

3

2020 tax burdens

The 2020 tax burden results based on the eight model household types are presented in Tables 3.1 to 3.13 and Figures 3.1 to 3.7. The model household types vary by marital status, number of children and economic status: single taxpayers, without children, earning 67%, 100% and 167% of the average wage (AW); a single parent, with two children, earning 67% of the AW; a single earner couple at the AW level with two children; two-earner couples at 167% and 200% of the AW with two children; and a two-earner couple, without children, at 167% of the AW.

The chapter presents different measures for the average tax burdens (tax wedge, personal tax rate, net personal tax rate, personal income tax rate and employee social security contribution rate) and marginal rates (tax wedge and net personal tax rate). The results for two measures of tax progressivity are also considered: tax elasticity on gross earnings and labour costs.

Average tax burdens

Table 3.1¹ and Figure 3.1 show the average tax wedge (combined burden of income tax, employee and employer social security contributions) taking into account the amount of cash benefits each specific household type is entitled to, in 2020. Total taxes due minus transfers received are expressed as a percentage of labour costs, defined as gross wage *plus* employers' social security contributions (including payroll taxes). In the case of a single person on average wage the tax wedge ranged from zero (Colombia) and 7.0% (Chile) to 49.0% (Germany) and 51.5% (Belgium). For a one-earner married couple, with two children, at the same wage level, the tax wedge was lowest in Colombia (-5.4%) and New Zealand (5.0%) and highest in Turkey (38.2%) and France (37.9%). As stated in Chapter 1, the tax wedge tends to be lower for a married couple, with two-children, at this wage level than for a single individual without children due to both receipt of cash benefits and/or more advantageous tax treatment. It is also interesting to note that the tax wedge for a single parent, with two children, earning 67% of the average wage was negative in New Zealand (-18.1%), Canada (-17.9%), Colombia (-8.0%) and Poland (-3.5%). Negative tax wedges are due to the cash benefits received by families, plus any applicable non-wastable tax credits, exceeding the sum of the total tax and social security contributions that are due.

Table 3.2 and Figure 3.2 present the combined burden of the personal income tax and employee social security contributions, expressed as a percentage of gross wage earnings (the corresponding measures for income tax and employee contributions separately are shown in Tables 3.4 and 3.5), in 2020. For single workers at the average wage level without children, the highest average tax plus contributions burdens were seen in Belgium (38.4%) and Germany (38.9%). The lowest average rates were in Colombia (0.0%), Chile (7.0%), Mexico (10.8%), Korea (15.0%), Estonia (15.6%), Switzerland (17.1%), Israel (18.0%) and New Zealand (19.1%).

Table 3.3 shows the combined burden of income tax and employee social security contributions, reduced by the entitlement to cash benefits, for each household type in 2020. Figure 3.3 illustrates this burden for single individuals without children and one-earner married couples with two children, with both household types on average earnings. Comparing Table 3.2 and Table 3.3, the average tax rates for families with children (columns 4 -7) are lower in Table 3.3 because most OECD countries support families with children through cash benefits.

Comparing Table 3.2 and Table 3.3, for single parents, with two children, earning 67% of the average wage, 33 countries provided cash benefits in 2020. In Canada, Poland and New Zealand these represented respectively 40.8%, 37.0% and 33.3% of income and they were also at least 25% of income in Lithuania (25.5%), France (26.6%) and Denmark (26.8%). Thirty-two countries provided cash benefits for a one-earner married couple, with two children, earning the average wage level, although these were less generous relative to income, ranging up to 20.7% (Poland). The lower level of cash benefits for the married couple can be attributed to three reasons: single parents may be eligible for more generous treatment; the benefits themselves may be fixed in absolute amount; or the benefits may be subject to income testing.

Table 3.4 shows personal income tax due as a percentage of gross wage earnings in 2020. For single persons, without children, at the average wage (column 2) – the income tax burden varies between 0.0% (Colombia) and 35.3% (Denmark). In most OECD member countries, at the average wage level, the income tax burden for one-earner married couples with two children is lower than that faced by single persons (compare columns 2 and 5). These differences are clearly illustrated in Figure 3.4. In twelve OECD countries, the income tax burden faced by a one-earner married couple with two children is less than half that faced by a single individual (Austria, Belgium, Hungary, Ireland, Latvia, Luxembourg, Poland, Portugal, the Slovak Republic, Slovenia, Switzerland and the United States). In contrast, there was no difference in eight countries – Australia, Finland, Israel, Lithuania, Mexico, New Zealand, Norway and Sweden. In Chile, the one-earner married couple at the average wage level with children did not pay personal income tax, while the average single worker paid 0.03% of gross wage earnings. In Colombia,

neither the single worker on the average wage nor the one-earner married couple at the average wage level paid personal income taxes.

There were only two OECD countries where a married average worker with two children had a negative personal income tax burden. This was due to the presence of non-wastable tax credits, whereby credits were paid in excess of the taxes otherwise due. This resulted in tax burdens of -0.3% in Germany and -4.5% in the Czech Republic. Similarly, single parents, with two children, earning 67% of the average wage showed a negative tax burden in eight countries – Austria, the Czech Republic, Germany, Israel, Poland, Spain, the United Kingdom and the United States. In three other countries – Chile, Colombia and Latvia – this household type paid no income tax.

A comparison of columns 5 and 6 in Table 3.4 demonstrates that if the second spouse has a job which pays 67% of the average wage, the income tax burden of the household (now expressed as 167% of the average wage) is slightly higher in 22 countries, the largest differences being in the Czech Republic (9.9 percentage points) and Germany (10.3 percentage points). At the same time, the income tax burden is lower in thirteen countries, the largest differences being in the Netherlands (-4.8 percentage points) and Israel (-4.1 percentage points). There is no impact on the tax burden in Chile and Colombia.

An important consideration in the design of an income tax is the level of progressivity - the rate at which the income tax burden increases with income. A comparison of columns 1 to 3 in Table 3.4 provides an insight into the levels of progressivity in the income tax systems of OECD countries. Comparing the income tax burden of single individuals at the average wage level with their counterparts at 167% of the average wage (columns 2 and 3), the lower paid worker faced a lower tax burden in all countries except in Colombia and Hungary in 2020. In Colombia, neither the average single worker nor the counterpart at 167% of the average wage paid income tax. In Hungary, a flat tax rate is applied on labour income and all households without children paid the same percentage of income tax. Comparing single individuals at 67% of the average wage level with their counterparts at the average wage level (columns 1 and 2), the lower paid worker also faced a lower tax burden across all OECD countries, except Colombia and Hungary for the reasons previously mentioned. Finally, the burden faced by single individuals at 67% of the average wage level represented less than 25% of the burden faced by their counterparts at 167% in four OECD countries: Chile (0.0%), the Netherlands (21.0%), Korea (22.3%) and Greece (22.7%).

The addition of social security contributions to the average tax rate reduces this progressivity as well as the proportional tax savings (i.e. tax savings of the low income workers relative to the higher income workers). When comparing Table 3.2 with Table 3.4, the OECD personal average tax burden including social security contributions for single individuals at 67% of the average wage level was only 32.0% lower than their counterparts at 167% compared to the OECD average tax savings of 48.2% for personal income taxes alone in 2020. The OECD average tax savings observed for one-earner married couples with two children at the average wage level relative to the average single workers fell from 35.0% for the personal income tax to 21.4% for the personal average tax burden including social security contributions. These lower figures reflect that there is little variation between social security contribution rates across household types, as shown in Table 3.5.

Table 3.5 shows employee social security contributions as a percentage of gross wage earnings in 2020. For a single worker without children at the average wage (column 2) the contribution rate varies between zero (Australia, Colombia, Denmark and New Zealand) and 22.1% (Slovenia). Australia, Denmark and New Zealand did not levy any employee social security contributions paid to general government. In Colombia, most of the social security contributions are paid to funds outside the general government and are considered to be non-tax compulsory payments. Therefore, they are not counted as social security contributions in the Taxing Wages calculations. There were three other countries with very low rates - Iceland (0.3%), Mexico (1.4%) and Estonia (1.6%). Social security contributions are usually levied at a flat rate on all earnings, i.e. without any exempt threshold. In a number of OECD member countries a ceiling applies. However, this ceiling usually applies to wage levels higher than 167% of the average wage. The

flat rates result in a constant average burden of employee social security contributions for most countries between 67% and 167% of average wage earnings. Constant proportional burden for employee social security contributions for over the eight model household types, is observed in (in decreasing order of rates) Slovenia (22.1%), Lithuania (19.5%), Hungary (18.5%), Poland (17.8%), Greece (15.5%), Turkey (15.0%), the Slovak Republic (13.4%), the Czech Republic, Latvia and Portugal (all 11.0%), Norway (8.2%), the United States (7.7%), Chile (7.0%), Spain and Switzerland (both 6.4%), Ireland (4.0%) and Estonia (1.6%).

In addition, at the average wage level only Germany and the Netherlands imposed different burdens of social security contributions on employees according to their family status (see Figure 3.5).

Marginal tax burdens

Table 3.6 and Figure 3.6 show the percentage of the marginal increase in labour costs that is deducted through the combined effect of increasing personal income tax, employee and employer (including payroll taxes) social security contributions and decreasing cash transfers, in 2020. It is assumed that the gross earnings of the principal earner rise by 1 currency unit. This is the marginal tax wedge. In most cases, it absorbs 25% to 55% of an increase in labour costs for single individuals on average wage without children. However, in five OECD countries these individuals faced marginal wedges above 55% in 2020 – Belgium (65.1%), Germany (59.6%), Austria (59.5%), France (58.2%) and Luxembourg (57.0%). By contrast, Chile (10.2%) had the lowest marginal tax wedge in 2020. For Colombia, no income tax was paid at the average wage level in 2020 and their social security contributions are considered as non-tax compulsory payments and not included in the *Taxing Wages* calculations.²

In twenty-six OECD member countries, the marginal tax wedge for one-earner married couples at average earnings with two children was either the same or within 5 percentage points as that for single persons at average wage earnings with no children. The marginal tax wedge was more than 5 percentage points lower for one-earner married couples in five countries: Luxembourg (17.6 percentage points), the United States (9.3 percentage points), Switzerland (8.0 percentage points), Germany (7.7 percentage points) and Slovenia (6.7 percentage points). In contrast, the marginal rate for one-earner married couples with two children was more than 5 percentage points higher than it was for single workers, with no children, in Canada (31.6 percentage points), New Zealand (25.0 percentage points), Iceland (9.0 percentage points), France (6.3 percentage points) and the Netherlands (5.6 percentage points). These higher marginal rates arise because of the phase out of income-tested tax reliefs and/or cash benefits. When an income-tested measure is being phased out, the reduction in the relief or benefit compounds the increase in the tax payable. These programmes are set out in greater detail in the relevant country chapters in Part II of the Report.

Table 3.7 and Figure 3.7 show the incremental change to personal income tax and employee social security contributions less cash benefits when gross wage earnings increase at the margin (it is assumed that the gross earnings of the principal earner rise by 1 currency unit) in 2020. As in the case of the tax wedge, in most cases personal income tax and employee social security contributions absorb 25% to 55% of a worker's pay rise for single individuals without children at the average wage level. The marginal tax rate for the average worker was higher than 55% only in Belgium (55.6%) and lower than 25% in Chile (10.2%), Mexico (19.5%) and Korea (23.2%). As previously mentioned for Colombia, no income tax was paid at the average wage level and their social security contributions are considered as non-tax compulsory payments and not included in the *Taxing Wages* calculations.

In twenty-five OECD member countries, the net personal marginal tax rate for one-earner married couples with two children at the average wage level was either the same or within 5 percentage points as that for single persons with no children. The marginal rate was more than 5 percentage points lower for the one-earner married couples in six countries: Luxembourg (20.0 percentage points), the United States

(10.0 percentage points), Germany (9.3 percentage points), Switzerland (8.6 percentage points), Slovenia (7.8 percentage points), Belgium and Portugal (5.5 percentage points). In contrast, the marginal rate for one-earner married couples with two children was more than 5 percentage points higher than it was for single persons with no children in Canada (34.3 percentage points), New Zealand (25.0 percentage points), Iceland (9.6 percentage points), France (8.6 percentage points), and the Netherlands (6.3 percentage points). Similar to the marginal tax wedges, these higher marginal rates arise because of the phase out of income-tested tax reliefs and/or cash transfers.

