



Payroll Tax Handbook 2025

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Version control

Changes version March 2025

Below you can see which changes we have made to the Payroll Tax Manual 2025, version March compared to the Manual Payroll Tax 2024 version October.

General

Paragraph	Change
General	As of 2025, adjusted amounts and percentages will apply, see Appendix 1: Rates, amounts and percentages from 1 January 2025 . We have implemented these changes throughout the handbook.
General	The default penalties are indexed every 5 years. Adjusted amounts will apply from 2025. We have implemented these changes throughout the handbook.
General	The state pension age has not changed and will remain 67 until 2027.
General	From 2025, we will use the term 'expat scheme' for the flat-rate expense reimbursement scheme for employees with extraterritorial costs. Until 2024, we call this the '30% ruling'.

1 Checking whether there is an employment relationship

Paragraph	Change
1	- In the 1st paragraph, first bullet point, we have brought the interpretation of an employment contract in line with how it is stated in the updated Appendix 3: Explanation of the assessment of employment relationships, decision and assessment framework. - In the 2nd paragraph, we have removed the 2 points of attention that are important for the assessment of an employment relationship. This is explained in the rewritten section 1.2.7.
1.2.1	- We have adjusted the first sentence of the paragraph. We mention that the 3 subsequent bullets are no longer 'characteristics' but 'criteria' of an employment contract and that it is important whether those criteria are met. - At the end of this section, we refer to the rewritten section 1.2.7 and to the updated appendix 3.
1.2.7	In connection with the lifting of the so-called enforcement moratorium, we have renamed and rewritten this paragraph. The section is now called Assessment of employment relationship, web module, model agreements and enforcement . We will discuss how to assess the employment relationship with a contractor and refer to the updated appendix 3. We have amended the passage on the use of model agreements. Since September 6, 2024, we no longer assess new agreements and existing agreements are no longer renewed. You can also read how we will shape our enforcement of the assessment of employment relationships from 2025 onwards.

2 Administering employee data

Paragraph	Change
2.3.2	Under the heading Payroll tax credit , we have clarified in the 2nd bullet that the SVB may always apply the payroll tax credit to the AOW benefit, but that the benefit recipient can always request the SVB not to apply the payroll tax credit.
2.4	We have clarified that you must submit first-day reports if you have been given an obligation to do so by us. Do you have no obligation? Then we ask you not to make any first-day reports. Insofar as you do send it to us (with your software), we ask you to stop it.

3 Setting up payroll administration

Paragraph	Change
3.4	We have adjusted the text under Caution . The rules for the income ratio (IKV), as stated in the handbook and the data specifications, will continue to apply until the IKV Decree enters into force.

4 Determining what belongs to the salary

Paragraph	Change
4.2	Under the heading Customary test and in the following paragraph, we had 2 times 'reimbursements, benefits in kind or making available'. In these 2 places we have replaced 'or' with 'and'.
4.15	We have adjusted the amounts in Example of a cafeteria scheme: variable mileage allowances . For a number of parts of the calculation, we still assumed a difference of € 0.09. This should have been € 0.11 by now.

5 Wage period system

Paragraph	Change
5.1	Under the heading Explanation of §8.7 of the VCR memorandum , we have clarified the text of the 1st bullet.

6 Progressive cumulative arithmetic

Paragraph	Change
6.3	Below the elaboration in example 4 was an unnumbered Note . Now that 's Note 4 . We have clarified the text of this.
6.6	In the table after the example, we have changed 'Salary' to 'Employee insurance salary'. We removed the first column 'Cumulative' in the table because it had no added value.
6.7.3	Under the heading The wages for the 53rd week are paid separately , the system for employee insurance was explained. Because this system also applies to the Zvw, we have added 'and Zvw'.
6.7.5	In the table of Elaboration example 3 , the column Cumulative salary for the months of October, November and December contained incorrect amounts. We have restored it. In the last row of this table was 'The lowest amount of B and D'. We have restored that to 'The lowest amount of C and E'.

7 Calculating employee insurance premiums

Paragraph	Change
7.1.1	In this section, we have made some changes under the heading Changes to sector affiliation: - The 1st paragraph under this heading stated that you must ask us for a new assessment of the sector affiliation within 14 days if your activities change structurally. We have changed '14 days' to '2 weeks'. We have also added to this paragraph that you must ask us for a new assessment of the sector affiliation if there has been a relevant change in your activities or if you are unsure whether your company is still classified in the correct sector. - We have added to the 2nd paragraph (if you ask us for a different sector affiliation) to the 1st sentence that the main rule is that a change in the sector affiliation takes effect as of the next tax return period after your request. In addition, we have clarified the text of the paragraph slightly. - In the paragraph after Note 2 (if the change in the sector affiliation is initiated by us), we have added to the 1st sentence that it is the main rule that a change in the sector affiliation takes effect as of the next tax period after the date of the new decision with your new sector affiliation. In addition, we have clarified the text of the paragraph slightly. - To clarify the deviation from the main rule that applies to a sector change, we have inserted an italicized heading '<i>Exception: sector change with retroactive effect</i>'. - We have removed the paragraph that stated that you can no longer retroactively ask us to join another sector. This is no longer possible as of June 20, 2019. We have therefore also removed Note 3. - Because we have removed Caution 3, we have renumbered the other headings with 'Caution'. What used to be Pay Note 4 has become Pay Note 3. Note 5 has become Note 4, and so on. - In the paragraph above the renumbered Note 3, the 1st sentence now reads 'differentiated premium Whk'. It used to say 'sector premium'. - Under the renumbered Note 3, we have added that you must state the new sector affiliation in the payroll tax return immediately from the date of the change. We have clarified the information about the differentiated Whk premium. - Under the renumbered Note 4, we have added that you must report a new assessment of the sector affiliation to the Tax and Customs Administration in writing. - Under the renumbered Note 5 we have clarified the text.
7.2.1	After the word 'nominative', we have added 'per income ratio' in brackets for clarity.
7.2.3	In this section, we have made some changes: - In the 1st paragraph we have made some textual adjustments. In the last sentence of this paragraph, we have given clearer examples. - In the 2nd paragraph, we have changed 'at least 35 hours per week' to 'more than 30 hours per week'. This is due to the amendment of the 30% revision ruling that took effect on 1 January 2025. - Under the 2nd paragraph, we have added Note 1 with information about this change to the 30% adjustment rule. - In Calculation 1, we have changed 'less than 35 hours per week' to 'more than 30 hours per week'. Because the wording of the question has changed, we have changed 'If no' to 'If yes' and vice versa. - By adding Note 1, we have renumbered the other headings with 'Caution'. What used to be Pay Note 1 has become Pay Note 2. Note 2 has become Note 3, and so on. - Under the renumbered Note 3 we have clarified the text slightly. - In Example 2, we have reduced the contracted hours from 34 to 30. We have adjusted the calculation accordingly. This includes Example 3, Example 4, and Example 5. - We have adjusted the information under Step 5 of Calculation 1 on the basis of the change in the 30% adjustment scheme. - We have adjusted the conclusion in Calculation 1 for example 6 on the basis of the change in the 30% adjustment rule.

8 Calculating income-related Zvw contribution

Paragraph	Change
	Apart from annual adjustments, there are no changes in this chapter.

9 Calculating wage tax/national insurance contributions

Paragraph	Change
9.1	We have added the wage cost benefit to the table of Wage and wage cost calculation for monthly wages 2025 under 'Employer facilities'. In footnote 3 to this table, we have indicated that we have not taken into account any effects of progressive cumulative arithmetic (VCR) in this example.
9.3.1	We have clarified example 1. This example concerns the situation in which an employee reaches the state pension age in a four-week period, during which a monthly limit is exceeded.
9.3.1	We have clarified example 2. This example concerns the situation where an employee reaches the state pension age in any year, but due to a general increase in the state pension age, the employee has not yet reached that age on 1 January of the following year. Such a situation may not occur again until the transition to 2028.
9.3.6	We have added a section of the table for special rewards to the example for clarification.
9.6	Under the heading Wage tax/national insurance contributions , we have added a paragraph with the heading <i>Distribution over income ratios cumulatively not negative</i> . In this statement, we indicate that if you use multiple income ratios for 1 employee or beneficiary, the distribution of the withheld wage tax/national insurance contributions or the settled labor tax credit is subject to the condition that the cumulative amount in any payroll tax return may not be negative. We have also added this information to step 5 of the example that follows.

10 Calculating the discretionary margin and final levy on the work-related costs scheme

Paragraph	Change
	Apart from annual adjustments, there are no changes in this chapter.

11 Posting amounts in the wage statement

Paragraph	Change
11.2.10	In this section, we explained that the payroll tax return is subject to the condition that the cumulative amount of withheld wage tax/national insurance contributions may not be negative per calendar year in the income ratio. We have included a Note in which we explain that this condition also applies to the situation where you combine different wages for the calculation of payroll taxes, but where you process the different wages in multiple income ratios.
11.2.13	In this section, we have explained that the payroll tax return is subject to the condition that the cumulative amount of settled employment tax credit may not be negative per calendar year in the income ratio. We have included a Note in which we explain that this condition also applies to the situation where you combine different wages for the calculation of payroll taxes, but where you process the different wages in multiple income ratios.

12 Giving Payslip to Employees

Paragraph	Change
	This chapter is unchanged.

13 Declaring and paying payroll taxes

Paragraph	Change
13.3	In the penultimate paragraph of this paragraph, we referred to a document that no longer exists. We have removed that reference.
13.6.2	The last paragraph stated that you could also pick up the brochure 'Liability of directors' at the offices of the company pension funds and request it from the Tax Information Line. We removed that. The brochure is only available digitally.

14 Correcting tax returns

Paragraph	Change
	Apart from annual adjustments, there are no changes in this chapter.

15 Giving annual statements to employees

Paragraph	Change
	Apart from annual adjustments, there are no changes in this chapter.

16 Obligation to provide information

Paragraph	Change
	This chapter is unchanged.

17 End of withholding obligation or employment

Paragraph	Change
	This chapter is unchanged.

18 Special employment relationships

Paragraph	Change
18.1	Under the heading <i>Calculation of customary salary</i> , we have merged the previous Note 1 and Note 2 into 1 Note . We have also added to this Note on 1 that from 2023 there will no longer be an efficiency margin, but that there may still be a transitional arrangement in 2025.
18.1	Under the heading Start-ups , we have amended the text under <i>Transitional arrangement for existing cases</i> . We have indicated that as of 2025, the transitional rules will expire for all starters in order to apply the exception to the normal rules of the customary salary scheme.
18.13.2	In the Note , we have clarified the judgment of 30 March 2023 of the Central Appeals Court (ECLI:NL:CRVB:2023:481). On the basis of this ruling, home service providers, who work on the basis of an employment contract and are paid from a personal budget (PGB), are insured for employee insurance. For these service providers, you will not owe employee insurance premiums and employer's levy Zvw in 2025.

19 Working across the border: wage tax

Paragraph	Change
19.1.1	In this section, we used 'state of employment' and 'country of employment' interchangeably. We have adapted this everywhere to the country of employment.
19.1.1	We have added the position of the Knowledge Group KG:041:2024:5 in Note 2. The reverse charge mechanism for a foreign employer, so that the payroll taxes are paid by a group member established in the Netherlands, cannot only be applied to the employee insurance premiums and income-related Zvw contribution.
19.1.1	We have part Working from home threshold: anticipating changes to tax treaties added.
19.4	Under the heading Reimbursement with an expat scheme , we have replaced 'maximum 30%' with 'maximum a fixed percentage', because that percentage will change as of 2027. There is still transitional law.
19.4.1	We've added Caution 1 . It states that the salary standard will be increased from 1 January 2027, but that there is transitional law for employees who still have a decision that was also valid in 2024.
19.4.1	Under the heading Transitional law for employees received in the period from 1 January 2012 to 31 December 2018 , we have amended the text. We have clarified that if you had a 30% ruling in 2017 or 2018 with a term of 8 years, that term has been shortened to 5 years by a change in the law of 1 January 2019.
19.4.3	We have largely reversed the heading Austerity of the 30% ruling to Austerity of the expat scheme with effect from 2025 . We have removed the text about the old austerity (30%-20%-10% ruling) and Example 7 and Example 8 . In its place is the new austerity scheme (a fixed percentage of 27% from 2027, with transitional arrangement).

20 Working across the border: social security

Paragraph	Change
	This chapter is unchanged.

21 Entitlements, exempt benefits, severance payments and pensions

Paragraph	Change
21.1.3	We have updated example 4 to the year 2025. We have also clarified the example by explaining the intermediate steps in the calculation in more detail.

22 Specific exemptions, nil valuations and standard amounts

Paragraph	Change
22.1.1	Under the heading <i>Domestic business trips</i> , we have removed the Caution . The text stated that a transitional period applied if you had granted the employees a subsistence allowance based on the text of the 2023 Handbook. This transition period will no longer apply from 2025.
22.2.3	For clarification, we have replaced the word 'provided' with 'used or consumed' for consumption at the workplace. We have also included that there must be reasonableness and refer to the conditions of paragraph 22.2.2.
22.2.4	As with paragraph 22.2.3, we have included for clarification that there must be reasonableness for the provision and refer to the conditions of paragraph 22.2.2.
22.2.7	As with paragraph 22.2.3, we have included for clarification that the provision must be reasonable, referring to the conditions of paragraph 22.2.2.

23 Transport and travel expenses

Paragraph	Change
23.2	We have rewritten this section with subsections on Travelling by public transport . As of 1 January 2024, the specific exemption for public transport cards has been extended. Because uncertainty has arisen about the effect of this extension in practice, the specific exemption as of 1 January 2025 has been further clarified. We have incorporated this clarification in this paragraph and subparagraphs.
23.2.1	We have added Note 3 in which we indicate that the specific exemption for public transport cards will be extended to foreign public transport as of 2025. Under the same conditions as for domestic public transport, the exemption also applies to foreign public transport.
23.2.7	(old: 23.2.6). Because we have rewritten paragraph 23.2 with the subparagraphs, the previous Flow chart public transport no longer relevant and we have removed it.
23.3.3	In the fourth paragraph, we changed 'the general percentage' to 'the then applicable percentage'.
23.3.3	Under the heading CO2 emission limits , we have replaced example 1 with a new example that is in line with the previous explanation about that you have to make 2 calculations because you are no longer allowed to use the previous discount percentage. The new example also shows the relevance of the date of first admission and date of first registration.
23.3.4	Example 1 was under the table with Date of 1st registration , but we have moved it to directly below the table with Date of 1st admission , because this example belongs to that table. We have updated the example.
23.3.4	We have added to the 1st paragraph that the cap (the maximum amount over which you calculate the discount for the addition to taxable income for private use of a car) also does not apply to cars that are powered by an engine that can be powered by hydrogen.
23.3.4	The table Addition percentages for the date of 1st admission before 1 January 2017 now shows '1st registration' for 2020. In the 2024 handbook, a similar text for 2019 mistakenly stated '1st admission'.
23.3.4	Under the table Addition percentages for the date of 1st authorisation before 1 January 2017 , we have indicated that the cap does not apply to hydrogen cars and solar cell cars.
23.3.4	We have updated the 2 examples under Addition percentages for the date of 1st admission before 1 January 2017 .
23.4.5	Under the examples under Continuous alternating use of delivery vans , we have amended the text so that it better corresponds to chapter 25.6 Final levies

24 Tax credits

Paragraph Change	
24.1 24.1.1	We have added a Note to both paragraphs about the phasing out of the general tax credit. In the income tax return, this is no longer only calculated on the income in box 1, but also on the aggregate income, including income in box 2 and box 3. This may result in your employee or benefit recipient receiving additional reduction via the income tax return and may therefore have to pay extra. You can inform your employee or benefit recipient about this.
24.1.2	In the 4th paragraph and also under the heading Labor tax credit for employees who have reached the state pension age , we have replaced 'per year' with 'before 2025 on an annual basis'.

25 Final levies

Paragraph Change	
25.6	The final levy for continuous alternating use of delivery vans has been indexed. We have included the new amount under the heading Calculating the final levy. We have also clarified how you can process this in the payroll tax return. We have now also included a heading Processing final levy in the tax return in this section. We have added to the existing text how you should round off and that you must specify Code 5 for the employees as a Code reason not an addition. Your employees do not have to keep a mileage registration with this final levy.

26 Remittance reductions

Paragraph Change	
	Apart from annual adjustments, there are no changes in this chapter.

27 Wage cost benefit and low-income benefit (LIV)

Paragraph Change	
<u>27</u>	As of 2025, the Wage Domain Allowances Act (Wtl) will only provide for wage cost benefits. We have left 'LIV' in the title of the chapter, because the LIV for 2024 will be paid in 2025.
<u>27.1.1</u>	Under the heading Conditions LKV redeploying a disabled employee , we have added a point of attention to the third bullet. This is because as of 2025 more employees will fall under the scope of the LKV for redeploying disabled employees. You are therefore entitled to this LKV if your employee resumes his or her own work in full or in part during the WIA waiting period or starts working for you in full or in part in another position.
<u>27.1.1</u>	Please note 4 we have moved. In addition, we have clarified the conditions for the LKV for redeploying a disabled employee that an English benefit no longer suffices.
<u>27.1.1</u>	We have also added the extension of the LKV when redeploying a disabled employee to the paragraph that starts with "Do you and the employee meet all the above conditions?".
<u>27.1.1</u>	The heading Concurrence of multiple wage cost benefits and concurrence with LIV and youth LIV we have changed it to the heading Concurrence of wage cost benefits . Due to the abolition of the LIV on 1 January 2025 and the youth LIV on 1 January 2024, there can only be concurrence of several wage cost benefits in 2025. In the text under this heading, we have therefore removed the sentences about concurrence of an LKV with (youth) LIV.
<u>27.1.1</u>	We have amended the Note 5 to clarify that the term of a wage cost benefit is not extended if you do not receive a wage cost benefit due to concurrence of wage cost benefits.
<u>27.1.2</u>	We have changed the table in this section in connection with the gradual reduction and abolition of the LKV for older employees.
<u>27.1.3</u>	In this section, we have added that you or your employee, in the event of reassignment during the waiting period of the employee, must apply for a target group statement within three months after the end of the waiting period.
<u>27.2</u>	In this section, we explained that the LIV was abolished as of 1 January 2025. The LIV for 2024 will still be paid in 2025.
<u>27.2.1</u>	Under the heading 1,248 remunerated hours per calendar year , we have clarified which remunerated hours for 2024 count towards the LIV for 2024 for the employee who has reached the state pension age in 2024.
<u>27.2.1</u>	We have changed the Note 3 in the heading Transfer of undertaking and the LIV . Under this heading, we have explained that the right to LIV is transferred to the acquiring employer under certain conditions in the event of a transfer of an undertaking. This was in response to the judgment of the Amsterdam Court of Appeal of 31 October 2024.
<u>27.2.3</u>	In this section, we have clarified that it is important for the LIV for 2024 that the remunerated hours of 2024 are correctly recorded in the policy administration by 1 May 2025 at the latest.
<u>27.3 (old)</u>	We have removed the paragraph on the youth LIV due to the abolition of the youth LIV as of 1 January 2024. There will be no payment of youth LIV in 2025.
<u>27.3 (new)</u>	By deleting paragraph 27.3 (old) on the Youth-LIV , paragraph 27.4 (old) is about
<u>27.4 (old)</u>	Remunerated hours renumbered to paragraph 27.3. Due to the abolition of the youth LIV as of 1 January 2024, we have changed this paragraph. In addition, we have clarified that it is important for the LKV and the LIV for 2024 that the remunerated hours are correctly recorded in the policy administration by 1 May 2025 at the latest.

28 Conscientious un-insured

Paragraph Change	
	This chapter is unchanged.

29 Headings of the payroll tax return

Paragraph	Change
29.4	The description of code A and B of the Code influence of insurance obligation has been adjusted in the payroll tax return. We have also incorporated the amended description in this paragraph. We have clarified what we mean by these codes in the paragraph below.
29.13	In the Code nature of the employment relationship , we have stated that from 2025 you must use code 22 for an employee on the basis of the Social Employment Act (WSW employee) who is seconded to a regular employer. You were previously allowed to enter code 21 for this. We have explained this in more detail under the heading Jobs Monitor .
29.16	We have updated the first paragraph of the Employment Conditions Amount (avwb) .
29.16	Under Points of attention for the terms of employment amount , we have clarified in point 8 that you must enter the total of the amount paid out immediately and the amount that is included from the accrued amount of terms of employment.
29.17	At the CLA Code , we have listed CLA codes that you will no longer be allowed to use in 2025 and whether a replacement code applies to them.
29.31	We have added the paragraph Withheld wage tax/national insurance contributions . Please note : the cumulative amount of withheld wage tax/national insurance contributions may not be negative in the tax return.
29.32	We have added the section on settled labor tax credit . Mainly because of the Note : the cumulative amount of settled labor tax credit may not be negative in the tax return.

Attachments

Attachment	Change
1	Rates, amounts and percentages This appendix is the same as the appendix to the Payroll Tax Newsletter 2025. However, we have added to table 12 the percentages and amounts that may apply to private use of cars in 2025.
2	Examples of RVU threshold exemption Apart from annual adjustments, there are no changes to this appendix.
3	Explanation of the assessment of employment relationships, decision and assessment framework Previously, from 2018 to 2024, this appendix contained the 'Assessment of the relationship of authority' containing the full text as previously presented to the House of Representatives. As a result of the so-called Deliveroo judgment, we have replaced this appendix with the so-called 'Decision and Assessment Framework'.
4	Salary split and deduction of wage tax/national insurance contributions Under the heading Processing in the payroll tax return , we have removed the sentence in which we indicated that the Income Ratio Decree would take effect on 1 January 2025.
5	Brexit This annex is unchanged.
6	Time Savings Fund (TSF) This annex is unchanged.
7	Payment of benefits under employee insurance and the WAZO: questions and answers This annex is unchanged.
8	Address and contact details We have changed the address of the Tax and Customs Administration/team Car/PGA.
9	Abbreviation list This annex is unchanged.
10	Glossary In this appendix, we have removed 'Jeugd-LIV'. Under 'Low-income benefit (LIV)', we indicated that this scheme will be abolished as of 2025, but that the LIV for 2024 will still be paid in 2025.

Chapters

1 Checking whether there is an employment relationship

There are different types of employment relationships, under which work can be performed:

- an employment contract (employment) This is an agreement that regulates the relationship between an employer and an employee.
- contracting work This is an agreement in which the contractor undertakes to realize a certain (construction) work for the client at a certain price.
- a contract for services This is an agreement in which the client assigns a certain service or performance to a contractor. The contractor performs this service or the performance independently.

When assessing an employment relationship, it is important to know which of the above similarities this is. See section [1.2.7](#).

1.1 When is there a withholding agent?

If there is a contract for services or contracting work, you do not have to withhold and pay payroll taxes on the payments. Only if an employment relationship is an employment relationship, you must withhold and pay payroll taxes. You are a withholding agent if:

- your employee is employed on the basis of a real employment relationship (private or public employment) (see section [1.2.1](#))
- your employee is employed on the basis of a fictitious employment relationship (see section [1.2.2](#))
- you pay a remuneration to a former employee (see section [1.2.3](#))
- you pay remuneration to another person in connection with the employment of an employee (see section [1.2.4](#))
- you have been designated as the withholding agent, see section [4.10](#)

Payroll taxes are:

- the wage tax/national insurance contributions
- employee insurance premiums
- the income-related contribution under the Health Insurance Act (employer's levy Zvw and Zvw contribution)

By withholding and paying payroll taxes we mean:

- deduct wage tax/national insurance contributions from the employee's salary and pay
- pay final levy
- pay employee insurance premiums
- pay the employer's Zvw levy or deduct the Zvw contribution from the employee's salary and pay

You must therefore first determine whether the employment relationship is an employment relationship (see section [1.2](#)). An employee can have more than 1 employment with you. He then has different positions, each with their own terms of employment and remuneration. You must then create a wage statement for each employment (see section [3.2.1](#)). In the payroll tax return, you must use a separate income ratio for each employment or other legal relationship (see Section [3.4](#)). If you are hiring someone for the first time, you must

u as an employer (see section [2.1](#)).

If you pay someone who does not work for you as an entrepreneur and is not in your (fictitious) employment, you must report these payments to us (see paragraph [1.3](#)).

1.2 What is an employment relationship?

An employment relationship is an employment relationship that is based on an employment contract between an employer and an employee. With this agreement, the employer and employee make agreements about the conditions under which the employee will work personally, for a fee and in a relationship of authority. Usually the employer and employee record the agreements in writing, but they can also agree on them verbally or tacitly.

There is not only an employment relationship if someone is in permanent employment. The scope of the work also does not determine whether there is an employment relationship. For example, there may be an employment relationship with:

- casual helpers and holiday workers
- domestic work (see Section [18.13.1](#))
- an official appointment (appointment)
- volunteering (see paragraph [18.20](#))

The law has 2 types of employment:

- real employment (see section [1.2.1](#))
- fictitious employment (see section [1.2.2](#))

In addition, a person can also receive salary from a previous employment (see section [1.2.3](#)) or from an existing employment of another person (see section [1.2.4](#)). Some employment relationships are not employment for 1 or more of the payroll taxes (see section [1.2.5](#)). Artists and professional athletes are subject to wage tax as a separate group (see section [1.2.6](#)). If you are unsure whether there is an employment relationship, you can ask your tax office for a decision in writing (via a request for preliminary consultation). If you are a client and want to be sure that there is no employment relationship, you can use a model agreement (see section [1.2.7](#)).

1.2.1 Real employment

When assessing whether there is a real employment relationship, it is important whether the criteria of an employment contract are met:

- The employee has undertaken to personally perform work for the employer for a certain period of time.
- The employer is obliged to pay the employee wages for the work.
- There is a relationship of authority between the employee and the employer.

Relationship of authority

There is a relationship of authority if you have the right to give orders and instructions for the work to be done, or for working hours, production requirements or dealing with customers, for example. The employee must comply with your orders and instructions. You can also leave the giving of assignments and instructions to someone else, for example to the person for whom the employee actually works (for example, if you send or second your employee).

There may also be a relationship of authority if you hardly give orders and directions. For example, if it concerns simple work or if the employee has specific skills. Even if you do not give orders and instructions at all, there may be a relationship of authority. For example, if you supervise the work, check the work or handle complaints about the work.

For the assessment of the employment relationship, see section [1.2.7](#). In the updated [appendix 3](#) to this handbook you will find a decision and assessment framework to determine whether someone is employed by you or works as a self-employed person.

1.2.2 Fictitious employment

If there is no real employment relationship, the employment relationship between client and contractor (and even the contractor's assistants) can be a fictitious employment relationship. A fictitious employment relationship and a real employment relationship are treated in the same way for payroll tax purposes. You apply the same rules for withholding and paying payroll taxes as for real employment.

The following employment relationships are fictitious employment relationships for all payroll taxes:

- contractors of work and their assistants (see paragraph [18.2](#))
- agents and sub-agents (see section [18.3](#))
- directors of cooperatives with employee self-management (see paragraph [18.7](#))
- executive directors of listed companies with a one-tier board and all directors of listed companies with a two-tier board (see paragraph [18.7](#)) This only applies to agreements between directors and listed NVs that have been entered into as of 1 January 2013. If the agreement was entered into before 2013, then there is a real employment relationship.
- assimilated persons (see paragraph [18.9](#))
- apprentices and trainees (see paragraph [18.10](#))
- sex workers who work for an operator (see paragraph [18.15](#))
- home workers and their assistants (see paragraph [18.17](#))
- elite athletes with an A-status from NOC*NSF (see paragraph [18.18](#))
- temporary agency workers (see paragraph [18.19](#))

For the purposes of wage tax/national insurance contributions and the income-related Zvw contribution, the following employment relationships are also fictitious employment relationships:

- (partners of) shareholders with a substantial interest, unless they already have a real employment relationship (see paragraph [18.1](#))
- children assisting (see paragraph [18.11](#))
- Pseudo-workers (opting-in) (see paragraph [18.14](#))

1.2.3 Former employment

In the case of a previous employment, the employment has been terminated. The former employee still has income from that terminated (former) employment. For example, a pension or a severance payment. Some types of benefits are also wages from previous employment, to which the rules for wage tax/national insurance contributions, the income-related Zvw contribution and sometimes also the employee insurance contributions apply (see also Section [4.3](#)).

1.2.4 Existing employment of another person

If the employer makes a payment to a third party in connection with the employment of an employee, to which only the third party and not the employee is entitled, wage tax must be withheld from it. This is the case, for example, if you give an employee's child an independent right to a study allowance (see section [4.16](#)).

1.2.5 No employment for 1 or more of the payroll taxes

Some employment relationships are not employment for:

- the wage tax
- employee insurance
- payroll tax and employee insurance

No employment for payroll tax purposes

Does your employee live abroad and also only works abroad? Then the employment relationship you have with him is not an employment relationship for the purposes of wage tax (see Chapter [19](#)).

No employment for employee insurance

Some employment relationships are only for workers insurance not employment. You do not have to pay employee insurance premiums for these employment relationships. You must withhold wage tax/national insurance contributions and pay the employer's Zvw levy or withhold the Zvw contribution.

The employment relationships with the following persons are not employment for the employee insurance schemes:

- foreign nationals who do not have lawful residence in the Netherlands
- domestic staff
- members of the volunteer police and fire brigade
- certain directors and major shareholders of an NV or BV (see paragraphs [18.1.1](#) and [18.7](#))
- Ministers and State Secretaries
- King's Commissioners and members of the Provincial Executive
- mayors, aldermen
- National Ombudsman and the Substitute Ombudsman
- chairmen of water boards
- Kingdom Representatives for the Public Entities of Bonaire, St. Eustatius and Saba
- workers who live or work abroad and are insured there (see Chapter [20](#))
- certain workers in international transport

An employee is no longer insured for employee insurance from the day he reaches the state pension age and no longer works. You no longer have to pay employee insurance premiums from the 1st day of the month in which the employee reaches this age (see paragraph [18.21](#)). The state pension age has been set at 67 years for 2024 to 2027.

An employee who has reached the state pension age and continues to work after the state pension age is insured for the ZW. You do not pay employee insurance premiums for this employee. If the employee is ill, you continue to pay him his wages for a maximum of 13 weeks. If the UWV pays the sick pay to this employee, the UWV will recover the sick pay from you.

Are you unsure whether there is an employment relationship for the employee insurances? Then you can ask your tax office in writing for a decision about being insured for employee insurance.

No employment for payroll tax and employee insurance

Some employment relationships are not employment for wage tax purposes or employee insurance schemes. It concerns the following employment relationships:

- domestic staff who usually perform services on less than four days a week
- volunteers who fall under the volunteer scheme
- persons who work under a contract for services or model agreement
-

1.2.6 Artists and professional athletes: separate group for payroll tax

Artists and professional athletes who are not in real employment and who have not opted for opting-in (see paragraph 18.14) are subject to wage tax as a separate group. This also applies to foreign companies of artists and professional athletes. Elite athletes with an A status from NOC*NSF have a fictitious employment relationship for all payroll taxes (see paragraph 18.18).

Please note

Artists are insurance policies for employees in fictitious employment. More information can be found in the 'Payroll Tax Manual for Downloading Artists from belastingdienst.nl.

and professional athletes' scheme'. You can read the manual

1.2.7 Assessment of employment relationship, web module, model agreements and enforcement

There is always a contract between you and your contractor. For more information about contract types, see hetjuistecontract.nl.

If you hire someone, there may be false self-employment. This is the case if the employment relationship deviates from the agreement in practice and is an employment contract according to facts and circumstances.

You must assess the employment relationship on a number of elements (wages, personal labour and authority). There are a number of points of view that help with the interpretation of these elements. For more information, see the updated [Appendix 3: Explanation of the assessment of employment relationships](#). It contains the so-called 'Decision and Assessment Framework'. There you will find more information about the assessment of the employment relationship and which elements and points of view you need to look at in order to arrive at a good assessment.

Please note

This handbook contains the decision and assessment framework as of 1 November 2024. For an up-to-date version, please visit belastingdienst.nl/arbeidsrelaties.

You can also use the web module. This web module provides more clarity as to whether work can be performed within or outside an employment relationship. The outcome of the web module gives an indication of what you can do. It is not a legal decision. You can therefore derive no rights from the outcome. However, the outcome can help you decide how to have work carried out. More information can be found at [Web module Assessment of Employment Relationship | Ondernemersplein - KVK](#).

Model agreement

From 6 September 2024, we will no longer assess new model agreements. And we no longer extend existing agreements. Are you using a model agreement in 2025 that was still valid on 6 September 2024? Then you can use that model until 2029, despite the expiry of the validity date. If the contractor also performs the work in accordance with the model agreement until that time, there is no employment relationship. In that case, the contractor is not insured for employee insurance. You do not calculate payroll taxes. For income tax and the Zvw contribution, the contractor receives an assessment himself through his income tax return. You can read more about the abolition of model agreements on belastingdienst.nl/arbeidsrelaties.

Enforcement

As of 1 January 2025, the enforcement moratorium will no longer apply. This means that we will again apply the normal rules for imposing correction obligations and fines in the event of an incorrect assessment of an employment relationship. The first year (calendar year 2025) a so-called soft landing applies and we do not impose any fines, for example. You can read more about this at [the tax authorities/employment relations](#).

1.3 Statement of amounts paid to a third party by withholding agents

As of the 2022 tax year, you as a withholding agent have a legal obligation to report payments and benefits in kind to non-employees. By this we mean people who you pay for work, but for whom you do not file a payroll tax return. These are the so-called amounts paid to third parties. This concerns payments in cash and the value of benefits in kind.

You must provide these amounts of your own accord if you are a so-called 'withholding agent supplier'. This obligation is also called the 'Disclosure obligation UBD'. You are a withholding agent if you have to file a payroll tax return. It is irrelevant whether you are temporarily without staff (for example due to seasonal work).

Amounts paid to a third party include:

- payments to authors, speakers and participants in medical trials
- employees to whom the fictitious employment relationship does not apply because they do not meet all the conditions, such as for persons treated as such (see paragraph [18.9](#)) or home workers (see paragraph [18.17](#))

You do not have to provide a statement of amounts paid out to third parties for:

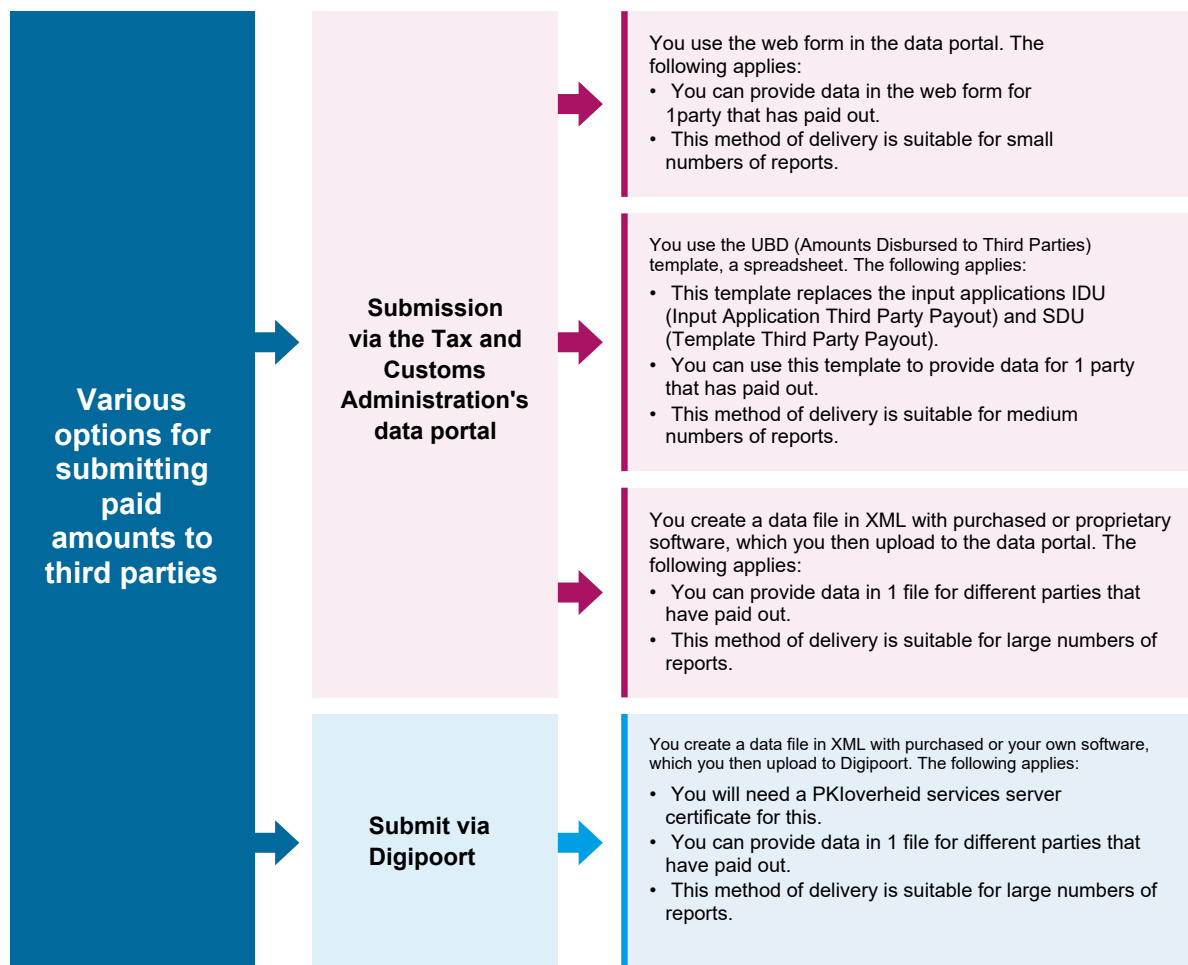
- payments/provisions to persons who fall under the volunteer scheme. More information about volunteers can be found in paragraph [18.20](#)
- payments/provisions to persons from whom you receive an invoice with an amount of VAT to be paid. If there is no VAT or € 0 in VAT on the invoice, you must provide
- payments/provisions to so-called non-natural persons (such as a general partnership, partnership, foundation, association, company)
- persons who have chosen to be subject to payroll taxes (opting-in, see paragraph [18.14](#)). Because you already declare them in the payroll tax return

You must provide the data on the amounts paid out to third parties before 1 February of the year following the year in which you paid the amounts. Will you pay amounts to third parties in 2025? Then you must submit these payments to us before 1 February 2026.

1.3.1 How to provide third-party data?

You must provide the data digitally. There are various methods for this, see the following delivery schedule.

Providing data on amounts paid out to third parties from 1 January 2023



For more information, visit belastingdienst.nl/ubd. There you will also find a link to the specific [data portal UBD](#) with more information, such as a manual and a document with questions and answers.

2 Administering employee data

If you are hiring an employee for the first time, you must register as an employer (see section [2.1](#)).

Before an employee starts working for you, you must:

- have established the identity of the employee (see section [2.2](#))
- have collected the employee's data for the payroll tax return (see section [2.3](#))

In special cases, you must submit a first-day report for your employee (see section [2.4](#)).

Please note

Is your employee going to work on the day you hire him? Then you must meet these obligations before your employee starts working.

Sometimes you can deviate from these rules, for example in the event of a merger or acquisition (see section [2.5](#)). If you do not have any payroll tax data for an employee or if you cannot establish his identity, you apply the anonymous rate for this employee (see paragraph [2.6](#)).

2.1 Registering as an employer

If you are hiring an employee for the first time, you must register as an employer. You can do this using the form 'Notification of Payroll Taxes Registration Employer'. You can download this [form](#) from belastingdienst.nl.

In the following situations, you do not use the form 'Notification of Payroll Taxes Registration Employer', but 1 of the following forms:

- 'Notification of Payroll Taxes Paying Employee Insurance Premiums' You use this form if you are already filing a payroll tax return for employees who are not insured for employee insurance schemes and you are now also employing employees for whom you have to pay employee insurance contributions. After the report, you will receive a letter from us stating which sector you are affiliated with and a letter stating the percentage for the differentiated premium for the Work Resumption Fund (Whk). You can download this [form](#) from belastingdienst.nl.
- 'Notification Payroll Taxes Filing a declaration for artists or professional athletes' You use this form if you have to file a declaration for a performance by artists, professional athletes or groups. There are 3 possible situations:
 - You do not yet have a payroll tax number.
 - You already have a payroll tax number, but you want to get a separate payroll tax number for artists or professional athletes.
 - You already have a separate payroll tax number for artists and professional athletes and must file a declaration for a new performance.

You can download this [form](#) from belastingdienst.nl. See sections [18.4](#) and [18.6](#) for more information.

- 'Notification of Payroll Taxes Employer of Home Staff' You use this form if you are a private individual and have to file a payroll tax return for home staff. You will then receive a payroll tax number from us. You will also receive a tax return letter stating the periods for which you must file a tax return. You can download this [form](#) from belastingdienst.nl. See section [18.13.3](#) for more information.
- 'Notification of Payroll Taxes Transfer of Activities' You can use this form to report that you are transferring activities to another employer, that you are taking over activities from another employer or that the legal form of your company is changing, for example from a sole proprietorship to a private limited company. You can download this [form](#) from belastingdienst.nl. See section [2.5](#) for more information.

- 'Notification of Payroll Taxes Employer of assisting children' You can use this form if a child of yours is going to work in your company and you want to make use of the simplified scheme for assisting children. If we give you permission to make use of this scheme, you will receive a separate payroll tax number for this employment.

U can download this [form](#) from belastingdienst.nl. See section [18.11](#) for more information.

U take over a company with employees

If you start your business by taking over (part of) a company with employees, you must:

- register with the Chamber of Commerce and register directly with us as an employer using the form 'Notification Payroll Taxes Employer Registration'

U can download this [form](#) from belastingdienst.nl.

- send the form 'Notification of Payroll Taxes Transfer of Activities' together with the transferring employer

U can download this [form](#) from belastingdienst.nl.

If you take over a company with employees or part of it some time after the start of your company, as a result of which you become an employer for the first time, you must:

- register with us as an employer using the form 'Notification of Payroll Taxes Employer Registration'

U can download this [form](#) from belastingdienst.nl.

- send the form 'Notification of Payroll Taxes Transfer of Activities' together with the transferring employer

U can download this [form](#) from belastingdienst.nl.

If the transferring employer was the self-risk bearer for the WGA and/or the ZW, you cannot automatically continue this. You must apply for the self-risk bearer status yourself (see section [7.8](#)).

After registration

If you have registered as an employer, we will provide you with:

- a payroll tax number You need this payroll tax number to be able to file a payroll tax return. You should also always mention this number on your correspondence with us.
- a tax return letter This letter states the periods for which you must file a tax return.
- if you have to pay employee insurance premiums for the employee: a letter stating which sector you are affiliated to and a letter stating the percentage for the differentiated Whk premium

Please note

Perhaps you have registered as an employer, but you do not yet have an employee working for you. In that case, you are still obliged to file a tax return on time (see also Chapter [13](#)).

Issue of new payroll tax number

We will issue a new payroll tax number within 5 working days after we have received your complete application. Or within 5 working days after an employee has started working for you, if the date of the start of the employment is in the future. If your application is not complete or if there is a special situation, we will ask you for more information. As a result, it may take longer before you get your payroll tax number.

If the legal form of your company changes, you will also receive a new payroll tax number. See section [17.1.1](#) for more information about filing a tax return in this situation.

2.2 Establishing the identity of your employee

You must establish the identity of your employee before he starts working for you. You must make a legible copy of a valid identity document. You keep the copy in your payroll administration.

The copy must contain all personal data that is also on the original identity document. For passports and identity cards issued from 2014 onwards, the BSN is on the back of the passport (back of the biodata page) and identity card. If the BSN is on the back, you will also need to copy the back.

You can read how to establish the identity in the 'Step-by-step plan for verification obligation'. You can download this step-by-step plan from [nlarbeidsinspectie.nl](https://www.nlarbeidsinspectie.nl). With this plan, you can establish the identity of your employee in 4 steps and determine whether a foreign employee is allowed to work for you. Do you use workers that are not on your payroll, such as temporary workers? Then read at the end of the same step-by-step plan which different rules apply to these workers.

