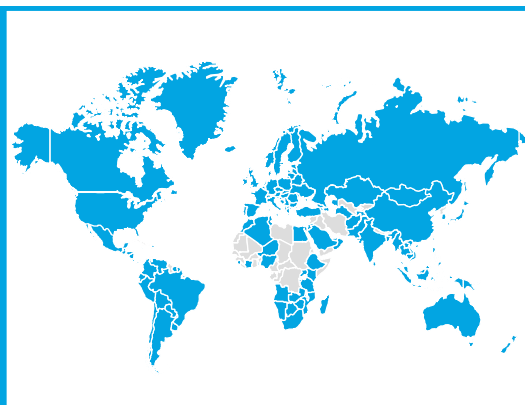


INPATRIATES

Aruba

Tax facts for International Assignees



INCOME TAX: WHO IS LIABLE/RESIDENCY

If an inpatriate employee is working in Aruba, the facts and circumstances determine whether they become a resident of Aruba for tax purposes.

Non-resident taxpayers are subject to Aruba personal income tax on income earned in Aruba (i.e., Aruba source income). This includes for example income from an employment, income from an Aruba enterprise, and substantial interest income from an Aruba resident entity.

Resident taxpayers are subject to Aruba personal income tax on their worldwide income regardless of where it is earned and paid. This includes e.g., foreign interest, dividends, and real estate properties.

Although Aruba has no tax treaties, a Regulation for the Dutch Kingdom exists that aims to avoid double taxation. For non-Dutch Kingdom income sources, a State Decree determines which sources of income will be allocated to foreign tax jurisdictions and where Aruba will provide a relief for double taxation.

Benefits of Inpatriates

An inpatriate is eligible for the expat-status if the inpatriate:

- Has an income exceeding Afl. 150,000 (USD 83,800);
- Has not been a resident of Aruba in the five preceding years; and
- Has expertise that is not or only limited available on the Aruba labour market.

The expat-status implies the following tax-exempt benefits for the inpatriate:

- Housing allowance of Afl. 30,000 (USD 16,760) per year, provided the inpatriate is the tenant;

- Benefits in kind of maximum of Afl. 15,000 (USD 8,380) per year
- Schooling allowance of Afl. 25,000 (USD 13,967) per year per child, with a maximum of the actual school costs;
- Hotel and car expenses of first two months;
- Refurbishment allowance of two monthly salaries with a maximum of Afl. 15,000 (USD 8,360);
- Once a year plane ticket for inpatriate and family to home country, for a maximum period of 5 years;

The expat-status implies the following tax benefit for the employer of the inpatriate:

- No gross-up required in case inpatriate has net salary agreement.

Note that the expat-status should be requested within four months after the inpatriate starts working on Aruba.

Aruba Personal Income Tax Return

The inpatriate is obligated to file a personal income tax return. Except upon approval of the tax authorities, filing a personal income tax return is recommendable to obtain a refund of the overpaid wage taxes in case of an employment that started somewhere during the calendar year.

The deadline for filing the income tax return is within two months after the date of issuance of the return. However, an extension may be obtained for a maximum of 12 months.

REGISTRATION/FORMALITIES

As of day 1 of working in Aruba, the inpatriate has to register him/ herself at the Aruba tax authorities and obtain a tax identification number.

INCOME TAX RATES

Income tax amounts in Afl. (for USD, apply USD 1 = Afl. 1.79); tax-exempt amount Afl. 28,861

Rate category I: Income of	But not exceeding	Personal income tax	Plus % of amount exceeding column 1 x rate
-	34,930	-	12.00% *
34,930	65,904	4,890.20	23.00% *
65,904	147,454	12,633.70	42.00%
147,454		46,884.70	52.00%

*temporarily decreased due to covid (rates effective until 2023)

SOCIAL SECURITY CONTRIBUTIONS

Social security amounts in Afl. (for USD, apply USD 1 = Afl. 1.79)

Insurance	Ceiling	Percentage employer	Percentage employee	Maximum yearly premium
AOW/AWW (old age)	85,000	10.00%	4.50%	12,325.00
AWW (widow)	85,000	0.50%	0.50%	850.00
AZV (general health)	85,000	8.90%	1.60%	9,775.00
ZV (sickness)	70,200	2.65%	0	1,860.30
OV (accident)	70,200	0.25% - 2.50% (depending on risk category)	0	1.755.00
Pension		3% minimum	3% maximum	N/A
Cessantia		0	0	40.00 per employee

For further information and to register for future updates contact expat@bdo.global

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