



# Taxing Wages

2019-2020

**TAXING WAGES IN SELECTED  
PARTNER ECONOMIES:  
BRAZIL, CHINA, INDIA,  
INDONESIA AND SOUTH  
AFRICA IN 2019**



2021

# Taxing Wages in selected partner economies: Brazil, China, India, Indonesia and South Africa in 2019

## Introduction

1. This paper examines the taxation of labour income in five major economies: Brazil, China, India, Indonesia and South Africa (the BIICS countries). It sets out the key features of the taxation of labour income in each of the five countries in 2019 and then uses this information together with corresponding details for earlier years to model changes to the tax burden between 2010 and 2019 in each case. The paper is an update of the 2015 edition of the Taxing Wages Special Feature entitled “Modelling the tax burden on labour income in Brazil, China, India, Indonesia and South Africa” that presented results for 2010 to 2013.
2. The paper describes the tax wedge and net personal average tax rate (NPATR) modelling results using the Taxing Wages methodology. The Taxing Wages annual publication provides information for each of the 36 OECD countries on the personal income taxes (PIT) paid by workers, their social security contributions (SSCs), the cash benefits they receive, as well as the SSCs and payroll taxes paid by their employers. Indicators on labour income taxation are calculated for eight household types composed by one or two earner households that vary by earnings levels (as percentages of the average wage (AW)), with or without children. Box 1 provides some basic elements of the methodology. Detailed information on the methodology is available in the Annex of the *Taxing Wages* publication and also online: <http://www.oecd.org/tax/tax-policy/taxing-wages-methodology.pdf>.
3. The analysis is carried out in four stages;
  - Initially the main focus is on the single worker on average earnings with no children;
  - Comparison is then made with the one-earner married couple with two children on average earnings;
  - The modelling is then extended to the whole of the eight ‘Taxing Wages’ household types (see Box 1);
  - Finally, there is a review of the evolution of the tax burdens between 2010 and 2019.
4. The Annex contains the country tables for 2019 with detailed results of the tax and in-work benefit positions for the single and married workers covered in the paper.

## Box 1. Some key elements of the *Taxing Wages* methodology

### *Taxing Wages* main indicators

The **tax wedge** measures the difference between the labour costs to the employer and the corresponding net take-home pay for the employee is calculated as it is following:

*Tax wedge* =

$$\frac{PIT + \text{employee SSCs} - \text{cash benefits} + \text{employer SSCs} + \text{payroll taxes}}{\text{labour costs}}$$

*Labour costs* =

$$\text{gross wage earnings} + \text{employer SSCs} + \text{payroll taxes}$$

The **net personal average tax rate** (NPATR) is the sum of the PIT and employee SSCs minus cash benefits, expressed as a percentage of gross wage earnings. The remaining part of the income after net tax payments is the household disposable income.

*NPATR* =

$$\frac{PIT + \text{employee SSCs} - \text{cash benefits}}{\text{gross wage earnings}}$$

*Household disposable income* =

$$(1 - \text{NPATR}) * \text{gross wage earnings}$$

### *Taxing Wages* household types

As for the *Taxing Wages* publication, the above indicators are calculated for eight household types that vary by earnings levels (as percentages of the average wage (AW)), marital status and family situation:

Marital status	Children	Principal earner	Second earner
Single individual	No children	67% of average wage	
Single individual	No children	100% of average wage	
Single individual	No children	167% of average wage	
Single individual	2 children	67% of average wage	
Married couple	2 children	100% of average wage	
Married couple	2 children	100% of average wage	67% of average wage
Married couple	2 children	100% of average wage	100% of average wage
Married couple	No children	100% of average wage	67% of average wage

Further details on the *Taxing Wages* methodology and assumptions can be found in the Annex to the *Taxing Wages* publication.

*PIT*: personal income tax

*SSCs*: social security contributions

## Taxation of labour in the BIICS

### The single worker

#### *Tax wedges for the single average worker*

5. Across the BIICS countries, there are two main groups of countries with regard to tax wedge levels for the single worker, as shown in Table 1. In Brazil and China (where the modelling assumes the worker is based in Shanghai), the average tax wedges in 2019 (column 1) are 32.5% and 30.7%, respectively; slightly below the OECD average of 35.0%. The corresponding averages in Indonesia and South Africa are 7.8% and 16.9%, which are low compared with the vast majority of OECD countries. The same is true in India where two scenarios are considered. In India, SSCs are paid in businesses with more than 20 employees, which is the minority case. Thus, the first scenario, which is more representative of the workforce, therefore does not include any SSCs. As a result, the tax wedge for the average single worker only counts the PIT and amounts to 2.0%. The state income tax accounts for the whole PIT (the modelling focuses on the state of Maharashtra), as no central income tax is levied at that level of earnings. The second scenario for India covers the situation where the employee works in a business with more than 20 employees and includes the applicable SSCs. In that particular case the tax wedge is 26.5%.

**Table 1. Income tax plus employee and employer social security contributions, 2019**

As % of labour costs

Country	Total tax wedge <sup>1</sup>	Income tax	Social security contributions		Labour costs <sup>3</sup>
			Employee	Employer <sup>2</sup>	
	(1)	(2)	(3)	(4)	(5)
Brazil	32.5	0.00	6.68	25.82	16 558
China	30.7	0.00	8.61	22.08	16 389
India	2.0	1.97	0.00	0.00	6 020
India (SSC) <sup>4</sup>	26.5	1.70	11.24	13.51	6 960
Indonesia	7.8	0.00	1.88	5.93	6 833
South Africa	16.9	14.56	0.66	1.64	40 671
OECD average	35.0	13.36	8.26	13.40	54 953

Note: Single individual without children at the income level of the average worker.