You may also establish the identity of your employee digitally. In the meantime, the technology has been developed in such a way that checking the identity document and checking the identity of the employee can also take place remotely. It is up to you to demonstrate that you have taken sufficient care in establishing the identity. You can also outsource this work to a third party, but you remain responsible for proper compliance with your administrative obligations.

Please note

The employee is not obliged to provide his data to anyone other than the employer.

You only need to establish the identity of employees with wages from current employment and not of employees with wages from past employment, such as (pre)pension benefits.

Please note

If you employ a refugee from Ukraine, he or she may work in the Netherlands with the sticker or the O document of the IND. The sticker or O document also suffices as a valid proof of identity, with which you can establish the identity of your new employee.

In the following sections, you will find information about:

- a coherent group of withholding agents (see section [2.2.1](#))
- the identification requirement at the workplace (see section [2.2.2](#))
- default penalty (see section [2.2.3](#))

2.2.1 Coherent group of withholding agents

If an employee changes employers within a cohesive group of withholding agents, the new employer does not have to re-establish the identity of that employee (see also Section [3.6](#)).

2.2.2 Identification at the workplace

Everyone who is at the workplace must be able to show a valid and original ID at all times. Employees from the Netherlands and the EU/EEA may use a driver's license for this purpose. You must point this out to your employees. During an inspection, you must give your employees the opportunity to comply with their identification requirement.

2.2.3 Default penalty

If you cannot establish the identity of your employee or cannot establish it correctly, you apply the anonymous rate (see paragraph [2.6](#)). Otherwise, you can receive a default penalty of up to € 6,709 immediately, without criminal proceedings.

The employee himself is also obliged to have his identity correctly established by you. If he does not do so, he can also receive a default penalty of up to € 6,709.

2.3 Obtaining data for payroll taxes

After you have hired an employee, you must file a payroll tax return. For this you need data from the employee. You must ask the employee for this information. The employee must provide the data to you digitally or on paper.

In the following sections, you will find information about:

- the data you need to receive from your employee (see section [2.3.1](#))
- situations where you do not need to obtain data from your employee (see section [2.3.2](#))
- checking and administering the data (see section [2.3.3](#))
- the retention of the data (see section [2.3.4](#))
- default penalty (see section [2.3.5](#))

2.3.1 What data should you get?

Before the 1st working day or – if you hire the employee on the 1st working day – on the 1st working day before the start of the work, you must receive the following information from your employee:

- name and initials
- If your employee has not yet given you a BSN, you use his employee number to file a payroll tax return until he has given you his BSN.
-
- postal code and city
- country of residence and region if the employee does not live in the Netherlands
- of birth
- a request to apply the payroll tax credit (see paragraph [24.1](#)), if the employee wants you to apply the payroll tax credit

The employee provides this information on paper or digitally, with a date and signature. For this he can use the 'Model Opgaaf data voor de loonheffingen'. This model can be [downloaded](#) from [belastingdienst.nl](#). But you can also let your employee use his own model with all the information listed above. If you have made a copy of a valid identity document, and the employee puts all the information listed above on the copy (including the request to apply the payroll tax credit, if the employee wants it, and signature with date), that is also sufficient. If the employee signs this statement of data electronically, it is required that it is at least a qualified electronic signature. You can read more about electronic signatures at [rijksoverheid.nl](#).

If the name, address, place of residence or citizen service number are missing, you apply the anonymous rate (see section [2.6](#)). You should also do this if:

- the employee has applied for a BSN, but has not yet received it. There is a flexible position on this main rule. You may refrain from applying the anonymous rate if you can demonstrate (if we ask you to do so) that the lack of the BSN is beyond your or your employee's control (such as delayed processing by the municipality). If in doubt, you can ask us in writing for permission not to apply the anonymous rate.
- you only have a postal address for an employee who is a resident of the Netherlands
- you only have the temporary Dutch (postal) address of an employee who is not a resident of the Netherlands and not the address abroad

Please note

Students and pupils who want to make use of the student and pupil scheme must add a request to their payroll tax and social security data (see paragraph [18.16](#)). You can also [download the Model Statement for Payroll Taxes \(Student and Pupil Scheme\)](#) from [belastingdienst.nl](#).

2.3.2 Data for payroll taxes not required

For certain employees, you only need the BSN. The other data for payroll taxes does not have to be provided if you don't get it. These are:

- employees who live in the Netherlands and are over the state pension age with wages from previous employment (which may or may not include an AOW benefit)
- employees you rehire The condition is that the data for payroll taxes have not changed in the meantime. At the start of the work, your employee must sign that the data is still correct.
- employees who receive benefits on the basis of the Participation Act
- (former) employees who receive a ZW or WW benefit and whose name, address, place of residence and BSN you have provided to the benefits agency
- employees younger than the state pension age with wages from previous employment who you know receive a Waz, Wajong or Anw benefit in addition to their wages
- employees who are older than the state pension age with wages from current employment
- employees who live in the Netherlands and are older than the state pension age with an AOW benefit
- employees with an allowance under the Disability Allowance Act
- employees who change employers within a coherent group of withholding agents (see Section 3.6) The state pension age has been set at 67 for 2024 to 2027.

Please note

However, you must establish the identity of employees with wages from current employment (see section 2.2).

Payroll tax credit

Whether or not you apply the payroll tax credit is determined by the employee. You only apply the payroll tax credit if the employee asks you to do so in writing, with a date and signature (see paragraph 24.1). There are a number of exceptions to this. This statement is not necessary for the following employees:

- assisting children to whom the special arrangement for assisting children applies (see also paragraph 18.11)
You apply the payroll tax credit.
- employees who receive an AOW benefit The SVB may always apply the payroll tax credit to the AOW benefit. The benefit recipient can always request the SVB not to apply the payroll tax credit.

2.3.3 Checking and administering data for payroll taxes

If you receive payroll tax data from your employee, you must check it and then record it in your records (see Chapter 3).

...

Check the employee's place of residence

To be able to use the correct payroll tax table, you need to know which country your employee lives in. So also check whether you get the correct place of residence for your employee. If your employee reports a residence in the Netherlands, this does not mean that he is also a resident of the Netherlands.

An employee who has his permanent residence here is a resident of the Netherlands. In the case of an employee who lives or resides both in the Netherlands and abroad, it is important whether the employee has a lasting personal bond with the Netherlands for the question of whether he is a resident of the Netherlands. He is only a resident of the Netherlands if his social and economic life takes place here. For example, if the employee's family lives abroad, his children go to school there and he holds bank accounts there, you can assume that he is not a resident of the Netherlands. For more information on what the home address is, see section 29.1.

In the case of an employee without a family, his intention is also important: if your employee resides in the Netherlands and intends to settle here, you may assume that he lives in the Netherlands. If he only intends to stay here for a short time, you may assume that he is not a resident of the Netherlands.

You determine where an employee lives on the basis of all the facts and circumstances that are known to you: for example, the place of residence that the employee provides you with as 1 of the payroll tax data, travel allowances that you pay him and data for the assessment of the insurance obligation.

2.3.4 Storing data for payroll tax purposes

You must keep the data for payroll tax purposes for at least 5 calendar years after the calendar year in which the employment ends. You keep the data with the payroll administration. We may ask for this data (see also section [3.5](#)).

2.3.5 Consequences in the absence of data

If the data of your employee necessary for payroll tax and social security contributions is missing, you apply the anonymous rate (see paragraph [2.6](#)). If you do not do this, this may lead to a default on payment for which we may impose a default penalty.

The employee himself is also obliged to provide you with the data for payroll taxes. If he does not, he can also receive a default penalty from us.

2.4 Submitting a first-day report

You must submit a first-day report (hereinafter: EDM) if you have received an obligation from us to do so. We impose an EDM obligation in the following situations:

- You have received an additional assessment because you did not include your employees in the payroll administration.
- You have received a misdemeanor fine from us because you did not pay the payroll taxes or paid them too late.
- You are being prosecuted because you:
 - employ employees who are in the Netherlands illegally
 - have not registered your company with the Trade Register
 - have not fulfilled your obligations for payroll taxes
- You have been fined because you employ illegal workers.

Are you not obliged to make first-day reports? Your software may automatically send EDMs to us. We ask you to stop these notifications.

2.5 Merger or acquisition and the like

A merger, acquisition of a company or part of a company, a demerger or a change in the legal form of your company can have consequences for a number of aspects of payroll taxes, such as the differentiated Whk premium and the sector (see section [7.1.1](#)), but also the service time exemption, see section [21.2.1](#). This also applies to such a transfer in the event of bankruptcy. The old and the new employer (or the trustee in the event of bankruptcy) will notify us of the change (jointly) using the form 'Notification of Payroll Taxes Transfer of Activities'. You can download this [form](#) from belastingdienst.nl.

The new employer does not have to receive the payroll tax data from this employee again if he received it from the old employer. If the old employer also transfers a copy of the employee's identity document, the new employer does not have to establish the identity again.

2.6 Anonymous rate

You apply the anonymous rate in the following situations:

- Your employee has not provided you with his name, address, place of residence or citizen service number (before the 1st working day or on the 1st working day if you hire your employee on this day) (see also paragraph [2.3.1](#)).
- You do not establish the identity of your employee who receives salary from current employment.
- You do not store this data in your payroll administration or do not store it correctly. This only applies to an employee who receives wages from current employment.
- You know that you have received incorrect information from your employee or you should have known that.
- Your employee does not have a valid residence or work permit. This only applies to an employee who receives wages from current employment.

If you pay wages from previous employment (see paragraph 4.3), you apply the anonymous rate if your employee has not provided you with his name, address, place of residence or citizen service number (BSN) before you make the first payment to this employee. Or if you know that you have received incorrect data from your employee or you should have known that.

If you apply the anonymous rate, you will deduct 52% of wage tax/national insurance contributions. You do not take into account:

- the payroll tax credit (see also section [24.1](#))
- the maximum premium wage for employee insurance premiums (see Section [7.7.1](#))
- the maximum contribution wage for the employer's levy Zvw (see Chapter 8)
- the maximum contribution wage for the Zvw contribution (see Chapter 8)

You may correct the anonymous rate afterwards if you have wrongly applied it due to an error in the administration. For example, if the employee had submitted his BSN on time, but it had not yet been processed in the administration. Then there is error correction.

If you still receive the complete/correct data during the year, you will apply the regular rate from that moment on. However, for deductions from 2023 onwards, after receiving the complete/correct data, you may restore previous deduction of wage tax/national insurance contributions at the anonymous rate, insofar as you did so in the same year. You must then send corrections for the previous returns of that year.

Example

Employee A will be employed on 1 March. He does not provide you with a BSN. You therefore apply the anonymous rate of 52%. His gross monthly salary is € 1,000. You have withheld € 520 from March to July. At the beginning of August, he will give you his BSN. From the next wage payment, you apply the period table. With a monthly salary of € 1,000, the deduction with the monthly table is € 10 (amount indicative as an example).

You may send corrections for the periods March to July. You do this when you file your tax return for August. These corrections mean that for those 5 returns you can offset € 520 € 10 = € 510 with your tax return for August. You settle this amount of (5 x € 510 =) € 2,550 net with your employee.

Uall, in retrospect, you have withheld this amount less.

The employee for whom you have applied the anonymous rate, but for whom you have not made use of the correction option, can offset the (high) withheld wage tax/national insurance contributions via his income tax return. For these employees, see section [7.7.2](#) for the levying of employee insurance premiums and section [8.2.4](#) for the Zvw contribution.

Please note

For anonymous employees, a separate table applies to the final levy (see tables [5.5](#) and [6.5](#) at the end of this handbook).

3 Setting up payroll administration

If you hire 1 or more employees, you must keep payroll records. This administration must meet certain conditions. This is necessary, among other things, to be able to provide us with the correct data.

You will need information from us for your payroll administration (see section 3.1). You have a number of general (see section 3.2) and special (see section 3.3) administrative obligations. In addition, you have to deal with income ratios (see section 3.4). We also set requirements for the storage location and retention periods of your payroll administration and we can set up an audit for you (see paragraph 3.5).

Does your company consist of several independent business units and do you want to reduce your administrative burden? Then ask us to designate you as a cohesive group of withholding agents (see section 3.6).

3.1 Information you need for payroll administration

You need different types of information for your payroll. You will receive some of this information from us. We will make sure that you get the information on time. Some information is sent by post (see section 3.1.1), while other information can be found on belastingdienst.nl (see section 3.1.2). If you have an automated payroll administration (see section 3.1.3), some information is already included in it. With manual payroll administration (see section 3.1.4), you have to do more yourself.

Please note

Is the legal form of your company changing? This will affect the information you need, among other things. So report this to the Chamber of Commerce as soon as possible. You must also send us the form 'Notification of Payroll Taxes Transfer of Activities'. You can download this [form](#) from belastingdienst.nl.

3.1.1 Information by post

Some of the information will be sent to you by post. This concerns (if this applies to you) for example:

- the 'Payroll Tax Return Letter', which states when you must file a tax return.
U will receive these every year in November.
- the decision stating which sector you are affiliated with, so that you use the correct sector percentages.
U will receive this after registering as an employer and if you report a change.
- information about employee insurance premiums, such as the decision or communication with the differentiated contribution percentage of the Work Resumption Fund (Whk).
U will receive the decision or notification every December.

Please note

Is your company moving? Then inform the Chamber of Commerce of your new address as soon as possible. The Chamber of Commerce will inform us of the change of address. By passing it on quickly, u that we send your mail to the old address.

3.1.2 Digital information

The payroll tax news can be found on belastingdienst.nl/loonheffingen under 'News'. You can use the [RSS feed](#) functionality to stay informed of our news items. Choose 'employers'.

3.1.3 Automated payroll administration

Do you use a payroll software package? Then your software supplier has often already incorporated year-dependent data, such as tables, percentages and calculation instructions, into the package. This means that your software uses this year-dependent data to calculate payroll taxes for you.

Developing payroll software yourself

Do you develop your payroll software yourself? We can help you with that. Via odb.belastingdienst.nl reports sign up for a support subscription. You will then be able to access this Internet site for software developers. For example, you can download the calculation instructions for the payroll software package as early as the end of November of the following year. This is one month earlier than on belastingdienst.nl.

3.1.4 Manual payroll

Are you not using a payroll software package? Then you use the wage tax tables to calculate the wage tax/national insurance contributions (see section 9.3). For the tables from 2019 onwards, use the Wage Tax Tables Calculator. After answering a few questions, the calculator will generate the correct wage tax table for you. You can find the calculator on belastingdienst.nl/tabellen.

Tables with percentages of other payroll taxes can be found in this handbook.

3.2 General administrative obligations

You must administer all the employee's data. You put some of that data on the wage statement, which you have to work for each employment (see section 3.2.1). Other data, such as the employment contract, is stored in the payroll administration (see section 3.2.2). You must also provide your employees with a payslip (see Chapter 12) and an annual statement (see Chapter 15).

3.2.1 Establishing a wage statement

In a wage statement, you keep records of the employee and his or her salary, such as personal data, application of the payroll tax credit and the income ratio number (see section 3.4.2). If your employee has more than 1 employment with you, you must create a wage statement for each employment. Every year, you create a wage statement before the 1st payment of wages. If you use a payroll software package, the package creates the wage statements. You must have a wage statement for every employee or benefit recipient (hereinafter: employee) who is in real or fictitious employment with you (see Chapter 1).

For a child who is working (see section 18.11) or someone who receives social assistance benefits from you, you do not have to create a wage statement.

Please note

Does your employee receive wages from you from multiple income ratios? In that case, it is preferable to compile a wage statement for each income ratio (see section 3.4). For the calculation of payroll taxes, take into account the total of these wages (see paragraph 9.6).

In chapter 11 you will find more information about keeping track of the wage statement.

Model loonstaat

If you don't use a fully automated payroll administration, or don't outsource your payroll, you'll need to take care of payroll statements yourself. You can download the [Model Wage Statement](#) from belastingdienst.nl. You may deviate from this model, but the wage statements must clearly contain at least the data that is on the model.

Do you or the agency that takes care of your payroll administration want to use a payroll statement that does not contain all this information? Then you must ask us for permission to do so. We can set conditions.

Urequest permission by submitting a request to your tax office.

3.2.2 Other data in the payroll administration

In addition to the wage statement, you must keep records of all data about your employee that is important for our audits. Like:

- the employment contract
- the statement of data for payroll taxes (see section [2.3](#))
- the copy of the identity document (see section [2.2](#))
- Leave and sick reports
- target group statements
- apprenticeship agreements on the basis of the apprenticeship-based learning pathway

Do people who are employed by a foreign company work in your company? Then we recommend that you make a copy of the original posting statement. The foreign social security institution issues this posting certificate. In the case of a secondment within the EU, this is the form A1/certificate of coverage or an E101 statement.

We also recommend that you keep all calculations in the payroll administration that show the reconciliation between the returns and the accounting (see paragraph [3.5.3](#)).

3.3.1 Special administrative obligations

Special administrative obligations apply to:

- exempt benefits (see Section [3.3.1](#))
- wage components that fall under the final levy (see section [3.3.2](#))
- decisions, declarations and other official documents (see Section [3.3.3](#))
- remittance reductions (see Section [3.3.4](#))
- allowances, benefits in kind and provision of transport (see Section [3.3.5](#))

Exempt benefits

In the payroll administration, you must record the data of:

- exempt service benefits (see Section [21.2.1](#))
- one-off benefits in the event of the death of the worker, his spouse or partner, his own children or foster children (see sections [21.1.6](#) and [21.1.8](#))

You may also record this data in a place other than the payroll administration. You must then meet the following conditions:

- You must report the storage location in writing to your tax office in advance.
- In the event of an audit, make sure that the data is available.

Rules for a decentralised greenhouse

Do you have 1 payroll administration for multiple locations? Then you may make reimbursements and benefits in kind from the cash of a branch office. These are allowances or provisions from a decentralized treasury. You can keep the administration of these allowances and benefits in kind with the decentralised treasury if you meet the following conditions:

- You notify us in advance that you are using a decentralised greenhouse.
- The central payroll administration determines how the decentralised treasury assesses whether the benefits and benefits in kind are taxed.
- The central payroll administration determines how the decentralised treasury reports which part of the benefits and benefits in kind are fully or partly part of the salary.
- The central payroll administration determines how the decentralised treasury archives the data and (evidence) documents.
- In the central payroll administration, you record where the decentralized greenhouses are located.
- You transfer all or part of the decentralised administration to the central payroll administration if we request this during an audit.

3.3.2 Wage components that fall under the final levy

For certain forms of wages, you calculate the wage tax/national insurance contributions or only the wage tax in the form of a final levy (see Chapters [10](#) and [25](#)). You do not deduct the final levy from the employee's salary, but it is at your expense.

In the payroll administration, you must record the details of the wage components to which you apply a final levy.

Final levy on the work-related costs scheme

For the final levy on the work-related costs scheme (see Chapter [10](#)), you must keep at least the following records in your records:

- at the collective level:
 - all wage components that you designate as final levy wages
 - the calculation of the final levy if you exceed the discretionary margin
- per employee: specific exemptions, which you have designated as final levy wages

You therefore keep track of all wage components that you designate as final levy wages at a collective level in your administration, even if it concerns final levy wages for a specific exemption. You do not enter the final levy wage per employee in the wage statement. See section [4.6](#) for more information on reimbursements, benefits in kind and postings.

If you make use of a specific exemption, you must also include this final levy wage per employee in your administration, but not in the wage statement. If you reimburse or provide more than the standard amount that applies to the specific exemption, then there is an excessive part of the specific exemption. If you also designate this excess part in whole or in part as final levy wages, you will also include that part at the collective level in your administration as final levy wages. Do you treat the excessive part in whole or in part as the employee's salary? Then you enter that part in his wage statement. See section [22.1](#) for more information on specific exemptions.

Other wage components covered by the final levy

For the other final levies (see Chapter [25](#)), you must keep the following in your records:

- the salary or benefits in kind that you tax with the final levy
- how you calculated the final levy

You keep track of the final levy wage at the collective level in your administration. You do not enter it per employee in the wage statement.

3.3.3 Decisions, declarations and other official documents

Do you receive a copy of a decision or statement from your employee, for example an authorization to use a lower percentage than the special remuneration table indicates? Then you keep it with the payroll administration. Copies of other official documents, such as proof of identity, should also be kept with the payroll administration.

3.3.4 Remittance reductions

There are 2 different remittance reductions. Each remittance reduction has its own administrative regulations. See Chapter [26](#) for more information on this.

3.3.5 Allowances, benefits in kind and provision of transport

Separate administrative regulations apply to each type of transport, for example a private car, a company car or a bicycle. See chapter [23](#) for more information on this.

3.4 Revenue ratio

In the payroll tax return, we do not ask you for the details of the employment, but for the details of the income ratio. This is because UWV records the data of your employees per income ratio in the policy administration. Your employee will see this information per income ratio in the 'Digital Insurance Message' and in his pre-completed income tax return. That is why it is useful that you set up your payroll administration per income ratio.

The income ratio is usually the same as the real employment (see section 1.2.1), the fictitious employment (see section 1.2.2) or the previous employment (see section 1.2.3). But the relationship with some artists and professional athletes (see section 1.2.5) is also an income ratio.

You can have more than 1 income ratio with an employee (see section 3.4.1).

In the payroll tax return and in the policy administration, an income ratio is characterized by the combination of the following 3 data:

- your payroll tax number
- the employee's citizen service number (BSN) or, if there is none, the employee number
- the income ratio number (see section 3.4.2)

Please note

The concept of 'income ratio' is an administrative concept in the payroll tax return. The rules for the use of income ratios can be found in this handbook and in the Data Specifications for Payroll Tax Returns. These documents do not have the same status as laws and regulations.

In anticipation of the entry into force of the Income Ratio Decree (IKV Decree), the current rules for the use of income ratios have been laid down in the 'Regulation on the Data Request for Wage Declaration'.

If your software is already set up in accordance with the IKV Decree, you may already act as stated in this decree. Even if that differs from what you read in this handbook or the data specifications.

More information about the IKV Decree and its entry into force can be found on rijksoverheid.nl.

3.4.1 Beginning and end of an income ratio

If an employment relationship arises, an income ratio also arises. When an employment relationship ends, the income ratio also ends. During an employment relationship, a new income ratio can arise. In this case, the old income ratio can end or continue to exist. The start and end dates of the revenue ratio indicate the validity of the revenue ratio.

Example

- 1 On 20 March, the employer and employee sign a contract in which the employment contract takes effect on 1 April. The date of commencement of the income ratio is then 1 April.
- 2 An employee shall terminate his employment contract. The last day of validity of the employment contract is 14 May. As of 15 May, the employment contract no longer applies. The date of the end of the income ratio is then 14 May.

Note 1

A temporary increase in the number of contracted hours does not always have to be a different employment contract and therefore there is not always a different income ratio. There is a new employment contract if:

- the work or terms of employment for the increase in hours differ substantially from those of the existing employment contract.
- you have explicitly agreed on a separate employment contract with the employee for the increase in hours.

Processing in the payroll tax return

If a temporary increase in hours leads to a new employment contract, you may choose how to process the temporary increase in hours in the payroll tax return until the IKV Decree enters into force:

- You may process it in the same income ratio as that of the salary from the previous employment.
- You may process it in a different income ratio.

See also section 7.2.1.

1 Income ratio: old ends, new one arises

In the following cases, the old income ratio ends and a new income ratio is created while the employment relationship continues:

- 1 You declare the employee under a different payroll tax subnumber.
- 2 There is a merger or company takeover and the payroll tax number changes. It makes no difference whether the staff is transferred in the context of a transfer of undertaking or not. For transfers of undertaking, see section 7.6.7.
- 3 You will pay the employer's Zvw levy for the employee instead of withholding the Zvw contribution, or vice versa.
- 4 The employee's insurance situation for employee insurance schemes changes, for example when:
 - a trainee who had a fictitious employment relationship during his traineeship receives an employment contract (and therefore a real employment relationship) immediately after his traineeship
 - a child who works for the parent's company in fictitious employment is going to work for that company in real employment
 - an employee enters into a family relationship with the director-major shareholder, whereby there is no longer an obligation to insure for the employee insurance schemes as a result of that family relationship. See also the explanation of this in paragraph 29.4 of the Code on the influence of the insurance obligation.
 - an employee reaches the state pension age and continues to work. The state pension age has been set at 67 for the years 2024 to 2027. If an employee reaches the state pension age and continues to work, he remains insured for the ZW, but not for the other employee insurance schemes. Therefore, from that moment on, there is a new income ratio. You indicate in the tax return that he is insured for the ZW. Certain software does not allow you to include a new number of revenue ratio in this situation. You then include a new income period within the existing income ratio.

Note 2

If an employee who is not insured for employee insurance reaches the state pension age and continues to work, there is no new income ratio.

Note 3

In the first 2 cases, the payroll tax number changes. Preferably, you should then start 're-numbering' with number 0001 for the income ratio number, see section 3.4.2. In the last 2 cases, the payroll tax number does not change. It is a new income relationship with the same person under the same payroll tax number. For the new income ratio, you use a new, preferably successive number of income ratio (see section 3.4.2).

Note 4

If you hire a former employee, there is a new employment relationship and therefore also a new income ratio (see also section 3.4.2).

Example 1

You have 2 branches, branch A with payroll taxes subnumber 11111111L01 and branch B with payroll taxes subnumber 11111111L02. Your employee will stop working at branch A on 1 July and will start working at branch B. The employment relationship with the employee does not change. You declare the employee as of 1 July under the L02 number. The revenue ratio at branch A ends on June 30, the revenue ratio at branch B starts on July 1.

Example 2

Company X merges with company Y on 1 October. A new company Z is created. Although there is a different employer with a different payroll tax number, there is a continued employment. The income ratios at company X and Y end on September 30, the income ratios at company Z start on October 1.

No new revenue ratio

There is no new income ratio if the insurance position does not change. For example:

- You convert a temporary employment contract into a permanent employment contract without interruption.
- You convert an on-call contract into a temporary or permanent employment contract without interruption.
- You convert a zero-hour contract into a temporary or permanent employment contract without interruption.
- The probationary period expires.
- The flex and security phase is changing (temporary employment industry).
- You will also pay a WAO or WIA benefit at the same time as the salary (as a self-risk bearer or if you continue to pay the benefits from the UWV). However, it is wise to use a different income ratio number for the benefit that you continue to pay on behalf of the UWV (see below under '2 or more income ratios at the same time: old one continues, new one arises').
- The termination of an employment relationship is reversed. For example, through repentance, mediation or a ruling by a judge.
- You make an additional payment to a former employee with the wage system. You declare the additional payment in the tax return for the tax return period in which you make the additional payment. You then use the same income ratio number and the same start and end date that you used in your previous return.

You will continue to use the same number of revenue ratio in these situations. See section 3.4.2 for more information.

2 or more income ratios at the same time: old one continues, new one arises

You can have multiple income ratios with the same employee. You then include the employee in the tax return under different income ratio numbers. The following situations are possible:

- You have more than 1 employment relationship with an employee within a payroll tax number. For example, your employee works as an accountant during the day and as an office cleaner in the evening in a different employment and with different conditions.
- You have 1 employment with an employee within a payroll tax number 1, but you split his salary into 2 (or more) separate parts. For example, your employee works partly in the Netherlands and partly abroad and you split his salary into 2 parts (salary split).
- You have 1 employment relationship with an employee. You have 2 branches and you have a payroll tax sub-number for both branches, for example 111111111L01 and -L02. The employee works partly in branch A and partly in branch B. You have split the employee's salary into an A and a B part and declare them separately under the different payroll tax subnumbers.
- You must pay the Zvw employer's levy and deduct the Zvw contribution for a benefit recipient. You declare the salary for which you pay the Zvw employer's levy and the salary on which you deduct Zvw contribution under different income ratio numbers.
- In 1 calendar year, you pay an employee wages from current employment (for which you use the white table) and wages from previous employment (for which you use the green table). You include this employee in the tax return for the salary from current and the salary from previous employment under different income ratio numbers. For example:
 - You pay your employee a severance payment (salary from previous employment) at the same time as the last regular salary (salary from current employment). For the severance payment, you use a new income ratio number. This also applies if you pay the severance payment (partly) after the dismissal.
 - You are self-insured for the WGA and the ZW and you must pay both a WGA benefit and a ZW benefit to the employee. You then declare both benefits under different income ratio numbers.
- You pay multiple wages or benefits from previous employment, the types of income ratio codes of which differ. For each type of wage or benefit with its own code type of income ratio, you use a separate number of income ratio. These are wages or benefits that you were allowed to declare together before 2017 in 1 income ratio with the type of income ratio code 21. Code 21 has been abolished since 2017.

2 or more income relationships at the same time after the end of the employment

You must also include the employee with a second or subsequent income ratio in the tax return in the following situations (i.e. with a different income ratio number):

- After the end of the employment, you still pay a former employee regular wages (additional payment) and also a ZW benefit, on behalf of the UWV (see paragraph [9.6.2](#)) or as a self-insured person. You declare the regular salary in the income ratio of the employment and the ZW benefit in a separate income ratio.
- You rehire a former employee. But you still pay this former employee a ZW benefit, on behalf of the UWV (see section [9.6.2](#)) or as a self-insured person. You then declare the salary from the new employment and also the ZW benefit in separate income ratios.
- After the end of the employment relationship, on behalf of the UWV (see paragraph [9.6.2](#)) or as a self-insured person, you pay a supplement to a ZW benefit and also a ZW benefit. You then declare the supplement and the ZW benefit in separate income ratios.

Preferably 2 (or more) income ratios

In the following cases, you should preferably declare the employee under 2 income ratios in the tax return:

- Your employee is still employed by you and you pay him or her a WAO, WIA or WW benefit on behalf of the UWV (see section 9.6.2). In addition, you pay other wages such as regular wages or a supplement to a benefit. Under the current rules of the income ratio, you may still process this in the same income ratio as that of the salary from the employment (see below under 'Processing in the payroll tax return'). To calculate the wage tax/national insurance contributions, you add the benefit to the other salary that you pay your employee (see paragraph 9.6). However, the benefit for the WAO, WIA and WW does not count towards the annual wage for the low-income benefit (LIV) (see Chapter 27). If you do not split the wages and benefits, you may miss out on the LIV for this employee.

Benefits for the ZW do count towards the annual wage for the LIV. If you pay the employee a ZW benefit on behalf of the UWV in addition to other wages, you do not have to split the income ratio.

- Your employee is still employed by you and you pay him a WGA benefit as a self-insured person. In addition, you pay other wages such as regular wages or a supplement to the benefit. Under the current rules of the income ratio, you may still process this in the same income ratio as that of the salary from the employment (see below under 'Processing in the payroll tax return'). To calculate the wage tax/national insurance contributions, you add the WGA benefit to the other salary that you pay your employee (see paragraph 9.6). However, the WGA benefit that you pay as a self-insured person does not count towards the annual salary for the LIV (see Chapter 27). If you do not split the wages and the WGA benefit, you may miss out on the LIV for this employee.

ZW benefits that you pay as a self-insured person to an employee who is still employed by you do count towards the annual salary for the LIV. In that case, if you pay a ZW benefit and other wages, you do not have to

split the income ratio.

Processing in the payroll tax return

If the white table applies to the continued payment of a benefit from the UWV, you may choose how to process this payment in the payroll tax return until the IKV Decree enters into force (see section 3.4):

- You may process the payment in the same income ratio as that of the employment from which you still pay wages or a supplement.
- You may process the payment in a different revenue ratio.

More information about this can be found in paragraph 9.6.2 under 'Processing in the payroll tax return'.

Note 5

Does your employee receive salary from you from several past or current employment relationships or from multiple income relationships? For the calculation of payroll taxes, take into account the total of these wages (see paragraph 9.6).

Fill in the start date and end date of the income ratio in the tax return

In each return, you must enter the start date of the income ratio. In the tax return for the period in which the income ratio ended, you also enter the end date. The start and end dates may not be after the end of the tax return period.

Separate rules apply to temporary employment agencies for filling in the start and end date of the income ratio.

Start date of income ratio for temporary workers

The 1st paid working day of the temporary worker counts as the starting date. You include this date in the 1st payroll tax return for the tax return period in which that wage is processed. In the follow-up declarations of this temporary worker, you will continue to use the same start date.

End date of income ratio in the event of inactivity and illness of temporary agency worker with temporary employment clause

Has a temporary worker not worked for 26 consecutive weeks? Then you must terminate the income ratio in the next tax return. You use the end date of the Sunday of the last week worked. This also applies if the temporary worker is ill.

End date of income ratio in the event of inactivity and illness of temporary agency worker without a temporary employment clause

Has a temporary worker without a temporary employment clause not worked for 26 consecutive weeks? Then you must terminate the income ratio in the next tax return. You use the end date of the agreement as the end date. Is it a temporary employment contract without an obligation to continue to pay wages? Then you use the date of the Sunday of the last week worked as the end date. This also applies if the temporary worker is ill.

Note 6

You do not have to correct changes in the start date of a temporary worker's income ratio. If you use the correct start date in the next tax return, this date will be seen in the policy administration as the start date of the income ratio. However, you must correct all other changes in the income ratio (see Chapter [14](#)).

3.4.2 Number Revenue Ratio

You give each income ratio a number and you mention this in the wage statement. You must enter this number in the payroll tax return. Many payroll software packages will do this for you automatically. For the revenue ratio number, consider the following:

- If you are assigning a number of income ratio to an employee for the 1st time, it is best to start at 0001. If the income ratio ends and a new income ratio starts with the same employee, you continue numbering. This way, you run little risk of reusing numbers when you switch to a different salary or tax return package.
- Have you chosen a certain number for an income ratio once? Then use that number in all subsequent returns for that income ratio. This also applies if you switch to a different salary or tax return package. Ask your software provider how to find the numbers in the old software and copy from them.
- Are you hiring a former employee? You may not reuse a used income ratio number for the same payroll tax number. This is only allowed after 7 years after the year in which the employment was terminated.
- You use a unique combination of BSN and number of income ratio for each income ratio in your tax return or correction. This combination may only appear once in your tax return or correction. Does the same combination happen more often? Then the sender receives an error message or a letter asking him to correct the error (see section [13.3](#), phase 3).

Please note

We sometimes see the same combination of BSN and number income ratio twice in tax returns or corrections. (Corrected) data for the income ratio is then provided and at the same time this income ratio is withdrawn. We ignore the withdrawal in these cases. You will not receive an error message or a letter. Do you still want to withdraw a previous income ratio? Then indicate this with an additional tax return before the end of the tax return period, or with a correction in the tax return for the next or subsequent period.

Use multiple earnings ratio numbers for the same employee

Do you have multiple income ratios with the same employee (see section [3.4.1](#))? Then you give each income ratio a separate number.

Use New Revenue Ratio Number

If a new income ratio arises with the same person within the same payroll tax number (see section 3.4.1), you must use a different income ratio number, preferably a successive number. Does this change occur during the tax return period? Then include the employee in the tax return 2 times for that tax return period, under 2 different numbers income ratio.

3.5 Storage, retention period and control

We set requirements for the storage location (see section 3.5.1) and the retention periods (see section 3.5.2) of your records. We can also set up an audit for you (see section 3.5.3).

3.5.1 Repository

You must keep the payroll records at the place where your company has its office or is located. At your request, we can give permission to keep the payroll administration in another place, for example at your advisor's office. You can send this request to your tax office.

3.5.2 Retention period

Certain parts of your administration are basic data. This includes:

- of loonadministratie
- the general ledger
- from debtor to creditor in administration
- the stock administration
- the purchase and sales administration

Every entrepreneur must keep the basic data of his administration for 7 years (tax retention obligation). This also applies to payroll administration.

Please note

Even if you stop doing business or no longer have employees, you must keep the data for the entire retention period.

Deviating retention periods within the payroll administration

For some data within the payroll administration, a different retention period applies. You must keep the following data for at least 5 calendar years after the end of the employment:

- Wage tax statements or forms with the data for payroll taxes, such as the 'Model statement of data for payroll taxes' and the 'Model statement of data for payroll taxes (student and pupil scheme)'

U also keep the old certificates and forms if they have been replaced by new ones.

- copies of the identity document
- copies of decisions or statements that you have received from your employee

For other data, you can make agreements with us about shorter retention periods than 7 years. The shorter retention periods apply exclusively to the Tax and Customs Administration. At other government institutions, you may still have to deal with the statutory retention period of 7 years.

Computer programs and files

The retention obligation also applies to computer programs and files. You need to make sure that these programs and files can be used in an audit. You are not fulfilling your retention obligation if you only keep a file in printed form. In the brochure 'Your automated administration and the tax retention obligation' you will find more information about the correct way to store your digital administration. You can download this [brochure](#) from our website or order it from the Tax Hotline: 0800 - 0543.

Do you have (part of) your administration taken care of by a computer or payroll service agency? Then the tax retention obligation also applies to the data carriers of those service bureaus that contain data about your company.

3.5.3 Control

During an audit, we compare the returns with your administration and assess them. We recommend that you keep the calculations you made when preparing the declarations. This makes control easier. In the event of an audit, you must provide us with all the information that may be of interest. We may make copies of your records. See section [16.4](#) for more information.

3.6 Coherent group of withholding agents

Large companies usually consist of several independent business units, each of which is subject to withholding tax and social security contributions. If an employee starts working at another division within the company, this means additional administrative burden. The employment ends and a new employment begins. This also applies to other relationships in which withholding agents work together.

You can request that we designate your partnership as a cohesive group of withholding agents (SGI).

Benefits of an SGI

You can reduce the additional administrative burden by designating as an SGI. You can then more easily change an employee within your group, because:

- you do not have to re-establish his identity
- the employee does not have to provide you with the payroll tax data again
- you do not have to redetermine the annual salary for the special remuneration
- a decision for the expat scheme (30% ruling) remains valid if the circumstances for this remain the same with the new withholding agent (see section [19.4.2](#))

You make the request for designation as SGI together with the other withholding agents. You send the request to your tax office. We will decide on the request with a decision that may contain further conditions. You can object to this decision. We may decide to change or withdraw the designation as an SGI and any conditions. This can also be done at the request of (1 of) the withholding agents. You will then receive a new decision. You can also object to this decision.

Note 1

Each withholding agent within the SGI must file a separate return.

Each withholding agent must also provide an annual statement to the employee(s) (see Chapter [15](#)).

Note 2

The SGI has no administrative or other advantages with regard to employee insurance and the contribution under the Health Insurance Act. For example, when an employee switches from one component to another, you must start again with progressive cumulative calculation (VCR). That other part may also have to do with a different percentage for employee insurance premiums.

4 Determining what belongs to the salary

You must calculate the payroll taxes on the salary. That is why it is important to know exactly what is included in the salary. In short: salary is everything that an employee receives on the basis of his employment. The following applies:

- It does not matter whether the employee is entitled to the salary. A voluntarily given bonus is just as much a salary as the profit share to which the employee is entitled according to his terms of employment.
- It does not matter whether the employee has worked for the salary. Wages for hours lost are also wages.
- It does not matter whether the employee receives the salary in cash or in another form. Remuneration in kind and entitlements are also wages.
- It does not matter from whom the employee receives the wages. Benefits from a fund linked to the employment relationship are also wages. Consider, for example, benefits from a training fund or from a fund for support of employees in financial difficulties. Tips and other third-party wages can also be wages.

The basic principle is that the wage for wage tax/national insurance contributions is also the wage for employee insurance and the Health Insurance Act (Zvw). We call this the uniform wage concept (see section [4.1](#)). See section [4.2](#) for an explanation of the concept of 'salary'.

Forms of wages

We distinguish between wages from current and wages from previous employment (see section [4.3](#)). The following forms can occur within this:

- salary in cash (see section [4.4](#))
- wages in kind, including cryptocurrencies (see section [4.5](#))
- allowances, benefits in kind and provision (see Section [4.6](#))
- benefits in cash in respect of special events (see Section [4.7](#))
- entitlements and benefits based on entitlements (see Section [4.8](#))
- negative pay (see section [4.9](#))
- insurance payments that are taxed for payroll taxes (see paragraph [4.10](#))
- stock options (see paragraph [4.11](#))

Certain allowances, benefits in kind and provisions are not wages or are not taxed wages (see paragraph [4.12](#)). See paragraph [4.13](#) for a schedule of the salary.

Continued payment of wages scheme

Does an employee also receive wages from another employer for his employment with you? Then the continued payment of wages scheme may apply. See section [4.14](#) for more information.

Cafetariaregeling

See paragraph [4.15](#) for more information about the cafeteria scheme.

Study allowance for the employee's child

Do you employ employees with children who are studying? Then you can reimburse the children's study costs. This can be done in various ways. See section [4.16](#) for more information.

4.1 Uniform wage concept for payroll taxes

The wages for wage tax/national insurance contributions, the wages for employee insurance schemes and the wages for the Zvw (hereinafter: all payroll taxes) are the same except for 2 differences:

- Wages from previous employment, such as (pre)pension benefits, are wages for wage tax/national insurance contributions and wages for the Zvw, but generally not wages for employee insurance (see Section 4.3).

Exceptions to this are redundancy pay, benefits under employee insurance schemes (WW, ZW and WAO/WIA benefits) and also the supplements to those benefits of the person to whom the employee is employed. These wage components are wages for employee insurance schemes, even if you make them through an employer payment or as a self-risk bearer payment.

- Final levy wages are usually not wages for employee insurance schemes and the Zvw. Only wages for which we apply a final levy by imposing an additional assessment can be wages for all payroll taxes.

Information about final levy wages for the work-related costs scheme can be found in Chapter 10 (exceeding the discretionary margin) and in Chapter 22 (specific exemption). For other final levy wages, see Chapter 25 (final levies).

Wage for all payroll taxes

The following wage components are always wages for all payroll taxes, even if these wage components are wages from previous employment:

- WW, ZW and WAO/WIA benefits
- supplements from the employer to the WW, ZW and WAO/WIA benefits for as long as the employment relationship with this employer exists
- allowances under the Allowances Act
- wages on the basis of the obligation to continue to pay wages in the event of illness and the supplement thereto and comparable schemes for civil servants
- benefits under the Work and Care Act (WAZO)

Please note

In contrast to WW, ZW and WAO/WIA benefits, benefits paid by a bank or insurance company in connection with illness, disability or accident, and (the lump sum of) an annuity are **not** wages for employee insurance (see paragraph 4.10). These are benefits that are paid because of an insurance policy taken out by the employee himself or by the employer. This also applies to unemployment benefits for a 3rd year, which are paid from a fund.

4.2 Wages

Wages are everything that an employee receives on the basis of his employment. You can read about the forms that salary can take in sections 4.4 to 4.11. In addition, there are a number of allowances, benefits in kind and provisions that are not wages or not taxed wages (see Section 4.12).

Note 1

When determining the amount of the salary, you may not take into account the paid employer levy Zvw or withheld Zvw contribution. This also applies to contributions for comparable foreign statutory health insurances.

Always final levy wages or always wages of the employee

For a number of forms of wages, you cannot opt for final levy wages or wages of the employee. Always final levy wages are:

- allowances for post-active employees for the purchase of products from your own company or from the company of an affiliated company that you or the affiliated company also give to your active employees (see paragraph [22.1.8](#))
- benefits in kind for post-active employees that you or an affiliated company also give to your active employees, such as a Christmas hamper

The employee's wages are always the following:

- a company car (except for the costs of extraordinary security measures on that car)
- a (service) residence (except accommodation outside the place of residence with regard to the employment relationship and the costs of extraordinary security measures at the residence, see paragraph [22.3.4](#))
- the allowances, benefits in kind and provisions that you have not designated as final levy wages (see section [4.6](#))
- allowances, benefits in kind and making available for criminal activities
- the part of the allowances, benefits in kind and provision that exceeds the 30% limit of the customary test
- a sum of money to be paid on the basis of a penalty order, or a comparable foreign method of punishment, or an administrative penalty, or a foreign penalty comparable to that penalty. If you reimburse or pay this sum of money to your employee, this compensation or payment is always the employee's salary.
- salary from previous employment
- the interest benefit including the costs of an employee loan for an owner-occupied home of which the interest (including the costs) is deductible for income tax purposes

Note 2

- Have you been fined for an employee's violation and are you not recovering it from the employee? Then you may designate the benefit that the employee has from not recovering as a final levy wage if the customary test is met.
- Do you pay the employee wages from current employment in addition to wages from previous employment? Then you may designate the salary from previous employment as final levy wages if the customary test is met.

