

**Annex**  
**Summary of social charges and taxes on salaries**

	Charged to	
	Employer	Employee
<b>Social charges</b>		
Social security	26.00%	9.17%
Christmas bonus	8.33%	-
Working Compensations (1)	2.50%	-
Vacations	4.16%	-
Severance payment (2)	5.33%	-
Notice of termination of employment (3)		
	<b>46.32%</b>	<b>9.17%</b>

(1)=approximate rate. It depends on the employee activity.

(2) = additional 3% is contributed to a pension fund through Social Security 26% rate. The rest has to be paid in case the employee is fire without a justified cause, as established in the Labor Code

Severance payment rules are as follows:

If the employee has worked more than 3 months but less than 6: seven days of salary.

If the employee has worked more than 6 months but less than 12: fifteen days of salary.

If the employee has worked more than one year and up to 13 years: 19 to 21 days of salary per year worked

(3) Notice of termination of employment consists of one month salary when the employee is dismissed without a justified cause.

**Income tax on employee remunerations (1)**

Colones		US Dollars		Rate
From	To	From	To	
0	468,000	0	891	0%
468,000	702,000	891	1,337	10%
702,000		1,337		15%

Exchange rate: \$1 = 525

(1) The employer withholds the tax from the payroll and pays to fiscal authorities.