

## Overview

This Report provides unique information for each of the 34 OECD member countries – including the new OECD member countries Chile, Estonia, Israel and Slovenia – on the income taxes paid by workers, their social security contributions, the family benefits they receive in the form of cash transfers as well as the social security contributions and payroll taxes paid by their employers. Results reported include the marginal and average tax burden for one- and two-earner families, and the implied total labour costs for employers. These data are widely used in academic research and in the formulation and evaluation of social and economic policies. The taxpayer specific detail in this Report enables it to complement the information provided annually in the *Revenue Statistics*, a publication providing internationally comparative data on tax levels and tax structures in the thirty-four member countries. The methodology followed in this Report is set out briefly in Section 1 and described in more detail in Part IV of this Report.

The present edition provides estimates of tax burdens and of the tax “wedge” between labour costs and net take-home pay for 2010, summarised in Section 2 below. The Report also presents more detailed results for 2010, definitive results for 2009 and discusses the changes between 2009 and 2010 in Part I. Part II of the Report reviews historical changes in tax burdens from 2000.

### 1. Introduction

This section briefly introduces the methodology employed for this Report, which focuses on employees. It is assumed that their annual income from employment is equal to a given fraction of the average gross wage earnings of adult, full-time both manual and non-manual workers covering either industry Sectors C-K inclusive with reference to the International Standard Industrial Classification of All Economic Activities, Revision 3 (ISIC Rev. 3)<sup>1</sup> or industry Sectors B-N inclusive with reference to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC Rev. 4) of each OECD economy, also referred to as the *average wage*. Further details are provided in Part IV of this Report. Additional assumptions are made regarding other relevant personal circumstances of these wage earners in order to determine their tax/benefit position. The taxes included in this Report are confined to personal income tax, social security contributions and payroll taxes (which, in this Report, are aggregated with employer social contributions in the calculation of tax rates), payable on gross wage earnings. Consequently, any income tax that might be due on non-wage income, as well as all other kinds of taxes – e.g. corporate income tax, net wealth tax and consumption taxes – are not taken into account in this Report. The benefits included are those paid by general government as cash transfers, usually in respect of dependent children.

The editions of this Report prior to the edition 2004-2005 have been based on the narrower concept of average full time wages of manual workers in the manufacturing sector, referred to as the average production worker (APW) wage. Moving to the new definition has involved a break in the time series for the earnings measure, and for the corresponding *Taxing Wages* tax rate results. However, this Report includes historical figures using the new definition for the average worker since 2000. For Turkey, the gross wage earnings of the average worker under the new definition (AW wage) were not available and therefore, the latest figures under the old definition (APW wage) were used.

For most OECD countries, the tax year matches up with the calendar year. However Australia, New Zealand and the United Kingdom have tax years that do not start on 1 January. The editions of this Report prior to the edition 2004-2005 have applied a “forward looking” approach. This implies that, for example, the tax rates reported for 2005 have been those for the fiscal year 2005-2006. In the case of New Zealand and the United Kingdom this forward looking approach continues to be appropriate as the tax year starts in April. However, the tax year in Australia starts in July and it has been decided to take a “backward looking” approach in order to obtain more reliable results. Thus, for Australia the year 2010 has been defined to mean its fiscal year 2009-2010, and all other years have been treated in the same manner.

This Report contains several measures of taxation on labour. Most emphasis is given to the tax wedge – a measure of the difference between labour costs to the employer and the corresponding net take-home pay of the employee – which is calculated by expressing the sum of personal income tax, employee plus employer social security contributions together with any payroll tax, minus benefits as a percentage of total labour costs. To determine a measure of total labour costs, employer social security contributions and – in some countries – payroll taxes are added to gross wage earnings of employees. Of course, it should be recognised that this measure may not reflect the true labour costs faced by employers, for instance because employers may also have to make non-tax compulsory payments (see the *OECD Tax Database* [www.oecd.org/ctp/taxdatabase](http://www.oecd.org/ctp/taxdatabase) for more information on non-tax compulsory payments and compulsory payment indicators). Average tax wedges show that part of total labour costs which is taken in tax and social security contributions net of cash benefits. Marginal tax wedges show the part of an increase of total labour costs that is paid in these levies.

In addition, attention is paid to the personal average tax rate, which is the term used when personal income tax and/or employee social security contributions are expressed as a percentage of gross wage earnings. Net personal average tax rate is the term used when the personal income tax and employee social security contributions net of cash benefits are expressed as a percentage of gross wage earnings. The net personal marginal tax rate shows the part of an increase of gross wage earnings that is paid in personal income tax and employee social security contributions net of cash benefits.

Thus, *Taxing Wages* seeks to determine the combined effect of personal income taxes, social security contributions (including payroll taxes) and family cash benefits on the net incomes of various illustrative family-types and on the labour costs faced by employers. Information is provided on employees at comparable levels of income. Key results for 2010 are highlighted in the following section. Part I contains detailed results for both 2010 and 2009.

## 2. Review of results for 2010

### 2.1. Tax wedge

In 2010, the tax wedge between total labour costs to the employer and the corresponding net take-home pay for single workers without children, at average earnings levels, varied widely across OECD countries (see column 1 in Table 0.1). The tax wedge exceeded 50 per cent in Belgium and was lower than 20 per cent in Korea, New Zealand, Mexico and Chile.

