



# Researcher Taxation



## A Special Tax Scheme for Researchers Recruited Directly from Abroad

### *The Danish tax system*

The principle behind the Danish tax system is progression. This means that the more you earn, the higher income tax percentage you have. As a tax payer you may be eligible for various deductions such as for interest expenses, travelling expenses, contributions to pre-approved charity funds and union fees. Therefore, your tax rate can vary from approx. 33 % to approx. 56 %

As a means to attract a more highly qualified work force to Denmark, a taxation scheme called 'researcher tax scheme' has been introduced. It offers a low tax rate to researchers recruited from abroad who have obtained PhD level.

The tax rate under the researcher tax scheme is currently benchmarked at 26 % for a maximum period of 60 months (five years). This is a flat rate tax without the possibility of tax deductions. You will also pay a mandatory 8 % labour market social contribution, which is deducted before the 26 % tax is calculated. Hence, the total tax rate is 31.92%.

The researcher tax scheme only applies to salary from the university whereas other income will be taxed according to the relevant regular tax rules.

The 60 months may be broken down in shorter periods, provided that you are not tax liable to Denmark in the periods between employments in Denmark.

The duration of your employment can range from one month to an open-ended position, and your employment can be either full-time or part-time.

In order to be eligible for the researcher tax scheme through your employment at the University of Copenhagen, you must comply with the following conditions:

- You must be employed as a postdoc, assistant professor, associate professor or professor. You do not qualify for this special scheme if you are employed as a research assistant, PhD Fellow or administrative staff (in Danish: A-TAP).
- You cannot have had any tax liability in Denmark 10 years prior to your employment in Denmark (see exemptions below).
- Your employment as a researcher must start no later than one month after your arrival in Denmark. This also means that if you have a gap between two employments of more than one month or are on leave for more than one month and remain tax liable in Denmark, you may not be eligible to continue on the researcher taxation.

Read more about the special tax scheme at: [www.skat.dk](http://www.skat.dk) – *Borger – search for “researchers and highly paid employees”*.



## Exceptions to the rule about tax liability to Denmark

There are some exceptions to the main rule stating that you cannot have been tax liable to Denmark within the last 10 years:

- Previous tax liability during periods under the special tax scheme if tax liability ceased at the same time as the previous employment.
- Limited tax liability on Danish income as a guest lecturer etc. at a university or research institute (total duration of no more than 12 months within the last ten years).
- Full tax liability on foreign income as a guest lecturer etc. at a university or research institute (total duration of no more than 12 months within the last ten years and income exclusively from foreign funds).
- Other specific income types/assets subject to limited Danish tax liability.

## Application

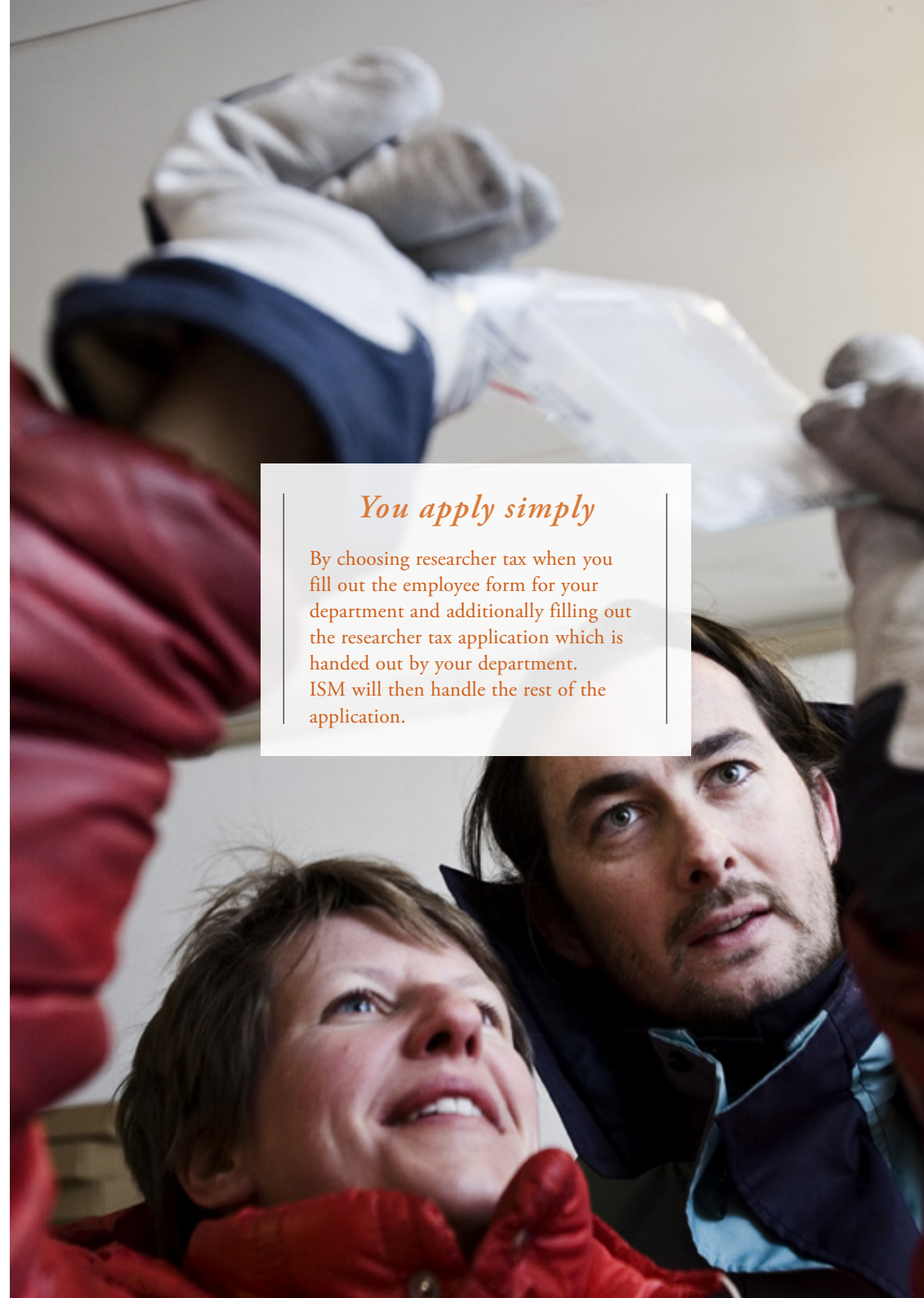
You can apply by filling out the application for the researcher taxation scheme when you fill out the employment form or by contacting ISM.

