



News Alert – January No. 1/2024

NEW ARTICLE 21 WITHHOLDING TAX CALCULATION RULES

Government Regulation No. 58/2023 (“GR-58”), issued on 27 December 2023, is intended to simplify the calculation of WHT Art. 21 for individuals who earn income on a monthly or daily basis. **This regulation does not change the tax payable on an annual basis. However, the monthly tax payable will be lower in January through November, but higher in December, assuming the individual receives a similar amount of income each month. The withholding tax calculation under GR-58 applies beginning 1 January 2024.**

Below we discuss the significant points.

Calculation for monthly income

GR-58 significantly changes the calculation of WHT Art. 21 for permanent employees. The new calculation is based on an effective tariff rate (“ETR”).

The ETR is applied to January through November; the existing tariff (based on Article 17.1 of the Income Tax Law) is applied to December.

Tax Period	Taxable Income (a)	Tariff (b)	Calculation
January–November	Gross income	ETR	a x b
December	Gross income minus deductions for nontaxable income (PTKP, pension contribution, etc.)	Art. 17.1	a x b

The ETR is categorized based on the amount of nontaxable income according to the individual’s marital status and number of dependents (PTKP). The ETR is then applied to an individual’s gross monthly income. The three categories are:

Category	Nontaxable Income Status	Nontaxable Income (IDR)
A	– Single with no dependents	– 54 million
	– Single with one dependent	– 58.5 million
	– Married with no dependents	– 58.5 million
B	– Single with two dependents	– 63 million
	– Single with three dependents	– 67.5 million
	– Married with one dependent	– 63 million
	– Married with two dependents	– 67.5 million
C	– Married with three dependents	– 72 million

The applicable effective tariff rates for each category are provided in Appendix A.

News Alert

January No. 1/2024

Below is an example provided by the DGT comparing the tax calculation under the previous approach (Art. 17.1) and the new approach under GR-58:

Mr. R works for company PT ABC and earns a monthly salary of IDR 10 million and pays a pension contribution of IDR 100,000/month. Mr. R is married and has no dependents.

Previous Monthly Calculation	
Salary	IDR 10,000,000
Position allowance	
5% x IDR 10,000,000	IDR 500,000
Pension contribution	IDR 100,000
Net monthly income	IDR 9,400,000
Net income for the year	
12 x IDR 9,400,000	IDR 112,800,000
Nontaxable income (PTKP)/year	<u>IDR 58,500,000</u>
Taxable income for the year	IDR 54,300,000
Income tax Art.21 payable	
5% x IDR 54,300,000	IDR 2,715,000
Income tax Art.21/month (Jan-Dec)	
IDR 2,715,000 ÷ 12	IDR 226,250

New Calculation (GR-58)						
	Income per month (IDR)	Income tax for the year (IDR)	Income tax per month (IDR)			Notes
			Before GR-58 (Jan-Dec)	ETR Jan-Nov	Art. 17 Dec	
Mr. R	10,000,000	2,715,000	226,250	200,000	515,000	ETR 2% (Category A line 9)

Assuming an individual's gross income is similar every month, with the application of ETR the monthly WHT Art. 21 payable for January through November will be lower compared to the previous treatment, but the amount payable for December will be higher. This will have to be carefully managed.

Calculation for daily income

For non-permanent employees who earn income on a daily, weekly, unit or piece rate basis, the effective tariff rate is as follows:

Daily Gross Income	Tax Rate
Up to IDR 450,000	0%
IDR 450,000 – IDR 2,500,000	0.5%

If income is not received on a daily basis, the calculation is based on the average income earned for each day worked.

Appendix

Category A

No.	Gross Monthly Income (IDR '000)	Effective Tariff Rate
1	Up to 5,400	0%
2	> 5,400 – 5,650	0.25%
3	> 5,650 – 5,950	0.50%
4	> 5,950 – 6,300	0.75%
5	> 6,300 – 6,750	1%
6	> 6,750 – 7,500	1.25%
7	> 7,500 – 8,550	1.50%
8	> 8,550 – 9,650	1.75%
9	> 9,650 – 10,050	2%
10	> 10,050 – 10,350	2.25%
11	> 10,350 – 10,700	2.5%
12	> 10,700 – 11,050	3%
13	> 11,050 – 11,600	3.5%
14	> 11,600 – 12,500	4%
15	> 12,500 – 13,750	5%
16	> 13,750 – 15,100	6%
17	> 15,100 – 16,950	7%
18	> 16,950 – 19,750	8%
19	> 19,750 – 24,150	9%
20	> 24,150 – 26,450	10%
21	> 26,450 – 28,000	11%
22	> 28,000 – 30,050	12%