Table 3.8 shows the percentage increase in net income relative to the percentage increase in gross wages when the latter increases by 1 currency unit, i.e. the elasticity of after-tax income, in 2020.³ Under a proportional tax system, net income would increase by the same percentage as the increase in gross earnings, in which case the elasticity is equal to 1. The more progressive the system is – at the income level considered – the lower this elasticity will be. In the case of the one-earner married couples, with two children, at the average wage, column 5 of Table 3.8 shows that Canada (0.27), New Zealand (0.47), Ireland (0.55) and France (0.57) had, on this measure, the most progressive systems of income tax plus employee social security contributions taking into account tax provisions and cash transfers for children at this income level in 2020. In contrast, Chile (1.00) and Mexico (0.90) either implemented or were close to a proportional system of income tax plus employee social security contributions – at least for this household type. For Colombia (0.95), no income tax was paid at that level of earnings and their social security contributions are considered as non-tax compulsory payments and not included in the *Taxing Wages* calculations. However, the household's cash benefit payment remained fixed while the gross wage increased. As a result, the percentage increase in net income was slightly less than the percentage increase in gross wage.

It is interesting to note that the elasticity exceeded one for a single individual at 167% of the average earnings in Austria (1.02), indicating that the income tax system at this point in the income scale was regressive. In other words, a percentage increase in gross pay led to an increase in net income in excess of the percentage increase in gross wage earnings.

Table 3.9 provides a different elasticity measure: the percentage increase in net income relative to the percentage increase in labour costs (i.e. gross wage earnings plus employer social security contributions and payroll taxes) when the latter rises by 1 currency unit in 2020.⁴ In this case, taxes and social security contributions paid by employers are also part of the analysis. In twenty OECD countries the value of this elasticity lay between 0.50 and 0.97 for the eight selected household types. This elasticity was below 0.50 for single parents earning 67% of the average wage level in New Zealand (0.49), Belgium (0.47), the Netherlands (0.46), Australia (0.42), Canada (0.37), France (0.31), Ireland and the United Kingdom (both 0.26) and Poland (0.03), and for one-earner married couples at the average wage level with two children in New Zealand (0.47) and Canada (0.28). In contrast, the elasticity was between 0.98 and 1.0 for most of the household types in Chile and some household types in Colombia, Hungary, Mexico and Poland, and one household type in Estonia for the single worker earning 167% of the average wage (1.00). Under this elasticity measure the income tax system was regressive for a single individual at 167% of the average wage in Germany (1.14) and Austria (1.20).

Table 3.10 and Table 3.11 set out figures for gross wage earnings and net income for the eight household types in 2020, after all amounts have been converted into U.S. dollars with the same purchasing power. Single workers with the average wage took home (see Table 3.10, column 4) over USD 45 000 in eight countries : Switzerland (USD 63 770), the Netherlands (USD 49 331), Australia (USD 48 145), Luxembourg (USD 47 600), Iceland (USD 47 469), the United States (USD 46 715), Norway (USD 45 873) and Korea (USD 45 303). The corresponding lowest levels (less than USD 20 000) were in Colombia (USD 11 961), Mexico (USD 12 414), Latvia (USD 19 077) and the Slovak Republic (USD 19 850). In the case of a one-earner married couple with two children at the average earnings level (see Table 3.11), families took home over USD 50 000 in Australia, Austria, Belgium, Germany, Iceland, Ireland, Luxembourg, the Netherlands, Switzerland and the United States; with the lowest level again being in

Mexico. With the exception of Mexico, the one-earner married couple in OECD countries took home more than the single individual (with both household types at the average wage level) due to the favourable tax treatment of this household and/or the cash transfers to which they were entitled.

Table 3.12 and Table 3.13 show the corresponding figures to Table 3.10 and Table 3.11 for labour costs and net income in 2020. Thus, the 'net' columns in Table 3.10 and Table 3.11 are identical to those in Table 3.12 and Table 3.13, respectively. Usually, labour costs are much higher than gross wages, because any employer social security contributions (including payroll taxes) are taken into account. If measured in US dollars with equal purchasing power, labour costs for single workers earning the average wage level (see Table 3.12) were highest (more than USD 80 000) in Germany (USD 84 456), Austria (USD 81 902), Switzerland (USD 81 822) and Belgium (USD 80 965), and lowest (less than USD 30 000) in Colombia (USD 11 961), Mexico (USD 15 555) and Chile (USD 24 050). Annual labour costs are equal to annual gross wage in Chile, Colombia, Denmark and New Zealand. In those countries neither compulsory employer social security contributions nor payroll taxes paid to general government are levied on wages. However, employers in Chile, Colombia and Denmark are subject to non-tax compulsory payments.

Table 3.1. Income tax plus employee and employer contributions less cash benefits, 2020

As % of labour costs, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	23.3	28.4	34.7	1.2	20.8	26.3	28.4	26.3
Austria	42.7	47.3	51.0	19.8	32.0	37.0	40.2	45.5
Belgium	44.1	51.5	58.1	25.5	34.9	43.4	47.1	48.6
Canada	24.5	30.4	31.7	-17.9	10.1	23.5	26.8	29.0
Chile	7.0	7.0	8.3	6.1	7.0	6.6	7.0	7.0
Colombia	0.0	0.0	0.0	-8.0	-5.4	-6.4	-5.4	0.0
Czech Republic	41.6	43.9	45.7	21.9	26.1	35.1	37.3	43.0
Denmark	32.4	35.2	40.8	4.0	25.1	30.5	32.2	34.1
Estonia	33.1	36.9	41.2	17.9	26.8	30.5	32.8	35.4
Finland	34.6	41.2	47.8	23.8	36.7	35.9	38.9	38.5
France	40.0	46.6	53.2	17.3	37.9	40.2	43.6	43.9
Germany	44.9	49.0	51.2	28.1	32.9	41.5	44.3	47.2
Greece	35.3	40.1	46.0	28.9	37.1	37.4	40.6	39.3
Hungary	43.6	43.6	43.6	22.6	30.1	35.6	36.9	43.6
Iceland	28.7	32.3	37.1	16.1	18.6	29.9	32.0	30.9
Ireland	24.1	32.3	41.2	1.3	16.1	24.2	29.1	28.1
Israel	15.3	22.4	32.0	2.7	19.9	16.0	19.2	19.1
Italy	40.0	46.0	53.7	23.9	36.4	40.0	43.4	43.6
Japan	31.2	32.7	35.2	17.4	27.5	29.7	30.7	32.1
Korea	20.0	23.3	26.1	13.9	18.3	19.3	21.0	22.0
Latvia	38.1	41.8	42.8	23.4	31.1	33.9	36.4	40.3
Lithuania	33.3	36.9	39.9	8.2	20.1	29.4	31.9	35.4
Luxembourg	29.9	37.5	45.1	6.1	16.3	25.5	30.4	32.4
Mexico	16.5	20.2	23.2	16.5	20.2	18.7	20.2	18.7
Netherlands	29.0	36.4	41.5	6.0	30.0	28.5	32.3	33.4
New Zealand	14.0	19.1	24.5	-18.1	5.0	17.6	19.1	17.1
Norway	32.8	35.8	41.5	22.4	32.2	32.5	34.0	34.6
Poland	34.1	34.8	35.4	-3.5	13.2	22.0	24.4	34.5
Portugal	37.1	41.3	46.7	23.4	30.0	36.4	38.8	39.4
Slovak Republic	38.8	41.2	43.2	28.9	30.1	36.3	37.9	40.3
Slovenia	40.1	42.9	45.9	14.3	25.5	35.5	38.6	41.8
Spain	35.8	39.3	43.8	24.5	33.9	36.3	37.9	37.9
Sweden	40.5	42.7	50.4	32.8	37.5	38.7	40.1	41.8
Switzerland	19.4	22.1	26.7	4.4	9.6	15.7	18.2	21.9
Turkey	36.4	39.7	42.9	35.1	38.2	37.8	39.2	38.4
United Kingdom	26.0	30.8	37.2	9.2	26.4	26.5	28.9	28.9
United States	24.9	28.3	34.5	7.0	14.0	21.3	24.1	26.2
<i>Unweighted average</i>								
OECD-Average	30.6	34.6	39.0	13.7	24.4	28.9	31.3	33.0
OECD-EU 22	37.0	41.3	45.8	18.2	29.1	34.3	37.1	39.5

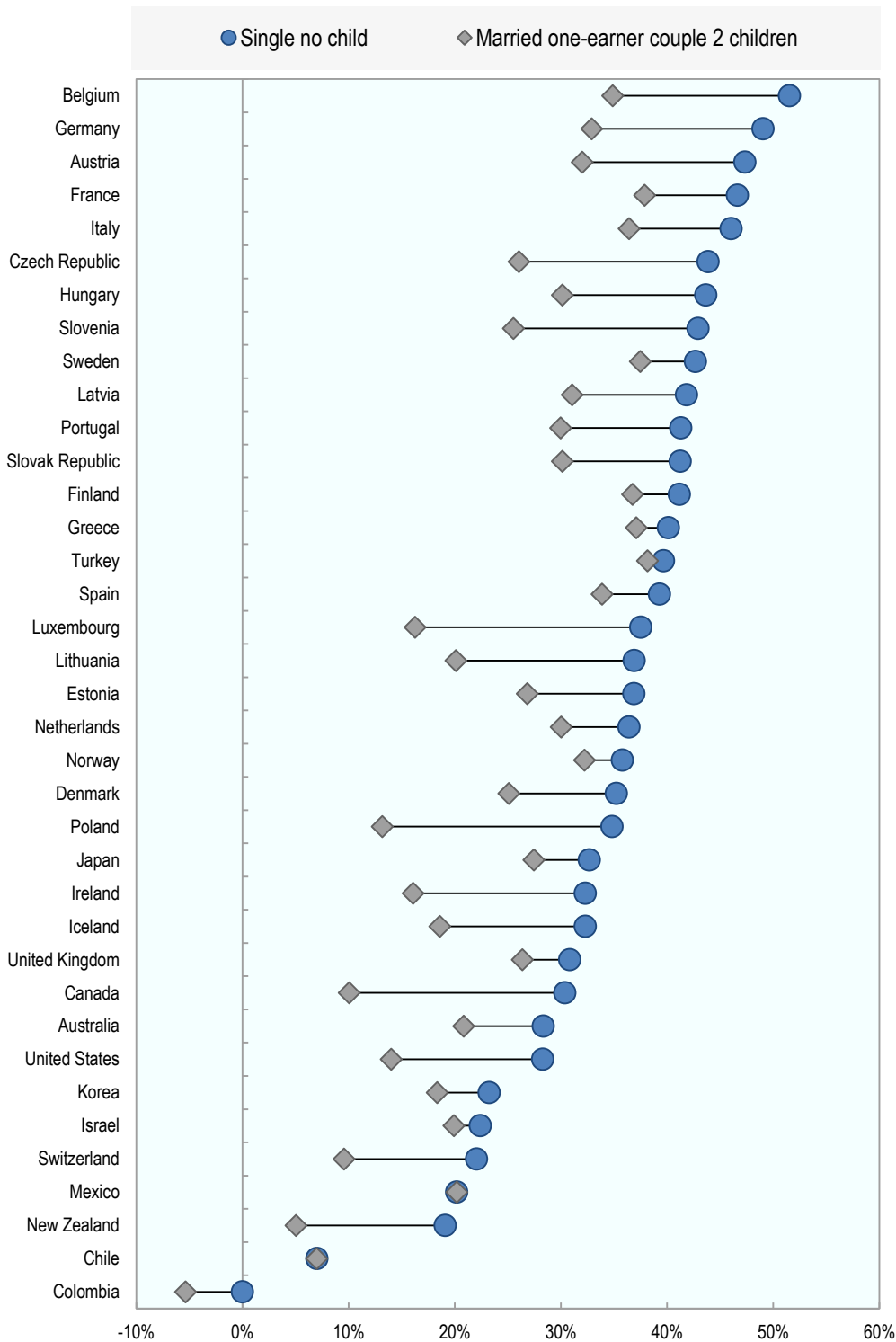
Note: ch = children

1. Two-earner couple.

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Figure 3.1. Income tax plus employee and employer contributions less cash benefits, 2020

As a % of labour costs, by household type



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Source: OECD calculations based on country submissions and OECD Economic Outlook, Volume 2020 issue 2.

