

## Tax - Payroll Guide - Free shares / RSU

<b>Kuwait</b>	
<b>Tax points</b>	<p><b>Grant:</b> No income tax. No social security.</p> <p><b>Vesting:</b> No income tax. No social security.</p> <p><b>Transfer to participant:</b> No income tax. No social security.</p> <p><b>Sale by participant:</b> No capital gains tax. No social security.</p>
<b>Income tax (maximum rate)</b>	None
<b>Income tax rates</b>	There is no personal income tax in Kuwait.
<b>Employer income tax withholding</b>	No
<b>Employer social security withholding</b>	No, social security will not be payable on share related income.
<b>Employee social security</b>	<p>Under the Social Securities Laws, monthly salary received by employees in the private and oil sectors is divided into:</p> <ul style="list-style-type: none"> <li>• Basic Salary: the total wage received by an employee as salary under the Labour Law of the Private Sector No. 6/2010, up to a maximum amount of KWD1,500; and</li> <li>• Complementary Salary: the amount of monthly salary exceeding KWD1,500 up to a maximum amount of KWD1,250.</li> </ul> <p><b>Employee social security (max rate):</b> 10.5% of monthly salary divided as follows:</p> <ul style="list-style-type: none"> <li>• 5% of Basic Salary and Complementary Salary for the Old-age, Disability, Sickness and Death Fund;</li> <li>• 2.5% of Basic Salary and Complementary Salary for the Retirement Pensions Increment Fund;</li> <li>• 0.5% of Basic Salary and Complementary Salary for the Unemployment Insurance Fund (paid by employees not exceeding 60 years of age); and</li> <li>• 2.5% of Basic Salary for the Financial Remuneration Fund (suspended after 18 years of contributions).</li> </ul> <p><b>Employee social security (cap):</b> the maximum employee contribution is KWD257.50 per month (calculated on the basis of 8% of monthly salary up to a ceiling of KWD2,750 and 2.5% of monthly salary up to a ceiling of KWD1,500).</p> <p>There are no social security obligations for expatriate workers (except GCC citizens). Foreign and national employees are generally entitled to end of service indemnity payments.</p>

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<b>Employer social security</b>	<p><b>Employer social security (max rate):</b> 11.5% of monthly salary, divided as follows:</p> <ul style="list-style-type: none"> <li>• 10% of Basic Salary and Complementary Salary for the Old-age, Disability, Sickness and Death Fund;</li> <li>• 1% of Basic Salary and Complementary Salary for the Retirement Pensions Increment Fund;</li> <li>• 0.5% of Basic Salary and Complementary Salary for the Unemployment Insurance Fund.</li> </ul> <p><b>Employer social security (cap):</b> capped at monthly salary of KWD2,750. The maximum employer contribution is KWD316.25 per month.</p>
<b>Tax reporting - Individual</b>	None
<b>Tax reporting - Employing company</b>	<p>The employer must file an annual return. There is no requirement to report employee income.</p> <p><b>Report name:</b> Annual Tax Accounts.</p> <p><b>Reporting deadline:</b> within 3 months and 15 days of Fiscal year end.</p> <p><b>Payment of tax:</b> social security contributions are paid monthly.</p>
<b>Malus and clawback - Tax points</b>	There is no direct personal taxation in Kuwait.