1. Due to rounding, the total in column (1) may differ by one or more percentage points from the sum of columns (2)-(4).

2. Includes payroll taxes where applicable.

3. US Dollars with equal purchasing power.

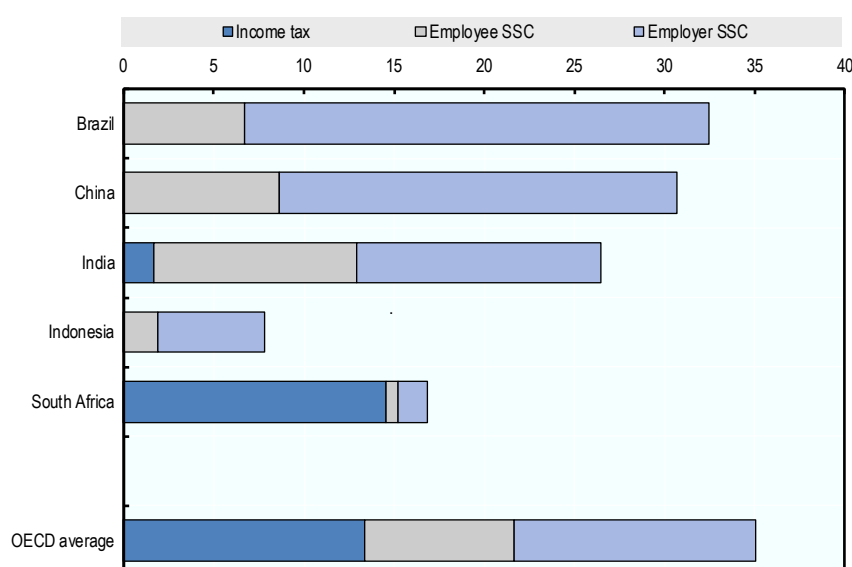
4. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Source: Taxing Wages models.

6. The composition of the tax wedge also differs between the BIICS countries. In Brazil, China, India and Indonesia, the average worker pays little or no PIT and the employer SSC component forms 50% to 80% of the tax wedge. In South Africa, there is a different picture – the PIT component of the tax wedge (14.56%) is 1.20 percentage points above the OECD average (13.56%) and it forms more than 80% of the total tax wedge. The breakdown of the tax wedge into PIT and employee and employer SSCs for 2019 is also shown in Table 1. Figure 1 shows a graphical illustration of the tax wedge components.

**Figure 1. Income tax plus employees' and employers' social security contributions, 2019**

As % of labour costs

*Note:*

Single individual without children at the income level of the average worker.

India: the scenario when SSCs are payable

Includes payroll taxes where applicable.

**Table 2. Comparison of total tax wedge**

As % of labour costs

Country	Total Tax wedge 2019	Annual change 2019/18 (in percentage points) <sup>1</sup>			
		Tax wedge	Income tax	Employee SSC	Employer SSC <sup>2</sup>
	(1)	(2)	(3)	(4)	(5)
Brazil	32.5	0.00	0.00	0.00	0.00
China	30.7	-1.24	-0.10	0.29	-1.43
India	2.0	-0.09	-0.09	0.00	0.00
India (SSC) <sup>3</sup>	26.5	-1.43	-0.06	-0.53	-0.83
Indonesia	7.8	0.00	0.00	0.00	0.00
South Africa	16.9	0.44	0.51	-0.03	-0.03
OECD average	35.0	-0.09	0.23	0.32	-0.64

*Note:* Single individual without children at the income level of the average worker.

1. Due to rounding, the changes in tax wedge in column (2) may differ by one tenth of percentage point from the sum of columns (3)-(5).

2. Includes payroll taxes where applicable.

3. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

*Source:* Taxing Wages models.

7. Table 2 provides details of the changes in the tax wedge as a percentage of labour costs between 2018 and 2019 for the single worker on average wage earnings. The tax wedge remained unchanged for Brazil and Indonesia. In contrast, it decreased by more than one percentage point for China (1.24 percentage points) and India (1.43 percentage points) in the scenario when SSCs are payable. In the scenario when SSCs are not payable, the tax wedge slightly decreased (by 0.09 percentage points) in India. In China, the decrease in the tax wedge was mainly driven by decreasing employer SSCs as a

percentage of labour costs, following the reduction of employer SSC rates on 1 May 2019. In Shanghai the pension and work injury insurance contribution rates were reduced from 20% to 16% and from 0.2% to 0.16% respectively. In India, the tax wedge declined mainly due to lower SSCs as a percentage of labour costs in 2019. In India, the Employee's State Insurance (health insurance) contribution rates changed from 1.75% to 0.75% for the employee and from 4.75% to 3.25% for the employer on 1 July 2019. In contrast, in South Africa, the tax wedge increased by 0.44 percentage points for the single average worker in 2019. The change resulted from higher PIT, as the income tax schedule (i.e. income thresholds and income tax rates) remained unchanged between the two years while the earnings increased. As a result, a higher proportion of earnings was taxed at the highest income tax bracket reached.

*Net personal average tax rates for the single average worker*

8. The net personal average tax rate (NPATR) is defined as PIT plus employee SSCs minus cash benefits as a percentage of gross wage earnings (see Box 1). The highest NPATR in 2019 for the single average worker among the BIICS countries is in South Africa at 15.5%, which was lower than the OECD average of 25.2%. India (in the scenario when SSCs are payable) was the second highest at 15.0% followed by China at 11.0% and Brazil at 9.0%. The corresponding figures for India (in the scenario when SSCs are not payable) and Indonesia were 2.0% for both countries. Table 3 shows these figures for the single average worker in 2019 together with a breakdown of the total between the two components.

9. The disposable income of the single average worker was consequently higher as a percentage of gross wage earnings in the five countries compared to the OECD average (74.8%), the highest being in India (in the scenario when SSCs are not payable) and Indonesia (98.0% of gross wage earnings for both countries). However, in India and Indonesia, the average worker's gross wage earnings were respectively 13% and 14% of the OECD average in US dollars with equivalent purchasing power.