Customary test

In order to be able to designate allowances, benefits in kind and provision as final levy wages, those allowances, benefits in kind and provisions may not deviate by more than 30% from what is customary in comparable circumstances. We call this the customary test. It must therefore be customary for your employee to receive allowances, benefits in kind and provisions of a certain size as final levy wages and therefore for you to pay the wage tax/national insurance contributions via the final levy. Similar circumstances may include:

- other employees of the same employer
- colleagues of the employee in the same job category
- employees of other employers

We consider reimbursements, benefits in kind and provisions totalling a maximum of € 2,400 per person per year to be customary. The deviation of 30% does not apply to this amount.

Note 3

The amount of € 2,400 applies in all reasonableness. This amount does not apply, for example, to the extent that the employee's salary is lower than the amounts to which he is entitled under the Minimum Wage and Minimum Holiday Allowance Act, or as a trainee.

In the customary test, you will in any case look at:

- the type of allowances, benefits in kind and provision and their value
- the amount of allowances, benefits in kind and provisions
- who receives the allowances, benefits in kind and provisions
- the question of whether the rate benefit plays a decisive role in the designation as final levy wages

The customary test is for special situations. When in doubt, do the following:

- You assess the designation as the final levy wage of each allowance, provision or provision on the basis of customary use. In any case, pay attention to the above 4 points during the test.
- In the course of the calendar year, you assess the total of all allowances, benefits in kind and provisions. If this total is more than 30% unusual, the amount above the 30% limit is the employee's salary. This can therefore also be the case with the first compensation, provision or making available.

If we believe that the designation of the allowances, benefits in kind or provision as final levy wages is unusual, we must demonstrate this. You can then explain why the designation as final levy wages is customary.

Example 1

You give some employees a taxed bonus of € 6,000 every year. These employees will then each receive about € 3,000 net. This year, you give the same employees the same bonus, but as final levy wages. Each employee will then receive a net € 6,000. It is possible to designate the bonus as a final levy wage, if this is customary. This may be the case, for example, if it is designated as a final levy wage in the collective labor agreement, or it is customary in the industry to designate such a bonus as a final levy wage for a certain job group.

Example 2

You give one of your employees an electric bicycle for € 1,000. This employee comes to work on this bicycle. You may designate the provision of the bicycle as final levy wage. Because it is customary to provide a bicycle with such a value and to designate it as a final levy wage.

Example 3

A company has no other employees except for a director and major shareholder (DGA). The DGA receives compensation of € 250,000 for his work. The company designates € 100,000 as the salary of the DGA and designates the remaining € 150,000 as final levy salary. It is clear that such a 'cut' is unusual.

Example 4

You give your employees a Christmas hamper at Christmas. The director has just obtained his pilot's license and he always talks passionately about his hobby. You give the director a DIY kit of a sports plane for € 25,000 at Christmas. A Christmas package of € 25,000 is not common: the value of the package differs by more than 30% from the value of packages that other employers give to their directors in similar circumstances. It is therefore not customary to designate this Christmas package entirely as final levy wages. You count the part of the provision that is more than usual as part of the director's salary.

Example 5

You give employees with children studying an annual allowance of € 3,000 for tuition fees and additional study costs. You may designate this allowance for these study costs as final levy wages. Because it is not unusual to reimburse such an allowance up to that amount and to designate it as final levy wages. See also paragraph [4.16](#).

4.3 Salary from current or former employment

Wages from current employment

Wages from current employment are wages of the employee for the work he does. For example, the periodic salary, the holiday allowance, the thirteenth monthly allowance, bonuses, bonuses and additional payments thereof. It is not important when you pay the wages. For example, holiday allowance that you pay after the end of the employment is also wages from current employment.

The following wage components are also wages from current employment:

- wages based on inactivity, for a maximum of 104 weeks, that you pay to the employee, because the employee is unable to perform the agreed work. Inactivity of the employee can arise, for example, due to weather conditions, insufficient orders, lack of production raw materials, operational disruptions, fire or illness or death of the employer. If you pay this salary for more than 104 weeks, the salary from the 105th week onwards is salary from previous employment.
- wages on the basis of inactivity, for a maximum of 104 weeks, that you pay to an employee who has been suspended, suspended or exempted from work until the end of his employment with retention of pay. If you pay this wages for more than 104 weeks, the wages from the 105th week onwards are wages from previous employment.
- wages due to temporary incapacity for work that you pay to the employee on the basis of the obligation to continue to pay wages under Article 7:629 of the Dutch Civil Code. In many cases, this obligation applies for a period of up to 104 weeks. In some cases, this period can be extended. A shorter period applies to certain employees.
- wages for on-call duty
- wages for on-call workers without a job guarantee in the event of a call for less than 3 hours. If you have an agreement with your employee without a job guarantee and you call that employee up for less than 3 hours, you must still pay the wages for 3 hours.
- wages that you continue to pay in the event of illness or pregnancy for a maximum of 104 weeks or for as long as the employment relationship continues
- benefits under the ZW if the employment of the employee, in which the ZW benefit arose, has not yet been terminated or insofar as it arises from voluntary insurance. If the ZW benefit relates to a period in which the employment relationship was terminated, the green table applies.

You apply the white wage tax tables to the employee's wages from current employment (see section [9.3.2](#)).

Salary from previous employment

Wages from previous employment usually have to do with a terminated employment. It is not compensation for the work itself, but something the employee receives because he has worked

in the past. Severance payments or termination payments, pension, pre-pension and early retirement benefits are therefore wages from previous employment. A number of other benefits are also wages from previous employment. The main benefits are:

- AOW, Anw, IOAW, IOAZ, Waz, Wajong benefits and benefits under the Supplements Act
- WAO/WIA, WW and similar foreign disability benefits
- ZW benefits that relate to the period after the employment has ended or that do not arise from voluntary insurance
- wages due to temporary incapacity for work that you pay to the employee after the end of the period for which the obligation to continue to pay wages under Article 7:629 of the Dutch Civil Code applies. For the period for which the obligation to continue to pay wages of 7:629 of the Dutch Civil Code applies, you use the white table for this wage. See also under 'Wages from current employment'.
- social assistance benefits, benefits under the REA Act and municipal income support benefits, insofar as they are taxed for income tax purposes
- annuity payments, paid to benefit recipients living in the Netherlands
- benefits to members of the resistance and war victims
- benefits that are wages from previous employment and that are paid to someone other than the employee

See paragraph 4.10 for the categories of insurance benefits for which banks, life insurance companies, non-life insurers and other financial institutions must deduct wage tax/national insurance contributions and, if applicable, the Zvw contribution.

You apply the green wage tax tables to the employee's wages from previous employment (see section [9.3.3](#)).

4.4 Benefit in kind

The most important form of salary is salary in cash: salary, commission, premium, hazard pay, overtime pay, bonus, bonus and everything that you, under whatever name, pay an employee in cash on the basis of his employment. This means that the following payments are also wages in cash:

- payments on the basis of a net salary agreement (see section [4.4.1](#))
- tips and other wages from third parties (see section [4.4.2](#))
- WW, ZW and WAO/WIA benefits that you continue to pay to an employee (see section [4.4.3](#))

4.4.1 Net pay agreement

If you have a net salary agreement with your employee, you calculate the salary on which you have to pay payroll taxes by reducing the net salary to a gross salary (see section [9.4](#)).

4.4.2 Tips and other wages of third parties

You deduct payroll taxes from the amount of tips and other third-party wages that you have taken into account when determining the wage.

Example

You agree with your employee that the salary is € 1,100 and you pay the employee € 1,000. The rest (€ 100) he has to earn with tips. To calculate the payroll taxes, you assume a salary of € 1,100.

Gratuities for catering staff

There are special rules for tipping for hospitality staff. If you pay a catering employee less wages than he is entitled to – for example on the basis of the collective labor agreement – you assume that the difference will be supplemented by tips. You therefore calculate the payroll taxes on the salary to which the employee is entitled. But if you and your employee estimate the tips at a higher amount, you will assume that higher amount for payroll taxes.

Example

You have agreed with your employee on a salary of € 1,000 per month. But according to the collective labor agreement, this employee is entitled to a salary of € 1,100. To calculate the payroll taxes, you assume a salary of € 1,100. But if you and your employee estimate the tips at € 300 per month, you assume € 1,300 for the calculation of payroll taxes.

Your employee must report the tips he actually received, as well as other third-party wages, in his income tax return. From this, he may deduct the amount that you have already included in the salary.

Submit payroll data

Does your employee receive wages from third parties? Then you must receive the amount of that salary in order to be able to deduct payroll taxes from it. If you pay wages to an employee who is not employed by you, you must provide the wage details and the citizen service number in writing to the authority or employer with whom this employee is in (fictitious) employment. For example, you must report to the UWV the benefit of the private use of a car that you make available to someone who receives benefits from the UWV and works for you on a trial basis. The same applies if temporary workers that you hire are allowed to use a company car of yours for private purposes. You must then report the benefit of the private use to the employment agency.

4.4.3 WW, ZW, WAZO and WAO/WIA benefits that you continue to pay to an employee

If you receive a WW, ZW, WAZO or WAO/WIA benefit from the UWV and continue to pay it to an employee, this is an employer payment or an agency payment.

Employer payment

If you receive a benefit from the UWV in the form of an employer's payment, you will receive the gross amount of the benefit, including compensation for employee insurance premiums and the employer's Zvw levy. You will continue to pay the benefit to the employee. You use the normal payroll tax rules for the total of the benefit from the UWV, the salary from current employment and any supplement (see paragraph [9.6.2](#)).

Processing in the payroll tax return

In the case of a benefit via an employer payment to which the white table applies, you may choose how to process the benefit in the payroll tax return:

- You may process the payment in the same income ratio as that of the employment from which you still pay wages or a supplement.
- You may process the payment in a different revenue ratio.

More information can be found in paragraph [9.6.2](#) 'Processing in the payroll tax return'.

Instance payment

If you receive an agency payment from the UWV, you will receive the gross benefit, including a reimbursement for the employer's levy Zvw. You will continue to pay the benefit to the employee. You calculate the employer's Zvw levy and the wage tax/national insurance contributions, but not the employee insurance premiums (see section 9.6.2) on the total of the benefit and the supplement thereto.

For more information on employer and agency payments, see Appendix 7 'Payment of a benefit under the employee insurance schemes and the WAZO: questions and answers'.

4.5 Benefit in kind

Wages in kind are wages that you do not pay in cash. It is a benefit from the employment and is therefore taxed for payroll taxes. You can provide or make available wages in kind to your employee. In the 1st case, your employee becomes the owner and in the 2nd case, you remain the owner.

The value of wages in kind is the amount including VAT of the purchase invoice. If the purchase invoice is not specified, you must reconstruct the value of the salary in kind, whether or not on the basis of a requested specification. If you have to file a payroll tax return and you do not yet have a purchase invoice, you should base the return on the quotation or a reasonable estimate. After you have received the invoice, you can correct the previous declaration if necessary.

In 2 cases, you must use the market value (the usual sales or retail value including VAT):

- You do not have an invoice for the provision or the posting.
- You have an invoice from an affiliated company (see section [22.1.8](#)).

Does your employee receive bitcoins or other cryptocurrencies from you? Then you assume the value in euros at the time you pay for the cryptocurrency.

Standard amounts apply to certain facilities at the workplace (see section [22.3](#)).

In-house products

Products from your own company are also wages in kind. These products are specifically exempt up to an amount of no more than 20% of the market value of the product, but no more than € 500 per employee per calendar year (see paragraph [22.1.8](#)).

Employee's own contribution

If you deduct an amount from the employee's salary for the provision or provision of wages in kind, you deduct this personal contribution from the value to be taxed or the standard amount. This deduction may not exceed the value to be taxed or the standard amount. Do you designate the value of the salary in kind as the final levy salary? Then you deduct the total of your employees' personal contributions from the total of the final levy salary.

See the standard amounts in section [22.3](#) and table [13](#) at the end of the handbook.

Wages in kind: nil valuations

Everything you provide, reimburse or make available to your employee for his employment is wages. In order to prevent the value of certain facilities at the workplace from falling within the discretionary scope, a number of provisions have been valued at zero. See section [22.2](#) for more information.

Please note

Nil valuations only apply to wages in kind, usually in the form of a posting, and not to cash allowances.

4.6 Allowances, benefits in kind and provisions

Everything you reimburse, provide or make available to your employee for his employment is wages. If you deduct an amount from the salary for a benefit or posting, you deduct this amount from the value to be taxed or the standard amount. But that should not lead to a negative amount. Only in the case of a personal contribution for a company car can the addition in a wage period sometimes be negative (see paragraph [23.3.7](#)).

Certain allowances, benefits in kind and provisions are not wages or are not taxed wages (see paragraph 4.12). In addition, there are specific exemptions (see paragraph 22.1) and nil valuations (see paragraph 22.2) for certain allowances, benefits in kind and provision of provisions. These specific exemptions and nil valuations are not taxable wages for your employee and are not at the expense of your discretionary margin. For the application of these specific exemptions, you must designate certain allowances, benefits in kind and provisions as final levy wages (for example, by including them in your records as final levy wages, see sections 10.1.3 and 22.1).

4.6.1 Fixed expense allowances

For specifically exempt allowances (see paragraph 22.1) and intermediary costs (see paragraph 4.12.2), you may provide a fixed, tax-free expense allowance, which is not at the expense of your discretionary margin. You must meet the following conditions:

- You can make the amount of the exemptions and costs plausible.
- You describe each exemption and cost item.
- You indicate the amounts of the fixed expense allowance (amounts for exempt and other cost items).
- You substantiate the fixed expense allowance with a preliminary investigation into the actual costs incurred and you repeat this if we ask for it or if circumstances change. This condition only applies to new fixed expense allowances. For fixed expense allowances that already existed before you started applying the work-related costs scheme, you do not need to re-investigate if the circumstances on which you based the allowance have remained the same.
- For specific exemptions: You designate the expense allowance for the specific exemption as final levy wage.

If you do not meet these conditions, the fixed expense allowances for specifically exempt and intermediate expenses are the employee's wages. If you designate the fixed expense allowance as the final levy wage in that case, this will be at the expense of your discretionary margin (see Section 10.1.3).

It is not allowed to give a fixed tax-free allowance with retroactive effect.

4.6.2 Collective bargaining assessments

Collective bargaining agreements (CBAs) often contain agreements about (fixed) allowances and benefits. That is why we assess collective labor agreements for their consequences for payroll taxes. For these reviews, please visit belastingdienst.nl.

4.7 Benefits in respect of special events

The following benefits in the event of special events are not wages under certain conditions:

- service time benefits or benefits, for example on the occasion of the employee's anniversary (see section 21.2.1)
- benefits from funds linked to the employment relationship (see Section 21.2.2)
- one-off death benefits of up to three times the salary for a month (see sections 21.1.6 and 21.1.8)

The following benefits and benefits in kind in the event of special events are wages:

- severance payments (see section 4.7.1)
- gifts (see section 4.7.2)
- child benefit, other than on the basis of the General Child Benefit Act (AKW) (see section 4.7.3)

4.7.1 Severance payments

Do you give your employee severance pay in the event of dismissal? Then this salary is from previous employment (see section [4.3](#)).

RVU scheme

If the severance payment is an early retirement scheme (RVU scheme), you must pay a pseudo-final RVU levy. See section [21.3](#) for more information. You can ask us whether we see the severance payment as an RVU scheme. You do this before you pay the severance pay. You will then receive a decision from us, against which you can object (see also section [25.7](#)).

Excessive severance pay

If you pay an excessive severance payment to your employee, you must pay pseudo-final levy on excessive severance payments. See section [25.8](#) for more information.

4.7.2 Gifts

Gifts are part of the employee's salary. It doesn't matter what kind of gifts are involved. You can also choose to designate its value as final levy wages.

Please note

Sometimes a gift is not the employee's salary. See section [4.12.1](#) for more information.

4.7.3 Child benefit other than on the basis of the AKW

Child benefit under the AKW is not part of the salary. Child benefit replacement benefits and child benefit increasing benefits are part of the salary. You may also designate these benefits as final levy wages (see Section [10.1.3](#)).

4.8 Entitlements and benefits based on entitlements

An entitlement is a right to receive 1 or more benefits or benefits in kind after a certain period of time or under a condition. An entitlement is generally part of the salary, but can also be fully or partially exempt. If the entitlement is exempt, the benefit is generally taxed.

See section [21.1](#) for more information on claims.

4.9 Negative pay

The 2 most common situations in which there may be negative pay are:

- You have paid an employee too much wages and the employee pays this back (see section [4.9.1](#)).
- The employee must reimburse you a fee (see section [4.9.2](#)).

Please note

Contributions by the employee to wages in kind are not negative wages (see section [4.5](#)).

4.9.1 Employee repays overpaid wages

If an employee repays an amount that he has wrongly received as wages, 3 situations can occur:

- The employee reports the overpaid wages and pays them back within a reasonable period of time.
- You request a refund in the year of payment.
- You request a refund at the end of the year of payment.

The employee reports the overpaid wages and pays them back within a reasonable period of time

Shortly after receipt, the employee informs you that he has received too much wages and he pays this back within a reasonable period of time. We then consider the payment of wages to have not been made. You must then correct the data in the wage statement about the salary and payroll taxes.

If you have already filed a tax return for the period in which you paid too much wages, you must correct this error (see Chapter 14). Here's how:

- If the declaration period has not passed, you must file a new complete payroll tax return or send us replacement or additional information for a specific part of the declaration.
- If the declaration period has passed, you must send a correction for a declaration for which the declaration period has not yet expired.

You request a refund in the year of payment

After an incorrect payment, you request a refund of the net amount that you have overpaid to your employee in the same year. Then you have 2 options:

- You apply the excess-wage-system (see paragraph 9.2.1).
- You apply the wage system (see paragraph 9.2). The gross amount associated with the net amount that you request back is negative salary in the period of reimbursement. You include this salary and the associated payroll taxes as negative amounts in the wage statement in the period of reimbursement. If the employee has no salary or a lower salary than the negative salary during this period, you must enter negative amounts for this employee in the payroll tax return for that period under the salary and all payroll taxes.

You request a refund after the end of the year of payment

At the end of the calendar year, you request a refund of the gross amount that you have overpaid to your employee after an incorrect payment. The amount that the employee repays is negative wages for the employee in the year of repayment. You do not correct the previous incorrect payment in the wage statement. You also do not have to correct the tax return.

You can choose from the following 2 methods:

- You set off the negative salary in full against the positive salary over 1 or more wage periods. This may not lead to a negative amount. You calculate the payroll taxes on the balance.
- You do not or do not fully offset the negative salary with positive salary. The employee can deduct the amount that you do not settle as negative wages in his income tax return. In this case, you make a negative annual statement. In that case, you do not enter anything in the payroll taxes.

4.9.2 Employee repays compensation

If an employee has to repay an allowance, there may be negative wages. Whether this is the case depends on the original nature of the compensation:

- If you have taxed the allowance in the past with the employee, the repayment is negative salary for the employee in the year in which he repays the allowance to you.
- If you have designated the allowance as final levy wages in the past, the repayment for you will be negative final levy wages in the year in which the employee repays the allowance to you. This means that the amount of your discretionary margin in that year will be increased by the negative final levy salary. However, the repayment of an allowance that was specifically exempted does not constitute a negative final levy salary.

4.10 Insurance payments that are taxed for payroll taxes

Banks, life insurance companies, non-life insurers and other financial institutions must deduct wage tax/national insurance contributions and the Zvw contribution from certain categories of insurance benefits. The following categories of insurance benefits are concerned:

- 1 Periodic benefits that belong to box 1, for example benefits in connection with disability, illness or an accident
- 2 annuity payments, payments from an annuity savings account and from an annuity investment account
- 3 lump sum payments of 'old style' annuities (contracts concluded before 1992 and for which the Income Tax Act 1964 from before 1992 still applies) and lump sum payments of rights to periodic payments that belong to box 1
- 4 negative expenses for income provisions in the event of 'physical surrender' – lump sum payments in cash – of annuities and other periodic payments to which the Income Tax Act 2001 applies. These are roughly contracts that have been concluded since 1992. An exception applies to small lump sum payments with a maximum value of € 5,429 (2025). Small lump sums handled as category 3.

No employee insurance premiums

Insured persons who receive these benefits are not employees for the employee insurance schemes. You do not pay employee insurance premiums.

Withholding the Zvw contribution

You must withhold the Zvw contribution if there is a wage period. This is the case with category 1 and 2 insurance payments. In those situations, you must therefore deduct the Zvw contribution in addition to wage tax/national insurance contributions.

The lump sum payments of category 3 and 4 are one-off payments. They cannot be linked to a specific wage period. Does an insured person only receive a lump sum from category 3 or 4 in a year? Then you will not receive a Zvw contribution. But does that insured person also receive a periodic benefit from you in the same year, for which there is a wage period? Then you must deduct not only wage tax/national insurance contributions, but also the Zvw contribution from the lump sum payments of categories 3 and 4.

When deducting the Zvw contribution, you must take into account a possible catch-up effect of the rolling cumulative calculation (see section [7.7.3](#)).

Processing insurance benefits in the payroll tax return

In your payroll tax return, you use the following codes and rates for the various categories of insurance benefits:

Category of benefit	Rate of wage tax/national insurance contributions	Revenue Ratio Type Code	Payroll tax table code
1	Normal rates (green table)	32	021, 022, 023, 024 or 025 (depending on the pay period)
2	Normal rates (green table)	59 of 60	021, 022, 023, 024 or 025 (depending on the pay period)
3	Special reward rates	59 of 60	020 (special remuneration table)
4	Flat rate of 52%	32 for sickness, disability or accident benefits 63 for all other benefits	950 ('52% rate in connection with negative expenditure on surrender of income provisions')

Do you pay multiple benefits to 1 insured person? And are the wage tax table code or the income code you should use not the same? Then use a separate income-to-income ratio number for each benefit (see section 3.4). Even if the codes are the same, but the rates are different, it is best to use different numbers of income ratio. This is useful for your and our administration. Furthermore, when calculating the amounts you need to withhold, you must take into account the aggregation rules (see section 9.6.1).

4.11 Stock options

A share option is a right to buy 1 or more shares or equivalent rights in the employer's company or in a company with which the employer is affiliated. For the purposes of payroll tax, an affiliated company is understood to mean:

- a company in which the employer has at least 1/3 of the interest
- a company that has at least 1/3 of the employer's interest
- a company in which a third party has at least 1/3 interest, while this third party also has at least 1/3 interest in the employer

The rules for stock options also apply to equivalent rights, such as warrants and conversion rights, which are part of a convertible employee bond.

Reducing employee liquidity problems

Until 2022, the following applied to the exercise of stock options.

The advantage when exercising the stock options (the amount of salary) was the market value of the shares at the time of the exercise of those stock options. You could deduct from this what you had previously charged the employee for this, such as a strike price or option price. The balance may not be less than € 0. At the same time, you also determined the deduction of wage tax/national insurance contributions (and other payroll taxes) that you pay on your tax return for that period. That moment is the so-called moment of enjoyment or taxation.

If the employee is not yet able to trade the shares obtained from the share option, the withholding could lead to liquidity problems for him at that time. To reduce these liquidity problems, the following will apply from 2023.

Main rule from 2023

To determine the salary for a stock option scheme from 2023 at the following time:

- The main rule is the moment when, after exercising the share option, the shares are or become tradable.

By 'being or becoming tradable' we mean the 1st moment at which the employee has the opportunity to dispose of the shares. There does not have to be an actual alienation at that time. To determine the salary, you assume the fair value of the shares at that 1st moment. You deduct the payroll taxes due and pay them on a tax return for that period.

Note 1

If the employee already benefits from the shares acquired before they have become tradable, such as dividends, then that benefit is wages for him at the time he enjoys that benefit.

- Under the right of option, the moment at which the employee disposes of the stock options can be chosen.
The benefit that the employee enjoys from the alienation of that right is considered to be wages. You deduct from this what you previously charged the employee for this, such as a strike price or option price. The balance may not be less than € 0. You include that salary in the tax at the time of disposal. You deduct the payroll taxes due and pay them on a tax return for that period.

Exception to the condition of negotiability: fictitious moment of enjoyment after 5 years

There is an exception to the main rule to prevent long-term deferral of taxation.

If your employee is not allowed to dispose of the acquired shares as a result of a contractual provision, as a result of which the shares are not yet tradable, the moment of enjoyment is one of the following moments:

- in the case of a listed company: a maximum of five years after the exercise of the share option, or
- in the case of an unlisted company: a maximum of five years after a future IPO of that company; At that time, you determine the benefit at the fair market value of the shares. You deduct the payroll taxes due and pay them on a tax return for that period.

Note 2

This period of 5 years does not apply as long as the shares are not tradable pursuant to a statutory provision. In that case, the period is equal to the duration of the legal provision.

Note 3

If the employee disposes of his shares in violation of the contractual or statutory provision, the salary is the benefit that the employee enjoys from the disposal of the shares. The amount charged to the employee in respect of the violation of the provision is deducted from this. The balance may not be less than € 0.

The employee's right of choice

The employee has a right of choice to deviate from the main rule. If at the time of exercising the stock options, the shares to be obtained from them are not yet tradable, he can choose to let the tax moment fall at the time of exercising those stock options. You then determine the salary at the fair market value of the shares at the time of exercising the stock options. Your employee must make his choice known to you in writing. He must do so at the latest at the time of exercising the stock options. You must keep this written choice with your payroll administration.

Example 1

In this example, whether or not you are listed on the stock exchange is not important.

On 1 February 2025, the employee exercises his stock options. At that time, the shares are not yet tradable. The employee **chooses** to have the benefit included in the tax at that time. The benefit according to the fair value of the shares at that time is € 25,000 (after deduction of what you previously charged the employee for this). At that time, you include the benefit of € 25,000 in the payroll taxes. You calculate payroll taxes on that benefit and declare the wage and payroll taxes in the February 2025 tax return. The benefit that the employee enjoys at the time of the disposal of the shares obtained from the share option scheme will then remain outside the payroll taxes.

Example 2

In this example, whether or not you are listed on the stock exchange is not important.

On 1 February 2025, the employee exercises his stock options. At that time, the shares are not yet tradable. At that time, the theoretical economic value is € 25,000. But because the employee **does not choose** to levy at that time, that value is not relevant. The shares will be tradable on August 10, 2026. The benefit according to the fair value of the shares at that time is € 30,000 (after deduction of what you have previously charged the employee for this). At that time, you include the benefit of € 30,000 in the payroll taxes. You calculate payroll taxes on that benefit and declare the wage and payroll taxes in the August 2026 tax return. At that time, the employee does not have to dispose of his shares obtained from the share option scheme. The benefit that the employee enjoys at the time of the disposal of the shares obtained from the share option scheme will then remain outside the payroll taxes.

Example 3: listed company

On 1 February 2025, the employee exercises his stock options of shares of a listed company. At that time, the shares are not yet tradable as a result of contractual provisions of contract law (not as a result of statutory provisions). At that time, the theoretical value in economic transactions is € 25,000. But because the employee **does not** opt for taxation at that time, that advantage is not relevant.

On February 1, 2030, the 5-year term will have expired, but the shares will not yet be tradable. At that time, you calculate a fictitious benefit based on the market value of the shares at that time, say € 35,000 (after deducting what you previously charged the employee for this). At that time, you include the benefit of € 35,000 in the payroll taxes. You calculate the payroll taxes on that benefit and declare the wage and payroll taxes in the February 2030 tax return.

Example 4: unlisted company

On 1 February 2025, the employee exercises his stock options for shares of an unlisted company. At that time, the shares are not yet tradable for 10 years on the basis of a contractual provision. That moment would occur on February 1, 2035. At that time, the theoretical benefit is € 25,000. But because the employee **does not** opt for taxation at that time, that advantage is not relevant. As long as the shares are not tradable as a non-listed company, there is no taxation moment.

But on March 17, 2026, the company will go public. On March 17, 2031, the period of 5 years after IPO expired. Even though the shares are not yet tradable as a result of contractual, contractual provisions (not as a result of statutory, mandatory provisions), there is still a taxation moment at that time. You calculate a fictitious benefit based on the market value of the shares at that time, say € 45,000. At that time, you include the benefit of € 45,000 in the payroll taxes. You calculate the payroll taxes on that benefit and declare the wage and payroll taxes in the March 2031 tax return.

In international situations, the taxability of stock options can be more complex. You can present the situation to us in advance.

Stock option rights for employees of innovative start-ups

Until 2022, a start-up (see section 18.1) that granted its employees stock options was subject to a tax-friendly scheme. With the introduction of the above-mentioned scheme, that scheme for start-ups has expired.

4.12 No wages or no taxed wages

No wages or no taxed wages for the employee are:

- benefits outside the employment relationship (see section [4.12.1](#))
- reimbursements for intermediate costs (see Section [4.12.2](#))
- exempt salary (see paragraph [4.12.3](#))
- benefits in kind and provision insofar as the employee pays the (invoice) value thereof as a personal contribution (see paragraph [4.12.4](#))
- nil valuations (see section [4.12.5](#))
- specific exemptions (see section [4.12.6](#))

These allowances, benefits in kind and provisions are untaxed and are not at the expense of your discretionary margin.

4.12.1 Benefits outside the employment relationship

If you give an employee an allowance, provision or provision that falls outside the employer-employee relationship, this is not wages. There is then no connection with the employment.

Example

Your employee is sick and you give him a fruit basket. Or your employee has died and you send his next of kin a funeral wreath. You do this out of courtesy, sympathy or piety on the basis of a personal relationship and not so much on the basis of the employer-employee relationship. Therefore, there is no question of wages.

If you meet the following 3 conditions, you can assume that your small gift (attention) is not a salary:

- You give a personal gift in situations where others would also give such a gift.
- You do not give money or a voucher.
- The invoice value (including VAT) of the gift is a maximum of € 25. You don't have to include any delivery costs if those costs are specified on the invoice or invoiced separately.

There is a personal gift if the person of the employee is paramount in giving the attention. It is irrelevant whether the employee is entitled to the attention.

Example personal gift

An employer gives each employee a bunch of flowers on his birthday. This is a personal gift.

Example of non-personal attention

An employer gives each employee a Christmas package, a chocolate letter as part of the Sinterklaas celebration and a flower on the first day of work. These are attentions that are not aimed at the person, but at the employee. These are not personal attentions.

Compensation for material and immaterial damage

Compensation for material and immaterial damage and loss of work power due to an accident are only part of the salary insofar as you give a higher compensation to the employee than results directly from your liability.

4.12.2 Fees for intermediate costs

Reimbursements for intermediary costs are reimbursements for amounts that your employee usually advances on your behalf and for your account. These allowances are not wages for your employee and you can reimburse them tax-free. For example, your employee can advance the following:

- costs for matters that will become part of the assets of your company
- costs for items that are part of your company's assets and that you have made available to your employee
- costs that are specifically related to the business operations and not to the performance of your employee
- costs he incurs for external representation of your company

If you then provide or make available to him or her items that your employee has advanced, there may be wages again.

Intermediate costs may also be part of a fixed expense allowance (see Section [4.6](#)).

Example 1

Your employee gives a presentation to a customer. He buys highlighters for this and he buys a bottle of wine for the customer. He takes the highlighters to the office after his presentation. The fee for the highlighters is a fee for intermediate costs. This also applies to the compensation for the bottle of wine. Reimbursements for costs incurred by your employees for your external representation or for business gifts for external relations and customers of your company are reimbursements for intermediary costs and therefore untaxed.

Example 2

Your employee takes a ride in a company car for work. This employee refuels on the way and pays for the petrol himself. The petrol costs that you reimburse to your employee are reimbursements for intermediary costs and therefore untaxed.

Example 3

You order a notebook and your employee advances the bill. You make the notebook available to this employee for homework. The reimbursement of the account to your employee is a reimbursement for intermediary costs and therefore untaxed. The provision of the notebook to the employee can constitute wages. A specific exemption may then apply.

Example 4

On behalf of municipalities, you offer shelter and care for a fee to children who are (temporarily) unable to live at home because there are problems in the family. Your employees (family house parents) take care of the children in their own (rental) home. You reimburse these employees for the costs of caring for the child and the (extra) costs for the use of the (living) spaces by the child. This allowance is a reimbursement for intermediary costs and therefore untaxed. If you give a fixed allowance to these employees for this, you must meet the conditions of a fixed expense allowance (see section [4.6.1](#)).

We assume that a fixed allowance to a family home parent that does not exceed the income tax-exempt allowance for foster parents is intended for intermediary costs. The exempt allowance for foster parents varies and depends on the age of the foster child.

You can find the amounts in the Youth Act Regulations.

4.12.3 Exempt salary

Exempt wages include:

- Exempt claims
- exempt benefits
- Compensation and benefits in kind for damage to or loss of personal property

Exempt entitlements

In principle, a claim is wages, but is usually fully or partially exempt. If the entitlement is exempt, the benefit is usually taxed on the basis of that entitlement. The following claims are exempt:

- entitlements to benefits in the event of death or disability following an accident (see Section [21.1.6](#))
- entitlements to a lump sum payment or death benefit, up to a maximum of three times the salary for a month (see sections [21.1.6](#) and [21.1.8](#))
- entitlements to a one-off payment at the end of employment (see paragraph [21.1.5](#))
- Pension, pre-pension and early retirement schemes (see Section [21.4](#))
- leave entitlements (see paragraph [21.1.3](#))
- entitlements under the ZW, the Wajong, the WAZO, the WW, the WAO/WIA and corresponding entitlements (see section [21.1.4](#))
- Entitlements to a transition payment

Exempt benefits

Exempt benefits and benefits in kind are also not part of your employee's salary. These are:

- one-off death benefits and benefits in kind up to three times the salary for a month (see sections [21.1.6](#) and [21.1.8](#))
- service payments (see Section [21.2.1](#))
- Distributions from funds (see Section [21.2.2](#))
- Compensation to your partner for work in your company of less than € 5,000
- one-off premiums for projects to help welfare recipients find work

Compensation and benefits in kind for damage to or loss of personal property

Does your employee damage or lose personal items (e.g. clothing) and do you compensate or provide compensation for this? Then that allowance or provision is exempt wages. The condition is that the damage or loss is caused by a special event related to the employment.

In all other cases, the compensation or provision is the employee's salary. You can also designate this allowance or provision as final levy wages (see Section [10.1.3](#)).

Example 1

You do not give your employee company clothing in your office. Your employee accidentally walks too close to a sharp edge of the desk and tears the private clothing. If you give your employee an allowance or provision for the damaged clothing, that allowance or provision is exempt wages.

Example 2

You do not give your employee company clothing in your office. By working, your employee's private clothing wears out. If you give your employee an allowance or provision for the clothing, then that allowance or provision is wages.

Example 3

Your employee is a kindergarten teacher. During class, a toddler throws a glass of lemonade over her dress, causing irreparable damage to the dress. This event is part of the position of kindergarten teacher. If you compensate for the damage to the dress, the compensation is taxed wages.

4.12.4 Benefits in kind or provisions for which the employee pays a personal contribution

If you provide or make something available to an employee (wages in kind) and he pays the (invoice) value thereof, this is not taxed wages.

4.12.5 Nil valuations

The value of a number of facilities that your employee uses in the workplace has been set at zero. This prevents them from constituting taxable wages. You do not designate nil valuations as final levy wages. For more information, see section [22.2](#).

Please note

If wages in kind could fall under the nil valuations and under the specific exemptions, you treat the wages as a nil valuation.

4.12.6 Targeted exemptions

For a number of allowances, benefits in kind and provision there are so-called specific exemptions.

In order to be able to apply a specific exemption, you must designate the allowance, provision or provision as final levy wages (see Section [10.1.3](#)). If you meet the conditions and the standard amounts of the specific exemptions, we assume that you have designated those allowances, benefits in kind and provisions as final levy wages (see section [22.1](#)). The compensation, provision or provision is then completely untaxed or untaxed up to a certain standard amount. A specific exemption is not at the expense of your discretionary margin. For more information, see section [22.1](#).

Please note

If wages in kind could fall under the nil valuations and under the specific exemptions, you treat the wages as a nil valuation.

4.13 Wage diagram

The diagram below shows the classification of the salary.

Wages	• Wage in money • Benefit in kind • entitlements and benefits based on entitlements • (insurance) benefits • negative pay • fictitious salary (see chapter 9.2.1 and chapter 18.1)
No taxed wages	• exempt entitlements, benefits, benefits in kind and provisions (exempt salary) • benefits in kind and provision for which the employee pays a personal contribution of at least the (invoice) value • nil valuations • specific exemptions (with the exception of the excessive part)
Always the employee's salary	• wages that you have not designated as final levy wages (such as allowances, benefits in kind and making available) This can also be the excessive part of a specific exemption or part thereof. • company car (except for the costs of extraordinary security measures on that car) • (service) residence (except the pied-à-terre and the costs of extraordinary security measures at the residence) • allowances, benefits in kind and making available for criminal activities • part of allowances, benefits in kind and provision that exceeds the 30% limit (customary test) • a sum of money to be paid on the basis of a penalty order or a comparable foreign method of punishment • The administrative penalty and comparable foreign penalty payments • wages from previous employment, unless you also pay the employee wages from current employment. In that case, you may designate the salary from previous employment as final levy wages if the customary nature test is met. • the interest benefit and the costs of an employee loan for an owner-occupied home of which the interest (including the costs) is deductible for income tax purposes
Wages that are not at the expense of the discretionary margin	Salary that you have designated as final levy salary and that is specifically exempt
Final levy wage	• all other wages that you have designated as final levy wages This can also be the excessive part of a specific exemption or part thereof. • the following 2 benefits in kind to post-active workers: • Reimbursements for the purchase of products from your own company or from the company of an affiliated company that you also give to your active employees • benefits in kind that you or an affiliated company also give to your active employees, such as a Christmas hamper
No pay	• benefits outside of employment • reimbursements for intermediate costs

4.14 Continued payment of wages (relinquishment of wages)

An employee can also be employed by another employer for his employment with an employer (hereinafter: the main employer). The employee is then often obliged to hand over the wages he receives from that other employer to his main employer. Under certain conditions, the continued payment of wages scheme then applies: the other employer (hereinafter: the payer) does not calculate payroll taxes (no deductions, no employee insurance premiums and no employer's Zvw levy) and does not mention this employee in the payroll tax return. You can also apply this scheme to employees who are not insured under employee insurance, such as supervisory directors who have opted for opting-in (see also paragraph [18.14](#)).

If the following conditions for the continued payment of wages scheme are met, the payer does not calculate payroll taxes and does not include the employee in his payroll tax return:

- The employee is also employed by the payer for his employment with the main employer.
- The employee lives in the Netherlands. If the employee does not live in the Netherlands, an additional condition applies that the Netherlands has the right to deduct payroll taxes from the continued wages.
- The main employer is established or resides in the Netherlands.
- The payer pays the wages and the associated allowances directly to the main employer.
- The payer does not provide benefits in kind to the employee without informing the main employer in advance.

The payer, the main employer and the employee must jointly ask us to establish that they meet the conditions. We will then send a decision against which you can object. The payer may only stop withholding payroll taxes after a positive decision from us.

Please note

If the employee has a substantial interest (see section [18.1](#)) in the payer and in the main employer, you do not have to ask us whether you meet the conditions. For a substantial interest holder who holds shares in an operating company through a holding company and who works for both companies, you can therefore apply the continued payment of wages scheme without first asking us to do so.

Continued payment of wages scheme if employee is insured with the payer

You may also apply the continued payment of wages scheme if the employee is not insured for the employee insurance policies with the main employer. If the employee is insured with the payer for the employee insurance and not with the main employer, the payer must declare the premium salary and pay the employee's employee insurance premiums. In that case, the continued payment of wages scheme therefore only applies to the wage tax/national insurance contributions and the income-related Zvw contribution. The main employer must pay the Zvw employer's levy or deduct the Zvw contribution from the net salary. For example, he pays the employer's levy for a supervisory director. For example, the employer deducts a Zvw contribution from the net salary of a director-major shareholder within the meaning of the employee insurance schemes.

4.15 Cafetariaregeling

You can agree with your employee that he can choose how and when he receives part of the salary (we also call this 'optional salary'). The employee can then choose, for example, to receive the salary as a remuneration in kind or as a tax-free allowance. You agree on such an arrangement with your employee, whether or not in a collective labor agreement. Such a scheme is a cafeteria scheme.

You can agree on a cafeteria arrangement with your employees in various ways. This can be done as a separate scheme, but also as part of an optional budget scheme. In an optional budget scheme, the employee can choose how and when to withdraw amounts from that budget.

In practice, choice budgets come under different names, such as an individual choice budget (IKB), personal choice budget (PKB) or employee benefit. Insofar as the scheme allows, the employee can, for example, choose:

- that you pay the budget to him periodically or incidentally as wages
- that he can take extra leave
- that you give him a (specifically exempt) expense allowance or training
- to receive an allowance from you, which you designate as final levy wages, for which you can make use of the discretionary scope of the work-related costs scheme (e.g. a reimbursement of the trade union contribution)

An optional budget can increase the 'salary over a month' (see section [21.2.1](#)).

Note 1

Within a cafeteria scheme, fees for tools, computers, mobile communication equipment and similar equipment are not specifically exempt, because they do not meet the necessity criterion. See also section [22.1.7](#).

Note 2

An optional budget can meet the condition of the 'employment conditions amount', see paragraph [29.16](#). You must then state the structure of the budget and the taxed decrease of the budget in the payroll tax return.

Example of a cafeteria scheme: variable mileage allowances

An employee is entitled to a thirteenth monthly payment in December of € 2,500. He receives an allowance of € 0.12 per kilometre for his commuting during the year. In that year, he travels 4,280 kilometers between his home and his work. The tax-free allowance for this employee is $4,280 \times € 0.23 = € 984.40$. But he will receive a tax-free allowance of € 513.60 from you. The difference between the two allowances is € 0.11 per kilometre, a total of € 470.80.

In March of that year, you agreed with the employee that he would waive his 13th month for the difference of € 0.11 per kilometre. In exchange, the employee receives an additional allowance for commuting. In December, this amounts to an amount of € 470.80. The 13th monthly benefit will then amount to € 2,029.20. The additional allowance of € 470.80 is specifically exempted as final levy salary.

See section [23.1.4](#) for more information on variable mileage allowances.

4.15.1 Cafeteria scheme and the bicycle

You can also use the cafeteria scheme for a bicycle. You can then offer your employees facilities for bicycles under favourable conditions. If your employee receives an interest-free loan from you for the purchase of a bicycle, the benefit of this interest-free loan is not a salary for the employee (nil valuation, see also section [22.2.5](#)). For more information about the bicycle, see section [23.7](#).

Example 1: Buying a bicycle

An employee buys an electric bicycle for € 1,500. You convert € 1,500 of the employee's gross salary into an allowance for the purchase of the bicycle. You designate these purchase costs as final levy wages. If the discretionary margin is not exceeded, you do not pay tax on it. At a tax rate of 37.48%, the employee has a tax benefit of € 562.

Example 2: combination of purchase and use

You provide your employee with an interest-free loan of € 1,500 to buy a bicycle. The employee will also receive an allowance of € 0.15 per kilometre for commuting. The employee's commuting distance is 4 kilometers. He therefore receives an allowance of € 1.20 per working day. The employee uses this compensation to repay the loan. If the employee works 20 days a month, he will receive a monthly allowance of € 24. The employee will then have repaid the loan of € 1,500 after about 5 years.

The purchase of the bicycle is not at the expense of your discretionary space because there is a loan to the employee that he has to repay. The repayment of the loan is also not at the expense of your discretionary margin because the employee repays the loan with a specific exemption (the mileage allowance). A nil valuation applies to the interest benefit.

4.16 Reimbursement of study costs of an employee's child

Do you employ employees with children who are studying? Then you can reimburse the children's study costs. You can grant such a study allowance in 4 different ways:

- You grant compensation to the employee.
- You grant an allowance to the employee that you designate as final levy wages.
- You grant the child an independent right to compensation.
- A study fund awards compensation to the employee.

4.16.1 Compensation to the employee

If you pay the compensation to the employee, it is a benefit to the employee. If you do not designate this as final levy wages, this is taxed wages for the employee. You must deduct wage tax/national insurance contributions from this salary in the usual way. You also pay the employer's Zvw contribution and employee insurance premiums on the reimbursement.

