

Country Profile: Colombia

Capital:	Bogotá D.C.
Population:	49'392'072 (December 2017 est.)
Language:	Spanish (official)
Exchange rate:	GBP 1 = COP 4,049.88 (04th Dec 2017) Colombian Peso (COP)
Time zone:	GMT -5
Electricity:	110V-120V; 60Hz
Cost of living:	Bogota ranked 130th most expensive city in the world - <i>Mercer Worldwide Survey 2016</i>
Tax year:	1st January to 31st December

Tax residency

Individuals, national or foreign, will be treated as tax residents by Colombian authorities if (1) they have been present, continuously or not, for more than 183 calendar days in the country; (2) or, in the case of nationals, they have generated 50% of their income within a taxable period in the country, or more than 50% of their equity is administered in Colombia.

Income tax

Following the 2012 tax reforms all tax residents, regardless of nationality, are taxed on their worldwide income starting from their first year of residency in Colombia, reporting equity owned both locally and abroad. Non tax residents report only on Colombian-source income.

To avoid double taxation, individuals are encouraged to declare their fiscal residence by means of a certificate of fiscal residence (or similar document) issued by the country or jurisdiction in which they have become resident for tax purposes.

Income tax system

The tax reform of 2016 has created a new system based on different types of incomes earned in the fiscal year, which has established five categories of incomes with specific rates: income derived from work (salaries, honorary, commissions, travel expenses), income derived from pension (pension funds), income derived from capital (financials interest, royalties, leases), income not derived from work (sales, alienation of assets), income derived from dividends or participations (partners,

shareholders about your investments in shares).

Tax rates on income vary according with the kind of income. The income rates derived from work are currently 0%, 19%, 28% and 33%.

Non tax residents are subject to a 33% flat income tax rate on Colombian source income.

Social security

In Colombia, Social Security includes health, pension and occupational risk coverage. Employers and employees must make social security contributions in Colombia. VAT and excise taxes apply. Contributions to the health system correspond to 12.5% of the worker's monthly salary (4% for the employee and 8.5% for the employer) and contributions to a pension system correspond to 16% of the employee's monthly salary (4% for the employee and 12% for the employer). If an employee receives four or more minimum wages, contributions increase 1% more for the "solidarity retirement fund"; employees with 16 minimum wages or more are obliged to make an additional contribution up to the limit of 1%, depending on the salary. Occupational risks contributions are paid by the employer only, and can go as high as 8.7% of the gross salary.

Self-employed individuals must also make contributions to the pension system (40% of the monthly wages), however, affiliation to health (12.5%) and occupational risk systems depend on the risk of the activity performed. For expatriates, the territorial principle prevails and every labour relationship in Colombia is to be ruled by a labour contract executed in the country. The general rules for the payment of social security applies.

Country Profile: Poland

Capital:	Warsaw
Population:	38'142'531 (est. Dec 2017)
Language:	Polish
Exchange rate:	1 GBP = 4.69 PLN – Polish Zloty (3 December 2017)
Time zone:	GMT+1 (+2 in summer)
Electricity:	230V/50Hz
Cost of living:	Warsaw ranked 180th most expensive world city - <i>Mercer Worldwide Survey 2016</i>
Tax year:	1st January to 31st December

Income Tax

Individuals who have their centre of personal or economic interests in Poland or whose stay there exceeds 183 days in a tax year are deemed to be resident for tax purposes. Residents are taxed on their worldwide income. Non-residents in Poland are taxed on Polish-source income only. As a general rule, spouses are taxed separately on their income, but in some cases they can elect to file jointly: for example spouses in a community property marriage who were married the entire tax year, or spouses who have their residencies in different EU member states.

Taxable employment income includes salaries, bonuses and all other payments or benefits made on behalf of the employee. Moving costs reimbursed by the employer are exempt from taxable income up to the equivalent of 200% of the wages earned in the month in which the removal takes place if the transfer is requested by the employer. Social security contributions are deductible from taxable income. A tax credit of up to 7.75% of the base for health insurance contributions is available. An allowance of PLN 1'112.04 for minor children or children under the age of 25 if they continue to study is applicable (per child). There is a standard employment deduction of PLN 1'335 and a personal allowance of PLN 3'091.00. Income tax is only applicable above this threshold. Income between PLN 3'091.00 and PLN 85'528 is taxed at 18% and income above PLN 85'528 is taxed at 32%. Dividends are taxed at 19%, profits from the sale of shares are taxed at 19%. A final withholding tax of 19% applies to domestic dividends and interest.

There are no special rules for expatriates. Annual tax returns must be filed by 30 April in the year following the tax year. Income tax must be paid in advance every month and then adjusted at the end of the tax year.

Social Security

Social security contributions are levied on the employee's gross remuneration. Employees must contribute 9.76% towards old age pension, 1.50% towards disability insurance and 2.45% towards health and maternity insurance. Medical expenses are covered by an obligatory health insurance contribution of 9% payable by the employee and calculated on the employee's gross remuneration after deduction of contributions to old-age, disability and health and maternity insurance. Employers must contribute 9.76% towards old age pension, 6.50% towards disability insurance and 0.67% to 3.86%, depending on the employer's type of business activity, towards industrial injuries insurance. Additionally, employers have to contribute 0.10% of the employees' salaries to the warranted employees' claims fund (FGSP) and 2.45% to the labour fund (FP). The ceiling for the old age pension and disability insurance contributions is PLN 127'890 in 2017 but there is no ceiling for sickness and maternity insurance.