

Table of Contents

Executive Summary	9
Chapter 1. The Effects of Taxation on Employment: An Overview	13
1.1. Employment in OECD countries	15
1.2. The taxation of labour income in OECD countries	18
1.3. Taxation and unemployment	23
1.4. Taxation and labour supply	28
1.5. Non-labour taxes and employment	32
1.6. Key employment-related tax policy challenges	33
1.7. Summary and Conclusions	43
Notes	45
Chapter 2. The Taxation of Low-Income Workers	49
2.1. Trade-offs in designing tax-benefit systems: Consequences for employment ...	51
2.2. Quantifying the financial disincentives to work	55
2.3. Reducing the tax burden on labour	61
2.4. In-work tax credits or benefits	67
2.5. The effect of taxation on the demand for low-income workers	85
Notes	89
Chapter 3. The Taxation of Older Workers	91
3.1. The retirement behavior of older workers	93
3.2. Factors affecting retirement behavior	95
3.3. Quantifying the financial incentive to retire	98
3.4. The tax treatment of older workers and retirees	107
3.5. Policies to improve work incentives for older workers	115
3.6. The effect of taxation on the demand for older workers	117
Notes	120
Chapter 4. The Taxation of Mobile High-Skilled Workers	123
4.1. The mobility of high-skilled workers	125
4.2. The effect of tax on migration decisions	125
4.3. Tax concessions for high-skilled workers: arguments for and against	131
4.4. Tax concessions for high-skilled workers: key design issues	137
Notes	146
References	148
Annex A. Additional Labour Force and Tax Burden Information	155
Annex B. Additional Retirement Incentive Modelling Results	164