The increase between 2009 and 2010 of the tax wedge of an average worker (column 2) varied between 3.29 percentage points in Iceland and -6.65 percentage points in Hungary. Germany (-1.84 percentage points), Greece (-1.58 percentage points) and Denmark (-1.24 percentage points) were the only other OECD member countries in which the tax wedge fell by 1 percentage point or more. The tax wedge increased with more than 1 percentage point also in Japan (1.35 percentage points) and Spain (1.36 percentage points). The tax wedge has increased in twenty-two OECD member countries and fell in eleven member countries.

To explain these changes it is interesting to look at the constituent components of the tax wedge shown in Table 0.1: the income tax (see column 3), the employee social security contributions (see column 4) and the employer social security contributions (see column 5).

The reduction in the tax wedge is entirely or almost entirely driven by the reduction in income taxes in Germany, Greece, New Zealand and Sweden. In Denmark, income taxes decreased and benefits have increased (the effect of the latter is not shown directly in Table 0.1) as a result of the introduction of a green check to compensate for increased environmental taxes. Both income taxes and employer SSC decreased in Hungary.

The increase in the tax wedge is almost entirely driven by the increase in employee SSC in Estonia and by the increase in employer SSC in Iceland. Both employee and employer SSC increased in Japan with about 0.7 percentage point. The increase in the tax wedge is the result of an increase in income taxes in Spain.

Table 0.2 and Figure 0.1 show the constituent components of the tax wedge for 2010 as percentage of labour costs for a single individual without children at the income level of the average worker. The labour costs in Table 0.2 are expressed in terms of dollars with equivalent purchasing power. The portion of labour costs paid in personal income tax is 0 per cent in Chile, 2.2 per cent in Greece, 3.7 per cent in Korea and 3.8 per cent in Mexico; whereas it exceeds 20 per cent in Australia (20.4 per cent), Belgium (21.6 per cent), Iceland (22.8 per cent) and Denmark (27.9 per cent). The portion representing employee social security contributions also varies widely, ranging from zero per cent in Australia and New Zealand to 17.2 per cent in Germany and 19.0 per cent in Slovenia. Employers pay 29.7 per cent of total labour costs in social security contributions (including payroll taxes where applicable) in France, 25.6 per cent in Estonia and 25.4 per cent in the Czech Republic. In contrast, employers in New Zealand and Denmark are not subject to these levies.

As a percentage of labour costs, the total of employee and employer social security contributions exceeds 20 per cent in more than half of the OECD countries. The total of employee and employer social security contributions exceeds one-third of total labour costs in seven OECD countries: Austria, Belgium, the Czech Republic, France, Germany, Greece and Hungary.

**Table 0.1. Comparison of total tax wedge**  
As percentage of labour costs<sup>1</sup>

Country	Total Tax wedge 2010	Annual change 2010/09 (in percentage points)			
		Tax wedge	Income tax	Employee SSC	Employer SSC
	(1)	(2)	(3)	(4)	(5)
Belgium	55.4	0.02	0.13	0.02	-0.13
France	49.3	0.07	0.07	0.00	0.00
Germany	49.1	-1.84	-1.63	-0.10	-0.11
Austria	47.9	0.09	0.09	0.00	0.00
Italy	46.9	0.03	0.03	0.00	0.00
Hungary	46.4	-6.65	-4.60	0.42	-2.46
Sweden	42.7	-0.53	-0.52	-0.01	0.00
Slovenia	42.4	0.11	0.11	0.00	0.00
Czech Republic	42.2	0.15	0.15	0.00	0.00
Finland	42.0	-0.32	-0.52	0.67	-0.47
Estonia	40.0	0.84	-0.23	0.78	0.29
Spain	39.6	1.36	1.36	0.00	0.00
Netherlands	38.4	0.43	-0.15	0.21	0.38
Denmark	38.3	-1.24	-0.93	0.04	0.00
Slovak Republic	37.8	0.08	0.08	0.00	0.00
Portugal	37.7	0.26	0.26	0.00	0.00
Turkey	37.4	0.01	0.01	0.00	0.00
Norway	36.8	-0.05	-0.05	0.00	0.00
Greece	36.6	-1.58	-1.58	0.00	0.00
Poland	34.3	0.12	0.12	0.00	0.00
Luxembourg	34.0	0.18	0.20	0.00	-0.02
United Kingdom	32.7	0.24	0.12	0.06	0.07
Iceland	31.3	3.29	0.77	0.37	2.15
Japan	30.5	1.35	-0.16	0.74	0.78
Canada	30.3	-0.36	-0.35	-0.01	0.00
United States	29.7	0.11	0.15	0.00	-0.04
Ireland	29.3	0.37	-0.22	0.59	0.00
Australia	26.2	-0.02	0.15	0.00	-0.17
Switzerland	20.8	0.02	0.02	0.00	0.00
Israel	20.2	-0.01	-0.28	0.13	0.13
Korea	19.8	0.46	0.16	0.15	0.15
New Zealand	16.9	-0.81	-0.81	0.00	0.00
Mexico	15.5	0.23	0.18	0.00	0.05
Chile	7.0	0.00	0.00	0.00	0.00

1. Figures for a single worker at the average wage without children.

Sources: Country submissions.

