



OVERSIGHT OF ALL BENEFICIAL ALTERNATIVE COMPENSATION METHODS

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1 Transport

1.1 Commuting

1.1.1 Contents

The costs of moving from the place of residence to the fixed place of employment. This may occur using public transport, private transportation or by bicycle. The employer may be obligated to cover these costs through:

- The national labour council's collective bargaining agreement (CBA) 19h
- Sectoral CBA's
- Enterprise bargaining agreements (EBA's)

The employer may also voluntarily intermediate in these costs.

CBA 19h (valid through 31 January 2014) provides the following intermediation:

1. *Public train transportation*: Average of 60 to 75% of the price of a second class train ticket.
2. *Communal public transportation*: Average 56 to 75% of the price of a second class train ticket (except for trains).
3. *Private transportation*: Average 60 to 75% of the price of a second class train ticket.

Furthermore, the option of:

4. *Bicycle allowance*:
 - Increasingly in sectoral CBA's
 - Obligated to pay: 0.15 €/km at this time (20 km max.)
 - Maximum price payable: 0.27 €/km at this time (employee sworn statement)
5. *The rate the State awards its personnel*: 0.4201 €/km

1.1.2 Advance tax payment

A. *Contribution by employer*:

Should the employee opt for deduction of flat-rate professional expenses, the employer intermediation may be entirely or partly exempt from taxes:

1. *Public transportation*: Entire amount exempted.
2. *Communal transport organised by the employer*: Exemption limited to the price of a first class train subscription for that distance.
3. *Alternate transportation (car, moped, motorbike)*: Exemption to a maximum of 39.17 €/month. Exemptions are cumulative when using various modes of transportation. Should the actual professional expenses be deducted, there is no exemption.
4. *Bicycle*: Exempt regardless of whether the actual professional expenses are declared.

B. Contribution by employee:

1. *car*: If flat-rate professional expenses are not deducted, the employer may count the transport costs as €0.15/km. This includes all car costs, e.g. maintenance, fuel, parking, insurance.
2. *other transportation (train, tram, bus, motorbike, moped, carpooling, walking)*: If flat-rate professional expenses are not deducted, the employer may count these costs as 0.15 €/km as well. If it can be proven that the actual costs are higher, these may be deducted. The allowance is limited to a maximum of 100 km between place of residence and place of employment.
3. *bicycle*: If actual costs are proven, a fixed amount of 0.27 €/km may be deducted.

1.1.3 Social Security

Exempt, except when using a company car.

Personal vehicle (including all costs): The flat-rate allowance per kilometre that the State awards its personnel is accepted, viz 0.4201 €/km.

Bicycle: An exempt amount of 0.27 €/km.

1.1.4 Deductible as professional expense

100% Deductible OR

120% Deductible

- Costs of organising communal transport in minibuses, minivans (e.g. maintenance, fuel, insurance).
- Costs of encouraging using the bicycle, e.g. bicycle parking, changing room.

1.2 Occupational transport costs

1.2.1 Contents

If the employee uses their personal car for occupational transport, the employer may reimburse them for those costs.

1.2.2 Advance tax payment

Exempt, if the amount does not exceed the civil servant's amount (0.4201 €/km). Total number of kilometres per year may not be abnormally high (limit of 24,000 km/year).

1.2.3 Social Security

Exempt

1.2.4 Deductible as professional expense

Deductible

1.3 Company car

1.3.1 Contents

A car that is made available to the employee free of charge, for occupational transportation and private use (including commuting). This can be a passenger car, light truck, truck... registered under the name of the enterprise.

1.3.2 Advance tax payment

Liable:

Formula: $(\text{listed value} \times \text{CO}^2\text{-percentage} \times 6/7 \times \text{number of calendar days in the month}) / \text{Number of calendar days per year}$

1. *listed value*: The listed value of the vehicle in new condition at the time of sale to a private individual, including options and VAT actually paid, without taking into account any discount, reduction, rebate or refunds.

PERCENTAGE LISTED VALUE:	
Time passed since the first registration of the vehicle (month started = complete month)	percentage of listed value in calculating benefits
0 to 12 months	100%
13 to 24 months	94%
25 to 36 months	88%
37 to 48 months	82%
49 to 60 months	76%
61 months or more	70%

2. *CO²-percentage*: Formula: $((5.5\% + (\text{CO}^2 - 75) \times 0.1\%))$

5.5%: - To be annually reassessed by Royal Decree

- Gasoline, LPG or natural gas engine: 91 g/km

0.1%: - Correction for more effective CO₂-emission

- +0.1% per CO₂-gram > reference-emission

- -0.1% per CO₂-gram < reference-emission

- 18% maximum - 4% minimum

-> CO₂ emission:- Can be found on registration certificate

- diesel: CO₂-emission unknown: 15.5 % CO₂ perc.

- gasoline: CO₂-emission unknown: 14.5 % CO₂ perc.

