

FOR IMMEDIATE RELEASE

Portuguese workers keep more of their salary than Germans, new analysis of 2026 tax data shows

A €60,000 gross salary nets €40,500 in Portugal but only €36,800 in Germany — the counterintuitive finding from a new study comparing take-home pay across 50 European countries.

LJUBLJANA / LISBON / June 1, 2026 — Portuguese workers earning a typical professional salary now keep more of their gross pay than their German counterparts, according to a new analysis of 2026 tax brackets and social security contributions published today by **WorthOf** (worthof.io), an independent open-data platform tracking salary, tax and cost of living data across 50 countries.

The finding, drawn from official 2026 tax legislation in both countries, runs counter to the persistent assumption that Northern European economies offer higher take-home pay than their Southern counterparts. On a €60,000 annual gross salary — close to the German median for skilled professionals — a single Portuguese resident takes home €40,500 net per year, compared to €36,800 in Germany. The €3,700 annual difference (roughly 10% of net pay) is driven almost entirely by social security contributions, not income tax.

"Most people assume Germany offers higher take-home pay because German gross salaries are higher in absolute terms," said the author of the WorthOf 2026 European Salary Report. "But once you account for social security, that advantage shrinks faster than people realise. Germans pay 20.65% of their gross salary in social charges — pension, health, long-term care, and unemployment insurance — before income tax even applies. Portuguese workers pay 11%."

THE NUMBERS — GROSS €60,000 ANNUAL, SINGLE FILER, NO DEPENDANTS

	Germany	Portugal
Gross annual	€60,000	€60,000
Social security (employee)	€12,390 (20.65%)	€6,600 (11%)
Income tax	€10,810	€12,900
Net annual	€36,800	€40,500
Net monthly	€3,067	€2,893 (over 14 payments)
Effective total deduction rate	38.7%	32.5%

Sources: WorthOf calculations using 2026 brackets published by Bundeszentralamt für Steuern (Germany) and Autoridade Tributária (Portugal); social security contribution rates per Deutsche Rentenversicherung and Segurança Social Portugal. Calculations assume single filer, no dependants, mainland Portugal, no special tax regimes.

The headline gap widens further at higher salary levels. At €100,000 gross, a German keeps approximately **€57,800 net**, while a Portuguese resident keeps **€59,200** — though the difference begins to narrow above €120,000 as Portugal's top marginal rate (48%) kicks in.

WHY THIS HAPPENS — A TALE OF TWO SOCIAL MODELS

The divergence reflects fundamentally different fiscal architectures. Germany operates one of Europe's most comprehensive social insurance systems, with 2026 contribution rates totalling **20.65% on the employee side alone**: 9.3% for state pension, 1.3% for unemployment insurance, 7.3% base health insurance plus an average 2.9% supplementary health contribution, and 2.3% for long-term care insurance (3.3% for childless workers over 23, due to the 2023 statutory differential).

Portugal's system, by contrast, runs a single 11% employee contribution to Segurança Social. While Portuguese employers contribute a higher rate (23.75% versus Germany's roughly 20.7%), this does not affect the employee's net pay calculation — only the cost of employment to the company.

The OECD's *Taxing Wages 2026* report ranks Germany with the **second-highest tax wedge** in Europe at **46.6%** of total labour cost for a single average earner — second only to Belgium at 50.8%. The same report places the United Kingdom at **29.2%**, the third lowest of 28 European countries surveyed.

"The German tax wedge is a feature, not a bug," the WorthOf report notes. "It funds universal healthcare, generous unemployment benefits, and a pension system Germans rely on for retirement. But for workers comparing offers — especially internationally mobile professionals — the practical question is what reaches the bank account, not what funds the welfare state."

FIVE FINDINGS FROM THE 2026 EUROPEAN SALARY REPORT

The WorthOf 2026 European Salary Report analyses net take-home pay, effective tax rates, and purchasing-power-adjusted real income across 50 countries. Key findings:

1. The mid-tier salary trap

For gross salaries between **€40,000 and €80,000**, workers in five EU countries — Belgium, Germany, France, Italy, and Austria — retain less than 62% of their gross pay. Workers in Portugal, Spain, Czech Republic, and Bulgaria all retain **above 65%** in the same range. The pattern reverses above €150,000, where high-bracket countries flatten while Portugal's progressive structure tightens.