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**Table 0.2. Income tax plus employee and employer social security contributions**  
As % of labour costs, 2010<sup>1</sup>

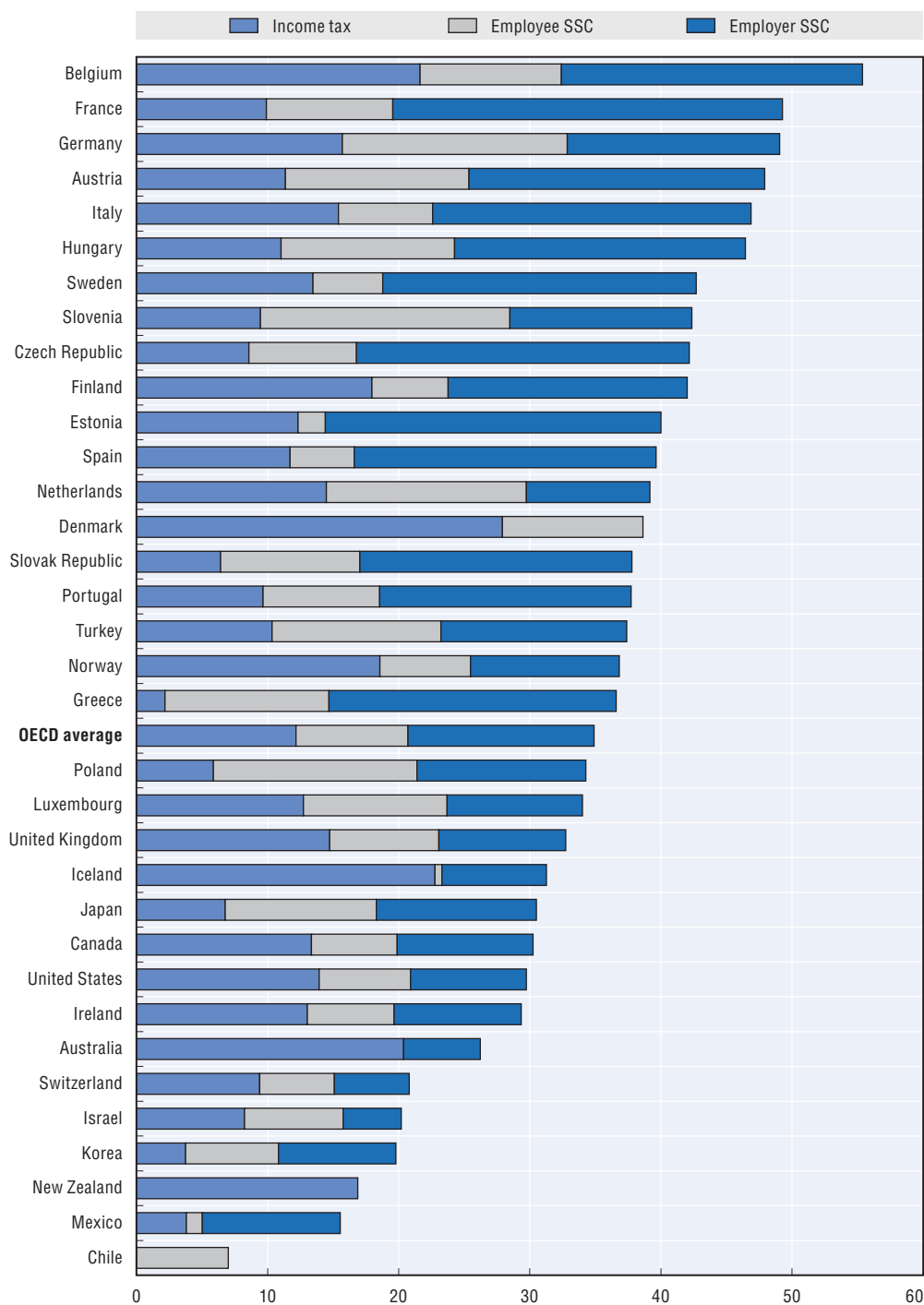
Country <sup>2</sup>	Total tax wedge <sup>3</sup>	Income tax	Social security contributions		Labour costs <sup>4</sup>
			Employee	Employer	
	(1)	(2)	(3)	(4)	(5)
Germany	49.1	15.7	17.2	16.2	61 971
Belgium	55.4	21.6	10.8	23.0	61 810
Austria	47.9	11.4	14.0	22.6	60 576
Luxembourg	34.0	12.7	10.9	10.3	59 726
United Kingdom	32.7	14.7	8.3	9.7	59 372
Netherlands	38.4	14.8	14.1	9.5	58 102
Norway	36.8	18.6	6.9	11.3	56 390
France	49.3	9.9	9.6	29.7	55 252
Sweden	42.7	13.5	5.3	23.9	53 754
Switzerland	20.8	9.4	5.7	5.7	53 205
Finland	42.0	18.0	5.8	18.2	51 263
Ireland	29.3	13.0	6.6	9.7	49 830
Japan	30.5	6.8	11.5	12.2	49 690
Italy	46.9	15.4	7.2	24.3	47 347
Korea	19.8	3.7	7.1	9.0	47 284
United States	29.7	13.9	7.0	8.8	47 207
Denmark	38.6	27.9	10.7	0.0	46 235
Spain	39.6	11.7	4.9	23.0	44 875
Australia	26.2	20.4	0.0	5.8	43 793
Canada	30.3	13.3	6.5	10.4	40 020
Iceland	31.3	22.8	0.5	8.0	35 272
Portugal	37.7	9.7	8.9	19.2	34 307
Israel	20.2	8.3	7.5	4.5	33 226
New Zealand	16.9	16.9	0.0	0.0	31 152
Greece	36.6	2.2	12.5	21.9	30 877
Slovenia	42.4	9.5	19.0	13.9	30 694
Czech Republic	42.2	8.6	8.2	25.4	28 876
Estonia	40.0	12.3	2.1	25.6	24 784
Hungary	46.4	11.0	13.2	22.2	24 372
Turkey	37.4	10.3	12.9	14.2	23 047
Poland	34.3	5.9	15.5	12.9	23 014
Slovak Republic	37.8	6.4	10.6	20.8	22 896
Mexico	15.5	3.8	1.2	10.5	12 287
Chile	7.0	0.0	7.0	0.0	11 552