10. Personal income taxes comprised 96% of the NPATR in South Africa, as also shown in Table 3. In India, the PIT accounted for 13% of the NPATR (in the second scenario including employee SSCs) and all of the NPATR (in the scenario excluding employee SSCs). With respect to employee SSCs, they accounted for the whole NPATR in Brazil, China and Indonesia, as no PIT was paid at the average wage level. Employee SSCs accounted for 87% of the NPATR in India (in the scenario when SSCs are payable).

**Table 3. Income tax plus employee social security contributions, 2019**

As % of gross wage earnings

Country	Total payment	Income tax	Employee social security contributions	Gross wage earnings <sup>1</sup>
	(1)	(2)	(3)	(4)
Brazil	9.0	0.0	9.0	12 284
China	11.0	0.0	11.0	12 770
India	2.0	2.0	0.0	6 020
India (SSC) <sup>2</sup>	15.0	2.0	13.0	6 020
Indonesia	2.0	0.0	2.0	6 428
South Africa	15.5	14.8	0.7	40 003
OECD average	25.2	15.5	9.8	47 331

Note: Single individual without children at the income level of the average worker.

1. US Dollars with equal purchasing power.

2. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Source: Taxing Wages models.

## Family tax rates

11. The 2019 tax wedges for a one-earner married couple on average wage with two children and the corresponding single worker without children are compared in Table 4. There was no difference in the tax wedges between the two household types (column 1 and 2) in the five BIICS countries.

12. This picture contrasts with the OECD average where the tax wedge for the savings realised by the one-earner married couple with two children compared with the single worker represents 10.5% of labour costs. This reflects the fact that the majority of OECD countries provide tax provisions for dependent children or cash benefits, either universal or based on the level of income, to working families. In contrast, no cash benefits for working families exist in China, India and Indonesia. However, there are income related cash benefits in Brazil (the “salário família”) and South Africa (the “Child Support Grant”), that are not applicable to the one-earner married couple on average wage as the households’ incomes exceeded their respective cash benefit income limits in 2019. Tax allowances for dependants exist in Brazil and Indonesia. However, they do not affect the PIT for the single worker or the one-earner couple with two children, both on the average wage, as no income taxes are levied at these income levels in either country.

**Table 4. Comparison of total tax wedge by household type**

As % of labour costs

Country	Family <sup>1</sup> Total Tax wedge 2019	Single <sup>2</sup> Total Tax wedge 2019	Annual change 2019/18 (in percentage points)		
			Family Tax wedge	Single Tax wedge	Difference between single and family (4)-(3) <sup>3</sup>
	(1)	(2)	(3)	(4)	(5)
Brazil	32.5	32.5	0.00	0.00	0.00
China	30.7	30.7	- 1.24	- 1.24	0.00
India	2.0	2.0	- 0.09	- 0.09	0.00
India (SSC) <sup>4</sup>	26.5	26.5	- 1.43	- 1.43	0.00
Indonesia	7.8	7.8	0.00	0.00	0.00
South Africa	16.9	16.9	0.44	0.44	0.00
OECD average	25.5	35.0	- 0.04	- 0.09	- 0.05

Note:

1. One earner married couple with two children and earnings at the average wage level.
2. Single individual without children and earnings at the average wage level.
3. Due to rounding total may differ one percentage point from the subtraction results of columns 4 and 3.
4. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

Source: Taxing Wages models.

13. Between 2018 and 2019, there was no change in the tax savings of the one-earner married couple with two children, relative to the single worker, in the BIICs countries. In contrast, in the OECD, the average level of the savings realised decreased but by 0.05 percentage points. The tax savings realised by the one-earner married couple with two children between 2018 and 2019 are also shown in Table 4 (column 5).

## Results for the eight household types

14. Table 5 compares the average tax wedges for 2019 for the eight household types that are covered in the *Taxing Wages* models, taking into account the cash benefits. A comparison of the results for the first three household types (the single workers earning 67%, 100% and 167% of the AW) shows an increasing

tax wedge as the level of income rises in two of the five countries, the exceptions being China, India and Indonesia:

- In Brazil, the tax wedge is 0.74 percentage points higher at 100% of the AW compared to 67% of the AW (being 31.8% and 32.5% respectively) as progressive employee SSCs contributions are paid at a higher rate. No PIT is paid at these levels of earnings. In contrast, the single worker earning 167% of the AW pays PIT. In addition, a higher marginal rate of employee SSCs applies, which further increases the tax wedge for the single worker on 167% of the AW. The tax wedge is 3.55 percentage points higher for the single worker on 167% of the AW compared to a counterpart at the average wage level.
- In South Africa, where PIT forms the bulk of the tax wedge (see Figure 1), the tax wedge is higher for a worker at 100% of the AW than at 67% of the AW (by 4.07 percentage points, from 12.8% to 16.9%); and higher again at 167% of the AW compared to 100% of the AW (by 5.74 percentage points, to 22.6%).
- In contrast, in China, the tax wedge is 4.24 percentage points lower at 100% of the AW compared to 67% of the AW (being 30.7% and 34.9% respectively), as the statutory minimum level of employee SSCs applies at those levels of income. Consequently, SSCs as a percentage of labour costs are proportionally higher for the worker on 67% of the AW. The latter worker, with or without children, had the highest average tax wedge (both 34.9%) among the eight household types that are covered in the *Taxing Wages* model.
- In India (when considering the scenario when SSCs are payable), the average tax wedge is lower at 167% of the AW compared to 67% and 100% of the AW because no contributions to the Employee Provident Fund (SSCs) are made on earnings at 167% of the AW. In fact, the contributions are compulsory only for workers with earnings below an income ceiling. In addition, as a percentage of labour costs, the state income tax payment (the Professional Tax), which is a lump-sum charge, proportionally reduces with increasing earnings.
- Finally, in Indonesia, the tax wedge remains at the same level (7.8%) across the first three household types and also for the five other household types that are covered in the *Taxing Wages* models. Those households did not pay PIT in 2019 and SSCs were levied at the same rates regardless of the income levels.

