



# 1. Introduction

This booklet contains brief information about the main aspects of individual taxation, social security, immigration and employment law as of 1 January 2026.

It is written as a quick guide for employers considering sending an employee to Denmark and for employees, who are contemplating a work assignment to Denmark. The booklet only presents a broad overview, and simplifications have been made for readability. It does not provide in-depth answers to specific questions.

Because of the complexity of the various laws and on-going legislative changes, none of the information contained in this booklet may be relied upon for specific planning. Rather, we encourage the reader to contact our Global Employer Services specialists to obtain detailed and up-to-date answers to questions.

# 2. Individual taxation

Taxation in Denmark consists of various kinds of taxes; direct tax (e.g. income tax, AM-tax and social security contributions), indirect tax (e.g. VAT and duties on goods and services) and property tax. This Danish guide focuses on direct tax for residents.

## Tax residency

Individuals qualifying for Danish tax residency are subject to unlimited tax liability in Denmark, i.e. they are tax liable of their worldwide income from employment, business income, share income, etc.

A person qualifies for the Danish tax residency if:

- He/she is resident in Denmark, or
- He/she stays in Denmark (without establishing a residence) for a consecutive period of six months or more. This is not particularly limited to a calendar year. Any given six-month period may trigger tax liability under this rule.

Non-residents may be limited tax liable to Denmark, if they have income from Danish sources, e.g. work in Denmark, have other business income from Denmark, dividend income, board member fees, own property etc.

## Taxable income

Income is divided into three categories:

1. Personal income (e.g. salary and employment benefits, self-employment, income, profit from renting out real estate, etc.).
2. Income from capital (e.g. interest income, etc.).
3. Share income (e.g. dividend, profit/loss from shares, etc.).

Most personal income is subject to an 8% labour market contribution (AM tax/AM-bidrag). This tax is deducted from the income before other taxes are applied. The tax rates are progressive and comprise state, municipality and church taxes. The lowest tax rate is approximately 35% and the marginal tax rate is up to 60.5% (if the income exceeds approximately 2.8 mio DKK). The marginal tax rate for income up to DKK 2.8 mio. is approximately 56%. The rates include AM-contribution but not church tax.

The thresholds (after AM tax) tax rates are as follows:

- Income above DKK 54,100 and below DKK 641,200: Approximately 36%
- Income above DKK 641,200 is subject to middle tier tax of additional 7.5%
- Income above DKK 777,900 is subject to top tax of additional 7.5%
- Income above DKK 2,592,700 is subject to top-top tax of additional 5%

Capital income (i.e. interest income and certain capital gains) is taxed with up to 42%. Share income (i.e. dividend income and capital gain on shares) is taxed with 27% / 42% depending on the income.

Most benefits are taxable. The taxable value of benefits is either based on market value or on an assessed value, which does not necessarily equal the costs for the employer.

#### Allowances and deductions

Individuals are entitled to an annual personal allowance of DKK 54,100 (2026 rate), i.e. the first DKK 54,100 of taxable income (after payment of 8% AM tax) is tax free. Unused personal allowance can be transferred between spouses.

Most common deductions are:

- Employee contributions to approved Danish (and in some cases EU) pension schemes.
- Commuting between home and work.
- Unemployment insurance and union membership subscription.
- Interest expenses (on mortgage and other debt).

- Double household.
- Charity contributions.
- Work-related travel expenses not covered by employer (maximum DKK 34,400).

#### Property taxes

Property tax is levied on properties in Denmark. Property value tax is levied on properties both in Denmark and abroad. The property value tax is 0.51% of the publicly assessed value for Danish properties up to DKK 9,007,000 (EUR 1,206,826) based on the average exchange rate for 2025 and 1.4% of the exceeding amount.

For foreign properties the market value must be used as basis for the property value tax. Property rented out is not subject to property value tax.

Gain from sale of property is taxable. However, if the property has been used as private residence, taxation may be avoided.

