residence permit of any kind. Citizens of EEA and Swiss nationals do not need a residence permit but are obliged to register with the police no later than three months after arrival in Norway.
- Exemptions also apply to technical experts/employees of multinational enterprises who will work in Norway for less than three months. A notice to the police before arrival in Norway is required.

### Registration

- As a rule, any foreigner who wants to work as an employee in Norway must first obtain a residence permit allowing them to work in Norway.
- Exceptions apply to all citizens of the Nordic countries. Citizens of these countries do not require a res-

idence permit of any kind. Citizens of the EU, European Economic Area (EEA) and Swiss (CH) nationals, do not need a residence permit but are obliged to register with the police no later than three months after arrival in Norway.

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

## Employer's Obligations

### Start of employment

- Contracts and subcontracts awarded to an enterprise resident abroad must be reported to the Central Office of Foreign Tax Affairs by filing of the form RF-1199. Employees used to carry out the assignment have also to be reported to the Central Office of Foreign Tax Affairs on the same form within 14 days after the work has started
- 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 headquarters is located in Norway). Deduction for the social security contributions (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 Affairs for termination of the employment.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	33%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	33%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
38,2%	38,2%	38,2%

### Social Security Rates

Employee	8,20%
Employer	14,10%

### Social Security Agreements (SSA)

Australia
Canada
Chile
India
Israel
Turkey
United Kingdom
USA
EEA, Coordination of social security systems

<sup>1</sup> All fringe benefits such as housing etc. are subject to SSC/PT while covered by the Norwegian Social Security Scheme.

# Poland

## Personal Income Tax

- Individuals are taxed on income depending on source and residency status.
- The tax rate is progressive (annual taxable income up to PLN 85,528 is taxed at the rate of 17% 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 8,000 to PLN 0 depending on annual taxable income.
- The tax year is the calendar year.
- The deadline for the annual tax payment and filing the annual income tax return is between 15 February and 30 April of the year following the tax year.
- 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. Furthermore, Poland introduced Employee Capital Plans (PPK), which is a voluntary system of long-term savings for retirement purposes. PPK is based on different assumptions and was not included in the social security burden presented here.

### 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 157,770 in 2021).
  - sickness (2.45%) and health (9%) insurance – irrespective of the 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 157,770 in 2021).
  - accident insurance (ranges from 0.4% to 3.33%, depending on sector of employer's activity and number of employees), labour fund (2.45%) and employee benefits fund (0.1%) irrespective of the employee's income level.
  - As a rule, the employer is liable for all the payments each month. 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 Swiss (CH) nationals.

### Work permit

- 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 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 start of 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 at the relevant social security authority.
- Submit a statement to the National Labour Inspectorate (if the employer is domiciled outside Poland and certain conditions are fulfilled).

### During employment

- Withhold wage tax each month.
- Withhold social security contributions each month for the employee.
- Prepare and submit an annual wage tax certificate (PIT-11) (Polish employers 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 the 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.

\* Effective tax rate = tax calculated based on the progressive tax scale (annual taxable income up to PLN 85,528: tax rate of 17%; the excess: tax rate of 32%).

\*\* Assumption: spouse does not earn a taxable income.

\*\*\* Pension and disability insurance contributions – up to annual income ceiling.

\*\*\*\* Assumption: accident insurance contribution at the rate of 1.67%.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single *, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	19,65%
Married *, **, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	16,32%

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
32%	32%	32%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee ***	14,81%
Employer ****	9,80%

### Social Security Agreements (SSA)

Australia
Canada
Ukraine
USA
South Korea
Mongolia
Israel (as of 1 May 2021)
Moldova
Republic of Macedonia

<sup>1</sup> Excluding fringe benefits such as housing.



# Portugal

## Personal Income Tax

- Resident individuals are subject to personal income tax (PIT) on a worldwide basis, which means that any income obtained by a resident individual shall be subject to PIT, regardless of its source (Portuguese or foreign). Non-resident individuals are subject to PIT on all Portuguese-sourced income.
- Generally speaking, an individual is considered to be resident in Portugal if he/she either: (i) remains in the Portuguese territory for more than 183 days, consecutively or not, in any 12-month period beginning or ending in the relevant calendar year; (ii) though remaining for less than 183 days, in any 12-month period of the relevant year, has accommodation in circumstances that indicate an intention to keep and occupy it as a habitual residence; (iii) on 31 December of any given year, is a crew member of vessels or aircrafts operated by entities with a residence, head office or place of effective management in Portuguese territory; (iv) performs public duties for the state abroad.
- PIT applies to specific items of income that are expressly set forth under the PIT code: employment income, business and professional income, capital income (dividends, interest, royalties), real estate income, net worth increases (gains from the sale of real estate property or securities, proceeds from the liquidation of companies, non-compete compensations) and pensions.
- Non-resident individuals who transfer their tax residence to Portugal may be eligible for the Non-Habitual Tax Resident Regime (NHR) provided they have not been considered to be a tax resident in Portugal in the preceding five years. This special regime allows for a tax exemption and tax reductions on certain items of income.
- Under the NHR regime, passive income (dividends, interest and rental income) derived from outside Portugal is fully exempt in Portugal, irrespective of the taxation applicable at source. Foreign-sourced active income may also be fully exempt, and Portuguese-sourced active income may also benefit from a flat rate of 20%, provided some specific conditions are met. In addition, foreign-sourced pen-

sion income is subject to tax at a flat rate of 10%.

- As a general rule, PIT tax rates are progressive, ranging from 14.5% to 48%. For taxable income between € 80,000 and € 250,000 an additional surcharge of 2.5% applies whereas for taxable income higher than € 250,000 an additional surcharge of 5% is also applicable. However, a flat tax rate may apply to certain types of income (interest, dividends and rental income).
- Income obtained by non-resident individuals is usually subject to final withholding tax rates which vary between 25% (employment income, business and professional income) or 28% (capital income such as dividends and interest). However, rental income and gains from the sale of real estate are subject to a special tax rate of 28% and require non-resident individuals to file a tax return.
- The PIT tax year coincides with the calendar year. Taxpayers must submit PIT returns between 1 April and 30 June of the following year. After the tax authorities' assessment, PIT must be paid (or reimbursed) by 31 August of the same year.
- Any taxes withheld on Portuguese-sourced income received by resident or non-resident taxpayers must be submitted to the Portuguese tax authorities within the first 20 days of the month following the payment date.