StatLink  <https://stat.link/jgsbfa>

Table 3.2. Income tax plus employee contributions, 2020

As % of gross wage earnings, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	18.7	24.1	30.8	18.7	24.1	21.9	24.1	21.9
Austria	26.7	32.6	38.0	15.4	25.0	26.5	29.5	30.2
Belgium	30.1	38.4	46.8	23.9	25.8	33.5	36.9	35.1
Canada	19.1	23.2	26.5	10.7	18.7	21.6	23.2	21.6
Chile	7.0	7.0	8.3	7.0	7.0	7.0	7.0	7.0
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czech Republic	21.9	24.9	27.4	3.6	6.5	16.3	18.8	23.7
Denmark	32.6	35.3	40.8	30.8	31.4	34.2	35.3	34.2
Estonia	10.5	15.6	21.3	7.2	10.7	12.2	14.5	13.5
Finland	22.3	30.2	38.0	22.3	30.2	27.0	30.2	27.0
France	23.3	27.3	33.4	20.8	20.8	23.0	25.2	25.5
Germany	34.0	38.9	43.3	13.9	19.6	29.9	33.2	36.7
Greece	19.4	25.4	32.8	18.6	26.0	23.7	26.0	24.3
Hungary	33.5	33.5	33.5	19.2	23.9	27.8	28.7	33.5
Iceland	24.2	28.0	33.1	24.2	20.9	26.5	28.0	26.5
Ireland	15.7	24.8	34.7	10.5	14.0	20.1	24.8	20.1
Israel	11.4	18.0	27.6	4.1	18.0	13.1	15.9	14.9
Italy	21.0	29.0	39.0	13.2	22.0	22.8	26.6	25.8
Japan	20.6	22.3	26.1	20.6	21.0	21.6	22.3	21.6
Korea	11.4	15.0	18.9	9.8	13.0	12.7	14.3	13.5
Latvia	23.1	27.8	29.0	11.0	18.5	20.4	23.2	25.9
Lithuania	32.1	35.8	38.8	32.1	35.8	34.3	35.8	34.3
Luxembourg	20.3	28.9	37.5	12.8	17.9	23.1	27.3	23.1
Mexico	4.9	10.8	15.4	4.9	10.8	8.4	10.8	8.4
Netherlands	20.3	28.7	36.8	12.5	27.7	22.2	26.1	25.4
New Zealand	14.0	19.1	24.5	15.2	19.1	17.6	19.1	17.1
Norway	24.0	27.5	33.9	21.3	27.5	26.1	27.5	26.1
Poland	23.3	24.1	24.8	16.5	19.6	21.6	22.3	23.8
Portugal	22.1	27.4	34.1	12.9	16.8	21.3	24.3	25.0
Slovak Republic	20.4	23.5	26.0	14.2	13.6	19.8	21.4	22.2
Slovenia	30.5	33.7	37.2	24.5	25.9	28.9	30.8	32.4
Spain	16.6	21.1	26.9	1.9	14.1	17.2	19.4	19.3
Sweden	21.8	24.7	34.8	21.8	24.7	23.5	24.7	23.5
Switzerland	14.3	17.1	22.0	8.6	10.7	14.5	16.4	16.9
Turkey	25.3	29.1	33.0	23.7	27.3	26.9	28.6	27.6
United Kingdom	19.0	23.3	29.6	7.1	22.7	21.6	23.3	21.6
United States	21.6	24.4	29.2	4.6	12.6	18.1	20.7	22.5
<i>Unweighted average</i>								
OECD-Average	20.5	24.9	30.1	14.6	19.6	21.3	23.4	23.0
OECD-EU 22	23.7	28.7	34.3	16.4	21.4	24.1	26.6	26.6

Note: ch = children

1. Two-earner couple.


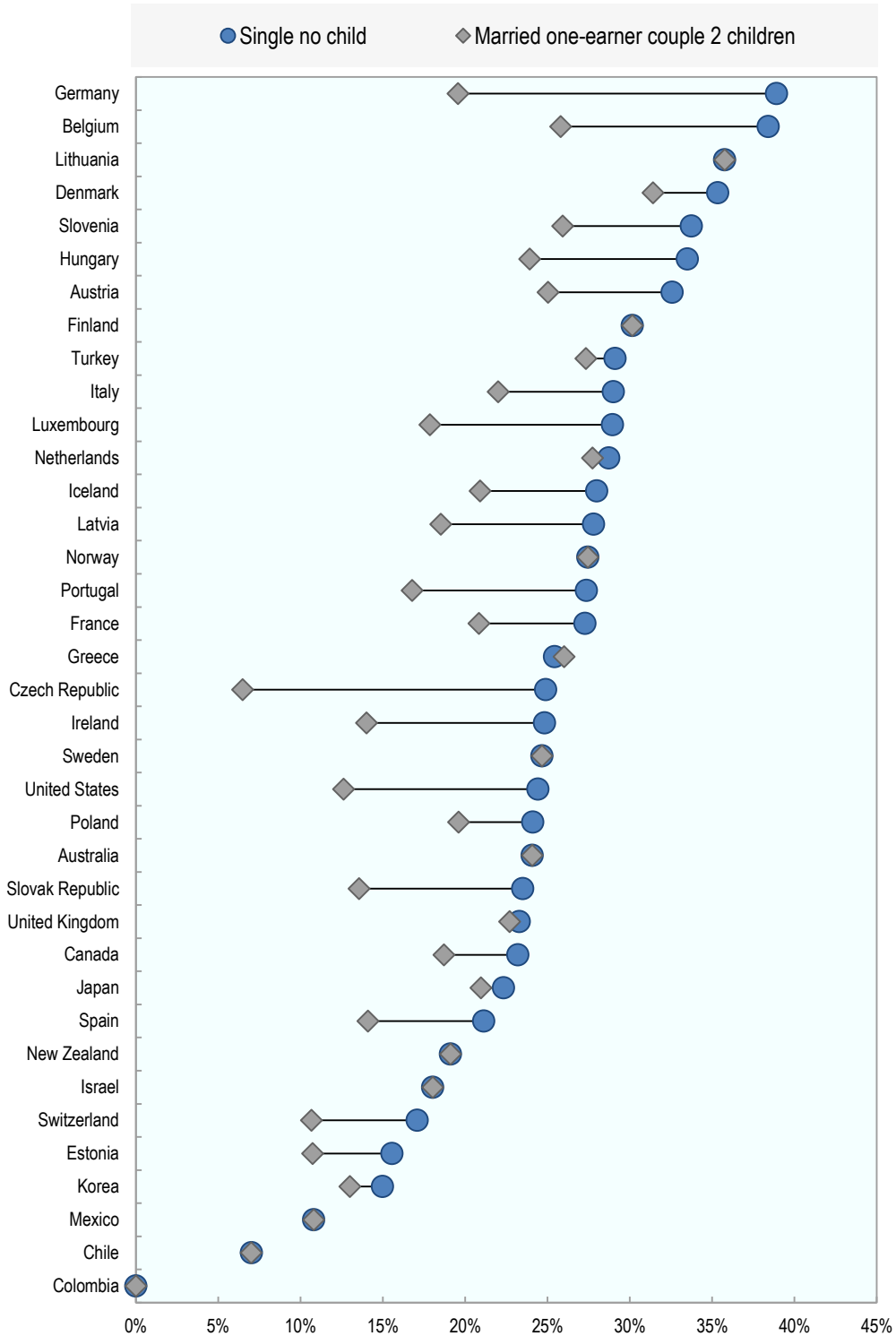
StatLink  <https://stat.link/fzbh1s>

Figure 3.2. Income tax plus employee contributions, 2020

As % of gross wage earnings, by household type and wage level



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Sources: country submissions, OECD Economic Outlook Volume 2020 issue 2.

Table 3.3. Income tax plus employee contributions less cash benefits, 2020

As % of gross wage earnings, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	18.7	24.1	30.8	-4.7	16.1	21.9	24.1	21.9
Austria	26.7	32.6	38.0	-2.6	12.9	19.3	23.4	30.2
Belgium	30.1	38.4	46.8	6.9	17.2	28.5	32.7	35.1
Canada	16.7	23.2	26.5	-30.1	0.7	15.6	19.2	21.6
Chile	7.0	7.0	8.3	6.1	7.0	6.6	7.0	7.0
Colombia	0.0	0.0	0.0	-8.0	-5.4	-6.4	-5.4	0.0
Czech Republic	21.9	24.9	27.4	-4.5	1.1	13.1	16.1	23.7
Denmark	32.4	35.2	40.8	4.0	25.1	30.5	32.2	34.1
Estonia	10.5	15.6	21.3	-9.8	2.1	7.0	10.1	13.5
Finland	22.3	30.2	38.0	9.6	24.9	23.9	27.5	27.0
France	23.3	27.3	33.4	-5.7	15.3	20.6	23.2	25.5
Germany	34.0	38.9	43.3	13.9	19.6	29.9	33.2	36.7
Greece	19.4	25.4	32.8	11.4	21.7	22.0	26.0	24.3
Hungary	33.5	33.5	33.5	8.6	17.6	24.0	25.5	33.5
Iceland	24.2	28.0	33.1	10.7	13.4	25.5	27.7	26.5
Ireland	15.7	24.8	34.7	-9.6	6.8	15.8	21.2	20.1
Israel	11.4	18.0	27.6	-1.8	15.4	11.6	14.6	14.9
Italy	21.0	29.0	39.0	-0.1	16.4	21.1	25.6	25.8
Japan	20.6	22.3	26.1	4.7	16.3	18.9	20.0	21.6
Korea	11.4	15.0	18.9	4.6	9.5	10.6	12.5	13.5
Latvia	23.1	27.8	29.0	4.9	14.4	17.9	21.1	25.9
Lithuania	32.1	35.8	38.8	6.6	18.7	28.2	30.7	34.3
Luxembourg	20.3	28.9	37.5	-6.8	4.7	15.2	20.8	23.1
Mexico	4.9	10.8	15.4	4.9	10.8	8.4	10.8	8.4
Netherlands	20.3	28.7	36.8	-5.5	21.6	19.9	24.1	25.4
New Zealand	14.0	19.1	24.5	-18.1	5.0	17.6	19.1	17.1
Norway	24.0	27.5	33.9	12.3	23.4	23.7	25.4	26.1
Poland	23.3	24.1	24.8	-20.5	-1.1	9.2	11.9	23.8
Portugal	22.1	27.4	34.1	5.3	13.3	21.3	24.3	25.0
Slovak Republic	20.4	23.5	26.0	7.4	9.0	17.1	19.2	22.2
Slovenia	30.5	33.7	37.2	0.5	13.5	25.1	28.7	32.4
Spain	16.6	21.1	26.9	1.9	14.1	17.2	19.4	19.3
Sweden	21.8	24.7	34.8	11.6	17.8	19.4	21.2	23.5
Switzerland	14.3	17.1	22.0	-1.7	3.8	10.4	13.0	16.9
Turkey	25.3	29.1	33.0	23.7	27.3	26.9	28.6	27.6
United Kingdom	19.0	23.3	29.6	0.6	18.3	19.0	21.1	21.6
United States	18.6	22.4	29.2	-0.8	7.0	14.7	17.9	20.1
<i>Unweighted average</i>								
OECD-Average	20.3	24.8	30.1	0.8	12.9	18.1	20.9	23.0
OECD-EU 22	23.7	28.7	34.3	1.3	13.9	20.3	23.6	26.6