Note: minimum of 1400 €/year

1.3.3 Social Security

Liable if:

- The vehicle is also used for non-occupational purposes.
- Regardless of financial intermediation by employer.
- Application: passenger cars (category M1 - max. of 9 people)
light trucks (category N1 - max. 3.5 tons)

A flat-rate contribution (min. 28.17 €/month) independent of:

1. CO₂ emission rate(Y):

Expressed in g/km. Can be found on the certificate of conformity or the DIV database (www.health.fgov.be/pls/portal/co2). If unavailable:

gasoline: 182 g/km

Diesel: 165 g/km

2. Fuel type:
- | | |
|-----------|--|
| gasoline: | $((Y \times 9 \text{ €}) - 768) / 12$ |
| diesel: | $((Y \times 9 \text{ €}) - 600) / 12$ |
| LPG: | $((Y \times 9 \text{ €}) - 990) / 12$ |
| electric: | base amount 28.17 € (to be indexed annually) |

Employer's burden of proof

The employer must prove that the company car is not used for non-occupational purposes:

- Clause in the contract.
- Provision in the employment conditions with effective sanctions for private use.
- Car policy that bans private use.
- Sworn statement.
- Insurance policy does not cover private damage.
- Employer checks number of kilometres travelled.
- Cars have to be at the parking after the workday.
- Entry in a register.

Exception: System of collective transportation

Conditions:

1. Through a company CBA, sectoral CBA or an agreement between employer and employee.
2. Apart from the driver, there must be at least 2 other employees present for at least 80% of the distance travelled from and to the driver's place of residence.
3. Vehicle meant for transportation of goods:
 - a. category N1 and with a maximum of 3.5 tons:
 - If there are only 2 seats available, or 1 bench seat or 1 row of seats.

- Apart from the driver, at least 2 others must be present for at least 80% of the distance travelled from and to the driver's place of residence.

b. category M:

- At least 5 and no more than 8 seats excluding the driver's seat.
- Apart from the driver, there must be at least 3 other employees present for at least 80% of the distance travelled from and to the driver's place of residence.
- Vehicle identified as intended for communal transportation.

1.3.4 Deductible as professional expense

All costs relating to the use of the vehicle are deductible. Deductible between 50 and 120% in proportion to CO²-emission.

1.4 Fuel card

1.4.1 Contents

A distinction is made between a fuel card for a personal vehicle or a company car.

1.4.2 Advance tax payment

Personal vehicle:

- Occupational transportation: exempt
- Private transportation: taxable

Company car: Included in the estimated fiscal benefit

1.4.3 Social Security

Personal vehicle:

- Occupational transportation: exempt
- Commuting: exempt
- Purely private transportation: SS (Social Security)

Company car: Included in the CO₂ contribution

1.4.4 Deductible

Deductible for 75%.

1.5 Company bicycle

1.5.1 Contents

The employer buys a bicycle that is used (+ private use) by the employee. All accessories + bicycle racks + maintenance may be combined with a bicycle allowance.

1.5.2 Advance tax payment

Exempt for commuting and occupational transportation.

1.5.3 Social Security

Exempt for commuting and occupational transportation.

1.5.4 Deductible as professional expense

Deductible for 120%, must be depreciated on a straight-line basis over 3 years.

1.6 *Traffic fines*

1.6.1 Contents

The employer pays the traffic fine that the employee received while carrying out the contract.

1.6.2 Advance tax payment

Deductible for the employee.

1.6.3 Social Security

A solidarity contribution of 33% for traffic fines as a result of:

- a serious traffic violation (3rd and 4th degree -> info www.wegcode.be)
- a speeding violation and minimum of 150 €

Exemption for the first 150 € per year and per employee for traffic fines as a result of:

- light violation (1st and 2nd degree)
- less than 150 € as a result of a speeding violation

Complete exemption for traffic fines:

- in connection with condition of rolling stock
- in connection with cargo compliance

2 Costs to the employer

2.1.1 Contents

Costs made by the employee in carrying out the professional activities that are reimbursed by the employer. The most frequent are representation expenses.

2.1.2 Advance tax payment

Exempt if the employer can prove that:

- the reimbursement is intended to cover costs that are proper to them
- the reimbursement is also actually spent on such expenses

The reimbursement can come in 2 forms:

1. *Reimbursement of actual expenses based on supporting documents:* The employee must prove the costs incurred through expense reports.
2. *Reimbursement of costs on a flat-rate basis:*
 - a. Based on serious norms: This means the amount may not exceed what the State awards its civil servants.
e.g. meal 19.22 € (with a maximum of 16 days/month, so 307.52 €), breakfast 3.98 €, overnight stay: 144.16/night € (note: SS: 35 €), use of personal vehicle: 0.4201 €/km
 - b. Based on other measures: Reimbursements where neither the amount nor the nature are required to be justified. A typical example are the representation expenses:
 - Reception costs in the employee's private residence
 - Phone conversations on the employee's private phone
 - Parking costs
 - Small costs where no invoice is presented
 - Use of a personal office in the home, use of personal computer
 - ...