## Social Security

As a general rule, employers, employees and directors of a company are liable to pay social security contributions. To determine the contributions from both the employer and the employee for social security purposes, the gross remuneration due from the performance of a professional activity or arising from an employment contract termination is considered to be the chargeable basis. For this purpose, remuneration is considered to be all the payments, in cash or in kind, granted to employees as a result of their work, according to the employment contract, the labour legislation or the traditional practice on this matter.

### Employee

- Employees and directors are liable for social secu-

rity contributions of 11% on the gross remuneration received.

- Under the applicable social security rules, the contributions made by the employer and the employee cover sickness, professional sickness, parenthood, unemployment, disability, old age, widows and orphans.

**Employer**

- The employer is liable for social security contributions at a rate of 23.75% applicable on the gross remuneration of the employee. Such contributions together with the amounts withheld from the employee's salary should be submitted to the social security on a monthly basis.

**Immigration**

**Visa**

- With the exception of nationals of the EU and European Economic Area citizens (EEA) (exempted from visa procedures, apart from a registration within the municipality of their area of residence), as a general rule, third-country nationals are required to apply for a temporary visa in order to obtain a residence permit if they wish to remain in Portugal for more than 180 days.

**Work permit**

- Work residence permits (such as the regular work permit, the tech visa, the residence permit for teaching activities, highly qualified activities or cultural activities) are mandatory for third-country nationals who wish to perform a professional activity in Portugal. Moreover, the holders of a residence permit for investment activities (also known as Golden Visa permit) are allowed to perform a professional activity in Portugal.

**Registration**

- EU and EEA nationals and third-country nationals should also register with the Portuguese tax authorities (to apply for a tax identification number), social security office (to obtain a social security number) and the national health system (to be issued a user number).



**Employer's Obligations**

**Start of employment**

- Employment agreements should be communicated to the labour and social security authorities.

**During employment**

- Withhold personal income tax and social security contributions.
- Professional training.
- Health and safety concerns.

**Termination of employment**

- Communication of the termination agreement to the social security authorities.
- Payment of the legal compensation, if applicable.
- Ensure access to unemployment benefits.

**Comparisons**

**Taxation of Fringe Benefits**

Housing	B
Home Flights	B
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

**Tax Rates**

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	34,54%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	26,90%

**Maximum Effective Personal Income**

**Tax Rates for the past 3 years**

2019	2020	2021
48% <sup>2</sup>	48% <sup>3</sup>	48% <sup>4</sup>

**Social Security Rates**

Employment Gross Income<sup>5</sup> € 100,000 p.a.

Employee	11%
Employer	23,75%

**Social Security Agreements (SSA)**

Andorra
Argentina
Australia
Brazil
Canada
Chile
Morocco
Mozambique
USA
Uruguay

<sup>1</sup> Progressive tax rates applicable to tax residents in Portugal (e.g. employment income).

<sup>2</sup> Plus an additional solidarity tax of 2.5% (for income above €80,000) or 5% (for income above €250,000).

<sup>3</sup> Plus an additional solidarity tax of 2.5% (for income above €80,000) or 5% (for income above €250,000).

<sup>4</sup> Plus an additional solidarity tax of 2.5% (for income above €80,000) or 5% (for income above €250,000).

<sup>5</sup> Excluding fringe benefits such as housing.



## 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 at a flat rate of 10%.
- 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 Romanian 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 each month 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, declare and pay monthly 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 submit an A1 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 submitted, social security contributions are due in Romania.

### Employee

- The withholdings from the salary are as follows: health insurance contribution (10%) and social security contribution (25% for normal working conditions).

### Employer

- An employer is required to pay the following con-

- tribution: labour insurance contributions (2.25%).
- Any employer with more than 50 employees must also pay a contribution for the non-employment of disabled persons calculated as 4% x number of employees x the minimum gross salary. Alternatively, the employer must pay a contribution of 4% x number of employees x 50% of the minimum gross salary, plus to acquire products from entities employing disabled persons for the difference until the first mentioned amount.

## 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 the USA, Japan, Canada and of the states listed in Annex II of EC Regulation 539/2001 are visa-exempt 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 permit.
- A work permit 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 required 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 permit 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 not later than one day prior to the commencement date of the contract.
- In the case of secondment agreements, the Romanian entity to where the employee is assigned 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 within at least 5 days before the starting date of the assignment and no later than the first day of the contract.

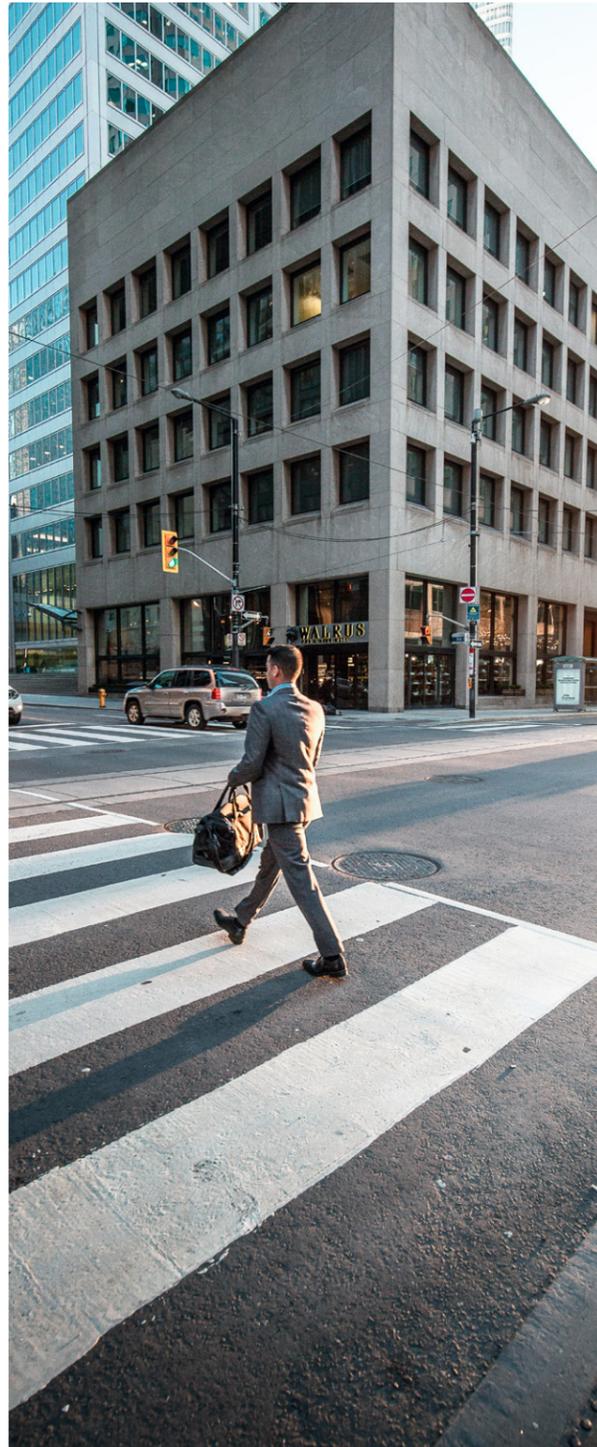
### During employment

- 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.