15. Similar to the one-earner married couple, the presence of children in other household types has little or no effect on the tax wedges in the five countries. In all cases, the single worker earning 67% of the AW without children has the same tax wedge as the corresponding single parent with two children. The same is true for the comparison of the two-earner couple without children earning 100% and 67% of the AW and their counterparts with two children.

16. Comparing the results for Brazil, China, India, Indonesia and South Africa with the corresponding results for the OECD, Table 5 shows that the figures for the first three household types in South Africa demonstrate a higher level of progressivity than for the OECD average. The level of progressivity demonstrated in Brazil is lower than in the OECD average. In the OECD, the presence of children tends to result in lower tax wedges. The average OECD tax wedge for the single parent earning 67% of the AW was 15.84 percentage points below that for the corresponding single worker with no children in 2019. The corresponding saving for the two-earner married couple (earning 100% and 67% of the AW) and two children compared for their counterpart with no children was 3.81 percentage points for the OECD average.

17. In Brazil, the tax wedges are higher than the OECD average for the four household types with children. In China, they are higher than the OECD average for three of the four household types with children, the exception being the two-earner couple where both spouses earn the average wage. For all other combinations of country and household types, the OECD average tax wedges are higher, with the exceptions of the single parent earning 67% of the AW and the one-earner married couple on the AW with two children in India in a firm with more than 20 employees (the scenario when SSCs are payable). The



OECD tax wedge for the two-earner married couple earning 167% of the AW without children (33.4%) was 1 percentage point higher than in China and 1.2 percentage points higher than in Brazil in 2019.

**Table 5. Income tax plus employee and employer contributions less cash benefits**

By household type and wage level (as % of labour costs), 2019

Household type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of AW):	67 (1)	100 (2)	167 (3)	67 (4)	100-0 (5)	100-67 <sup>1</sup> (6)	100-100 <sup>1</sup> (7)	100-67 <sup>1</sup> (8)
Brazil	31.8	32.5	36.0	31.8	32.5	32.2	32.5	32.2
China	34.9	30.7	30.8	34.9	30.7	32.4	30.7	32.4
India	0.0	2.0	1.2	0.0	2.0	1.2	2.0	1.2
India (SSC) <sup>2</sup>	24.8	26.5	5.6	24.8	26.5	25.8	26.5	25.8
Indonesia	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
South Africa	12.8	16.9	22.6	12.8	16.9	15.2	16.9	15.2
OECD average	31.2	35.0	39.3	15.3	25.5	29.6	32.0	33.4

Note: ch = children.

1. Two earner married couple.

2. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

18. Table 6 compares the marginal tax wedges for the eight household types assuming an increase of one additional unit of national currency in gross earnings for the principal earner. The marginal tax rates for the single workers on 67%, 100% and 167% of the AW without children show a similar pattern to the average tax rates in Brazil, Indonesia and South Africa. As earnings increase, marginal tax wedges increase in Brazil and South Africa, and remain unchanged in Indonesia. In contrast, the patterns between the average and the marginal tax wedges differ in China and India. In China, the marginal tax wedge is the same at 67% and 100% of the AW (22.1%), and rises to 32.4% at 167% of the AW. In India, the marginal tax wedge is zero for the three earnings levels (0.0%) when the SSCs are not included. For the other scenario when SSCs are included in India, the marginal tax wedge is the same at 67% and 100% of the AW (24.8%) and declines at 167% of the AW (4.5%). There are no variations in the marginal tax wedge for the three married couples with children, regardless of the levels of earnings, in any of the BIICS countries.

19. There are substantial gaps between the marginal tax wedges in the BIICS countries and the OECD averages for all eight household types. Gaps of more than 40 percentage points are observed in India (for all eight household types in the scenario when SSCs are not payable and for the single worker on 167% of the AW in the scenario when SSCs are payable) and gaps of more than 30 percentage points are observed in Indonesia for all eight household types.

**Table 6. Marginal rate of income tax plus employee and employer contributions less cash benefits**

By household type and wage level (as % of labour costs), 2019

Household type:	single no ch	single no ch	single no ch	single 2 ch	married 2 ch	married 2 ch	married 2 ch	married no ch
Wage level (% of AW):	67 (1)	100 (2)	167 (3)	67 (4)	100-0 (5)	100-67 <sup>1</sup> (6)	100-100 <sup>1</sup> (7)	100-67 <sup>1</sup> (8)
Brazil	31.8	32.5	42.9	31.8	32.5	32.5	32.5	32.5
China	22.1	22.1	32.4	22.1	22.1	22.1	22.1	22.1
India	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

India (SSC) <sup>2</sup>	24.8	24.8	4.5	24.8	24.8	24.8	24.8	24.8
Indonesia	7.8	7.8	7.8	7.8	7.8	7.8	7.8	7.8
South Africa	18.8	26.7	36.6	18.8	26.7	26.7	26.7	26.7
OECD average	40.9	43.9	46.0	46.8	44.8	43.7	44.0	43.4

Notes: Assumes a rise in gross earnings of the principal earner in the household. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

ch = children.

