Angola
Payroll Summary 2021

INTERNAL DOCUMENT

Last updated 19 April 2021

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1. Introduction

1.1 Official currency

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

1.2 Tax year end

Tax year is the Calendar year ending 31 December

1.3 Revenue Service

Angola Ministry of Finance
www.minfin.gv.ao

2. Administration and Compliance

PERSONAL INCOME TAX CODE – **PIT**
IMPOSTO SOBRE OS RENDIMENTOS DO TRABALHO – **IRT**

2.1 Tax Filing and payment of tax

Employers must withhold PAYE on the monthly salaries and wages of their employees on a monthly basis. Employees who earn only employment income are not required to file a personal Income tax return.
The amounts withheld must be paid to the local tax office by means of a Tax collection slip, accompanied by a tax withholding return form within a calendar month following the one in which the payment was made.

2.2 Expatriates

PIT shall be due by individuals, whether resident or not in Angola, whose income arises from services rendered within/to Angola. There is not a concept of “resident” in Angola, for PIT purposes. Employers are subject to the same tax obligations when hiring expatriates or Angolan citizens. There are no taxation differences between expatriates performing a temporary activity in Angola, or expatriates performing long term or even “lifetime” activities in the country.

3. Tax Tables

Monthly Tax tables for 2021 tax year

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

4. Taxable Income

4.1 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.**

The transfer of the tax charge from the employee to the employer is not accepted otherwise, a penalty may be levied and additional tax on this gross-up may be assessed.

5. Family Allowance

The rules applicable to family allowance are foreseen on Decree 8/11 dated January 7th and are applicable in equal terms to Nationals and Expatriate employees.

The requirements applicable to family allowance are the following:

- Applicable to dependents with ages between 3 and 14 years old (before 3 years old they are entitle to nursing allowance paid by INSS);
- Up to the limit of 5 children;
- The employer can pay a family allowance which is higher than the minimum required.
- Employees should comply, for this purpose, with the following:
  - Produce the birth registration documents;
  - Vaccination recommended by the Health Ministry duly updated;
  - School positive grades (for children with ages to be in school) or Certificate of Incapacity as proof if the children has a deficiency that does not allow to study).
- Amount due per month is in accordance with the salary earned:

6. 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.

7. Exempt Income

- 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.
- 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.
- 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.
- The subsidies granted by law to nationals/resident patients with motor, sensory and mental disabilities. Not usually granted on the payroll.
- wages and other remuneration due up to the limit of Kz100 000 per month, to national agricultural workers and Angolan domestic workers, hired by single persons or households and covered by social security.
- 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.

8. Tax deductions

Social Security deductions are fully tax deductible.

9. 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 10th day of the month following the month in which the personal income was paid

Decree no. 227/18 of 27 September has redefined some of the Social Security provisions published in Decree no. 38/08 of 19 June 2018, effective December 2018.

Decree no. 28/08 confirms that the contribution is based on the employee's gross remuneration. However, the following is excluded from 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.

Furthermore, if employees earn part of their remuneration in kind, the equivalent cash value must be calculated for the purposes of establishing the contribution base.

According to the new Decree, the employer must submit the remuneration electronically.

10. 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.

11. PAYE Calculation

A tax calculator is available on the Compliance SharePoint.

12. Africa Support

Contact the Support Desk for any queries on Angola legislation.

support.hrandpayroll@sage.com

13. Angola legislation

More information regarding Angola legislation is available on Compliance SharePoint.

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