## Comparisons

### Taxation of Fringe Benefits

Housing	B
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	10%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	10%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
10%	10%	10%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	35%
Employer	2,25%

### Social Security Agreements (SSA)

Canada
Israel
Albania
Macedonia
Moldova
Serbia
Turkey
Quebec
Korea

<sup>1</sup> Excluding fringe benefits such as housing.



## Personal Income Tax

- Individuals are taxed on income, depending on source and residency status.
- The tax rate for employment payments varies from 13% to 30%, no tax-free threshold applies. The standard tax rate for tax residents is progressive and varies from 13% to 15% (an incremental tax rate is applied to income that exceeds RUB 5 million per year). Tax rate is 35% applying to non-employment payments (e.g. lottery prize, etc.)
- Personal income tax (PIT) deductions can be provided to a foreign employee after they become a tax resident of the Russian Federation. Up to this point, standard, property, and social deductions are not applied.
- The tax year is the calendar year and runs from 1 January to 31 December.
- Employment income is subject to withholding by the employer<sup>1</sup> no later than the next day after the payment has been executed.
- The PIT return for the employment payments and tax withheld is submitted by the employer. The filing deadline is 1 March of the following year.
- However, if the employee has another income in addition to the employment income, this should be declared by the separate PIT return completed by the individual before 30 April, and the associated PIT is to be paid by the individual directly before 15 July of the following year.

## Social Security

Russian social security is represented by two major funds: the social insurance fund (including compulsory short-term disability and maternity insurance, and mandatory accident insurance) and the pension fund (including pension insurance and health insurance). The social contributions are made monthly by the employers based on the accrued gross salary only.

### Employee

- Employees don't pay social security contributions in Russia.

### Employer

For the purpose of this guideline, we consider an employer to be the following entities which pay payroll to foreign citizens (employees) directly: (i) subsidiary of the foreign company or (ii) the branch representative office of the foreign company duly registered in the Russian Federation, and (iii) the Russian legal entity.

- The social security contribution rates depend on (i) the citizens and the status of the foreign employee (i.e. highly qualified (HQS), temporarily staying in the Russian Federation, temporarily or permanently resident in the Russian Federation) and (ii) the status of the employer (i.e. small or medium-sized company, accredited IT company, non-profit organisation, etc.) or type of activity of the employer in the Russian Federation (for instance, employer provides job for disabled persons, etc.) and region where the employer is located.
- The legislation of the Russian Federation does not provide grounds for exempting employers from paying insurance premiums, including contributions for accident insurance, however employers can reduce the amount of insurance premiums due to non-taxable payments (i.e. severance pay, welfare payments, etc.). Some thresholds on the gross employment payment are applied. The thresholds are indexed by the government each year.
- For the HQS the mandatory accident insurance is applied only (0.2-8.5% depending on the level of assessed risk of the employer activity). No threshold is applied.
- In general, the standard social security rates for Russian citizens and foreigners with permanent or temporary residency are the following: pension insurance – 22% on income up to RUB 1,465,000 then 10% is applied above the threshold; health insurance contribution – 5.1% (no threshold is applied); for compulsory short-term disability insurance – 2.9% (threshold is RUB 966,000); mandatory accident insurance – 0.2-8.5% (no threshold) depending on the level of assessed risk of the employer activity.
- The standard social security rates for foreign employees who are temporarily staying in the Russian Federation are the same excluding health insur-

ance (it is not applied) and short-term disability insurance – a reduced rate is applied (1.8%).

- Starting from January 2021, if the employer is included in the special register of small and medium-sized companies, the standard rates may reduce to 15% in total.

## Immigration

### Visa

- As a rule, any foreigner who wants to work as an employee must first obtain a business visa to enter Russia. If a foreign citizen enters the Russian Federation for work, they must obtain a business visa. Generally speaking, such a visa is issued for the duration of an employment contract or a civil contract for the performance of work/rendering services but for no more than one year.
- Exemptions apply to all CIS citizens. They are able to enter Russia without a visa.

### Work permit

- Any foreigner who intends to work in Russia needs a licence (patent) which is issued by the Ministry of Internal Affairs. The exception is foreigners with a temporary residence permit or a residence permit, as well as citizens of Belarus, Kazakhstan, Kyrgyzstan and Armenia.
- The work permit is required for HQS or visa-free foreigners instead of a licence (patent). The differences between an HQS and an ordinary foreign employee are the following: (1) skill level and (2) the average monthly payroll should amount to RUB 167,000 and above (i.e. RUB 2,004,000 p.a.). It is prohibited to pay HQS less than the above mentioned limit, otherwise the status of HQS will be lost. At the moment, the government is considering raising this payroll limit to RUB 750,000 per quarter (i.e. RUB 3,000,000 p.a.).

### Registration

- Upon arrival in Russia, all foreigners must register at their local registration office within a specific period of time. The migration registration of foreign citizens is carried out by the Ministry of Internal Affairs

of Russia.

- HQS and their family members are not required to submit notifications if their stay in the territory of the Russian Federation does not exceed 90 days.

## Employer's Obligations

### Start of employment

- Employers who invite a foreigner to be an employee in the Russian Federation for the purposes of carrying out labour activity must have a permit in order to attract and employ foreign workers.
- Employers should ensure that the foreigner has a proper visa, work permit and registration in the region of work.
- Employer and host parties should send a notification to the Ministry of Internal Affairs about the conclusion of the employment contract with the foreign citizen within 3 working days.

### During employment

- Take measures to ensure that the foreign citizen complies with the order of stay (residence) in the Russian Federation and their timely departure.
- Withhold wage tax and pay to tax authorities no later than the next day of the employment payment. Keep track of the period of stay in Russia so as to calculate the correct tax rate for residents and non-residents. For non-residents (period of stay in Russia less than 183 days during a year) the tax rate is 30%.
- Pay social security each month for the employee by the 15th day of the following month.
- Submit to the Ministry of Internal Affairs by the end of the month after the reporting quarter a special form for highly qualified employees, specifying the accrued salary.