1. Two earner married couple.

2. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

### **Evolution of the tax burden from 2010 to 2019**

20. The OECD average tax wedge for the average single worker with no children showed a small but steady increase from 34.6% to 35.5% between 2010 and 2013, followed by a small decrease to 35.0% in 2019 (see Table 7a). Trends in the BIICS countries varied over this period:

- In South Africa, there were also increases between 2010 and 2013, from 13.8% to 14.7%. However, unlike the OECD average, the tax wedge continued to increase to reach 16.9% in 2019.
- In Indonesia, a small decline of 0.07 percentage points between 2010 and 2011 was followed by increases up to 2016, from 2.5% to 7.8%. The tax wedge was stable between 2016 and 2019.
- In contrast, in China, the tax wedge decreased between 2010 and 2014 from 36.9% to 33.7%, and then remained unchanged between 2014 and 2015 before steadily decreasing to 30.7% in 2019.
- In India, there was a substantial fall in the tax wedge in 2011 (20.17 percentage points, from 28.9% to 8.7%) for the minority case of workers in firms with more than 20 employees (paying SSCs). In 2010, the single average worker paid contributions to the Employee Provident Fund as the earnings did not exceed the income ceiling. From 2011, no contributions to the Employee Provident Fund were levied on the average workers' earnings as they exceeded the income ceiling. In addition, the small decreases in the tax wedges between 2011 and 2014 were due to the state income tax (the Professional tax) of which this lump-sum charge remained unchanged during that period of time, while gross wage earnings increased. In 2015, the tax wedge increased by 19.64 percentage points to 27.8% as the single average worker paid contributions to the Employee Provident Fund as the earnings did not exceed the income ceiling. The Employee Provident Fund income ceiling doubled in 2015 and then remained unchanged up to 2019. The tax wedge slightly decreased by 0.13 percentage points between 2015 and 2017, as the state income tax, which is a lump-sum charge remained unchanged during that period. The share of the state income tax as a percentage of labour costs proportionally reduced with increasing average wages between 2015 and 2017. In 2018, the tax wedge increased slightly by 0.23 percentage points as higher state income tax was paid at that level of earnings. In 2019, there was a fall of 1.43 percentage points in the tax wedge resulting from reductions in the Employee's State Insurance (health insurance) contribution rates for the employee and employer on 1 July 2019; i.e. from 1.75% to 0.75% for the employee and from 4.75% to 3.25% for the employer.
- In Brazil, the tax wedge remained unchanged at 32.2% from 2010 to 2015. It increased to 32.5% in 2016 and was stable up to 2019. The change in the tax wedge was due to a rise in the total employer SSC rate from 34.2% to 34.8% from 2015 onwards.

21. Table 7b shows the corresponding results for the one-earner married couple earning the AW with two children. In this case, the trends of the OECD average tax wedge are close to those for the single worker over the period but at a lower level. Besides, the OECD average tax wedge increased up to 2014 for the one-earner couple, while it increased up to 2013 for the single average worker. The results for the BIICS countries are also identical to those of the single worker, with the exception of Indonesia. In Indonesia, the trends for the two household types are similar but the married couple has a higher tax wedge

because the SSC rate for health care was doubled for the married worker with a non-working spouse between 2010 and 2014. In 2015, the contribution rate was increased by 1 percentage point, from 3.0% to 4.0%, for all workers and the double payments were abolished for the married worker with a non-working spouse. In addition, in 2015, the tax wedge for the single worker (6.3%) was slightly higher than for the one-earner couple (6.2%) as the former paid income tax and the latter did not.

**Table 7. Income tax plus employee and employer contributions less cash benefits as a % of labour costs, 2010-2019**

a. Single persons without children at 100% of average earnings

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Brazil	32.2	32.2	32.2	32.2	32.2	32.2	32.5	32.5	32.5	32.5
China	36.9	36.2	35.7	34.0	33.7	33.7	32.4	32.0	31.9	30.7
India	3.2	2.6	2.4	2.2	2.0	1.9	1.9	1.8	2.1	2.0
India (SSC) <sup>1</sup>	28.9	8.7	8.5	8.3	8.1	27.8	27.7	27.7	27.9	26.5
Indonesia	2.6	2.5	2.7	3.2	3.2	6.3	7.8	7.8	7.8	7.8
South Africa	13.8	13.9	14.1	14.7	14.8	14.9	15.4	16.2	16.4	16.9
OECD average	34.6	35.1	35.2	35.5	35.5	35.4	35.4	35.2	35.1	35.0

b. One-earner married couples with two children at 100% of average earnings

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Brazil	32.2	32.2	32.2	32.2	32.2	32.2	32.5	32.5	32.5	32.5
China	36.9	36.2	35.7	34.0	33.7	33.7	32.4	32.0	31.9	30.7
India	3.2	2.6	2.4	2.2	2.0	1.9	1.9	1.8	2.1	2.0
India (SSC) <sup>1</sup>	28.9	8.7	8.5	8.3	8.1	27.8	27.7	27.7	27.9	26.5
Indonesia	4.7	4.6	3.9	5.9	5.9	6.2	7.8	7.8	7.8	7.8
South Africa	13.8	13.9	14.1	14.7	14.8	14.9	15.4	16.2	16.4	16.9
OECD average	25.2	25.8	26.2	26.5	26.6	26.3	25.8	25.7	25.6	25.5

Note:

1. Results apply only for the minority case where the employee works in a firm with more than 20 employees.

## Conclusions

22. The modelling results show significant variation in the tax burdens imposed on labour income in the BICS countries. For the average single worker without children, the tax wedge ranges from 2.0% in India (State of Maharashtra) to 32.5% in Brazil and the marginal tax wedge from zero in India to 32.5% in Brazil. Results for the other household types show that tax wedges do increase with income in Brazil and South Africa. In contrast, they decrease with increasing income to some degree in China and India. The tax burden does not change with income in Indonesia. In addition, the presence of children does not reduce average tax wedges as it does in almost all OECD countries.

23. Tax wedge levels in Brazil and China are similar to those observed in many OECD countries. In contrast, employees in India, Indonesia and South Africa face tax wedges that are much lower than in the vast majority of OECD countries. The mix of labour taxes also varies across these countries with SSCs comprising the bulk of the tax wedge in all countries except South Africa. Nevertheless, in Indonesia and South Africa, SSCs still contribute less to the tax wedge than on average in OECD countries. The modelling shows Brazil, China and India imposing SSCs that are higher than the OECD average. For China, the figures reflect the position of employees in urban areas (Shanghai). No SSCs are levied in the rural areas of China.

