

SUBJECT	LEGAL CHANGE	ACTION REQUIRED
Social security		
State tax authorities become responsible for collecting social security taxes	<p>China's state Tax Bureau will, from January, collect all social security taxes (pensions, medical, unemployment, injury at work and maternity insurances) which, until now, were collected by the local Social Insurance Bureau. This is an effort to counter tax evasion and cover increasing shortfalls in social insurance funding as the local Tax Bureau will have accurate information on salaries and the related social security obligations.</p> <p>Employers report individual employee salaries to the local Tax Bureau authorities so that the correct social security taxes can be calculated.</p> <p>Effective date: January 1, 2019.</p>	Ensure payroll are aware of the change.
Income tax		
New tax rules apply to employee income	<p>The new Individual Income Tax Law takes effect:</p> <ul style="list-style-type: none"> (1) adjusting the structure of individual taxable income; (2) adding six catalogues of tax deductible expenditure; and (3) increasing the amount of income you don't have to pay tax on, which substantially decreases individual tax payments. <p>Effective date: January 1, 2019.</p>	Ensure payroll withhold and remit employee taxes correctly.