### Termination of employment

- Grounds for dismissal can be the expiration date or annulment of the work permit or licence (patent), medical policy.
- No later than 3 working days, the employer should send a notification to the Ministry of Internal Affairs about the termination of the employment contract with the foreign citizen.



<sup>1</sup> For the purpose of this guideline, we consider the employer to be the following entities which pay payroll to foreign citizens (employees) directly: (i) a subsidiary of the foreign company or (ii) a branch representative office of the foreign company duly registered in the Russian Federation, and (iii) the Russian legal entity.

<sup>2</sup> Excluding fringe benefits such as housing.

<sup>3</sup> For HQS and low accident risks related to employer business activity.

<sup>4</sup> For temporary residents of the Russian Federation and high accident risks related to the employer business activity.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	B
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	13 (15) for tax res %
Employment Gross Income <sup>2</sup> € 100,000 p.a.	
Married, 2 children	13 (15) for tax res %
Employment Gross Income <sup>2</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

	2019	2020	2021
	30%	30%	30%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	0%
Employer	min 0,2 (ref 3) % <sup>3,4</sup>

### Social Security Agreements (SSA)

Bulgaria

Czech Republic

Lithuania

Spain

Belarus

Ukraine

Republic of Moldova

Kazakhstan

Azerbaijan



# Serbia

## Personal Income Tax

- Individuals who are resident in Serbia are taxed on their worldwide income, non-residents are taxed on their Serbia-source income.
- The tax rate is 10%.
- Tax residents of Serbia have the right to a tax deduction for tax paid abroad.
- The tax year is the calendar year.
- The annual personal income tax return has to be filed by 15 May for the previous year. The annual personal income tax is progressive, the tax rate is 10 or 15%.
- Employment income is subject to a monthly withholding tax.

## Social Security

- Social security contributions generally apply to all employees working in Serbia.
- The basis for the contribution calculation is the monthly employment gross income if the gross salary is below € 3,447.
- If the prescribed contribution base is above the maximum monthly contribution base, the calculation and payment of contributions shall be performed for the highest monthly contribution base.

### Employee

- Social security contributions with respect to employment income that are withheld from the gross salary (employee's burden) are as follows:
  - 14% state pension fund contributions,
  - 5.15% healthcare contributions,
  - 0.75% non-employment contributions.

### Employer

- Social security contributions paid by the employer in addition to the gross salary:
  - 12.5% state pension fund contributions,
  - 5.15% healthcare contributions.

## Immigration

### Visa

- A foreigner who wants to work as an employee in Serbia must first obtain a visa D to enter Serbia.
- To be allowed to work in Serbia, the foreigner can apply for a visa D at the Serbian consulate abroad.

### Work permit

- To be allowed to work in Serbia, the foreigner can apply for a work permit from the Serbian consulate abroad or at the offices of the National Employment Service in Serbia.

### Registration

- Upon arrival in Serbia, all foreigners must be registered at their local registration office of the Ministry of Internal Affairs within a specific period of time. If foreigners want to obtain a temporary residence permit, they must submit the required documentation to the office of the Ministry of Internal Affairs.

## Employer's Obligations

### Start of employment

- Obtain the correct work permit type for the employee if it is required.
- Conclude an employment contract with the employee.
- Register the employee for social security at the relevant social security register.

### During employment

- Withhold wage tax each month.
- Withhold social security contributions each month for the employee, provided 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 it is needed.
- Deregister employee from the relevant social security register.
- Prepare documentation for the termination of employment.



## Comparisons

### Taxation of Fringe Benefits

Housing

Home Flights

Education for children

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	10%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	10%

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
15%	15%	15%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	8%
Employer	7%

### Social Security Agreements (SSA)

Germany

Russia

China

Canada

United Kingdom

Austria

Italy

Croatia

France

Turkey

<sup>1</sup> Excluding fringe benefits such as housing.



# Slovenia

## Personal Income Tax

- Individuals are taxed on income received, depending on the source and residency status.
- The tax rate is progressive and ranges from 16% with the tax base of € 8,500 to 50% with the tax base of € 72,000 p.a. (except for investment and rental income with a general flat tax rate of 27.5%).
- 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.
- The filing deadline for the annual income tax return: pre-filed annual tax returns are sent to resident taxpayers on 31 March or 31 May for the previous tax year. If they do not appeal it within 15 days of receipt, the pre-filed return is considered to be the final income tax return. If a resident taxpayer has not received the pre-filed annual tax return by 15 June of the following year, they must submit an annual tax return. A non-resident taxpayer neither receives a pre-filed annual tax return nor is obliged to submit an annual tax return unless they claim tax allowances (subject to certain conditions). The final deadline for the annual tax return submission is 31 July of the following 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 the old-age pension scheme (15.5%), unemployment (0.14%), health (6.36%) and nursing care (0.1%) insurance, in total 22.1%.
- There is no cap on paying social security contribu-

tions, but there is a discussion to introduce the social security cap in 2022.

### Employer

- An employer is required to pay contributions to the old-age pension scheme (8.85%), unemployment (up to 0.06%), health (6.56%), nursing care (0.1%) and accident at work (0.53%) insurance. In total up to 16.10%.
- The employer is liable for employees' and employers' payments each month. The employer contributions are generally tax-free.
- There is no cap on paying social security contributions. There is a political discussion to introduce the social security cap in 2022

## Immigration

### Visa

- 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 work 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 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 their temporary address in Slovenia obtains a Slovenia tax ID automatically. They should amend their file with the financial administration with additional information - not

part of the temporary address registration. If a foreigner does not register their temporary address in Slovenia and receives taxable income in Slovenia, they should obtain a Slovenia tax ID themselves. If the foreigner stays in Slovenia for a longer period of time, they should consider their tax residency status.

## Employer's Obligations

### Start of employment

- Obtain a correct visa type/work permit for an employee (if applicable).
- Employer must register on an e-taxes application and AJPES (if not registered yet) in order to arrange all necessary monthly reporting.
- Register the employee with the 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 this process is automatic.
- 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 e-mail or via normal post.

### Termination of employment

- The work permit for the employee (if applicable).
- De-registration of 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.

