

PPh 21 Employee Tax Recalculation — Year-End True-Up

Run once per year, in December, before the year closes. The TER (Effective Rate Table) method used January through November produces an estimate. December requires the actual full-year calculation. Any gap is the employer's liability if not withheld.



by Ibrahim Anwar

What This Is For

Every employer using the TER (Tarif Efektif Rata-Rata) withholding method — which has been standard for PPh 21 since January 2024 — runs on an estimated monthly rate from January through November. The TER table applies a rate to gross monthly salary without computing the full-year progressive tax each month. December is different: the December withholding must be the true-up figure, calculated as full-year PPh 21 minus total withheld across January through November. The difference, positive or negative, is collected or refunded in December.

This worksheet exists because the true-up calculation is not difficult but it is easy to skip. Employers who skip it either under-withhold (leaving the employee with a year-end personal tax bill) or over-withhold (paying the employee less than they are owed). Both situations create compliance exposure and employee relations friction that a single December calculation session prevents.

Benefits

What you get when you actually run this worksheet on a real situation:

- Identifies the exact December withholding adjustment per employee before the payroll is run, preventing over- or under-withholding at year-end.
- Confirms every employee's PTKP (non-taxable income) status is current — a marriage or birth mid-year changes the full-year PKP retroactively.
- Produces the full-year PPh 21 figure per employee needed to prepare e-Bupot slips before the January 31 Coretax deadline.
- Creates a documented decision record for cases where the adjustment is negative (under-withheld) and the employer must decide how to recover the shortfall.
- Surfaces any employee whose income crossed a bracket threshold mid-year, producing a higher effective rate than the TER assumed.

Framework To Use

— TER to True-Up Bridge

The TER method is an approximation for eleven months. December closes the gap between the approximation and the actual progressive tax obligation.

<p>JAN-NOV (TER METHOD – ESTIMATED) Monthly gross salary × TER rate from the table. Fast, uniform, does not recalculate brackets each month. Produces an estimate, not a final figure.</p>	<p>DECEMBER (TRUE-UP – ACTUAL CALCULATION) Full-year gross salary × progressive rates on full-year PKP – PTKP, then subtract total withheld Jan–Nov. The residual is December withholding. This is the legally required method.</p>
---	---

How To Use

Follow these steps in order. Each one builds on the previous.

- 1** Step 1: Pull each employee's year-to-date payroll data — total gross salary January through November.
- 2** Step 2: Confirm each employee's PTKP status against current HR records. Check for any marriage, divorce, or child birth in the year that would change the status code (TK/0, K/0, K/1, K/2, K/3).
- 3** Step 3: Calculate Annual PKP for each employee: annual gross salary minus PTKP for their status code.
- 4** Step 4: Apply the progressive PPh 21 rates to the full-year PKP to get the full-year PPh 21 obligation. Rates (2025): 5% up to PKP \$3,750 / 15% up to \$15,625 / 25% up to \$31,250 / 30% up to \$312,500 / 35% above.
- 5** Step 5: Subtract the total already withheld January through November. The result is the December withholding adjustment. Positive = collect from employee in December payroll. Negative = refund to employee in December payroll.
- 6** Step 6: For any negative adjustment (under-withheld), document in writing whether the shortfall will be deducted from December salary or topped up by the employer.
- 7** Step 7: Prepare e-Bupot slips per employee using the full-year figures and report through Coretax before January 31.

Example Use

A small manufacturer has six employees. In December, the owner runs the year-end true-up. One employee received a mid-year raise that pushed their income across a bracket threshold.

Employee: Sari, production supervisor. Annual gross salary Jan–Nov: \$28,600 (\$2,600/month). December salary: \$2,600. Total annual gross: \$31,200. PTKP: K/1 (married, one child) — \$3,750 equivalent.

Annual PKP: $\$31,200 - \$3,750 = \$27,450$.

Progressive tax on \$27,450:

5% on \$3,750 = \$187.50

15% on \$15,625 = \$2,343.75

25% on \$8,075 (remainder: $\$27,450 - \$19,375$) = \$2,018.75

Full-year PPh 21: \$4,550.

Total withheld Jan–Nov under TER: \$3,894 (TER rate for her salary and status applied each month).

December adjustment: $\$4,550 - \$3,894 = \$656$ to withhold in December.

The owner records this in row 1 of the worksheet, notes the adjustment is positive, and deducts it from Sari's December net salary. No surprise, no shortfall, no employee complaint.

One other employee shows a negative adjustment of \$48 — the TER over-withheld slightly. The employer adds \$48 to that employee's December net pay. Decision documented in writing.

