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TaxInformation Austria – 2014 International Assignment Services

*Income tax,
social security
and immigration
in brief*

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Income tax rate

The tax assessment base equals the sum of income minus income-related expenses, special expenses, extraordinary burdens and allowable deductions.

<i>Income in EUR</i>	<i>Income tax</i>	<i>Marginal tax rate</i>
Up to 11,000	0	0%
Above 11,000 up to 25,000	$(\text{Income} - 11,000) \times 5,110$ 14.000	36.5%
Above 25,000 up to 60,000	$(\text{Income} - 25,000) \times 15,125$ + 5,110 35.000	43.2143%
Above 60,000	$(\text{Income} - 60,000) \times 0.5$ + 20,235	50%

On other remuneration, particularly one-time payments (eg. 13th and 14th salary) up to one sixth of the yearly recurring payments („Jahressechstel“) the following rates apply:

<i>Other remuneration</i>	<i>Tax rate</i>
For the first EUR 620	0%
For the next EUR 24,380	6%
For the next EUR 25,000	27%
For the next EUR 33,333	35.75%
Above EUR 83,333	50%

Deductible expenses

- Employee contributions to mandatory insurance (also abroad)
- Commuter allowance
- Union contributions and other contributions paid to professional associations and interest groups
- Working equipment (telephone, internet connection and computer costs: 60% deductible for professional use)
- Specialised literature
- Non-refunded travel expenses
- Training expenses
- Language courses
- Moving expenses
- Costs incurred through maintenance of two households
- Lump sum for income-related expenses in any case EUR 132
- Child care expenses up to EUR 2,300 p.a. per child below the age of 10 payable to institutional bodies
- Tax consultancy fees
- Church tax
- Donations
- etc.

<i>Tax free and deductible amounts</i>	<i>Amount</i>
Employee tax credit (Austrian payroll accounting)	EUR 54 p.a.
Transportation tax credit	EUR 291 p.a.
Sole wage earner tax credit with 1 child	EUR 494 p.a.
With 2 children	EUR 669 p.a.
For each additional child	EUR 220 p.a.
Children-related tax exempt amount per child	EUR 220 p.a.
If claims are asserted by both parents, per child and per person	EUR 132 p.a.
External professional education per child and month	EUR 110 p.m.

Social security and employer expenses

Mandatory insurance contributions – Salaried employees¹

Type of insurance	Social Security Cap	Employer	Employee
Health	EUR 4,530 p.m.	3.83%	3.82%
Accident	EUR 4,530 p.m.	1.40%	0.00%
Pension	EUR 4,530 p.m.	12.55%	10.25%
Unemployment	EUR 4,530 p.m.	3.00%	3.00%
Other	EUR 4,530 p.m.	1.05%	1.00%
Recurring payments		21.83%	18.07%
Maximum p.m.		EUR 988.90	EUR 818.57
Maximum p.a.		EUR 11,866.80	EUR 9,822.84
Special payments		21.33%	17.07%
Maximum p.a.	EUR 9,060 p.a.	EUR 1,932.50	EUR 1,546.54
Total maximum p.a.		EUR 13,799.30	EUR 11,369.38

¹ Different rates apply for blue-collar workers

Additional labour costs – Employer

Employer contribution to family assistance fund (Familienlastenausgleichsfonds; 4.5%)
Surcharge to employer contribution to family assistance fund (0.36% - 0.44%)
Employee provision fund (1.53%)
Municipal tax (3%)
Metro tax (only for Vienna; EUR 2 per employee and week)

Social Security Agreements with countries to which regulation 883/2004 does not apply