4.16.2 Final levy wage for employees

You may also designate the allowance to the employee as final levy wages. You must meet the customary test. There is no specific exemption for this allowance, so it is charged to the discretionary margin. If you no longer have a discretionary margin, you will pay 80% final levy.

Example

You give an employee with a studying child an annual allowance of € 3,000 for tuition fees and additional study costs. You may designate this allowance for study costs as final levy wages. A reimbursement of € 3,000 for study costs is not unusual.

4.16.3 Compensation to the child

Does the child have an independent right to the study allowance and do you pay the allowance directly to the studying child? Then this is wages for the child from an existing employment of someone else. You deduct wage tax/national insurance contributions in the usual way. To do this, use the green table. The allowance is wages from previous employment because there is no work in return.

The child is not insured for workers' insurance policies.

- **One-off payment** For a one-off payment of the study allowance, use the green table for special rewards. If there is no wage period, you do not have to pay the employer's Zvw levy.
- **Periodic payment** Do you pay the child a periodic allowance? Then you have to pay the employer's Zvw levy. This is referred to as wage periods.
- **No final levy salary**
You cannot designate the study allowance as final levy wages, because there is no question of wages from current employment.
- **Payroll tax credit** If the student has the payroll tax credit applied to you, you do not have to withhold wage tax/national insurance contributions up to a certain amount. Because you have to use the green table, the student is not entitled to an employment tax credit.
- **Codes for the child's payroll tax return** If you pay the study allowance directly to the employee's child, use the following codes in the tax return:
 - Wage tax table code is 022 for monthly payment.
 - Wage tax table code is 020 for one-off payment per year.
 - Code type of income ratio is 15.
 - Code nature of employment relationship is 1.
 - Code of the Health Insurance Act is K.

Please note

The above does not apply if the personal holding of a director and major shareholder (DGA) pays a study allowance to the children of the DGA mainly on the basis of the shareholder relationship. If you are unsure whether there is salary from someone else's existing employment, you can ask your tax office in writing (via a [request for preliminary consultation](#)) for an opinion.

4.16.4 Study Fund

If you pay a child education grant from a college fund to the employee, it is not taxed wages if the fund meets the following conditions (see section [21.2.2](#)):

- It does not include benefits and benefits in kind for adoption, death, illness, disability and childbirth.
- The employee is not entitled to exempt benefits or benefits.
- Employees who contribute to the fund have collectively contributed at least as much as the employer in the last 5 years. If the fund has been in existence for less than 5 years, you assume the period from the inception of the fund.
- Contributions from the employee to the fund are deducted from the net salary.

4.17 Employee loan for owner-occupied home and other employee loans

When you or a company affiliated with you lend money to an employee, there may be an interest benefit for that employee. This interest benefit is taxed on all employee loans except those for an (electric) bicycle or an electric scooter. In the case of an employee loan for an owner-occupied home, the costs associated with the loan are also taxed.

You calculate the interest benefit by taking a market-based percentage of the loan amount. If your employee has paid interest, you deduct the interest amount paid from the market-based interest amount. This interest benefit is your employee's taxable wages, unless you designate it as final levy wages (see Section [10.1.3](#)).

Please note

The interest benefit, including the costs of an employee loan for an owner-occupied home, may not be designated as a final levy wage if it concerns a loan for which the interest is deductible for income tax purposes. The interest benefit including the costs is then always your employee's salary. Your employee can deduct the taxed interest benefit and the costs in the income tax return under the owner-occupied home scheme under the conditions that apply.

The agreements you have made with your employee about the repayment of the loan determine when you must declare the interest benefit. For example, if your employee repays monthly by payment or settlement, you must also declare the interest benefit monthly. If your employee repays part of it at some point in the year, you must declare the interest benefit in the tax return for that period. For the interest benefit of the employee loan for an owner-occupied home, you may also declare the best possible estimated amount of interest benefit in each tax return period. In the last tax return period of the year, you then settle the actual interest benefit.

Use the fixed budget of the work-related costs scheme for interest benefits or waiver of employee loans

You can make use of the fixed budget of the work-related costs scheme for a loan that the employee has taken out with you:

- for the interest benefit with an interest-free loan
- for a (partial) waiver of the interest or the loan This also applies if the loan was taken out before 2025. The moment of (partial) remission is the moment when it is clear that the employee no longer has to pay that amount. The loan agreement must be recorded in your payroll administration. The remission is wages at the time the benefit is enjoyed.

You can designate that benefit (wages in kind) from the interest or remission as final levy wages and then make use of the discretionary margin. However, you must meet the customary test (see section [10.1.3](#)).

5 Wage periods system

An employee or beneficiary (hereinafter: employee) can receive two types of wages: period wages and non-epoch wages. This distinction is necessary for:

- the calculation of the premiums for employee insurance (see Chapter 7) and the contribution under the Health Insurance Act (see Chapter 8). Both in connection with the determination of the cumulative tax maximum.
- the deduction of wage tax/national insurance contributions (see Chapter 9) for the application of the correct period tables or the table for special remunerations.

Up to and including 2020, the information about the wage periods, period wage and the wage period system was included in §3 and in some parts of §8 of the document Wage calculation Progressive cumulative calculation (VCR) and wage period system (hereinafter referred to as the VCR memorandum) and in this handbook in sections 7.7.2, 9.3.4, 9.3.5 and 9.3.6 (up to and including the 2020 edition: 5.6.2, 7.3.4, 7.3.5 and 7.3.6).

From 2021 onwards, the information from the VCR memorandum on the wage period system will (also) be included in this chapter. In a future edition of the handbook, we will integrate the information from sections 7.7.2, 9.3.4, 9.3.5 and 9.3.6 into this chapter.

5.1 Wage period system in the VCR memorandum 2020

The following are the relevant texts on the wage period system from the 2020 VCR memorandum in the blue boxes.

VCR note §3 Wage period system

The levying of the premiums for employee insurance and the levying of the income-related Zvw contribution are made in accordance with the wage period system from the Wage Tax Act 1964 (hereinafter referred to as: the LB Act). The maximum premium wage is determined on the basis of the number of wage periods in the calendar year. This also applies to the levying of the income-related Zvw contribution. The Zvw is always mentioned separately here because the Zvw is not an employee insurance. Moreover, as of 1 January 2011, only those periods in which wages are also received for the employee insurance premiums and the income-related Zvw contribution are taken into account for the calculation of the employee insurance premiums and the income-related Zvw contribution.

The wage period is the period during which the employee receives the salary. Wage tax tables have been established for the following periods: day, week, 4 weeks, month, quarter and year.

The wage period determines which period table (the month table, the weekly table, etc.) must be used for the calculation of the wage tax/national insurance contributions on period wages. If the employee receives the salary for a wage period for which no table is available, you must deduct. For more information on this, see section 7.3.5 (*ed.: 2023*):

9.3.5) of the 'Payroll Tax Manual'. For employees with a part-time job: see §8.1 of this explanatory note (*ed.: of the VCR memorandum*).

Only if an employee receives period wages is a wage period linked to it. Period wages are repetitive in nature and are the wages determined over the period. It concerns wages that relate entirely to that period. For example, a periodically recurring excessive expense allowance is period wages.

There is no question of a pay period if the employee only receives special pay to which the table for special remuneration must be applied. Remunerations to which the special remuneration table is applied are bonuses, bonuses, holiday allowance and other remuneration which are generally granted only once or once a year. The above does not apply when a one-off remuneration is provided that is taxed via the special remuneration table, but where the period character is paramount. This is the case, for example, with the fictitious salary of a director-major shareholder that is received in December. Overtime pay to which you have applied the special remuneration table will also remain period pay. See also section 7.3.5 (*ed.: 2023: section 9.3.5*) of the 'Payroll Tax Manual'.

VCR note §8.1 The employee who is paid monthly is employed halfway through the month

§8.1.1 Fulltimer

By full-timer, we mean an employee who usually works 5 days a week. The number of hours he works per day is not important.

Example

The employee will be employed as a full-time employee on Monday 20 March. So he has been employed for 12 days in March, but works 10 days. From April onwards, a pay period of one month is always taken into account for him.

The withholding agent does not pay the employee a full monthly salary in March. He converts the monthly wage for March into the number of days worked. This means that the withholding agent pays a salary based on 10 working days. The wage period for the month of March therefore has the same number of days as wages have been paid for. For the month of March, the calculation of the employee insurance premiums and the income-related Zvw contribution must take into account 10 times the wage period amount of a day (or 2 times the wage period amount of a week). The cumulatives at the end of April therefore consist of: 10 times the wage period amount of a day + once the wage period amount of a month.

§8.1.2 Parttimer

By part-timer, we mean an employee who usually works less than 5 days a week. The number of hours he works per day is not important. An employee who works 4 x 9 hours per week is also a part-timer.

Wage period for part-timers

The LB Act provides that the following arrangement applies to employees who usually work less than 5 days a week: you use the wage period that applies to the period for which the salary is paid. It does not matter whether the employee works regularly or irregularly during that period. This arrangement does not apply to the pay period of a quarter. This also applies to employee insurance and the Zvw.

Example 1

The employee works 3 days one week and 4 days the other week and receives his wages (in cash and in kind) once a month. The wage period for that employee is one month.

Please note

However, the contract wage, the contracted hours per week and the number of remunerated hours for the part-timer must be entered on the payroll tax return. This information is necessary to determine the amount of any benefit. For more information, see the '[Data specifications for payroll tax returns](#)', which you can download from belastingdienst.nl.

Example 2

An employee will be employed on Saturday 14 January for 1 day a week. He only works on Saturdays. The salary is € 120 per day and is paid once a month. In January, the gross salary is $3 \times € 120 = € 360$. In February, the gross salary is $4 \times € 120 = € 480$.

For a part-timer who receives his salary per month, one month must be taken as the wage period. For more information about special situations and period tables, please refer to paragraph 7.3.5 (*ed.: 2023: paragraph 9.3.5*) of the 'Payroll Tax Manual'. For the employee in the example, the wage period of one month therefore applies from January.

For the part-timer who joins the company halfway through the month, in this example January, the payment period in that month is also to be regarded as the pay period. A different rule therefore applies to part-time employees than to full-timers.

Explanation of §8.1.1 and §8.1.2 of the VCR memorandum:

In the VCR memorandum (and therefore also in the text above) you will see a number of times: "an employee who usually works less than 5 days a week". The word 'usually' is not always an accurate translation of the legal concept of 'usually'. You should therefore read the word 'usually' in the blue area above for 'usually'. We cannot indicate exactly what 'usually' is. This can be different for each situation. In some situations this means 'more than 50%' and in other situations 'more than 70%'. There may also be a relationship with the expected work pattern or it may depend on other factors. If in doubt, please explain the situation to us in writing.

Full-timer taking unpaid leave

If a full-time employee takes (partially) unpaid leave for a certain period, it depends on the situation what the wage period is. There may be an interrupted wage period, as a result of which a different table applies, for example the daily table. But it is also possible that the part-timer scheme applies, so that the payment period is the wage period. In paragraph 9.3.4 under the heading 'Exception 2: part-timer scheme' you will find an explanation and an example.

Whether you have to use a different table than the one that corresponds to the payment period is important for the deduction of wage tax/national insurance contributions, but also for determining the maximum premium and contribution wage for calculating employee insurance premiums and Zvw contributions with VCR.

VCR note §8.5 The company car or other salary (in kind) is the only period of time in connection with unpaid leave

The private use of the car that you make available to the employee is wages for wage tax/national insurance contributions, employee insurance and the Zvw.

Example 1

An employee with a monthly salary goes on unpaid leave in April. He does retain access to the withholding agent's car. This is a period wage for wage tax/national insurance contributions, insurance, employee insurance and Zvw for the April wage period.

Example 2

The data are the same as those in example 1, but now the employee also works on 3 days in April and is paid wages for those days. The wage period in this situation remains one month.

VCR note §8.7 Delayed payment of wages

Sometimes wages are paid late. For payroll taxes, the salary must be included in the calculation as soon as this salary has been received. In the example below, this is the moment when the delayed payout occurs. The calendar year counts as the premium payment period.

Example

In April, a benefit will be granted and paid with retroactive effect of 3 years. The wage period is one month. There is no other income.

(red: We have not adopted the integral example of the VCR memorandum. See explanation below)

Explanation of §8.7 of the VCR memorandum:

In this example, the VCR memorandum for 2020 and 2021 discusses the processing for the various payroll taxes. The essence for the wage periods is that in this example, despite the fact that there is 1 payment, there are still $3 \times 12 = 36$ wage periods of one month.

- For the employee insurance premiums and the Zvw contribution, you only count the past or commenced wage periods of the year in question (January to April) to determine the cumulative maximum, see also Chapter 6.
- For the deduction of wage tax/national insurance contributions, all 36 wage periods count for the table application.

This example is elaborated in section 9.3.5 of this handbook example 8.

VCR note §8.8 On-call workers/zero-hour contracts

On-call workers are persons whose employment arises at the time they respond to the call and whose employment ends when the work stops. When on-call workers respond to a call again after a shorter or longer period of time, a new employment relationship is created.

Please note

This concerns on-call workers without an obligation to appear. On-call workers with an obligation to appear fall under the normal rules, because then there is a continuous employment relationship.

Different situations then arise for the wage periods:

(ed.: references in this text block are to paragraphs of the VCR memorandum 2020)

- An on-call worker is called up for a longer period of time and works 5 or more days a week during that period. This situation can be equated with a full-time contract for a certain period. Therefore, the normal calculation rules, as referred to in §8.1.1, apply.
- An on-call worker is called up for a longer period of time and works less than 5 days a week during that period. This situation can be equated with a part-time contract for a certain period. The rules as described in §8.1.2 apply.
- An on-call worker is occasionally called up for 1 day. He does not usually work part-time.

The rule that the payment period is then equal to the wage period does not apply. This means that the normal calculation rules, as referred to in §8.1.1, apply.

The concept of 'usually' must be assessed for these on-call workers on a call-by-call basis. On-call workers who work irregularly therefore usually do not meet the description 'usually'. For them, you must assess the wage period per period worked on the basis of the main rule: the period for which the salary is received. This means that various wage periods (often day or week) may apply to them, depending on the period for which the salary is paid

VCR note §8.9 Impact of unpaid leave on the pay period

The pay period changes with each interruption of the pay period. This means that in such a case you must take into account the wage period of one day as many times as the days on which you worked (with a maximum of 5 days per week).

It is possible that there are 23 wage period days in a month and that 1 day of unpaid leave has been taken. In that case, there are 22 wage periods of one day. However, the number of pay periods of a day can never be greater than the factor (= 21.67) that applies to the pay period of a month.

Please note

(ed.: references in this text block are to paragraphs of the VCR memorandum 2020).

The above does not apply to a part-timer. If, for example, a part-timer who works 3 days a week and is paid per month takes one day a week of unpaid leave and is still paid per month, the wage period for this part-timer remains one month (see also §8.1.2).

See also §8.11, section of the time savings fund for specific situations of a split wage period.

Addition to §8.9 of the VCR memorandum:

If there are one or more waiting days in the event of illness, during which the employee does not receive wages, this is not an interruption of the wage period. You can see this as continuing to pay the hourly wage at € 0 per hour.

VCR note §8.11 Holiday vouchers

Time savings fund

Since 1 January 2006, the system of holiday vouchers has been replaced by a time savings fund in the construction sector. After each payment of wages, the employer pays the equivalent of the time-proportional accrued leave into the fund. The moment of the deposit is the moment of tax enjoyment. With each deposit, he deducts payroll taxes and applies the table rate. The employee can withdraw the deposited amounts for the following purposes:

- 8% holiday allowance
- the value of the holidays in excess of the statutory entitlement
- the value of the freely recordable scheduled days off
- the value of working days intended for short-term absence

There is unpaid leave if the employee takes days off. But as long as he does not take more than the number of days for which he accrues, these days are considered paid leave. This means that there are no broken wage periods.

If an employee takes more days than he is entitled to, he really enjoys unpaid leave. In that case, however, there is a split wage period. See §8.9. In Appendix A you will find 5 examples in which different situations have been worked out. *(ed.: references in this block of text are to a paragraph and an appendix of the VCR memorandum 2020).*

As of 1 September 2012, a new scheme has been included in the time savings fund. This is called balance savings hours (up to and including 2015 it was called 'Discontinuity Overtime and Travel Hours (DO&R)'). This will make it possible for employers to deposit money for mandatory overtime and travel hours in the time savings fund. The balance of savings hours under this scheme is stated separately on the balance overview of employees. The scheme is separate from the 18-day agreement as described in the 5 examples in Appendix A. The inclusion of days from the balance of savings hours is therefore a split wage period.

Explanation of §8.11 of the VCR memorandum:

Although we no longer have holiday vouchers in practice, this paragraph is still in the VCR memorandum. The section 'Time savings fund' is still relevant, see paragraph 29.26. This information and the information from 'appendix A' of the VCR memorandum can now (also) be found in section 21.2.2 of this handbook.

VCR memorandum §8.13 Wage period of the substantial interest holder with a fictitious salary

A substantial interest holder is also called a director-major shareholder (DGA). The so-called customary salary scheme applies to the substantial interest holder for tax purposes. Each year, it is determined how high at least the salary for the substantial interest holder in full-time employment must be taken into account in that calendar year. The moment of tax enjoyment of the fictitious salary is 31 December. The notional salary is received over a wage period of one year. For more information, see paragraph 16.1 (*ed.: 2023: paragraph 18.1*) of the 'Payroll Tax Manual'.

If the substantial interest holder works for a company, but is not a director/major shareholder within the meaning of the Regulation on the appointment of a director/major shareholder, he is compulsorily insured for employee insurance. His fictitious salary is then wage subject to employee insurance contributions. The withholding agent must therefore also pay the employer's Zvw levy.

For the substantial interest holder who is not compulsorily insured for employee insurance, you only deduct the Zvw contribution.

VCR memorandum §8.15 Students and pupils

For the application of the student and pupil scheme, use the quarterly table for calculating the withholding of wage tax/national insurance contributions (see paragraph 16.16 (*ed.: 2023: paragraph 18.16*) of the 'Payroll Tax Manual') and the quarterly maximum for the calculation of employee insurance premiums and the income-dependent Zvw contribution. The quarterly maximum is 1/4 of the annual amount (see table 11 under 'Rates, amounts and percentages' of the 'Payroll Tax Manual').

U calculate the deduction:

1. At each deduction time, add the wages you have already paid earlier in the calendar quarter to the wages you are paying at that time.
2. Calculate the various payroll taxes as if you were paying the entire salary at that time.
3. Subtract the various payroll taxes that you had already calculated. The remaining amount may not be less than € 0.

This calculation also applies if the employee has been employed in a row for more than 1 consecutive 1 calendar quarter with you. And if, for example, the student or pupil starts working on 6 February, the wage period is also a quarter for him.

Explanation of §8.15 of the VCR memorandum:

For students and pupils who make use of the so-called 'student and pupil scheme', a wage period of one quarter always applies for the calculation of payroll taxes, in deviation from the actual wage period. This means the following:

- For the employee insurance premiums and the Zvw contribution, a quarterly amount always applies to determine the cumulative maximum (see Chapter 6).
- For the deduction of wage tax/national insurance contributions, the quarterly table always counts for the table application. For more information on the deduction, see section 18.16 of this handbook.

VCR note §8.20 Wage period with an artist with a short-term contract

Domestic artists with a short-term contract who are not self-employed and who are not employed are subject to the levying of employee insurance contributions. Often there is a one-off performance. The fee is usually determined per performance.

In such cases, one day is used as a wage period for employee insurance. If the artist works longer than 24 hours (from 00:00 to 24:00), there are as many pay periods of one day as the number of days on which the artist performs.

Addition to §8.20 of the VCR memorandum:

With regard to the wage period, the following applies:

- For employee insurance premiums, a wage period of one day applies to determine the cumulative maximum, unless the performance lasts longer than 24 hours.
- You do not owe a Zvw contribution, neither as an employer's levy nor as a deduction.
- The wage period is not relevant for the withholding of wage tax. There is a levy via a special artists' table, see table 3 of this handbook. No national insurance contributions are deducted.

See the Manual on Payroll Taxes for Artists and Professional Athletes Scheme for more information about the scheme.

6 Progressive cumulative arithmetic

The system of rolling cumulative calculation (VCR) applies to the calculation of employee insurance premiums and the income-related contribution under the Health Insurance Act (Zvw). In short, this means that for the calculation of the premiums or the contribution, you take into account the salary received earlier in that calendar year (hereinafter: year) and the maximum premium wage or maximum contribution wage for each wage payment. The system for employee insurance premiums and for the income-related Zvw contribution is the same.

Up to and including 2020, the information on progressive cumulative arithmetic was included in §2, in §4 to §7 and in some parts of §8 of the document *Wage calculation Progressive cumulative arithmetic (VCR) and wage period system* (hereinafter referred to as the VCR memorandum) and in this handbook in sections 7.7, 8.2.4 and 9.6 (up to and including 2020 edition: 5.6, 6.2.4 and 7.6).

6.1 The main line of progressive cumulative arithmetic

The system of progressive cumulative arithmetic can be explained in general terms in 3 steps.

Step 1

You keep track of the cumulative salary during the year. For employee insurance, this is the 'Wage for employee insurances', column 8 of the wage statement, for the Zvw it is the 'Contribution salary', column 12 of the wage statement.

Step 2

You determine the maximum tax allowance. For the entire year 2025, this is € 75,864. However, this tax margin accrues during the year per wage period. See Table 11 for the maximum period amounts. It is therefore important whether and if so which and how many wage periods there have already been in the year (see Chapter 5).

Step 3

You calculate the base increase. You do this per payment of wages (or rather: per moment of enjoyment of the wages). This is the amount on which you will calculate the premiums or contribution:

- 1 You take the cumulative salary from the beginning of the year.
- 2 You take the cumulative (maximum) tax allowance for all wage periods from the beginning of the year.
- 3 You continue with the lowest amount: 1 or 2.
- 4 You reduce this amount by the cumulative base accrual on which you calculated premiums or contributions at the time of the previous wage payment: the difference is the base accrual for the period.
- 5 You calculate the premiums or contribution on this difference.
- 6 You must round the calculated premium or contribution to 2 decimal places. You may do this for the benefit of the taxpayer, contributor or contributor. An exception applies to the distribution in the event of concurrence of the high and low AWf premiums (see Section 6.7.2).

6.2 Some principles of progressive cumulative calculation

The following principles apply to each VCR calculation:

- a You cumulatively calculate per year on never more than the maximum premium wage. For 2025, that is € 75,864.
- b you build up a VCR series of wage periods per calendar year, each wage period with a maximum period. See Table 11 at the end of this handbook
- c of these period maximums, you keep a cumulative reading from 1 January to 31 December.
- d without a wage period, there is no tax allowance. Not even if there is wages, but that wages are exclusively non-period wages, such as a retrospective payment of holiday allowance in the new year. In the event of a wage period later in the year, the previous non-period wage can still be taxed (the so-called 'catch-up effect').
- e salary is only salary at the so-called moment of enjoyment, see paragraph 9.2.
- f If a wage period exceeds one year, that wage period counts for the purposes of determining the cumulative maximum in the year in which the moment of enjoyment of the salary lies.
- g Negative wages can lead to negative base growth and thus to negative premiums.
- h cumulatively, the calculated base growth per year may never become negative for the Zvw. See paragraph 6.3, under the heading 'Negative wages and negative base growth'.
- i you do not consider VCR per employment or per income ratio, but across all employment relationships / income relationships that the employer and employee have with each other and also across all payroll tax sub-numbers of the employer (L01, L02, L03 etc.). An exception to this applies if you are an own risk bearer (ERD) for the ZW or WGA and you use a private provider. See section 6.7.7.
- j The above principles also apply to the calculation of the income-related Zvw contribution.
- k The above principles also apply between a benefits agency and a benefit recipient.

6.3 Description of Progressive Cumulative Calculation

VCR system

For progressive cumulative calculations, only the base accretion method is permitted. This applies both to the calculation of the employee insurance premiums and to the calculation of the income-related Zvw contribution.

The base accrual method means that for each tax return, the employee insurance premiums and the income-related Zvw contribution are calculated on the basis of the increase in the premium or contribution base. Accrual is the difference between the cumulative contribution or contribution basis up to and including the last wage period and the cumulative contribution or contribution basis up to and including the last wage period.

Maximum contribution and maximum contribution salary

You have to pay the premiums for the WW, WAO and WIA and the income-related contribution for the Zvw on the salary for the employee insurance schemes or the contribution wage up to a certain maximum: the maximum premium wage or the maximum contribution wage. After application of the maximum, the salary for employee insurance is also called the premium salary.

The maximum premium and maximum contribution salary is determined on the basis of the number of wage periods in the calendar year in which salary for the employee insurance schemes or contribution salary for the Zvw was received. This maximum contribution and maximum contribution salary is derived from the determined annual amount. Where necessary, the results have been rounded down to 2 decimal places. The Ministry of Social Affairs and Employment (SZW) determines the annual amount annually. The amounts can be found in table 11 at the end of this handbook.

Note 1

The annual amount is an absolute maximum. This means that the cumulative base growth cannot exceed this amount.

Example 1

An employee will be employed on 1 March. A maximum of 10/12 of the annual maximum for employee insurance premiums and income-related Zvw contribution (i.e. 10 times the monthly maximum) can then be levied.

Note 2

The maximum premium and maximum contribution wage are calculated cumulatively. The maximum premium and maximum contribution wage are always determined by multiplying the wage period amounts by the number of wage periods, but is never more than the annual amount. If there is no period wage, there is no wage period (for more information on wage periods and period tables, see section 9.3.4).

Minimum contribution-minimum contribution wage

The premium and contribution salary can be negative for employee insurance schemes and for the Zvw. But there is a difference for the minimum amount that you set for base accrual. The cumulative base growth has no minimum for employee insurance schemes and can therefore also be negative. For the Zvw, the cumulative tax increase may not become negative. See under the heading 'Negative wages and negative base growth'.

Calculation of the increase in the basis of assessment for employee insurance premiums

Below is an example of the calculation of the increase in the basis for employee insurance premiums. This accrual is the amount on which the various premiums must be calculated.

Example 2: calculation of accrual

An employee has a wage period of one month. In the month of January, he has a gross salary of € 4,300. In February and March, he earns € 5,500. In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month. On what basis are the employee insurance premiums levied per month with the system of progressive cumulative calculation?

Calculation of the increase in the basis for employee insurance contributions*							
		January	Cumula - deep	February	Cumulative	March	Cumu latief
Wage for employee insurance (SV wage)	A	€ 4,300.00	€ 4,300.00	€ 5,500.00	€ 9,800.00	€ 5,500.00	€ 15,300.00
Maximum premium wage	B	€ 5,000.00	€ 5,000.00	€ 5,000.00	€ 10,000.00	€ 5,000.00	€ 15,000.00
Cumulative basis (= A to maximum B)	C		€ 4,300.00		€ 9,800.00		€ 15,000.00
Accretion of the basis (= cumulative basis of month t minus cumulative basis month t-1)	D	€ 4,300.00		€ 5,500.00		€ 5,200.00	
*Amounts are fictitious							

This example shows that the contribution base is € 4,300 in January, € 5,500 in February and € 5,200 in March. It is striking that the contribution base in March is lower than in February, while the salary for these months is the same. This is due to the system of progressive cumulative calculations. Within this system, it is not the maximum premium wage per month that is leading, but the cumulative maximum premium wage up to and including the month in question. The salary for January is € 700 lower than the maximum premium wage for that month. Therefore, the wages of January and February together will be less likely to exceed the cumulative maximum premium wage. As a result, it is possible that the employee earns € 500 (= € 5,500 / € 5,000) more in February than the maximum premium wage per month, while premium is still levied on the full salary. Cumulatively, he does not earn more than 2 times the maximum premium wage of € 10,000 for January and February. In March, the cumulative salary will exceed the cumulative maximum premium salary. For the further calculation, you assume the lower maximum premium wage.

Such catch-up effects also occur if the employee receives a monthly salary that is below the maximum premium wage and his cumulative salary temporarily exceeds the maximum due to holiday allowance or incidental remuneration.

Negative premium amounts

Negative premium amounts are deducted from the collective premium payment on the payroll tax return.

Note 3

If the premium is negative, for example as a result of a negative base increase, or as a result of a negative premium percentage (this can occur with the differentiated Whk premium), you can process this negative amount in the normal way in the tax return.

Levy of the income-related Zvw contribution

The income-related Zvw contribution that you or your employee have to pay is levied on the salary for the Zvw up to a certain maximum. Chapter 8 explains the situation in which the employer's Zvw levy or the deduction of the Zvw contribution applies and what percentage applies.

The Zvw must be levied using the method of rolling cumulative calculation. For the calculation of the basis for the Zvw, as with the employee insurance schemes, you must also take into account the period maximums and any effects as a result of VCR. You can find the wage period amounts in table 11 at the end of this handbook.

The maximum contribution wage for the Zvw is always determined by multiplying the wage period amounts by the number of wage periods in which wages were received for the Zvw. The annual amount is an absolute annual maximum. This means that the cumulative base growth cannot exceed this amount. The cumulative base growth has a minimum of € 0 for the Zvw, see under the heading 'Negative salary and negative base growth'. If there is no period wage, then there is no wage period.

Example 3: Calculation of the basis for income-dependent Zvw contribution

An employee has a wage period of one month. In the month of January, he has a gross salary of € 4,300. In February and March, he earns € 5,600. In this example, we assume a maximum contribution salary per year of € 60,000. That is € 5,000 per month. The diagram below shows the bases on which the income-related Zvw contribution is levied per month using the system of progressive cumulative calculations.

Calculation of the basis of income-dependent Zvw contribution*							
		January	Cumula - deep	February	Cumulative	March	Cumulative
Contribution salary for the Zvw	E	€ 4,300.00	€ 4,300.00	€ 5,600.00	€ 9,900.00	€ 5,600.00	€ 15.500,00
Maximum Zvw contribution wage	F	€ 5.000,00	€ 5.000,00	€ 5.000,00	€ 10.000,00	€ 5.000,00	€ 15.000,00
Cumulative basis Zvw (= E to a maximum of F)	G		€ 4,300.00		€ 9,900.00		€ 15.000,00
Accrual of the Zvw basis (= cumulative basis of month t minus cumulative basis month t-1)	H	€ 4.300,00		€ 5.600,00		€ 5.100,00	

*Amounts are fictitious

This example shows that the increase in the basis for the Zvw is € 4,300 in January, € 5,600 in February and € 5,100 in March. As with the calculation of employee insurance premiums, we also see that the growth of the tax base in March is different from that in February, while the wages for these months are the same. The wage for January is € 700 less than the maximum wage Zvw. Therefore, the wage for January and February together will be less likely to exceed the cumulative maximum wage. As a result, it is possible that the employee will earn € 600 (= € 5,600 / € 5,000) more than the maximum contribution wage per month in February, while income-related Zvw contribution is still levied on the full salary. Cumulatively, he earns no more than 2 times the maximum contribution salary of € 5,000 is € 10,000 for January and February. In March, the cumulative contribution salary will exceed the cumulative maximum contribution salary. For the further calculation, you assume the lower maximum contribution salary.

For the calculation of the increase, it does not matter whether it is the employer's levy Zvw or the deduction of the Zvw contribution.

Negative wages and negative base growth

If there is a negative salary, the wage for employee insurance (SV wage) and the Zvw contribution wage can become negative.

If there is no or insufficient positive salary with which you can offset that negative salary, you can:

- for employee insurance premiums lead to cumulative negative base growth. U therefore calculate negative premiums.
- for the Zvw contribution, *do not* lead to negative base growth. In that case, you cannot *calculate* a negative contribution (not as an employer's levy and not as a deduction).

Example 4: negative pay

The same example as in example 2 and 3, but in January the employee has to repay € 6,000 of previously received gross salary. This leads to a negative salary of € 4,300 in January, € 6,000 = € 1,700. As a result, there is a negative wage in January for both employee insurance and the Zvw. But there is a difference in base growth.

Elaboration example 4							
Calculation of the basis of employee insurance premiums and income-related Zvw contribution in the event of a negative salary*							
		January	Cumula - deep	February	Cumulative	March	Cumulative
Wage for employee insurance (SV-wage)	A	€ -1.700,00	€ -1.700,00	€ 5.600,00	€ 3.900,00	€ 5.600,00	€ 9.500,00
Contribution salary for the Zvw	And	€ -1.700,00	€ -1.700,00	€ 5.600,00	€ 3.900,00	€ 5.600,00	€ 9.500,00
Maximum contribution salary	B/F	€ 5.000,00	€ 5.000,00	€ 5.000,00	€ 10.000,00	€ 5.000,00	€ 15.000,00
Cumulative basis SV (= A to maximum B)	C		€ -1.700,00		€ 3.900,00		€ 9.500,00
Accretion of the SV basis (= cumulative basis of month t minus cumulative basis month t-1)	D	€ -1.700,00		€ 5.600,00		€ 5.600,00	
Employee insurance premiums, say 10%		€ -170,00		€ 560,00		€ 560,00	
Cumulative basis Zvw (= E to a maximum of F)	G		€ 0		€ 3.900,00		€ 9.500,00
Accrual of the Zvw basis (= cumulative basis of month t minus cumulative basis month t-1)	H	€ 0		€ 3.900,00		€ 5.600,00	
Zvw contribution, suppose 7%		€ 0		€ 273,00		€ 392,00	
*Amounts and percentages are fictitious							

Explanation of the elaboration:

This example leads to a negative cumulative base increase for employee insurance schemes in January. And with that also to negative employee insurance premiums. But for the Zvw, this does *not* lead to a negative increase in the tax base in January, so it does not lead to a negative contribution either. However, in this example there is a catch-up effect in February. In March, the cumulative bases for employee insurance and the Zvw will be the same again.

Note 4

Although in this example the employee repays the gross salary previously received from the previous year, you calculate with the premiums, contribution and maximum of this year.

Note 5

Do you pay wages on which you have to pay the employer's Zvw levy and do you also pay wages on which you have to deduct Zvw contributions? Then you must make separate calculations for the wages that fall under the Zvw employers' levy and the wages that fall under the deduction of the Zvw contribution. You combine the wages that fall under the same regime (employer's levy Zvw or deduction of the Zvw contribution) and use VCR to calculate the employer's Zvw levy or the deduction of the Zvw contribution from that merged amount. The results of these 2 separate VCR calculations do not influence each other. This also means that in the event of a change in regime during the year, the wage periods of the 1st regime do not count towards the VCR calculation of the 2nd regime. You then start counting from the change from 0 wage periods.

Example 5: no period wage in a pay period, but a special remuneration

The employee is employed by the withholding agent from 1 January to 30 April and receives a monthly salary. In May, only the holiday allowance is paid. There are cumulatively 4 wage periods of one month up to and including 30 April. In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

The holiday allowance is wages for payroll tax purposes. The holiday allowance is not a period wage. The employee therefore only receives a special remuneration in May. Therefore, for the calculation of the employee insurance premiums and the income-related Zvw contribution, no wage period amount is added to the existing cumulatives. The number of cumulative wage periods of one month remains a total of 4. It is therefore necessary to calculate with 4 times the wage period amounts of a month. For the calculation of employee insurance, this works out as follows:

Elaboration example 5					
No period wage in a wage period, but a special remuneration *					
	January	February	March	April	May
Employee insurance wages	€ 5.300,00	€ 3.300,00	€ 5.300,00	€ 4.300,00	€ 3.800,00
Cumulative wage employee insurance	€ 5.300,00	€ 8.600,00	€ 13.900,00	€ 18.200,00	€ 22.000,00
Cumulative maximum premium wage	€ 5.000,00	€ 10.000,00	€ 15.000,00	€ 20.000,00	€ 20.000,00
Cumulative basis for employee insurance	€ 5.000,00	€ 8.600,00	€ 13.900,00	€ 18.200,00	€ 20.000,00
Increase in the basis of employee insurance	€ 5.000,00	€ 3.600,00	€ 5.300,00	€ 4.300,00	€ 1.800,00
*Amounts are fictitious					

Explanation of the elaboration:

You calculate the employee insurance premiums on the increase of the base.
You follow the same system for calculating the income-related Zvw contribution.

Example 6: no period wage in the calendar year, but a special remuneration

The employee left employment on 31 December and receives the holiday allowance in February of the following year. Furthermore, he does not receive any salary from his former employer.

The holiday allowance that this employee receives is a special remuneration that relates to wage periods from the previous year and is salary for all levies. The payment of the holiday allowance in February does not mean that a wage period arises in February. The holiday allowance is not a period wage. There is therefore no wage period in the current calendar year. You therefore do not have to pay or withhold employee insurance premiums and income-related Zvw contributions from the holiday allowance. Of course, you must withhold and pay wage tax/national insurance contributions.

Example 7: only pay periods in the current calendar year after payment of a special remuneration

The employee receives a monthly salary and goes on unpaid parental leave from January. He will receive the holiday allowance in May. As of August 1, he will return to work for his employer.

The holiday allowance is a special reward. The payment of the holiday allowance in May does not mean that a wage period arises in May. The holiday allowance is not a period wage. So there is no wage period (yet) in the current calendar year. You therefore do not have to pay or withhold employee insurance premiums and income-related Zvw contributions from the holiday allowance in

May. From August, the employee receives period wages. For the calculation of the employee insurance premiums and the income-related Zvw contribution, the wage period amounts of 1 month are used cumulatively. The cumulative salary for employee insurance and the Zvw is the holiday allowance plus the monthly wage for August. Suppose that the salary in August is lower than the maximum premium wage and the maximum Zvw contribution wage for that month, and that the holiday allowance and the August salary together are higher than the maximum premium wage and the maximum Zvw contribution wage. This means that the basis for calculating the premium and the income-related Zvw contribution in August are the maximum premium wage and the maximum contribution wage for that month, respectively.

If the employee does not start working on 1 August, but only in the course of August, then there is no one-month wage period in August. Calculations are then made with wage periods of one day. In August, the number of wage periods of one day is then the same as the number of days on which the employee has worked that month. See chapter 5.

Note 6

If the employee starts working for 50% in August, but 5 (half) days a week, he is considered a full-time employee for the calculation of payroll taxes and the wage period is one month.

6.4 Trainee and Progressive Cumulative Arithmetic (VCR)

The calculation of the premium for employee insurance premiums for an employee who is simultaneously or sequentially in the same year as a trainee in fictitious employment and performs work as an employee in real employment

The employment relationship of a trainee may be such that there is a so-called fictitious employment relationship (see paragraph [18.10](#)).

In this situation, the intern is only insured under the Sickness Benefits Act. The salary of the trainee in fictitious employment is therefore SV wage. If there is a period of pay, then the wage period system and rolling cumulative calculation also apply. There is only a premium wage for the ZW. In that case, no premium is due.

If a normal employment contract is concluded after an internship period, the employee is insured for all employee insurance schemes. In this situation, you must take into account the wage periods in which the person was still a trainee when calculating the contribution maximum. Also, you can take into account the salary that the person received as a trainee for the calculation of the contributions. This therefore leads to a catch-up effect: although you did not have to pay premiums on the trainee's salary, you have to pay if this person comes to work for you later in the year in real employment.

The 7 examples below discuss progressive cumulative arithmetic for an intern. In the examples, it is always about someone who is employed by the same employer at the same time or consecutively and who is doing an internship. The following generic principles apply:

- a As long as the internship is ongoing, the internship salary itself does not lead to base growth.
- b Internship after regular employment: if the regular salary was cumulatively higher than the cumulative maximum premium salary, base growth from that period may be delayed. Then calculates that you also have premiums. The internship wage itself does not lead to base growth.
- c If, after the end of the internship, the trainee starts regular employment with the same employer within the same year, the internship salary will have a catch-up effect on the base growth.

Example 1: internship - employment; wages are always below the maximum premium wage; catch-up effect

From 1 January to 31 March, someone works as a trainee in fictitious employment for a salary of € 300 per month. As of 1 April, this person will be permanently employed at a monthly salary of € 4,500. In the months up to and including March, there will be premium wages for the ZW and therefore also wages for employee insurances. No premium is levied. In April, the cumulative salary for employee insurance ($3 \times € 300 + € 4,500 =$) is € 5,400. You then check this salary against 4 times the monthly maximum. You have now determined the cumulative premium salary. You deduct the cumulative premium salary from January to March. That is € 0 for the WW, WAO and WIA. This means that in April the increase is equal to the cumulative premium salary. In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 1: Internship – employment				
	January	February	March	April
Employee insurance wages	€ 300.00	€ 300.00	€ 300.00	€ 4.500,00
Cumulative wage employee insurance	€ 300.00	€ 600.00	€ 900.00	€ 5,400.00
Cumulative maximum premium wage	€ 5.000,00	€ 10.000.00	€ 15.000,00	€ 20.000,00
Cumulative basis for employee insurance				€ 5,400.00
Increase in the basis of employee insurance				€ 5.400,00

Example 2: employment - internship - employment; wages in the months of January to March above the maximum premium wage

Someone is employed from 1 January to 31 March and earns € 5,300 per month. In April, he will work as an intern and receive an internship allowance of € 400. In May, he is employed again and earns € 5,800 per month.

- From 1 January to 31 March: insured as an employee for all employee insurances and number of income ratio (IKV) 1.
- For April: as a trainee only insured for the ZW, and number income ratio 2. The cumulative salary for employee insurance will be € 400 higher. Because the salary for the months of January to March is € 300 higher than the maximum premium wage per month, there is a lagging effect with the result that the increase in the tax base amounts to € 900. You still have to pay a premium on this amount, not on the internship allowance.
- From May: as an employee insured for all employees insurances and number income ratio 3. There is a catch-up effect in May in connection with the internship allowance in April of € 400. In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 2: Employment - internship - employment; wages in the months of January to March above the maximum premium wage						
	January	February	March	April	May	June
Employee Insurance Wage	€ 5.300,00	€ 5.300,00	€ 5.300,00	€ 400,00	€ 5.800,00	€ 5.800,00
Cumulative wage employee insurance	€ 5.300,00	€ 10.600,00	€ 15.900,00	€ 16.300,00	€ 22.100,00	€ 27.900,00
Cumulative maximum premium wage	€ 5.000,00	€ 10.000,00	€ 15.000,00	€ 20.000,00	€ 25.000,00	€ 30.000,00
Cumulative basis for employee insurance schemes	€ 5.000,00	€ 10.000,00	€ 15.000,00	€ 15.900,00	€ 22.100,00	€ 27.900,00
Accretion of the basis of employee insurance	€ 5.000,00	€ 5.000,00	€ 5.000,00	€ 900,00	€ 6.200,00	€ 5.800,00

Example 3: employment - internship - employment; wages in the months of January to March below the maximum premium wage

Someone works from 1 January to 31 March and earns € 1,500 per month. In April, he will work as an intern and receive an internship allowance of € 400. In May, he will be back in employment and earn € 2,000 per month.

- From 1 January to 31 March: insured as an employee for all employee insurances.
- Before April: as a trainee only insured for the ZW. The cumulative salary for employee insurance will be € 400 higher, but the increase in the tax base will be € 0. So no premium has to be paid in this month.
- From May: as an employee insured for all employees insurances and number income ratio 3. There is a catch-up effect in May in connection with the internship allowance in April of € 400. In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 3: Employment - internship - employment; wages in the months of January to March below the maximum premium wage						
	January	February	March	April	May	June
Employee Insurance Wage	€ 1.500,00	€ 1.500,00	€ 1.500,00	€ 400,00	€ 2.000,00	€ 2.000,00
Cumulative wage employee insurance	€ 1.500,00	€ 3.000,00	€ 4.500,00	€ 4.900,00	€ 6.900,00	€ 8.900,00
Cumulative maximum premium wage	€ 5.000,00	€ 10.000,00	€ 15.000,00	€ 20.000,00	€ 25.000,00	€ 30.000,00
Cumulative basis for employee insurance schemes	€ 1.500,00	€ 3.000,00	€ 4.500,00	€ 4.500,00	€ 6.900,00	€ 8.900,00
Accretion of the basis of employee insurance	€ 1.500,00	€ 1.500,00	€ 1.500,00	€ 0,00	€ 2.400,00	€ 2.000,00

Example 4: employment - employment + internship - employment; wages in the months of January to March below the maximum premium wage

Someone works from 1 January to 31 March and earns € 1,500 per month. In April, he is employed and earns € 500. In addition, he will do an internship in April for which he will receive a compensation of € 400. In May, he will return to work and earn € 1,700 per month.