# Annex

# COUNTRY TABLES, 2019

**Brazil****2019****The tax/benefit position of single persons**

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
<b>Gross wage earnings</b>		18532	27660	46192	18532
<b>Standard tax allowances</b>					
Basic allowance		3706	5532	9238	6033
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	3706	5532	9238	6033
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		14826	22128	36954	12499
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	1285	0
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		0	0	0	0
Other					
	Total	0	0	0	0
<b>Central government income tax finally paid (5-6)</b>		0	0	1285	0
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		1483	2489	5081	1483
Taxable income					
	Total	1483	2489	5081	1483
<b>Total payments to general government (7 + 8 + 9)</b>		1483	2489	6367	1483
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		17050	25171	39826	17050
<b>Employer's compulsory social security contributions</b>		6449	9626	16075	6449
<b>Average rates</b>					
Income tax		0.0%	0.0%	2.8%	0.0%
Employees' social security contributions		8.0%	9.0%	11.0%	8.0%
Total payments less cash transfers		8.0%	9.0%	13.8%	8.0%
Total tax wedge including employer's social security contributions		31.8%	32.5%	36.0%	31.8%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		8.0%	9.0%	23.0%	8.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		31.8%	32.5%	42.9%	31.8%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

**Brazil****2019****The tax/benefit position of married couples**

	Wage level (per cent of AW)	100-0	100-67	100-100	100-67
	Number of children	2	2	2	none
<b>Gross wage earnings</b>		27660	46192	55320	46192
<b>Standard tax allowances</b>					
Basic allowance		9315	10746	12572	9238
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	9315	10746	12572	9238
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		18345	35446	42748	36954
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		0	0	0	0
Other					
	Total	0	0	0	0
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		2489	3972	4979	3972
Taxable income					
	Total	2489	3972	4979	3972
<b>Total payments to general government (7 + 8 + 9)</b>		2489	3972	4979	3972
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		25171	42220	50341	42220
<b>Employer's compulsory social security contributions</b>		9626	16075	19251	16075
<b>Average rates</b>					
Income tax		0.0%	0.0%	0.0%	0.0%
Employees' social security contributions		9.0%	8.6%	9.0%	8.6%
Total payments less cash transfers		9.0%	8.6%	9.0%	8.6%
Total tax wedge including employer's social security contributions		32.5%	32.2%	32.5%	32.2%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		9.0%	9.0%	9.0%	9.0%
Total payments less cash transfers: Spouse		8.0%	8.0%	9.0%	8.0%
Total tax wedge: Principal earner		32.5%	32.5%	32.5%	32.5%
Total tax wedge: Spouse		31.8%	31.8%	32.5%	31.8%

## China

2019

## The tax/benefit position of single persons

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
<b>Gross wage earnings</b>		35915	53604	89519	35915
<b>Standard tax allowances</b>					
Basic allowance		65921	65921	69399	65921
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	65921	65921	69399	65921
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		0	0	20119	0
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	604	0
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		0	0	0	0
Other					
	Total	0	0	0	0
<b>Central government income tax finally paid (5-6)</b>		0	0	604	0
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		5921	5921	9399	5921
Taxable income					
	Total	5921	5921	9399	5921
<b>Total payments to general government (7 + 8 + 9)</b>		5921	5921	10003	5921
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		29994	47683	79516	29994
<b>Employer's compulsory social security contributions</b>		10178	15191	25370	10178
<b>Average rates</b>					
Income tax		0.0%	0.0%	0.7%	0.0%
Employees' social security contributions		16.5%	11.0%	10.5%	16.5%
Total payments less cash transfers		16.5%	11.0%	11.2%	16.5%
Total tax wedge including employer's social security contributions		34.9%	30.7%	30.8%	34.9%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		0.0%	0.0%	13.2%	0.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		22.1%	22.1%	32.4%	22.1%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.



## China

2019

## The tax/benefit position of married couples

	Wage level (per cent of AW)	100-0	100-67	100-100	100-67
	Number of children	2	2	2	none
<b>Gross wage earnings</b>		53604	89519	107208	89519
<b>Standard tax allowances</b>					
Basic allowance		65921	125921	125921	125921
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses		0	0	0	0
Other					
	Total	65921	125921	125921	125921
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		0	0	0	0
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		0	0	0	0
Other					
	Total	0	0	0	0
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		5921	11842	11842	11842
Taxable income					
	Total	5921	11842	11842	11842
<b>Total payments to general government (7 + 8 + 9)</b>		5921	11842	11842	11842
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		47683	77677	95366	77677
<b>Employer's compulsory social security contributions</b>		15191	25370	30383	25370
<b>Average rates</b>					
Income tax		0.0%	0.0%	0.0%	0.0%
Employees' social security contributions		11.0%	13.2%	11.0%	13.2%
Total payments less cash transfers		11.0%	13.2%	11.0%	13.2%
Total tax wedge including employer's social security contributions		30.7%	32.4%	30.7%	32.4%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers: Spouse		16.5%	0.0%	0.0%	0.0%
Total tax wedge: Principal earner		22.1%	22.1%	22.1%	22.1%
Total tax wedge: Spouse		34.9%	22.1%	22.1%	22.1%

## India (including social security contributions) 2019

### The tax/benefit position of single persons

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
<b>Gross wage earnings</b>		85131	127062	212193	85131
<b>Standard tax allowances</b>					
Basic allowance		11067	16518	2122	11067
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other		0	2500	2500	0
<b>Total</b>		11067	19018	4622	11067
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		74064	108044	207571	74064
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit		2500	2500	2500	2500
Married or head of family					
Children					
Other					
<b>Total</b>		2500	2500	2500	2500
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		0	2500	2500	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		11067	16518	2122	11067
Taxable income					
<b>Total</b>		11067	16518	2122	11067
<b>Total payments to general government (7 + 8 + 9)</b>		11067	19018	4622	11067
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
<b>Total</b>		0	0	0	0
<b>Take-home pay (1-10+11)</b>		74064	108044	207571	74064
<b>Employer's compulsory social security contributions</b>		13302	19853	7692	13302
<b>Average rates</b>					
Income tax		0.0%	2.0%	1.2%	0.0%
Employees' social security contributions		13.0%	13.0%	1.0%	13.0%
Total payments less cash transfers		13.0%	15.0%	2.2%	13.0%
Total tax wedge including employer's social security contributions		24.8%	26.5%	5.6%	24.8%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		13.0%	13.0%	1.0%	13.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		24.8%	24.8%	4.5%	24.8%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

