Taxing Wages 2025: Greece

Taxing Wages - Greece

Tax on labour income

The ***tax wedge*** is a measure of the tax on labour income, which includes the tax paid by both the employee and the employer.

TAX WEDGE ON LABOUR INCOME

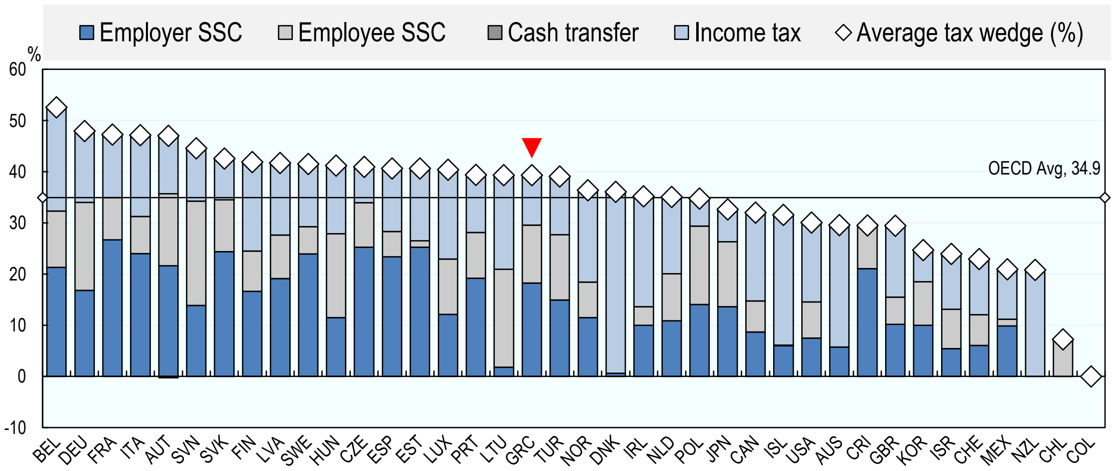
$$\frac{((Personal\ income\ tax + \ employee\ and\ employer\ social\ security\ contributions\ (SSCs)) - Family\ Benefits)}{(Total\ labour\ costs\ (gross\ wages\ +\ employer\ SSCs))}$$

Single worker

» The tax wedge for the average single worker in Greece increased by 0.6 percentage points from 38.7% in 2023 to 39.3% in 2024. The OECD average tax wedge in 2024 was 34.9% (2023, 34.9%). In 2024, Greece had the 18th highest tax wedge among the 38 OECD member countries, occupying the same position in 2023.

» In Greece, income tax and employer social security contributions combine to account for 71% of the total tax wedge, compared with 77% of the total OECD average tax wedge.

Average tax wedge: average single worker, no children



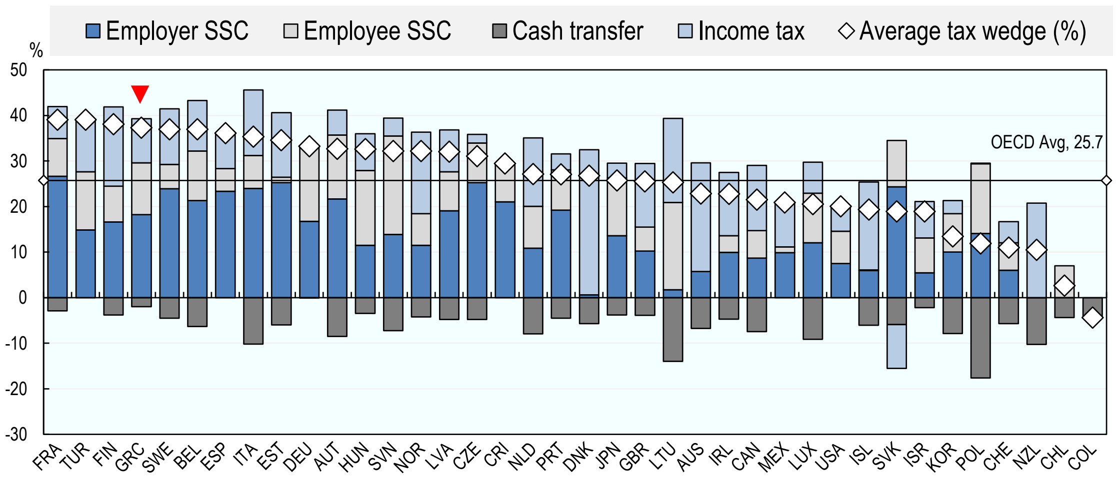
One-earner married couple with two children

The tax wedge for a worker with children may be lower than for a worker on the same income without children, since most OECD countries provide benefits to families with children through cash transfers and preferential tax provisions.

» Greece had the 4th highest tax wedge in the OECD for an average married worker with two children at 37.3% in 2024, which compares with the OECD average of 25.7%. The country occupied the 5th highest position in 2023.

» Child related benefits and tax provisions tend to reduce the tax wedge for workers with children compared with the average single worker. In Greece in 2024, this reduction (2 percentage points) was less than the OECD average (9.2 percentage points).