ISM will be sure to check your eligibility before an application is sent to the tax authorities. It is up to the Danish tax authorities (SKAT) to decide if you fulfil the criteria.

After applying ISM will immediately ensure that the salary payment is carried out with deduction of 8 % labour market contribution + 26 % income tax unless there are doubts about your eligibility. In such case the salary will be paid out with deduction of regular taxes until otherwise instructed by the tax authorities. The tax authorities will send a letter of confirmation to the University only to confirm your eligibility.

### *You apply simply*

By choosing researcher tax when you fill out the employee form for your department and additionally filling out the researcher tax application which is handed out by your department. ISM will then handle the rest of the application.



## Ordinary tax according to tax rate card

After the expiration of your researcher tax period, or if you have chosen to pay normal tax rates as opposed to researcher tax, you will pay ordinary tax with deductions in accordance with your preliminary tax assessment/tax card, read more below.

The normal tax rates in Denmark range between around 33 % and 56 %. It is worth considering choosing the regular tax scheme from the researcher tax scheme if you have high tax deductions, such as a mortgage etc.

Your preliminary tax assessment/tax card will be issued by your local tax centre upon your request. The tax centre needs to know your annual salary and your deductibles. It is a good idea to show your letter of employment or pay slip, as well as documentation of your tax deductible expenses e.g. travel expenses, trade union fees, and contributions to charity or interest expenses.

The tax card will be issued electronically, which means that the University retrieves your tax rate and deductions from the E-tax system, which is linked to the pay roll system and your CPR number.

If you forget to register a preliminary tax assessment/ tax card, you will pay a preliminary tax of 8% labour market tax plus 55% in other taxes.

Read more about the Danish tax system at [www.skat.dk](http://www.skat.dk).

## Annual tax statement

Every spring (in March), the tax authorities will issue your tax statement (Årsopgørelse) for the previous calendar year. You can see it online in TastSelv on [skat.dk](http://skat.dk)

In this statement, your taxed salary will be pre-printed along with other income, interests and dividends reported to SKAT by your employer, bank etc. You must inform SKAT of any income not pre-printed on your tax statement before the tax declaration deadline, which is usually 1 May/1 July for non-Danish income.

You are obliged to ensure that the information in the annual tax statement is correct and complete. You can report changes to the information pre-printed on the tax statement at [www.skat.dk](http://www.skat.dk). Choose "English" at the top and then "log on" in the right top corner, or you can contact SKAT directly.

You can find all information related to your tax in your electronic tax file (in Danish: Skattemappe) at [www.tastselv.skat.dk](http://www.tastselv.skat.dk).

### *If you have further questions*

PLEASE VISIT OUR WEBSITE [WWW.ISM.KU.DK](http://WWW.ISM.KU.DK),  
OR SEND US AN E-MAIL AT  
[INTERSTAFF@ADM.KU.DK](mailto:INTERSTAFF@ADM.KU.DK)

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