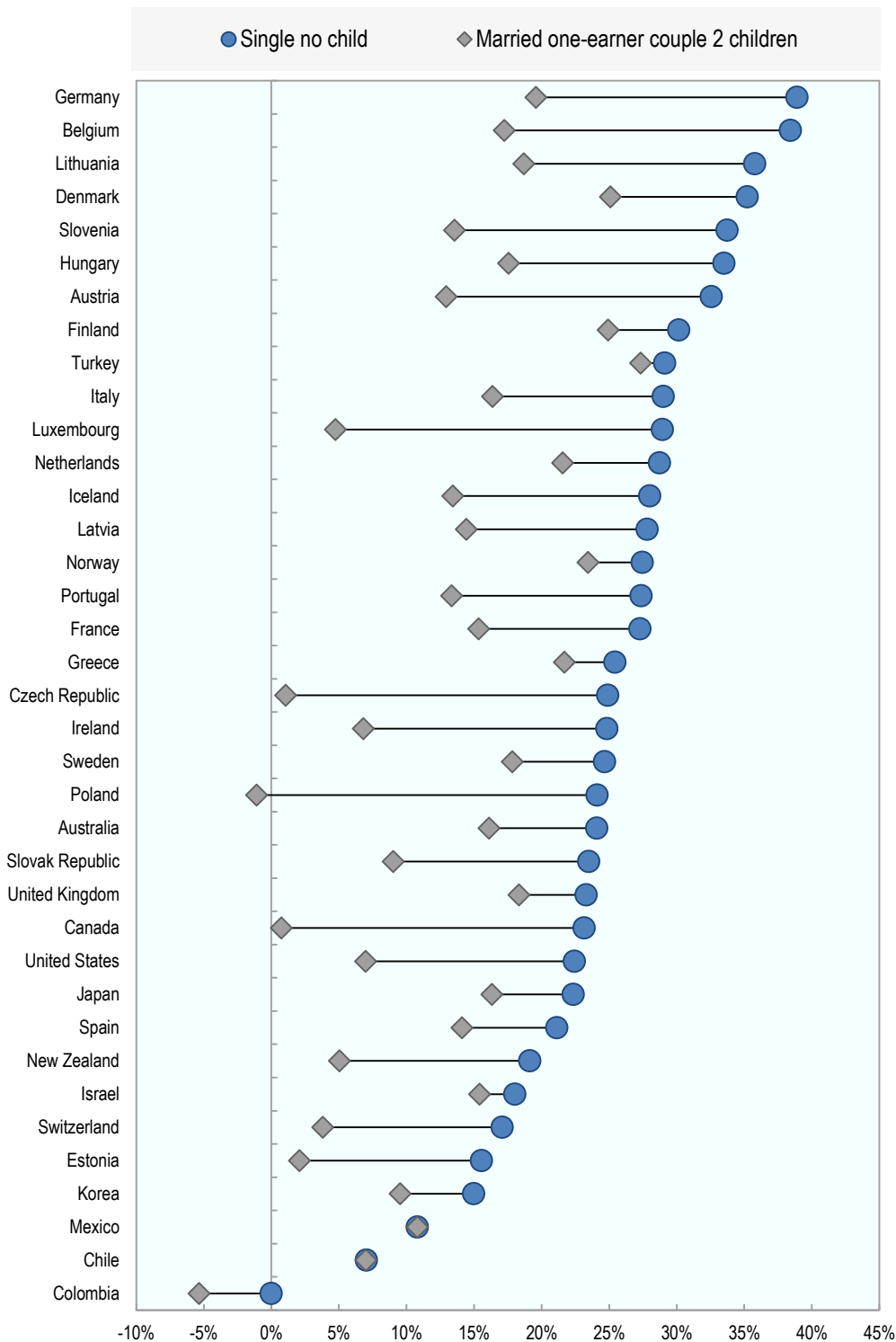
Note: ch = children

1. Two-earner couple.

StatLink  <https://stat.link/rjfy>

Figure 3.3. Income tax plus employee contributions less cash benefits, 2020

As % of gross wage earnings, by household type and wage level



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Source: OECD calculations based on country submissions and OECD Economic Outlook, Volume 2020 issue 2.


StatLink  <https://stat.link/23eykl>

Table 3.4. Income tax, 2020

As % of gross wage earnings, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	18.7	24.1	30.8	18.7	24.1	21.9	24.1	21.9
Austria	8.7	14.6	21.3	-2.6	7.1	8.5	11.5	12.2
Belgium	16.2	24.5	32.8	10.0	11.8	19.5	23.1	21.2
Canada	11.6	15.7	21.8	3.2	11.2	14.1	15.7	14.1
Chile	0.0	0.0	1.3	0.0	0.0	0.0	0.0	0.0
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czech Republic	10.9	13.9	16.4	-7.4	-4.5	5.3	7.8	12.7
Denmark	32.6	35.3	40.8	30.8	31.4	34.2	35.3	34.2
Estonia	8.9	14.0	19.7	5.6	9.1	10.6	12.9	11.9
Finland	12.4	20.0	27.8	12.4	20.0	16.9	20.0	16.9
France	12.0	16.0	22.4	9.5	9.5	11.7	13.9	14.2
Germany	13.9	18.8	27.1	-6.0	-0.3	10.0	13.3	16.6
Greece	3.9	9.9	17.3	3.1	10.5	8.2	10.5	8.8
Hungary	15.0	15.0	15.0	0.7	5.4	9.3	10.2	15.0
Iceland	23.7	27.7	32.9	23.7	20.6	26.1	27.7	26.1
Ireland	11.7	20.8	30.7	6.5	10.0	16.1	20.8	16.1
Israel	5.5	10.1	18.1	-1.8	10.1	6.1	8.0	7.8
Italy	11.5	19.5	29.5	3.7	12.5	13.3	17.2	16.3
Japan	6.2	7.9	12.9	6.2	6.5	7.2	7.9	7.2
Korea	2.4	6.0	10.9	0.8	4.0	3.7	5.3	4.6
Latvia	12.1	16.8	18.0	0.0	7.5	9.4	12.2	14.9
Lithuania	12.6	16.3	19.3	12.6	16.3	14.8	16.3	14.8
Luxembourg	8.0	16.7	25.2	0.6	5.6	10.8	15.0	10.8
Mexico	3.7	9.4	13.9	3.7	9.4	7.1	9.4	7.1
Netherlands	5.7	16.2	26.9	3.6	16.0	11.2	15.6	12.0
New Zealand	14.0	19.1	24.5	15.2	19.1	17.6	19.1	17.1
Norway	15.8	19.3	25.7	13.1	19.3	17.9	19.3	17.9
Poland	5.4	6.3	7.0	-1.3	1.8	3.8	4.5	5.9
Portugal	11.1	16.4	23.1	1.9	5.8	10.3	13.3	14.0
Slovak Republic	7.0	10.1	12.6	0.8	0.2	6.4	8.0	8.8
Slovenia	8.4	11.6	15.1	2.4	3.8	6.8	8.7	10.3
Spain	10.2	14.8	20.6	-4.4	7.8	10.9	13.0	13.0
Sweden	14.9	17.7	29.9	14.9	17.7	16.5	17.7	16.5
Switzerland	7.9	10.7	15.6	2.2	4.3	8.1	10.0	10.5
Turkey	10.3	14.1	18.0	8.7	12.3	11.9	13.6	12.6
United Kingdom	11.1	14.0	22.1	-0.8	13.4	12.8	14.0	12.8
United States	13.9	16.8	21.6	-3.0	5.0	10.5	13.1	14.9
<i>Unweighted average</i>								
OECD-Average	10.8	15.1	20.8	5.1	9.8	11.6	13.7	13.3
OECD-EU 22	11.5	16.6	22.7	4.4	9.3	12.0	14.6	14.4

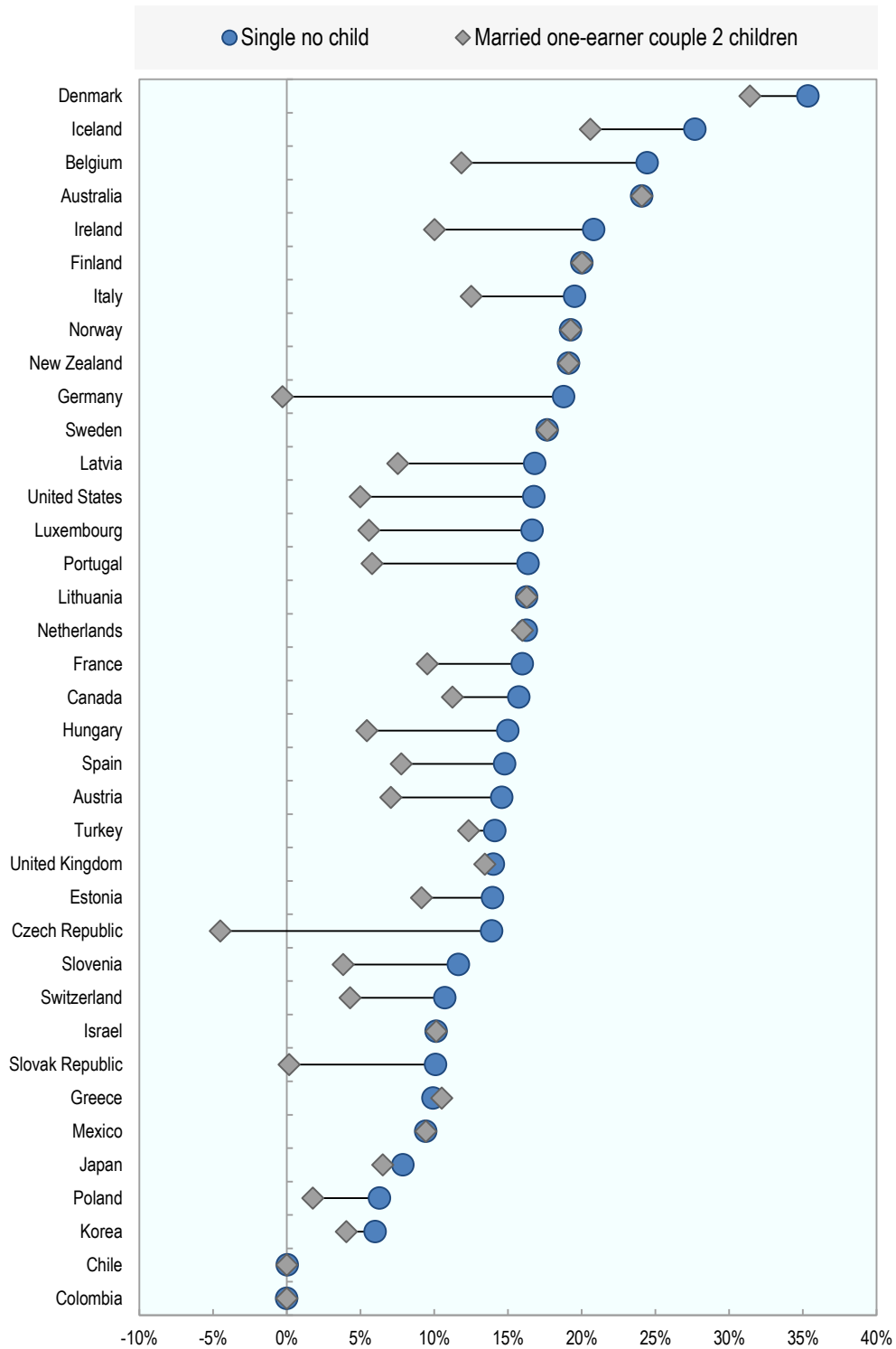
Note: ch = children

1. Two-earner couple.

StatLink  <https://stat.link/xg93vh>

Figure 3.4. Income tax, by household type, 2020

As % of gross wage earnings



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Source: OECD calculations based on country submissions and OECD Economic Outlook, Volume 2020 issue 2.