- From 1 January to 31 March: insured as an employee for all employee insurances and number income ratio 1.
- For April: as an employee insured for all employees insurances and number income ratio 1.
For April: as a trainee only insured for the ZW, and number income ratio 2. The internship allowance does increase the cumulative salary for employee insurance, but not the increase in the base. You do not have to pay a premium on the internship allowance.
- From May: insured as an employee for all employees insurances and number income ratio 1. In May, there is a catch-up effect for the cumulative basis for employee insurance in connection with the internship allowance in April of € 400.

In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 4: Employment - employment + internship - employment; wages in the months of January to March below the maximum premium wage							
	January IKV 1	February IKV 1	March IKV 1	April IKV 1	April IKV 2	May IKV 1	June IKV 1
Employee Insurance Wage	€ 1.500,00	€ 1.500,00	€ 1.500,00	€ 500,00	€ 400,00	€ 1.700,00	€ 1.700,00
Cumulative wage employee insurance	€ 1.500,00	€ 3.000,00	€ 4.500,00	€ 5.400,00		€ 7.100,00	€ 8.800,00
Cumulative maximum premium wage	€ 5.000,00	€ 10.000,00	€ 15.000,00	€ 20.000,00		€ 25.000,00	€ 30.000,00
Cumulative basis for employee insurance schemes	€ 1.500,00	€ 3.000,00	€ 4.500,00	€ 5.000,00		€ 7.100,00	€ 8.800,00
Accretion of the basis of employee insurance	€ 1.500,00	€ 1.500,00	€ 1.500,00	€ 500,00		€ 2.100,00	€ 1.700,00

Example 5: employment + internship

Someone works in employment and earns € 3,500 per month. In addition, he receives an internship allowance of € 305 every month.

- From January: insured as an employee for all employee insurances and number income ratio 1.
- From January: as a trainee only insured for the ZW, and number income ratio 2. The internship allowance (€ 305) will increase the cumulative salary for employee insurance, but not the increase in the basis for employee insurance. You do not have to pay a premium on the internship allowance.

In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 5: Employment + internship								
	January IKV 1	January IKV 2	February IKV 1	February IKV 2	March IKV 1	March IKV 2	April IKV 1	April IKV 2
Employee Insurance Wage	€ 3.500,00	€ 305,00	€ 3.500,00	€ 305,00	€ 3.500,00	€ 305,00	€ 3.500,00	€ 305,00
Cumulative wage employee insurance	€ 3.805,00		€ 7.610,00		€ 11.415,00		€ 15.220,00	
Cumulative maximum premium wage	€ 5.000,00		€ 10.000,00		€ 15.000,00		€ 20.000,00	
Cumulative basis for employee insurance schemes	€ 3.500,00		€ 7.000,00		€ 10.500,00		€ 14.000,00	
Accretion of the basis of employee insurance	€ 3.500,00		€ 3.500,00		€ 3.500,00		€ 3.500,00	

Example 6: employment – dismissal – internship

Someone works from 1 January to 30 April and earns € 1,500 per month. He was then fired. On 1 August, this person will do an internship with his old employer, for which he will receive an internship allowance of € 305 per month.

- From 1 January to 30 April: insured as an employee for all employee insurances and number income ratio 1. The growth of the base is € 1,500 every month. In the example, the months of January to April are added together.
- From 1 May to 31 July: this person does not receive any salary.
- From 1 August: as a trainee only insured for the ZW, and number income ratio 2. The internship allowance does increase the cumulative salary for employee insurance, but does not increase the increase in the basis for employee insurance because no premium has to be paid on the internship allowance.

In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 6: Employment – dismissal – internship							
	January to March	April	August	September	October	November	December
Employee Insurance Wage	€ 4.500,00	€ 1.500,00	€ 305,00	€ 305,00	€ 305,00	€ 305,00	€ 305,00
Cumulative wage employee insurance	€ 4.500,00	€ 6.000,00	€ 6.305,00	€ 6.610,00	€ 6.915,00	€ 7.220,00	€ 7.525,00
Cumulative maximum premium wage	€ 15.000,00	€ 20.000,00	€ 25.000,00	€ 30.000,00	€ 35.000,00	€ 40.000,00	€ 45.000,00
Cumulative basis for employee insurance schemes	€ 4.500,00	€ 6.000,00	€ 6.000,00	€ 6.000,00	€ 6.000,00	€ 6.000,00	€ 6.000,00
Increase in the basis of employee insurance (per month)	€ 1.500,00	€ 1.500,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

Example 7: internship – dismissal – employment

Someone does an internship from January to April and receives an internship allowance of € 305 per month. The internship agreement ends on 1 May. As of November 1, he will be employed by this employer and will earn € 2,500 per month.

- From 1 January to 30 April: as a trainee only insured for the ZW, and number income ratio 1. The internship allowance is part of the cumulative salary for employee insurance, but does not lead to an increase in the basis. You do not have to pay a premium on the internship allowance.
- From 1 November: insured as an employee for all employee insurances and number income ratio 2. There is a catch-up effect in November in connection with the internship allowances in January to April.

In this example, we assume a maximum premium salary per year of € 60,000. That is € 5,000 per month.

Elaboration example 7: Internship – dismissal – employment						
	January IKV 1	February IKV 1	March IKV 1	April IKV 1	New take IKV 2	December IKV 2
Employee Insurance Wage	€ 305,00	€ 305,00	€ 305,00	€ 305,00	€ 2.500,00	€ 2.500,00
Cumulative wage employee insurance	€ 305,00	€ 610,00	€ 915,00	€ 1.220,00	€ 3.720,00	€ 6.220,00
Cumulative maximum premium wage	€ 5.000,00	€ 10.000,00	€ 15.000,00	€ 20.000,00	€ 25.000,00	€ 30.000,00
Cumulative basis for employee insurance schemes	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 3.720,00	€ 6.220,00
Accretion of the basis of employee insurance	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 3.720,00	€ 2.500,00

6.5 Anonymous rate and progressive cumulative calculation

Anonymous levy

The anonymous rate applies to persons whose records are missing one or more details, see paragraph 2.6. As a result, they fall under the 52% rate for the deduction of wage tax/national insurance contributions.

For these employees, you may not take into account the maximum premium wage and the maximum Zvw contribution when calculating the employee insurance premiums and the maximum Zvw contribution wage. As a result, in some cases you have to pay or withhold more employee insurance premiums and a higher income-related Zvw contribution than for an employee for whom the anonymous rate does not apply. For the employee insurance schemes and the Zvw, the contribution percentages apply that would apply if the anonymous rate did not apply to this employee.

Wage tax/national insurance contributions

If you still receive the required data from a person to whom the anonymous levy first applies, the anonymous rate of 52% will no longer apply from that moment on. The employee can offset the amount withheld in the tax return periods that have already elapsed through his income tax return.

Please note

From the 2023 calendar year, you may restore the previous deduction of the 52% rate for previous periods of the same calendar year, see section 2.6. You do this with correction notices for expired tax return periods of the same calendar year.

Employee insurance and Health Insurance Act

For the employee insurance premiums and the income-related Zvw contribution, the recovery for the past does not apply. The following applies to this.

If you still receive the required information from your employee within the current calendar year, you will apply the maximum amounts for employee insurance and the Zvw as a result of the VCR system to the total salary of the calendar year at that time. In this situation, it is not allowed to change the amounts you have previously paid through corrections. This may mean that the amount of the income-related Zvw contribution and the employee insurance premiums may become negative in the period in which the conditions are still met. Because in that period, you still have to take into account the capped tax bases, which means that the base growth for the period becomes negative. As a result, the cumulative increase in the tax base for employee insurance schemes and the Zvw will not be negative. As a result, the employee insurance premiums and the Zvw contribution may become negative during the period.

6.6 Students and pupils and progressive cumulative arithmetic

For a student or pupil, the wage period is a calendar quarter (see section 5.1). In the example below, this is elaborated for the VCR. The details for the deduction of wage tax/national insurance contributions can be found in section 9.3.5.

Example

An employee is employed by the withholding agent on 2 January at a gross monthly salary of € 1,500. The employee asked for the student and pupil scheme to be applied. To calculate the deductions, use the quarterly table and the quarterly maximum. In this example, we assume a maximum premium salary per year of € 60,000. That is € 15,000 per quarter.

Calculation of the student and pupil scheme with monthly payments							
		January	Cumu latief	February	Cumu latief	March	Cumu latief
Employee insurance wages	A	€ 1,500.00	€ 1,500.00	€ 1,500.00	€ 3,000.00	€ 1,500.00	€ 4.500,00
Maximum premium wage	B	€ 15.000,00	€ 15.000,00	€ 0.00	€ 15.000,00	€ 0.00	€ 15.000,00
Cumulative basis (= A to maximum B)	C		€ 1,500.00		€ 3,000.00		€ 4.500,00
Growth of the base	D		€ 1,500.00		€ 1,500.00		€ 1,500.00

6.7 Special situations and progressive cumulative calculation

In this section you will find information on how to apply the system of the VCR in some special situations:

6.7.1 Multiple non-coinciding employment of an employee with the same withholding agent

6.7.2 Calculation of premiums in the event of concurrence of premium percentages

6.7.3 Explanation of the levy of payroll taxes for a 53rd week

6.7.4 If you have employees with multiple employment relationships at the same time or one after the other

6.7.5 Zvw benefit and contribution

6.7.6 Annual cross-border payment of wages

6.7.7 Self-insured and private executor

6.7.1 Multiple non-coinciding employment of an employee with the same withholding agent

If an employee is employed by the same withholding agent for several periods in a calendar year, VCR must be used on a continuous basis. You must therefore do this for all wage periods in which the employee has worked for you, regardless of the number of employment or income ratios.

Example

The employee leaves employment on 31 May and enters into a new employment contract with the same withholding agent as of 1 December of the same year. When paying off in December, the cumulatives from January to May must be taken into account.

Calculation method(s) for multiple pay periods of one day

If several wage periods of one day have to be taken into account for an employee, there are 2 methods to calculate the employee insurance premiums and the income-related Zvw contribution.

Method 1

The employee insurance premiums and the income-related Zvw contribution are calculated on the basis of the wage per day. This is done to 2 decimal places, applying the wage period amounts of one day. The calculated premiums and income-related Zvw contribution are then multiplied by the number of wage periods that apply.

Method 2

The employee insurance premiums and the income-related Zvw contribution are calculated on the basis of the total salary. This is done by applying the number of wage period days and the associated amounts.

Both methods of calculation are allowed. The results of both calculation methods may differ slightly (cents) from each other. This difference is caused by the fact that in method 1 the premium you have to pay is rounded off to 2 decimal places per day, after which that amount is multiplied by the number of wage period days.

Please note

The optional application of both calculation methods is only permitted for calculating employee insurance contributions and the income-related Zvw contribution. The tax calculation rule must be used for the calculation of wage tax/national insurance contributions.

6.7.2 Calculation of premiums in the event of concurrence of premium percentages

Concurrence of AWf premium high and low within a wage period

In the situation where an employee has an employment contract to which the high AWf contribution applies and an employment contract or benefit to which the low AWf contribution applies, you must also calculate the premium by applying the VCR. The premium calculation applies per employer. So both in the event that the different premiums occur within 1 payroll tax subnumber, and when the different premiums occur 'across the payroll tax subnumbers' (L01, L02, L03, et cetera).

If, for an employee, at the time of payment, this remuneration falls partly under the high and partly under the low contribution, you must apply the respective contribution percentages to a proportional part of the total base growth. You calculate the base and base accretion in the regular way. In doing so, you must take into account the total salary employee insurance schemes. You must then divide the base increase proportionally by dividing the employee insurance wages to which the high or low contributions apply by the total employee insurance wages and multiplying them by the total base accrual.

In the following example with high and low premium, the total increase E, for the application of the high and low premium, is divided proportionally by expressing the period wage of A (at a high premium) and B (at a low premium) as part of D. In this way, the maximum period premium wage is taken into account for the wage components and the correct premium distribution can also be accounted for in the payroll tax return.

In the event of a concurrence of AWf high and low premiums, you must round off the found premium arithmetically.

Example

Concurrence of high and low AWf premium												
High premium	Low premium	8%	5%	Percentages and maximum premium wage for period are fictitious Amounts F, G, H and I are arithmetically rounded to cents Maximum premium wage for period € 5,000								
	Premium group	Designation	Calculation rule	Cumulative	Wage period 1	Cumulative up to and including Ltv 1	Wage period 2	Cumulative up to and including Ltv 2	Wage period 3	Cumulative up to Ltv 3	Wage period 4	Cumulative up to Ltv 4
Employee wages - insurance	high	A			€ 2.500,00		€ 1.000,00		€ 2.000,00		€ 3.000,00	
	low	B			€ 3.500,00		€ 2.500,00		€ 3.000,00		€ 4.000,00	
	High + Low	C		€ 0,00	€ 6.000,00	€ 6.000,00	€ 3.500,00	€ 9.500,00	€ 5.000,00	€ 14.500,00	€ 7.000,00	€ 21.500,00
Maximum premium salary for period	High + Low	D		€ 0,00	€ 5.000,00	€ 5.000,00	€ 5.000,00	€ 10.000,00	€ 5.000,00	€ 15.000,00	€ 5.000,00	€ 20.000,00
Basis cumulative	High + Low		lowest of C and D	€ 0,00		€ 5.000,00		€ 9.500,00		€ 14.500,00		€ 20.000,00
Base - increase for period	High + Low	And	cumulative to Ltv t minus cumulative to Ltv t-1		€ 5.000,00		€ 4.500,00		€ 5.000,00		€ 5.500,00	
	high	F	A/C x E		€ 2.083,33		€ 1.285,71		€ 2.000,00		€ 2.357,14	
	low	G	B/C x E		€ 2.916,67		€ 3.214,29		€ 3.000,00		€ 3.142,86	
Premium	high	H	8,00% x F		€ 166,67		€ 102,86		€ 160,00		€ 188,57	
	low	I	5,00% x G		€ 145,83		€ 160,71		€ 150,00		€ 157,14	

Concurrence of Aof-low and high premiums within a wage period

In the situation that you owe both the low Aof premium and the high Aof premium on different payments to an employee, for example because as a small employer you also pay a benefit under the employee insurance schemes in addition to the salary, you must also calculate the base increase and the total premium using VCR. The premium calculation applies per employer. So both if the different premiums occur within 1 payroll tax subnumber, and if the different premiums occur 'across the payroll tax subnumbers' (L01, L02, L03, et cetera).

If, for an employee, at the time of payment, these payments fall partly under the high and partly under the low contribution, you must apply the respective contribution percentages to a proportional part of the total base growth. You calculate the base and base accretion in the regular way. In doing so, you must take into account the total salary employee insurance schemes. You must then divide the base increase proportionally by dividing the employee insurance wages to which the high or low contributions apply by the total employee insurance wages and multiplying them by the total base accrual. For more information, see chapter 7.

Please note

In fact, the above also applies if you are a large employer. In that case, you may pay the same contribution on wages and benefits (both the high Aof premium), but you must account for the base accrual and the premium for the wages and benefits in separate sections. For more information, see section [7.5](#). The calculation is done in the same way as included above for the small employer.

Example

Concurrence of high and low Aof premiums from 2022												
High premium	7,00%	Percentages and maximum premium wage for period are fictitious Amounts F, G, H and I are arithmetically rounded to cents Maximum premium wage for period € 5,000										
Low premium	5,50%											
Storage ATEs surcharge	0,50%											
	Premium group	Designation	Calculation rule	Cumulative	Wage period 1	Cumulative up to and including Ltv 1	Wage period 2	Cumulative up to and including Ltv 2	Wage period 3	Cumulative up to Ltv 3	Wage period 4	Cumulative up to Ltv 4
Employee wages - insurance	high	A			€ 2,500.00		€ 1,000.00		€ 2.000,00		€ 3,000.00	
	low	B			€ 3,500.00		€ 2,500.00		€ 3,000.00		€ 4.000,00	
	High + Low	C		€ 0,00	€ 6.000,00	€ 6.000,00	€ 3.500,00	€ 9.500,00	€ 5.000,00	€ 14.500,00	€ 7.000,00	€ 21.500,00
Maximum premium salary for period	High + Low	D		€ 0,00	€ 5.000,00	€ 5.000,00	€ 5.000,00	€ 10.000,00	€ 5.000,00	€ 15.000,00	€ 5.000,00	€ 20.000,00
Basis cumulative	High + Low		lowest of C and D	€ 0,00		€ 5.000,00		€ 9.500,00		€ 14.500,00		€ 20.000,00
Base - increase for period	High + Low	And	cumulative to Ltv t minus cumulative to Ltv t-1		€ 5.000,00		€ 4.500,00		€ 5.000,00		€ 5.500,00	
	high	F	A/C x E		€ 2.083,33		€ 1.285,71		€ 2.000,00		€ 2.357,14	
	low	G	B/C x E		€ 2.916,67		€ 3.214,29		€ 3.000,00		€ 3.142,86	
Premium	high	H	7,00% x F		€ 145,83		€ 90,00		€ 140,00		€ 165,00	
	low	I	5,50% x G		€ 160,42		€ 176,79		€ 165,00		€ 172,86	
Storage ATEs		J	0.50% x E		€ 25,00		€ 22.50		€ 25,00		€ 27.50	

6.7.3 Explanation of the levy of payroll taxes for a 53rd week

In certain years, there is a so-called '53rd week'. For the levying of employee insurance premiums and the income-related Zvw contribution, a distinction is made between 2 situations. In both situations, an employment relationship that exists throughout the year is assumed:

- The salary for the 53rd week is paid separately.
- The wages for the 53rd week are paid together with the wages for the 49th to the 52nd week.

Note 1

Is the cumulative salary for employee insurance schemes or the contribution salary for the Zvw higher than the maximum per year? Then you calculate the premiums and the contribution over the maximum annual wage. In other words: you cap the cumulative salary for employee insurance schemes and contribution salary at the annual maximum.

The salary for the 53rd week is paid separately

The following system applies to employee insurance. As an example, we assume a maximum premium and contribution salary of € 60,000 per year. The maximum premium wage for a four-week period is $\text{€ } 60,000 / 13 = \text{€ } 4,615.38$. Up to and including the 13th four-week wage, the cumulative maximum premium wage is $13 \times \text{€ } 4,615.38 = \text{€ } 59,999.94$. Given the absolute annual maximum of € 60,000, you will still have a maximum of € 0.06 to the cumulative amount of the maximum premium wage for the 53rd week. Up to this maximum, you must calculate the employee insurance premiums and Zvw contribution due.

Note 2

In the above, the example assumes a four-week wage. But the above also applies to a wage period of one week. For employee insurance and the Zvw, this means that in the 53rd week you still have to calculate employee insurance premiums and Zvw contributions over $\text{€ } 60,000 - (52 \times \text{€ } 1,153.84) = \text{€ } 0.32$.

The wages for the 53rd week are paid together with the wages for the 49th to the 52nd week

The following system applies to employee insurance and Zvw. As an example, we assume a maximum premium and contribution salary of € 60,000 per year. Up to and including the 12th four-week wage you pay the employee insurance premiums and Zvw contribution over a maximum of $12 \times \text{€ } 4,615.38 = \text{€ } 55,384.56$. Because of the absolute annual maximum, you add $\text{€ } 4,615.44 (\text{€ } 60,000 - \text{€ } 55,384.56)$ to the cumulative amount of the maximum salary for the last period of 5 weeks. Up to this maximum, you must calculate the employee insurance premiums and Zvw contribution due.

6.7.4 Employees with multiple employment contracts at the same time or one after the other/benefit recipients with multiple benefits at the same time or one after the other

An employee can have several employment relationships at the same time or one after the other. A benefit recipient can also receive several benefits at the same time or one after the other. Concurrent or overlapping periods may not be cumulated for the calculation of the cumulative maximum contribution salary.

Below you will find a number of examples of how to calculate the maximum premium wage in these situations. The same system applies to the maximum contribution wage.

Example 1

An employee has several consecutive employment contracts with you with different pay periods. There is a maximum premium wage and a maximum contribution wage for each wage period. In this situation, you add up the amounts of all wage periods for the cumulative maximum premium wage and maximum contribution wage.

Example 2

An employee has 2 employment contracts with you at the same time. These overlap. Employment 1 has a wage period of 4 weeks and employment 2 has a wage period of 1 week. There are 2

wage periods (4 weeks and 1 week), one of which completely overlaps the other. To calculate the maximum contribution wage and the maximum contribution wage, you add the wages of the 2 wage periods together and you assume a wage period of 4 weeks.

Example 3

An employee has 2 employment contracts with you that partly coincide. Employment 1 has a wage period of 1 month and employment 2 has a wage period of 4 weeks. There is 2 partly coinciding wage periods:

- the first 4 weeks' salary is for the period 23 May to 19 June, wages are paid on 15 June. Then for the period 20 June to 17 July, wage payment on 13 July.
- the first monthly salary is for 1 June to 30 June, wages are paid on 25 June. Then for July 1 to July 31, wage payment on July 25.

In this example, we assume a maximum premium salary of € 60,000 per year. This is € 5,000 per month, € 4,615.38 per 4 weeks, € 1,153.84 per week and € 230.76 per day. We start from this example calendar:

May							
Week	Mom	Di	Wed	From	Fri	Behind	So
17							1
18	2	3	4	5	6	7	8
19	9	10	11	12	13	14	15
20	16	17	18	19	20	21	22
21	23	24	25	26	27	28	29
21	30	31					

June							
Week	But	Of	Where	From	Fri	Behind	So
22			1	2	3	4	5
23	6	7	8	9	10	11	12
24	13	14	15	16	17	18	19
25	20	21	22	23	24	25	26
26	27	28	29	30			

July							
Week	But	Of	Where	From	Fri	Behind	So
26					1	2	3
27	4	5	6	7	8	9	10
28	11	12	13	14	15	16	17
29	18	19	20	21	22	23	24
30	25	26	27	28	29	30	31
21	30	31					

The part of the coinciding or overlapping period that you have previously included in the calculation of the cumulative maximum premium wage is therefore not counted again. You can

calculate this case as follows:

- 1 At the time of entitlement to the salary, you determine the maximum period to be taken into account.
- 2 When paid on 15 June, the 4-week salary leads to a maximum period corresponding to 4 weeks: € 4,615.38. The cumulative maximum at that time is also € 4,615.38.
- 3 At the time of payment of the monthly wage on 25 June, you have already taken into account the maximum period for the period from 1 June to 19 June that coincides with the wage period that belongs to the 4 weeks' wage. You do NOT add a monthly maximum for the June wage period, but only the maximum of the remaining period: 20 June to 30 June. That's 1 week + 4 days. For that period, you take 1 time the weekly maximum of € 1,153.84 and 4 times the daily maximum of € 230.76. This leads to an addition of a period maximum of € 2,076.88 to the cumulative maximum premium wage. The cumulative maximum when paying the monthly salary for June is then € 4,615.38 + € 2,076.88 is € 6,692.26.
- 4 When paying the 4 weeks' salary on 13 July, you have already taken into account the maximum period up to and including 30 June. The new 4-week period runs until July 17. You now add the period from 1 July to 17 July to the maximum period. That is 2 times the weekly maximum of € 1,153.84 (is € 2,307.68) and 1 time the daily maximum of € 230.76, together € 2,538.44. The cumulative maximum when paying the four-week wage on 13 July is € 6,692.26 + € 2,538.44 is € 9,230.70.
- 5 When paying the monthly salary for July, you have already taken into account the maximum period up to and including 17 July. You now add the period 18 July to 31 July to the maximum period. That is 2 times the weekly maximum of € 1,153.84 is € 2,307.68. The cumulative maximum when paying the monthly salary on 25 July is € 9,230.70 + € 2,307.68 is € 11,538.38.

6.7.5 Zvw benefit and contribution

In this section, we give a few examples with an elaboration of a number of situations in the event of 1 or more benefits and the deduction of the Zvw contribution.

Example 1

A benefit recipient will receive a pension benefit of € 100 per month from you. In May, you will also pay a one-off payment of € 80,000. Suppose you have to withhold a 4% Zvw contribution. In this example, we assume a maximum contribution salary of € 60,000 per year. That is € 5,000 per month. The VCR calculation for the Zvw contribution is as follows:

Elaboration example 1							
Month	Wages (benefit)	Cumulative salary	Maximum basis for period	Cumulative maximum basis	Cumulative total ground gain *	Accretion for period	Zvw contribution
Indication	A	B	C	D	And	F	G
January	€ 100	€ 100	€ 5.000	€ 5.000	€ 100	€ 100	€ 4
February	€ 100	€ 200	€ 5.000	€ 10.000	€ 200	€ 100	€ 4
March	€ 100	€ 300	€ 5.000	€ 15.000	€ 300	€ 100	€ 4
April	€ 100	€ 400	€ 5.000	€ 20.000	€ 400	€ 100	€ 4
May	€ 80.100	€ 80.500	€ 5.000	€ 25.000	€ 25.000	€ 24.600	€ 984
June	€ 100	€ 80.600	€ 5.000	€ 30.000	€ 30.000	€ 5.000	€ 200
July	€ 100	€ 80.700	€ 5.000	€ 35.000	€ 35.000	€ 5.000	€ 200
August	€ 100	€ 80.800	€ 5.000	€ 40.000	€ 40.000	€ 5.000	€ 200
September	€ 100	€ 80.900	€ 5.000	€ 45.000	€ 45.000	€ 5.000	€ 200
October	€ 100	€ 81.000	€ 5.000	€ 50.000	€ 50.000	€ 5.000	€ 200
November	€ 100	€ 81.100	€ 5.000	€ 55.000	€ 55.000	€ 5.000	€ 200
December	€ 100	€ 81.200	€ 5.000	€ 60.000	€ 60.000	€ 5.000	€ 200
*The lowest amount of B and D							

Explanation of the elaboration:

In May, you will deduct a large amount of Zvw contribution. Due to the high payment in May, the cumulative total base growth is equal to the cumulative maximum base for January to May. The VCR method ensures a catch-up effect of the Zvw contribution over January to April. From June, the Zvw contribution to be withheld will be higher than the benefit. From June onwards, you must recover an amount of $\text{€ } 200 - \text{€ } 100 = \text{€ } 100$ from this employee every month. If you do not recover this amount, you must tax it as a net salary benefit.

Example 2

You are an insurance company and pay a one-off (taxed) insurance payment of $\text{€ } 40,000$ to a beneficiary in February.

As of 1 August, that beneficiary will also receive a pension payment of $\text{€ } 1,500$ per month. There is no salary for the months of March to July.

In this example, we assume a maximum contribution salary of $\text{€ } 60,000$ per year. That is $\text{€ } 5,000$ per month. The Zvw contribution (deduction) is fictitiously set at 5%.

Elaboration example 2							
Month	Wages (benefit)	Cumulative salary	Maximum basis for period	Cumulative maximum basis	Cumulative total base growth *	Accretion for period	Zvw contribution
Indication	A	B	C	D	And	F	G
February	€ 40.000	€ 40.000					
August	€ 1.500	€ 41.500	€ 5.000	€ 5.000	€ 5.000	€ 5.000	€ 250
September	€ 1.500	€ 43.000	€ 5.000	€ 10.000	€ 10.000	€ 5.000	€ 250
October	€ 1.500	€ 44.500	€ 5.000	€ 15.000	€ 15.000	€ 5.000	€ 250
November	€ 1.500	€ 46.000	€ 5.000	€ 20.000	€ 20.000	€ 5.000	€ 250
December	€ 1.500	€ 47.500	€ 5.000	€ 25.000	€ 25.000	€ 5.000	€ 250
*The lowest amount of B and D							

Explanation of the elaboration:

- The one-off payment is not a period wage. So there is no wage period in February. Therefore, there is no contribution wage for the Zvw and no deduction of Zvw contribution.
- For the pension benefit in August to December, there are wage periods and you must deduct Zvw contribution. There will be a catch-up effect from August onwards because the one-off payment for February will then be included in the calculation of the base growth.

Example 3

You are an insurer and pay a monthly pension and an annuity to a benefit recipient every quarter. The quarterly annuity is always paid in the 2nd month of the quarter. The pension payment per month therefore runs together with the annuity per quarter. The periods overlap in whole or in part. The system as described in paragraph [6.7.4 applies to this.](#)

In the elaboration, you will see a salary of € 3,000 in the 1st and 3rd month of the quarter (the pension) and in the 2nd month of the quarter the amount of € 3,000 pension + € 7,000 annuity, together € 10,000. In this example, we assume a maximum contribution salary of € 60,000 per year. That is € 5,000 per month. That is € 15,000 per quarter. The Zvw contribution (deduction) is fictitiously set at 5%.

Elaboration example 3								
Month	Pension per month	Annuity per quarter	Cumulative salary	Maximum basis for period	Cumulative maximum basis	Cumulative total base growth *	Accretion for period	Zvw contribution
Indication	A	B	C	D	And	F		G
January	€ 3.000		€ 3.000	€ 5.000	€ 5.000	€ 3.000	€ 3.000	€ 150
February	€ 3.000	€ 7.000	€ 13.000	€ 10.000	€ 15.000	€ 13.000	€ 10.000	€ 500
March	€ 3.000		€ 16.000	€ 0	€ 15.000	€ 15.000	€ 2.000	€ 100
April	€ 3.000		€ 19.000	€ 5.000	€ 20.000	€ 19.000	€ 4.000	€ 200
May	€ 3.000	€ 7.000	€ 29.000	€ 10.000	€ 30.000	€ 29.000	€ 10.000	€ 500
June	€ 3.000		€ 32.000	€ 0	€ 30.000	€ 30.000	€ 1.000	€ 50
July	€ 3.000		€ 35.000	€ 5.000	€ 35.000	€ 35.000	€ 5.000	€ 250
August	€ 3.000	€ 7.000	€ 45.000	€ 10.000	€ 45.000	€ 45.000	€ 10.000	€ 500
September	€ 3.000		€ 48.000	€ 0	€ 45.000	€ 45.000	€ 0	€ 0
October	€ 3.000		€ 51.000	€ 5.000	€ 50.000	€ 50.000	€ 5.000	€ 250
November	€ 3.000	€ 7.000	€ 61.000	€ 10.000	€ 60.000	€ 60.000	€ 10.000	€ 500
December	€ 3.000		€ 64.000	-	€ 60.000	€ 60.000	€ 0	€ 0
*The lowest amount of C and E								

Explanation of the elaboration:

- At the time of enjoyment of the salary, you determine the maximum period to be taken into account.
- For January, a maximum period of one month (€ 5,000) applies to the monthly pension.
- In February, a pension instalment and an annuity instalment will be paid. The maximum period of the monthly pension is € 5,000, and the quarterly annuity is € 15,000. The period of the annuity overlaps the period of January of the pension. The overlap may not cumulate. In February, a cumulative quarterly maximum of € 15,000 applies to the total of pension and annuity. Because € 5,000 had already been taken into account in January, the overlapping part (January) does not count again. So in February, € 15,000 will be added, € 5,000.
- In March there will be another monthly pension. This actually has a maximum period of € 5,000, but because this period overlaps with the quarterly period of the February annuity, this maximum does not count. The cumulative balance at the end of March is € 15,000.
- The same system of the 1st quarter also applies to the 2nd and 3rd quarters.
- This system also applies in the 4th quarter, but now the cumulative salary exceeds the maximum contribution salary:
 - In November there will be a quarterly wage again, the quarterly maximum is € 15,000. But just like in February, May and August, you now add € 10,000. **Note:** The absolute annual maximum has now been reached.
 - In December there is another monthly wage, the monthly maximum is € 5,000. But you can no longer add anything to the cumulative maximum because the absolute maximum of € 60,000 has already been reached.

6.7.6 Annual cross-border payment of wages

If a wage period exceeds the annual limit, you must apply the wage period maximum for that entire wage period in the year in which the salary is received. You use the maximum period of the year in which the moment of enjoyment lies.

Example 1: annual benefit

A benefit always relates to the period March of year t 1 up to and including February of year t. The benefit is paid in February of year t. You must take into account the annual maximum of year t in February.

Month	January	February	March to December
Payment of annual wages for the period March to February	–	€ 20,000	–
Cumulative salary	–	€ 20,000	–
Maximum premium wage	–	€ 60.000	–
Cumulative maximum premium wage	–	€ 60.000	–
Cumulative base growth	–	€ 20,000	–
Base growth		€ 20,000	

Example 2: monthly payment and quarterly payment across the annual limit

A quarterly period runs over the annual limit. This benefit overlaps another period. The following applies to what we have described above in paragraph 6.7.4. The example below shows a monthly payment during the calendar year. In addition, an amount is paid quarterly (December to February, March to May, June to August and September to November).

In this example, we assume the following data:

- the maximum premium salary per month is € 5,000
- the maximum premium salary per quarter is € 15,000
- the maximum premium salary per year is € 60,000

Elaboration example 2							
	Monthly-payment	Quarterly payment	Cumulative salary	Maximum basis for period	Cumulative maximum basis	Cumulative total base growth*	Accretion for period
Indication	A	A	B	C	D	And	F
January	€ 4.500		€ 4.500	€ 5.000	€ 5.000	€ 4.500	€ 4.500
February	€ 4.500	€ 7.500	€ 16.500	€ 10.000	€ 15.000	€ 15.000	€ 10.500
March	€ 4.500		€ 21.000	€ 5.000	€ 20.000	€ 20.000	€ 5.000
April	€ 4.500		€ 25.500	€ 5.000	€ 25.000	€ 25.000	€ 5.000
May	€ 4.500	€ 7.500	€ 37.500	€ 5.000	€ 30.000	€ 30.000	€ 5.000
June	€ 4.500		€ 42.000	€ 5.000	€ 35.000	€ 35.000	€ 5.000
July	€ 4.500		€ 46.500	€ 5.000	€ 40.000	€ 40.000	€ 5.000
August	€ 4.500	€ 7.500	€ 58.500	€ 5.000	€ 45.000	€ 45.000	€ 5.000
September	€ 4.500		€ 63.000	€ 5.000	€ 50.000	€ 50.000	€ 5.000
October	€ 4.500		€ 67.500	€ 5.000	€ 55.000	€ 55.000	€ 5.000
November	€ 4.500	€ 7.500	€ 79.500	€ 5.000	€ 60.000	€ 60.000	€ 5.000
December	€ 4.500		€ 84.000	€ 0	€ 60.000	€ 60.000	€ 0
*The lowest amount of B and D							

Explanation of the elaboration:

- At the time of enjoyment of the salary, you determine the maximum period to be taken into account.
- For January, a maximum period of one month (€ 5,000) applies to the monthly pension.
- In February, a pension instalment and an annuity instalment will be paid.
- The maximum period of the monthly pension is € 5,000, for the quarterly annuity it is € 15,000.
- The annuity period overlaps the January and February periods of the pension. The overlap may not cumulate. In February, a cumulative quarterly maximum of € 15,000 applies to the total of pension and annuity. Because € 5,000 had already been taken into account in January, the overlapping part (January) does not count again in February. So in February, $€ 15,000 - € 5,000 = € 10,000$ will be added. The cumulative maximum when paying the quarterly wage in February is then $€ 5,000 + € 10,000 = € 15,000$.
- In May, August and November, in addition to the monthly instalment of the pension, there is also a quarterly instalment of the annuity. The quarterly maximum is € 15,000, but in the previous 2 months of that quarter, € 5,000 had already been taken into account, so that $€ 15,000 - 2 \times € 5,000 = € 5,000$ is added to the cumulative maximum for these months.
- The absolute annual maximum is reached in November. The monthly maximum for the December wage period is therefore not added to the cumulative basis.

6.7.7 Self-insured and private executor

If you are a self-insured person (ERD) for the ZW or WGA (see paragraph 7.8) and you have to pay a benefit to one of your employees, you can use a private administrator to pay this benefit to your employee. To calculate the employee insurance premiums and income-related Zvw contribution on this benefit, you and the private provider must apply the VCR system on the sum of wages and benefits together. To be able to do this, the private provider needs insight into your payroll administration and you need insight into the administration of your private provider. You must both base yourself on the cumulative premium salary and the number of wage periods in the year. This is very laborious.

As of 1 January 2022, it is regulated by law that, if you choose to do so as an ERD, the private provider no longer has to take into account the wages you pay as an employer and vice versa. The private provider applies the VCR system separately to the benefit. You make the choice not to have the private provider take into account the wages you pay per entire calendar year. The employee insurance premiums or the income-related contribution under the Health Insurance Act (Zvw) may then be higher or lower than if you do not do this separately. This is the result of your choice to apply VCR separately. You must report your choice to apply VCR separately to us. If you no longer apply VCR separately, you must also report this.

From 2023, new notification rules will apply if you choose to apply the VCR system separately.

You must report to us in the following situations:

- 1 You are or will become the self-insured person as of 1 January or 1 July and you will use a private provider with a separate VCR.
- 2 You start as a new employer and are immediately self-insured, using a private provider with a separate VCR.
- 3 You change private contractors with separate VCR.
- 4 You no longer use a private provider or do not want to apply VCR separately for any other reason.

When should you report your choice?

The moment at which you inform us of your choice depends on your situation:

Existing self-insured person or self-insured person as of 1 January

Are you or will you become a self-insured person as of 1 January and will you use a private provider with a separate VCR? Then your report must be received by us no later than 28 February.

Self-insured as of 1 July

Will you become a self-insured person as of 1 July and will you be using a private provider with a separate VCR? Then your report must be received by us no later than 31 August.

New employer during the calendar year

Are you starting as a new employer in the course of a calendar year, are you an immediate self-risk bearer and are you going to use a private provider with a separate VCR? Then your report must be received by us on the final filing date of your 1st payroll tax return. For example, if you have to file your tax return for the first time for the June tax return period, we must receive the report by 31 July.

Change of private administrator

Are you switching to another private provider and do you want the new private provider to also apply VCR separately? Please report your choice for separate VCR to us again when you switch.

End of separate VCR

Do you choose to no longer apply VCR separately? Or do you no longer use a private provider? Please report this to us as soon as the situation changes. The choice to no longer apply a separate VCR applies to an entire calendar year.

When do you not have to report your choice?

In these cases, you do not need to inform us of your choice:

- You have already informed us that you apply VCR separately and you remain self-insured with the same private provider. As long as nothing changes, you do not have to report anything to us.
- You are self-insured for the WGA and UWV pays the benefit to your (former) employees.

Who can make the report?

You must report the report to us yourself. Your private administrator may also do this on your behalf, but will need explicit authorisation from you to do so.

How do I report and what should be included in the report?

Send the notification by email to MeldingVCR@belastingdienst.nl.

In any case, when submitting a new report, state:

- your payroll tax number
- whether you are or will be self-insured for the ZW, for the WGA or for both
- that you have the ZW or WGA benefit, or both benefits, paid through a private provider
- that you choose to apply the VCR system separately

Are you notifying a change of private provider or an end of a separate VCR? In any case, please state:

- your payroll tax number
- whether you are or were self-insured for the ZW, for the WGA or for both
- what the change is
- when that change will take effect

No longer a self-risk bearer

Does your self-risk bearer status end, but do you continue to use the private provider? Then you and the private provider will continue to apply VCR separately as long as the private provider pays benefits on your behalf.

7 Calculating employee insurance premiums

You must pay workers' compensation insurance premiums for employees who are insured for workers' insurance. See chapter 1 if you want to know who is and is not insured for these insurances.

In this chapter, you will find information on the following topics:

- employee insurance and premiums (see Section [7.1](#))
- AWf premium (see paragraph [7.2](#))
- examples of processing in the payroll tax return of some situations (see paragraph [7.3](#))
- UFO premium (see section [7.4](#))
- differentiated premium Aof (see paragraph [7.5](#))
- differentiated premium Whk (see paragraph [7.6](#))
- calculate employee insurance premiums (see section [7.7](#))
- self-insured employee insurance (see section [7.8](#))

7.1 Employee insurance and premiums

The employee insurance insures employees against the loss of income if they become unemployed, incapacitated for work or sick. The Netherlands has the following employee insurance schemes:

- Unemployment Act (WW)
- Disability Insurance Act (WAO)
- Work and Income (Capacity for Work) Act (WIA). This Act consists of the following regulations:
 - Income provision for fully and permanently disabled people (IVA)
 - Resumption of work for partially disabled persons (WGA)
- Sickness Benefits Act (ZW)

As an employer, you pay the following premiums for employee insurance:

- AWf premium (see paragraph [7.2](#))
- UFO premium (see section [7.4](#))
- differentiated premium Aof (see paragraph [7.5](#))
- differentiated premium Whk (see paragraph [7.6](#))

For the percentages of employee insurance contributions, see Tables [9](#), [10](#), [11](#) and [12](#) at the end of this handbook.

7.1.1 Sector affiliation

For employee insurance, the business community is divided into sectors. Each sector consists of 1 or more industries or professions or parts thereof. You are obliged to be affiliated with 1 of the sectors. Which sector that is depends on your work. The basic principle is that employers with the same activities are affiliated with the same sector.

You need to know which sector you are affiliated with, because the sector affiliation can affect the amount of the differentiated Whk premium that you have to pay (see section [7.6](#)).

Assessment of sector affiliation

If you register with us as a starting employer, you indicate which activities you will perform. Based on this, we assess which sector you fall under. Within 8 weeks of registration, you will receive a decision from us with the code and the name of the sector to which you are affiliated. You can object to this decision. As long as you do not have a decision, you take into account the percentage of the sector to which you think you belong for the differentiated Whk premium (see table [10](#) at the end of this handbook).

Note 1

Third parties, such as pension funds or CLA parties, sometimes make use of your sector affiliation. The Tax and Customs Administration is not responsible for this. When determining which sector you will be affiliated to, the Tax and Customs Administration will also not take into account the collective labor agreement and/or the pension fund to which you and/or your employees fall. The sector connection depends on the work you perform as an employer. The Tax and Customs Administration only uses the sector affiliation to determine the differentiated Whk premium and until 1 January 2020 also for the sector premium for the Unemployment Insurance Act.

Change in sector affiliation

As long as your business activities do not change structurally, you will remain affiliated with the established sector. If your activities change structurally, for example if you stop manufacturing and only work as a wholesaler, you must ask us in writing for a new assessment of your sector affiliation within 2 weeks. If there has been a relevant change in your activities or if you are unsure whether your company is still classified in the correct sector, please ask us for a new assessment. You will then receive a new decision.

If you ask us for a different sector affiliation and we grant it, the main rule is that the change in your sector affiliation will take effect as of the first tax return period after your request. In the case of a monthly tax return, this is on the first of the following month and in the case of a four-week tax return, this is on the start date of the next tax return period. The effective date of the new sector is stated in the new decision with the sector affiliation or in the explanatory notes to that decision.

Note 2

You can only apply the (consequences of the) changed sector affiliation after you have received the decision from us. If one or more tax return periods have elapsed between the effective date of the amended sector affiliation and the issuance of the decision, you must submit a correction notice for those elapsed tax return periods.

If the sector affiliation changes at our initiative, the general rule is that the change in your sector affiliation will take effect as of the next tax return period after the date of the new decision with your new sector affiliation. In the case of a monthly tax return, this is on the first of the following month and in the case of a four-week tax return, this is on the start date of the next tax return period. The effective date of the new sector is stated in the new decision with the sector affiliation or in the explanatory notes to that decision.

Exception: Retroactive sector change

We can still change the sector affiliation with retroactive effect if you have paid too little differentiated Whk premium due to an incorrect classification and this incorrect affiliation is attributable to you or you could reasonably have been known.

This change can be made up to a maximum of 5 years after the end of the calendar year. So in 2025 we can join you in another sector with retroactive effect to 2020.

Note 3

Are you a small or medium-sized employer? In that case, the contribution percentage of the differentiated Whk premium depends entirely or partly on the sector to which you are affiliated (see paragraph 7.6). You must state the new sector affiliation immediately in the payroll tax return from the date of change. However, if your sector affiliation changes in the course of 2025, your contribution percentage for the differentiated Whk premium for the rest of 2025 will not change. At the end of 2025, you will receive a new Whk premium percentage for 2026. That percentage then takes into account the new sector connection.

Note 4

A merger, (partial) acquisition, demerger or a change of legal form can have consequences for your sector affiliation. In such a case, your sector affiliation must be reassessed and for this you must report such a change in writing to the Tax and Customs Administration. The employers involved in this change will then receive an objectionable decision from the Tax and Customs Administration that relates to the new situation.