Country	Citizenship ¹	Health insurance	Pension insurance	Accident insurance	Unemployment insurance ²	Family assistance	Duration of assignment in months
Australia	Unlimited		•				60
Bosnia-H.	Unlimited	•	•	•	•		24
Canada	Unlimited		•				60
Chile	Unlimited	•	•	•	•	•	60
Israel	Unlimited	•	•	•		•	60
Korea	Unlimited		•				60
Macedonia	Unlimited	•	•	•	•		24
Moldova	Unlimited		•				24
Montenegro	Unlimited	•	•	•	•		24
Philippines	Unlimited		•	•	•		60
Serbia	Unlimited	•	•	•	•		24
Tunisia	Limited	•	•	•			24
Turkey	Unlimited	•	•	•			24
Uruguay	Unlimited		•				24
USA	Unlimited		•				60
India ³	Unlimited		•				

¹ Citizenship: As a rule, the treaty is applicable to all insured persons from both contracting states irrespective of their citizenship if their legal residence is within the contracting state (exception: Tunisia).

² Generally only material regulations concerning the calculation of insurance times

³ The Austria – India Treaty was signed on 4 February 2013. Before entering into force, this Treaty needs to be approved and ratified by parliament in both contracting states. The treaty is not in force yet.

Double taxation treaties

Country	183 day basis	Avoidance of double taxation¹ through
Albania	12-month period	Exemption method
Algeria	Tax year (corresponds to calendar year)	Exemption method
Armenia	Tax year (corresponds to calendar year)	Exemption method
Australia	Tax year (1 July-30 June)	Exemption method
Azerbaijan	12-month period	Exemption method
Bahrain	12-month period	Credit method
Barbados	12-month period	Credit method
Belarus	12-month period	Exemption method
Belgium	Calendar year	Exemption method
Belize	Calendar year	Credit method
Bosnia & Herzegovina	Tax year (corresponds to calendar year)	Exemption method
Brazil	Tax year (corresponds to calendar year)	Exemption method
Bulgaria	12-month period	Exemption method
Canada	Calendar year	Credit method
Chile	Not yet in force	
China	Calendar year	Exemption method

¹ Referring to employment income from an Austrian perspective, i.e. in case of a tax residency according to the double tax treaties in Austria.

Country	183 day basis	Avoidance of double taxation¹ through
Croatia	Calendar year	Exemption method
Cuba	Tax year (corresponds to calendar year)	Exemption method
Cyprus	Tax year (corresponds to calendar year)	Exemption method
Czech Republic	12-month period	Exemption method
Denmark	Tax year (corresponds to calendar year)	Exemption method
Egypt	Calendar year	Exemption method
Estonia	12-month period	Exemption method
Finland	12-month period	Credit method
France	12-month period	Exemption method
Georgia	Tax year (corresponds to calendar year)	Exemption method
Germany	Calendar year	Exemption method
Great Britain	Tax year (6 April-5 April)	Credit method
Greece	12-month period	Exemption method
Hong Kong	12-month period	Exemption method
Hungary	Tax year (corresponds to calendar year)	Exemption method
India	12-month period	Exemption method
Indonesia	12-month period	Exemption method
Iran	12-month period	Exemption method
Ireland	Tax year (corresponds to calendar year)	Credit method
Israel	Tax year (corresponds to calendar year)	Exemption method

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Country	183 day basis	Avoidance of double taxation¹ through
Italy	Tax year (corresponds to calendar year)	Credit method
Japan	Tax year (corresponds to calendar year)	Credit method
Kazakhstan	12-month period	Exemption method
Korea (South)	Tax year (corresponds to calendar year)	Exemption method
Kuwait	Tax year (corresponds to calendar year)	Exemption method
Kyrgyzstan	12-month period	Exemption method
Latvia	12-month period	Exemption method
Libya	Not yet in force	
Liechtenstein	Tax year (corresponds to calendar year)	Credit method
Lithuania	12-month period	Exemption method
Luxembourg	Calendar year	Exemption method
Macedonia	Tax year (corresponds to calendar year)	Exemption method
Malaysia	Calendar year	Exemption method
Malta	Calendar year	Exemption method
Mexico	12-month period	Exemption method
Moldavia	12-month period	Exemption method
Mongolia	Calendar year	Exemption method
Morocco	12-month period	Exemption method
Nepal	12-month period	Exemption method
Netherlands	Calendar year	Exemption method