Determining a flat-rate reimbursement is a matter of fact. Which amount is acceptable depends on position, responsibility and the tasks an employee fulfils. Depending on these factors, the amount varies between 140 and 275 € per month.

Note: Both the SS and the tax authorities are very suspicious of flat-rate costs. The reimbursement of the costs may be seen as wages. A limitation period of 3 years applies here for both the SS and the tax authorities. That is why it is best to be prepared and to gather supporting evidence over a period of time. It is also best to provide a detailed appendix to the employment contract.

2.1.3 Social Security

Exempt

1. Paying back costs actually incurred

In principle, this should not be a source of conflict if it can be proven that reimbursement concerns costs that are proper to him.

2. Flat-rate reimbursement of costs

If the allowance is determined by administrative uniformization or when expenses are hard to establish though supporting documents. Proof must be presented that the allowance is in proportion to the actual costs and the employee's position. In their 'administrative instructions', the SS stipulates the maximum acceptable amount for certain cost reimbursements. See table below:

TYPE OF COSTS	AMOUNTS	CONDITIONS
Commuting and occupational transportation by car	0.4201 €/km	The vehicle cannot be property of the employer or be financed by the employer. The allowances are 'all-in': maintenance, insurance, fuel...
Commuting and occupational transportation by bicycle	0.27 €/km	The bicycle is the property of the employee. If the employer makes a bicycle available, the allowance is only exempt of SS-contributions for commuting.
Job costs for non-sedentary employees lack of facilities meal	10 €/day and/or 6 €/day	Non-sedentary means that the employee is required to move during the work day (at least 4 hours consecutively) and cannot use sanitary and other facilities available in a company, branch or on most wharves. The amount of the meal reimbursement is accepted if the employee has no option but to have a meal out of doors.
Accommodation costs in Belgium	35 €/day	If the employee is unable to spend the night at home because the workplace is too far removed. Covers meal costs, lodging and breakfast.
Office costs: employees that partly work from home homeworkers (employment agreement or hired under similar conditions) teleworkers	148.73 €/month 10% 10%	Covers heating, electricity and small office supplies costs. Only if part of the working hours are regularly and structurally performed in the house resulting in the necessity of furnishing a room of the house as a home office. If they have a work station at the employer's, their position must clearly show that they regularly work from home. For employees under the Working Hours Act, this is not accepted if the maximum working hours are almost exclusively performed at the employer's. 10% of gross wages, but the gross wages are limited to the part that relates to the performances in the home. 10 % of gross wages, but the gross wages are limited to the part that relates to teleworking.

Tools	1.25 €/day	The employee is required to use his own tools
IT		
- Internet connection (including subscription)	20 €/month	The SS accepts granting these amounts on the condition that: employees actually and regularly use their personal computer and/or internet connection for professional purposes (1 day/week, several periods of a few hours/week, one week each month...);
PC purchase (including peripheral equipment and software)	20 €/month	- The employer does not intermediate the costs of the personal computer and internet in any way (e.g. by contributing part of the purchase costs of the computer). Notes: - if the amount is exceeded, the part that exceeds 20 EUR becomes liable, unless the employer can justify the entire amount; - the allowance(s) may not be attributed to the occasional use of the personal computer and/or internet. If the employer wishes to reimburse those expenses, they must be able to justify the allowance granted.
Work clothes purchase	1.84 €/day and/or	This only concerns work clothes in the strict sense of the word (overalls, safety shoes, ...) or other clothes imposed by the employer that cannot be worn as leisurewear (uniform...).
maintenance	1.84 €/day	
Employee clothing (maintenance and wear)	0.92 €/day	Concerns clothing (jeans, T-shirts...) and undergarments that must be frequently washed due to the unclean working environment.
Expenses related to the car		
garage	50 €/month	If the vehicle is primarily used for professional purposes. If the employer demands it for the safety of the vehicle or its contents. May only be awarded insofar as this demand is made of all employees in the same situation. It does not matter whether the employee owns the garage or not.
parking	15 €/month	If the employee is regularly required to pay small parking fees.
carwash	15 €/month	If the nature of the position requires the vehicle to be in impeccable state.

2.1.4 Deductible as professional expense

Deductible, but only to a degree in some cases, e.g. car, reception costs...

3 Vouchers

3.1 Meal vouchers

3.1.1 Contents

Not all companies are in the position to offer their employees meals in a company restaurant. An alternative is an intermediation in the cost price of a meal by granting meal vouchers. These are granted digitally. The maximum value is 8 € per cheque since 1 January 2016.

