

Advanced Taxation
Lecture 4
Personal Income Tax (2) – PPh 21
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- Income Tax (PPh) Article 21, as per the Director General of Tax Regulation Number PER 16/PJ/2016, refers to the taxation on income in the form of salaries, wages, honorariums, allowances, and other payments under any name and in any form related to employment or position, services, and activities performed by individual taxpayers within the country.
- Income Tax (PPh) Article 21, according to Law Number 36 of 2008, entails the withholding tax on income related to employment, services, or activities under any name and in any form received or acquired by Domestic Individual Taxpayers from employers, government treasurers, pension funds, or other bodies paying pensions, bodies paying honorariums or other payments, and event organizers.
- Explanation:
 1. Not married (TK)
 - TK/0: unmarried and no family member dependents
 - TK/1: unmarried with 1 family member dependent
 - TK/2: unmarried with 2 family member dependents
 - TK/3: unmarried with 3 family member dependents
 2. Married (K)
 - K/0: married and no family member dependents
 - K/1: married with 1 family member dependent
 - K/2: married with 2 family member dependents
 - K/3: married with 3 family member dependents
- In the explanation above, family member dependents refer to blood relatives and adoptive relatives in a direct lineage and adopted children, which are fully dependent, with a maximum of 3 individuals per family. Examples of bloodline relatives include father, mother, and biological children.

Categories	Non Taxable Income Status
Category A	TK/0
	TK/1
	K/0
Category B	TK/2
	TK/3
	K/1
	K/2
Category C	K/3

- The following is a breakdown of monthly effective rates based on categories for calculating the amount of Article 21 income tax according to the Average Effective Rate (TER):

- TER A Category:

No	Monthly Gross Income (Rupiah)	TER
1	Up to 5.400.000	0%
2	5.400.000 – 5.650.000	0,25%
3	5.650.000 – 5.950.000	0,5%
4	5.950.000 – 6.300.000	0,75%
5	6.300.000 – 6.750.000	1%
6	6.750.000 – 7.500.000	1,25%
7	7.500.000 – 8.550.000	1,5%
8	8.550.000 – 9.650.000	1,75%
9	9.650.000 – 10.050.000	2%
10	10.050.000 – 10.350.000	2,25%
11	10.350.000 – 10.700.000	2,5%
12	10.700.000 – 11.050.000	3%
13	11.050.000 – 11.600.000	3,5%
14	11.600.000 – 12.500.000	4%
15	12.500.000 – 13.750.000	5%
16	13.750.000 – 15.100.000	6%
17	15.100.000 – 16.950.000	7%
18	16.950.000 – 19.750.000	8%
19	19.750.000 – 24.150.000	9%
20	24.150.000 – 26.450.000	10%
21	26.450.000 – 28.000.000	11%
22	28.000.000 – 30.050.000	12%
23	30.050.000 – 32.400.000	13%
24	32.400.000 – 35.400.000	14%
25	35.400.000 – 39.100.000	15%
26	39.100.000 – 43.850.000	16%
27	43.850.000 – 47.800.000	17%
28	47.800.000 – 51.400.000	18%
29	51.400.000 – 56.300.000	19%
30	56.300.000 – 62.200.000	20%
31	62.200.000 – 68.600.000	21%
32	68.600.000 – 77.500.000	22%
33	77.500.000 – 89.000.000	23%
34	89.000.000 – 103.000.000	24%
35	103.000.000 – 125.000.000	25%
36	125.000.000 – 157.000.000	26%
37	157.000.000 – 206.000.000	27%
38	206.000.000 – 337.000.000	28%
39	337.000.000 – 454.000.000	29%
40	454.000.000 – 550.000.000	30%
41	550.000.000 – 695.000.000	31%
42	695.000.000 – 910.000.000	32%
43	910.000.000 – 1.400.000.000	33%
44	1.400.000.000	34%

- TER B Category:

No	Monthly Gross Income (Rupiah)	TER
1	sampai dengan 6.200.000	0%
2	6.200.000 – 6.500.000	0,25%
3	6.500.000 – 6.850.000	0,5%
4	6.850.000 – 7.300.000	0,75%
5	7.300.000 – 9.200.000	1%
6	9.200.000 – 10.750.000	1,5%
7	10.750.000 – 11.250.000	2%
8	11.250.000 – 11.600.000	2,5%
9	11.600.000 – 12.600.000	3%
10	12.600.000 – 13.600.000	4%
11	13.600.000 – 14.950.000	5%
12	14.950.000 – 16.400.000	6%
13	16.400.000 – 18.450.000	7%
14	18.450.000 – 21.850.000	8%
15	21.850.000 – 26.000.000	9%
16	26.000.000 – 27.700.000	10%
17	27.700.000 – 29.350.000	11%
18	29.350.000 – 31.450.000	12%
19	31.450.000 – 33.950.000	13%
20	33.950.000 – 37.100.000	14%
21	37.100.000 – 41.100.000	15%
22	41.100.000 – 45.800.000	16%
23	45.800.000 – 49.500.000	17%
24	49.500.000 – 53.800.000	18%
25	53.800.000 – 58.500.000	19%
26	58.500.000 – 64.000.000	20%
27	64.000.000 – 71.000.000	21%
28	71.000.000 – 80.000.000	22%
29	80.000.000 – 93.000.000	23%
30	93.000.000 – 109.000.000	24%
31	109.000.000 – 129.000.000	25%
32	129.000.000 – 163.000.000	26%
33	163.000.000 – 211.000.000	27%
34	211.000.000 – 374.000.000	28%
35	374.000.000 – 459.000.000	29%
36	459.000.000 – 555.000.000	30%
37	555.000.000 – 704.000.000	31%
38	704.000.000 – 957.000.000	32%
39	957.000.000 – 1.405.000.000	33%
40	Above 1.405.000.000	34%