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Country	183 day basis	Avoidance of double taxation¹ through
New Zealand	12-month period	Exemption method
Norway	12-month period	Exemption method
Pakistan	Tax year (1 July-30 June)	Exemption method
Philippines	Tax year (corresponds to calendar year)	Exemption method
Poland	Tax year (corresponds to calendar year)	Exemption method
Portugal	Tax year (corresponds to calendar year)	Exemption method
Qatar	12-month period	Credit method
Romania	12-month period	Exemption method
Russia	12-month period	Exemption method
San Marino	Tax year (corresponds to calendar year)	Exemption method
Saudi Arabia	Tax year (corresponds to calendar year)	Exemption method
Serbia	12-month period	Exemption method
Singapore	12-month period	Exemption method
Slovakia (DTT CSSR)	Calendar year	Exemption method
Slovenia	Calendar year	Exemption method
South Africa	Calendar year	Exemption method
Spain	Tax year (corresponds to calendar year)	Exemption method
Sweden	Calendar year	Credit method
Switzerland	Tax year (corresponds to calendar year)	Credit method
Syria	Not yet in force	

¹ Referring to employment income from an Austrian perspective, i.e. in case of a tax residency according to the double tax treaties in Austria.

Country	183 day basis	Avoidance of double taxation¹ through
Tajikistan	12-month period	Exemption method
Thailand	Tax year (corresponds to calendar year)	Exemption method
Tunisia	Tax year (corresponds to calendar year)	Exemption method
Turkey	12-month period	Exemption method
Turkmenistan (DTT USSR)	Secondment	Exemption method
UAE	Tax year (corresponds to calendar year)	Exemption method
Ukraine	12-month period	Exemption method
USA	12-month period	Credit method
Uzbekistan	12-month period	Exemption method
Venezuela	12-month period	Exemption method
Vietnam	Tax year (corresponds to calendar year)	Exemption method

¹ Referring to employment income from an Austrian perspective, i.e. in case of a tax residency according to the double tax treaties in Austria.

Family allowance

Family allowance per month				
Age of child	For 1 child	For the 2 nd child	For the 3 rd child	For the 4 th and each further child
Below 3	EUR 105.40	EUR 118.20	EUR 140.40	EUR 155.40
3 – 9	EUR 112.70	EUR 125.50	EUR 147.70	EUR 162.70
10 – 18	EUR 130.90	EUR 143.70	EUR 165.90	EUR 180.90
19 – 23/24	EUR 152.70	EUR 165.50	EUR 187.70	EUR 202.70

Together with the family allowance, a child benefit of EUR 58.40 per child and month is paid out. For children between 6 and 15, an additional amount of EUR 100 per child/year is paid.

The amount of family benefits will probably change during 2014.

Work and residence permit

Persons who want to pursue professional activities in Austria require a work permit and a residence permit unless they are EU/EEA citizens. Special regulations apply for so called “new EU citizens” (from Croatia). These citizens do not require a residence permit, but still need to obtain a work permit.

EU/EEA citizens are under an obligation to register with the corresponding immigration authorities with an EU proof of residence within four months after their arrival in Austria (date of registration confirmation).

Prior to the arrival of a third-country national, the employer has to apply for a preliminary work permit (“Einzel-sicherungsbescheinigung”) with the local Labour Authority. On the basis of such confirmation, an application for a residence permit can be filed. Finally, once the residence permit has been granted, an application for a final work permit can be filed with the local Labour Authority. Only upon issuance of the final work permit a third-country national is legally permitted to pursue professional activities in Austria.

In the event of local employment relations in Austria, it is possible to apply for a combined work and residence permit in the form of the so-called Red-White-Red Card.

Your contact

If you are interested in any of the above or have any further questions, please do not hesitate to get in touch with us. We will be happy to assist you:

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