## Comparisons

### Taxation of Fringe Benefits

Housing	B
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	31,83 / 32,64%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	31,16 / 32,64%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

	2019	2020	2021
50%	50%	50%	50%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	22,1%
Employer	16,1%

### Social Security Agreements (SSA)

Australia
Bosnia and Herzegovina
North Macedonia
Montenegro
Serbia

<sup>1</sup> Excluding fringe benefits such as housing.



# Spain

## Personal Income Tax

- Spanish residents are subject to the Spanish personal income tax based on their worldwide income according to the progressive scale of rates. The scale may differ depending on the region in which the taxpayer lives. The maximum marginal tax rate is 47%.
- 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.
- Employment income is subject to withholding tax in Spain if these earnings originate from work carried out in Spain.
- The Spanish residents must file the personal income tax return in April-June following the end of the tax year.
- Non-Spanish tax residents may be obliged to file tax returns in Spain depending on the type of income obtained in the Spanish territory. If only employment income is obtained in Spain, they 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 to workers posted to Spain ("Beckham law"). Under this regime, the new Spanish resident may be taxed as a non-Spanish resident. The choice applies in the year of arrival in Spain and continues for the following five years. By electing to be a non-resident, the liability of the taxpayer is only limited to the Spanish income and assets.

## Social Security

Both the employee and employer must contribute to the social security system. Contributions are calculated on the employees' monthly salary of the previous month. Nevertheless, monthly salaries are capped at € 1,050.00 downwards and at € 4,070.10 upwards when calculating social security contributions.

### Employee

- Employee's contributions represent around 6.35% of the social security contribution base.

### Employer

- Employer's contributions represent up to 31.4% of the 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 residence permit to enter Spain, unless they are exempted
- Exceptions apply to all EU and EEA nationals as well as to Swiss citizens.

### Work permit

- Generally speaking, EU citizens are able 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) must 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 submitted 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 54%.
- The employer shall pay social security contributions for its employees on a monthly basis.
- At the end of each tax year, employers shall file informative returns including details of the employees' gross salary and the amounts withheld

### Termination of employment

- The employer must prepare settlement documentation to be signed by the former employee and deregister him/her at the social security authorities.

## Comparisons

### Taxation of Fringe Benefits

Housing	B
Home Flights	C
Education for children	A

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	31,08%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	30,33%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
48%	49,5%	54%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	6,35%
Employer	31,4%

### Social Security Agreements (SSA)

Australia
Japan
LATAM Countries
Russia
USA

<sup>1</sup> Excluding fringe benefits such as housing.



## 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 remunerations received for work performed in Sweden as well as on certain pensions and other income sourced from Sweden.
- Under Swedish tax law, a natural person is deemed as Swedish tax resident if:
  - he/she is domiciled in Sweden (i.e. has their permanent home in Sweden);
  - he/she is 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%.
- Annual employment income exceeding approx. SEK 537,200 is subject to national tax at a flat rate of 20% (in addition to the local tax).
- 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 25%.
- 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 (3 or 4 May if 2 May is on a Saturday/Sunday).

## Social Security

Social security contributions are required and generally apply to all employees who 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% (2021) based on their gross taxable remuneration.

- Reduced rates (10.21%) apply for individuals born from 1938 to 1956 on remunerations up to SEK 100,000. If the individual is born in 1937 or earlier, no social security contributions are levied (2021).

### 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% (2021).
- Remuneration to employees born in 1937 or earlier is exempt from payroll tax and for employees born in the years 1938 to 1956, the employer only levy the retirement pension contributions which amount to 10.21% (2021).
- Remuneration to employees born in 1998-2002 are reduced to 19.73%.
- 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 or not the employer operates from a permanent establishment in Sweden).
- The economic employer is liable to report and pay social security contributions monthly.

## Immigration

### Visa

- In most cases, non-European (EU) and European Economic Area (EEA) citizens or Swiss (CH) nationals (CH) must 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.
- UK citizens may apply for a cross-border certificate when sent to perform work in Sweden.

### Work permit

- In most cases, non-EU/EEA/CH nationals will 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 tax resident at the Swedish tax agency. The requirement also applies if the employee is taxable under SINK or if the employee performs work for a Swedish entity for more than 15 consecutive days or 45 days during a calendar year. Upon registration, the employee will be assigned a Swedish coordination number.

## 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

- Monthly requirement 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.

<sup>1</sup> 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.

<sup>2</sup> Excluding fringe benefits such as housing.

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	approx. 37%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	approx. 37%
Employment Gross Income <sup>2</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

	2019	2020	2021
	57%	56%	56%

### Social Security Rates

Employment Gross Income<sup>2</sup> € 100,000 p.a.

Employee	
Employer	31,42%

### Social Security Agreements (SSA)

Canada
Cape Verde
Chile
India
Luxembourg
Morocco
Quebec
Turkey
Switzerland
USA



# Switzerland

## Personal Income Tax

- Individuals are taxed on income, depending on the 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.
- The 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 for 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 based 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 is the same as the calendar year.

## Social Security

Social security contributions (1st pillar) are compulsory and generally apply to all employees working in Switzerland. The contributions are based on the monthly employment income. Half of the contributions is borne by the employee and the other half by the employer. As for the pension fund (2nd pillar), a minimum of 50% of the 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 schemes (AHV) of 4.35%, disability insurance (IV) of 0.7% and income compensation/maternity allowance (EO-MSE) of 0.25%. Unemployment insurance (ALV) is charged at 1.1% for income up to CHF 148,200 and 1% from CHF 148,201 onwards.
- If annual employment income exceeds the thresh-

old of CHF 21,510 (for 2021), additional charges for a pension fund (2nd pillar) 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 schemes (AHV) of 4.35%, disability insurance (IV) of 0.7% and income compensation/maternity allowance (EO-MSE) of 0.25%. Unemployment insurance (ALV) is charged at 1.1% for income up to CHF 148,200 and 1% from CHF 148,201 onwards.
- If the employee's annual employment income exceeds the threshold of CHF 21,510 (for 2021), 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

### Visa

- 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 must 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 the employee.
- Request source tax rates for employment income from the competent tax authority (if applicable).
- Register the employee for social security purposes 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 the employee's compensation.
- Allocate the employee's remuneration in taxable and non-taxable portions.
- Prepare and submit the annual salary certificate (Lohnausweis).

### Termination of employment

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

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	C

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	10,5% <sup>2</sup> - 23,32% <sup>3</sup>
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	7,95% <sup>2</sup> - 15,43% <sup>3</sup>
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
	14,4% - 46%	

### Social Security Rates

Employment Gross Income<sup>2</sup> € 100,000 p.a.