3.1.2 Advance tax payment + Social Security

Exempt if:

1. It does not replace another form of remuneration.
2. Awarded via a collective or individual agreement.
3. Number of meal vouchers awarded = number of days worked. Electronic meal vouchers are credited every month in a single instance or several times, with credit entry counting as the moment of granting.
4. Delivery in employee's name. The pay slip notes the number, the gross amount and the employee share every month.
5. Specification of validity (12 months) + specification only for acquiring a meal or purchasing foodstuffs.
6. Employer intermediation has a maximum of 6.91€
7. Employee intermediation has a minimum of 1.09€

In the case of cumulation with a company restaurant, there is no exemption if:

1. The employee does not take meals in the company restaurant.
2. The meals are offered at a price that at least equals the cost price.
3. The meal is fully paid for by a full meal cheque.

Additional conditions for electronic meal vouchers:

1. The employee is able to check the balance and validity of the vouchers they were granted and have not used yet.
2. Are only supplied by an approved distributor.
3. Use of electronic meal vouchers comes at no extra cost to the employee. Only in the case of theft or loss and under the conditions established by the CBA or employment conditions can the costs of a replacement card be charged to the employee. But the costs will not exceed the nominal value of a single meal cheque.

3.1.3 Deductible as a professional expense

The cheque is deductible for 2 €, the fee for supplying it is fully deductible.

3.2 *Eco vouchers*

3.2.1 *Conten*

For purchasing ecological goods and services, e.g. water-saving shower head, flowers, bicycle purchase and maintenance... It is a net benefit to the employee.

3.2.2 *Advance tax payment + Social Security*

Not liable if:

1. Included in a collective or individual agreement.
2. The agreement includes the highest nominal value (maximum of 10 €/cheque) and the frequency of granting per year.
3. Delivery in employee's name.
4. The cheque will stipulate that the validity is limited to 24 months and that it is to be used for the purchase of ecological products or services.
5. Cannot be exchanged for money.
6. Maximum of 250€ per employee.
7. Is not a replacement of wages, bonus or any other benefit.

Additional conditions for the use of electronic eco vouchers.

1. The employee is able to check the balance and validity of the vouchers they were granted and have not used yet.
2. Are only supplied by an approved distributor.
3. Use of electronic eco vouchers comes at no extra cost to the employee. Only in the case of theft or loss and under the conditions established by the CBA or employment conditions can the costs of a replacement card be charged to the employee.

Charging costs:

- if the company grants both electronic meal vouchers and electronic eco vouchers, the costs of a replacement carrier card will not exceed the nominal value of a single meal cheque.
- if the company grants only electronic meal vouchers, the costs of a replacement carrier will not exceed 5 euros.

3.2.3 *Deductible as professional expense*

Non-deductible

3.3 Gifts, gift vouchers and premiums

3.3.1 Contents

An amount granted as a result of a certain occasion, e.g. marriage, birth. The nature of gift vouchers does not matter, e.g. movie ticket, gift certificate.

3.3.2 Advance tax payment

Not liable if:

- Of little value
- A social use (no reward for performance)

Types:

1. Holidays: Christmas/New Year's/Sinterklaas: a maximum amount of 40 € per year and per employee, may be increased by 40 € per year for each dependent child of the employee.
2. Honourable distinction: maximum of 120 € per employee per year.
3. Pension: 40 € per year of service with a minimum of 120 € and a maximum of 1000 €
4. Marriage bonus (+ legal cohabitation): maximum of 245 €
5. Seniority bonus: a maximum of twice per employee's career with the employer. The first no earlier than for 25 years of service (maximum of 1x gross wages) and the second for 35 years of service (maximum of 2 x gross wages).
 - Seniority must be acquired with the same employer, but years of service with employers that are part of the same group or technical business unit may be taken into account.
 - The years of service need not be consecutive. The apprenticeship counts as well.
 - The calculation may be based on the gross wages of the employee or on the average gross monthly wages in the company. Both methods of calculation are non-cumulative in the same calendar year.
6. Special occasions: maximum of 50 €/year

Note:

1. Vouchers can only be exchanged at approved companies.
2. Vouchers have a maximum validity of 1 year.
3. Vouchers cannot be exchanged for money.
4. All employees enjoy the same benefits.

3.3.3 Social Security

Not liable:

1. Holidays: Christmas/New Year's/Sinterklaas: a maximum amount of 40 € per year and per employee, may be increased by 40 € per year for each dependent child of the employee.
2. Honourable distinction: maximum of 120 € per employee per year.
3. Pension: 40 € per year of service with a minimum of 120 € and a maximum of 1000 €.
4. Marriage bonus (+ legal cohabitation): maximum of 245 €.
5. Seniority bonus: a maximum of twice per employee's career with the employer. The first no earlier than for 25 years of service (maximum of 1 x gross wages) and the second for 35 years of service (maximum of 2 x gross wages).
 - Seniority must be acquired with the same employer, but years of service with employers that are part of the same group or technical business unit may be taken into account.
 - The years of service need not be consecutive. The apprenticeship counts as well.
 - The calculation may be based on the gross wages of the employee or on the average gross monthly wages in the company. Both methods of calculation are non-cumulative in the same calendar year.
6. Special occasions: maximum of 50 €/year

Some gifts are genuine generosity and are not liable. Such as a certain company event (e.g. 50-year anniversary) or an event in the employee's life (e.g. a fire in the house).