#### Inheritance and gift tax

There is no inheritance tax between spouses. Amounts up to DKK 392,300 are tax-free. Inheritance exceeding DKK 392,300 is taxed by 15% or 25%.

Between close family members there is no tax on gifts up to DKK 80,600.

Gifts exceeding this amount are taxed by 15% or 25%. Gift tax between spouses does not apply.

For individuals falling outside the category, e.g. siblings and non-family, gifts may be considered ordinary taxable income and taxed by rates up to 52%.

#### Tax administration

A tax year in Denmark follows the calendar year. Individuals must annually inform the tax authorities of their expected income and deductions for the year through a preliminary tax assessment. The preliminary tax assessment includes a tax card, which the employer uses to withhold taxes. If no tax card is available, the employer has an obligation to withhold 55% tax, in addition to the 8% AM-tax.

Most taxpayers receive an automatically issued tax assessment in March the year after the income year based on the reporting to the Danish tax authorities from employers, banks, pension institutes, etc. The taxpayer should

review this assessment and correct any mistake and add any missing information before 1 May in the following year.

If the taxpayer does not receive an automatically issued tax assessment, the filing deadline is 1 July in the following year.

For income not automatically reported by the employer, banks etc. (e.g. foreign income), a tax return must be filed by 1 July at the latest. Filing beyond this date will cause penalties.

Tax assessments and tax return filings are done electronically in Denmark.

Preliminary taxes will be included in the annual tax assessment, which will result in either a tax refund, a tax due or an equal balance.

Married couples are to some extent taxed jointly (deductions can be carried over) but must prepare separate tax returns.

Filing date of spousal tax returns is the same, with the latest date applying for both.

## 3. Social security

### Expat scheme

The expat tax scheme means that employment income, cash, allowances, value of free company car and value of free phone are taxed by a flat AM-tax of 8% and 27% A-tax (flat tax of 32.84 %) for up to 7 years. For income taxed within the expat tax scheme, no deductions are available.

Other benefits such as free accommodation and other private income are taxed according to the ordinary progressive tax system.

To be able to apply for the expat tax scheme, the following conditions must be met:

1. Minimum salary: the salary including value of certain taxable benefits (e.g. company car and free phone) and after deduction of ATP must constitute at least DKK 65,400 each month (2026) as an average within a calendar year. The salary requirement is normally adjusted every 1 January and usually it increases but as of 1 January 2026, the salary requirement will be decreased significantly.

2. Danish employer: the taxpayer must be employed by a Danish employer, who has the withholding responsibility, bears the cost for the employee, etc.
3. Tax liability: the employee must not have been tax liable to Denmark for 10 years before entering the expat tax scheme.
4. Work in Denmark: in some situations, there is a limit as to how much work the taxpayer can physically carry out in other countries whilst using the expat tax scheme. If the individual is fully tax liable in Denmark, and another country gets the right to tax his/her income, then the taxpayer will no longer be permitted to use the expat tax scheme.

The taxpayer must make an application to the Danish tax authorities in order to apply the expat tax scheme.

When the seven-year period under the expat tax scheme expires, all income is taxed according to the ordinary tax system.

### Employee and employer contributions

Both employees and employers are required to pay contributions to supplementary old-age pension ("ATP"). The total monthly contribution is a fixed amount of DKK 297, with employees paying one third (DKK 99) and employers paying two thirds (DKK 198).

Besides ATP, employers have to pay contributions for AER, AES, maternity and finance contributions. Furthermore, employers are obligated to secure insurance policies for the employees' covering accidents and short-term damaging exposure. The contributions to AER, AES, maternity and finance contributions and insurance for accidents etc. depend on the number of employees and working hours, industry, etc.

Costs of social security and occupational insurance are on average approx. DKK 15,000 p.a. per employee.

### Social security administration

The employee's ATP contribution is withheld by the employer during payroll processing and is tax deductible.

