## [Audio News Release]: Large differences in tax contributions of minimum wage workers across Europe

*Speaker:* [*Christine Aumayr-Pintar*](https://www.mynewsdesk.com/uk/eurofound/contact_people/44452)

#### Accompanying text:

The latest [Annual Review of minimum wages in Europe](https://www.eurofound.europa.eu/publications/report/2019/minimum-wages-in-2019-annual-review?&utm_campaign=industrial-relations&utm_content=ef19028&utm_source=mynewsdesk&utm_medium=email) gives a detailed analysis of minimum wage rates across Europe, and not only looks at the nominal and real terms increased in minimum wages - but also levels of taxation and net pay.

When tax and social contributions are analysed, there are considerable differences in how much social contributions minimum wage workers make across Europe. For example, a single, minimum wage worker in Vilnius with no dependents would pay 39.5% of their gross earnings in tax and social contributions; whereas a minimum wage worker in Brussels in the same situation would pay just 4.25%.

Christine Aumayr-Pintar, Research Manager at Eurofound, says that analysing net pay is vital when looking at minimum wages. [Click here](https://make.headliner.app/download/5d826d8e-d042-465d-9c0b-1b3f03a3bc85) or on the related material below to listen to the audio.

You can also download the report in full [here](https://www.eurofound.europa.eu/publications/report/2019/minimum-wages-in-2019-annual-review?&utm_campaign=industrial-relations&utm_content=ef19028&utm_source=mynewsdesk&utm_medium=email)

#### Audio transcription

*“Changes to the minimum wage can represent little more than a re-shuffling of numbers on payslips if changes to tax and social security contributions are also made. Looking at the EU-wide data, we can see that there is a tendency for countries with low gross levels of minimum wages to have higher social security contributions and taxes.*

*Workers in the 10 countries with the lowest minimum wages see deductions of 22% on average, while workers in the 10 countries with the highest rates only see deductions of 13%. Put more simply, a minimum wage worker in Vilnius may pay close to 40% of their gross minimum wage [in tax], whereas a minimum wage worker in Brussels may pay just over 4% - and keep 96% of the gross figure on his payslip. There are very different systems in place across Europe. ”*