StatLink  <https://stat.link/nqltx4>

Table 3.5. Employee contributions, 2020

As % of gross wage earnings, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Austria	18.0	18.0	16.6	18.0	18.0	18.0	18.0	18.0
Belgium	13.8	14.0	14.0	13.8	14.0	14.0	13.8	14.0
Canada	7.5	7.5	4.7	7.5	7.5	7.5	7.5	7.5
Chile	7.0	7.0	7.0	7.0	7.0	7.0	7.0	7.0
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czech Republic	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Denmark	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Estonia	1.6	1.6	1.6	1.6	1.6	1.6	1.6	1.6
Finland	10.0	10.2	10.2	10.0	10.2	10.1	10.2	10.1
France	11.3	11.3	11.0	11.3	11.3	11.3	11.3	11.3
Germany	20.1	20.1	16.2	19.9	19.9	19.9	19.9	20.1
Greece	15.5	15.5	15.5	15.5	15.5	15.5	15.5	15.5
Hungary	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Iceland	0.5	0.3	0.2	0.5	0.3	0.4	0.3	0.4
Ireland	4.0	4.0	4.0	4.0	4.0	4.0	4.0	4.0
Israel	5.9	7.9	9.5	5.9	7.9	7.1	7.9	7.1
Italy	9.5	9.5	9.6	9.5	9.5	9.5	9.5	9.5
Japan	14.5	14.5	13.2	14.5	14.5	14.5	14.5	14.5
Korea	9.0	9.0	8.0	9.0	9.0	9.0	9.0	9.0
Latvia	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Lithuania	19.5	19.5	19.5	19.5	19.5	19.5	19.5	19.5
Luxembourg	12.2	12.3	12.4	12.2	12.3	12.3	12.3	12.3
Mexico	1.3	1.4	1.5	1.3	1.4	1.3	1.4	1.3
Netherlands	14.7	12.5	9.9	8.9	11.8	11.0	10.5	13.4
New Zealand	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Norway	8.2	8.2	8.2	8.2	8.2	8.2	8.2	8.2
Poland	17.8	17.8	17.8	17.8	17.8	17.8	17.8	17.8
Portugal	11.0	11.0	11.0	11.0	11.0	11.0	11.0	11.0
Slovak Republic	13.4	13.4	13.4	13.4	13.4	13.4	13.4	13.4
Slovenia	22.1	22.1	22.1	22.1	22.1	22.1	22.1	22.1
Spain	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Sweden	7.0	7.0	4.8	7.0	7.0	7.0	7.0	7.0
Switzerland	6.4	6.4	6.4	6.4	6.4	6.4	6.4	6.4
Turkey	15.0	15.0	15.0	15.0	15.0	15.0	15.0	15.0
United Kingdom	7.9	9.3	7.5	7.9	9.3	8.7	9.3	8.7
United States	7.7	7.7	7.7	7.7	7.7	7.7	7.7	7.7
<i>Unweighted average</i>								
OECD-Average	9.7	9.7	9.3	9.5	9.7	9.7	9.7	9.7
OECD-EU 22	12.2	12.1	11.7	11.9	12.1	12.0	12.0	12.2

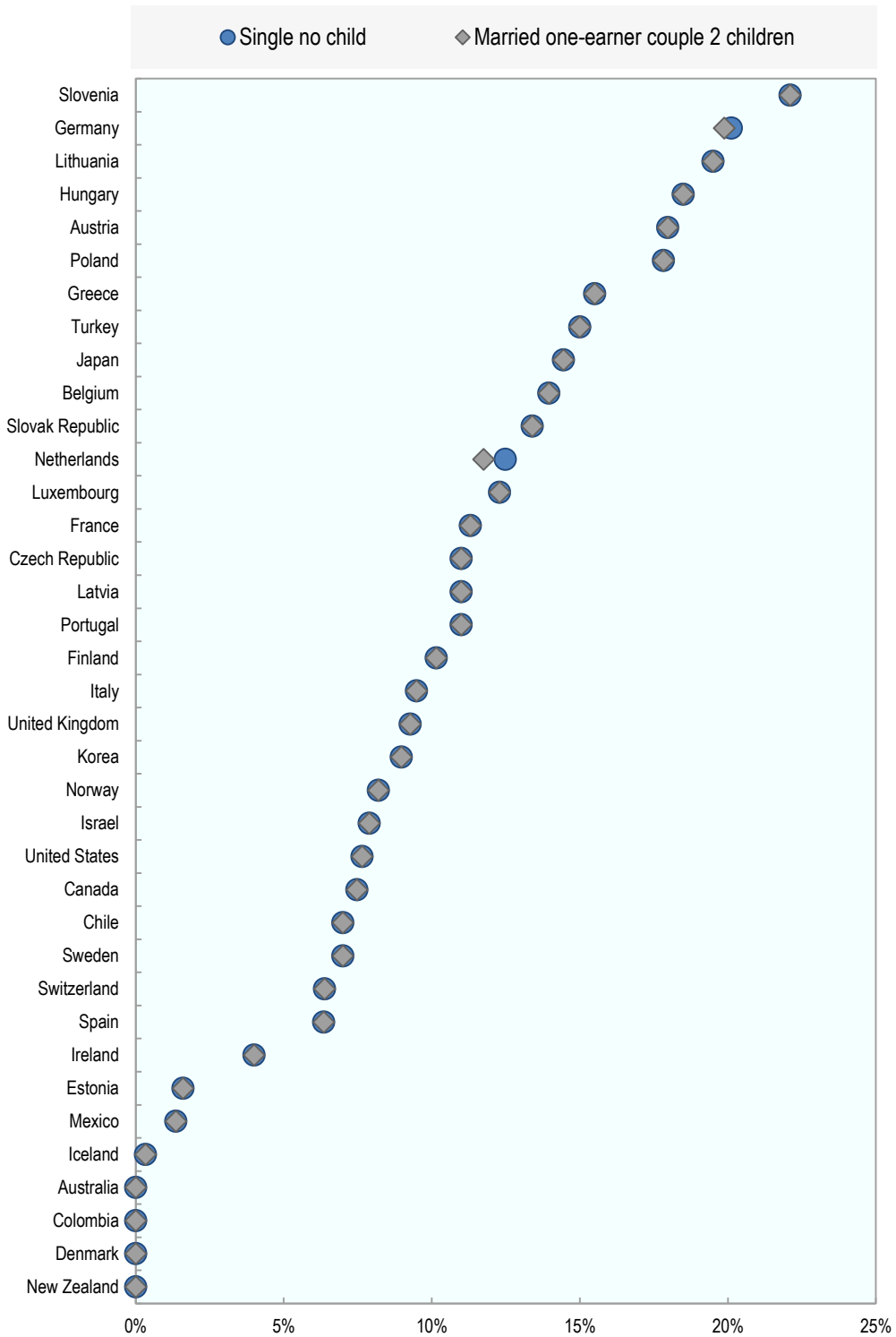
Note: ch = children

1. Two-earner couple.

StatLink  <https://stat.link/0mvs8d>

Figure 3.5. Employee contributions, 2020

As % of gross wage earnings, by household type



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Source: OECD calculations based on country submissions and OECD Economic Outlook, Volume 2020 issue 2.

StatLink  <https://stat.link/saml41>

Table 3.6. Marginal rate of income tax plus employee and employer contributions less cash benefits, 2020

As % of labour costs, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	39.6	45.3	42.4	58.5	45.3	45.3	45.3	45.3
Austria	55.7	59.5	40.9	55.7	59.5	59.5	59.5	59.5
Belgium	65.3	65.1	67.8	65.3	60.7	65.1	64.2	65.1
Canada	47.2	43.6	39.1	56.9	75.2	44.3	44.3	39.1
Chile	7.0	10.2	10.2	7.0	7.0	7.0	7.0	10.2
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czech Republic	48.5	48.5	48.5	48.5	48.5	48.5	48.5	48.5
Denmark	38.7	41.7	55.5	36.9	41.7	41.7	41.7	41.7
Estonia	41.2	49.5	41.2	41.2	49.5	49.5	49.5	49.5
Finland	44.9	55.0	58.1	44.9	55.0	55.0	55.0	55.0
France	64.6	58.2	59.4	74.6	64.5	50.6	58.2	47.9
Germany	55.1	59.6	44.3	52.6	51.8	57.1	59.4	57.3
Greece	47.1	49.9	55.9	47.1	49.9	49.9	49.9	49.9
Hungary	43.6	43.6	43.6	43.6	43.6	43.6	43.6	43.6
Iceland	39.5	39.5	47.7	49.9	48.6	46.3	39.5	39.5
Ireland	35.6	53.6	56.8	74.2	53.6	53.6	53.6	53.6
Israel	31.2	36.8	50.7	34.4	36.8	36.8	36.8	36.8
Italy	54.7	54.7	62.9	55.9	55.9	55.3	55.3	54.7
Japan	33.1	37.3	37.0	52.4	37.3	37.3	37.3	37.3
Korea	29.2	30.7	32.6	22.9	30.7	30.7	30.7	30.7
Latvia	49.5	49.5	45.0	28.3	49.5	49.5	49.5	49.5
Lithuania	44.3	44.3	44.3	44.3	44.3	44.3	44.3	44.3
Luxembourg	44.8	57.0	55.7	49.1	39.4	51.1	57.0	51.1
Mexico	17.5	25.2	28.4	17.5	25.2	25.2	25.2	25.2
Netherlands	51.6	51.6	51.8	57.2	57.2	51.6	51.6	51.6
New Zealand	17.5	30.0	33.0	42.5	55.0	30.0	30.0	30.0
Norway	41.9	41.9	52.6	41.9	41.9	41.9	41.9	41.9
Poland	36.3	36.3	36.3	96.9	36.3	36.3	36.3	36.3
Portugal	46.7	51.1	58.0	46.7	46.7	51.1	51.1	51.1
Slovak Republic	46.1	46.1	46.1	46.1	46.1	46.1	46.1	46.1
Slovenia	43.6	50.3	50.3	43.6	43.6	43.6	43.6	50.3
Spain	44.6	48.3	54.1	44.6	46.1	48.3	48.3	48.3
Sweden	45.3	48.5	66.0	45.3	48.5	48.5	48.5	48.5
Switzerland	26.5	30.3	36.7	19.0	22.2	29.5	32.8	30.3
Turkey	42.8	47.8	47.8	42.8	47.8	47.8	47.8	47.8
United Kingdom	40.2	40.2	49.0	76.3	40.2	40.2	40.2	40.2
United States	31.5	40.8	42.7	52.3	31.5	31.5	40.8	31.5
<i>Unweighted average</i>								
OECD-Average	40.3	43.8	45.7	46.4	44.2	43.1	43.6	43.0
OECD-EU 22	47.6	51.0	51.9	51.9	49.6	50.0	50.7	50.2

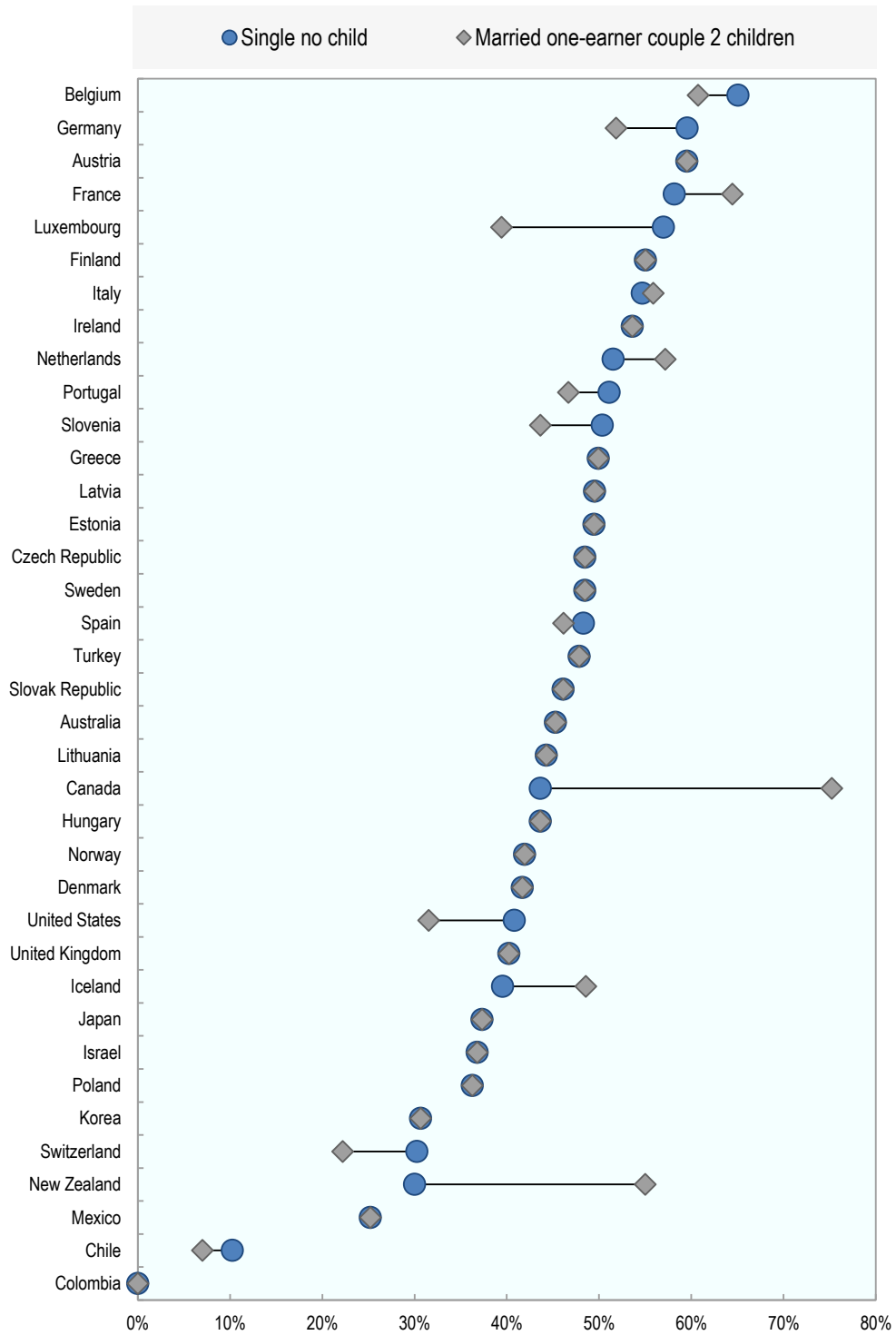
Note: ch = children

It is assumed that gross earnings of the principal earner in the household rise. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

1. Two-earner couple.

Figure 3.6. Marginal rate of income tax plus employee and employer contributions less cash benefits, 2020

As % of labour costs, by household type



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Source: OECD calculations based on country submissions and OECD Economic Outlook, Volume 2020 issue 2.