### Unemployment benefits

Unlike other countries, there is no mandatory unemployment insurance in Denmark. Instead, employees may voluntarily join a

Danish unemployment fund ("A-kasse"). The unemployment funds function as insurance but are private associations and very often connected to trade unions and other professional organizations.

Membership in an unemployment fund is voluntary and contributions are tax deductible. Annual contributions vary across unemployment funds but are most common in the range of DKK 5,000-7,000 p.a.

After one year of membership, members are entitled to receive unemployment benefits. For individuals relocating within the EU, the one-year period can be avoided if the person can provide documentation of membership in a foreign unemployment fund (form U1/E301).

The unemployment benefit is equal to 90% of the average earnings over the previous 12 months, maximized at DK 22,041/26,198 depending on the situation\* per month. Additionally, it is possible for individuals to take out supplementary unemployment insurance (in addition to an unemployment fund), which, combined with the fund benefit, can cover 80-90% of their previous salary after deduction of labour market tax (AM-bidrag).

*\* Please note that there is a proposal for legislation changes for this.*

# 4. Immigration

## Pension

The Danish pension system consists of three main pillars:

1. **National public pension:** financed primarily through taxes.
2. **Labour market pension and company-paid pension:** voluntary schemes through employers.
3. **Individual pension plan:** voluntary personal savings.

The current pension age in Denmark is 67 and will be increased to age 68 over a transitional period.

Between the age of 15 and pension age, employees earn the right to a full national public pension, if they have been covered by Danish social security for at least 90% of their earning period. If less than 90% of the earning period is spent under Danish social security, the pension amount is proportionally reduced.

The national public pension consists of a basic amount and an income-related supplement. The total pension depends on the pensioner's current income and marital status, but assets have no effect. As of 1 January 2026, the basic pension amount is DKK 90,528 per annum.

Entitlement to the supplementary old-age pension (ATP) depends on the individual's contribution record.

Normally both employees and employers contribute to a company pension scheme, but there is no legal obligation. Individuals often choose to contribute to a private pension scheme by themselves.

Employee contributions to private plans are as a main rule tax deductible, whereas contributions to employer administered schemes are as a main rule tax exempted at payroll.

Company pension schemes and private pension schemes are mainly divided into three types: lump sum plans, pension schemes with instalments or life-time annuity, all payable at retirement age.

## Family (child) allowance

Individuals covered by Danish social security are entitled to child allowance for each child under the age of 18. For 2026 the basic annual allowance is DKK 21,480 per child up to the age of 2, DKK 17,004 per child aged 3 to 6, and DKK 13,380 per child aged 7 to 17.

## Full allowance

Individuals are entitled to full child allowance if one of the parents has been fully tax liable to Denmark or employed in Denmark for at least 6 years within the last 10 years before receiving the child allowance.

## Reduced allowance

If individuals are not entitled to the full allowance, they will receive an allowance increasing progressively over a 6-year period, starting after 6 months of residence in Denmark. After 6 months, the allowance is 8.3% of the child allowance, increasing by 8.3% every six months. After 3 years in Denmark, the allowance reaches 50% of the child allowance and continues to increase accordingly.

However, EU and EEA citizens who have been fully tax liable to or employed in another EU/EEA country for at least 6 years within the last 10 years are entitled to receive the full child allowance from day one.

The allowance is reduced if the individual's personal income exceeds DKK 1,044,674 (2026) before AM-tax (961,100 after 8% AM-tax). The reduction amounts to 2% of the income exceeding the limit. For example, if the income is DKK 1,061,100 (after 8% AM-tax) the allowance is reduced by DKK 2,000 (100,000 \* 2%) per year.

Individuals entering, residing and working in Denmark are subject to various immigration rules and regulations. Generally, these rules vary depending on the country of citizenship of an individual. The individuals can be divided into the following groups:

- Citizens of the Nordic countries.
- Citizens of other EU countries.
- Citizens of non-EU countries.