Conditions:

- Granted spontaneously.
- There is no practice in the company.
- Employees can assert no rights to those benefits whatsoever.
- No direct relation to the employment.

Note:

1. Vouchers can only be exchanged at approved companies.
2. Vouchers have a maximum validity of 1 year.
3. Vouchers cannot be exchanged for money.

When amounts mentioned are exceeded, the total amount is subject to the SS for holiday checks, honourable distinctions, pensions. When amounts mentioned are exceeded, only the excess amount is subject to the SS for marriage bonus, seniority bonus.

3.3.4 Deductible as professional expense

Deductible if:

- Granted to all personnel
- Vouchers can only be exchanged at an approved distributor
- Vouchers must have a limited validity
- Vouchers cannot be exchanged for money
- On the occasion of a festivity or yearly event
e.g. Christmas, Sinterklaas, patron saint's day, birthday
Maximum of 40 €/year + maximum of 40 €/year - per dependent child
- Honourable distinction: 120 €/year per employee
- Retirement: 40 € per year of service - minimum of 120 € and maximum of 1000 €
- Marriage bonus (+ legal cohabitation): 245 €
- Special occasions: 50 €

Non-deductible

- Seniority bonus

3.4 Cultural vouchers/subscriptions to cultural manifestations + sports vouchers

3.4.1 Contents

Offering free or reduced-price cultural events: e.g. concert, theatre, sporting facilities...

Conditions:

1. Maximum of 100 € per calendar year.
2. Cannot be replaced by a different amount.
3. Contained in a sectoral CBA or at company level or individual agreement.
4. Delivered in employee's name.
5. Cannot be exchanged for money.
6. Validity limited to 15 months.
7. Can only be exchanged at approved companies.
8. Granted to all personnel or a category thereof.

3.4.2 Advance tax payment

Exempt

3.4.3 Social Security

Exempt (if exceeded, total amount is liable to SS)

3.4.4 Deductible as professional expense

Non-deductible

4 Social security

4.1 *Extra legal child benefits*

4.1.1 Contents

Child benefits, age supplements and maternity fee.

Conditions:

- The employee enjoys social security benefits.
- The supplement will not exceed the social benefits.
- The sum will not exceed the net wages.

4.1.2 Advance tax payment

Liable

4.1.3 Social Security

Child benefits exempt if no more than 50 € per child.

4.1.4 Deductible as professional expense

Deductible

4.2 *Child birth allowance*

4.2.1 Contents

Allowance as a result of the birth of a child. Supplement to the legal maternity fee.

4.2.2 Advance tax payment

Exempt if no more than 50 € per child

4.2.3 Social Security

Exempt

4.2.4 Deductible as professional expense

Non-deductible

4.3 *Child care*

4.3.1 Contents

The employer can insure themselves for 'home child care'. In case the child becomes ill or the parents are hospitalised, the insurance company will provide home child care at their expense.

4.3.2 Advance tax payment

Essentially exempt. But individual child care, as opposed to collective child care, can be disputed.

4.3.3 Social Security

The SS has not yet taken up a position

4.3.4 Deductible

Non-deductible

4.4 Study grants

4.4.1 Contents

The employer can award the employee a study grant per child in higher education.

4.4.2 Advance tax payment

Exempt:

If the study grants can be seen as occasional help.

If the study grants are directly given to the children.

- reasoning: it is not intended to award work performance + grants are not usually paid by the parents.

4.4.3 Social Security

Exempt if it can be assumed that the study grant is a supplement to the child benefits (branch of the social security).

4.4.4 Deductible as professional expense

If the grant is directly paid to the children, the expense is not fiscally deductible.

4.5 Group trips

4.5.1 Contents

To improve contact between employees.

4.5.2 Advance tax payment

Exempt

4.5.3 Social Security

Liable, unless the group trip can be seen as generosity. A spontaneous grant in the event of a special occasion, e.g. anniversary. The type of trip must be in reasonable proportion to the occasion in question.

4.5.4 Deductible as professional expense

Deductible on the condition that the trip does not take longer than 1 day and the trip is taken by other means than car or minivan.

4.6 *Sports*

4.6.1 Contents

Use of sports facilities within or outside of the company.

4.6.2 Advance tax payment

- Use of employer accommodation/infrastructure: exempt
- Cost intermediation: liable

4.6.3 Social Security

Liable

4.6.4 Deductible as professional expense

- Employer's use of accommodation: non-deductible
- Use of sports facilities outside the company: deductible

4.7 *Company restaurant*

4.7.1 Contents

Employers can offer their employees the possibility to have a meal in the company restaurant. These meals are offered for free or at a lower price than the cost price.