StatLink  <https://stat.link/bv07ez>

Table 3.7. Marginal rate of income tax plus employee contributions less cash benefits, 2020

As % of gross wage earnings, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	36.0	42.0	39.0	56.0	42.0	42.0	42.0	42.0
Austria	43.3	48.2	36.9	43.3	48.2	48.2	48.2	48.2
Belgium	51.0	55.6	59.1	51.0	50.1	55.6	54.5	55.6
Canada	41.5	38.8	37.9	52.2	73.1	39.5	39.5	33.8
Chile	7.0	10.2	10.2	7.0	7.0	7.0	7.0	10.2
Colombia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Czech Republic	31.1	31.1	31.1	31.1	31.1	31.1	31.1	31.1
Denmark	38.7	41.7	55.5	36.9	41.7	41.7	41.7	41.7
Estonia	21.3	32.4	21.3	21.3	32.4	32.4	32.4	32.4
Finland	34.6	46.6	50.2	34.6	46.6	46.6	46.6	46.6
France	32.6	43.0	42.2	51.6	51.6	32.6	43.0	29.0
Germany	46.2	51.5	44.3	43.2	42.3	48.6	51.3	48.9
Greece	34.1	37.6	45.1	34.1	37.6	37.6	37.6	37.6
Hungary	33.5	33.5	33.5	33.5	33.5	33.5	33.5	33.5
Iceland	35.7	35.7	44.4	46.7	45.3	42.9	35.7	35.7
Ireland	28.5	48.5	52.0	71.4	48.5	48.5	48.5	48.5
Israel	26.0	32.0	47.0	29.4	32.0	32.0	32.0	32.0
Italy	40.4	40.4	51.2	42.0	42.0	41.2	41.2	40.4
Japan	22.8	27.7	33.1	45.1	27.7	27.7	27.7	27.7
Korea	21.5	23.2	28.4	14.6	23.2	23.2	23.2	23.2
Latvia	37.4	37.4	31.8	11.0	37.4	37.4	37.4	37.4
Lithuania	43.3	43.3	43.3	43.3	43.3	43.3	43.3	43.3
Luxembourg	37.2	51.1	49.6	42.1	31.1	44.4	51.1	44.4
Mexico	12.1	19.5	22.9	12.1	19.5	19.5	19.5	19.5
Netherlands	45.8	45.8	51.8	52.1	52.1	45.8	45.8	45.8
New Zealand	17.5	30.0	33.0	42.5	55.0	30.0	30.0	30.0
Norway	34.4	34.4	46.4	34.4	34.4	34.4	34.4	34.4
Poland	25.8	25.8	25.8	96.3	25.8	25.8	25.8	25.8
Portugal	34.0	39.5	48.0	34.0	34.0	39.5	39.5	39.5
Slovak Republic	29.9	29.9	29.9	29.9	29.9	29.9	29.9	29.9
Slovenia	34.6	42.4	42.4	34.6	34.6	34.6	34.6	42.4
Spain	28.1	32.9	40.4	28.1	30.0	32.9	32.9	32.9
Sweden	28.1	32.3	55.3	28.1	32.3	32.3	32.3	32.3
Switzerland	21.8	25.8	32.7	13.9	17.3	25.0	28.5	25.9
Turkey	32.8	38.7	38.7	32.8	38.7	38.7	38.7	38.7
United Kingdom	32.0	32.0	42.0	73.0	32.0	32.0	32.0	32.0
United States	26.3	36.3	38.3	48.6	26.3	26.3	36.3	26.3
<i>Unweighted average</i>								
OECD-Average	31.0	35.6	38.8	37.9	35.9	34.7	35.4	34.5
OECD-EU 22	35.4	40.5	42.8	40.6	38.9	39.2	40.1	39.4

Note: ch = children

It is assumed that gross earnings of the principal earner in the household rise. The outcome may differ if the wage of the spouse goes up, especially if partners are taxed individually.

1. Two-earner couple.


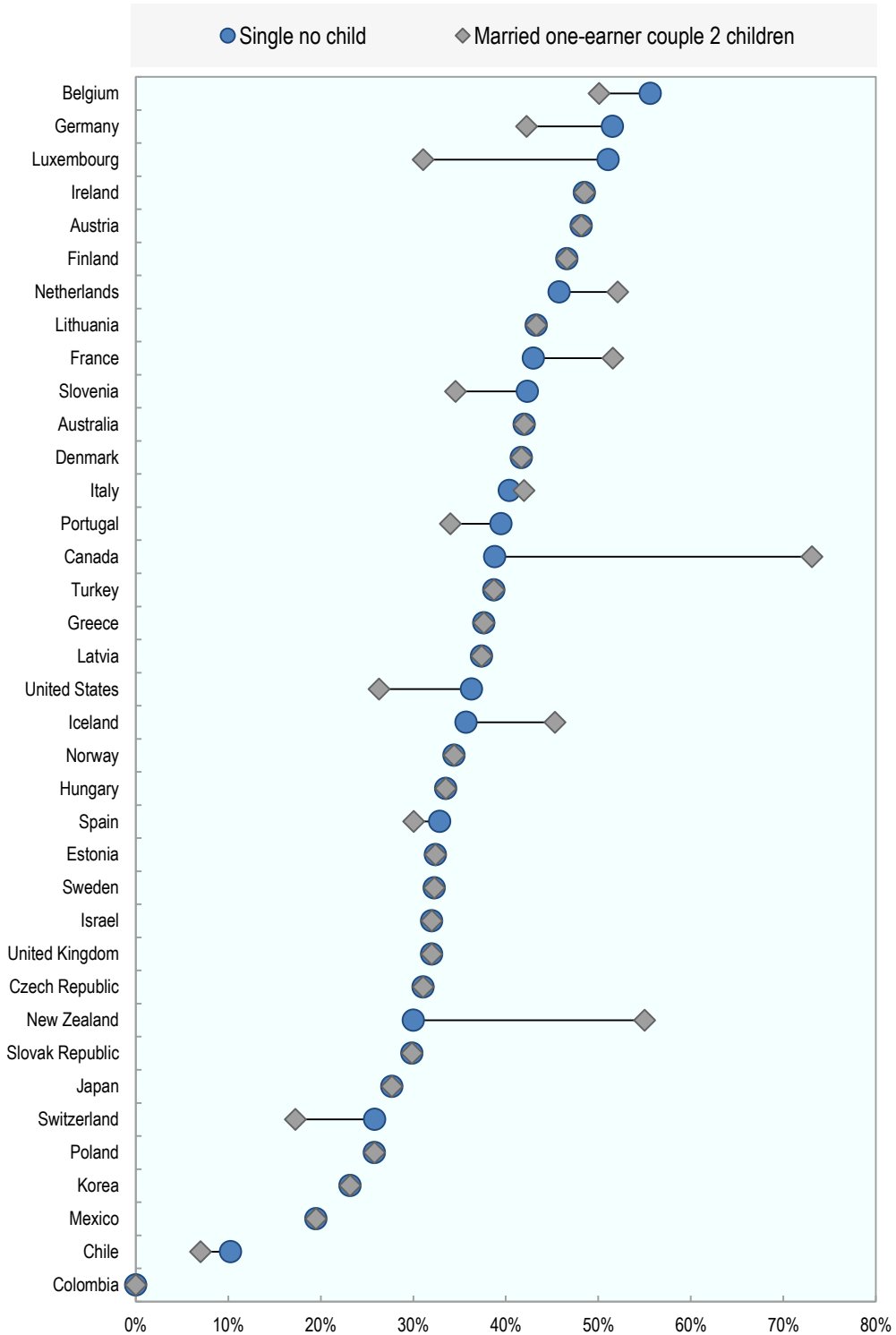
StatLink  <https://stat.link/1zou37>

Figure 3.7. Marginal rate of income tax plus employee contributions less cash benefits, 2020

As % of gross wage earnings, by household type



Note: The household type 'single no child' corresponds to a wage level of 100% of average wage. The household type 'married one earner couple 2 children' corresponds to a combined wage level of 100%-0% of average wage.

Source: OECD calculations based on country submissions and OECD Economic Outlook, Volume 2020 issue 2.

StatLink  <https://stat.link/bhi2ej>

Table 3.8. Percentage increase in net income relative to percentage increase in gross wages, 2020
After an increase of 1 currency unit in gross wages, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	0.79	0.76	0.88	0.42	0.69	0.74	0.76	0.74
Austria	0.77	0.77	1.02	0.55	0.60	0.64	0.68	0.74
Belgium	0.70	0.72	0.77	0.53	0.60	0.62	0.68	0.68
Canada	0.70	0.80	0.84	0.37	0.27	0.72	0.75	0.84
Chile	1.00	0.97	0.98	0.99	1.00	1.00	1.00	0.97
Colombia	1.00	1.00	1.00	0.93	0.95	0.94	0.95	1.00
Czech Republic	0.88	0.92	0.95	0.66	0.70	0.79	0.82	0.90
Denmark	0.91	0.90	0.75	0.66	0.78	0.84	0.86	0.88
Estonia	0.88	0.80	1.00	0.72	0.69	0.73	0.75	0.78
Finland	0.84	0.76	0.80	0.72	0.71	0.70	0.74	0.73
France	0.88	0.78	0.87	0.46	0.57	0.85	0.74	0.95
Germany	0.82	0.79	0.98	0.66	0.72	0.73	0.73	0.81
Greece	0.82	0.84	0.82	0.74	0.80	0.80	0.84	0.82
Hungary	1.00	1.00	1.00	0.73	0.81	0.87	0.89	1.00
Iceland	0.85	0.89	0.83	0.60	0.63	0.77	0.89	0.87
Ireland	0.85	0.69	0.73	0.26	0.55	0.61	0.65	0.64
Israel	0.83	0.83	0.73	0.69	0.80	0.77	0.80	0.80
Italy	0.75	0.84	0.80	0.58	0.69	0.75	0.79	0.80
Japan	0.97	0.93	0.90	0.58	0.86	0.89	0.90	0.92
Korea	0.89	0.90	0.88	0.89	0.85	0.86	0.88	0.89
Latvia	0.81	0.87	0.96	0.94	0.73	0.76	0.79	0.85
Lithuania	0.83	0.88	0.93	0.61	0.70	0.79	0.82	0.86
Luxembourg	0.79	0.69	0.81	0.54	0.72	0.66	0.62	0.72
Mexico	0.92	0.90	0.91	0.92	0.90	0.88	0.90	0.88
Netherlands	0.68	0.76	0.76	0.45	0.61	0.68	0.71	0.73
New Zealand	0.96	0.87	0.89	0.49	0.47	0.85	0.87	0.84
Norway	0.86	0.90	0.81	0.75	0.86	0.86	0.88	0.89
Poland	0.97	0.98	0.99	0.03	0.73	0.82	0.84	0.97
Portugal	0.85	0.83	0.79	0.70	0.76	0.77	0.80	0.81
Slovak Republic	0.88	0.92	0.95	0.76	0.77	0.85	0.87	0.90
Slovenia	0.94	0.87	0.92	0.66	0.76	0.87	0.92	0.85
Spain	0.86	0.85	0.82	0.73	0.81	0.81	0.83	0.83
Sweden	0.92	0.90	0.69	0.81	0.82	0.84	0.86	0.89
Switzerland	0.91	0.89	0.86	0.85	0.86	0.84	0.82	0.89
Turkey	0.90	0.86	0.91	0.88	0.84	0.84	0.86	0.85
United Kingdom	0.84	0.89	0.82	0.27	0.83	0.84	0.86	0.87
United States	0.91	0.82	0.87	0.51	0.79	0.86	0.78	0.92
<i>Unweighted average</i>								
OECD-Average	0.86	0.85	0.87	0.64	0.74	0.80	0.81	0.85
OECD-EU 22	0.85	0.83	0.87	0.61	0.71	0.76	0.78	0.83

Note: ch = children

Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity. The reported elasticities in Table 3.8 are calculated as $(100 - \text{METR}) / (100 - \text{AETR})$, where METR is the marginal rate of income tax plus employee social security contributions less cash benefits reported in Table 3.7 and AETR is the average rate plus employee social security contributions less cash benefits reported in Table 3.3.

