

## Tax - Payroll Guide - Free shares / RSU

<b>Indonesia</b>	
<b>Tax points</b>	<p><b>Grant:</b> No income tax. No social security.</p> <p><b>Vesting:</b> Income tax on fair market value of shares. No social security.</p> <p><b>Transfer to participant:</b> No income tax. No social security.</p> <p><b>Sale by participant:</b> Income tax on increase in value since vesting. No social security.</p>
<b>Income tax (maximum rate)</b>	35% (2025). Any change in tax rates usually takes effect from 1 January.
<b>Income tax rates</b>	<p>Tax rates are progressive.</p> <p>In 2025, the maximum tax rate applies to annual taxable income over IDR5Billion.</p>
<b>Employer income tax withholding</b>	Yes, upon the first taxable moment (i.e. upon vesting, exercise, transfer or purchase as the case may be). No withholding tax obligation on employer upon sale by participant.
<b>Employer social security withholding</b>	No (share options and share awards are not subject to social security).
<b>Employee social security</b>	<p><b>Employee social security (max rate):</b></p> <ul style="list-style-type: none"> <li>Manpower Social Security (<i>Badan Penyelenggara Jaminan Sosial or BPJS Ketenagakerjaan</i>), there are two rates applicable: <ul style="list-style-type: none"> <li>Old-Age Scheme: 2%;</li> <li>Pension Security Scheme: 1%; and</li> </ul> </li> <li>Healthcare Scheme (<i>BPJS Kesehatan</i>): 1%</li> </ul> <p>The contribution covers a family of five, but additional family members may be covered for an additional premium.</p> <p><b>Employee social security (cap):</b></p> <ul style="list-style-type: none"> <li><b>Manpower Social Security:</b> no cap for the old-age scheme, however, the maximum contribution to the Pension Security Scheme is 1% of IDR10,042,300 (IDR100,423) per month as of March 2024;</li> </ul> <p><b>Healthcare Scheme:</b> maximum contribution is 1% of IDR12,000,000 (IDR120,000) per month.</p>
<b>Employer social security</b>	<p><b>Employer social security (max rate):</b></p> <ul style="list-style-type: none"> <li><b>Manpower Social Security</b> (<i>Badan Penyelenggara Jaminan Sosial Ketenagakerjaan</i>), there are four rates applicable: <ul style="list-style-type: none"> <li>Old-Age Scheme: 3.7%;</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>○ Death Security Scheme: 0.3%;</li> <li>○ Workplace Security Scheme: 0.24% to 1.74% for employees that are not registered with Unemployment Security (i.e. a new form of security with a contribution that is borne by the government) and 0.10% to 1.60% for employees that are registered with Unemployment Security;</li> <li>○ Pension Security Scheme: 2%;</li> <li>• <b>Healthcare Scheme</b> (<i>BPJS Kesehatan</i>): 4%.</li> </ul> <p><b>Employer social security (cap):</b></p> <ul style="list-style-type: none"> <li>• <b>Manpower Social Security:</b> no cap for the old-age scheme, however, the maximum contribution to the Pension Security Scheme is 2% of IDR10,042,300 (IDR100,423) per month as of March 2024;</li> </ul> <p><b>Healthcare Scheme:</b> maximum contribution is 4% of IDR12,000,000 (IDR480,000) per month.</p>
<b>Tax reporting - Individual</b>	<p>There is no specific filing in relation to equity related incentives, the annual return must list all of the assets of the employee including their ownership of equity interests.</p> <p><b>Report name:</b> Annual Income Tax Return (<i>Surat Pemberitahuan Pajak Tahunan</i>) (SPT) 1770, SPT 1770 S or SPT 1770 SS, depending on the annual income of the employee.</p> <p>The return can be filed online. The tax return can be downloaded from the website <a href="#">here</a>.</p> <p><b>Tax period:</b> 1 January to 31 December.</p> <p><b>Reporting deadline:</b> the annual tax return must be filed by 31 March.</p> <p><b>Payment of tax:</b> by the end of March (before filing the tax return).</p>
<b>Tax reporting - Employing company</b>	<p>The employer must report the employees' incentive related income but the filing covers all employee benefits and is not specific to equity related incentives.</p> <p><b>Report name:</b> employers are required to:</p> <ul style="list-style-type: none"> <li>• issue a withholding Article 21 Income Tax receipt using Article 21 Income Tax e-SPT application;</li> <li>• pay withholding Article 21 Income Tax using a billing code with MAP Code 411121 and Payment Type Code 100; and</li> </ul>

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	<ul style="list-style-type: none"> <li>file a Periodic Article 21 Income Tax Return online or through a designated official Tax Application Service Provider.</li> </ul> <p>In addition, the employer must deliver a tax certificate to employees annually.</p> <p>The return can be downloaded and filed online from the website <a href="#">here</a>.</p> <p><b>Reporting deadline:</b> the monthly report must be filed by the 20th day of the following month and tax withheld must be paid by the 10th day of the following month.</p> <p><b>Payment of tax:</b> see above.</p>
<b>Malus and clawback - Tax points</b>	The existence of a malus or clawback clause does not affect the moment of tax for the individual.