

# Sage in Angola

## Payroll Taxes 2020

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### 1. General Information

**Official currency**

The official currency of Angola is the Angolan Kwanza (AOA).

**Tax year end**

Tax year is the Calendar year ending 31 December

### 2. Tax Tables

**Monthly Tax tables for January to August 2020**

Monthly Income Bracket		Fixed Amount (KZ)	Tax Rate
From (KZ)	To (KZ)		
0,00	34 450,00	Exempt	
34 450.01	35 000,00	0,00	100%
35 000.01	40 000,00	550,00	7%
40 000.01	45 000,00	900,00	8%
45 000.01	50 000,00	1 300,00	9%
50 000.01	70 000,00	1 750,00	10%
70 000.01	90 000,00	3 750,00	11%
90 000.01	110 000,00	5 950,00	12%
110 000.01	140 000,00	8 350,00	13%
140 000.01	170 000,00	12 250,00	14%

170 000,01	200 000,00	16 450,00	15%
200 000,01	230 000,00	20 950,00	16%
230 000,01	above	25 750,00	17%

All amounts are in Angolan Kwanzas

#### Example 1

If an employee earns 34 800  
 $34\ 800 - 34\ 450 = 350$   
 $0 + (350 \times 100\%) = \mathbf{350}$   
 Tax on 34 480 is 350

#### Example 2

If an employee earns 85 000  
 $85\ 000 - 70\ 000 = 15\ 000$   
 $3\ 750 + (15\ 000 \times 11\%) = \mathbf{5\ 400}$   
 Tax on 85 000 is 5 400

Tax rates are the same for Residents and Non-Residents taxpayers.

### Monthly Tax tables for September to December 2020

Monthly Income Bracket		Tax rate	Fixed Amount (KZ)
From (KZ)	To (KZ)		
0	70 000,00	0%	0
70 000,01	100 000,00	10%	3 000
100 000,01	150 000,00	13%	6 000
150 000,01	200 000,00	16%	12 500
200 000,01	300 000,00	18%	31 250
300 000,01	500 000,00	19%	49 250
500 000,01	1 000 000,00	20%	87 250
1 000 000,01	1 500 000,00	21%	187 250
1 500 000,01	2 000 000,00	22%	292 250
2 000 000,01	2 500 000,00	23%	402 250
2 500 000,01	5 000 000,00	24%	517 250
5 000 000,01	10 000 000,00	24.5%	1 117 250
10 000 000,01	and above	25%	2 342 250

### 3. Taxable Income

#### **Taxable Compensation/Income/Emoluments**

As a general rule, all types of compensation and benefits received by an individual for services rendered constitute taxable income subject to personal income tax including, but not limited, to the following:

- Salaries and wages.
- Benefits-in-kind.
- Cost-of-living allowances.
- Housing allowances.
- Entertainment and travel allowances.
- Transport allowances

**Cash allowances, including per diems/daily allowances, hardship allowance, other cash allowances** - are subject to tax, in Angola, if they are above certain limits, i.e., if they are higher than the amounts established in the Law for civil servants, as follows:

**Travels within Angola** - The limit are 18.750 Kwanzas per day during the first 15 days (in case the travel exceeds 15 days, the amount for the additional days are reduced to 60%). For travels abroad, the limit can vary between USD 250 and USD 350, depending of the place of displacement. The tax free amount should only be available when the employee is temporarily displaced from his normal place of work at the service of the employer.

**Representation expenses** - 20% of the basic salary (of civil servants). Non-taxable if can be justified as a business expense. **For example telephone costs.**

### 4. Benefits in kind

As a rule benefits in kind are valued at their cost to the employer, as shown in the company's or the recipient's records.

**Housing provided by the employer** – Up to 50% of the value under the lease agreement. Please note that the rental agreement should be filed at the tax office within 15 days from the date of signature;

**Car provided by the employer** – If it is used by the employee for business purposes, and is not booked, by the Company, as costs with personnel, it shall not qualify as taxable income of the employee, for Personal Income Tax purposes.

## 5. Exempt Income

- Social benefits paid by the Social Security Authority (Instituto Nacional de Segurança Social) that are of a mandatory social protection nature, are not subject to PIT.
- The family allowance paid by the employer is not subject to PIT up to the limit of 5% of the employee's monthly basic salary.
- Contributions to social security.
- No PIT is due on the daily allowances, representation, and travel and accommodation subsidies, when attributed to public/civil servants and provided they do not exceed the legal limits specifically foreseen.
- Meal allowance paid to the company's employees, is not subject to PIT up to a limit of AKZ 30,000 per month.
- Transport allowance paid to the company's employees, is not subject to PIT up to a limit of AKZ 30,000 per month.
- The reimbursement of business expenses incurred by employees of entities subject to Industrial Tax (or to other special tax regimes), provided that such expenses are duly documented, are expressly excluded from PIT
- A tax exemption is maintained for the house rental subsidy paid up to the limit of 50% of the amount of the rental contract, provided the employee files a copy of the rental contract with the competent Tax Office, within 15 days of its signature. In the event that a copy of the contract is not filed with the referred authorities, PIT will be due by the employee on the full amount of the rental subsidy received.
- The subsidies granted by law to nationals/resident patients with motor, sensory and mental disabilities. Not usually granted on the payroll.

## 6. Tax deductions

Social Security deductions are fully tax deductible.

## 7. Social Security – INSS

The employee contributes 3% of the gross salary. A retired employee contributes 8%. The employer pays 8%. This is calculated on monthly gross salary.

Unless they can prove that they contribute to another social security scheme, all employees must register with the National Social Security Institute and contribute to it.

Expatriates are not obligated to contribute. This is based on the assumption that they are contributing at their home countries. They are only required to contribute only if they have a residency permit.

The employer is required to withhold the employee's contribution and pay both contributions by the 10<sup>th</sup> day of the month following the month in which the personal income was paid

Remuneration for calculating INSS:

- Social benefits paid by employers within the scope of Mandatory Social Security;
- An amount corresponding to a Leave Allowance;
- Contributions towards additional social protection schemes.

## 8. COVID-19 measures

- For the months of April, May and June 2020, the private sector employees will not contribute INSS 3%.
- Deferral of the payment of the social security contribution of the employer (8%) for the months of April, May and June 2020. These payments are made differently in 6 monthly instalments for 6 months, that is, from July to December 2020, without interest or penalty.

## 9. Workers Insurance

It is mandatory for the Company to take out an insurance policy against work risks with a competent Insurance Company, to cover all employees. This is an expense of the company; employees should not make contributions towards this.

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