1. Two-earner couple. Assumes a rise in the labour costs associated with the principal earner in the household.

Table 3.9. Percentage increase in net income relative to percentage increase in gross labour cost, 2020

After an increase of 1 currency unit in gross labour cost, by household type and wage level

	Single no ch 67 (% AW)	Single no ch 100 (% AW)	Single no ch 167 (% AW)	Single 2 ch 67 (% AW)	Married 2 ch 100-0 (% AW)	Married 2 ch 100-67 (% AW) ¹	Married 2 ch 100-100 (% AW) ¹	Married no ch 100-67 (% AW) ¹
Australia	0.79	0.76	0.88	0.42	0.69	0.74	0.76	0.74
Austria	0.77	0.77	1.20	0.55	0.60	0.64	0.68	0.74
Belgium	0.62	0.72	0.77	0.47	0.60	0.62	0.68	0.68
Canada	0.70	0.81	0.89	0.37	0.28	0.73	0.76	0.86
Chile	1.00	0.97	0.98	0.99	1.00	1.00	1.00	0.97
Colombia	1.00	1.00	1.00	0.93	0.95	0.94	0.95	1.00
Czech Republic	0.88	0.92	0.95	0.66	0.70	0.79	0.82	0.90
Denmark	0.91	0.90	0.75	0.66	0.78	0.84	0.86	0.88
Estonia	0.88	0.80	1.00	0.72	0.69	0.73	0.75	0.78
Finland	0.84	0.76	0.80	0.72	0.71	0.70	0.74	0.73
France	0.59	0.78	0.87	0.31	0.57	0.83	0.74	0.93
Germany	0.82	0.79	1.14	0.66	0.72	0.73	0.73	0.81
Greece	0.82	0.84	0.82	0.74	0.80	0.80	0.84	0.82
Hungary	1.00	1.00	1.00	0.73	0.81	0.87	0.89	1.00
Iceland	0.85	0.89	0.83	0.60	0.63	0.77	0.89	0.87
Ireland	0.85	0.69	0.73	0.26	0.55	0.61	0.65	0.64
Israel	0.81	0.81	0.72	0.67	0.79	0.75	0.78	0.78
Italy	0.75	0.84	0.80	0.58	0.69	0.75	0.79	0.80
Japan	0.97	0.93	0.97	0.58	0.86	0.89	0.90	0.92
Korea	0.89	0.90	0.91	0.89	0.85	0.86	0.88	0.89
Latvia	0.81	0.87	0.96	0.94	0.73	0.76	0.79	0.85
Lithuania	0.83	0.88	0.93	0.61	0.70	0.79	0.82	0.86
Luxembourg	0.79	0.69	0.81	0.54	0.72	0.66	0.62	0.72
Mexico	0.99	0.94	0.93	0.99	0.94	0.92	0.94	0.92
Netherlands	0.68	0.76	0.82	0.46	0.61	0.68	0.72	0.73
New Zealand	0.96	0.87	0.89	0.49	0.47	0.85	0.87	0.84
Norway	0.86	0.90	0.81	0.75	0.86	0.86	0.88	0.89
Poland	0.97	0.98	0.99	0.03	0.73	0.82	0.84	0.97
Portugal	0.85	0.83	0.79	0.70	0.76	0.77	0.80	0.81
Slovak Republic	0.88	0.92	0.95	0.76	0.77	0.85	0.87	0.90
Slovenia	0.94	0.87	0.92	0.66	0.76	0.87	0.92	0.85
Spain	0.86	0.85	0.82	0.73	0.81	0.81	0.83	0.83
Sweden	0.92	0.90	0.69	0.81	0.82	0.84	0.86	0.89
Switzerland	0.91	0.89	0.86	0.85	0.86	0.84	0.82	0.89
Turkey	0.90	0.86	0.91	0.88	0.84	0.84	0.86	0.85
United Kingdom	0.81	0.86	0.81	0.26	0.81	0.81	0.84	0.84
United States	0.91	0.83	0.87	0.51	0.80	0.87	0.78	0.93
<i>Unweighted average</i>								
OECD-Average	0.85	0.85	0.89	0.63	0.74	0.80	0.81	0.85
OECD-EU 22	0.83	0.83	0.89	0.60	0.71	0.76	0.78	0.82

Note: ch = children

Net income is calculated as gross earnings minus personal income tax and employees' social security contributions plus family benefits. The increase reported in the Table represents a form of elasticity. In a proportional tax system the elasticity would equal 1. The more progressive the system at these income levels, the lower is the elasticity. The reported elasticities in Table 3.9 are calculated as $(100 - \text{METR}) / (100 - \text{AETR})$, where METR is the marginal rate of income tax plus employee and employer social security contributions less cash benefits reported in Table 3.6 and AETR is the average rate plus employee and employer social security contributions less cash benefits reported in Table 3.1.

1. Two-earner couple. Assumes a rise in the labour costs associated with the principal earner in the household.

Table 3.10. Annual gross wage and net income, single person, 2020
In US dollars using PPP, by household type and wage level

	Gross		Single no ch 100 (% AW)		Single no ch 167 (% AW)		Single 2 ch 67 (% AW)	
	Total gross earnings before taxes	Net income after taxes	Total gross earnings before taxes	Net income after taxes	Total gross earnings before taxes	Net income after taxes	Total gross earnings before taxes	Net income after taxes
Australia	42 488	34 543	63 415	48 145	105 902	73 327	42 488	44 483
Austria	42 851	31 421	63 956	43 126	106 807	66 241	42 851	43 982
Belgium	42 682	29 845	63 704	39 233	106 386	56 602	42 682	39 733
Canada	32 519	27 076	48 536	37 296	81 055	59 586	32 519	42 319
Chile	16 113	14 985	24 050	22 358	40 163	36 820	16 113	15 127
Colombia	8 014	8 014	11 961	11 961	19 974	19 974	8 014	8 655
Czech Republic	21 183	16 554	31 616	23 745	52 799	38 346	21 183	22 138
Denmark	43 515	29 404	64 948	42 067	108 463	64 231	43 515	41 759
Estonia	21 100	18 881	31 492	26 592	52 592	41 400	21 100	23 178
Finland	35 966	27 933	53 680	37 490	89 646	55 586	35 966	32 531
France	34 830	26 718	51 985	37 801	86 816	57 840	34 830	36 821
Germany	47 204	31 152	70 454	43 041	117 658	66 685	47 204	40 665
Greece	25 966	20 921	38 755	28 898	64 721	43 504	25 966	22 994
Hungary	22 852	15 197	34 107	22 681	56 959	37 878	22 852	20 881
Iceland	44 173	33 480	65 930	47 469	110 103	73 629	44 173	39 434
Ireland	38 665	32 581	57 709	43 383	96 375	62 952	38 665	42 376
Israel	28 611	25 361	42 703	35 004	71 314	51 638	28 611	29 129
Italy	29 986	23 679	44 755	31 772	74 742	45 578	29 986	30 015
Japan	34 363	27 277	51 288	39 832	85 651	63 323	34 363	32 736
Korea	35 700	31 625	53 284	45 303	88 984	72 183	35 700	34 067
Latvia	17 706	13 615	26 427	19 077	44 133	31 327	17 706	16 843
Lithuania	24 426	16 594	36 456	23 416	60 881	37 265	24 426	22 821
Luxembourg	44 885	35 795	66 993	47 600	111 878	69 875	44 885	47 926
Mexico	9 324	8 863	13 917	12 414	23 241	19 660	9 324	8 863
Netherlands	46 373	36 949	69 213	49 331	115 586	73 004	46 373	48 919
New Zealand	29 140	25 058	43 493	35 177	72 633	54 820	29 140	34 416
Norway	42 368	32 183	63 236	45 873	105 604	69 819	42 368	37 157
Poland	22 739	17 447	33 939	25 757	56 678	42 627	22 739	27 391
Portugal	22 471	17 497	33 539	24 362	56 009	36 935	22 471	21 289
Slovak Republic	17 385	13 843	25 948	19 850	43 333	32 045	17 385	16 092
Slovenia	23 973	16 668	35 781	23 709	59 754	37 529	23 973	23 852
Spain	28 851	24 070	43 062	33 960	71 913	52 534	28 851	28 294
Sweden	35 626	27 845	53 173	40 060	88 798	57 901	35 626	31 476
Switzerland	51 535	44 187	76 918	63 770	128 453	100 192	51 535	52 399
Turkey	24 774	18 513	36 976	26 214	61 750	41 398	24 774	18 906
United Kingdom	38 763	31 396	57 855	44 379	96 618	67 995	38 763	38 518
United States	40 348	32 838	60 220	46 715	100 568	71 163	40 348	40 688
<i>Unweighted average</i>								
OECD-Average	31 607	24 865	47 175	34 834	78 782	53 606	31 607	31 321
OECD-EU 22	31 420	23 846	46 895	33 043	78 315	50 358	31 420	30 999