4.7.2 Advance tax payment

Exempt

4.7.3 Social Security

Exempt

4.7.4 Deductible as professional expense

A distinction can be made between company restaurants accessible to all employees and those only accessible to executive staff and/or their business relations.

If the company restaurant is accessible to all employees, the following applies:

Meal > or = 1.09 €:	Costs completely deductible
Meal < 1.09 €:	Costs deductible except the difference between the 1.09 € and the employee contribution

If the company restaurant is only accessible to executive staff and/or their business relations, the deductible portion is limited to 69%.

The costs are completely deductible as professional expense for the company, if the entire cost price is taxed to the buyer as benefit in kind.

4.8 *Extra days of leave*

4.8.1 **Contents**

Extra days of leave in addition to regulatory days of leave.

4.8.2 **Advance tax payment**

Liable

4.8.3 **Social Security**

Liable: single and double holiday pay.

4.8.4 **Deductible as professional expense**

Deductible

4.9 *Vaccination*

4.9.1 **Contents**

The company can organise vaccinations or intermediate in vaccination costs.

4.9.2 **Advance tax payment**

Exempt

4.9.3 **Social Security**

Exempt

4.9.4 **Deductible as professional expense**

Non-deductible

5 Social Media

5.1 *Use of computer/laptop/internet*

5.1.1 Contents

Making available a laptop or desktop at the place of residence that can also be used for private purposes.

5.1.2 Advance tax payment

Private use is liable, but any employee contribution is detracted.

Allowance: 6 €/month laptop - 5 €/month internet (one off if multiple connections).

5.1.3 Social Security

Private use is liable, but any employee contribution is detracted.

Allowance: 6 €/month laptop - 5 €/month internet (one off if multiple connections).

5.1.4 Deductible as professional expense

employer: Professional use is deductible.

employee: Private use is deductible as salary.

5.2 *Private use of smartphone/tablet*

5.2.1 Contents

If the company makes a smartphone/tablet available that can also be used for private purposes.

5.2.2 Advance tax payment

The private part is liable -> employee contribution is detracted.

Allowance: 3 €/month - 5 €/month internet (one off if multiple connections) - 4 €/month for telephone calls

5.2.3 Social Security

The private part is liable -> employee contribution is detracted.

Allowance: 3 €/month - 5 €/month internet (one off if multiple connections) - 4 €/month for telephone calls

5.2.4 Deductible as professional expense

employer: Professional use is deductible (requires proof!).

employee: Private use is deductible as salary.

5.3 *Intermediation in purchasing a private PC*

5.3.1 Contents

The employer can intermediate in the purchase price of a complete computer configuration (including peripheral equipment, printer, internet connection...). This does not need to be granted to all employees. The choice can be made to only grant this to a category of employees. No plan needs to be created. It is sufficient that the employer announces that they are willing to intermediate in costs.

5.3.2 Advance tax payment + Social Security

Exemption under the following conditions:

1. Equipment must be in new condition/the employer has not been the owner.
2. Gross taxable pay is no more than 36.900 €.
3. Intermediation at a maximum of 1030 €/year.
4. Exemption once per 3 years.

5.3.3 Deductible as professional expense

Deductible

6 Bonuses

6.1 *Non-recurring performance-related benefits (wage bonus)*

6.1.1 Contents

Granting benefits to all employees or a category on the basis of the company's performance or the achieving of the predetermined collective goal. The goal is to increase employee motivation through a communal project.

Conditions:

1. Collective goal (reference period of at least 3 months).
2. Collective granting (entire company, group of companies, well-described group of employees).
3. Transparent, definable, measurable and verifiable goal.
4. Realisation is not a certainty at the moment of implementing the system.
5. No replacement of another type of remuneration.
6. Implementation through a CBA or accession act.
7. Grant plan set-up with required specifications.
8. Hand-over of information sheet per employee upon payment.

6.1.2 Advance tax payment

Exempt if it does not exceed 3094 €/year/employee

6.1.3 Social Security

Exempt if it does not exceed 3558 €/year/employee

Employer: 33% special SS contribution

Employee: 13.07% SS solidarity contribution

Note: SS and BV on excess amount

6.1.4 Deductible as professional expense

Deductible

6.2 *Stock options/warrants/dividend coupon*

6.2.1 Contents

Stock options: Right to purchase stocks at a certain price.

Warrants: Subscription rights to new shares in case of capital increase.

Dividend coupon: Entitled to share of the profits - no financial participation.

6.2.2 Advance tax payment

6.2.2.1 Stock options/warrants

Taxation at the moment of granting is the definitive taxation flat-rate appreciation of the benefit whether or not there is a distinction made between listed and unlisted application of regular advance tax payment scales should be noted on the tax form.

6.2.2.2 Dividend coupon

Advance tax payment on moveable assets (25% or in exception 15%)

6.2.3 Social Security

6.2.3.1 Stock options/warrants

Exempt, 2 exceptions:

- stock options 'in the money'
- definitively obtained benefits, e.g. safeguards against loss of value

6.2.3.2 Dividend coupon

SS contribution on dividend.