1. Single individual without children at the income level of the average worker.
2. Countries ranked by decreasing labour costs.
3. Due to rounding total may differ one percentage point from aggregate of columns for income tax and social security contributions.
4. Dollars with equal purchasing power.

Source: Country submissions; OECD Economic Outlook 88 (December 2010).

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Figure 0.1. **Income tax plus employee and employer social security contributions**  
As % of labour costs, 2010<sup>1</sup>



1. Single individual without children at the income level of the average worker.

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## 2.2. Personal average tax rates

Table 0.3 summarises personal average tax rates – defined as income tax plus employee social security contributions as a percentage of gross wage earnings – in 2010.<sup>2</sup> At the average earnings level, single workers without children pay over 40 per cent of their annual wages in personal income tax and employee social security contributions in Belgium. In Estonia, Greece, New Zealand, Israel, Switzerland, Korea, Chile and Mexico, the personal average tax rate was below 20 per cent.

Clearly, the impact of taxes and benefits on worker's take-home pay varies greatly among OECD countries. Such wide variations in the size and make-up of tax wedges reflect in part differences in:

- the overall ratio of aggregate tax revenues to Gross Domestic Product (see Annex I); and,
- the share of personal income tax and social security contributions in national tax mixes.

The mix of taxes paid out of gross wage earnings varies greatly between countries. Figure 0.2 provides a graphical representation of the personal average tax rate decomposed between income tax and employee social security contributions. Average workers in Australia and New Zealand pay only income tax; the amount of employee SSC paid in Iceland, Mexico and Estonia is very small. In Chile, only employee social security contributions have to be paid. Also in other countries, as for instance in Greece, Slovenia and Poland, average workers pay mainly employee social security contributions.

## 2.3. Family tax rates

In 2010, the tax wedge between total labour costs to the employer and the corresponding net take-home pay for a one-earner married couple with two children, at average earnings levels, varied widely across OECD countries (see column 1 in Table 0.4). The size of the tax wedge is generally lower than the one observed for a single average worker without children (see column 1 in Table 0.1), since many OECD countries provide a fiscal benefit to families with children relative to single individuals without children through advantageous tax treatment and/or cash transfers.

The savings realised by a one-earner married couple compared to a single worker are greater than 15 per cent of labour costs in Belgium, Germany, Iceland, Ireland, New Zealand, the Slovak Republic and Slovenia and greater than 20 per cent of labour costs in the Czech Republic and Luxembourg. The tax burden is the same in Mexico and Greece (see column 1 in Table 0.1 and Table 0.4).

The increase between 2009 and 2010 of the tax wedge of an average one-earner married couple with two children (column 2 in Table 0.4) varied between +5.0 percentage points (Iceland) and –6.9 percentage points (Hungary). Japan and Greece (–2.0 percentage points), Denmark (–1.6 percentage points), Germany (–1.1 percentage points), the United States (+1.1 percentage points), the Netherlands (+1.5 percentage points), Ireland (+1.3 percentage points) and Spain (+1.4 percentage points) were the other OECD member countries in which the changes in the tax wedge did not fall in the range of plus or minus one percentage point. The tax wedge for a one-earner married couple with two children has decreased in eleven OECD member countries and increased in twenty countries.

A comparison of the changes in tax wedges between 2009 and 2010 between one-earner married couples with two children and single persons without children, at the average wage level, is shown in column 4 in Table 0.4. The fiscal preference for families

Table 0.3. **Income tax plus employee social security contributions**<sup>1</sup>  
As % of gross wage earnings, 2010

Country <sup>2</sup>	Total payment <sup>3</sup>	Income tax	Social security contributions	Gross wage earnings <sup>4</sup>
	(1)	(2)	(3)	(4)
United Kingdom	25.5	16.3	9.2	53 623
Luxembourg	26.4	14.2	12.2	53 561
Netherlands	31.9	16.4	15.6	52 581
Germany	39.2	18.7	20.5	51 935
Switzerland	16.0	10.0	6.1	50 170
Norway	28.7	20.9	7.8	49 991
Belgium	42.1	28.1	14.0	47 617
Austria	32.7	14.7	18.1	46 911
Denmark	38.6	27.9	10.7	46 235
Ireland	21.8	14.4	7.3	44 993
Japan	20.8	7.7	13.1	43 626
Korea	11.9	4.1	7.8	43 049
United States	22.9	15.3	7.7	43 040
Finland	29.1	22.0	7.1	41 915
Australia	21.6	21.6	0.0	41 231
Sweden	24.7	17.7	7.0	40 902
France	27.8	14.1	13.7	38 828
Canada	22.2	14.9	7.3	35 871
Italy	29.8	20.3	9.5	35 847
Spain	21.6	15.2	6.4	34 545
Iceland	25.3	24.7	0.6	32 464
Israel	16.5	8.6	7.8	31 747
New Zealand	16.9	16.9	0.0	31 152
Portugal	22.9	11.9	11.0	27 723
Slovenia	33.1	11.0	22.1	26 438
Greece	18.8	2.8	16.0	24 112
Czech Republic	22.5	11.5	11.0	21 549
Poland	24.6	6.7	17.8	20 051
Turkey	27.1	12.1	15.0	19 783
Hungary	31.2	14.2	17.0	18 967
Estonia	19.4	16.6	2.8	18 440
Slovak Republic	21.5	8.1	13.4	18 142
Chile	7.0	0.0	7.0	11 552
Mexico	5.6	4.3	1.4	10 996