Employee	6,5%
Employer	6,5%

### Social Security Agreements (SSA)

Australia
Canada
Chile
Japan
North Macedonia
Philippines
United States
Uruguay
Brazil

<sup>1</sup> Excluding fringe benefits such as housing.

<sup>2</sup> Canton of Schwyz, excluding church tax.

<sup>3</sup> Canton of Geneva, excluding church tax.



# United Kingdom

## Personal Income Tax

- The UK tax year runs from 6 April to 5 April of the following year.
- Income tax is imposed on individuals. The liability to income tax is based on the source of income and individual's tax residence and domicile status.
- Income tax rates for England, Wales and Northern Ireland range from 20% on the first GBP 37,700 of taxable income (known as the "basic rate"), to 40% on the next GBP 112,300 of taxable income (known as the "higher rate") to 45% in excess of this amount (known as the "additional rate"). Scotland has different bands to the rest of the UK, with tax rates varying from 19% to 46%.
- The personal tax free allowance provides an exemption from tax on the first GBP 12,570 of taxable income. This allowance is reduced by GBP 1 for every GBP 2 of adjusted net income that is over GBP 100,000. This means that the personal tax-free allowance is zero if income is above GBP 125,140.
- Depending on the level of income, further exemptions are available for interest on savings income up to GBP 1,000.
- Dividends are taxed at different rates, currently 0% on the first GBP 2,000, then 7.5% for basic rate taxpayers, 32.5% for higher rate taxpayers and 38.1% for additional rate taxpayers.
- The first GBP 12,300 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%).

## Social Security

Social security contributions, known as National Insurance Contributions (or "NIC"), apply to all employees working in the UK if they do not possess 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 797 per month, 12% on earnings from GBP 798 to GBP 4,189 and 2% on earnings above GBP 4,189 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 737 per month and 13.8% on earnings in excess of GBP 737 per month.
- An employer must also pay class 1A NIC on benefits in kind and taxable termination payments and/or class 1B on items included within a PAYE Settlement Agreement. The rate for class 1A and class 1B contributions is 13.8%.

## Immigration

### Visa

- If you are not a British or Irish citizen, you may need permission to enter the UK. Only British and Irish nationals, members of the Overseas Countries and Territories (OCT) and those who have successfully applied to the EU Settlement Scheme (and have valid "Settled" or "Pre-Settled" status), are exempt.
- EU, EEA and Swiss citizens do not require a visa to enter the UK when visiting for up to six months. This includes attending most business meetings, events and conferences.
- Further agreements with 56 additional countries provide for a "visa waiver" system allowing stays of up to six months for visiting the UK.

### Work permit

- Non-UK citizens of any country other than Ireland or those with a valid "Settled" or "Pre-Settled" status under the EU Settlement Scheme, will require a permit to work in the UK.
- A work permit must be applied for by a prospective UK employer with a valid sponsor licence issued by the home office.
- A points-based system applies with specific categories for skilled workers, health and care workers and graduates. The global talent scheme also

enables highly skilled scientists and researchers to enter the UK without first securing employment.

### 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.
- Where an individual meets the criteria for filing income tax returns, registration is required by 31 October following the tax year end.
- 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)).
- Where an employee is exempt from UK tax under a tax treaty, apply for the Short-Term Business Visitor Agreement for advance approval not to operate Pay As You Earn (PAYE) withholding.

### During employment

- Withhold tax according to the pay period (usually monthly) and report online to tax authorities under Real Time Information procedures.
- Withhold NIC according to the 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 the tax year end and file with the 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. Make payment of class 1A NIC by 22 July.

### Termination of employment

- Cancel the work permit for an employee where ap-

plicable.

- Prepare and file "Leaver Declaration" and submit online as part of local payroll submission (Full Payment Submission / FPS).
- The employee should complete and submit Form P85 to declare their departure from the UK and claim non-resident tax status as appropriate (or file an Expat Deregistration Form if seconded to the UK).

## Comparisons

### Taxation of Fringe Benefits

Housing	C
Home Flights	C
Education for children	A

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children Employment Gross Income <sup>1</sup> € 100,000 p.a.	25,4%
Married, 2 children Employment Gross Income <sup>1</sup> € 100,000 p.a.	25,4%

### Maximum Effective Personal Income Tax Rates for the past 3 years

2019	2020	2021
45%	45%	45%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	6,5%
Employer	12,4%

### Social Security Agreements (SSA)

Canada (Not Including Quebec)
EEA (EU, Iceland, Liechtenstein, Norway)
Israel
Japan
Philippines
Republic of former Yugoslavia
South Korea
Switzerland
Turkey
USA

<sup>1</sup> Excluding fringe benefits such as housing.



# Ukraine

## Personal Income Tax

- The scope of income subject to taxation depends on the residency status of an individual and source of income, being Ukrainian-sourced income for non-residents of Ukraine and worldwide income – for residents.
- Income may be exempt on the basis of double tax treaties (if any).
- The PIT standard rate is 18%. Yet, in cases directly envisaged by the law the PIT rate may constitute 0%, 5% or 9% depending on the type of income. Moreover, the taxable income is subject to taxation with military tax at the rate of 1.5%.
- The individual is personally liable to file a tax return and pay taxes in Ukraine on an annual basis in case of receipt of an income from sources other than tax agents (the person liable for withdrawing taxes and reporting to the tax authorities on income accrued and taxes withheld and paid according to Ukrainian law).
- The tax year is the calendar year.
- The deadline for filing a tax return personally or electronically is before 1 May of the year following the reporting year. If the tax return is filed via post, the deadline is offset 5 calendar days before the aforementioned deadline. In certain cases, the deadline for tax return filing may be postponed until 31 December based on the taxpayer's request.
- The deadline for paying taxes stated in the tax return is before 1 August of the year following the reporting year.
- Employment income, if accrued and paid by a Ukrainian employer, (a company or representative office of a foreign company) is subject to taxation with PIT (18%), military tax (1.5%) at the expense of an employee and with a safe approach - with social security contribution (22%) at expense of the employer. The employer is liable for withholding and paying of taxes on behalf of an employee, as well as for reporting on the amount of income accrued and taxes withheld and paid. Payment of taxes is executed along (simultaneously) with the payment of salary (remuneration) to an individual.
- Remuneration received by a non-resident individu-

al from an employer registered outside of Ukraine (foreign company) for the execution of works in Ukraine shall be considered a Ukrainian-sourced income subject to taxation in Ukraine, if it is not envisaged otherwise by the double tax treaty (if any). In such a case, a non-resident individual is personally required to file a tax return to the Ukrainian tax authorities and for the payment of taxes stated in such a tax return on an annual basis. Upon results of a declaration campaign, an individual may refer to Ukrainian tax authority and receive a certificate confirming the taxable income declared and the amount of taxes paid in Ukraine.

