

# INPATRIATES

## Jordan

### Tax facts for International Assignees



#### INCOME TAX: WHO IS LIABLE/ RESIDENCY

A foreign Individual is considered a resident in Jordan if his/her stay in Jordan is for a total of not less than 183 consecutive or interrupted days per year.

The Non-resident employee is subject to salary taxes as the same treatment as the resident employee however without any exemptions.

#### EXEMPTIONS :

- Personal exemption amount is JOD 9,000, further to another JOD 9,000 for dependents regardless of their number.
- In addition, there are other exemptions (deductible expenses) with a maximum of JOD 5000 as follows:
  - Educational expenses.
  - Rental cost.
  - Interests on housing loans.
  - Medical expenses.

This means that a total of JOD 23,000 is allowed per family, regardless whether the tax returns were submitted separately or jointly for couples. [The above exemptions are awarded to the resident's person only]

#### BASIS OF TAXATION

The salary tax is considered the liability of the employee not the employer. However, the employer is responsible to withhold and remit the salary tax on behalf of the employee on a monthly basis.

Salary tax is applicable for the following:

- All earnings due to the employee resulting from his/her work with third parties, with or without a contract, periodically or non-periodically, regardless of the names, forms or reasons of those earnings, and whether they are for the work performed in Jordan or abroad, and as such; paid by a source in Jordan. Such earnings include wages, bonuses, remunerations, incentives, commissions, overtimes, allowances, appropriations, as well as the monetary privileges and allowance in kind of all types.
- Earnings due to the employee from a foreign source for the work performed in Jordan.
- Salaries and remunerations of chairman, members and directors of the board of directors in the associations of capital in return for their administrative work.

## INCOME TAX RATES:

The taxable employee's income is subject to progressive rates, as follows:

- 5% For each diner of the first JOD 5000.
- 10% For each diner of the second JOD 5000.
- 15% For each diner of the third JOD 5000.
- 20% For each diner of the fourth JOD 5000.
- 25% For each diner exceeding the previous rates till one million JOD.
- 30% For each diner exceeding one million JOD.

An Individual Income tax return, must be filed each year and the deadline to file the tax return is at the end of April of the following year( Income earned in 2022 must be declared in April 2023).

## SOCIAL SECURITY CONTRIBUTIONS:

The rate of social Security is as follows, displaying the employers' and employees' portions:

Social Contributions	Rate %
Employer	14.25%
Employee	7.5

## FILING REQUIREMENTS:

The company must pay Social Security contributions (employer's portion and employees portion) to social Security Corporation within 15 days of the following month.

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

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