Note 5

The Whk differentiated premium decision states which sector you are affiliated with. Do you disagree with the decision on differentiated premium Whk because you do not agree with the sector? Then do not object to the differentiated premium Whk decision. If you do not agree (or no longer) with your sector affiliation, you can object to the sector affiliation decision that you have received. Or you can submit a request to reassess your sector affiliation. If, as a result, we change your sector with retroactive effect, you will also receive a new notification or decision on differentiated premium Whk.

If your work belongs to different sectors

If your work belongs to different sectors, we will connect you to the sector to which the majority of your work belongs. The work for which you pay (or are expected to pay) the highest premium wage is decisive in this regard.

You can no longer apply for a split connection. If you already have a split connection, you will keep it as long as there are no changes in the circumstances that led to the granting of the split connection.

Note 7

A mandatory split affiliation will continue to apply to temporary employment agencies who perform other activities in addition to the temporary work, such as operating a restaurant.

Group affiliation

You can no longer apply for a so-called group affiliation. Every employer within an economic or organisational unit is affiliated with the sector to which his activities fall.

If you already have a group membership, you will keep it as long as there are no changes in the circumstances that led to the granting of the group membership.

7.2 First AWf

The contribution for the General Unemployment Fund (AWf) is a differentiated contribution. There are 2 percentages for the AWf premium: the AWf low premium (hereinafter: low premium) and the AWf high premium (hereinafter: high premium). The low premium for 2025 is 2.74% and the high premium is 7.74%. (see table 9 at the end of this handbook).

The low premium applies if 3 conditions are met:

- there is an employment contract for an indefinite period;
- the employment contract is in writing, and
- there is no on-call contract.

U must keep the employment contract with the payroll administration.

Written

Employer and employee can enter into an employment contract orally or in writing. For the application of the low premium, the employment contract for an indefinite period must be recorded in writing. This can be done on paper or digitally. In order for the employer to be able to apply the low premium, it must be shown that the employee has accepted the employment contract for an indefinite period. This can be evidenced, for example, by a signature or a digital signature of the employee on the employment contract for an indefinite period, but also in other ways, such as consent by e-mail or recording in an HR system.

On-call contract

An on-call contract is an agreement in which the scope of the work is not determined as one number of hours for a maximum of one month, or in which the scope of the work is not determined as one number of hours per period of a maximum of one year and the right to wages is spread evenly over that period (the so-called annual hours standard). Is the employee not entitled to wages if he does not work? Then the employment contract is also an on-call contract.

Temporary extension of hours

In the event of a temporary increase in hours, there are 2 possible situations:

- The temporary increase in hours is not a separate employment contract. The same AWf premium will then apply to the salary for the temporary increase in hours as to the salary for the original hours.
- The temporary increase in hours is a separate employment contract. The high premium then applies to the salary for the temporary increase in hours.

A temporary increase in hours is a separate employment contract in the following situations:

- The activities or terms of employment for the increase in hours differ substantially from those of the existing employment contract.
- You have agreed on a separate employment contract with your employee for the increase in hours for another reason.

Processing in the payroll tax return

If a temporary increase in hours leads to a separate employment contract, you can process that employment contract in the payroll tax return in two ways:

- 1 You can incorporate the separate employment contract into a new income ratio. U apply the usual rules.
- 2 You can process the separate employment contract in the same income ratio as the existing employment contract. The high AWf premium applies to this separate temporary employment contract. If the low AWf premium applies to the existing employment contract, the following applies:
 - You calculate the high AWf premium for the temporary employment contract on the increase in the cumulative premium wage AWf high of that agreement.
 - You calculate the low AWf premium for the existing employment contract on the increase in the cumulative premium wage AWf low of that contract.
 - You can enter the total of the low and high AWf premium in the section 'AWf low premium'.
 - You can enter the total of the increase in the cumulative premium wage AWf low and AWf high in the section 'Accrual in the cumulative premium wage AWf low'.

You have to process this in the tax return in this way because you cannot declare the headings for the high and low AWf premium in 1 income ratio.

Multiple scope of work in 1 employment contract

An employment contract in which you and your employee have agreed on several hours with 1 number of hours per day, week, four weeks, or month is not an on-call contract. For example, you can think of an employment contract that stipulates that your employee works 36 hours per week during the winter months and 28 hours per week in the summer months. See also the 'knowledge document Pension premium differentiation WW'.

Exception for consignment, stand-by or on-call duty

If your employee has to work on-call duty, on-call duty or on-call duty, an employee does not know in advance exactly how many hours he will work. An employment contract with such services should then be regarded as an on-call contract on the basis of the general rule. You would owe the high premium. An exception has been made for this.

An employment contract that stipulates a fixed number of hours per unit of time of up to one month and also stipulates such services is not an on-call contract provided that you pay for those services in cash or paid time off. You may therefore apply the low premium in these cases.

Contract indications in the payroll tax return

In the payroll tax return, the 3 conditions for the low premium with a J / N indication are requested for each employment contract in the following 3 indication sections. For the low premium, the indications must then be given as follows:

- Employment contract for an indefinite period: J
- Written employment contract: J
- On-call contract: N

For all other cases in which the conditions for the low contribution are not met, the high contribution applies. This is the case, for example, with a fictitious employment relationship, an on-call contract, a fixed-term employment contract or an employment contract for an indefinite period that has not been agreed in writing.

Exception to the high premium

Ualways apply the low premium for:

- employees with an apprenticeship agreement on the basis of the apprenticeship-based learning pathway (BBL). The apprenticeship agreement must be signed, dated and included in the employer's records by the employer, the employee and the school.

Note 1

From 2023, the low premium will no longer apply to the practice agreement, or to the related employment contract of the BBL employee, if there is a temporary employment clause. If the practice agreement or the related employment contract does contain a temporary employment clause, the employer will owe the high AWf premium from 2023. For the code nature of the employment relationship, see paragraph [29.13](#).

Note 2

If a person with a BBL agreement works through an employment agency at a training company, the employment agency can also apply the low premium. This is subject to the condition that the employment contract between the BBL pupil and the employment agency must show that the employment contract was entered into in the context of a work-based learning pathway in the apprenticeship-based learning pathway, as described in the Adult and Vocational Education Act. In addition, the temporary employment agency must have included the signed and dated practice agreement in the administration before the low premium may be applied, even if it is not a party to the practice agreement.

- employees who are younger than 21 years of age at the start of the tax return period and who have a maximum of 48 remunerated hours (four-week declaration) or 52 remunerated hours (monthly declaration) in that tax period.

Note 3

You test the hours standard per reporting period. The premium you owe can therefore vary between low or high premium per tax return period. If the employee has several employment contracts, the number of hours of the employment contracts together counts for the number of hours paid.

- benefits under the employee insurance schemes (WAO, WIA, ZW and WW):
 - which you receive in an employer's payment from the UWV and pass on to your (former) employees (see section 4.4.3)
 - which you pay yourself as a WGA and/or ZW self-insured person. This also applies to a government employer who is self-insured for the WGA and/or ZW.
- benefits under the Work and Care Act (WAZO) (see Section 4.1).
- allowances under the Allowances Act.

Note 4

You owe the high Aof premium on benefits from the UWV, benefits that you receive in an employer payment from the UWV and pay on to your (former) employees and benefits that you pay yourself as a WGA and/or ZW self-insured person (see Section 7.5). This also applies to a government employer who is self-insured for the WGA and/or ZW.

Note 5

For benefits under the employee insurance schemes (WAO, WIA, ZW and WW), for WAZO benefits and benefits under the Allowances Act, you enter the premium wage and the AWf premium in the sections for AWf benefit.

For more information on employer payments, see Appendix 7 'Payment of benefits under employee insurance and WAZO: questions and answers'.

Special situations

In the appendix the knowledge document Wage premium differentiation a number of special situations are elaborated in which the central question is whether you owe the high or low premium. For example, in the situation that you temporarily extend or temporarily reduce the number of hours of an employment contract or in special situations such as the annual hours standard or the exception for young people. See the knowledge document Pension premium differentiation for the full overview.

7.2.1 Payroll tax return

In the payroll tax return, you declare the increase in the premium wage and the AWf premium with the following headings:

Nominative (by revenue ratio)

- Accrual in the cumulative AWf premium wage low
- Increase in the cumulative premium wage AWf high
- To revise the increase in the cumulative AWf premium wage
- Increase in the cumulative premium wage AWf benefit
- AWf premium low
- Premium AWf high
- Premie AWf herzien
- Premium AWf

Collective benefit (i.e. the counts of nominative in the usual way)

- Total increase in the cumulative AWf premium wage low
- Total increase in the cumulative premium wage AWf high
- Total increase in the cumulative premium wage AWf revised
- Total increase in the cumulative premium wage AWf benefit
- Total AWf premium low
- Total premium AWf high
- Total AWf premium revised
- Total premium AWf benefit

Revise

In some situations, you apply the low premium, but you have to pay the high premium retroactively.

This concerns the following situations:

- 1 The employment ends no later than 2 months after commencement, see paragraph [7.2.2](#).
- 2 Within a calendar year, the employee will be paid more than 30% more hours than contractually agreed for that year, see section [7.2.3](#).

7.2.2 Revised: The employment ends no later than 2 months after commencement

You must revise the low contribution for employees whose employment was terminated no later than 2 months after the start of the employment. Regardless of whether you terminate the employment contract or whether the employee does. This also applies if the employee dies no later than 2 months after the start of the employment.

For the purpose of counting the period of 2 months, you must consider 2 employment contracts between the same employer and employee that follow each other without interruption as 1 employment. So there should be no interruption of 1 day.

Example 1

An employee is employed on 1 January on the basis of a temporary employment contract. The high premium applies to this. As of 1 February, this temporary employment contract will be followed without interruption by an employment contract for an indefinite period. As a result, the low premium will apply from 1 February. The employee will leave the company on 15 March. The second employment contract lasted no longer than 2 months. To determine the total duration of the employment, you must also include the duration of the first employment contract, because it preceded the second employment contract without interruption. As a result, the total duration of the employment is longer than 2 months. You do not need to revise the low premium for the period February and March.

If an employee has an employment contract with an employer within a group and then enters into employment with another employer of that group, you must determine the two-month period per employer and not at group level.

Example 2

An employee will be employed on 1 January. The conditions for the application of the low premium have been met. The employee left the company on 28 February. You should review the low premium.

Only in two situations do you take into account the start date of the employment contract with the previous employer for the two-month period. This is the case:

- in the event of a transfer of an undertaking within the meaning of Article 7:662 of the Dutch Civil Code. In that case, the employment relationship does not end, but is continued with the acquiring new employer.
- in the event of a contract takeover within the meaning of Article 6:159 of the Dutch Civil Code. The new employer then takes over the employment contract between the employee and the old employer, unchanged. In this situation, the takeover must be recorded in a deed between the old and the new employer. In addition, the employee must agree to this. If the employment contract changes, for example because the employee's position changes, this is not a contract takeover within the meaning of Article 6:159 of the Dutch Civil Code.

Please note

In both situations, the following applies. The starting date for the two-month period for the new employer is the date of the start of the employment with the old employer. If the new employer terminates the employment relationship with the employee no later than 2 months after the start of the employment with the old employer, both employers (the old and the new) must review the low premium.

7.2.3 Revised: The employee is paid more than 30% more hours within a calendar year than contractually agreed for that year

This revision rule came into force in 2022 and you must apply it in the situation where you have applied the low premium for your employee, but where your employee has more than 30% more remunerated hours in the calendar year than you have contractually agreed. For example, through paid overtime or paid leave hours.

You do not revise the premium if your employee had one or more employment contracts in the calendar year to which the low premium applied and where the average number of hours agreed in all those employment contracts together was more than 30 hours per week during the calendar year.

Note 1

The criterion for the average number of agreed hours per week has changed as of 2025.

Until 2024, revision did not apply to 'an average of 35 hours or more per week'.

From 2025, this will be 'an average of more than 30 hours per week'. If you work exactly 30 hours or less, you will therefore have to revise the low AWf premium from 2025.

Umaking 2 calculations, you determine whether you should revise the low premium to the high premium:

Calculation 1: Is the contractually agreed (average) working hours of this employee - in all employment contracts during the calendar year for which the low contribution applied - more than 30 hours per week?

If yes, then you don't need to revise. You don't need to make calculation 2. If not, you also make calculation 2.

Calculation 2: Does the number of remunerated hours – of all employment contracts during the calendar year – exceed the number of contracted hours by more than 30%?

Calculation 1

Ucalculate the agreed (average) working hours per week

To calculate the agreed average number of hours of work, go through the following 5 steps.

Note 2

In this calculation, you include all employment/contracts of the employee to which the low contribution applied. This includes contracts in which the low premium applies on the basis of an exception, such as a BBL contract or a contract with an employee under the age of 21. In this calculation, you do not take into account:

- contracts for which you have applied the high premium (such as an on-call contract).
- benefits that you receive in an employer payment from the UWV and pay on to the (former) employee. The low premium does apply to this, but it is not a contract between you and the employee.

Note 3

If, on the basis of the conditions, you have applied the low premium for a BBL contract or for an employment contract with an employee under the age of 21, the adjustment rule does not apply. However, you must include the scope of work of these contracts in the calculation if, in addition to these contracts, there was another employment contract in the year to which the low premium applied.

Step 1

You take the number of contracted hours of the employee's employment(s) to which the low premium applied, as you have included in the payroll tax return in the section Number of contracted hours per week.

Note 4

It does not matter for this calculation if the agreed scope of work has changed during the tax return period. When entering the contracted hours per week in the payroll tax return, you assume the situation on the last day of the tax return period or, if the employment was terminated earlier, the last day of the employment. The number of hours that you have included in the payroll tax return is included in this calculation.

Step 2

For each reporting period, you must convert the number of contracted hours per week from step 1 to the scope of work per reporting period. You do this by multiplying the number of contracted hours per week by

- 4 for a tax return period of four weeks;
- $13/3$ for a tax return period of one month;
- 26 in the case of a tax return period of six months; and
- 52 for a tax return period of one year.

The agreed scope of work is rounded off arithmetically to two decimal places per tax return period.

Example 1

The employer files payroll tax returns per month.

Employee A works part-time and has 2 contracts throughout the year to which the low contribution applies:

- a contract for 21.60 hours per week ($3/5$ of 36 hours). For each tax return period, the calculation for this step is: $21.60 \times 13/3 = 93.60$ hours.
- a contract for 12 hours per week. For each tax return period, the calculation for this step is: $12 \times 13/3 = 52.00$ hours.

The number of contract hours for which the low premium applied for this step is 145.60.

Note 5

If the employment relationship exists for part of the tax return period, you must multiply the contracted hours per week by the number of calendar days that the employment existed in that tax return period and then divide this by 7.

Example 2

Employee B will start working on 20 May. The employment relationship therefore existed for 12 calendar days in May. You have entered the number of contracted hours per week in the May tax return, but also in the June to December tax returns, with 30.

For May, the calculation for this step is: $(30 \times 12)/7$ hours = 51.43 hours (arithmetic rounded). For June to December, the calculation per month is: $30 \times 13/3 = 130.00$ hours.

Step 3

You then determine the scope of work per calendar year by adding up the amounts of all tax return periods in the calendar year calculated in step 2.

Example 3 (continued from example 2)

The employee has 51.43 contracted hours in the month of May and 130.00 contracted hours in the months of June to December. Added together, that is $51.43 + 7 \times 130.00 = 961.43$ hours.

Step 4

You then calculate the number of weeks that the employee has been employed by you in the calendar year. You do this on the basis of the number of calendar days that the employee has been employed by you in the calendar year and then divide by 7. You also round this number of weeks arithmetically to two decimal places.

Note 6

You must calculate the number of weeks in the manner described above. Whether you file a tax return every four weeks, month, six months or year is not important.

Example 4 (continued from example 3)

From May 20 to December 31 are 226 calendar days. That is $226 / 7 = 32.29$ weeks.

Step 5

You calculate the average number of hours worked per week in the calendar year by dividing the hours of work calculated in step 3 per calendar year by the number of weeks calculated in step 4. You round up the number of hours to whole hours (without decimals). If the average working hours are more than 30 hours per week, you do not need to revise it. You do not have to do calculation 2. If the average number of hours worked is 30 hours per week or less, you will continue with calculation 2.

Example 5 (continued from example 4)

The average working hours per week (rounded up to the nearest hour) are $961.43 / 32.29 = 30$. This is exactly 30 hours per week, but no more than 30 hours per week. Therefore, you proceed to calculation 2.

Calculation 2

You calculate whether the number of remunerated hours exceeds the number of contracted hours by more than 30%

To calculate whether your employee has more than 30% more remunerated hours than contracted hours, go through the following 3 steps.

Note 7

For this calculation, you include all employment(s)/contracts with your employee. This includes the employment to which the high premium applied, such as a fictitious employment relationship.

Step 1

You calculate the scope of work per calendar year. You do this according to the same calculation rules as in calculation 1 included under steps 1 to 3, but now for all employment/contracts of your employee, so regardless of which premium applied to them.

Step 2

You calculate the number of remunerated hours per calendar year. You do this by adding up the number of remunerated hours from all tax return periods and all employment/contracts between you and the employee for the calendar year that you have declared in the payroll tax return.

Note 8

You must also include the remunerated hours that you have declared in an income ratio in which you have declared a benefit through an employer payment (in the case of ZW or WAZO benefits).

Step 3

U make the following calculation:

- Subtract the outcome of step 1 from the outcome of step 2
- divide the difference by the result of step 1
- Multiply the result by 100%

In formula:

$$\frac{[\text{step 2}] - [\text{step 1}]}{[\text{step 1}]} \times 100\%$$

The result of this formula is rounded down to a whole percentage (without decimals). If the result is 30% or less, there is no question of revision.

If the result is 31% or more, you must revise the low premium to the high premium.

Because the 30% adjustment rule applies to an entire calendar year, you can usually make the adjustment calculation no earlier than after the end of that year. You then send the revision corrections.

Revisions during calendar year

However, you may also make the calculation during the calendar year. For example, if the employee has died. Or if he has left employment and it is unlikely that he will re-enter your employment. If the employee re-enters employment later in the year, you must make the calculation again and, if necessary, correct the adjustment adjustment. More information about revision can be found in Chapter 5 of the [knowledge document premium differentiation WWV](#).

Revised in the tax return for the last tax return period of the year

You may also revise the low AWf premium when filing your payroll tax return for the last period of the year (December or 13th four-week period). In your last tax return, you declare the salary for December or the 13th four-week period directly with the increase in the cumulative premium salary revised. You declare the high AWf premium on that salary directly in the AWf revised premium. For previous tax return periods, you must submit a correction with this tax return.

Revision after the last reporting period of the year

If you can only make the revision calculation after the last tax return of the calendar year, you can correct your previous payroll tax returns for that year with so-called separate corrections, see section [14.2.4](#).

Note 9

U do not need to revise the low premium for:

- benefits that you receive in an employer payment from the UWV and pay on to the (former) employee.
- benefits that you pay yourself as a WGA and/or ZW self-insured person. This also applies to a government employer who is a WGA and/or ZW self-risk bearer.
- allowances under the Allowances Act.
- employees with a practice agreement on the basis of the BBL, who meet the conditions for the low contribution.
- employees who are younger than 21 years of age at the start of the tax return period and who have a maximum of 48 remunerated hours (four-week declaration) or 52 remunerated hours (monthly declaration) in that tax period.

Example 6

U have concluded 3 agreements with your employee:

- a practical agreement for 24 hours a week with a BBL student to whom the low premium applies. This runs until June 30 (6 months)
- a contract for 16 hours per week for which the low premium applies throughout the calendar year
- a temporary contract for 12 hours per week from 1 September to 30 November.

U file a tax return per month.

The total number of remunerated hours of all three contracts together is 2200.

Calculation 1 for example 6

For the revision calculation, you start with calculation 1: determining the scope of work of all contracts to which the low premium applies. In this example, that is the BBL agreement and the contract for 16 hours per week.

U calculate the average working hours per week as follows:

BBL agreement:

Step 1: scope of work $24 \times 13/3 = 104.00$ hours
per month Step 2: scope of work $6 \times 104.00 =$
 624.00 hours per year

Employment contract 16 hours:

Step 1: scope of work $16 \times 13/3 = 69.33$ hours
per month Step 2: scope of work $12 \times 69.33 =$
 832.00 hours per year

For both contracts (with low premium): Step 3: the number of weeks that the employment contracts have lasted together in the calendar year is 365 calendar days / 7 = 52.14 weeks Step 4: calculation of the average number of contracted hours per week. That is $(624.00 + 832.00) / 52.14 = 28$ (rounded up to the nearest whole hour).

Conclusion: this is no more than 30 hours a week. You continue with calculation 2.

Calculation 2 for example 6

Step 1: scope of work for all contracts in the calendar year.

- BBL contract: 624.00 hours (see calculation 1)
- 16 hour contract: 832.00 hours (see calculation 1)
- temporary contract: 12 hours $\times 13/3 = 52.00$.

For 3 months that is 52.00×3 months = 156.00 hours Total agreed scope of work for the whole year is 1612.00 hours.

Step 2: number of remunerated hours as indicated in the payroll tax returns. In this case, that is given: 2200 hours.

Step 3: Calculation of the overrun

Umake the calculation according to the formula: [step 2] – [step 1]

$$\frac{\text{-----}}{\text{[step 1]}} \times 100\%$$

In other words:

$$\frac{2,200 - 1,612.00}{1.612,00} \times 100\% = 36\% \text{ (rounded down to a whole percentage)}$$

Conclusion: The exceedance is more than 30%. You must review the low contribution on the employment contract of 16 hours per week. The low premium on the BBL agreement is not eligible for revision. Before the temporary contract, you had already paid the high premium. That doesn't change.

Note 10

It therefore does not matter for the calculation in which employment contract more hours were worked than agreed according to the contract. It also does not matter how long the individual employment contracts lasted: you look at the total duration of all contracts together in the calendar year. You look at all remunerated hours in the calendar year of all employment/contracts you have with the employee in question. Even if you have declared them in different income ratios. For the remunerated hours, you do not look per payroll tax sub-number, but all remunerated hours of all employment count. Even if you process them on different payroll tax subnumbers in the payroll tax return.

In both revision situations, you must state the revision from the low premium to the high premium in both the collective part and the nominative part of the payroll tax return. This means that the high premium still due and the corresponding premium salary in the nominative part of the tax return are included in the section Premiums AWf revised or Accrual in the cumulative premium salary AWf revised. The premium wage already declared (Accrual in the cumulative premium wage AWf low) and premium (Premium AWf low) are set to zero. This also affects the collective part of the tax return. This is in accordance with the regular correction system.

The indications of employment contract for an indefinite period, written employment contract and on-call contract may not be corrected because these values have been correctly indicated at the time of filing the tax return and do not change. That data remains the same.

Note 11

It always concerns a revision from the low to the high premium over the period(s) already indicated.

Revision takes place by sending a correction notice about past tax return periods by the employer to the Tax and Customs Administration.

Note 12

If you know in a situation in which you would be allowed to apply the low premium on the basis of the contract indications JJN, even before you file your payroll tax return, that you would have to revise the low premium in the high premium, then for practical reasons you may also immediately declare the premium due as revised in the payroll tax return.

You hereby enter the revised premium in the AWf Revised premium section and not in the AWf high premium section. You will not have to correct to 'revise' later.

Example 7

You are going to file a tax return for December. On the basis of the contract indications, you would be allowed to apply the low premium – also for December. But you know that you have to revise the (previous) low premium for the employee. For example, because the employee has resigned no later than 2 months after the start of the employment contract. You can then immediately enter the revised premium in the December tax return. Please note: you do not enter the premium due if the premium is high. For November and earlier, you send corrections revising the low premium. You declare the premium due in the Premium Revise section.

Example 8

You are going to file a tax return for January. On the basis of the contract indications, you should be allowed to apply the low premium. But you have the firm expectation that the employee will work more than 30% of overtime over the entire calendar year. You can then immediately enter the high premium in the Revised premium section in the January tax return. If it turns out that the employee ultimately did not work more than 30% of overtime, you must correct the previous declarations to the low premium.

In the payroll tax return, you declare the revised AWf premium with the following sections:

Nominative (by revenue ratio)

- Accrual in the cumulative premium wage AWf low (set to zero)
- To revise the increase in the cumulative AWf premium wage
- Premium AWf low (set to zero)
- Premie AWf herzien

Collective (i.e. nominative counts in the usual way)

- Total increase in the cumulative AWf premium wage low
- Total increase in the cumulative premium wage AWf revised
- Total AWf premium low
- Total AWf premium revised

For an example of declaring the revision in the payroll tax return, see example H in section 7.3.

7.3 Examples of processing in the payroll tax return of some situations

- A Regular: Regular tax return with application of the low premium
- B Regular: Regular tax return with application of the high premium
- C Regular: Two employment contracts with the same employer, with one employment contract subject to the low premium and the other subject to the high premium.
- D Regular: Benefit through an employer's payment in addition to wages in two income ratios
- E Regular: Benefit via an employer payment in addition to wages in one income ratio
- F Regular: Conditions for the low premium change, as a result of which the high premium is due, without revision
- G Regular: Determination of the amount of the AWf premium for employees under the age of 21
- H Revised: Revised low premium: employment ends no later than 2 months after the start
- I Revised: Revised low premium: remunerated hours are more than 30% more than the contracted hours (30% revision scheme)
- J Correction: Correcting AWf premium based on error recovery

Example A: Regular declaration with application of the low premium

- An employee will start working for you on 1 March.
- There is a written employment contract for an indefinite period of time, which is not an on-call contract.
- You apply the low premium.
- You file a monthly tax return and the monthly salary is € 1,000.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

For this employee, you must declare the following sections in the payroll tax return as follows:

Declaration for period	Mar	Apr	Follow-up reports
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	N	N	N
Increase in the cumulative premium wage AWf low	€ 1000,00	€ 1000,00	€ 1000,00
AWf low premium	€ 30,00	€ 30,00	€ 30,00
Increase in the cumulative premium wage AWf high	€ 0,00	€ 0,00	€ 0,00
Premium AWf high	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00

Example B: Regular tax return with application of the high premium

- An employee will start working for you on 1 March.
- There is a written employment contract for an indefinite period, which is an on-call contract.
- You apply the high premium.
- You file a monthly tax return and the monthly salary is € 1,000.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

For this employee, you must declare the following sections in the payroll tax return as follows:

Declaration for period	mrt	apr	Follow-up reports
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	J	J	J
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 1000,00	€ 1000,00	€ 1000,00
Premium AWf high	€ 80,00	€ 80,00	€ 80,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00

Example C: Two employment contracts with the same employer, where the low contribution applies to one employment and the high contribution to the other.

- An employee will start working for you on 1 March.
- There is a written employment contract for an indefinite period, which is not an on-call contract (hereinafter referred to as a permanent contract) for 20 hours per week.
- You apply the low premium for this salary.
- In addition, he is employed on the basis of a zero-hour contract. The high premium applies to this.
- You file a monthly tax return for two income ratios.
- The monthly wage of the permanent contract is € 1,000 and the wage of the zero-hour contract varies per period.
- Suppose the low premium is 3% and the AWf premium is 8% (fictitious percentages).

For this employee, you must declare the following items in the payroll tax return as follows (mandatory in two income ratios):

Revenue ratio 1 (permanent contract)			
Declaration for period	mrt	apr	Follow-up reports
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	N	N	N
Increase in the cumulative premium wage AWf low	€ 1000,00	€ 1000,00	€ 1000,00
AWf low premium	€ 30,00	€ 30,00	€ 30,00
Increase in the cumulative premium wage AWf high	€ 0,00	€ 0,00	€ 0,00
Premium AWf high	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

Revenue ratio 2 (zero-hour contract)			
Declaration for period	mrt	apr	Follow-up reports
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	J	J	J
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 300,00	€ 400,00	€ 500,00
Premium AWf high	€ 24,00	€ 32,00	€ 40,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

Example D: Payment via an employer payment in addition to wages in two income ratios

- The low premium always applies to employee insurance benefits. This also applies to benefits that:
 - the employer receives an employer's payment from the UWV and passes it on to the (former) employee.
 - the employer pays WGA and/or ZW as the self-insured person.
 - the government employer pays for the WGA and/or ZW as the self-insured person.
- An employee will start working for you on 1 March.
- There is a written fixed-term employment contract, which is not an on-call contract.
- You apply the high premium for this salary.
- This employee also receives a WAO benefit through an employer's payment. The low premium applies to this.
- You file a monthly tax return.
- The monthly salary is € 700 and the payment via an employer payment is € 300.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

For this employee, you must declare the following sections in the payroll tax return as follows:

Income ratio 1 (wage)			
Income ratio 1 (= code type IKV 15)			
Declaration for period	Mar	Apr	Follow-up reports
Code type IKV	15	15	15
Employment contract for an indefinite period	N	N	N
Written employment contract	J	J	J
On-call contract	N	N	N
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 700,00	€ 700,00	€ 700,00
Premium AWf high	€ 56,00	€ 56,00	€ 56,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

Income ratio 2 (WAO benefit via an employer's payment)			
Declaration for period	mrt	apr	Follow-up reports
Code type IKV	32	32	32
Employment contract for an indefinite period	Failure to provide	Failure to provide	Failure to provide
Written employment contract	Failure to provide	Failure to provide	Failure to provide
On-call contract	Failure to provide	Failure to provide	Failure to provide
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 0,00	€ 0,00	€ 0,00
Premium AWf high	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage AWf benefit	€ 300,00	€ 300,00	€ 300,00
Premium AWf benefit	€ 9,00	€ 9,00	€ 9,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

Example E: Payment via an employer payment in addition to wages in one income ratio

- The low premium always applies to employee insurance benefits. This also applies to benefits that:
 - the employer receives an employer's payment from the UWV and passes it on to the (former) employee.
 - the employer pays WGA and/or ZW as the self-insured person.
 - the government employer pays for the WGA and/or ZW as the self-insured person.
- An employee will start working for you on 1 March.
- There is a written fixed-term employment contract, which is not an on-call contract.
- You apply the high premium for this salary.
- This employee also receives a WAO benefit through an employer's payment. The low premium applies to this.
- You file a monthly tax return. The monthly wage is € 700 and the benefit via an employer payment is € 300.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

For this employee, you must declare the following sections in the payroll tax return as follows:

Income ratio 1 (=wage or salary not code type of income ratio 11, 13 or 17)			
wages and benefits via an employer payment			
Declaration for period	mrt	Apr	Follow-up reports
Code type IKV	15	15	15
Employment contract for an indefinite period	N	N	N
Written employment contract	J	J	J
On-call contract	N	N	N
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 700,00	€ 700,00	€ 700,00
Premium AWf high	€ 56,00	€ 56,00	€ 56,00
Accrual in the cumulative premium wage AWf benefit	€ 300,00	€ 300,00	€ 300,00
Premium AWf benefit	€ 9,00	€ 9,00	€ 9,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

Caution (example E)

You may only include the benefit via an employer's payment and the regular salary in 1 income ratio if the white table also applies to the benefit, see paragraph 9.3.2. If the green table applies to the benefit, you must use a different income ratio, see section 9.3.3. If you have to send correction notices for previous tax return periods, you follow the same system when making corrections as you followed when you filed your tax return. If you previously declared everything in 1 income ratio, you will do the same in your correction.

Example F: Changing conditions for the low premium, causing the high premium to be due, without revision

- An employee will start working for you on 1 March.
- There is a written employment contract for an indefinite period of time, which is not an on-call contract.
- This employee will work on a zero-hour contract as of 20 September. This is an on-call contract.
- On 20 September, the On-call contract indication will change to 'J' in the income period.
- You file a monthly tax return and the monthly salary is € 1,000.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

You owe the high premium on the salary received from 1 October, or the next tax return period.

If there is an additional payment for a period before 1 October, which is received after 1 October, you will owe the high premium on that additional payment.

For this employee, you must declare the following sections in the payroll tax return as follows:

Declaration for period	mrt	Apr	Follow-up declarations	sep*	Oct
Employment contract for an indefinite period	J	J	J	J	J
Written employment contract	J	J	J	J	J
On-call contract	N	N	N	J	J
Increase in the cumulative premium wage AWf low	€ 1000,00	€ 1000,00	€ 1000,00	€ 1000,00	€ 0,00
AWf low premium	€ 30,00	€ 30,00	€ 30,00	€ 30,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 1000,00
Premium AWf high	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 80,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

* As of 20 September, the On-call agreement indication will change to 'J' in the income period.

Caution (example F)

The premium that applies on the first day of the tax return period will continue to apply throughout that tax return period, even if there is a change in the indications during that tax return period. If this leads to a change in the amount of the premium, the other premium will only apply from the next tax return period.

The premium that you must apply to the salary from an employment contract does not change within one tax return period.

Example G: Determination of the amount of the AWf premium for employees under the age of 21

Situation 1: Employee under the age of 21, temporary employment and reporting period month

- You employ an employee under the age of 21.
- There is a written employment contract for a fixed period (12 hours per week) and not an on-call contract.
- This employment contract runs from 1 January to 30 June.
- In the months of January to June, the remunerated hours are:
 - January 52 hours
 - February 48 hours
 - March 56 hours
 - April 48 hours
 - May 52 hours
 - June 56 hours
- You file a monthly tax return and the hourly wage is € 10.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

The remunerated hours in the months of January, February, April and May are a maximum of 52, which is why you apply the low premium over these months.

The paid hours in the months of March and June are more than 52, which is why you apply the high premium to the salary in these months.

For this employee, you must enter the following sections in the payroll tax return for the months of January to June as follows:

Declaration for period	John	Feb	Mar	Apr	May	Jun
Employment contract for an indefinite period	N	N	N	N	N	N
Written employment contract	J	J	J	J	J	J
On-call contract	N	N	N	N	N	N
Number of remunerated hours	52	48	56	48	52	56
Increase in the cumulative premium wage AWf low	€ 520,00	€ 480,00	€ 0,00	€ 480,00	€ 520,00	€ 0,00
AWf low premium	€ 15,60	€ 14,40	€ 0,00	€ 14,40	€ 15,60	€ 0,00
Increase in the cumulative premium wage AWf high	€ 0,00	€ 0,00	€ 560,00	€ 0,00	€ 0,00	€ 560,00
Premium AWf high	€ 0,00	€ 0,00	€ 44,80	€ 0,00	€ 0,00	€ 44,80
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

Situation 2: Employee under the age of 21, temporary employment and four-week declaration period

- You employ an employee under the age of 21.
- There is a written employment contract for a fixed period (10 hours per week) and not an on-call contract.
- This employment contract runs from 1 January to 30 June.
- In the first 7 periods of the following hours are paid per period:
 - 1st 4-week period 50 hours
 - 2nd 4-week period 40 hours
 - 3rd 4-week period 36 hours
 - 4th 4-week period 48 hours
 - 5th 4-week period 51 hours
 - 6th 4-week period 39 hours
 - 7th 4-week period 25 hours
- You file a four-week tax return and the hourly wage is € 10.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

The hours paid in the 2nd, 3rd, 4th, 6th and 7th periods are a maximum of 48, which is why you apply the low premium to all wages in these periods.

The paid hours in the 1st and 5th period are more than 48, which is why you apply the high premium to all wages in these periods.

For this employee, you must enter the following sections in the payroll tax return for the months of January to June as follows:

Declaration for period	1-1 t/m 26-1	27-1 t/m 23-2	24-2 t/m 22-3	23-3 t/m 19-4	20-4 t/m 17-5	18-5 t/m 15-6	15-6 t/m 12-7
Employment contract for an indefinite period	N	N	N	N	N	N	N
Written employment contract	J	J	J	J	J	J	J
On-call contract	N	N	N	N	N	N	N
Number of remunerated hours	50	40	36	48	51	39	25
Increase in the cumulative premium wage AWf low	€ 0,00	€ 400,00	€ 360,00	€ 480,00	€ 0,00	€ 390,00	€ 250,00
AWf low premium	€ 0,00	€ 12,00	€ 10,80	€ 14,40	€ 0,00	€ 11,70	€ 7,50
Increase in the cumulative premium wage AWf high	€ 500,00	€ 0,00	€ 0,00	€ 0,00	€ 510,00	€ 0,00	€ 0,00
Premium AWf high	€ 40,00	€ 0,00	€ 0,00	€ 0,00	€ 40,80	€ 0,00	€ 0,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

Situation 3: Employee under the age of 21, reaches the age of 21, zero-hour contract and reporting period month.

- You employ an employee under the age of 21.
- There is a written employment contract for an indefinite period of time and it is a zero-hour contract (on-call contract).
- The employee turns 21 on 13 March.
- In the months of January to June, the remunerated hours are:
 - January 53 hours
 - February 48 hours
 - March 50 hours
 - April 50 pm
 - May 52 hours
 - June 56 hours
- You file a monthly tax return and the hourly wage is € 10.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

The remunerated hours for the month of February are a maximum of 48, which is why you apply the low premium for this month.

The remunerated hours for the month of January are more than 52, which is why you apply the high premium for this month.

The employee reaches the age of 21 on 13 March. The number of remunerated hours in that month is 50. Because the number of remunerated hours is a maximum of 52 and the employee has not yet reached the age of 21 on the reference date (start of the tax return period), you apply the low premium for the entire month of March.

From the month of April, you will no longer have to deal with an employee under the age of 21. Because there is a zero-hour contract, you apply the high premium from that month, regardless of the number of hours paid.

For this employee, you must enter the following sections in the payroll tax return for the months of January to June as follows:

Declaration for period	John	Feb	Mar	Apr	May	Jun
Employment contract for an indefinite period	J	J	J	J	J	J
Written employment contract	J	J	J	J	J	J
On-call contract	J	J	J	J	J	J
Number of remunerated hours	53	48	50	50	52	56
Increase in the cumulative premium wage AWf low	€ 0,00	€ 480,00	€ 500,00	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 14,40	€ 15,00	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 530,00	€ 0,00	€ 0,00	€ 500,00	€ 520,00	€ 560,00
Premium AWf high	€ 42,40	€ 0,00	€ 0,00	€ 40,00	€ 41,60	€ 44,80
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00	€ 0,00

Example H: Revised low premium: employment ends no later than 2 months after commencement

- An employee will start working for you on 1 March.
- There is a written employment contract for an indefinite period of time, which is not an on-call contract.
- You apply the low premium.
- You file a monthly tax return and the monthly salary is € 1,000.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

For this employee, you must enter the following sections in the payroll tax return for the month of March as follows:

Declaration for period	mrt
Employment contract for an indefinite period	J
Written employment contract	J
On-call contract	N
Increase in the cumulative premium wage AWf low	€ 1000,00
AWf low premium	€ 30.00
Increase in the cumulative premium wage AWf high	€ 0.00
Premium AWf high	€ 0.00
Accrual in the cumulative premium wage AWf benefit	€ 0.00
Premium AWf benefit	€ 0.00
Increase in the cumulative AWf premium wage revised	€ 0.00
Premie AWf herzien	€ 0.00

The employment ends on 15 April. Because the employment relationship ends on 15 April, the employee is entitled to 50% of the salary, or € 500, for that month.

For this employee, you must declare the following items in the payroll tax return for the month of April as follows:

Declaration for period	Apr
Employment contract for an indefinite period	J
Written employment contract	J
On-call contract	N
Increase in the cumulative premium wage AWf low	€ 500.00
AWf low premium	€ 15.00
Increase in the cumulative premium wage AWf high	€ 0.00
Premium AWf high	€ 0.00
Accrual in the cumulative premium wage AWf benefit	€ 0.00
Premium AWf benefit	€ 0.00
Increase in the cumulative AWf premium wage revised	€ 0.00
Premie AWf herzien	€ 0.00

The employment contract that started on 1 March ends on 15 April. You must revise the low contribution because this termination takes place at a time no later than two months after the start of the employment. As a result, you will still owe the high premium retroactively from 1 March.

You send correction notices about the declarations for March and April. In these correction notices, you enter the following sections for this employee in the payroll tax return as follows:

Correction notice for time period	Mar	Apr
Employment contract for an indefinite period	J	J
Written employment contract	J	J
On-call contract	N	N
Increase in the cumulative premium wage AWf low	€ 0.00	€ 0.00
AWf low premium	€ 0.00	€ 0.00
Increase in the cumulative premium wage AWf high	€ 0.00	€ 0.00
Premium AWf high	€ 0.00	€ 0.00
Accrual in the cumulative premium wage AWf benefit	€ 0.00	
Premium AWf benefit	€ 0.00	
Increase in the cumulative AWf premium wage revised	€ 1000,00	€ 500.00
Premie AWf herzien	€ 80.00	€ 40.00

In concrete terms, this means that you have the accrual in the cumulative AWf premium wage 'moved' from the heading 'Accrual in the cumulative premium wage AWf low' to the section 'Accrual in the cumulative premium wage AWf revised'. The same applies to the AWf premium. It 'moves' from 'AWf low premium' to 'AWf premium revised', but for the high premium amount. So you do not report the revision in the premium (wage) AWf high headings.

Note 1 (example H)

In the case of 'revised', the three indications with J, J, N remain unchanged. In addition, 'revised' does not affect other sections of the tax return, such as the SV wage, nor does it affect the amount of the increase (calculated with VCR) in the cumulative AWf premium wage.

According to the legal system, you must first use the low percentage for the last tax return period (April), followed by a correction notice for the revision with a change from the low premium to the high premium. If it is already known that you have to pay the high premium when filing the (improved) tax return for April, you may, if your software supports it, also include the premium revision directly in the (improved) tax return for April. However, you must then state the premium salary and the premium in the sections for revision. A correction notice for

the month of April can then be omitted. In the latter situation, you must enter the following sections for this employee in the payroll tax return for the month of April as follows:

Declaration for period	Apr
Employment contract for an indefinite period	J
Written employment contract	J
On-call contract	N
Increase in the cumulative premium wage AWf low	€ 0.00
AWf low premium	€ 0.00
Increase in the cumulative premium wage AWf high	€ 0.00
Premium AWf high	€ 0.00
Accrual in the cumulative premium wage AWf benefit	€ 0.00
Premium AWf benefit	€ 0.00
Increase in the cumulative AWf premium wage revised	€ 500.00
Premie AWf herzien	€ 40.00

In this situation, you do send a correction notice for the month of March. You must add this to the payroll tax return for the month of April.

Note 2 (example H)

In the online tax return of the Tax and Customs Administration (via My Tax and Customs Administration Business) you can only revise the low premium by means of a correction message.

Continuation of example H: Correction with retroactive effect to 1 March

In September of the year, the employee is still entitled to a salary increase of € 100 per month in connection with a collective labor agreement adjustment with retroactive effect. In accordance with the previous revision of the AWf premium, you must pay the high percentage of 8% AWf premium on this. You must specify this in the sections Accrual in the cumulative premium salary AWf revised and Premium AWf revised.

In the case of wage insystematics

If you use the wage insystem, you specify this as AWf revised premium wage and AWf revised premium. If your software supports this, you can do so directly in the September tax return. If your software does not support immediately specifying as revised, you must first specify this as premium wage AWf low and premium AWf low. You then send a correction message for September later in which you revise the AWf low premium wage and the AWf low premium to 'AWf revised'.

In the case of excess-wage-system

If you use the excess-wage-system, you send correction messages about the declarations for March and April. In these correction notices, you specify the following headings for this employee as follows:

Correction over time period	Mar	Apr
Employment contract for an indefinite period	J	J
Written employment contract	J	J
On-call contract	N	N
Increase in the cumulative premium wage AWf low	€ 0.00	€ 0.00
AWf low premium	€ 0.00	€ 0.00
Increase in the cumulative premium wage AWf high	€ 0.00	€ 0.00
Premium AWf high	€ 0.00	€ 0.00
Accrual in the cumulative premium wage AWf benefit	€ 0.00	
Premium AWf benefit	€ 0.00	
Increase in the cumulative AWf premium wage revised	€ 1100,00	€ 550.00
Premie AWf herzien	€ 88.00	€ 44.00

Example I: Revised low premium: remunerated hours are more than 30% more than the contracted hours (30% revision scheme)

This revision scheme entered into force in 2022. For examples, see section 7.3. Information about this can be found in Chapter 5 of the [knowledge document premium differentiation WW](#).