Reflection Prompts

After filling in the worksheet on the previous page, work through these.

1. For any employee where the December adjustment is a negative number (under-withheld year-to-date), confirm whether the shortfall will be deducted from December salary or topped up by the employer. Document the decision in writing.
-

2. Has every employee's PTKP status been verified against their family record this year? A status change (marriage, child) mid-year changes the full-year PKP calculation retroactively.
-

3. Are all e-Bupot slips for the year ready to be reported through Coretax before the January 31 deadline?
-

Tips and Traps

TIPS

- Run this worksheet in the first week of December, not the last. Discovering a large positive adjustment on December 25 gives the employee one week's notice that their take-home will be lower. Running it on December 1 gives the employer time to communicate and plan.
- Check PTKP status changes from the HR record, not from memory. Employees frequently forget to notify HR of marriage or child births. A PTKP change that was not applied retroactively means the full-year PKP was over-calculated, and the true-up will show a negative adjustment (over-withheld).
- Keep the TER table and the progressive rate table beside each other when running this worksheet. The TER table gives the estimated rate; the progressive table gives the actual rate. They are different documents with different purposes.
- For employees whose income changed significantly mid-year (raise, promotion, bonus), check whether the bracket breakpoint was crossed. A raise in July that pushed income from one bracket to the next means the TER under-estimated for the second half of the year.

TRAPS

- Using the January–November TER withheld amount as the final full-year figure without running the true-up. TER is an estimate tool. December requires the actual progressive calculation — the two numbers will not be identical.
- Filing e-Bupot with the November figure rather than the December true-up figure. e-Bupot must reflect the full-year obligation, which only becomes final after the December calculation.
- Assuming that a small workforce means small variance. A team of three, where one member received a mid-year raise and one changed PTKP status, can produce an adjustment that meaningfully affects December net pay.

Appendixes

Appendix A – PPh 21 Progressive Rate Table (2025)

Annual PKP bracket	Rate
Up to \$3,750 equiv.	5%
\$3,750 – \$15,625	15%
\$15,625 – \$31,250	25%
\$31,250 – \$312,500	30%
Above \$312,500	35%

Note: the actual bracket thresholds are set in Indonesian Rupiah.
 Translate to your local currency at the prevailing rate for illustration.
 Use the official Indonesian Rupiah figures when filing returns.

PTKP values (non-taxable income threshold, 2025 – verify at pajak.go.id):

- TK/0 – single, no dependants
- K/0 – married, no dependants
- K/1 – married, 1 dependant
- K/2 – married, 2 dependants
- K/3 – married, 3 dependants (maximum)

Appendix B – e-Bupot Deadline and Submission Reference

e-Bupot (electronic withholding slip) – PPh 21:

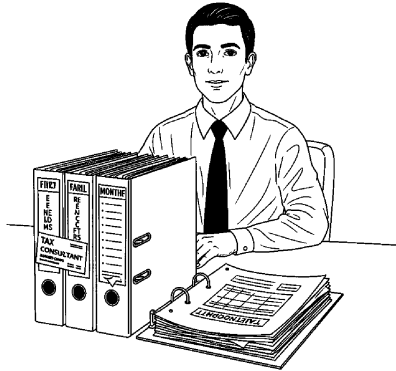
- Annual e-Bupot submission deadline : January 31 of the following year
- Channel : Coretax (djponline.pajak.go.id)
- Filing label : SPT Masa PPh 21 – December period
(marks the year-end true-up period)

Documents needed per employee for e-Bupot:

- NPWP (employee tax ID)
- Full name as on NPWP
- PTKP status code
- Total annual gross salary
- Total PPh 21 withheld (full-year figure from true-up)

If an employee does not have an NPWP:

- Use NIK (national ID number) as substitute per 2024 integration rules
- Withholding rate is higher for non-NPWP employees – confirm with consultant



WHERE THIS WORKSHEET COMES FROM

Tax Optimization for SMEs

Paying Tax Correctly Is the Kind of Business That Sleeps at Night

by Ibrahim Anwar

This worksheet is one of nine in the *Tax Optimization for SMEs* companion worksheet pack. The full pack is grouped into three categories: high-volume worksheets you can run weekly, niche-search worksheets for rare but high-value situations, and specific-case worksheets that walk you through a single concrete scenario.

Every framework, decision filter, and figure used in these worksheets is drawn from the chapters of the source book. The book sets the diagnosis, the worksheets give you the form to act on it.

Available on Google Play Books

play.google.com/store/books

PT Hibrkraft Kreasi Indonesia · Cileungsi, Bogor · hibranwar.com