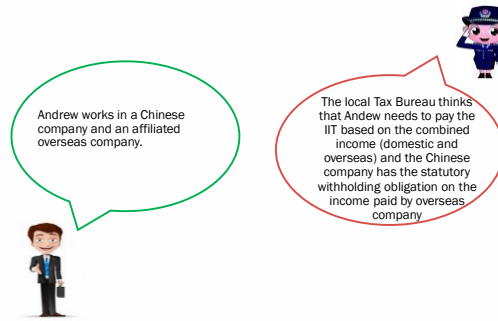




Court case-Andrew Ronald Macdonald-Hardie



Who will bear the IIT?
Please state clearly in contract



IIT payment

- Commercial Insurance
- Group travel
- Tuition fees
- Backdated pay
- Overseas Social Security
- Overtime allowance
- Travel allowance
- Mooncakes
- Personal cars for business uses
- Communication allowances
- IIT borne by company
- Annuity
- Shareholder borrowing
- House at lower price
- Others



If the commercial insurance has been paid for the employee in this month, and then the tax threshold has been crossed, which trigger bigger tax payment.



So who will bear the extra taxpayment?



• 1 RMB difference example (Con't)

Monthly Taxable Income Including Tax (RMB) =X	Applicable Tax Rate	Quick Deduction
≤1,500	3%	0
1,500 < X ≤4,500	10%	105
4,500 < X ≤9000	20%	555
9000 < X ≤35,000	25%	1,005
35,000 < X ≤55,000	30%	2,755
55,000 < X ≤80,000	35%	5,505
>80,000	45%	13,505

• Tax rate: 25%
• Quick deduction: 1,005

• Tax rate: 30%
• Quick deduction: 2,755

Salary: RMB30,000
Commercial insurance: RMB 20,000



12month ?



- Annual bonus?
- In-house training?



Payback before year end?

Take a taxi ?



Let's have a party



Employment Contract Negotiation Skills (From an Income Tax Perspective)



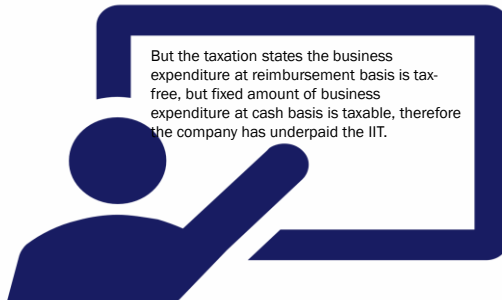
- Bonus type: Annual bonus, semi-annual bonus or quarterly bonus?
- Cash allowance or reimbursement?



• Taxable benefits-case study



Taxable benefits-case study



BACK-FILING:
About RMB 1.7 million



Taxable Income

- Basic Salary
- Bonuses
- Commission
- Allowances/subsidies
- Tax paid by employer
- Severance pay
- Stock-based incentive plan related income
- Any other income related to the individual's employment

Non-Taxable Benefits-in-Kind

- Housing accommodation
- Meal and laundry expenses
- Language training expenses
- Children education expenses
- Relocation expenses
- Home leave (twice per year, for employee only)

Supported by Authentic Fapiao!



Employment Contract must be filed with the Gov.



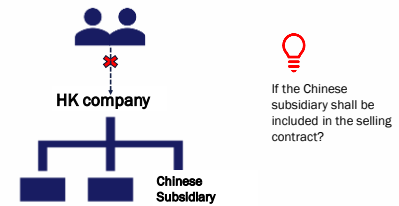
Case study- Contractual arrangement



Case study- Contractual arrangement



Case study-share disposal





What Can We Do For You?



Monthly and
Annual Online
Tax Filing



Employment
Contract Review



IIT planning and
administration



IIT Compliance
Management
and advisory



Thank You!

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The materials contained in this presentation were assembled in November 2017 and were based on the current laws and information available at that time.

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