No.	Gross Monthly Income (IDR '000)	Effective Tariff Rate
23	> 30,050 – 32,400	13%
24	> 32,400 – 35,400	14%
25	> 35,400 – 39,100	15%
26	> 39,100 – 43,850	16%
27	> 43,850 – 47,800	17%
28	> 47,800 – 51,400	18%
29	> 51,400 – 56,300	19%
30	> 56,300 – 62,200	20%
31	> 62,200 – 68,600	21%
32	> 68,600 – 77,500	22%
33	> 77,500 – 89,000	23%
34	> 89,000 – 103,000	24%
35	> 103,000 – 125,000	25%
36	> 125,000 – 157,000	26%
37	> 157,000 – 206,000	27%
38	> 206,000 – 337,000	28%
39	> 337,000 – 454,000	29%
40	> 454,000 – 550,000	30%
41	> 550,000 – 695,000	31%
42	> 695,000 – 910,000	32%
43	> 910,000 – 1,400,000	33%
44	> 1,400,000	34%

News Alert

January No. 1/2024

Category B

No.	Gross Monthly Income (IDR '000)	Effective Tariff Rate
1	Up to 6,200	0%
2	> 6,200 – 6,500	0.25%
3	> 6,500 – 6,850	0.50%
4	> 6,850 – 7,300	0.75%
5	> 7,300 – 9,200	1%
6	> 9,200 – 10,750	1.5%
7	> 10,750 – 11,250	2%
8	> 11,250 – 11,600	2.5%
9	> 11,600 – 12,600	3%
10	> 12,600 – 13,600	4%
11	> 13,600 – 14,950	5%
12	> 14,950 – 16,400	6%
13	> 16,400 – 18,450	7%
14	> 18,450 – 21,850	8%
15	> 21,850 – 26,000	9%
16	> 26,000 – 27,700	10%
17	> 27,700 – 29,350	11%
18	> 29,350 – 31,450	12%
19	> 31,450 – 33,950	13%
20	> 33,950 – 37,100	14%

No.	Gross Monthly Income (IDR '000)	Effective Tariff Rate
21	> 37,100 – 41,100	15%
22	> 41,100 – 45,800	16%
23	> 45,800 – 49,500	17%
24	> 49,500 – 53,800	18%
25	> 53,800 – 58,500	19%
26	> 58,500 – 64,000	20%
27	> 64,000 – 71,000	21%
28	> 71,000 – 80,000	22%
29	> 80,000 – 93,000	23%
30	> 93,000 – 109,000	24%
31	> 109,000 – 129,000	25%
32	> 129,000 – 163,000	26%
33	> 163,000 – 211,000	27%
34	> 211,000 – 374,000	28%
35	> 374,000 – 459,000	29%
36	> 459,000 – 555,000	30%
37	> 555,000 – 704,000	31%
38	> 704,000 – 957,000	32%
39	> 957,000 – 1,405,000	33%
40	> 1,405,000	34%

Category C

No.	Gross Monthly Income (IDR '000)	Effective Tariff Rate
1	Up to 6,600	0%
2	> 6,600 – 6,950	0.25%
3	> 6,950 – 7,350	0.50%
4	> 7,350 – 7,800	0.75%
5	> 7,800 – 8,850	1%
6	> 8,850 – 9,800	1.25%
7	> 9,800 – 10,950	1.50%
8	> 10,950 – 11,200	1.75%
9	> 11,200 – 12,050	2%
10	> 12,050 – 12,950	3%
11	> 12,950 – 14,150	4%
12	> 14,150 – 15,550	5%
13	> 15,550 – 17,050	6%
14	> 17,050 – 19,500	7%
15	> 19,500 – 22,700	8%
16	> 22,700 – 26,600	9%
17	> 26,600 – 28,100	10%
18	> 28,100 – 30,100	11%
19	> 30,100 – 32,600	12%
20	> 32,600 – 35,400	13%
21	> 35,400 – 38,900	14%

No.	Gross Monthly Income (IDR '000)	Effective Tariff Rate
22	> 38,900 – 43,000	15%
23	> 43,000 – 47,400	16%
24	> 47,400 – 51,200	17%
25	> 51,200 – 55,800	18%
26	> 55,800 – 60,400	19%
27	> 60,400 – 66,700	20%
28	> 66,700 – 74,500	21%
29	> 74,500 – 83,200	22%
30	> 83,200 – 95,600	23%
31	> 95,600 – 110,000	24%
32	> 110,000 – 134,000	25%
33	> 134,000 – 169,000	26%
34	> 169,000 – 221,000	27%
35	> 221,000 – 390,000	28%
36	> 390,000 – 463,000	29%
37	> 463,000 – 561,000	30%
38	> 561,000 – 709,000	31%
39	> 709,000 – 965,000	32%
40	> 965,000 – 1,419,000	33%
41	> 1,419,000	34%

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