Example J: Correcting AWf premium based on error recovery

- An employee will start working for you on 1 March.
- According to the tax return, there is a written employment contract for an indefinite period, which is not an on-call contract.
- You apply the low premium.
- You file a monthly tax return and the monthly salary is € 1,000.
- Suppose the low premium is 3% and the high premium is 8% (fictitious percentages).

For this employee, you must enter the following sections in the payroll tax return for the months of March, April and May as follows:

Declaration for period	mrt	apr	May
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	N	N	N
Increase in the cumulative premium wage AWf low	€ 1000,00	€ 1000,00	€ 1000,00
AWf low premium	€ 30,00	€ 30,00	€ 30,00
Increase in the cumulative premium wage AWf high	€ 0,00	€ 0,00	€ 0,00
Premium AWf high	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

On 10 June, you find out that you have wrongly stated that there is no on-call contract. As a result, the low premium was wrongly applied.

For this employee, you must enter the following sections in the payroll tax return for the months of June, July and beyond as follows:

Declaration for period	June	jul	Follow-up declarations
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	J	J	J
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 1000,00	€ 1000,00	€ 1000,00
Premium AWf high	€ 80,00	€ 80,00	€ 80,00
Accrual in the cumulative premium wage AWf benefit	€ 0,00	€ 0,00	€ 0,00
Premium AWf benefit	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

By means of correction notices for the periods March, April and May, you correct the indication 'on-call contract' from 'N' to 'J'. You also correct the increase in the cumulative premium wage from 'low' to 'high', as well as the AWf premium.

Note 1 (example J)

This is not a situation of 'revised', but a normal correction based on error correction.

From the month of June, you file a tax return with the indication on-call contract at 'J'. And you calculate the high premium.

In these correction notices for the periods March to May, you enter the following headings for this employee in the payroll tax return as follows:

Correction over time period	mrt	apr	May
Employment contract for an indefinite period	J	J	J
Written employment contract	J	J	J
On-call contract	J	J	J
Increase in the cumulative premium wage AWf low	€ 0,00	€ 0,00	€ 0,00
AWf low premium	€ 0,00	€ 0,00	€ 0,00
Increase in the cumulative premium wage AWf high	€ 1000,00	€ 1000,00	€ 1000,00
Premium AWf high	€ 80,00	€ 80,00	€ 80,00
Increase in the cumulative AWf premium wage revised	€ 0,00	€ 0,00	€ 0,00
Premie AWf herzien	€ 0,00	€ 0,00	€ 0,00

More information about the WW premium differentiation can be found in the [knowledge document WW premium differentiation](#) on rijksoverheid.nl.

Note 2 (example J)

Government employers do not pay AWf contributions for government employees. Instead, they pay the UFO premium (see section [7.4](#)).

7.4 UFO premie

Government employers do not pay AWf contributions for government employees. Instead, they pay premiums for the Government Implementation Fund, the Ufo premium. The Ufo premium will be 0.68% in 2025 (see table 9).

Do you have employees for whom you have to pay a Ufo premium and employees for whom you have to pay an AWf premium? Then you may include it in the same payroll tax return. In the employee part of the tax return, you enter the Ufo premium or the AWf premium. In the collective part, you include the total of the AWf premium and the total of the Ufo premium.

Note 1

You may have to pay a UFO premium for one part of the employment and AWf premium for the other part. In that case, you include this employment as 2 separate income ratios in the tax return (see paragraph 3.4). You therefore fill in an employee's part of the tax return for both parts of the employment.

Note 2

Do you receive a benefit in an employer's payment from UWV and do you pay it on to a government employee? Then you do not pay a UFO premium on this. You also do not pay an AWf premium for this. You therefore do not include the benefit in the Ufo premium wage or AWf premium wage in the payroll tax return. It is in the Aof premium wage. See section 9.6.2.

Note 3

Are you, as a government employer, self-insured for the WGA and/or ZW and do you pay a benefit to an employee? Then you do not pay a UFO premium on this. However, you do have to pay the low AWf premium on this. You can read which other premiums apply to this benefit and how to process it in the payroll tax return in paragraph 7.8.4.

By government employee we mean:

- the employee as referred to in Article 2 of the ABP Privatisation Act
- the professional soldier who falls under the General Military Pensions Act
- the employee who works in the Royal Household

7.5 Differentiated premium Aof

With effect from 1 January 2022, the basic premium for the Disability Fund (Aof) has been replaced by a differentiated premium Aof. Small employers pay a lower Aof premium on the contributory wages of their employees than other (medium-sized and large) employers.

You are a so-called small employer if your total contributory salary is no more than 25 times the average contributory salary per employee per year. The UWV determines the average wage subject to social security contributions per employee annually. For the assessment of whether you should be classified as a small employer, your total contributory salary for the year t-2 applies. This means that for the premium for the year 2025, your total salary subject to social security contributions for the year 2023 is relevant.

For 2025, you are a small employer if your total salary subject to social security contributions for 2023 does not exceed € 990,000. If your total salary subject to social security contributions was higher in 2023, you are a medium-sized or large employer for the purposes of the differentiated premium Aof. If your total salary subject to social security contributions in 2023 was higher than € 990,000, but you expect to have a total salary subject to social security contributions in 2025 that would qualify you as a

small employer, you will still be regarded as a medium-sized or large employer for 2025. If you are a start-up employer, you will always be regarded as a small employer during the first two years, unless you started as a transferee employer following a transfer of an undertaking (see below).

If you are affiliated with several sectors, the assessment of whether you are a small or medium-sized or large employer applies per business unit.

Note 1

This definition of a small employer also applies to the differentiated premium for the Work Resumption Fund (Whk). See section 7.6. The limit for a small employer for the differentiated Whk premium is 25 times the average wage subject to social security contributions per employee per year and is therefore also € 990,000 for the differentiated Whk premium.

On the communication/decision for the differentiated Whk premium, we also indicate whether you are a small or (medium) large employer for the Aof premium.

Note 2

In the event of a transfer of an undertaking or part thereof, such a transfer in the event of bankruptcy or if a public employer is transferred in whole or in part to another employer (see also section 7.6.7), (part of) the contributory salary of the (partially) transferring employer is attributed to the receiving employer. The transferring or acquiring party can therefore become a small or (medium) large employer. This does not lead to a change in the category in which the employer is classified (small or medium) large for the calendar year in which the transfer takes place. The redetermination of the size of an employer after a transfer of an undertaking and in which category an employer therefore falls takes place for the calendar year following the year in which the transfer took place. This does not apply in the following two situations:

- if the transition takes place on 1 January of a calendar year. In that case, the (new) size of the employers is immediately taken into account.
- if the acquiring employer is a start-up employer (see also above).

Example 1

The transferring employer will transfer part of its business to the acquiring employer as of 1 June 2025. The transfer rate is 60%.

The payroll of the transferring employer was € 1,000,000 in 2023 and 2024. The contributory wage bill of the recipient employer was € 500,000 in 2023 and 2024. For 2025, the acquiring employer qualifies as a small employer. After all, the wage bill subject to social security contributions in 2023 is less than € 990,000. The transfer of the undertaking as of 1 June 2025 will not affect the size of the employer for the year 2025. To determine the size of the recipient employer in 2026, in addition to the contributory salary of the acquiring employer itself (€ 500,000), you must also look at the contributory salary of the transferring employer. In 2024, the transferring employer's contributory salary amounted to € 1,000,000. The transfer rate is 60%. This means that € 600,000 (60% x € 1,000,000) of the transferring employer's salary subject to social security contributions is attributed to the transferee. The total contributory salary of the recipient employer for 2026 is then € 500,000 + € 600,000 = € 1,100,000. The acquiring employer qualifies as a medium-sized or large employer for 2026. For the purpose of determining the size of the recipient employer for 2026, part (in accordance with the transfer percentage) of the transferor's contributory salary in 2024 is therefore taken into account, even if the transfer of the undertaking did not take place until 2025. In principle, the same applies to the transferring employer. After the transfer of the undertaking, the transferring employer will be left with a wage bill of € 400,000 (€ 1,000,000, € 600,000) subject to social security contributions and will therefore qualify as a small employer from 2026.

You always owe the high Aof premium on the following benefits, allowances and wage payments:

- benefits under the employee insurance schemes (WAO, WIA, ZW and WW). This applies if you pass on the benefit you receive in an employer payment from the UWV to your (former) employee or if you pay the benefit yourself as a WGA and/or ZW self-insured person. This also applies to a government employer who is self-insured for the WGA and/or ZW.
- WAZO benefits (see Section 4.1)
- allowances under the Allowances Act
- the salary from a WSW employment with code type of employment relationship 21 or 22 (Article 2 WSW). The salary from a WSW employment with code nature of the employment relationship 23 (Article 7 of the WSW) is subject to the Aof premium that applies to you as an employer. See section 29.13 for an explanation of the codes
- redundancy pay under the old pre-2001 scheme

Note 3

For benefits under the employee insurance schemes (WAO, WIA, ZW and WW), for WAZO benefits, benefits under the Allowances Act and redundancy pay under the old scheme, you enter the premium wage and the Aof premium in the sections for Aof benefit.

Surcharge for the Childcare Act (Wko)

The surcharge for the Childcare Act (Wko) applies to the differentiated Aof premium. On top of the low or high premium, you therefore pay the surcharge for the Wko. You calculate the surcharge for the ATES on the (joint) basis of the Aof.

Payroll tax return

The payroll tax return contains 3 separate sections for the Aof base growth. Accrual in the cumulative premium wage Aof low, Accrual in the cumulative premium wage Aof high and Accrual in the cumulative premium wage Aof benefit. In the latter, you state the benefits (WAO, WIA, WW, ZW, WAZO and redundancy pay under the old regulation from before 2001) and allowances under the Supplements Act. There are also 3 separate headings for the premiums due on this. There is 1 separate section for storage of thermal energy storage. In paragraph 9.6.2 under 'Processing in the payroll tax return', you can read how to enter the Aof premium if you process both wages and benefits for an employee in the payroll tax return.

Note 3

The high Aof premium applies to wages from a WSW employment contract with code nature of employment relationship 21 or 22. You declare the salary in the Accretion section in the cumulative premium wage Aof high. You enter the premium in the Premium Aof high section.

The salary from a WSW employment with code nature of the employment relationship 23 is subject to the Aof premium that applies to you as an employer. This premium depends on your size as an employer: small or (medium) large, see section 7.5. Depending on your size, you enter the salary in the Accrual section in the cumulative premium wage Aof high or low. You enter the premium in the category Premium Aof high or low.

Example 2

In addition to his salary from employment of € 900 per month, an employee also receives a WAZO benefit of € 2,100 per month through his employer. This employer qualifies as a small employer. The employer owes the low Aof premium on the salary from employment and the employer owes the high Aof premium on the WAZO benefit. The maximum premium wage in this example is € 5,000. The employer owes the surcharge for the Wko on the total basis of € 3,000 per month. In the example, the low premium is set at 5.5%, the high premium at 7% and the surcharge at 0.5%.

Income ratio 1 (wage and WAZO benefit via an employer payment)

Reporting period	John	Feb	Mar	etc
Increase in the cumulative premium wage Aof low	€ 900,00	€ 900,00	€ 900,00	€ 900,00
Premium Aof low	€ 49,50	€ 49,50	€ 49,50	€ 49,50
Accrual in the cumulative premium wage Aof high	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium Aof high	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage Aof benefit	€ 2.100,00	€ 2.100,00	€ 2.100,00	€ 2.100,00
Premium Aof benefit	€ 147,00	€ 147,00	€ 147,00	€ 147,00
Storage of thermal energy storage*	€ 15,00	€ 15,00	€ 15,00	€ 15,00

* On the sum of the accrual in the cumulative premium wage Aof low, Aof high and Aof benefit, i.e. € 3,000.

Example 3

In addition to his salary from employment of € 4,000 per month, an employee also receives a WIA benefit of € 2,000 per month through his employer. This employer qualifies as a large employer. The employer owes the high Aof premium on the wages from employment and the employer also owes the high Aof premium on the WIA benefit. The maximum premium wage in this example is € 5,000. The employer owes the surcharge Wko on the maximum basis of € 5,000 per month. In the example, the low premium is set at 5.5%, the high premium at 7% and the surcharge at 0.5%.

Because the salary and the benefit together are higher than the maximum premium salary, they must be allocated pro rata.

Accrual in the cumulative premium wage Aof high: € 4,000/€ 6,000*€ 5,000
= € 3,333.33
Accrual in the cumulative premium wage Aof benefit: € 2,000/€ 6,000*€ 5,000 = € 1,666.67

Income ratio 1 (wage and WIA benefit via an employer payment)

Reporting period	jan	feb	mrt	etc
Increase in the cumulative premium wage Aof low	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium Aof low	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage Aof high	€ 3.333,33	€ 3.333,33	€ 3.333,33	€ 3.333,33
Premium Aof high	€ 233,33	€ 233,33	€ 233,33	€ 233,33
Accrual in the cumulative premium wage Aof benefit	€ 1.666,67	€ 1.666,67	€ 1.666,67	€ 1.666,67
Premium Aof benefit	€ 116,67	€ 116,67	€ 116,67	€ 116,67
Storage of thermal energy storage*	€ 25,00	€ 25,00	€ 25,00	€ 25,00

* On the sum of the increase in the cumulative premium wage Aof low, Aof high and Aof benefit up to a maximum of the maximum premium wage, i.e. € 5,000.

Example 4

Same situation as in example 2, but now the employer declares the wage and benefit in 2 different IKVs.

Income ratio 1 (wage, income code 15)

Reporting period	jan	feb	mrt	etc
Increase in the cumulative premium wage Aof low	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium Aof low	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage Aof high	€ 3.333,33	€ 3.333,33	€ 3.333,33	€ 3.333,33
Premium Aof high	€ 233,33	€ 233,33	€ 233,33	€ 233,33
Accrual in the cumulative premium wage Aof benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium Aof benefit	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Storage of thermal energy storage*	€ 16,67	€ 16,67	€ 16,67	€ 16,67

* On the sum of the increase in the cumulative premium wage Aof low, Aof high and Aof benefit up to a maximum of the maximum premium wage, i.e. € 5,000

Income ratio 2 (WIA benefit via an employer's payment, income code 39 or 40)

Reporting period	jan	feb	mrt	etc
Increase in the cumulative premium wage Aof low	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium Aof low	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage Aof high	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Premium Aof high	€ 0,00	€ 0,00	€ 0,00	€ 0,00
Accrual in the cumulative premium wage Aof benefit	€ 1.666,67	€ 1.666,67	€ 1.666,67	€ 1.666,67
Premium Aof benefit	€ 116,67	€ 116,67	€ 116,67	€ 116,67
Storage of thermal energy storage*	€ 8,33	€ 8,33	€ 8,33	€ 8,33

* On the sum of the increase in the cumulative premium wage Aof low, Aof high and Aof benefit up to a maximum of the maximum premium wage, i.e. € 5,000

7.6 Differentiated premium Whk

Through the differentiated premium for the Work Resumption Fund (Whk), you contribute to the financing of:

- WGA benefits to employees with a permanent contract and to so-called flex workers
- ZW benefits to so-called flex workers

Flex workers

By flex workers, or employees with a flexible employment contract, we mean in this context:

- employees who have left employment while sick, such as temporary workers, employees with a temporary employment contract or employees with a permanent employment contract who have been given notice of dismissal
- employees who became ill within 4 weeks of the end of their employment (the so-called after-effects) and are not entitled to a ZW benefit on other grounds
- employees with a fictitious employment contract who are ill, such as home workers and commission workers

Accrual of differentiated premium Whk

The differentiated Whk premium consists of the following parts:

- WGA premiecomponent
- ZW premium

component The WGA premium component pays the WGA costs of all employees. The ZW premium component is the result of the passing on of ZW costs for flex workers. Death benefits to surviving dependants and reintegration costs are also passed on in the differentiated Whk premium.

Classification into employer categories

To determine your differentiated Whk premium, it is important whether you are a small, large or medium-sized employer:

- You are a small employer for 2025 if your premium salary in 2023 was a maximum of € 990,000 (see paragraph [7.6.1](#)).
- You are a major employer for 2025 if your premium salary in 2023 was more than € 3,960,000 (see section [7.6.2](#)).
- You are a medium-sized employer for 2025 if your premium salary in 2023 was more than € 990,000 and was a maximum of € 3,960,000 (see paragraph [7.6.3](#)).

Specific rules apply to the differentiated Whk contribution percentage that you must use in the following situations:

- You are a starting employer (see section [7.6.4](#)).
- You employ an employee under the Sheltered Employment Act (WSW) (see section [7.6.5](#)).
- You have not received the decision or notification of the differentiated Whk premium percentage or have received it too late (see paragraph [7.6.6](#)).
- There is a transfer of your company or part of it or such a transfer in the event of bankruptcy (see section [7.6.7](#)).
- There is recourse (see section [7.6.8](#)).
- Your self-risk bearer status for the ZW ends, after which you return to the public insurance with the UWV (see paragraph [7.8.2](#)).

You can recover part of the premium from your employees (see section [7.6.9](#)).

Decision or communication

We determine the differentiated contribution percentage Whk. For each contribution year at the end of the previous year, you will receive a decision (if you are a medium-sized or large employer) or a notification (if you are a small employer) with the total percentage and the percentages of the 2 contribution components that apply to you. You apply the total percentage in the tax return. If you are a medium-sized employer, your decision also includes the calculation of the weighted average (see section [7.6.3](#)).

7.6.1 You are a small employer

For small employers, we determine the percentages for the differentiated premium components WGA and ZW per sector. See Table [10](#) for an overview of the sectoral contribution percentages for the Whk.

7.6.2 You are a large employer

For large employers, we determine the percentages for the differentiated premium components WGA and ZW individually. The percentage per premium component depends on the disability risk in your company.

To determine the individual employer risk percentage, we divide the sum of the WGA or ZW benefits to your (former) employees for 2023 by your average premium salary for 2019 to 2023 for each premium component. The total of the benefits per contribution component and the average premium wage with which we have calculated are shown in the decision.

We calculate the total of the benefits in the following way:

- For the WGA premium component, we add up the WGA benefits paid in 2023 to:
 - (former) employees who were employed by you on the 1st day of illness and received a WGA benefit that started on or after 1 January 2007
 - flex workers who received a WGA benefit that started on or after 1 January 2012
- For the ZW premium component, we add up the ZW benefits paid to flex workers in 2023.

We compare the risk percentage that we have calculated in this way with the national average risk percentage (the average employer risk percentage). Based on this comparison, we determine your individual percentage per premium component higher or lower. This is done with a mark-up or discount on the average percentage. When determining the individual contribution percentages, the following limits still apply for each contribution component:

- for the WGA premium component: a minimum percentage of 0.20% and a maximum percentage of 3.32%
- for the ZW premium component: a minimum percentage of 0.12% and a maximum percentage of 2.00%

For sector 52 (Temporary employment agencies), a different maximum percentage of 5.65% applies to the ZW premium component.

Note 1

Are you, as a large employer, (or have been) self-insured for the WGA, but have you been publicly insured with the UWV at any time after 1 July 2015? Then your total WGA benefit costs for your (former) employees for 2023 will be taken into account when determining your WGA premium component for 2025. This therefore concerns not only the benefits by the UWV, but also the benefits from the period of self-risk bearing.

Note 2

The WGA or ZW premium component on the decision may be negative. This may occur if it turns out that a WGA benefit or a ZW benefit has been (partially) wrongly awarded to your employee or if you are entitled to compensation for the wages that you continued to pay during the employee's illness.

7.6.3 You are a medium-sized employer

For medium-sized employers, we determine the percentages for the differentiated premium components WGA and ZW by taking a weighted average of the individually determined contribution percentages and the sectoral contribution percentages for each contribution component. See Table 10 for an overview of the sectoral premium rates. The amount of your premium salary in 2023 determines whether the individual contribution percentage or the sectoral contribution percentage weighs more heavily in your case.

The percentages for the differentiated premium components are calculated using the following formula:

$$(1 - C) \times \text{sectoral contribution rate} + C \times \text{individual contribution percentage}$$

In addition, C is:

$$C = \frac{\text{Your premium wage 2023} - \text{premium wage limit small/medium}}{\text{Premium Wage Limit Medium/Large} - \text{Premium Wage Limit Small/Medium}}$$

Please note

Are you, as a medium-sized employer, (or have been) self-insured for the WGA, but are you publicly insured with the UWV at any time after 1 July 2015? Then your total WGA benefit costs for your (former) employees for 2023 will be taken into account when determining your WGA premium component for 2025. This therefore concerns not only the benefits by the UWV, but also the benefits from the period of self-risk bearing.

7.6.4 You are a starting employer

You are a start-up employer if you became an employer in 2022 or later – without there being a transfer of an undertaking (see section [7.6.7](#)).

U bent gestart in 2024 of later

If you started in 2024 or later, we will always consider you a starting small employer. The differentiated contribution percentage Whk is the total of the sectoral contribution percentages for the premium components WGA and ZW. See Table [10](#) for the sectoral premium rates.

U bent gestart in 2023

If you started in 2023, we will classify you as a starting small, large or medium-sized employer based on your premium salary in 2023 (see section [7.6](#)).

If you are a start-up small employer, your differentiated contribution percentage Whk is the total of your sectoral contribution percentages for the premium components WGA and ZW. See Table [10](#) for the sectoral premium rates.

If you are a start-up large employer, your contribution percentage Whk is the total of the average percentages for the contribution components WGA and the ZW. For 2025, this premium is 1.33%. If you are a start-up medium-sized employer, your Whk contribution percentage is the total of the weighted averages of the average percentages and the sectoral contribution percentages for the WGA and ZW contribution components (see Table [10](#)). The amount of your premium salary in 2023 determines whether the individual contribution percentages or the sectoral contribution percentages weigh more heavily in your case.

7.6.5 You employ employees under the WSW (sectors 64 and 66)

For employees with an employment contract under the Sheltered Employment Act (WSW), employers in sectors 64 and 66 will receive a replacement premium instead of the sectoral or differentiated premium Whk. This replacement premium only applies to employees with the type of employment relationship code 21 and 22 (Article 2 WSW). The regular Whk premium applies to employees with the type of employment relationship code 23 (Article 7 of the WSW). See section [29.13](#) for a further explanation of the codes.

The replacement contribution percentage is the total of the average percentages for the premium components WGA and ZW. For 2025, this premium is 1.33%.

7.6.6 Differentiated premium percentage Whk not received or received too late

It is possible that you have not received our decision or notification with the differentiated premium percentage Whk or have received it too late. Here's what to do.

No decision or communication with differentiated premium percentage Whk 2025 received

If we have not been able to determine the differentiated premium Whk 2025, you will receive a letter of advice. In this letter, we state a percentage of differentiated premium Whk that you can apply for the time being. The percentage we recommend depends on your classification as a small, medium or large employer. If you receive your decision or notification in the course of 2025 and the new differentiated contribution percentage does not differ from the percentage you used, you do not have to do anything. If the premium percentage is higher or lower, you will use the new percentage from the next tax return.

You must also correct the previous tax returns for 2025. The amount that you have to pay extra or that you have paid too much is set off against the amount that you have to pay over the tax return period of that return (see Chapter 14). But you can also ask us for a refund or additional levy for the difference between the paid and the new premium amount. To do this, use the form 'Request for refund or additional levy (new or too late determined differentiated contribution percentage Whk)'. You can download this [form](#) from belastingdienst.nl.

Have you not received a decision or notification or a letter of advice? Then call the Tax Hotline: 0800 - 0543.

U2025, you will receive a differentiated Whk contribution percentage for 2020, 2021, 2022, 2023 or 2024

Will you receive a differentiated Whk contribution percentage in 2025 for 2020, 2021, 2022, 2023, or 2024? Or do you receive a new percentage as a result of an objection, for example? Then that (new) percentage may differ from the percentage you used in your payroll tax returns. You have then paid too much or too little premium. You can correct this in 2 ways:

- You correct the differentiated Whk premium in the payroll tax returns that you have filed by sending corrections.
- You ask us for an additional levy or a refund for the difference between the paid and the new premium amount. To do this, use the form 'Request for refund or additional levy (new or too late determined differentiated contribution percentage Whk)'. You can download this [form](#) from belastingdienst.nl. If you submit this form, you may not submit individual corrections for this difference for the year in question.

7.6.7 Transfer of an undertaking and differentiated Whk premium

A transfer of a company or part thereof may have consequences for the differentiated Whk premium percentage that you must use. This is a transfer of an undertaking by a contract, a merger or a division of an economic entity that retains its identity. Or such a transfer in the event of bankruptcy. A transfer of an undertaking also applies, for example, to the contribution of a sole proprietorship or general partnership to a private limited company.

The differentiated premium may change as a result of:

- a change in the employer's contribution wage bill (you may be given a different size) The contribution salary of the employees who carried out the transferred activities with the transferring employer is attributed to the receiving employer. This increases the premium wage bill of the receiving employer. The transferring employer's premium wage bill will be reduced to € 0 if all activities are transferred.
- the allocation of the influx of employees who receive a WGA or ZW benefit from the transferor to the transferee employer
- a change in the sector classification for small or medium-sized employers The sector classification may change as a result of a transfer of an undertaking. For small and medium-sized employers, the contribution percentage of the differentiated Whk premium depends entirely or partly on the sector to which the employer is affiliated. More information about changing a sector affiliation can be found under the heading 'Changing sector affiliation' in section [7.1.1](#).

In order to be able to determine the new premium, it is important that the transferring and the acquiring employer report the transfer of an undertaking to us. You should preferably do this together with the form 'Notification of payroll taxes transfer of activities'. You can download this [form](#) from belastingdienst.nl.

Effective date of the changed contribution percentage

From when the new contribution percentage applies to the transferring and receiving employer depends on the situation:

- The transition will take place on 1 January.
The new contribution percentage applies to both employers from 1 January.
- The transition takes place during the calendar year:
 - If the acquiring employer is a new employer, this employer will receive a decision that applies from the date of the transfer.
 - In other cases, the new contribution percentage applies to both employers from 1 January of the year following the year of the transition.

Please note

You will receive a decision or notification from us in November in which we inform you of your differentiated Whk premium for the following year. You will also find the size of you as an employer. Does the menopause take place in October, November or December? In that case, we may not have taken the transfer of the undertaking into account in that decision or communication. You will then receive a new decision or notification. It states that we have taken into account the transfer of a company. If your size changes as a result of the transfer (see section [7.5](#)), you will always receive a decision. So even if you first received a notification.

Transfer of a public employer

If a public employer transfers in whole or in part to another employer, there is not always a transfer of an undertaking by agreement, merger or demerger. But for the differentiated Whk premium, we pretend that there is a transfer of an undertaking. If a government employer transfers in whole or in part to another employer, or in the event of such a transfer in the event of bankruptcy, both parties may therefore have to deal with a new contribution percentage for the differentiated Whk premium.

7.6.8 Recourse and differentiated Whk premium

A third party may be liable for the illness that led to the WGA benefit of your (former) employee in permanent employment. In that case, you can hold this third party liable (right of recourse) for the wages you continued to pay during the illness. If you are entitled to compensation on the basis of such a recourse action, you can ask us to take this into account in your individually determined differentiated premium percentage Whk: your premium component WGA will be lower as a result. When determining your WGA premium component, we will then disregard all or part of this employee's WGA benefit from the year in which the compensation was determined.

You send the request to your tax office. Enclose supporting documents showing how much wages you continued to pay during the 104 weeks prior to the WGA benefit. The supporting documents must also show the amount of compensation that has been determined.

Please note

As soon as the UWV holds a third party liable for the ZW costs, we will take this into account in your individually determined differentiated Whk premium percentage: the ZW or WGA costs attributable to you will be reduced. As a result, your premium components WGA and ZW may be lower. It is therefore no longer important whether the UWV actually recovers all or part of the benefit costs from a third party.

7.6.9 Recovering Whk premium from your employees

In 2025, you may recover a maximum of 50% of the WGA premium component from your employees. If you do this, you must deduct the premium from your employees' take-home pay. The recovery is not mandatory. If you have decided not to recover, you do not have to pay payroll taxes on the non-recovered premium. You cannot recover the ZW premium component from your employees.

7.7 Calculating employee insurance premiums

You calculate the employee insurance premiums on the salary for the employee insurance schemes. That wage is equal to the wage for wage tax/national insurance. There are a number of exceptions to this (see section [4.1](#)).

When calculating the premiums, you take into account the maximum premium wage. You calculate the premiums per wage period (see section [7.7.2](#)) and with progressive cumulative calculation (see section [7.7.3](#)).

If you agree on a net salary with an employee, you must first make a calculation from net salary to gross salary (see paragraph [9.4](#)).

Exceptions and special rules

Some workers are not insured or are only insured for certain workers (see Chapter 1). In those cases, you do not have to calculate any or all premiums.

If you pay a ZW, WAZO, WW or WAO/WIA benefit on behalf of the UWV, special rules apply for calculating the premiums (see section [9.6](#)).

7.7.1 Maximum premium salary

Employee insurance premiums are a percentage of the increase in the cumulative premium salary in a wage period (see Section [7.7.3](#)). The premium wage is the wage for employee insurance (wage SV) whereby you take into account the maximum premium wage per employee per wage period (see table [11](#) at the end of this handbook). The maximum premium wage is the maximum amount over which you calculate the premiums.

7.7.2 Calculation per wage period

You calculate the employee insurance premiums per wage period, just like the other payroll taxes. For more information about the wage periods and the wage period system, see Chapter 5.

Moment of enjoyment

Is an employee insured for part of a wage period and not for part of it? Then the moment at which the employee receives the salary determines whether there is a wage period for the employee insurance:

- If your employee is insured at the time of enjoyment, there is a wage period for employee insurance. This is the same wage period that you also use for the calculation of the wage tax.
- If your employee is not insured at the time of enjoyment, there is no wage period for the employee insurances.

Note 1

For the employee who reaches the state pension age, there is a special circumstance. See paragraph [18.21](#) for an explanation with examples of insurance and the obligation to pay contributions.

Note 2

The same applies to the income-related Zvw contribution (see section [8.2.4](#)) and the national insurance contributions.

Example 1

Your full-time employee has a monthly salary. In April he has unpaid leave. He still has the company car. The private use of the car is wages for wage tax, the Zvw and employee insurances. This means that you also apply the monthly table in April. For the Zvw and the employee insurance schemes, you add the wage period of April to the 3 wage periods (January to March).

Example 2

An insured employee who receives his salary on 23 March becomes a director and major shareholder holder (DGA) on 3 March. As a result, he is no longer insured for the employee insurance at the time he receives the salary and he therefore has no wage period for the employee insurance in March. If this employee had become a DGA on 27 March, he would still have a wage period in March, but not from April.

Payments after the end of employment

Do you make payments to your ex-employee after the employment has ended? Then you may still have to pay employee insurance premiums on those payments.

You must pay employee insurance premiums if the following conditions are met:

- The additional payment is wages from current employment. You can think of retrospective holiday pay or paid holiday hours. This does not concern severance payments or transition payments. These fall under wages from previous employment.
- As a result of progressive cumulative calculations (see section [7.7.3](#)), there is an increase in the cumulative premium wage.

You include the additional payments in the tax return for the period in which you make the payment. If you file a tax return with our tax return program, you must complete the screen 'Wage components and employee benefits' as follows:

- Choose 'No' for the question 'Is the employee insured for 1 or more employee insurance policies?'.
- Choose 'Yes' to the question 'Do you still have to pay premiums for 1 or more employee insurance policies for this employee?'.
- Next, select the employee insurance policies for which you have to pay premiums.

Conversion rules

When calculating employee insurance premiums, you derive all relevant amounts (per day, per week, per month, per 4 weeks and per year) from a (maximum) annual amount. This is based on the calculation rules that already apply to wage tax/national insurance contributions. This means that you assume 260 days per year.

Note 3

The same applies to the income-related Zvw contribution (see section [8.2.4](#)).

Anonymous rate for employees

For employees to whom the anonymous rate applies (see section [2.6](#)), you may not take the maximum premium wage into account when calculating the employee insurance premiums. As a result, in some cases you have to pay a higher premium than if the employee is not anonymous.

If the anonymous rate applied to the employee in the previous period

Did the employee first fall under the anonymous rate, but no longer in a later period?

Because you now take into account the maximum premium wage, the employee insurance premiums may be lower or even negative because you apply the VCR system. You will then have to pay fewer employee insurance premiums.

7.7.3 Calculation with Progressive Cumulative Calculation

Employee insurance premiums are calculated on the basis of progressive cumulative calculation (VCR). More about VCR can be found in chapter 6.

7.8 Employee insurance self-risk bearer status

You can be or become a self-risk bearer for the WGA and the ZW. In this section you can read what the self-risk bearer status means for the WGA and the ZW and how you can apply for and terminate it.

7.8.1 Self-risk bearer status for the WGA

You can be or become a self-insured person for the WGA. This means that from the start of the WGA benefit, you bear the risk of partial incapacity for work and temporary full incapacity for work of your (former) employee for a maximum of 10 years, or that you insure this fully or partly privately.

You also bear the risk for death benefits to surviving dependants of employees with a WGA benefit who are covered by the deductible.

As a self-insured person for the WGA, you pay a lower differentiated Whk premium, because you do not have to pay the WGA premium component. However, you must fill in the sections for the Whk wage in the payroll tax return with the Whk wage. This also applies if you do not pay any Whk premium at all because you are also the self-insured person for the ZW.

WGA benefits of your (former) employees for whom you bear the deductible must be declared as WGA benefits (with code type of income ratio 40) in your payroll tax return. You can read which premium percentages you use in section [7.8.4](#).

No walk-in risks

If you opt for the self-risk bearership, the so-called tail load payments will not be charged to you. Tail loads are:

- the costs for WGA benefits that arose before you became a self-insured person
- the costs for future WGA benefits to employees whose 1st day of incapacity for work is before your switch to self-risk bearer status

Note 1

Have you become a self-insured person by 1 July 2015 at the latest? As a large employer, you do pay the costs for WGA benefits that arose before you became a self-insured person. If you are a medium-sized employer, you pay part of these benefits and associated expenses. Small employers have no walk-in risks.

Apply for WGA self-risk bearer status

You must submit a request to become a self-risk bearer for the WGA with us. You can have the self-risk bearer status for the WGA start on 1 January or 1 July. Your application must be received by us no later than 13 weeks before the effective date (i.e. before 2 October or before 1 April). If you want to become a self-insured person for the WGA, you must meet the following conditions:

- You have a letter of guarantee from a recognised bank or insurer. You must use our model warranty statement for this. You can [download](#) it from belastingdienst.nl. Most government agencies do not require a letter of guarantee. For more information about this, please contact the Tax Information Line: 0800 - 0543.
- Your own risk bearer status for the WGA has not been terminated or terminated in the 3 years prior to the effective date (see below under 'End of own risk bearer status for the WGA'). For example, if your warranty statement was withdrawn on 25 May 2022, you can only become an own risk bearer again as of 1 July 2025.

You can download the [application form](#). You must enclose the guarantee statement with the application. As soon as we receive your application, you will receive a decision from us.

If you are a starting employer, you can also become a self-risk bearer for the WGA from the moment you became an employer. When you register as an employer, you must enclose the application form for the WGA self-risk bearer status and the guarantee statement. The application form and the statement must be received by us at the latest at the time you hire an employee for whom you have to pay employee insurance premiums. You do not need to have a payroll tax number to be able to make this application.

You can find more information about self-risk bearer status [on uwv.nl](https://www.uwv.nl).

Note 2

U cannot become a self-risk bearer for the WGA for:

- personnel who are employed by you on the basis of the WSW
- personnel who are employed by an affiliated legal entity to which you have transferred the administration of the WSW

End of self-risk bearer status for the WGA

Your self-risk bearer status for the WGA ends in the following situations:

- a You no longer want to be a self-insured person. Then you can terminate the self-risk bearer status as of 11 or July 1. Your application must be submitted no later than 13 weeks before the termination date (i.e. before October 2 or before April 1). You can [download the application form for terminating the self-risk bearer status for the WGA](https://belastingdienst.nl) from belastingdienst.nl.
- b The self-risk bearer status ends by operation of law from the date on which:
 - we have received the written notification from the bank or insurer stating that the bank or insurer is withdrawing the guarantee. The guarantee will then continue to apply to obligations based on the deductible that you, your legal successor by universal title or the recipient employer continue to bear for the disability benefit of (former) employees who meet the following conditions:
 - They became ill before the date on which we received the written notice.
 - They were employed by you on the date they became ill.
 - you have been declared bankrupt
 - the debt restructuring scheme for natural persons has been declared applicable to you
 - you are no longer an employer

Note 3

If you are no longer a self-insured person for the WGA, you pay the WGA premium component for all the wages that the employee receives from the termination date. This also applies to wages that you pay on or after 1 July, but that relates to a period before 1 July, while you are no longer a self-insured person as of 1 July.

Example

Your self-risk bearer status ends on 1 July.

- 1 You pay per 4 weeks. Suppose the 7th four-week period runs from June 19 to July 16. You pay the wages on 10 July. You pay the WGA premium component on the total salary. You may therefore not split the salary.
- 2 You pay per week. Suppose July 1 falls on the Thursday of week 26. For all wages that you pay on or after 1 July, you pay the WGA premium component.
- 3 The employee was employed up to and including 30 June. You still pay holiday allowance, overtime and untaken holidays in July. You pay the WGA premium component on this additional payment (insofar as there is room to levy on the basis of VCR).

Note 4

After terminating the self-risk bearership, you still have to pay the WGA benefits of (former) employees who became ill during the self-risk bearership. This is the so-called run-out risk. You do have to pay the WGA premium component on this.

Note 5

The self-risk bearer status is not transferable. For example, if you set up a new BV and convert the existing BV into a management BV, the management BV remains the self-risk bearer. If you also want the (new) work BV to become the own risk bearer, you must apply for this for this BV.

Calculation of premiums for the differentiated Whk premium upon return to public insurance with the UWV

The premium calculation for the Whk follows the system as described in paragraph [7.6](#).

Are you or have you been a self-insured person as a medium-sized or large employer, but have you been publicly insured with the UWV at any time after 1 July 2015? Then your total WGA benefit costs for your (former) employees for 2023 will be taken into account when determining your WGA premium component for 2025. This therefore concerns not only the benefits by the UWV, but also the benefits from the period of self-risk bearing.

Recover WGA costs from your employees

As a self-insured person for the WGA, you can recover part of your WGA costs from all your employees. You do this by deducting an amount from the net salary of your employees. How much you can withhold depends on whether you bear the WGA risk yourself or have insured it privately.

Note 6

- In 2025, you may recover part of the costs (maximum 50%) of the self-risk bearer status for the WGA from the net salary of your employees.
- Storytelling is not mandatory. If you have decided not to recover, you do not have to pay payroll taxes on the amount not recovered.

U bear the WGA risk yourself

If you bear the WGA risk yourself and have not reinsured, you can apply a maximum of half of the so-called notional premium percentage to the premium salary of your employees. You can then deduct this amount from the net salary of your employees. You can determine the notional premium percentage in 2 ways:

- You estimate the WGA benefits to your employees in 2025 and divide this amount by your expected premium salary in 2025.
- You divide the WGA benefits you paid to your (former) employees in 2024 by your premium salary in 2024.

When determining the notional contribution percentage, you also take the following maximums into account:

- if you are a small employer: 1.5 times the sectoral contribution percentage for the WGA premium component that would apply to you if you were not a self-risk bearer (see section [7.6.1](#))
- if you are a medium-sized or large employer: 1.5 times the percentage for the WGA premium component that would apply to you if you were not a self-insured person (see sections [7.6.3](#) and [7.6.4](#))

If you have based the notional contribution percentage on your estimated WGA costs in 2025 and your expected premium salary in 2025, it may turn out at the end of 2025 that the actual WGA costs and the premium salary deviate from your estimate. You can settle the amount that you have recovered too much or too little with your employees in 2026.

You have insured the WGA risk privately

If you have insured the WGA risk privately, you can deduct a maximum of half of the premium for the WGA risk from the net salary of your employees. If the insurance also covers other risks than the WGA risk, you should check with your insurer which part of the premium relates to the WGA risk.

7.8.2 Self-risk bearer status for the ZW

You can be or become a self-insured person for the ZW. This means that you yourself bear the risk of disability of your (former) employees who are entitled to a ZW benefit in the event of illness, or that you insure this privately in full or in part.

As a self-insured person for the ZW, you pay a lower differentiated Whk premium, because you do not have to pay the ZW premium component. However, you must fill in the sections for the Whk wage in the payroll tax return with the Whk wage. This also applies if you do not pay any Whk premium at all because you are also a self-insured person for the WGA.

You also bear the risk of death benefits to surviving dependants of (former) employees with a ZW benefit who are covered by the deductible (see section [7.6](#)).

Note 1

If you continue to pay wages for 104 weeks in the event of illness of a (former) employee, this does not mean that you are the self-risk bearer for the ZW. This obligation applies to every employer.

ZW benefits that you pay to your (former) employees must be declared as ZW benefits (with code type of income ratio 31) in your payroll tax return. You can read which contribution percentages you use in paragraph [7.8.4](#).

Apply for self-risk bearer status ZW

You must submit a request to become a self-risk bearer for the ZW with us. You can have the self-risk bearer status for the ZW start on 1 January or 1 July. Your application must be received by us no later than 13 weeks before the effective date (i.e. before 2 October or before 1 April). If you want to become a self-insured person for the ZW, you must meet the following conditions:

- You are assisted by an occupational health and safety service that is certified and approved under the Working Conditions Act or a company doctor who is registered and admitted in the BIG register for the absenteeism guidance of sick (former) employees who are covered by the deductible, and you have recorded the agreements regarding this absenteeism guidance in writing.
- Your own risk bearer status for the ZW has not been terminated or terminated in the 3 years prior to the commencement date (see below under 'End of own risk bearer status for the ZW').

You can download the [application form](#). With the application, you send the agreements about absenteeism guidance. Instead of the agreements on absenteeism guidance, you can also send the 'Model health and safety declaration for self-risk bearers under the Sickness Benefits Act (ZW)'. You can download this [model](#). Copy the text, fill in the statement together with your occupational health and safety service or company doctor and sign. Once you have submitted your application, you will receive a decision from us.

If you are a starting employer, you can also become a self-risk bearer for the ZW from the moment you became an employer. When you register as an employer, you must then enclose the application form for the self-risk bearer ZW and the agreements about absenteeism guidance. The application form and the agreements must be received by us no later than the time you hire a (former) employee for whom you have to pay employee insurance premiums. You do not need to have a payroll tax number to be able to make this application.

End of self-risk bearer status for the ZW

Your self-risk bearer status for the ZW ends in the following situations:

- a You no longer want to be a self-insured person. Then you can terminate the self-insured status as of 1 January or 1 July. Your application must be received by us no later than 13 weeks before the termination date (i.e. before 2 October or before 1 April). You can download the [application form for terminating the self-risk bearer status for the ZW](#) from belastingdienst.nl.
- b We terminate your self-risk bearership. This happens if you are no longer assisted by an expert or service certified under the Working Conditions Act in the absenteeism guidance of your sick (former) employees. If you no longer receive assistance, you must inform us and the UWV. Send a letter to the Tax and Customs Administration/Limburg/ERD, P.O. Box 4486, 6401 CZ Heerlen. And an e-mail to UWV: ERDZWControleteam@uwv.nl. Do this as soon as you know that the absenteeism guidance will end. And do it yourself: only the employer may send the letter and the e-mail. For example, if you have your administration office report that you no longer have an occupational health and safety service or company doctor, we and UWV will not do anything with it. You will then wrongly remain the self-risk bearer. If you do not report the end of the absenteeism guidance or do not do so yourself, you may be fined by the UWV. In addition, you still have to pay the underpaid differentiated premium Whk.
- c The self-risk bearer status ends by operation of law from the date on which:
 - you have been declared bankrupt
 - the debt restructuring scheme for natural persons has been declared applicable to you
 - you are no longer an employer

Note 2

If you are no longer the self-risk bearer for the ZW, you pay the ZW premium component for all the wages that the employee receives from the termination date. This also applies to the wages that you still pay on or after 1 July, but that relates to a period before 1 July, while you are no longer a self-insured person as of 1 July.

Example

Your self-risk bearer status ends on 1 July.