1. Single individual without children at the income level of the average worker.

2. Countries ranked by decreasing gross wage earnings.

3. Due to rounding total may differ one percentage point from aggregate of columns for income tax and social security contributions

4. Dollars with equal purchasing power.

Source: Country submissions; OECD Economic Outlook 88 (December 2010).


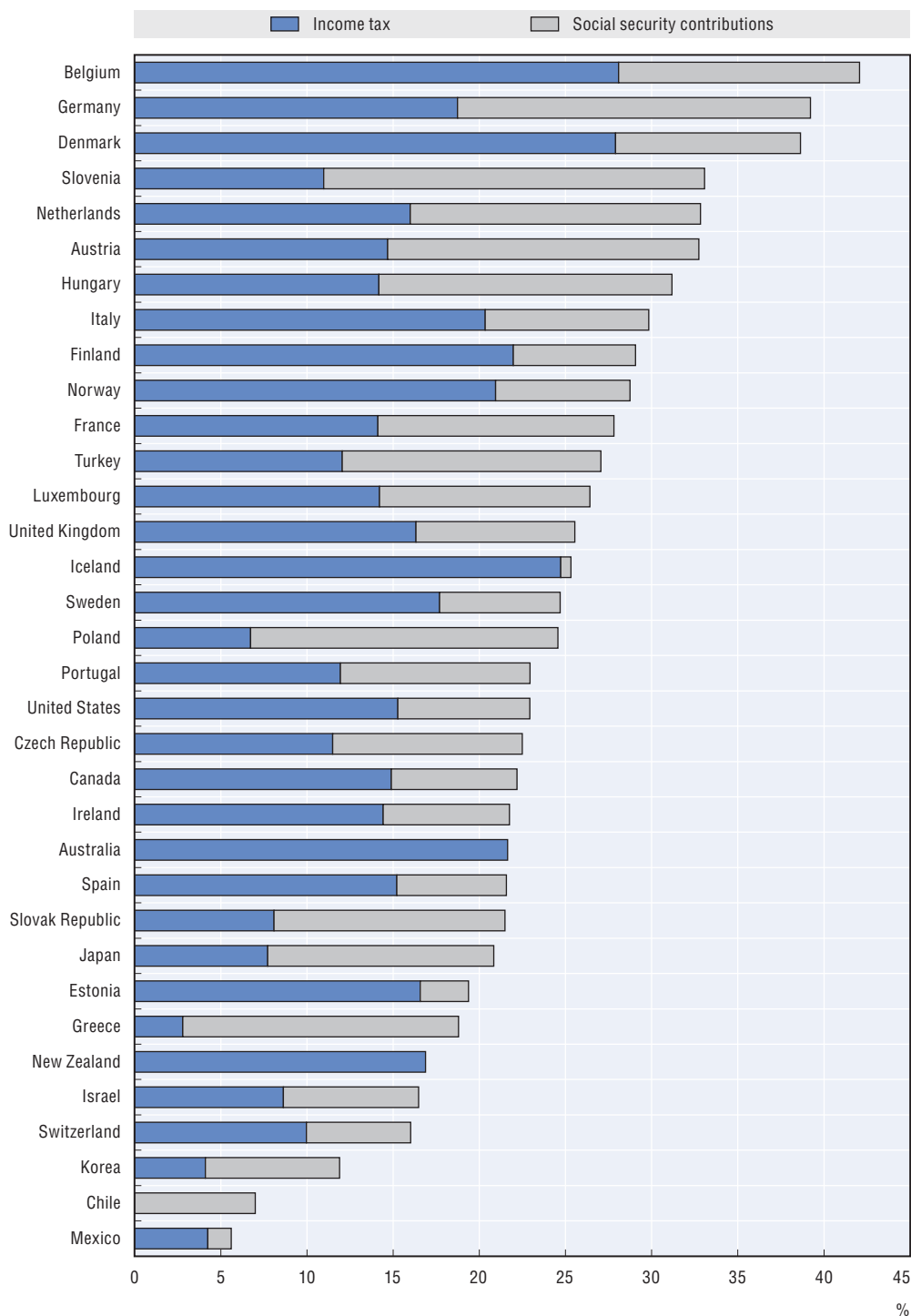
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Figure 0.2. **Percentage of gross wage earnings paid in income tax and employee social security contributions 2010<sup>1, 2</sup>**



1. Countries ranked by decreasing tax burden.

2. Single individuals without children at the income level of the average worker.

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**Table 0.4. Comparison of total tax wedge by family type**  
As percentage of labour costs<sup>1</sup>