## Social Security

There is some uncertainty as to the accrual and payment of social security contributions with regard to non-residents employed in Ukraine. Considering the social security contribution is compulsory and generally applied to all individuals employed by a Ukrainian employer, under a safe approach, in the case of employing a non-resident employee the employer also pays the social security contribution at the rate of 22%.

Income payable by an employer is subject to taxation with social security contributions, however the monthly base for the social security contribution assessment shall be within the range of the legislatively set minimal and maximal amount.

The minimal monthly assessment base for the social security contributions in 2021 is UAH 6,000 (approximately € 182), and the maximum monthly assessment base – UAH 90,000 (approximately € 2,730). That is, the minimal amount of social security contributions to be paid per month is UAH 1,320 (approximately € 40) while the maximum amount is UAH 19,800 (approximately € 600).

### Employee

- No special rules are set forth, however, if required, an employee is entitled to conclude a voluntary agreement on participation in the system of the state social insurance and pay social security con-

tributions in the amount as agreed in such an agreement.

#### Employer

- An employer is required to pay social security contributions at the rate of 22% of the monthly employee's gross remuneration, however, within a range of minimal and maximal assessment base.

## Immigration

#### Visa

- Foreigners who want to enter Ukraine must obtain a visa first. This requirement does not apply to foreign nationals who are subject to the visa-free regime (e.g. citizens of the EU, USA, Canada, UK, Australia etc.).
- Foreigners intending to stay in Ukraine for a period longer than 90 days within any 180-days period should obtain residence permits requiring entering Ukraine under D-type visa received at the Ukrainian consulate abroad.

#### Work permit

- In general, all foreigners (except those who have a permanent residence permit and those who fall under special categories provided by the law) must have a work permit to work in Ukraine.
- Work permit for a foreigner shall be received by the employer at the regional employment centre before the commencement of employment.

#### Registration

- Short-time visits to Ukraine do not require the registration of a place of residence.
- In the case of a long-term visit, a foreigner should register their place of residence within 30 calendar days of receiving a temporary residence permit.

## Employer's Obligations

#### Start of employment

- Receive a work permit for the employee before the commencement of employment.
- Conclude the employment contract with the em-

ployee within 90 days from the moment of issuance of the work permit.

- Provide a copy of the employment contract of the employee to the regional employment centre within 10 days from the moment of concluding the employment contract.
- Notify tax authorities on the employment of the foreigner before the commencement of employment.

#### During employment

- An employer withholds, pays personal income tax, military tax and social security contributions on a monthly basis when remuneration is paid to an employee, and reports on the employee's income accrued and taxes withheld and paid on a quarterly basis.

#### Termination of employment

- Cancel the work permit for the employee at the regional employment centre (if applicable).
- Notify the employee of due payments and execute the full settlement on the last day of employment.



<sup>1</sup> Excluding fringe benefits such as housing.

<sup>2</sup> Due to legislatively set monthly minimal and maximal amounts of assessment base for social security contributions, the minimal amount of social security contributions in 2021 is approximately € 40 per month and maximal - approximately € 600 per month.

<sup>3</sup> Deal with certain aspects of social security.

## Comparisons

### Taxation of Fringe Benefits

Housing	B
Home Flights	B
Education for children	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

### Tax Rates

Single, no children	18%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	
Married, 2 children	18%
Employment Gross Income <sup>1</sup> € 100,000 p.a.	

### Maximum Effective Personal Income

#### Tax Rates for the past 3 years

2019	2020	2021
18%	18%	18%

### Social Security Rates

Employment Gross Income<sup>1</sup> € 100,000 p.a.

Employee	n/a
Employer	22%

→ maximal amount p.a. is €7,200, provided that the income is paid in equal monthly instalments<sup>2</sup>