6.2.4 Deductible as professional expense

Deductible

6.3 *Innovation bonus*

6.3.1 1. Contents

http://economie.fgov.be/nl/ondernemingen/leven_onderneming/ondersteuning_premies/innovatiepremie/#.U9ZMuPl_sQc

6.4 *Profit sharing bonus*

6.4.1 Contents

The profit-sharing bonus is allocated in monetary value if the corporation wishes to attribute a part or the whole of the profits of a financial year to the employees.

The law has established a maximum, however: the total amount of the profit-sharing bonus may not exceed 30% of the gross wages upon conclusion of the same financial year.

Two types of profit-sharing bonuses exist: the identical and the categorised type.

Categorised profit-sharing bonus

The categorised profit-sharing bonus varies according to the category of the employee. This profit-sharing bonus allows to allocate more to one category of employees. The disadvantage of this type of bonus is that it can only be implemented through a collective contract or by way of an act of accession.

Identical profit-sharing bonus

The identical profit-sharing bonus is a bonus consisting of a fixed amount or of a fixed percentage of the wages. The decision to pay out this bonus can be taken by a general meeting by a majority of votes. The employer is obliged to inform the employees in writing of the allocation and of modalities.

This participation of employees is not a tool for individual motivation.

6.4.2 Fiscal aspects

The employee pays 7% in taxes over the profit-sharing bonus. This tax is equated with the income tax. It is withheld by the employer and is an anticipatory tax. For the rest, the bonus is exempt from (further) income taxation.

6.4.3 Social Security

The profit-sharing bonus is subject to a solidarity contribution at the expense of the employee. This contribution consists of 13.07% of the amount paid out.

On the part of the employer, the profit-sharing bonus is not considered a professional expense. These have to be categorised, therefore, under non-deductible costs. The employer must pay corporate taxes over the disbursed amount.

Example:

	Profit sharing bonus
Real costs employer	2580,00 €
Corporate tax (29%)	580,00 €
Price of cost	2000,00 €
Social security contribution employer	/
Gross bonus	2000,00 €
RSZ employee-contribution (13.07%) solidarity contribution	261,40 €
taxable	1738,60 €
taxes	-121,70 € (7 %)
net bonus	1616,90 €

7 Benefits in kind

7.1 *Price reduction*

7.1.1 Contents

If the company offers products or services against a reduced price.

7.1.2 Advance tax payment

Exempt if:

1. Object are made or traded by the employer.
2. Only for personal necessities.
3. Goods for everyday use or sustainable products of low monetary value.
4. The final price is not below the cost price (if higher, difference is taxed).

7.1.3 Social Security

Exempt if:

1. Object are made or traded by the employer.
2. Product quantity does not exceed normal family usage.
3. Price reduction does not exceed 30%.
4. The final price is not below the cost price.

7.1.4 Deductible as professional expense

Non-deductible

7.2 *Interest-free loan/loan against reduced interest rate*

7.2.1 Contents

The employer can offer his employees an interest-free loan or a loan against a reduced interest rate.

7.2.2 Advance tax payment

The benefits are liable, the basis = established interest rate of the year the loan was made.

Note: To be noted on the tax form 281.10.

7.2.3 Social Security

The benefits are liable: Difference between the normal interest rate and the interest rate the employer offers depending on the type of loan (mortgage/fixed interest rate, or not).

7.2.4 Fiscally deductible

Deductible

7.3 *Free disposal of a house*

7.3.1 Contents

Making available a:

- House
- 1 room
- Electricity and/or heating
- Costs relating to gardeners, servants, chauffeurs

7.3.2 Advance tax payment

7.3.2.1 Free disposal of real estate (or part thereof)

Cadastral income (KI) indexation coefficient 2020 : 2.0915

Site that has buildings: Allowance of 100/60 of the indexed KI

Site that has no buildings: Allowance of 100/90 of the indexed KI

- *Furnished home*: Previous rule increased by 2/3
- *Home abroad*: Taxable benefit = the probable rental value
- *Reduction in benefit*:
 - When moving into a house is mandatory, only a KI that meets the actual needs must be taken into account.
 - When a house is rented out against an abnormally low rent, the benefit must be reduced by the amount of rent already paid.

7.3.2.2 Room (with heating and electricity)

Allowance of 0.74 €/day or 266.40 €/year.

7.3.2.3 Heating and electricity

Heating: 1050 €/year for employees, 2330 €/year for managers

Electricity: 520 €/year for employees, 1160 €/year for managers

7.3.2.4 Domestic staff, chauffeurs, gardeners...

5950 €/year per employee

7.3.3 Social Security

Liable:

Room: Actual rent price

Room: 0.74 €/day allowance

Electricity and heating: Actual value (requires proof)

7.3.4 Deductible as professional expense

Deductible

8 Insurance

8.1 *Group insurance*

8.1.1 Contents

An insurance financed by premiums:

- Exclusively employer contributions.
- Exclusively employee contributions deducted from wages.
- Combination of employer and employee contributions.