- TER C Category:

No	Monthly Gross Income (Rupiah)	TER
1	sampai dengan 6.600.000	0%
2	6.600.000 – p6.950.000	0,25%
3	6.950.000 – 7.350.000	0,5%
4	7.350.000 – 7.800.000	0,75%
5	7.800.000 – 8.850.000	1%
6	8.850.000 – 9.800.000	1,25%
7	9.800.000 – 10.950.000	1,5%
8	10.950.000 – 11.200.000	1,75%
9	11.200.000 – 12.050.000	2%
10	12.050.000 – 12.950.000	3%
11	12.950.000 – 14.150.000	4%
12	14.150.000 – 15.550.000	5%
13	15.550.000 – 17.050.000	6%
14	17.050.000 – 19.500.000	7%
15	19.500.000 – 22.700.000	8%
16	22.700.000 – 26.600.000	9%
17	26.600.000 – 28.100.000	10%
18	28.100.000 – 30.100.000	11%
19	30.100.000 – 32.600.000	12%
20	32.600.000 – 35.400.000	13%
21	35.400.000 – 38.900.000	14%
22	38.900.000 – 43.000.000	15%
23	43.000.000 – 47.400.000	16%
24	47.400.000 – 51.200.000	17%
25	51.200.000 – 55.800.000	18%
26	55.800.000 – 60.400.000	19%
27	60.400.000 – 66.700.000	20%
28	66.700.000 – 74.500.000	21%
29	74.500.000 – 83.200.000	22%
30	83.200.000 – 95.000.000	23%
31	95.600.000 – 110.000.000	24%
32	110.000.000 – 134.000.000	25%
33	134.000.000 – 169.000.000	26%
34	169.000.000 – 221.000.000	27%
35	221.000.000 – 390.000.000	28%
36	390.000.000 – 463.000.000	39%
37	463.000.000 – 561.000.000	30%
38	561.000.000 – 709.000.000	31%
39	709.000.000 – 965.000.000	32%
40	965.000.000 – 1.419.000.000	33%
41	Above 1.419.000.000	34%

- Example Calculation of Article 21 Income Tax for Permanent Employees
Mr. Anthony is married and has 1 dependent (K/1) working as a permanent employee at Shopy Company, Indonesia. During the year 2024, he receives a monthly gross salary of 11 million Rupiah, a monthly allowance of 6 million Rupiah, payment of accident and death insurance premiums (JKK and JKM) amounting to 2.5 million Rupiah, pension contributions of 1.2 million

Rupiah, job-related expenses of 6 million Rupiah, a December bonus of 11 million Rupiah, and an April holiday allowance of 11 million Rupiah. Calculate Mr. Anthony's Article 21 Income Tax.

- Example Calculation of Article 21 Income Tax for Permanent Employees
Mr. Harry is unmarried and has 1 dependent (TK/1) working as a permanent employee at Albalone Company, Indonesia. During the year 2024, he receives a monthly gross salary of 7.5 million Rupiah, a monthly allowance of 2 million Rupiah, payment of accident and death insurance premiums (JKK and JKM) amounting to 1 million Rupiah, pension contributions of 1 million Rupiah, job-related expenses of 3.5 million Rupiah, a December bonus of 5 million Rupiah, and an April holiday allowance of 7.5 million Rupiah. Calculate Mr. Harry's Article 21 Income Tax.
- Example Calculation of Article 21 Income Tax for Non-Permanent Employees
Mr. Ricky works on an ad hoc basis at Poparty Company in June 2024 and completes the job within 14 days, earning an income of 5.8 million Rupiah. Calculate Mr. Ricky's Article 21 Income Tax.
- Example Calculation of Article 21 Income Tax for Non-Permanent Employees
In July 2024, Mr. Ricky receives ad hoc employment at Pastillas Company for 3 days, earning an income of 7.5 million Rupiah. Calculate Mr. Ricky's Article 21 Income Tax.
- Example Calculation of Article 21 Income Tax for Non-Permanent Employees
In August 2024, Mr. Ricky receives ad hoc employment at Shap Company for 4 days with a total income of 4 million Rupiah. Calculate Mr. Ricky's Article 21 Income Tax.
- Example Calculation of Article 21 Income Tax for Non-Permanent Employees
Mr. Ricky works at Mobaly Company as a non-permanent employee, married, and has 2 dependents (K/2). Calculate Mr. Ricky's Article 21 Income Tax.
- Example Calculation of Article 21 Income Tax for Non-Employees
Mr. Johnson, a public accountant, receives a job to audit Satay Company and receives payment of 250 million Rupiah. Calculate Mr. Johnson's Income Tax.
- Example Calculation of Article 21 Income Tax for Other Subjects
Mr. Mark, as a member of the board of commissioners at Robotry Company, is married and has 1 child (K/1). During the year 2024, Mr. Mark receives an honorarium from Robotry Company amounting to 90 million Rupiah in December. Calculate Mr. Mark's Article 21 Income Tax.
- Example Calculation of Article 21 Income Tax for Other Subjects
Mrs. Maria works at Cartones Company as a permanent employee, and Cartones Company includes its employees in the pension program. In September 2024, Mrs. Martha withdraws a pension amounting to 50 million Rupiah. Calculate the Income Tax on the pension withdrawal.
- The issuance of Government Regulation Number 58 of 2023 aims to simplify taxpayers' calculation and administration of Article 21 Income Tax to make the business process more effective, efficient, and accountable.
- However, the application of this monthly effective rate calculation scheme does not impose additional new tax burdens. The monthly effective rate is only used in the calculation of Article 21 Income Tax for tax periods other than the Last Tax Period (January-November).