### Social Security Agreements (SSA)

Poland
Latvia
Lithuania
Spain
Slovakia
Russia
Czech Republic
Hungary
Portugal

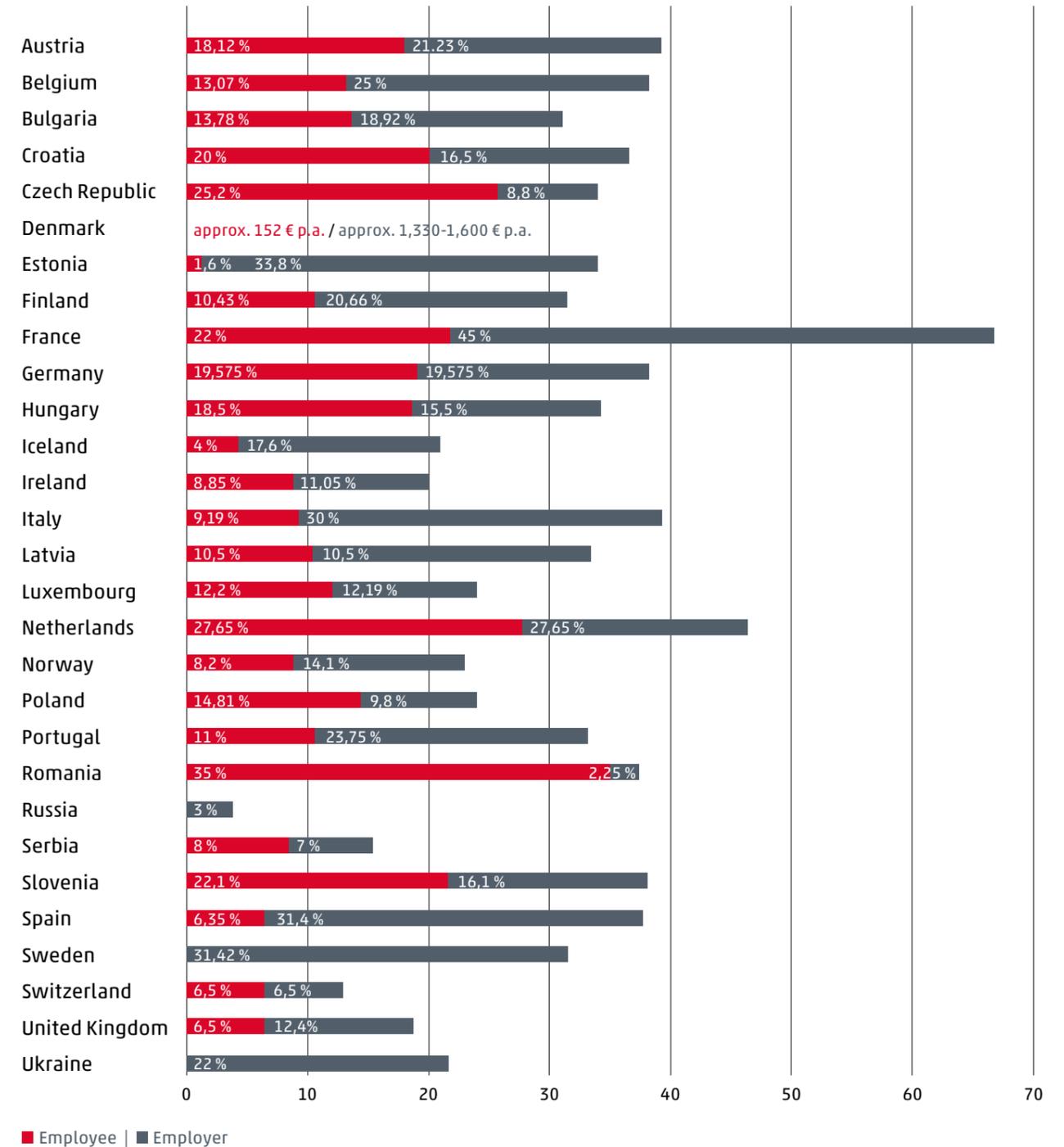
# Appendix

## Taxation of Fringe Benefits

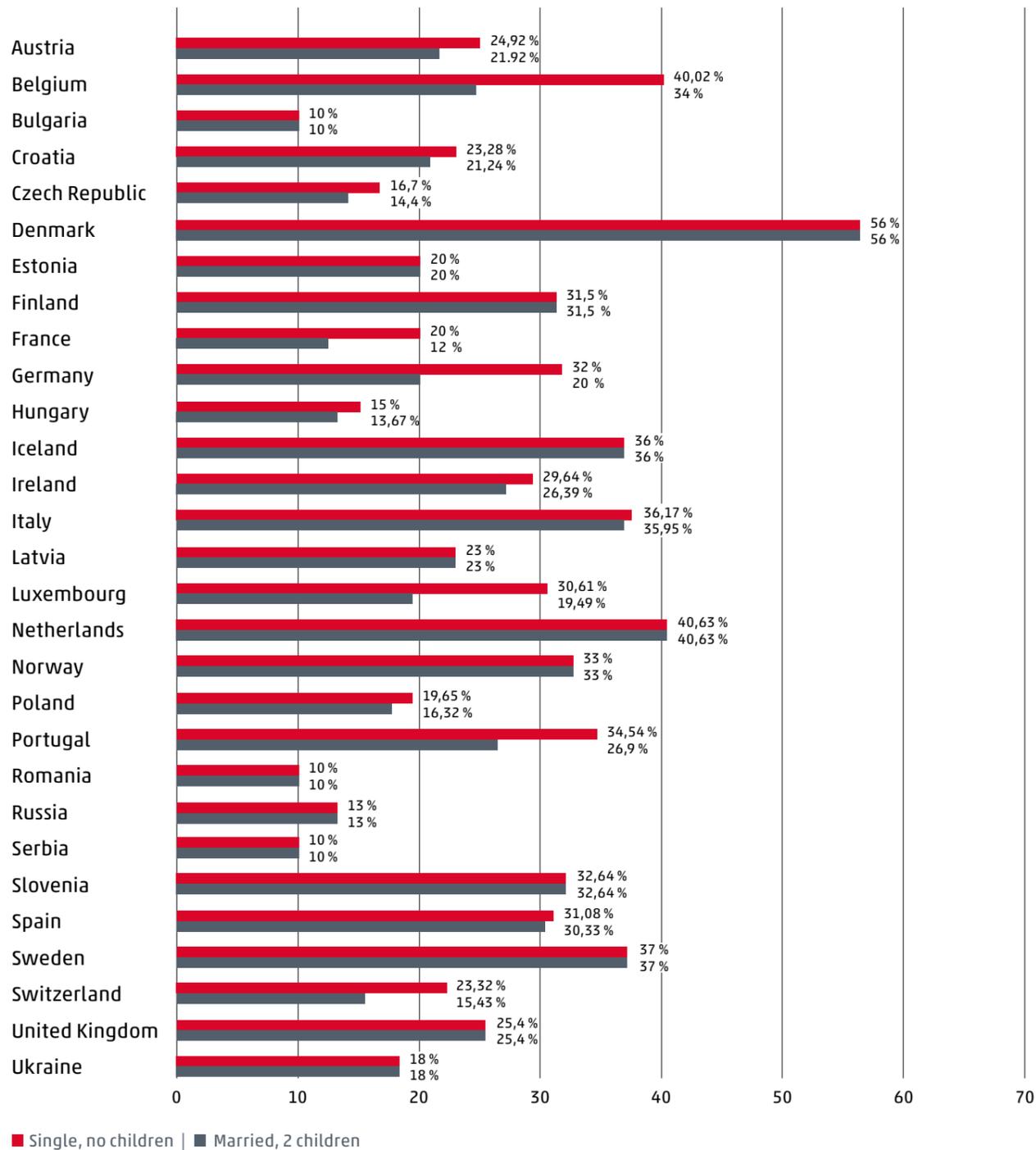
Country	Housing	Home Flights	Education for Children
Austria	C	C	C
Belgium	C	C	C
Bulgaria	B, A (in case of posting)	A (in case of posting)	B
Croatia	C	B	B
Czech Republic	C	C	C
Denmark	B	C	B
Estonia	C	C	C
Finland	C	C	C
France	C	C	C
Germany	C	C	C
Hungary	C	B	B
Iceland	B	B	B
Ireland	B	B	B
Italy	C	C	C
Latvia	B	B	C
Luxembourg	C	C	C
Netherlands	C	C	C
Norway	C	C	C
Poland	C	B	B
Portugal	B	B	C
Romania	B	B	B
Russia	C	B	C
Serbia	B	C	B
Slovenia	B	B	B
Spain	B	C	A
Sweden	C	C	B
Switzerland	C	C	C
United Kingdom	C	C	A
Ukraine	B	B	B

A Tax exempt | B Taxable | C Tax relief under certain conditions

## Social Security Rates



Effective Income Tax Rates



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