Country <sup>2</sup>	Family total tax wedge 2010	Annual change 2010/09 (in percentage points)		
		Family tax wedge	Single tax wedge	Difference between single and family
	(1)	(2)	(3)	(3)-(2)
France	42.1	0.3	0.1	-0.3
Belgium	39.6	0.1	0.0	-0.1
Italy	37.2	0.1	0.0	-0.1
Sweden	37.1	-0.6	-0.5	0.1
Finland	36.6	-0.3	-0.3	0.0
Austria	36.6	0.2	0.1	-0.1
Greece	36.6	-2.0	-1.6	0.4
Hungary	36.3	-6.9	-6.6	0.3
Turkey	35.9	-0.1	0.0	0.1
Spain	33.8	1.4	1.4	0.0
Estonia	33.5	0.8	0.8	0.0
Germany	32.6	-1.1	-1.8	-0.7
Netherlands	31.1	1.5	0.4	-1.1
Norway	30.0	0.1	0.0	-0.1
Poland	28.4	0.0	0.1	0.1
Denmark	27.1	-1.6	-1.2	0.4
Portugal	26.9	0.3	0.3	0.0
United Kingdom	26.8	0.4	0.2	-0.2
Slovak Republic	22.6	-0.1	0.1	0.2
Slovenia	22.4	0.3	0.1	-0.1
Japan	21.6	-2.0	1.4	3.3
Czech Republic	21.2	0.3	0.2	-0.2
Korea	17.5	0.6	0.5	-0.1
Canada	17.3	-0.1	-0.4	-0.2
Israel	16.9	-0.1	0.0	0.1
United States	16.3	1.1	0.1	-0.9
Mexico	15.5	0.2	0.2	0.0
Ireland	13.4	1.3	0.4	-0.9
Iceland	12.7	5.0	3.3	-1.8
Australia	12.1	0.2	0.0	-0.2
Luxembourg	11.2	0.2	0.2	0.0
Switzerland	8.3	0.0	0.0	0.0
Chile	6.2	0.0	0.0	0.0
New Zealand	-1.1	0.2	-0.8	-1.0

1. Figures of the average worker single without children and one earner married couple with two children.

2. Countries ranked by decreasing tax wedge.

Source: Country submissions; OECD Economic Outlook 88 (December 2010).

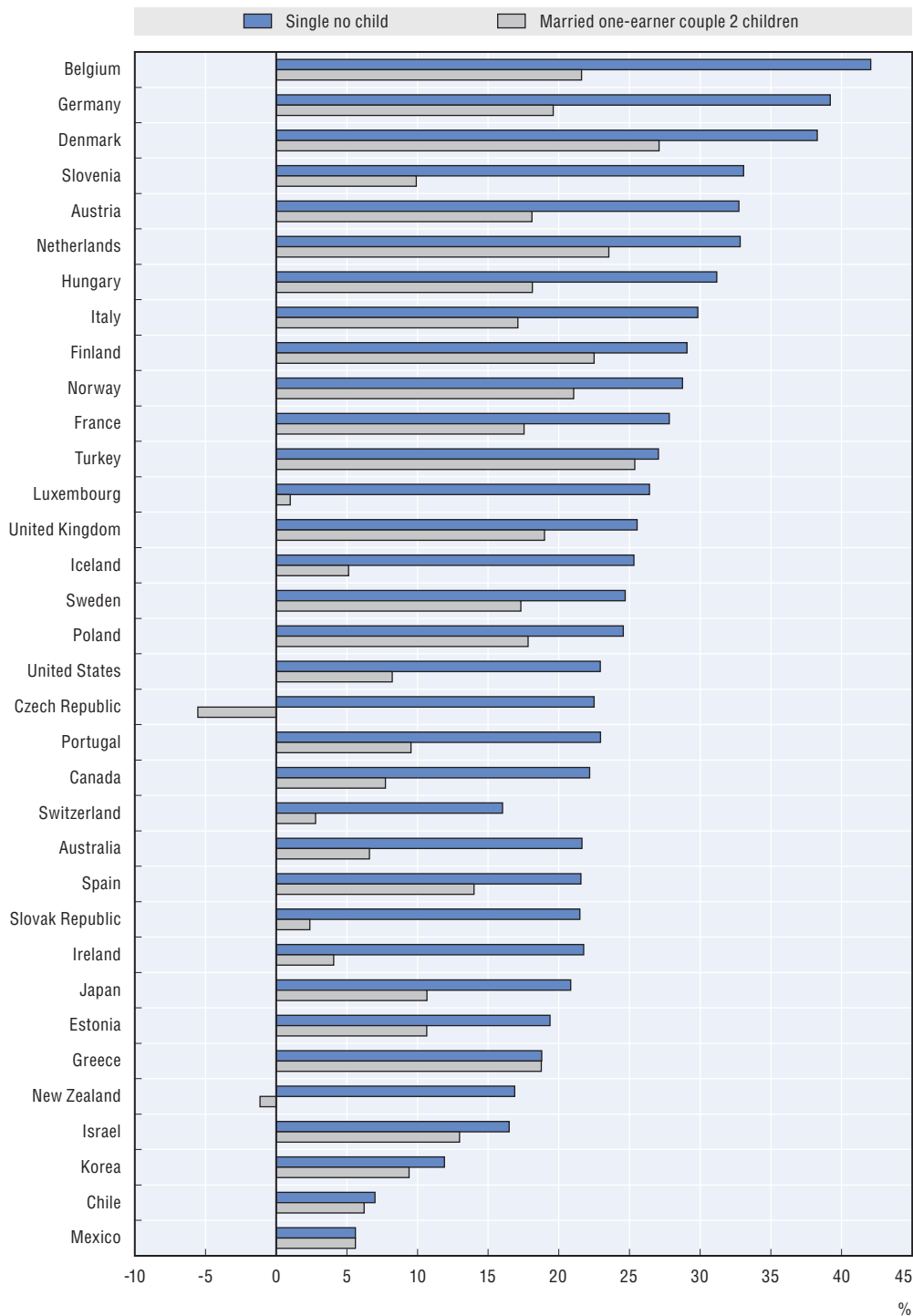
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increased in nine OECD member countries: Hungary, Denmark, Greece, Japan, Poland, Israel, Slovak Republic, Sweden and Turkey. Additionally, the effects of changes in the tax system on the tax wedge were independent of the family type in Luxembourg, Finland, Spain, Portugal, Chile, Switzerland, Mexico and Estonia.