StatLink  <https://stat.link/5ifmj1>

Table 3.11. Annual gross wage and net income, married couple, 2020

In US dollars using PPP, by household type and wage level

	Married 2 ch 100-0 (% AW)		Married 2 ch 100-67 (% AW) ¹		Married 2 ch 100-100 (% AW) ¹		Married no ch 100-67 (% AW) ¹	
	Total gross earnings before taxes	Net income after taxes	Total gross earnings before taxes	Net income after taxes	Total gross earnings before taxes	Net income after taxes	Total gross earnings before taxes	Net income after taxes
Australia	63 415	53 203	105 902	82 688	126 829	96 290	105 902	82 688
Austria	63 956	55 687	106 807	86 229	127 913	97 934	106 807	74 546
Belgium	63 704	52 722	106 386	76 080	127 408	85 694	106 386	69 011
Canada	48 536	48 181	81 055	68 385	97 072	78 470	81 055	63 552
Chile	24 050	22 366	40 163	37 493	48 099	44 732	40 163	37 344
Colombia	11 961	12 602	19 974	21 257	23 921	25 204	19 974	19 974
Czech Republic	31 616	31 282	52 799	45 883	63 232	53 074	52 799	40 299
Denmark	64 948	48 647	108 463	75 371	129 896	88 034	108 463	71 472
Estonia	31 492	30 835	52 592	48 898	62 984	56 609	52 592	45 473
Finland	53 680	40 304	89 646	68 237	107 361	77 794	89 646	65 423
France	51 985	44 010	86 816	68 974	103 971	79 892	86 816	64 695
Germany	70 454	56 665	117 658	82 489	140 908	94 128	117 658	74 504
Greece	42 631	33 389	71 193	55 541	85 261	63 081	71 193	53 858
Hungary	34 107	28 120	56 959	43 317	68 215	50 802	56 959	37 878
Iceland	65 930	57 079	110 103	82 062	131 860	95 365	110 103	80 948
Ireland	57 709	53 778	96 375	81 111	115 419	90 918	96 375	76 957
Israel	42 703	36 126	71 314	63 059	85 406	72 916	71 314	60 722
Italy	44 755	37 437	74 742	58 964	89 511	66 631	74 742	55 451
Japan	51 288	42 916	85 651	69 483	102 576	82 038	85 651	67 109
Korea	53 284	48 206	88 984	79 544	106 567	93 222	88 984	76 928
Latvia	26 427	22 617	44 133	36 232	52 854	41 694	44 133	32 692
Lithuania	36 456	29 642	60 881	43 742	72 912	50 563	60 881	40 010
Luxembourg	66 993	63 822	111 878	94 851	133 986	106 155	111 878	86 063
Mexico	13 917	12 414	23 241	21 278	27 834	24 829	23 241	21 278
Netherlands	69 213	54 289	115 586	92 635	138 426	105 018	115 586	86 280
New Zealand	43 493	41 300	72 633	59 883	86 986	70 355	72 633	60 235
Norway	63 236	48 422	105 604	80 606	126 471	94 295	105 604	78 056
Poland	33 939	34 309	56 678	51 463	67 878	59 773	56 678	43 204
Portugal	33 539	29 066	56 009	44 094	67 077	50 790	56 009	42 028
Slovak Republic	25 948	23 606	43 333	35 942	51 895	41 949	43 333	33 693
Slovenia	35 781	30 933	59 754	44 729	71 561	51 005	59 754	40 377
Spain	43 062	36 989	71 913	59 538	86 123	69 428	71 913	58 030
Sweden	53 173	43 690	88 798	71 536	106 345	83 750	88 798	67 905
Switzerland	76 918	73 997	128 453	115 128	153 837	133 886	128 453	106 767
Turkey	36 976	26 869	61 750	45 120	73 952	52 821	61 750	44 727
United Kingdom	57 855	47 250	96 618	78 300	115 710	91 283	96 618	75 774
United States	60 220	56 019	100 568	85 755	120 441	98 862	100 568	80 322
<i>Unweighted average</i>								
OECD-Average	47 280	40 778	78 957	63 673	94 559	73 494	78 957	59 899
OECD-EU 22	47 071	40 084	78 609	62 084	94 142	71 124	78 609	57 266

1. Two-earner couple.

StatLink  <https://stat.link/k8i2mo>

Table 3.12. Annual labour costs and net income, single person, 2020

In US dollars using PPP, by household type and wage level

	Single no ch 67 (% AW)		Single no ch 100 (% AW)		Single no ch 167 (% AW)		Single 2 ch 67 (% AW)	
	Total gross labour costs before taxes	Net income after taxes	Total gross labour costs before taxes	Net income after taxes	Total gross labour costs before taxes	Net income after taxes	Total gross labour costs before taxes	Net income after taxes
Australia	45 023	34 543	67 199	48 145	112 222	73 327	45 023	44 483
Austria	54 874	31 421	81 902	43 126	135 085	66 241	54 874	43 982
Belgium	53 366	29 845	80 965	39 233	135 211	56 602	53 366	39 733
Canada	35 879	27 076	53 570	37 296	87 238	59 586	35 879	42 319
Chile	16 113	14 985	24 050	22 358	40 163	36 820	16 113	15 127
Colombia	8 014	8 014	11 961	11 961	19 974	19 974	8 014	8 655
Czech Republic	28 342	16 554	42 302	23 745	70 645	38 346	28 342	22 138
Denmark	43 515	29 404	64 948	42 067	108 463	64 231	43 515	41 759
Estonia	28 231	18 881	42 136	26 592	70 368	41 400	28 231	23 178
Finland	42 688	27 933	63 713	37 490	106 401	55 586	42 688	32 531
France	44 532	26 718	70 841	37 801	123 698	57 840	44 532	36 821
Germany	56 586	31 152	84 456	43 041	136 544	66 685	56 586	40 665
Greece	32 335	20 921	48 262	28 898	80 597	43 504	32 335	22 994
Hungary	26 965	15 197	40 247	22 681	67 212	37 878	26 965	20 881
Iceland	46 978	33 480	70 117	47 469	117 095	73 629	46 978	39 434
Ireland	42 938	32 581	64 086	43 383	107 024	62 952	42 938	42 376
Israel	29 949	25 361	45 112	35 004	75 898	51 638	29 949	29 129
Italy	39 456	23 679	58 889	31 772	98 345	45 578	39 456	30 015
Japan	39 641	27 277	59 166	39 832	97 704	63 323	39 641	32 736
Korea	39 551	31 625	59 031	45 303	97 670	72 183	39 551	34 067
Latvia	21 980	13 615	32 802	19 077	54 774	31 327	21 980	16 843
Lithuania	24 863	16 594	37 109	23 416	61 971	37 265	24 863	22 821
Luxembourg	51 061	35 795	76 211	47 600	127 272	69 875	51 061	47 926
Mexico	10 620	8 863	15 555	12 414	25 591	19 660	10 620	8 863
Netherlands	52 036	36 949	77 594	49 331	124 786	73 004	52 036	48 919
New Zealand	29 140	25 058	43 493	35 177	72 633	54 820	29 140	34 416
Norway	47 876	32 183	71 456	45 873	119 332	69 819	47 876	37 157
Poland	26 475	17 447	39 515	25 757	65 990	42 627	26 475	27 391
Portugal	27 808	17 497	41 504	24 362	69 312	36 935	27 808	21 289
Slovak Republic	22 635	13 843	33 784	19 850	56 419	32 045	22 635	16 092
Slovenia	27 833	16 668	41 541	23 709	69 374	37 529	27 833	23 852
Spain	37 478	24 070	55 937	33 960	93 415	52 534	37 478	28 294
Sweden	46 819	27 845	69 879	40 060	116 699	57 901	46 819	31 476
Switzerland	54 821	44 187	81 822	63 770	136 642	100 192	54 821	52 399
Turkey	29 109	18 513	43 447	26 214	72 556	41 398	29 109	18 906
United Kingdom	42 434	31 396	64 161	44 379	108 273	67 995	42 434	38 518
United States	43 752	32 838	65 145	46 715	108 579	71 163	43 752	40 688
<i>Unweighted average</i>								
OECD-Average	36 533	24 865	54 700	34 834	91 113	53 606	36 533	31 321
OECD-EU 22	37 855	23 846	56 756	33 043	94 527	50 358	37 855	30 999

StatLink  <https://stat.link/ekbrj2>

Table 3.13. Annual labour costs and net income, married couple, 2020

In US dollars using PPP, by household type and wage level

	Married 2 ch 100-0 (% AW)		Married 2 ch 100-67 (% AW) ¹		Married 2 ch 100-100 (% AW) ¹		Married no ch 100-67 (% AW) ¹	
	Total gross labour costs before taxes	Net income after taxes	Total gross labour costs before taxes	Net income after taxes	Total gross labour costs before taxes	Net income after taxes	Total gross labour costs before taxes	Net income after taxes
Australia	67 199	53 203	112 222	82 688	134 398	96 290	112 222	82 688
Austria	81 902	55 687	136 776	86 229	163 803	97 934	136 776	74 546
Belgium	80 965	52 722	134 331	76 080	161 929	85 694	134 331	69 011
Canada	53 570	48 181	89 450	68 385	107 140	78 470	89 450	63 552
Chile	24 050	22 366	40 163	37 493	48 099	44 732	40 163	37 344
Colombia	11 961	12 602	19 974	21 257	23 921	25 204	19 974	19 974
Czech Republic	42 302	31 282	70 645	45 883	84 604	53 074	70 645	40 299
Denmark	64 948	48 647	108 463	75 371	129 896	88 034	108 463	71 472
Estonia	42 136	30 835	70 368	48 898	84 273	56 609	70 368	45 473
Finland	63 713	40 304	106 401	68 237	127 426	77 794	106 401	65 423
France	70 841	44 010	115 372	68 974	141 681	79 892	115 372	64 695
Germany	84 456	56 665	141 042	82 489	168 913	94 128	141 042	74 504
Greece	53 088	33 389	88 657	55 541	106 176	63 081	88 657	53 858
Hungary	40 247	28 120	67 212	43 317	80 493	50 802	67 212	37 878
Iceland	70 117	57 079	117 095	82 062	140 233	95 365	117 095	80 948
Ireland	64 086	53 778	107 024	81 111	128 173	90 918	107 024	76 957
Israel	45 112	36 126	75 061	63 059	90 224	72 916	75 061	60 722
Italy	58 889	37 437	98 345	58 964	117 778	66 631	98 345	55 451
Japan	59 166	42 916	98 807	69 483	118 332	82 038	98 807	67 109
Korea	59 031	48 206	98 582	79 544	118 063	93 222	98 582	76 928
Latvia	32 802	22 617	54 783	36 232	65 605	41 694	54 783	32 692
Lithuania	37 109	29 642	61 971	43 742	74 217	50 563	61 971	40 010
Luxembourg	76 211	63 822	127 272	94 851	152 422	106 155	127 272	86 063
Mexico	15 555	12 414	26 175	21 278	31 109	24 829	26 175	21 278
Netherlands	77 594	54 289	129 630	92 635	155 187	105 018	129 630	86 280
New Zealand	43 493	41 300	72 633	59 883	86 986	70 355	72 633	60 235
Norway	71 456	48 422	119 332	80 606	142 913	94 295	119 332	78 056
Poland	39 515	34 309	65 990	51 463	79 030	59 773	65 990	43 204
Portugal	41 504	29 066	69 312	44 094	83 008	50 790	69 312	42 028
Slovak Republic	33 784	23 606	56 419	35 942	67 568	41 949	56 419	33 693
Slovenia	41 541	30 933	69 374	44 729	83 082	51 005	69 374	40 377
Spain	55 937	36 989	93 415	59 538	111 874	69 428	93 415	58 030
Sweden	69 879	43 690	116 698	71 536	139 759	83 750	116 698	67 905
Switzerland	81 822	73 997	136 642	115 128	163 644	133 886	136 642	106 767
Turkey	43 447	26 869	72 556	45 120	86 894	52 821	72 556	44 727
United Kingdom	64 161	47 250	106 595	78 300	128 321	91 283	106 595	75 774
United States	65 145	56 019	108 896	85 755	130 289	98 862	108 896	80 322
<i>Unweighted average</i>								
OECD-Average	54 831	40 778	91 451	63 673	109 661	73 494	91 451	59 899
OECD-EU 22	56 975	40 084	94 977	62 084	113 950	71 124	94 977	57 266

1. Two-earner couple.

StatLink  <https://stat.link/95ri1w>

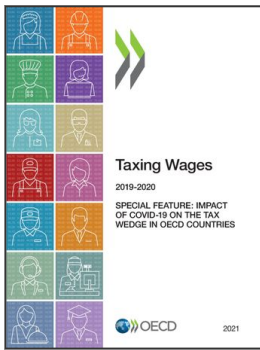
Notes

¹ Tables 3.1 to 3.7 show figures rounded to the first decimal. Due to rounding, changes in percentage points that are presented in the text may differ by one-tenth of a percentage point relative to those in the Tables.

² In Colombia, the general social security system for healthcare is financed by public and private funds. The pension system is a hybrid of two different systems: a defined-contribution, fully-funded pension system; and a pay-as-you-go system. Each of those contributions are mandatory and more than 50% of total contributions are made to privately managed funds. Therefore, they are considered to be non-tax compulsory payments (NTCPs) (further information is available in the country details in Part II of the report). In addition, in Colombia, all payments for employment risk are made to privately managed funds and are considered to be NTCPs. Other countries also have NTCPs (please see <http://www.oecd.org/tax/tax-policy/tax-database.htm#NTCP>).

³ The reported elasticities in Table 3.8 are calculated as $(100 - \text{METR}) / (100 - \text{AETR})$, where METR is the marginal rate of income tax plus employee social security contributions less cash benefits reported in Table 3.7 and AETR is the average rate of income tax plus employee social security contributions less cash benefits reported in Table 3.3.

⁴ The reported elasticities in Table 3.9 are calculated as $(100 - \text{METR}) / (100 - \text{AETR})$, where METR is the marginal rate of income tax plus employee and employer social security contributions less cash benefits reported in Table 3.6 and AETR is the average rate of income tax plus employee and employer social security contributions less cash benefits reported in Table 3.1.



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