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Tax obligations for retired staff of international organizations in Vienna

Disclaimer: The information contained does not replace professional consultation.



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General Questions:



- Why is it important to declare your income to Austrian tax authorities?
- How easy/complex is it to file your taxes?
- Which types of income needs to be declared?
- What are the consequences of not filing?
- How much is the cost of a tax advisor to help you filing your taxes?
- Which documents you need to bring your tax advisor for filing?


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Why LBG?



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- LBG has great experience in Austrian tax advice
- A powerful partner is always a benefit in front of Tax authorities
- LBG has 400 employees including over 60 tax advisors
- Mr. Sobotka is the managing director and will accompany all our clients
- LBG office is located in a 6 story building in 3rd district
- LBG has competitive rates for clients of Monajemi Financial Services




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Tax liabilities for retirees of United Nations




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Unlimited tax liability - subject to tax on the worldwide income in Austria

- **UN-pension:** former Employees of the United Nations are **exempt** from Austrian income tax on their United Nations pension

Any other (worldwide) income is taxable in Austria, e.g.

- Income from independent personal services or commercial activities
- Income from employment
- Income from capital investment
- Income from rental or leasing




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Progressive tax rates in Austria



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Income tax scales:

Taxable Income:		Marginal Tax Rate:
• Up to € 11.000		0 %
• € 11.000 – 18.000		25 %
• € 18.000 – 31.000		35 %
• € 31.000 – 60.000		42 %
• € 60.000 – 90.000		48 %
• € 90.000 – 1.000.000		50 %
• > € 1.000.000		55 %


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Main principles of taxations in Austria



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- Unlimited or limited tax liability: Residence or habitual abode in Austria
- Personal scope: Individuals are subject to income tax. No joint taxation of married couples or households.
- Tax return: Tax returns are due on 30 April of the year following the tax year (if tax returns are submitted electronically by 30th June)
- Obligation to submit a tax return:
 - Annual world-wide income exceeds 730 Euros
 - Capital Income from outside Austria




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Income from capital investment

1) Income from the provision of capital e.g.:

- Dividends
- Interest from cash deposits and savings accounts
- Income from bonds, securities
- Profit distribution to silent partners




Tax rate – Withholding Tax

- 25% for interest on savings accounts or current accounts
- 27,5% for dividends, investment funds, derivatives

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Income from capital investment (continue)

2) Income from realized capital gains:


- Acquisition after 1 January 2011 (Shares, Investment Funds) or after 1 April 2012 (Debt Securities, Derivatives)
- Investment income can be offset with losses
- No carry forward for any remaining losses
- 27,5% withholding tax for capital gains




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EUSD / CRS



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- **EU Savings Directive (EUSD)**
 - General approach to improve measures against banking secrecy
 - EU Member States exchange information about interest earned
 - Austria, Belgium, Luxembourg – withholding tax in place of information exchange

- **Common Reporting Standard (CRS)**
 - Automatic exchange of tax information by OECD
 - More than 100 countries (EU member states and major financial centers around the world)
 - Annual automatic exchange (interest, dividends, sale proceeds,..)


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Rental Income



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Current rental income :

- Excess of receipts over expenses related to the rental income
- Standard taxation rates

Income from realized capital gains on real estate:




- Speculation period of 10 years was abolished with 1 April 2012
- 30 % tax for gains on real estate
- Base for taxation is the selling price minus acquisition cost

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Example 1 – calculation of rental income

Example: Calculation of taxable current rental income:


	Euro
Rental revenues	5.300,--
Annual depreciation	- 2.200,--
Maintenance	- 400,--
Other costs	- 300,--
Total rental income	2.400,--



→ to be taxed with standard tax rates

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Example 2 – calculation of total income

UN-retiree with fiscal residence in Austria (unlimited tax liability)


- **UN pension:** exempt from taxation
- **Capital income** (e.g. from dividend income and capital gains and the coupon paying agent is in Austria): **€ 6.000** (27,5% withholding tax = € 1.650 – already deducted by the Austrian bank → € 4.350 credited on your bank account)
- **Income from rent: € 3.500**
- **Total annual income: € 9.500**


→ Appliance for standard taxation option favorable → Austrian withholding tax (Kest) will be refunded

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How can we assist you?





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- Fulfill your necessary tax obligations and optimize your taxation situation
- Apply for the standard taxation option
- Reimbursement and setting of withholding taxes
- Avoiding double taxation (Exemption method, Credit method)
- Special flat rate for clients of 
- Meeting should be scheduled in LBG office in 1030 Vienna


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