

Brazil: New social security rate adjustments to impact mobility processes

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In brief

The Brazilian Treasury Ministry published Ordinance n. 8/2017 which adjusted the social security tax rates table as of January 2017. The new rates are applicable to all beneficiaries of the Social Security System, including foreign employees working for Brazilian companies or Brazilian individuals working abroad with ties to the home country employer.

In detail

Employee contributions are subject to tax at a maximum

rate of 11%, regardless of their monthly salary and are limited to BRL 608.44 on a monthly basis, according to the new tax

rates table. Please see table below:

Social Security Tax Rate Table			
Taxable Amount from (BRL)	Up to (BRL)	Rate (%)	Ceiling Amount (BRL)
0	1,659.38	8	-
1,659.39	2,765.66	9	-
2,765.67	5,531.31	11	608.44

The takeaway

How will these adjustments impact current processes?

Depending on the assignment structure, the new rates will affect the remuneration package to be paid, credited,

or delivered to the individual, mainly to those under a split payroll arrangement or net-to-gross compensation.

Furthermore, they will also have an impact from a budget and payroll perspective.

How can PwC help?

PwC can assist clients with identifying the impacts resulting from these changes as well as implementing the required adjustments in the compensation package and payroll processing.

Let's talk

For a deeper discussion about this issue, please contact your Global Mobility Services engagement team or one of the following professionals:

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