8.1.2 Advance tax payment

Employer: Exempt but 4.4% insurance tax

Employee: Exempt

Gross payment: Taxable between 10% and 20%

8.1.3 Social Security

Employer: Exempt but RVP (State Pension Service): 8.86%

Employee: Exempt

Gross payment: RIZIV (National Institute for Sickness and Disability Insurance) contribution: 3.55%
RVP solidarity deduction: 2% max.

8.1.4 Deductible as professional expense

Employer: Deductible

Employee: Personal contributions are deductible

8.2 *Hospitalisation insurance*

8.2.1 Contents

An insurance financed by premiums:

- Exclusively employer contributions.
- Exclusively employee contributions deducted from wages.
- Combination of employer and employee contributions.

There are several types of hospitalisation insurances, e.g.:

- Solely payment of a flat-rate daily remuneration.
- Remuneration of medical and accommodation expenses (possibly limited to a maximum amount).
- Safeguard only if hospitalisation lasts longer than 24 hours, but there are single-day policies as well.

Remuneration can relate to all kinds of costs, e.g. honoraria, medicine, examinations and prosthetics. Sometimes the employee can expand insurances to include the partner and the children under the condition of paying a premium.

8.2.2 Advance tax payment

Exempt if:

- This is not to reimburse loss of income.
- The goal is exclusively to cover medical costs relating to daytime nursing, serious conditions or palliative home care.

The same ruling as in covering ambulatory medical costs.

Note: Employer: insurance tax of 9.25%

8.2.3 Social Security

Exempt

RIZIV contribution: 10% collected by insurance company or national health service.

8.2.4 Deductible as professional expense

Non-deductible

8.3 Individual pension commitments

8.3.1 Contents

An occasional, non-systematic pension commitment to 1 (or more) employee(s) and/or their beneficiaries.

Conditions:

1. Obligated to have an additional (collective) pension scheme for all employees.
2. Not in the 36 months before the employee leaves service in the interest of retirement/early retirement or 'canada dry'.
3. In writing through a pension agreement.
4. Through a pension fund or life insurance company.
5. Every year, the FSMA (Financial Services and Markets Authority) must be informed of the number of individual pension commitments per employee category, and evidence must be provided that an additional pension scheme for all employees is in place.

8.3.2 Advance tax payment

a. Contributions:

Exempt if a group insurance for all employees is in place.

A tax assimilated to stamp duty of 4.4%.

b. Payments:

- Participation in profits: Essentially exempt from tax.
- Interest: Taxed like the pension (progressive tax rates).
- Capital:
 - *Separate tax rate of 16.66%*: early retirement, from the age of 60, in the event of death (beneficiary).
 - *Separate tax rate of 10.09%*: legal retirement age.
 - *Separate tax rate up to 20%*: since 1 July 2013 dependent on age.

8.3.3 Social Security

Employer contributions:

- 8.86% to the RVP

Payments to the employee:

- 3.55% for the RIZIV
- 0 to 2% for the RVP, the amount to be deducted varies according to:
 - The total gross amount of the additional pension.
 - Whether or not the beneficiary is single or head of the family.

8.3.4 Deductible as professional expense

Conditions:

1. Deposits to the pension fund or insurance company of the EER (European Economic Area).
2. Payment as a result of retirement <80% last normal gross yearly wages.
3. Able to provide proof.
4. Deductible amounts: tot a maximum of 2610 €/year.

8.4 Pension fund

8.4.1 Contents

The employer can take out a pension plan. This in addition to the legal retirement in order to guarantee an adequate level of income. The pension plan can be financed exclusively by employer contributions or a combination of employee and employer contributions.

There are three types:

- Fixed contributions: periodically, a fixed premium/percentage of the wages are deposited.
- Fixed performance: The premiums are paid according to the performance to be attained.
- Cash balance plan: The employer guarantees payment of the contributions + returns.

8.4.2 Advance tax payment

Not liable.

A tax assimilated to stamp duty of 4.40%.

8.4.3 Social Security

Employer contributions:

- 8.86% for the RVP.

Payments to the employee:

- 3.55% for the RIZIV.
- 0 to 2% for the RVP, the amount to be deducted varies according to:
 - The total gross amount of the additional pension.
 - Whether or not the beneficiary is single or head of the family.

8.4.4 Deductible as professional expense

Conditions:

1. Deposits to the pension fund or insurance company of the EER (European Economic Area).
2. Payment as a result of retirement <80% last normal gross yearly wages.
3. Able to provide proof.
4. Amounts must be deposited in the implementation of a pension scheme.

Employee: Contributions give entitlement to tax reduction (minimum of 30% - maximum of 40%)