## India (including social security contributions) 2019

### The tax/benefit position of married couples

	Wage level (per cent of AW)	100-0	100-67	100-100	100-67
	Number of children	2	2	2	none
<b>Gross wage earnings</b>		127062	212193	254123	212193
<b>Standard tax allowances</b>					
Basic allowance		16518	27585	33036	27585
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other		2500	2500	5000	2500
<b>Total</b>		<b>19018</b>	<b>30085</b>	<b>38036</b>	<b>30085</b>
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		<b>108044</b>	<b>182108</b>	<b>216087</b>	<b>182108</b>
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit		2500	5000	5000	5000
Married or head of family					
Children					
Other					
<b>Total</b>		<b>2500</b>	<b>5000</b>	<b>5000</b>	<b>5000</b>
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		2500	2500	5000	2500
<b>Employees' compulsory social security contributions</b>					
Gross earnings		16518	27585	33036	27585
Taxable income					
<b>Total</b>		<b>16518</b>	<b>27585</b>	<b>33036</b>	<b>27585</b>
<b>Total payments to general government (7 + 8 + 9)</b>		<b>19018</b>	<b>30085</b>	<b>38036</b>	<b>30085</b>
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Take-home pay (1-10+11)</b>		<b>108044</b>	<b>182108</b>	<b>216087</b>	<b>182108</b>
<b>Employer's compulsory social security contributions</b>		19853	33155	39707	33155
<b>Average rates</b>					
Income tax		2.0%	1.2%	2.0%	1.2%
Employees' social security contributions		13.0%	13.0%	13.0%	13.0%
Total payments less cash transfers		15.0%	14.2%	15.0%	14.2%
Total tax wedge including employer's social security contributions		26.5%	25.8%	26.5%	25.8%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		13.0%	13.0%	13.0%	13.0%
Total payments less cash transfers: Spouse		13.0%	13.0%	13.0%	13.0%
Total tax wedge: Principal earner		24.8%	24.8%	24.8%	24.8%
Total tax wedge: Spouse		24.8%	24.8%	24.8%	24.8%

**India (not including social security contributions) 2019****The tax/benefit position of single persons**

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
<b>Gross wage earnings</b>		85131	127062	212193	85131
<b>Standard tax allowances</b>					
Basic allowance		0	0	0	0
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other		0	2500	2500	0
	Total	0	2500	2500	0
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		85131	124562	209693	85131
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit		2500	2500	2500	2500
Married or head of family					
Children					
Other					
	Total	2500	2500	2500	2500
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		0	2500	2500	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		0	0	0	0
Taxable income					
	Total	0	0	0	0
<b>Total payments to general government (7 + 8 + 9)</b>		0	2500	2500	0
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		85131	124562	209693	85131
<b>Employer's compulsory social security contributions</b>		0	0	0	0
<b>Average rates</b>					
Income tax		0.0%	2.0%	1.2%	0.0%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		0.0%	2.0%	1.2%	0.0%
Total tax wedge including employer's social security contributions		0.0%	2.0%	1.2%	0.0%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		0.0%	0.0%	0.0%	0.0%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

## India (not including social security contributions) 2019

### The tax/benefit position of married couples

	Wage level (per cent of AW)	100-0	100-67	100-100	100-67
	Number of children	2	2	2	none
<b>Gross wage earnings</b>		127062	212193	254123	212193
<b>Standard tax allowances</b>					
Basic allowance		0	0	0	0
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other		2500	2500	5000	2500
<b>Total</b>		2500	2500	5000	2500
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		124562	209693	249123	209693
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit		2500	5000	5000	5000
Married or head of family					
Children					
Other					
<b>Total</b>		2500	5000	5000	5000
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		2500	2500	5000	2500
<b>Employees' compulsory social security contributions</b>					
Gross earnings		0	0	0	0
Taxable income					
<b>Total</b>		0	0	0	0
<b>Total payments to general government (7 + 8 + 9)</b>		2500	2500	5000	2500
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
<b>Total</b>		0	0	0	0
<b>Take-home pay (1-10+11)</b>		124562	209693	249123	209693
<b>Employer's compulsory social security contributions</b>		0	0	0	0
<b>Average rates</b>					
Income tax		2.0%	1.2%	2.0%	1.2%
Employees' social security contributions		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers		2.0%	1.2%	2.0%	1.2%
Total tax wedge including employer's social security contributions		2.0%	1.2%	2.0%	1.2%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		0.0%	0.0%	0.0%	0.0%
Total payments less cash transfers: Spouse		0.0%	0.0%	0.0%	0.0%
Total tax wedge: Principal earner		0.0%	0.0%	0.0%	0.0%
Total tax wedge: Spouse		0.0%	0.0%	0.0%	0.0%

## Indonesia

2019

## The tax/benefit position of single persons

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
<b>Gross wage earnings</b>		20471405	30554336	51025742	20471405
<b>Standard tax allowances</b>					
Basic allowance		55842426	56749890	58592317	64842426
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	55842426	56749890	58592317	64842426
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		0	0	0	0
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		0	0	0	0
Other					
	Total	0	0	0	0
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		409428	611087	1020515	409428
Taxable income					
	Total	409428	611087	1020515	409428
<b>Total payments to general government (7 + 8 + 9)</b>		409428	611087	1020515	409428
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		20061977	29943250	50005227	20061977
<b>Employer's compulsory social security contributions</b>		1289699	1924923	3214622	1289699
<b>Average rates</b>					
Income tax		0.0%	0.0%	0.0%	0.0%
Employees' social security contributions		2.0%	2.0%	2.0%	2.0%
Total payments less cash transfers		2.0%	2.0%	2.0%	2.0%
Total tax wedge including employer's social security contributions		7.8%	7.8%	7.8%	7.8%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		2.0%	2.0%	2.0%	2.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		7.8%	7.8%	7.8%	7.8%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.