These tax wedge figures include employer social security contributions, which are independent of the family type. Therefore, the same pattern is seen for the net personal average tax rate across family types – burden of income tax plus employee social security contributions less cash benefits. Figure 0.3 provides the net personal average tax rate for


Figure 0.3. **Income tax plus employee contributions less cash benefits, by family type<sup>1, 2</sup>**

As % of gross wage earnings, 2010



1. Countries ranked by decreasing rates for single taxpayer without children.

2. Corresponds to Table I.3, column 2 and 5.

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single individuals at 100 per cent of the earnings of an average worker and for a one-earner married couple with two children at the same earnings level. The savings realised by a one-earner married couple are equal to or greater than 20 per cent of earnings in the Czech Republic, Luxembourg, Slovenia, Iceland and Belgium. In contrast, the burden is the same in Mexico and in Greece. It is also interesting to note that when cash benefits are taken into account, one-earner married couples with 2 children face a negative burden in the Czech Republic and New Zealand because cash benefits exceed the income tax and social security payments.

## 2.4. Wages

Table 0.5 shows gross wage earnings of the average worker in each OECD member country for years 2009 (column 1) and 2010 (column 2). The gross average wage (AW) earnings for 2010 are estimated by the OECD Secretariat on the basis of the last final average wage values provided by OECD member countries, using the change in the compensation per employee in the private sector figures that are included in the *OECD Economic Outlook 88 Database*. More information on the values of the average wage and the estimation methodology is included in Part IV.3 of this Report. The annual change of the nominal wage of an average worker – shown in column 3 – varied between –5.5 per cent (Greece) and +6.5 per cent (Poland). To a large extent, this significant spread reflects the different inflation levels of individual OECD countries – see column 4 of Table 0.5, although real wages decreased strongly in some countries as a result of the financial and economic crisis. The annual change of real wage levels (before personal income tax and employee social security contributions) is found to be in the –2 to +2.5 per cent range for most countries; see column 5 of Table 0.5. Greece (–9.8 per cent), Hungary (–4.3 per cent), Turkey (–3.2 per cent), Estonia (–3.0 per cent), Chile (+3.9 per cent) and Poland (+4.0 per cent) show a change in real wages before tax outside this range.

When comparing wage levels, it is important to note that the definition of average wage earnings can vary between countries due to data limitations. For instance, the average wage figure for some countries does not include the wages earned by supervisory and managerial workers and not all countries exclude the wage earnings from part-time workers. The methods adopted for calculating the average wage measure for each country are described in details in Part IV of this Report (Table IV.3).

Table 0.6 provides more information on whether the average wages for the years 2000 until 2010 have been calculated for industry Sectors C-K inclusive with reference to the International Standard Industrial Classification of All Economic Activities, Revision 3 (ISIC Rev. 3) or industry Sectors B-N inclusive with reference to the International Standard Industrial Classification of All Economic Activities, Revision 4 (ISIC Rev. 4).

Most OECD countries calculate average wage earnings for Sectors B-N in the ISIC Rev. 4 Industry Classification since 2008 or 2009. Some countries have revised the average wage values using the ISIC Rev. 4 Classification for prior years as well. This is the case in Greece, the Czech Republic, the Slovak Republic, Slovenia and Estonia. Also Australia and New Zealand have provided revised average wage values for the 2000-2010 period; Australia and New Zealand now calculate average wages for Sectors C-K in the 2006 ANZSIC industry classification. The impact of the change in the industry classification has had only a small impact on the level of the average wage earnings. However, because of this change in the average wage, the results reported in this Report for the years before 2009 may slightly deviate from the values reported in last year's edition of *Taxing Wages*.

