



China Foreign Teachers Union – April 05, 2021 – ChinaForeignTeachersUnion@gmail.com

In response to numerous inquiries we've received this year about income tax obligations in China, we felt it is best to put this out to our membership as an alert and reduce the work load on our volunteer who have to answer 50-100 emails every day. Also we do not have the resources to review your employment contracts one by one. Likewise,

OFFICIAL EXPAT WITHHOLDING TAX IN CHINA:

- The first 4,800 of your China income is tax-exempt. Afterwards your tax is calculated on the below rates:

CNY 0-2,999	3%
CNY 3000-11,999	10%
CNY 12,000-24,999	20%
CNY 25,000-34,999	25%
CNY 35,000-54,999	30%
CNY 55,000-79,999	35%
CNY 80,001 or over	45%

IMPORTANT: Whether your employer withholds and pays this tax on your behalf or not, **YOU** are still liable to pay it. Thousands of expat teachers get the shock of their life when they go to travel abroad after 1 year in China and discover an "EXIT BAN" was placed on them for delinquent taxes and they are trapped in China until they pay the full amount, plus 5% interest per year.

Do not get scammed by third parties who say they can lower your taxes:

1) It is against China Labor laws for any recruiter, job, agent, or headhunter to collect ANY portion of your wages on a monthly or any or regular basis. Their fees are capped at one (1) month's salary. This is why you should only sign one "Employment Contract" with your direct employer, not a broker, agent, or recruiter that you obtain DIRECTLY from your direct employer. Likewise, no agent, head hunter, or other third party other than your employer can collect or deduct any tax monies on your behalf, even your own lawyer. Read more here:

<https://chinaforeignteachersunion.wordpress.com/2020/10/23/most-expats-including-art-ib-subject-and-tefl-teachers-cheat-themselves-out-of-10000-every-year-by-signing-illegal-employment-contracts/>

2. Only Employers that are SAFEA- Registered, have a Tax ID number, and a SAIC Business License are LEGALLY allowed and authorized to deduct any tax moneys from a foreigner worker in China – according to China labor and tax laws.

Therefore, if YOUR employer deducts any taxes from your salary, you have a right to see their:

- Original SAFEA Registration
- TAX Certificate Showing Their Tax ID Number
- Original SAIC Business License
- Tax Receipts From The Tax Bureau Paid On YOUR Behalf (not the schools, and you are entitled by law to have copies of these receipts which will have an official Tax Bureau seal on them)

If they refuse to show you these documents demand that they refund any and all tax moneys deducted from your pay. YOU WERE SCAMMED.

3) It also against the labor laws of China for any party in China to deduct any taxes from an Expat who does not legally hold a genuine WORK VISA (Z visa) since expats without a Z visa are not legally “employees” This also applies to “consultants” and “interns” who are residing in China.

Therefore, based on the above, do not allow your employer to deduct ANY alleged tax moneys from your wages salaries if you do not have a WORK VISA in your passport (Z Visa) and don't be fooled by any document in Chinese they show you and try to tell you about some “new law” or amendment that authorizes them to take tax moneys from you earnings. Ask them for a copy of that document, and if they ask you why you want it. Simply explain that you will need it when you go to the tax bureau to get copies of your tax receipts. Also ask your employer for your employee and tax ID number. These comments will put an immediate end to the tax scam they tried to pull on you. THIS IS A VERY COMMON SCAM – BEWARE!

NOTE: You need not worry about these con jobs if you are employed by a China public school or university. They are closely monitored and audited and do not play games like this, and seldom exploit teachers, except for overtime activities. Most, but not all, International schools will be straight up with you.

4) It also against the labor laws of China for any job agent, recruiter, or headhunter to offer, solicit for, recruit, contract, or employ any foreigner for any job within China unless they have a SAIC business license, a tax identification number from the Ministry of taxation, and are registered with SAFEA. Here is a link to China's Basic Labor Laws in English. If you can read Chinese we can send you all 400+ pages of the complete Labor Law manual pages by email.

<https://govt.chinadaily.com.cn/s/201711/26/WS5c0e1e40498eefb3fe46e833/labor-law-of-the-peoples-republic-of-china.html> For More Tips visit: <https://reddit/r/CFTU>