- This means that Article 21 Income Tax withholdings can be calculated for each Tax Period (monthly). Meanwhile, the calculation of Article 21 Income Tax for the Last Tax Period (December) still uses the Article 17 paragraph (1) letter a Income Tax Law rate as currently applicable.
- In the discussion of Income Tax (PPH) Article 21, there are several definitions based on the Regulation of the Director General of Taxes, namely:
 1. Article 21 Income Tax is a tax on income in the form of salaries, wages, honorariums, allowances, and any other payments with any name and in any form related to employment, positions, services, and activities performed by individual taxpayers within the country.
 2. The withholder of Article 21 Income Tax is an individual taxpayer or a corporate taxpayer, including permanent establishments, who is obligated to withhold income tax related to the income from employment, services, and activities of individual taxpayers.
 3. Activity organizers are individuals or entities acting as organizers of activities who make payments of compensation in any name and form to individuals in connection with the implementation of those activities.
 4. Employees are individuals who work for an employer, based on written or unwritten employment agreements or arrangements, to perform specific duties or activities in a certain position, receiving compensation paid periodically, upon completion of work, or as determined by the employer, including individuals performing duties in public positions.
 5. Permanent employees are employees who receive or obtain income regularly, including members of the board of commissioners and supervisory board members, as well as employees working under contracts for a certain period who receive or obtain income regularly.
 6. Non-permanent employees/Freelancers are employees who only receive income when they work, based on the number of days worked, the number of units of work produced, or the completion of a specific type of work requested by the employer.
 7. Activity participants are individuals involved in specific activities, including attending meetings, hearings, seminars, workshops, education, performances, sports, or other activities, and receive or obtain compensation for their participation in those activities.
 8. Pension recipients are individuals or their heirs who receive or obtain compensation for work performed in the past, including individuals or their heirs who receive old-age benefits or pensions.
 9. Regular Income of Permanent Employees is income for Permanent Employees in the form of salaries or wages, various allowances, and compensation of any kind given periodically based on the provisions established by the employer, including overtime pay.
 10. Irregular Income of Permanent Employees is income for Permanent Employees other than regular income, received once in a year or another period, including bonuses, Holiday Allowances (THR), production services, royalties, gratuities, or similar compensation under any name.

11. Daily wage is the wage or compensation received or obtained by employees owed or paid on a daily basis.
12. Weekly wage is the wage or compensation received or obtained by employees owed or paid on a weekly basis.
13. Unit wage is the wage or compensation received or obtained by employees owed or paid based on the number of units of work produced.
14. Piece-rate wage is the wage or compensation received or obtained by employees owed or paid based on the completion of a specific type of work.
15. Compensation to Non-Employees is income in any name and form owed or given to Non-Employees in connection with work, services, or activities performed, including honorariums, commissions, fees, and other similar income.
16. Continuous Compensation to Non-Employees is compensation to Non-Employees paid or owed more than once in a calendar year in connection with work, services, or activities.
17. Compensation to activity participants is income in any name and form owed or given to specific activity participants, including pocket money, representation funds, meeting funds, honorariums, gifts, or awards, and similar income.
18. Last Tax Period is the period of December or a specific tax period in which Permanent Employees cease working.

Reference:

- Law Number 28 of 2007 concerning the Third Amendment to Law Number 6 of 1983 concerning General Provisions and Taxation Procedures
- Law Number 36 of 2008 concerning the Fourth Amendment to Law Number 7 of 1983 concerning Income Tax
- Law Number 7 of 2021
- Director General of Taxation Regulation PER-32/PJ/2015
- Directorate General of Tax Regulation PER-16/PJ/2016