## Visa requirements

At the official portal ([www.nyidanmark.dk](http://www.nyidanmark.dk)) it is possible to find out, if a foreign citizen requires a visa to enter Denmark or not.

A visa to enter Denmark is not required, if a foreign citizen is visa exempt due to the citizenship, has been provided with a certain type of residence permit in another Schengen country or already holds a valid Schengen visa.

A visa is intended to allow foreign citizens to visit Denmark and/or the other countries of the Schengen area for a short period of time.

A visa allows spending a maximum of 90 days in the Schengen area within a period of 180 days. Normally, a visa does not allow working in Denmark.

However, if the individuals are from a foreign affiliated company, they are allowed to work 2 periods of 15 working days within a period of 180 days. There must be a 14 day gap between the 2 periods. If the individual does not come from a foreign affiliated company, certain work-related activities are allowed during visits of less than 90 days. Such activities include teaching and attending a course. If the purpose of the visit is to create a product or add value to a company, the individual needs a residence and work permit.

An assessment of the activity is always recommended to avoid any uncertainties.

### Visa administration

The following documents are generally required for the visa application:

- A signed, completed application form and an invitation letter.

- A passport or other valid travel document. The passport/travel document must be valid for at least three months after the planned departure date. The passport/travel document must have been issued within the past ten years and must have at least two blank pages.
- A passport photo.
- Payment of visa processing fee.
- Proof of travel insurance.
- Relevant documentation, such as information about the reason for the trip, proof of available accommodation, proof of sufficient means to cover the living expenses as well as the return travel.

Most visa applications are processed and decided on by Danish diplomatic missions abroad. These cases will usually be decided within a few days. In accordance with the Schengen rules, decisions about visa applications should be made within 15 days, if possible.

It is unfortunately our experience that the Danish diplomatic missions have sharpened

the interpretation of the visa rules, which means that business trips to Denmark may require a residence and a work permit, whereas it only required a business visa before. This will have an impact of the processing time for the visa application.

### Immigration authorities

The Danish Agency for International Recruitment and Integration (SIRI) is responsible for issuing residence and work permits and EU registration certificates for both EU and non-EU citizens.

Citizens of Nordic countries who want to reside and work in Denmark do not need to apply for an EU registration certificate or any other type of permit.

### Residence application for EU citizens

An EU citizen may freely enter Denmark and work. If the EU citizen is to stay in Denmark for more than 3 months, an EU residence certificate is required. When the EU citizen has received the residence certificate, the individual can be registered in Denmark with a CPR number.

The following documents are required for the residence application in Denmark:

- Completed application form
- Passport
- Employment contract, and/or
- Employer declaration or sufficient funds.

### EU dependants

The spouse and children must each submit their own application form and be able to document relation with main applicant (i.e. birth/marriage certificate). The family can also apply based on sufficient funds.

### Residence and work application for non-EU citizens

A number of schemes have been designed in order to make it easier for highly qualified professionals to get a residence and work permit in Denmark. The most commonly used are:

The Positive List is a list of the professions and fields currently experiencing a shortage of qualified professionals in Denmark. Individuals who have been offered a job in one of these professions or fields have easier access to the Danish labour market.

The Pay Limit Scheme gives individuals, who have been offered a job with a gross annual pay of no less than DKK 552,000 a year, paid into a Danish bank account, particularly easy access to the Danish labour market.

The Fast Track Scheme enables certified companies to hire highly qualified foreign nationals on short notice without having to wait for an application process to be fully finalized. Specific conditions apply.

The following documents are required for the residence and work application in Denmark:

- Completed application form.
- Copy of passport.
- Employment contract or short-term assignment letter.
- Information about completed education.
- Documentation of paid immigration fee.

- Confirmation that the full salary stated in the employment contract is paid into a Danish bank account. This does not apply for applications based on the Fast Track Scheme or The Researcher Scheme.
- The relevant disco code for the employment and also a job description.
- It is important to note that the offered salary must as a minimum correspond to Danish standards.

