

Temporary Working in Denmark

EXPAT TAXATION SCHEME (ETS) - 2020

Unlike many other European countries, foreign contractors are taxable from day one, when working in Denmark for a Danish company.

In order to secure a smooth, compliant, and tax efficient solution, GTS Nordic has prepared the **ETS-package**, which fulfills Denmark's strict labor and tax legislation and ensures an easy and straightforward handling of your assignment in Denmark.

The package is mainly based on the Danish §48E taxation scheme - enabling you with a retention rate of approximately **64% - 65%** after all taxes, social security costs and all employment and payroll costs.

The retention rate is based on **160/20** working hours/days on-site in Denmark per month and all-inclusive hourly/daily rate of min **€65/€520**

With a physical presence, centrally located in Copenhagen, our dedicated team of experts guides and facilitates the complete registration process and tax registration. In this way, your main focus will be on the assignment and not on the hassle of all the administrative work.

Furthermore, we can assist you with guidance in connection with accommodation and other relocation related activities.

The §48E is an alternative to the normal Danish progressive income tax and is based on a flat rate income tax of **32.84%** (8% + 27%) with no possibilities of deducting expenses.

In order to qualify for the §48E a few requirements must be met:

- You must not have been normal income taxed in Denmark **within the last 10 years**
- You must have an average monthly on-site gross salary of **minimum DKK 68.200** (approx. € 9.200)
- An **employment contract with GTS Nordic** during the assignment

Being limited taxable and taxed under the ETS, it is only the Danish working income that is reported in Denmark. As all taxes are settled on a monthly basis, no tax returns or similar have to be handed-in. Documentation of tax registration and payments can be send to end-client as proof of compliance.

Practicalities:

If your contract is for period of **minimum 4 months**, the ETS-package includes the Yellow Social Security Card, offering you all the **standard welfare rights in Denmark incl. full medical treatment**. The monthly payroll and employment fee and social contributions to the authorities **are** included in the calculation / retention rate. We will facilitate your tax registration and all taxes and fees will be settled on a monthly basis.

EU citizens:

Due to the free movement of labor within the EU-countries, no special requirements have to be fulfilled to obtain the EU work certificate to DK. Local registration at the relevant authorities for social security and tax is however needed.

Kindly observe we charge a **one-time start up fee of €500** to all initial contracts, guidance, application forms, contact to the authorities and contract termination procedures. Our all-inclusive daily payroll and employment fee of EUR 526/month as well as social contributions to the authorities **are** included in the before mentioned retention rate.

Non-EU citizens:

As GTS Nordic is Fast Track certified by the Danish Immigrations Authorities, we can pre-approve the work permit and facilitate a quick job start. We take care of the complete process from document collection all the way to receiving valid work and residence permit. Please note that local registration at the relevant authorities is mandatory once work and residence permit has been approved.

Kindly observe we charge a **start-up fee of €1.907** (incl. €407 fee to the Danish Authorities) to all initial contracts, guidance, application forms, contact to the authorities and contract termination procedures.

The above information is subject to legislative changes and individual circumstances.