

# EXPATRIATES

## Indonesia

### Tax facts for International Assignees



#### INCOME TAX: WHO IS LIABLE

An Individual who is considered as a non-tax resident is as follow:

- a. An individual who is not domiciled in Indonesia,
- b. Foreign citizen who is overseas for more than 183 days within 12 months period,
- c. Indonesian citizen who is overseas for more than 183 days within 12 months period and meet the following requirements:
  - Residence,
  - Main workplace,
  - Place to practice,
  - Status of tax subject, and/ or
  - Other requirements

Based on Omnibus Law No. 11 Year 2021, an individual is required to request for changes on his/ her residency status to Indonesia non-resident taxpayer and to provide the tax office with non-resident taxpayer application form, certificate of domicile (tax residency certificate) from host country or other supporting documents stating that he/ she works overseas. After the application is submitted to Tax Office, the Tax Office may approve or reject the application.

If the tax office approve the application, he/ she will be considered as a non-resident taxpayer, and he/ she has obligation to report his/ her Indonesia sourced income only as well as assets and liabilities. If the tax office rejects the application, he/ she will be considered as a resident taxpayer, and he/ she has obligation to report worldwide income as well as assets and liabilities and file an Indonesia tax return.

#### BREAKING RESIDENCY - EXIT PROCEDURES

An individual tax resident who is leaving Indonesia and become a non-Indonesian tax resident is obliged to file his/her annual income tax return in the last tax year or part of tax year of his/her status as a tax resident to declare the income received in accordance with the prevailing tax regulations.

In the event an individual is an Indonesian tax resident and concurrently a tax resident of a treaty partner country/jurisdiction partner, the tax resident status of such individual is determined pursuant to the provisions in the respective tax treaty.

## INCOME TAX RATES AND SOCIAL SECURITY CONTRIBUTIONS

### Personal Income Tax Rates

Non-tax resident individuals are liable to pay Article 26 Withholding tax (Article 26 WHT) at a flat rate of 20% of the gross income received from Indonesia. No deductions are available against this income.

However, in the case the non-tax resident individual's stay in Indonesia is for more than 183 days during a 12 months period and deemed as an Indonesia resident taxpayer, the following tax rates shall apply:

Tax rate	Taxable income
5%	Up to IDR 60,000,000
15%	More than IDR 60,000,000 up to IDR 250,000,000
25%	More than IDR 250,000,000 up to IDR 500,000,000
30%	More than IDR 500,000,000 up to IDR 5,000,000,000
35%	More than IDR 5,000,000,000

### SOCIAL SECURITY CONTRIBUTIONS

An Indonesian national who works abroad can continue to contribute to social security in Indonesia.

The premium contributions to Manpower Scheme are as follow:

- Working Accident Protection and Death Insurance IDR 370,000 per month
- Old Age Saving IDR 100,000 per month

While, the utilization of Healthcare Scheme can only be in Indonesia, the premium contributions to Healthcare Scheme as per 1 July 2020 are as follow:

- Service benefit class I - IDR 150,000
- Service benefit class II - IDR 100,000
- Service benefit class III - IDR 35,000

**For further information and to register for future updates contact [expat@bdo.global](mailto:expat@bdo.global)**

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