



WAGE TAX , SOCIAL PREMIUMS AND AVBZ.

This pamphlet contains general information on Wage Tax, Social premiums and AVBZ

This pamphlet will answer the following issues:

- What is Wage Tax.,
- Who is obligated to deduct Wage Tax .
- What income is Wage Tax levied on.
- How is Wage Tax calculated.
- What is the tariff of the Wage Tax.
- What are social premiums and AVBZ
- When and how is Wage Tax due.
- Are there special administrative obligations.

What is Wage Tax.

Wage Tax is an advanced tax payment on Income Tax which an employee has to pay. This is already withheld from you wages by your employer (who is obliged to do this) and paid to Island Receiver of Taxes. This means that if you have to fill in a Tax Return for the Income Tax, the already paid Wage Tax will be deducted from the Income Tax due.

Who is obligated to deduct Wage Tax.

The employer is obligated to deduct the Wage Tax. Typical for an employer is that he is in an authority position to the employee. The employer decides what needs to be done and the employee carries this out. The employee receives wages for this.

What income is Wage Tax levied on.

The Wage Tax is levied on the wages of the employee. Wages consist of monetary pay , but also pay in kind. Some things are not considered wages, namely:

- Premiums Accident insurance and Medical insurance
- Benefits due to the death of an employee
- Allowances AOV and AWW
- Employers' contribution to the pension
- Employers' contributions to medical costs of the employee

How is Wage Tax calculated.

Wage Tax must be calculated every month. In order to do this we have tables available. These tables will be sent to you every year with the necessary Tax Forms. The tables are also available at the information centers.

What is the tariff of the Wage Tax.

There are different tariffs. The more an employee earns the higher the tariff. The tables mention the exact amount of Wage Tax is that is due at a particular wage.

What are Social Premiums and AVBZ

Together with the Wage Tax the employer has to pay the social premiums and AVBZ.

The social premiums are:

- AOV, Algemene Ouderdomsverzekering ore General Old Age Pension Insurance.
The percentage is 13% up to a maximum income of NAFL 72000 per Year
- AWW, Algemene Weduwen- en Wezenverzekering ore General Wowers end Orphans Insurance.

The percentage is 13% up to a maximum income of NAF 72000 per Year

The AVBZ, Algemene Verzekering Bijzondere Ziektekosten ore General Insurance Sickness Expenses. If you income exceeds NAF 361677,-- then you will not pay premium on the excess.

When and how is Tax on Income due.

Every month, on the 15th latest, you have to pay the Tax on Income due over the preceding month. You fill in the tax form you have received and take this to the Receivers office on the Island to make your payment. For example, the Wage Tax for May needs to be paid at the latest on June 15.

Are there special administrative obligations.

As an employer you have the following obligations;

- You need to maintain a monthly payroll administration in order to calculate the due taxes.
- You have to send a summary statement of wages (specification of all employees and their wages) to the Inspectorate of Taxes every year.
- You need to maintain a yearly payroll for each employee from which you can provide her or him with a wagecard for that year.
- The employee is obligated to provide the employer with all necessary so the employer can determine the amount of Income Tax due.

If you have any questions you can contact one of the information centers. They are there to assist you.

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