Average tax wedge: One-earner married couple at average earnings, 2 children

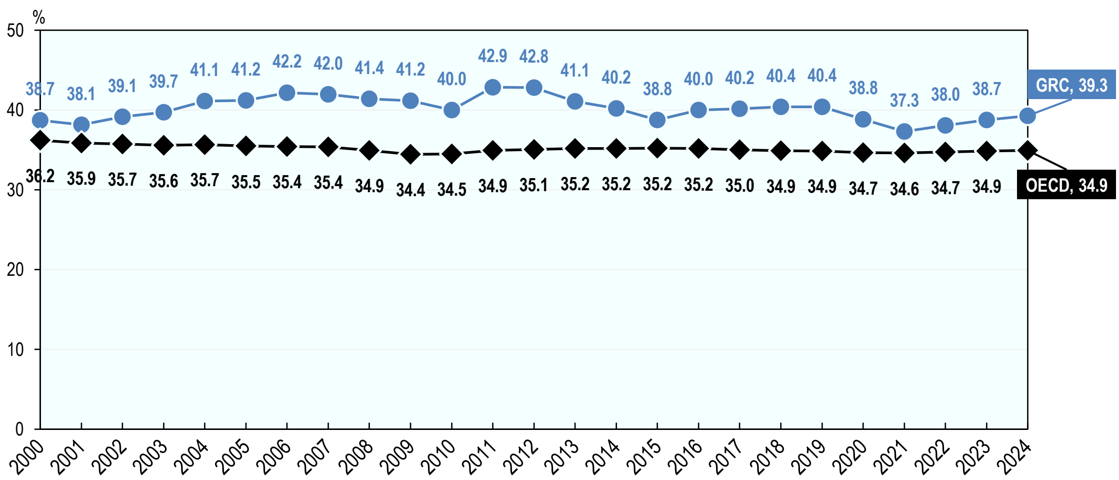


Tax wedge trends between 2000 and 2024

» In Greece, the tax wedge for the average single worker increased by 0.6 percentage points from 38.7% to 39.3% between 2000 and 2024. During the same period, the average tax wedge across the OECD decreased by 1.3 percentage points from 36.2% to 34.9%.

» Between 2009 and 2024, the tax wedge for the average single worker decreased by 1.9 percentage points in Greece. During this same period, the tax wedge for the average single worker across the OECD increased slowly to 35.2% in 2013 and 2014 before decreasing back to 34.9% in 2024.

Average tax wedge over time for a single worker



Employee tax on labour income

The employee net average tax rate is a measure of the net tax on labour income paid directly by the employee.

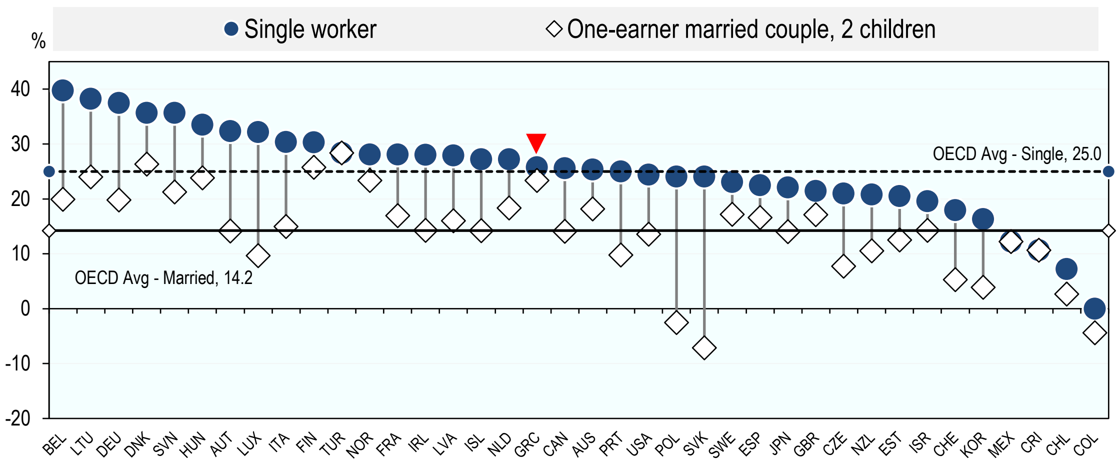
EMPLOYEE NET AVERAGE TAX RATE

$$\frac{(\textit{Employee personal income tax and employee social security contributions}) - \textit{Family Benefits}}{\textit{Gross wages}}$$

» In Greece, the average single worker faced a net average tax rate of 25.8% in 2024, compared with the OECD average of 25.0%. In other words, in Greece the take-home pay of an average single worker, after tax and benefits, was 74.2% of their gross wage, compared with the OECD average of 75.0%.

» Taking into account child related benefits and tax provisions, the employee net average tax rate for an average married worker with two children in Greece was 23.4% in 2024, which is the 6th highest in the OECD, and compares with 14.2% for the OECD average. This means that an average married worker with two children in Greece had a take-home pay, after tax and family benefits, of 76.6% of their gross wage, compared to 85.8% for the OECD average.

Employee net average tax rate



For further information: https://oe.cd/taxingwages2025-en

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The full book is available in English: OECD (2025), Taxing Wages 2025: Decomposition of Personal Income Taxes and the Role of Tax ReliefsTaxing Wages, OECD Publishing, Paris, https://doi.org/10.1787/b3a95829-en