<b>Indonesia</b>		<b>2019</b>			
<b>The tax/benefit position of married couples</b>					
	Wage level (per cent of AW)	100-0	100-67	100-100	100-67
	Number of children	2	2	2	none
<b>Gross wage earnings</b>		30554336	51025742	61108673	51025742
<b>Standard tax allowances</b>					
Basic allowance		70249890	121592317	122499781	112592317
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	70249890	121592317	122499781	112592317
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		0	0	0	0
<b>Central government income tax liability (exclusive of tax credits)</b>		0	0	0	0
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		0	0	0	0
Other					
	Total	0	0	0	0
<b>Central government income tax finally paid (5-6)</b>		0	0	0	0
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		611087	1020515	1222173	1020515
Taxable income					
	Total	611087	1020515	1222173	1020515
<b>Total payments to general government (7 + 8 + 9)</b>		611087	1020515	1222173	1020515
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		29943250	50005227	59886499	50005227
<b>Employer's compulsory social security contributions</b>		1924923	3214622	3849846	3214622
<b>Average rates</b>					
Income tax		0.0%	0.0%	0.0%	0.0%
Employees' social security contributions		2.0%	2.0%	2.0%	2.0%
Total payments less cash transfers		2.0%	2.0%	2.0%	2.0%
Total tax wedge including employer's social security contributions		7.8%	7.8%	7.8%	7.8%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		2.0%	2.0%	2.0%	2.0%
Total payments less cash transfers: Spouse		2.0%	2.0%	2.0%	2.0%
Total tax wedge: Principal earner		7.8%	7.8%	7.8%	7.8%
Total tax wedge: Spouse		7.8%	7.8%	7.8%	7.8%

**South Africa****2019****The tax/benefit position of single persons**

	Wage level (per cent of AW)	67	100	167	67
	Number of children	none	none	none	2
<b>Gross wage earnings</b>		178880	266985	445865	178880
<b>Standard tax allowances</b>					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	0	0	0	0
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		178880	266985	445865	178880
<b>Central government income tax liability (exclusive of tax credits)</b>		32198	53748	108386	32198
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		14220	14220	14220	14220
Other					
	Total	14220	14220	14220	14220
<b>Central government income tax finally paid (5-6)</b>		17978	39528	94166	17978
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		1785	1785	1785	1785
Taxable income					
	Total	1785	1785	1785	1785
<b>Total payments to general government (7 + 8 + 9)</b>		19763	41313	95951	19763
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		159117	225672	349914	159117
<b>Employer's compulsory social security contributions</b>		3573	4454	6243	3573
<b>Average rates</b>					
Income tax		10.1%	14.8%	21.1%	10.1%
Employees' social security contributions		1.0%	0.7%	0.4%	1.0%
Total payments less cash transfers		11.0%	15.5%	21.5%	11.0%
Total tax wedge including employer's social security contributions		12.8%	16.9%	22.6%	12.8%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		18.0%	26.0%	36.0%	18.0%
Total payments less cash transfers: Spouse		n.a.	n.a.	n.a.	n.a.
Total tax wedge: Principal earner		18.8%	26.7%	36.6%	18.8%
Total tax wedge: Spouse		n.a.	n.a.	n.a.	n.a.



## South Africa

2019

## The tax/benefit position of married couples

	Wage level (per cent of AW)	100-0	100-67	100-100	100-67
	Number of children	2	2	2	none
<b>Gross wage earnings</b>		266985	445865	533970	445865
<b>Standard tax allowances</b>					
Basic allowance					
Married or head of family					
Dependent children					
Deduction for social security contributions and income taxes					
Work-related expenses					
Other					
	Total	0	0	0	0
<b>Tax credits or cash transfers included in taxable income</b>		0	0	0	0
<b>Central government taxable income (1 - 2 + 3)</b>		266985	445865	533970	445865
<b>Central government income tax liability (exclusive of tax credits)</b>		53748	85946	107496	85946
<b>Tax credits</b>					
Basic credit					
Married or head of family					
Children		14220	28440	28440	28440
Other					
	Total	14220	28440	28440	28440
<b>Central government income tax finally paid (5-6)</b>		39528	57506	79056	57506
<b>State and local taxes</b>		0	0	0	0
<b>Employees' compulsory social security contributions</b>					
Gross earnings		1785	3569	3569	3569
Taxable income					
	Total	1785	3569	3569	3569
<b>Total payments to general government (7 + 8 + 9)</b>		41313	61076	82625	61076
<b>Cash transfers from general government</b>					
For head of family					
For two children		0	0	0	0
	Total	0	0	0	0
<b>Take-home pay (1-10+11)</b>		225672	384789	451345	384789
<b>Employer's compulsory social security contributions</b>		4454	8028	8909	8028
<b>Average rates</b>					
Income tax		14.8%	12.9%	14.8%	12.9%
Employees' social security contributions		0.7%	0.8%	0.7%	0.8%
Total payments less cash transfers		15.5%	13.7%	15.5%	13.7%
Total tax wedge including employer's social security contributions		16.9%	15.2%	16.9%	15.2%
<b>Marginal rates</b>					
Total payments less cash transfers: Principal earner		26.0%	26.0%	26.0%	26.0%
Total payments less cash transfers: Spouse		11.0%	18.0%	26.0%	18.0%
Total tax wedge: Principal earner		26.7%	26.7%	26.7%	26.7%
Total tax wedge: Spouse		12.8%	18.8%	26.7%	18.8%