Table 0.5. Comparison of wage levels

Country	Gross wage in national currency		Annual change 2010/2009 (in percentage)			
	2009	2010	Gross wage	Inflation <sup>1</sup>	Real wage before tax	Change in personal average tax rate <sup>2</sup>
	(1)	(2)	(3)	(4)	(5)	(6)
Australia	60 118	62 772	4.4	2.9	1.4	0.1
Austria	39 544	39 828	0.7	1.6	-0.8	0.1
Belgium	41 024	41 407	0.9	2.1	-1.2	0.1
Canada	42 847	43 692	2.0	1.6	0.4	-0.4
Chile	4 478 647	4 724 939	5.5	1.6	3.9	0.0
Czech Republic	281 887	288 492	2.3	1.6	0.7	0.2
Denmark	367 051	374 625	2.1	2.3	-0.2	-0.9
Estonia	148 510	147 600	-0.6	2.4	-3.0	-0.2
Finland	37 965	38 425	1.2	1.4	-0.2	-0.8
France	32 943	33 871	2.8	1.6	1.2	0.1
Germany	40 929	41 750	2.0	1.0	0.9	-2.0
Greece	18 541	17 524	-5.5	4.7	-9.8	-2.0
Hungary	2 435 292	2 445 172	0.4	4.9	-4.3	-6.6
Iceland	4 097 286	4 353 083	6.2	5.3	0.9	1.4
Ireland	40 383	39 555	-2.1	-1.6	-0.5	-0.2
Israel	112 908	118 155	4.6	2.6	2.0	-0.3
Italy	27 608	27 827	0.8	1.5	-0.7	0.0
Japan	4 796 209	4 861 937	1.4	-0.9	2.3	-0.1
Korea	33 926 383	35 396 501	4.3	2.8	1.5	0.2
Luxembourg	48 078	48 564	1.0	2.6	-1.5	0.2
Mexico	84 598	87 390	3.3	4.1	-0.8	0.2
Netherlands	44 235	44 858	1.4	0.8	0.6	-0.1
New Zealand	45 560	47 668	4.6	2.4	2.2	-0.8
Norway	442 381	456 268	3.1	2.4	0.8	-0.1
Poland	35 373	37 665	6.5	2.4	4.0	0.1
Portugal	17 129	17 556	2.5	1.4	1.1	0.3
Slovak Republic	9 043	9 148	1.2	0.8	0.3	0.1
Slovenia	16 079	16 551	2.9	2.1	0.8	0.1
Spain	24 164	24 421	1.1	1.5	-0.5	1.8
Sweden	362 291	365 930	1.0	1.1	-0.1	-0.7
Switzerland	76 055	76 130	0.1	0.5	-0.4	0.0
Turkey	18 610	19 540	5.0	8.5	-3.2	0.0
United Kingdom	33 920	35 212	3.8	3.1	0.7	0.1
United States	42 129	43 040	2.2	1.6	0.6	0.2

1. Estimated percentage change in the total consumer price index.

2. Difference in the personal average tax rate of the average worker (single without children) between 2010 and 2009.

Source: Country submissions; OECD Economic Outlook 88 (December 2010).

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Until 2009, the average wage for Greece overestimated the actual gross earnings because it was calculated on the basis of earnings figures gross of the benefits linked to marriage and children. Married taxpayers may earn up to 10 per cent of additional income; parents may earn up to 5 per cent of additional income for each child. These benefits could not be separated from other gross earnings and were therefore taken into account when calculating the average wage. In 2010, Greece has provided new average wage values for the period 2000-2009 that are no longer calculated on the basis of the earnings gross of the benefits linked to marriage and children; these benefits are no longer taken into account when calculating average wage values. All tax burden measures for the years 2000 to 2010

Table 0.6. **Average Wage Industry Classification**

	Years for which ISIC Rev. 3.1 or any variant (Sectors C-K) has been used to calculate the AW	Years for which ISIC Rev. 4 or any variant (Sectors B-N) has been used to calculate the AW
Australia		2000-2010
Austria*		2008-2010
Belgium	2000-2007	2008-2010
Canada	2000-2009	2010
Chile	2000-2010	
Czech Republic		2000-2010
Denmark	2000-2007	2008-2010
Estonia		2000-2010
Finland	2000-2007	2008-2010
France	2000-2010	n.a.
Germany	2000-2007	2008-2010
Greece		2000-2010
Hungary	n.a.	n.a.
Iceland	n.a.	n.a.
Ireland	2000-2007	2008-2010
Israel	2000-2010	as of 2011
Italy	2000-2007	2008-2010
Japan	2000-2010	
Korea	2000-2008	
Luxembourg	2000-2008	2009-2010
Mexico*		
Netherlands	n.a.	n.a.
New Zealand		2000-2010
Norway	2000-2008	2009-2010
Poland	2000-2007	2008-2010
Portugal	2000-2008	2009-2010
Slovak Republic		2000-2010
Slovenia		2000-2010
Spain	2000-2007	2008-2010
Sweden	2000-2007	2008-2010
Switzerland	2000-2007	2008-2010
Turkey	average production wage	
United Kingdom	2000-2007	2008-2010
United States	2000-2010	

\* Austria: 2000-2007 average wage values are not based on the NACE (ISIC) classification.

Mexico: 2000-2010 average wage values are based on an ISIC version prior to ISIC Rev. 3.1.

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have therefore been revised using the revised average wage values for Greece. The results presented in this edition of the Taxing Wages report therefore present the tax burden on wage income faced by employees and employers in Greece more accurately.

## Notes

1. Not all national statistical agencies use ISIC Rev. 3 to classify industries. However, the Statistical Classification of Economic Activities in the European Community (NACE Rev. 1), the North American Industry Classification System (US NAICS 2002) and the Australian and New Zealand Standard Industrial Classification (ANZSIC 1993) include a classification which broadly conforms with industries C-K in ISIC Rev. 3.
2. In the Netherlands, a slightly different division is made between personal income taxes and employee social security contributions as compared to the methodology applied in this Report.