An applicant must appear in person to have biometric features (signature, photo and fingerprints) recorded when submitting an application for residence at a Danish embassy or consulate, at a Danish visa center abroad or at the Danish Immigration authority.

Citizens of non-EU countries will be issued biometric residence cards, which include the holder's facial image and fingerprints stored on a microchip embedded in the card.

### **Non-EU dependants**

The spouse and children must each submit their own application form and be able to document their relation to main applicant (i.e. birth/marriage certificate).

The residence and work permit automatically grants the spouse permission to work.

There are specific requirements, if the foreign citizen is accompanied by a spouse, and the spouse works for the same company. In these situations a separate work permit is needed.

### **Civil registration number (CPR number)**

Depending on nationality, you will need to provide the following documents for the application:

- Valid EU registration certificate (EU citizens).
- Copy of your residence and work permit (non-EU citizens).
- National ID number (Nordic citizens).
- Signed and active lease contract.
- Passport.

- Marriage/birth certificates, translation may be needed.

In order to apply for a CPR number you must book an appointment at International House Copenhagen or your local Citizen Service (Borgerservice). You need to check if they require online application.

The CPR number will be issued, and the individual will be enrolled in the national healthcare system.

### **MitID**

You can set up MitID with an app, if you have a biometric passport (recognized by MitID) and also:

- Administrative CPR number, or
- Tax number, or
- Active CPR number.

If you are not able to set it up you can book an appointment at a citizen center. You must bring a witness and required documents.

# Appendix 1 – Income table for 2026

## Taxation of earned income salary, company car (restricted stock units, stock options etc.)

Taxable base DKK	Tax rate %
0 – 58,804	8
58,804 – 696,957	41
696,957 – 845,543	47
845,543 – 2,818,152	54
>2,818,152	59

Tax rate varies due to different municipality tax rates. The rate shown applies to Copenhagen. Marginal tax rate exclusive of church tax is limited at 49% (all municipalities)  
Please note that personal allowance of DKK 54,100 only applies once.

## Taxation of unearned income (pension, capital income, certain benefits etc.)

Taxable base DKK	Tax rate %
0 – 54,100	-
54,100 – 641,200	35
641,200 – 777,900	43
777,900 – 2,592,700	50
>2,592,700	55

Tax rate varies due to different municipality tax rates. The rate shown applies to Copenhagen. Marginal tax rate exclusive of church tax is limited at 44.57% (all municipalities)  
Please note that personal allowance of DKK 54,100 only applies once.

## Social security table

Employee	Employer
ATP contribution fixed amount DKK 1,188 p.a.	ATP contribution fixed amount DKK 2,376 p.a. Other costs per employee approx. DKK 10,000-12,000 p.a.

## Taxation of share income

Share income DKK	Tax rate %
0 – 79,400	27
>79,400	42

## Net income table

## Income tax and AM-tax exclusive of social security contribution (ATP)

(DKK)	(DKK)	(DKK)	(EUR)	(EUR)	(EUR)	(Percentage)
Gross income	Total tax incl. AM-tax	Net income	Gross income	Total tax incl. AM-tax	Net income	Average tax
75,000	9,038	65,962	10,049	1,211	8,838	12.1
150,000	37,227	112,773	20,098	4,988	15,110	24.8
250,000	74,657	175,343	33,497	10,003	23,494	29.9
400,000	130,467	269,533	53,595	17,481	36,114	32.6
750,000	273,238	476,762	100,491	36,610	63,880	36.4
1,000,000	402,565	597,435	133,988	53,939	80,049	40.3
1,250,000	538,485	711,515	167,484	72,150	95,334	43.1
1,500,000	674,405	825,595	200,981	90,362	110,619	45.0
3,000,000	1,498,290	1,501,710	401,963	200,752	201,210	49.9

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