TaylorWessing

All countries

Is there a tax benefit to employees?

Asia

China	Normally not, due to the above described limitations and alternative structures sought.
Hong Kong	No, but salaries tax is payable by employees on the benefits associated with any stock-based awards arising from their office or employment in the form of share awards and share options.
Singapore	Employees who are granted share options by their employers will be taxed on any gains or profits arising from the exercise of the share options.
United Arab Emirates	No, at least not from a UAE law perspective. There are no personal income taxes in the UAE. The situation might be different for non UAE national employees, who are subject to taxation in their home jurisdiction.

Europe

Austria	Under certain circumstances a tax allowance (Freibetrag) of up to EUR 3,000 per year may apply.
Czech Republic	In principle, no. To reduce the economic impacts of the pandemic, under new legislation effective from 2021, employees are entitled to higher personal income tax deductions.
England & Wales	Yes for certain types of options. For example, shares acquired on exercise of an EMI option can have a capital gains tax rate as low as 10% to the option holder on sale.
France	The acquisition gain is treated as an employment income. However, there is a tax benefit for the employer given that such gain will benefit from an exemption of social charges under certain conditions.
Germany	No, there is no special tax benefit to employees. In very limited cases an annual tax allowance of EUR 360 applies. The granting of stock options will generally be taxed upon exercise of the stock options.
Hungary	Income from stock options must be classified based on the relationship between the provider of the income and the recipient. Since the recipients would have an employment relationship with the Hungarian subsidiary, the income would be treated as employment income even if the options were provided by their non-Hungarian mother company. However, limited companies may issue employee shares and provide them to full-time and part-time employees free of charge or at a reduced price, below the share's nominal value.

Ireland	Generally no, because any gain made by an employee or director upon the exercise of a share option is subject to income tax, universal social charge (USC) and pay-related social insurance (PRSI) (at a combined marginal rate of up to 52%). However, one exception is the Key Employee Engagement Programme (KEEP) scheme, which was introduced to support SMEs through advantageous tax treatment for certain qualifying share options.
Italy	The acquisition gain is treated as an employment income. However, there is a tax benefit for the employer given that such gain will benefit from an exemption of social contribution charges under certain conditions.
Netherlands	In principle, no.
Poland	If a plan is deemed qualified for Polish tax purposes, then employees will not be taxed at acquisition of securities through executing options. Instead, an employee will be taxed at 19% PIT on profit gained on the sale of such securities. Non-qualified option is in general taxable at its execution.
Slovakia	In principle, no.
Ukraine	No.