- 1 You pay per 4 weeks. Suppose the 7th four-week period runs from June 19 to July 16. You pay the wages on 10 July. You pay the ZW premium component on the total salary. You may therefore not split the salary.
- 2 You pay per week. Suppose July 1 falls on the Thursday of week 26. For all wages that you pay on or after 1 July, you pay the ZW premium component.
- 3 The employee was employed up to and including 30 June. You still pay holiday allowance, overtime and untaken holidays in July. You pay the ZW premium component on this additional payment (insofar as there is room to levy on the basis of VCR).

Note 3

After terminating the self-risk bearership, you still have to pay the ZW benefits of (former) employees who became ill during the period that you were self-insured. This is the so-called run-out risk. You do have to pay the ZW premium component on this.

Note 4

The self-risk bearer status is not transferable. For example, if you set up a new BV and convert the existing BV into a management BV, the management BV remains the self-risk bearer. If you also want the (new) work BV to become the own risk bearer, you must apply for this for this BV.

Higher premium component ZW at the end of own risk bearer status (return premium)

Are you a medium-sized or large employer and is your self-risk bearer status ending? Then you may then pay a higher ZW premium component (the return premium). The ZW premium component is then at least equal to the sectoral ZW premium that applies to your sector. In some cases, this may be higher than the premium you would otherwise pay.

You pay any higher ZW premium component in the year in which you are no longer an own risk bearer for the first time and in the following year. If you have terminated the self-insured status yourself, it is therefore 1.5 or 2 years, depending on the moment of termination.

Note 5

The return premium has been increased from half of the sectoral premium to the full sectoral premium as of 2024. If you returned to public insurance on 1 January 2023 or 1 July 2023, you paid at least half the sectoral premium in 2023. In 2024, you will pay at least the entire sectoral premium. If you returned to the public insurance with the UWV on 1 January 2024 or if you return to the public insurance with the UWV on 1 July 2024, you will pay at least the full sectoral premium in 2024 and 2025.

7.8.3 Own risk bearer with private executor

If you are a self-insured person (ERD) for the ZW or WGA and you have to pay a benefit to one of your employees, you can use a private administrator to pay this benefit to your employee. To calculate the employee insurance premiums and income-related Zvw contribution on this benefit, you and the private provider must apply the VCR system on the sum of wages and benefits together. To be able to do this, the private provider needs insight into your payroll administration and you need insight into the administration of your private provider.

You must both base yourself on the cumulative premium salary and the number of wage periods in the year. This is very laborious.

As of 1 January 2022, it is regulated by law that, if you choose to do so as an ERD, the private provider no longer has to take into account the wages you pay as an employer and vice versa. The private provider applies the VCR system separately to the benefit. You make the choice not to have the private provider take into account the wages you pay per entire calendar year. The employee insurance premiums or the income-related contribution under the Health Insurance Act (Zvw) may then be higher or lower than if you do not do this separately. This is the result of your choice to apply VCR separately. You must report your choice to apply VCR separately to us. If you no longer apply VCR separately, you must also report this.

From 2023, new notification rules will apply if you choose to apply the VCR system separately. More information about reporting (who, when and how) can be found in section [6.7.7.](#)

7.8.4 Self-insured person with ZW or WGA benefit to employee

For ZW or WGA benefits that you pay as a self-insured person (erd), the low AWf premium and the high Aof premium apply. For these benefits and the premium due on them, you use the headings for AWf benefit and Aof benefit. In addition to these premiums, the regular Whk premium and the employer's levy Zvw apply to you.

Note 1

This also applies to a government employer. A government employer does not owe a UFO premium on the benefit. The erd government employer therefore pays the low AWf premium on the benefit (and declares the benefit and the premium in the sections for AWf benefit). This is different from the benefit via an employer's payment: in that case, the government employer does not pay an AWf contribution (see paragraph [9.6.2](#)).

Have you outsourced the payment of ZW or WGA benefits to your sick (former) employees to a third party and does this third party file payroll tax returns on this? Then this third party must do this for your sick (former) employees under your payroll tax number and use the premiums and percentages mentioned above.

In addition to the payment of the ZW or WGA benefit, you may also pay wages on the basis of the employment contract, such as a supplement to the benefit, wages for work or a payment of untaken holidays. You owe the regular applicable premiums on the salary under the employment contract: the high or low AWf premium depending on the type of employment contract and the high or low Aof premium based on the size of you as an employer. For that salary and the premium due, you use the sections that regularly apply for AWf (low or high) and Aof (low or high).

8 Calculating income-related Zvw contribution

According to the Health Insurance Act (Zvw), everyone who is insured in the Netherlands under the Long-Term Care Act (Wlz) is obliged to take out insurance for the Zvw. This means that these people must take out basic insurance with a health insurer. Your employees are insured under the Wlz if they have to pay national insurance contributions in the Netherlands. This also applies to certain benefit recipients and former employees (see section [8.2.2](#)).

The health insurance is financed by the nominal Zvw premium (see Section [8.1](#)) and the income-related Zvw contribution. The income-related Zvw contribution consists of the employer's Zvw levy and the Zvw contribution (see Section [8.2](#)).

If your employees live or work abroad, different rules apply. See chapter [20](#) for more information on this.

Please note

Military personnel in active service, military personnel who have special leave with retention of salary, and conscientious objectors for the WLZ do not have to take out basic insurance. See Chapter [28](#) for more information on conscientious objector employees.

8.1 Nominal premie Zvw

Every person subject to insurance must pay a nominal Zvw premium to his health insurer every month. This is the total amount that the employee pays for his basic package. The nominal premium can vary in amount from one health insurer to another. Those under the age of 18 must have basic insurance, but do not have to pay a nominal premium.

Depending on income and family situation, the insured person may be eligible for compensation of the nominal premium: the health care allowance. The person subject to the insurance obligation can apply for this allowance from us. More information about the healthcare allowance can be found on toeslagen.nl.

8.2 Employer's levy Zvw and Zvw contribution

The 'employer's levy Zvw' is the amount for the Zvw that is payable by you and that you pay to us (see section [8.2.1](#)). The 'Zvw contribution' is the amount for the Zvw that you deduct from your employee's net salary and that you pay to us (see section [8.2.2](#)). The umbrella term for the Zvw contribution and the Zvw employer's levy is 'income-dependent Zvw contribution'.

You do not always have to pay the employer's Zvw levy or withhold the Zvw contribution (see section [8.2.3](#)). See section [8.2.4](#) for more information about calculating the employer's levy Zvw and the Zvw contribution.

It does not matter for the employer's levy Zvw or the Zvw contribution whether your employee is younger than 18.

8.2.1 When to pay the employer's levy Zvw?

The main rule is that you must pay an employer's Zvw levy of 6.51% on your employee's salary from current employment up to a maximum contribution wage of € 75,864. You pay the employer's Zvw levy to us via the payroll tax return.

The employer's Zvw levy of 6.51% also applies to:

- the salary from previous employment that you pay up to and including the end of the month in which the employee reaches the state pension age. The state pension age has been set at 67 for 2024 to 2027.
- benefits under an early retirement scheme (RVU benefits) that qualify as wages from current employment
- FLO benefits, for a maximum of 104 weeks. A FLO benefit is a benefit for employees who receive functional age dismissal (FLO). They will then stop working earlier and receive a FLO benefit from you until the time when they would otherwise have stopped working. If you pay the FLO benefit for more than 104 weeks, you will no longer pay the employer's levy after that, but you will deduct the Zvw contribution.
- periodic benefits in connection with invalidity, illness or an accident to which your employee is entitled under the collective labour agreement or the employment contract

The employer's levy Zvw that you pay is not your employee's salary.

8.2.2 When to withhold the Zvw contribution?

You deduct the Zvw contribution for certain benefit recipients and former employees. You deduct the Zvw contribution of 5.26% at:

- the salary from previous employment of (former) employees and benefit recipients who have reached the state pension age. This applies from the first calendar month after the employee or benefit recipient has reached the state pension age.
- certain statutory pensions. These are, for example, pensions under the Indonesian Pensions Allowance Act 1956 and the Surinamese Pensions Guarantee Act.
- annuities, benefits to resistance fighters and war victims and benefits from occupational pension funds
- periodic payments to replace lost or to be lost wages: annuity payments (see also section [21.3](#))
- (pre)pension benefits and RVU benefits that qualify as wages from previous employment, such as FLO benefits after the first 104 weeks of payment (see section [8.2.1](#))
- periodic benefits in connection with invalidity, illness or an accident that are not included in the collective agreement or the employment contract
- annuity payments to minors and adults and payments from an annuity savings account or from an annuity investment account

You also deduct the Zvw contribution of 5.26% from the salary from current employment of:

- pseudo-workers (opting-in)
- directors-major shareholders who are not compulsorily insured for employee insurance (see paragraph [18.1.1](#))

You deduct the Zvw contribution from the net salary up to a maximum contribution salary of € 75,864. You pay the contribution to us via the payroll tax return.

Please note

Special rules apply to employees receiving Dutch (pension) benefits who do not live in the Netherlands (see section [20.3.3](#)).

8.2.3 When not to pay the employer's Zvw levy or to withhold Zvw contributions?

You do not have to pay an employer's Zvw levy or withhold a Zvw contribution in the following situations:

- You pay wages to seafarers – who can also be share-fishermen – who work on board a seagoing vessel. The percentage for the employer's Zvw levy is 0% for them.
- The Ministry of Defence does not pay the Zvw employer's levy because active duty soldiers and military personnel who have special leave with retention of salary are not obliged to be insured under the Zvw. You also do not pay the Zvw employer's levy for a soldier in active service who has another employment in addition to his work as a soldier.
- You may or must regard the salary as a final levy component (see Chapter 25).

8.2.4 Calculating the employer's Zvw levy and Zvw contribution

The employer's levy Zvw and the Zvw contribution are calculated on the salary you pay in the wage period. You use the method of progressive cumulative calculation (VCR). See Chapter 6 for more information on this calculation method.

Calculation per wage period

You calculate the employer's Zvw levy and the Zvw contribution per wage period, just like the other payroll taxes. The wage period is the period for which your employee receives the salary (see paragraph 9.3.4). The wage period for the Zvw is equal to the wage period that you use for wage tax/national insurance contributions. For example, if you use the monthly table for wage tax/national insurance contributions, you also assume a month for the calculation of the Zvw employer's levy and the Zvw contribution.

You only pay the employer's levy Zvw if there is a wage period for the Zvw. This also applies to the deduction of the Zvw contribution. There are 2 cases in which there is no wage period for the Zvw:

- In a calendar year, you only pay wages for which you use the table for special remunerations to calculate the wage tax/national insurance contributions and to which no wage period can be linked. For example, bonuses or holiday allowance.
- Your employee is not obliged to take out insurance under the Zvw. Is your employee not obliged to take out insurance for part of a wage period and is he insurable for part of it? Then there is no wage period for the Zvw if the employee receives the salary at the time when he is not obliged to take out insurance.

In both cases, you do not pay the employer's Zvw levy and you do not deduct any Zvw contribution.

Please note

The same applies to employee insurance premiums (see section 7.7.2).

Example 1

Your full-time employee has a pay period of one month. He is not insured for employee insurance, but he is insured for national insurance. He has wages for January to March. For the Zvw, there are therefore 3 wage periods of one month. You must pay the employer's Zvw levy on the wages in those 3 months, but no more than three times the maximum over a month.

Example 2

Your full-time employee has a pay period of one month. He is not insured for workers' insurances. From April to July, he is also not insured for national insurance and therefore also not for the Wlz and the Zvw. In those months, he therefore only receives wages for wage tax. Therefore, there are no wage periods for the Zvw for the periods April to July. There is no increase in the basis for the Zvw during this period. You do not pay the employer's Zvw levy on the wages in April to July. These months also do not count towards the accrual of the maximum contribution wage.

Example 3

Your full-time employee has a pay period of one month. He is not insured for workers' insurances. But from 15 August to 31 August, he is insured for national insurance and therefore also for the Zvw. You pay the salary for August on 20 August. There is a wage period of one month for August. Because the employee is insured for the Zvw at the time of enjoyment, there is also a one-month wage period for the Zvw. In August, you will therefore pay the Zvw employer's levy on your salary.

Example 4

You give an employee's child an independent right to a study allowance. In August, you pay the child a one-off fee of € 3,000. The child is not insured for employee insurance. The child is insured for national insurance, including the Zvw. But because the one-off allowance is not a period wage, there is no question of a wage period. You do not pay the employer's Zvw levy on your wages in August.

Example calculation of the Zvw employer's levy

An employee has a gross salary of € 2,400 per month and you deduct € 100 pension contributions from that salary. This results in the following wage calculation:

Gross salary € 2,400.00
 Less: Pension contributions € 100.00
 Net salary € 2,300.00
 Less: Wage tax/national insurance contributions (couple) €

Salary for employee insurance Wage for the Zvw Wage for wage tax/national insurance

600.00 € 1,700.00 € 149.73

Net salary Employer's levy Zvw (6.51% of € 2,300.00)

Example calculation of Zvw contribution

A director and major shareholder has a gross salary of € 2,400 per month and you deduct € 100 pension premium from that salary. This results in the following wage calculation:

Gross salary € 2,400.00
 Less: Pension premium € 100.00
 Net salary € 2,300.00
 Less: Wage tax/national insurance contributions (couple) €

Wages for the Zvw Wages for wage tax/national insurance

600.00

Net salary Zvw contribution (5.26% of € 2,300.00)

€ 1,700.00
 € 120.98

Wages to be paid

€ 1,579.02

You pay wages on which you have to pay the employer's Zvw levy and wages on which you have to deduct the Zvw contribution at the same time

Do you pay an employee wages in a wage period at the same time on which you have to pay the employer's Zvw levy and wages on which you have to deduct the Zvw contribution? Then the following applies:

- On the wages or benefits on which you have to pay the Zvw employer's levy, you pay 6.51% employer's levy up to the maximum contribution wage in the wage period.
- On the salary or benefits from which you must deduct the Zvw contribution, your employee pays 5.26% Zvw contribution up to the maximum contribution wage in the wage period. You deduct this contribution from the net salary.

You must include the wages or benefits on which you pay the Zvw employer's levy and the wages or benefits on which you deduct the Zvw contribution under different income ratio numbers in your tax return (see Section 3.4). In this way, you can choose the correct Zvw Insurance Situation Code for each income ratio (e.g. code K or code M, see paragraph 29.19).

If different rates of the Zvw employer's levy apply to the wages of the same employee (as with some seafarers), you may include this wages under 1 number of income ratio in the tax return. In that case, you use code N.

Note 1

To calculate the wage tax/national insurance contributions, you do combine the salary and the benefits. You then decide how you divide the wage tax/national insurance contributions over the income ratio numbers.

Are the wages or benefits on which you pay the employer's Zvw levy and the wages or benefits on which you deduct the Zvw contribution together higher than the maximum contribution wage? Then your employee or benefit recipient may receive a refund of (part of) the Zvw contribution. Your employee will be notified by us about this. For more information, visit belastingdienst.nl/zvw. See tables 11 and 12 at the end of this handbook for the maximum contribution wage per wage period.

Note 2

As an employer, you will never receive a refund of the employer's Zvw levy.

Conversion rules

When calculating the employer's levy Zvw and the Zvw contribution, you derive all relevant amounts (per day, per month, per 4 weeks, per quarter and per year) from a (maximum) annual amount. This is based on the calculation rules that already apply to wage tax/national insurance contributions. This means that you assume 260 days per year.

Note 3

The same applies to employee insurance premiums (see section 7.7.2).

Anonymous rate for employees

For employees to whom the anonymous rate applies (see Section 2.6), you may not take the maximum contribution wage into account when calculating the employer's levy Zvw and the Zvw contribution. As a result, in some cases you will have to pay a higher employer's Zvw levy or withhold a higher Zvw contribution than usual.

If the anonymous rate applied to the employee in the previous period

Did the employee first fall under the anonymous rate, but no longer in a later period? Because you now take into account the maximum contribution wage, the employer's levy Zvw and the Zvw contribution may be lower or even negative because you apply the VCR system. You will then have to pay less Zvw employer's levy or withhold Zvw contribution than usual.

8.2.5 Own risk bearer with private administrator

If you are a self-insured person (ERD) for the ZW or WGA and you have to pay a benefit to one of your employees, you can use a private administrator to pay this benefit to your employee. To calculate the employee insurance premiums and income-related Zvw contribution on this benefit, you and the private provider must apply the VCR system on the sum of wages and benefits together. To be able to do this, the private provider needs insight into your payroll administration and you need insight into the administration of your private provider. You must both base yourself on the cumulative premium salary and the number of wage periods in the year. This is very laborious.

As of 1 January 2022, it is regulated by law that, if you choose to do so as an ERD, the private provider no longer has to take into account the wages you pay as an employer and vice versa. The private provider applies the VCR system separately to the benefit. You make the choice not to have the private provider take into account the wages you pay per entire calendar year. The employee insurance premiums or the income-related Zvw contribution may then be higher or lower than if you do not do this separately. This is the result of your choice to apply VCR separately. You must report your choice to apply VCR separately to us. If you no longer apply VCR separately, you must also report this.

From 2023, new notification rules will apply if you choose to apply the VCR system separately. More information about reporting (who, when and how) can be found in section 6.7.7.

9 Calculating wage tax/national insurance contributions

You calculate the wage tax/national insurance contributions that you deduct and pay on the basis of the salary (see Chapter 4). You must determine from this salary whether it is a period wage (see Chapter 5) or whether it is a special salary. In this chapter you can first read how to determine the salary on which you deduct the wage tax/national insurance contributions (see section 9.1). We will then discuss step by step when you must deduct the wage tax/national insurance contributions (see section 9.2) and how to calculate the wage tax/national insurance contributions using the tables or calculation rules (see section 9.3).

To calculate the wage tax/national insurance contributions, you need a gross salary. If you agree on a net salary with an employee, you must therefore make a calculation from net to gross salary (see paragraph 9.4). With certain forms of wages, you do not deduct the wage tax/national insurance contributions from the employee's wages, but you pay for it. This is the so-called final levy (see section 9.5). Finally, we will discuss the special rules for calculating wage tax/national insurance contributions that apply if you have to add up wages, for example if your employee also receives benefits from the UWV (see section 9.6).

A separate scheme applies to the deduction of wage tax/national insurance contributions from benefits under the Participation Act (social assistance benefits). Municipalities and the SVB, which pay social assistance benefits, can find more information about this scheme in the 'Calculation rules and manual for payroll taxes on social assistance benefits'. You can download this manual from belastingdienst.nl.

In this chapter, we pay particular attention to the employer or withholding agent who is established in the Netherlands with an employee or benefit recipient who lives in the Netherlands. For more information on international situations, see Chapter 19 (International Wage Tax) and Chapter 20 (International Social Security).

9.1 Determining the basis for wage tax/national insurance contributions

You calculate the wage tax/national insurance contributions on the so-called basis (column 14 of the wage statement, see section [11.2.9](#)). You determine the basis as follows:

- wages in cash (also: 'gross salary')
- + salary other than in cash This concerns salary in kind (for example, a gift for your employee on his anniversary) and entitlements that are part of the salary.
- + tips and distributions from funds
- deductions for all payroll taxes, such as the employee's share of a pension premium, or the Private Supplement WW and WGA premium (PAWW).
-
- = basis

Sometimes wages are final levy wages, see Chapter [25](#). Or you can designate wages – within certain limits – as final levy wages (see section [10.1.3](#)). Final levy wages are not included in the wage calculation.

Below you can see an example of a salary calculation. This example does not include all possible wage components, but is based on common components. Some wage components have € 0.00 with a plus or minus sign behind it. That wage component is not included in this example calculation, but it does indicate the place in the wage calculation and whether it is an addition or deduction.

Example

An employer deducts wage tax/national insurance contributions for an employee born in 1979 according to the white monthly table for residents of the Netherlands. He applies the payroll tax credit. The premium percentage for the differentiated Whk premium that the employer has received from us is 1.30%. The employee has a company car with a catalogue value of € 19,200. The value of private use is 25% of € 19,200 is € 400 per month. His personal contribution is € 100, so the addition is € 300 on balance. The employer pays € 200 per month in pension contributions, of which he deducts € 100 from the employee's salary. The employee has an employment contract to which the low AWF premium applies. The employer is a 'medium-sized or large employer', which means that the high Aof premium applies.

Wage and wage cost calculation monthly wages 2025

	To be paid by	Calculation of net salary	Calculation of wage costs	Calculation of accounting policies
Wage in money: • gross salary	employer	€ 2,000.00 +	€ 2,000.00	€ 2,000.00
Wage not in money: • value of private use of company car ¹ • the employee's own contribution • Entitlement that belongs to the salary	employer employee employer	€ 100.00 -	€ 0.00 +	€ 400.00 + € 100.00 - € 0.00 +
Tips or benefits from a fund	third parties	€ 0.00 +		€ 0.00 +
Deductions: • employee's share of pension contributions	employee	€ 100.00 -		€ 100.00 -
Basis (column 8, 12 or 14 of the wage statement)				€ 2,200.00
Employer's contributions and employer's levies that are not part of the salary ² : • employer's share of pension contributions • AWf premium low (2.74%) ³ • premium Aof high (7.64%) ³ • storage of thermal energy storage • differentiated premium Whk (1.30%) ³ • employer's levy Zvw (6.51%) ⁴	employer employer employer employer employer		€ 100.00 + € 60.28 + € 168.08 + € 11.00 + € 28.60 + € 143.22 +	
Deductions from the net salary: • Zvw contribution (5.26%) ⁴ • wage tax/national insurance contributions ⁵ • story of differentiated premium Whk ⁶	employee employee employee	€ 0.00 - € 95.75 - € 0.00 -		
Net salary employee		€ 1,701.25		
Net payments: • compensation that you have designated as final levy wages ⁷ • reimbursement for intermediate costs	employer employer	€ 0.00 + € 0.00 +	€ 0.00 + € 0.00 +	
Payable to employee		€ 1,701.25		
Employer facilities: • remittance reduction • wage cost advantage			€ 0.00 - € 0.00 -	
Wage costs for the employer⁸			€ 2,511.18	
1 You must add a fixed percentage of the basis for the addition to taxable income for private use of the company car to the salary for the private use of the employee. This is not the actual cost of the car (see section 23.3). In this example, the value of the private use is € 400 and the employee's own contribution is € 100. The addition is then € 300. 2 These amounts are not part of the taxed salary or the wage calculation. We have included them to provide insight into the wage costs. 3 You calculate the percentages on the basis for employee insurance (column 8 of the wage statement, see paragraph 11.2.7). For the calculation in this example, it is assumed that the low premium applies. We have not taken into account any effects of the VCR (see Chapter 5) in this example. 4 You calculate the percentage on the basis for the Health Insurance Act (column 12 of the wage statement, see section 11.2.8). In this example, there is the employer's Zvw levy. If there is the Zvw contribution, you deduct that contribution from the net salary. The employer's Zvw levy and the Zvw contribution may not both occur within 1 wage calculation. 5 Amount according to the white monthly table for residents of the Netherlands (see section 9.3.2) on the basis for wage tax/national insurance (column 14 of the wage statement). 6 You may recover a maximum of 50% of the WGA premium component of the differentiated Whk premium from the employee's net salary. 7 You pay this amount net to the employee. It may be a specific exemption (see paragraph 22.1), an allowance that is (partly) included in the discretionary scope, or an allowance on which you pay the final levy on the work-related costs scheme. See Chapter 10 for more information. 8 The cost of the car is not included in this amount.				

In certain situations (see Section 9.6) there are special rules that affect employee insurance contributions, the income-related Zvw contribution and wage tax/national insurance contributions. This is the case if:

- you pay your employee different wages or benefits on the basis of 1 or more employment contracts or policies
- you continue to pay a benefit for the UWV to your employee (via an employer payment or an agency payment)
- you pay a supplement to a benefit that UWV pays to your employee

For more information on employer payments, see Appendix 7 'Payment of benefits under employee insurance and WAZO: questions and answers'.

9.2 When wage tax/national insurance contributions are withheld

You deduct the wage tax/national insurance contributions at the so-called moment of enjoyment of the salary.

Main rule: wage insystematics

According to the general rule, the moment of enjoyment is the moment when:

- you pay, settle or make available the salary
- the salary becomes interest-bearing
- the salary becomes due and collectable

You deduct the wage tax/national insurance contributions as soon as 1 of these 3 situations occurs. To calculate the wage tax/national insurance contributions, use the wage tax tables (see paragraph 9.3) that apply at the time when you deduct the wage tax/national insurance contributions. You process the wages and payroll taxes in the tax return for the period in which the moment of enjoyment falls. The main rule is also referred to as 'wage insystem', which means that you declare the salary in the tax return for the period in which the salary was received.

For exceptions to this general rule, see section 9.2.1.

Benefit in kind

If you provide wages in kind, for example a gift or a staff party, the employee will receive that wages at the time they receive them. You process the salary in the tax return for the period in which the employee receives the salary. See section 4.5 for more information on determining the value of wages in kind. Under certain conditions, you may designate wages in kind as final levy wages (see Section 10.1.3).

Subsequent payments in the case of wage-insystematics

Retrospective payments are payments that you make after the end of the wage period to which the salary relates. For example, in connection with a new collective labor agreement, pensions granted retrospectively or individual wage increases. For an example, see section 9.3.5, under 'You make retrospective payments of period wages (delayed payment of period wages)'.

If you make additional payments, you must declare that salary in the period in which your employee receives the salary, according to the main rule.

Advances

In the case of an advance on the salary, you must deduct the wage tax/national insurance contributions according to the general rule at the time you pay the advance to the employee.

9.2.1 When to withhold wage tax/national insurance contributions: exceptions to the main rule

There are exceptions to the main rule for withholding wage tax/national insurance contributions for:

- fictitious salary
- wages that you pay in January for periods from the previous year
- Variable mileage allowances
- wages at an unusual time
- wages when applying the excess-wage-system

Fictitious salary

The moment at which notional salary of a shareholder with a substantial interest is received (see 18.1) at the end of the calendar year or the moment at which the employment ends, if this is in the course of the calendar year.

Please note

Notional salary is not the same as customary salary (see paragraph 18.1, under 'Fictitious salary').

Salary you pay in January for periods from the previous year

If it is customary in your company to pay wages in January for wage periods of the previous year, you may deviate from the main rule and declare that wages in the last tax return of the previous year. This concerns, for example, 'normal' wages for December, overtime wages or expense allowances that are still wages due to subsequent calculation.

Variable mileage allowances

You may give an employee a higher allowance than € 0.23 for some kilometres and a lower allowance for other kilometres (such as commuting). To determine the total amount that can apply as a specific exemption, you may add up all kilometres of the calendar year and add up all reimbursements for them. This allows you to calculate an average fee per kilometer. € 0.23 is specifically exempted from this average allowance if you designate it as final levy salary. If the average compensation is higher, then the employee's excess is salary. However, under certain conditions, you may also designate this salary as a final levy wage (see section 10.1.3). See section 23.1.4 for more information on variable mileage allowances.

Wages at an unusual time

Does an employee receive all or part of his salary at an unusual time? Then the moment of enjoyment is still the time when he would normally have received the salary. The salary is not considered to have been received at an unusual time if the agreement to pay that awarded salary to the employee later than usual:

- was made before 1 January 1994; or
- was incurred before 1 January 2006 and the amount that will be paid later than usual does not exceed 10% of the awarded salary.

Wage oversystem

Unlike the main rule ('wage insystem'), when applying the 'wage oversystem', the moment of enjoyment is in the period during which the employee earned the salary.

You may use the salary over-system under the following conditions:

- The salary relates to an earlier period in the same calendar year. 'Excess-wage-system' therefore does not apply beyond the annual limit.
- There must be a so-called 'permanent line of conduct' for the use of the excess-wage-system. Like
 - it was customary for you in previous years to declare additional payments in the period to which they relate; or
 - you start using payroll software that is only built on the payroll system.
 - you change your system, but with the intention of doing so for a longer period of time.
 The permanent code of conduct also applies to the processing of your employees' wages:
 - you process the salary relating to previous periods in the calendar year in the same way for all your employees, namely in the period to which they relate.
 You make new wage calculations for these periods.
- If you process the salary in a period for which you have already filed a tax return, you must correct this tax return. You send the correction at the same time as the tax return for the period in which you make the additional payment (see also paragraph [14.2.3](#)). For an example, see section [9.3.5](#), under '[You make retrospective payments of period wages \(delayed payment of period wages\)](#)'.

Example

- You always pay the wages for a month in the following month, for example you pay the wages for May in June. You then declare the salary with a correction notice for May. If there is still a tax return period remaining for May, you can also indicate this directly in the May tax return.
- You grant salary retroactively in the same calendar year, such as an individual or collective wage increase or pension with retroactive effect. You allocate the salary to the wage periods to which the salary relates. You make a (new) wage calculation for those periods and indicate the new amounts with a correction message. For an example, see section [9.3.5](#).

Negative pay

If you have paid an employee too much wages and the employee pays you back this wages, we call this negative wages (see also section [4.9](#)). This negative salary can also be seen as a negative additional payment in the wage oversystem. You therefore process this negative salary in your payroll administration in the same way as a positive additional payment.

Processing additional payments or negative wages

If (part of) the payment of wages or the negative wages relates to a period of 2024 or earlier, you must always treat (that part of) that payment or the negative wages as wages for the period in which you pay the wages or get the negative wages reimbursed (the wage insystem). Even if you apply the salary over-system.

Want to start using the salary oversystem

Are you going to withhold and pay payroll taxes for the first time? Then you have the choice of applying the wage-in system or the excess-wage-system. You may only use the excess-wage-system if you plan to use it for a longer period of time. See under 'excess-wage-system'.

Want to start using the wage system

Do you apply the wage oversystem, but do you want to switch to the wage insystem? This is always allowed, but preferably you do so on 1 January of the following year.

9.3 Calculating wage tax/national insurance contributions: calculation rules and tables

The wage tax/national insurance contributions that you must withhold is based on the income tax bracket rate/national insurance contributions. In 2025, there will be three brackets. These discs can be found in Table 1 of the appendix to this handbook. From the second bracket onwards, you only calculate wage tax and no national insurance contributions. Employees who have reached the state pension age do not pay AOW contributions, but they do pay Anw contributions and Wlz contributions.

Please note

Different rate brackets apply to employees born in 1945 or earlier.

Tables

The deduction for period wages must be determined by using wage tax tables in which you can read the amount of wage tax/national insurance contributions to be withheld. See section 9.3.1. You can download the tables from belastingdienst.nl/tabellen.

Calculation rules

We calculate the time slot tables on the basis of calculation regulations. If you use a payroll software package, your supplier has incorporated these calculation rules into it. If you do not use a payroll software package, you can use the calculation regulations to automatically calculate the deduction yourself, for example in a calculation program. You can download the [calculation instructions](#) from belastingdienst.nl.

You can also request the amount you must withhold for both 2025 and previous years from the Tax Information Line: 0800 - 0543. If you wish, the Tax Information Line will send you a printout of (part of) the table.

In this section you will find information about:

- how to use the tables (see section 9.3.1)
- for which salary you use the white tables (see paragraph 9.3.2) and for which salary you use the green tables (see paragraph 9.3.3)
- the different period tables (see paragraph 9.3.4)
- the use of the tables in special situations (see Section 9.3.5)
- Exceptional remuneration tables (see Section 9.3.6)
- tables for special groups of employees (see paragraph 9.3.7)
- Conversion rules (see section 9.3.8)
- special rates (see paragraph 9.3.9)
- some points of attention when using the tables (see paragraph 9.3.10).

9.3.1 How do you use the tables?

For wage tax/national insurance contributions, there are the following tables:

- white tables for salary from current employment and salary that is equivalent (see paragraph 9.3.2)
- green tables for wages from previous employment and benefits that are treated as such (see paragraph 9.3.3)

Depending on the type of salary, you can therefore use the white or green tables.

Note 1

Even if the employment has not yet ended, the green table for wages from previous employment may still apply. For example, in the case of a severance payment or transition payment that you pay before the end of the employment. Or after a period of 104 weeks of inactivity of an employee who has been suspended, suspended or exempted from work with retention of pay until the end of his employment (see section [4.3](#)).

There are white and green tables for different wage periods (see Section [9.3.4](#)).

Living in the Netherlands or abroad

For the deduction of wage tax/national insurance contributions, it is important where someone lives. This is because that determines whether or not the tax part of the tax credits may be applied. See paragraph [9.3.7](#) under 'employees and benefit recipients living abroad'. In addition, it is important whether a tax treaty or an international social security scheme applies. On this basis, 1 or more tax components may not apply (wage tax, AOW premium, Anw premium and Wlz premium). See section [9.3.8](#).

You use the white or green table of your employee's pay period or the table for special remunerations (see paragraph [9.3.6](#)).

The following questions are therefore important for the question of which table to use:

- Is it wages from current employment or wages from previous employment?
- Is it period wage? If so, what is the wage period?
- For which country of residence do you want a table?
- Is it a special reward?
- Do you need a so-called conversion table due to an international situation?

How to choose the right column?

The white and green tables are divided into columns. Which column you should use depends on the age of the employee and whether you need to apply the payroll tax credit.

Employee reaches the state pension age

The column for employees who have reached the state pension age applies from the 1st day of the calendar month in which your employee reaches that age (see also paragraph [18.21](#)).

You can also choose the column 'AOW age' for a weekly wage or a four-week wage if an employee receives that wage on or after the 1st day of the month in which he reaches the AOW age.

Example 1

Suppose the 8th four-week period of a calendar year runs from 14 July to 10 August. Your employee will reach the state pension age on 8 August.

Does your employee receive the salary for the 8th period on 31 July? In July, the employee has not yet reached the state pension age. Therefore, use the amounts from the column 'Younger than the state pension age' for his entire salary over the 8th period.

Does your employee receive the salary for the 8th period on 2 August? The employee reaches the state pension age in August. You therefore use the amounts from the column 'AOW age or older' for his entire salary over the 8th period.

Note 2

Once a person has reached the state pension age, this does not change, even if the state pension age is raised afterwards. See the example below.

Example 2

This example concerns the transition from 2023 to 2024.

In 2023, the state pension age was 66 years and 10 months. Your employee reached the state pension age on 28 December 2023. For all wages received in December 2023, you used the amounts from the column 'AOW age and older'.

As of 2024, the state pension age has been set at 67 years. In the months of January and February 2024, the employee will nevertheless have reached the state pension age and use the column 'state pension age and older'. Until 2027, the state pension age will remain 67 years. The above situation may occur again during the transition to 2028.

Apply payroll tax credit

Wage tax/national insurance contributions have 5 tax credits (see also Chapter 24) that together form the so-called payroll tax credit. You may only apply the payroll tax credit if the employee or the benefit recipient has requested you in writing, with a date and signature, to apply this discount (see section [2.3.1](#)). There is an exception for the young disabled person's tax credit (see section [24.1.5](#)).

A number of tax credits are included in the wage tax tables and some you calculate yourself and deduct from the amount that you must withhold according to the table. The tax credits are:

- general tax credit This discount is included in the white and green tables.
- elderly person's tax credit This discount is included in the white and green tables in the columns for 'state pension age and older'.
- Labor tax credit This discount is included in the white tables.
- single elderly person's tax credit From 2024, any employer or benefits agency that applies the payroll tax credit can also apply the single elderly person's tax credit because we have expanded the wage tax tables with an extra column as of 2024. Until 2023, only the SVB could apply the single elderly person's tax credit. If the employee/benefit recipient also wants to have the single elderly person's tax credit applied to you, he must indicate this to you in writing. For this purpose, you can use the 'Model Statement of Data for Payroll Taxes', which has been amended for this purpose with effect from 2024.
- young disabled person's tax credit You calculate this discount yourself and deduct it from the table amount, see later in this paragraph.

There are tables for the Netherlands, for Belgium and other countries of the circle of countries and for Suriname/Aruba and other 'third countries'.

For the settlement of the general tax credit, the elderly person's tax credit and the employment tax credit, you determine:

- in which country (or territory of a country; see section [9.3.7](#)) the taxpayer is resident for tax purposes; and
- which colour table applies (labour tax credit or not); and
- if there is a period of pay, which period table applies; and
- whether you should use the column 'with payroll tax credit' or 'without payroll tax credit'.

You do this on the basis of the data: the type of salary (from current or previous employment), the age of the employee and the relevant data for determining the tax residence. This also applies to the SVB, which applies the single elderly person's tax credit to AOW benefits and AIO benefits (supplementary income provision for the elderly) for single people and for single parents.

Young disabled person's discount

The young disabled person's tax credit is not included in the tables. You must calculate this discount yourself per wage period and deduct it from the amount that you have to withhold according to the table. Your software often supports you in this. If necessary, check with your software supplier.

The young disabled person's tax credit is for people who live in the Netherlands and have not yet reached the state pension age (see section 24.1.5). The young disabled person's tax credit will amount to € 909 per year in 2025. If you use the monthly table, the four-week table, the weekly table, the daily table or the quarter table, the discount is 1/12, 1/13, 1/52, 1/260, respectively 1/4 part. Does your employee or benefit recipient have a wage period for which there is no table? Then you use the conversion rules that you also use to calculate the wage tax/national insurance contributions (see section 9.3.5 under 'Your employee has a wage period for which there is no table'). You round the amounts up to 2 decimal places.

Trace amounts

Different (annual) amounts apply to persons who live abroad, are partially subject to tax or social security contributions and/or have reached the state pension age. You must trace those amounts. How to do this is explained in §5.2 resp. §6.1 of the brochure Calculation rules for the computerized payroll administration that you can download from belastingdienst.nl.

How to find the right table pay?

In the 1st column of the white and green tables is the table wage. Which table wage you should use depends on the period wage of the employee or benefit recipient. If that salary is between 2 amounts mentioned in the table, you take the lower amount.

Example 3

The employee's monthly salary is € 2,500. He is younger than the state pension age and you apply the payroll tax credit for him. You will not find his monthly salary as a table wage in the monthly table. The lower table wage that is closest to the actual wage is € 2,497.50. You then take the deduction associated with this amount from the correct column. In this case, this is the column with payroll tax credit under 'Younger than the state pension age'. If you use the white table, you will also include the corresponding amount of the settled employment tax credit in your payroll administration if your employee has the payroll tax credit settled with you.

Salary is higher than the highest table wage

Is an employee's period wage higher than the table wage? Then you determine the deduction as follows:

- 1 You take the deduction that corresponds to the highest table wage from the correct column.
- 2 You calculate the difference between the period wage and the highest table wage.
- 3 You apply the rate of the 3rd bracket (49.50%) to the difference between the period wage and the highest table wage and round this down to euro cents.
- 4 You add up the deduction from step 1 and step 3.

It is possible that this manual calculation differs by 1 or a few cents from what you find in your payroll software.

In the white tables, this discount has been completely phased out at the highest table wage. For a wage that is higher than that highest table wage, the settled labor tax credit is therefore also € 0.

Example 4

The amounts in this example are fictitious

Your employee's monthly salary is € 12,000. He is younger than the state pension age and you apply the payroll tax credit for him.

Udetermine the deduction:

- 1 For the highest table wage (say € 9,630.00), the deduction for an employee who has not yet reached the state pension age and for whom you apply the payroll tax credit is: € 4,001.75.
- 2 The difference between the actual salary (€ 12,000) and the highest table salary (€ 9,630.00) is: € 2,370.00.
- 3 You apply the rate of the 3rd bracket to the difference: 49.50% of € 2,370.00 is: € 1,173.15.
- 4 The deduction from the monthly salary of € 12,000 is: € 4,001.75 + € 1,173.15 = € 5,174.90. The settled labor tax credit is € 0.00.

9.3.2 Witte tables

The white tables for wage tax/national insurance contributions are used for:

- salary from current employment
- wages for temporary incapacity for work that you pay to the employee on the basis of the obligation to continue to pay wages under Article 7:629 of the Dutch Civil Code.
In many cases, this obligation applies for a maximum period of 104 weeks. In some cases, this period can be extended. A shorter period applies to certain employees.
If you pay this salary for longer than this period, you use the green table from the next moment of enjoyment. If this salary consists only of WAO/WIA, Wajong or WAZ benefits, you must use the green table. See also the last bullet of this list.
- WAZO benefits that UWV pays directly to the employee
- WAZO benefits that the employer receives through an employer's payment and passes on to the employee
- a supplement from the employer to a WAZO benefit, as long as the employment relationship with the employee has not yet been terminated
- ZW benefits if the employment of the employee, in which the ZW benefit arose, has not yet been terminated. If the ZW benefit relates to a period after the employment relationship has ended, the green table applies.
- ZW benefits arising from a voluntary insurance policy taken out with the UWV for the Sickness Benefits Act.
- benefits under the Supplements Act that coincide with benefits from the UWV to which the white table applies
- wages based on inactivity, for a maximum of 104 weeks, that you pay to the employee, because the employee is unable to perform the agreed work. Inactivity of the employee can arise, for example, due to weather conditions, insufficient orders, lack of production raw materials, operational disruptions, fire or illness or death of the employer. If you pay this salary for more than 104 weeks, you will use the green table from the 105th week.
- wages based on inactivity, for a maximum of 104 weeks, that you pay to an employee who has been suspended, suspended or exempted from work until the end of his employment with retention of pay. If you pay this wages for more than 104 weeks, you use the green table from the 105th week onwards.
- wages for on-call workers without a job guarantee if they are called up for less than 3 hours per call and you have not made any agreements with the employee about the minimum number of hours he or she will work
- wages that UWV continues to pay as a result of your inability to pay (Article 61 of the WW)
- concurrence with wages from current employment of benefits under the WW, WAO, the WIA, the WAZ and the Wajong, which you continue to pay to the employee on behalf of the UWV. This salary from current employment can also be a possible supplement from you (see paragraph 9.6.2). See also bullet 2 of this list.

There is 1 exception to this: the employee first receives unemployment benefits and then a ZW benefit. For both benefits, use the green table.

Labor tax credit

In the white tables, the column 'settled labor tax credit' shows the amount of labor tax credit taken into account when determining the wage tax/national insurance contributions. You must record this amount separately in your payroll administration, because you must state this in the payroll tax return and on your employee's annual statement. For your employee, this amount is important for his income tax return.

9.3.3 Green tables

The green tables for wage tax/national insurance contributions are used for:

- wages from previous employment and equivalent benefits, for example benefits under the AOW, Anw, IOAW, IOAZ, WAO/WIA, WAZ, Wajong, WW and similar foreign disability insurance policies
- ZW benefits if the employee first receives unemployment benefits and then a ZW benefit
- ZW benefits insofar as they relate to a period after the employment relationship has ended
- Supplement the employer to a WAZO benefit after the employment relationship with the employee has ended
- pensions, equivalent benefits from pension funds and lump sums and indemnities that replace them
- wages due to temporary incapacity for work that you pay to the employee after the end of the period for which the obligation to continue to pay wages under Article 7:629 of the Dutch Civil Code applies. For the period for which the obligation to continue to pay wages under Article 7:629 of the Dutch Civil Code applies, you use the white table for this wage. See also section [9.3.2](#), second bullet point.
- wages based on inactivity (see section [9.3.2](#)), from the 105th week that you pay this wages The 1st 104 weeks you use the white table for this wages.
- study grants to a child of an employee who died during his employment with you study grants to a child of an employee if that child is independently entitled to those benefits
- annuity payments for which you have to pay wage tax/national insurance contributions
- a lump sum payment in the event of dismissal
- benefits under the Supplements Act that do not coincide with other UWV benefits to which the white table applies (such as WAZO and some ZW benefits)
- benefits from the 1940-1945 Foundation, the Friesland 1940-1945 Foundation and the Sneek 1940-1945 Foundation
- benefits under the Persecution Victims Benefits Act 1940-1945 and the Civilian War Victims Benefits Act 1940-1945
- non-compulsory benefits, for example benefits that a student child of one of your employees receives from you

9.3.4 Wage period and period tables

The period during which an employee receives wages is called a wage period, for example a day, a week, a month, 4 weeks or a quarter. In chapter 5 you can read more about what is meant by 'wage period'. There are tables for these different wage periods. There are white and green tables for daily wages, weekly wages, four-week wages, monthly wages and quarterly wages. And there are variants for each white period table for residents of different countries (see section [9.3.7](#), under 'tables for employees and benefit recipients living abroad').

Main rule: Use time slot table that corresponds to pay period

The main rule is: you use the time slot table that corresponds to the wage period. For example, if you have agreed on a wage per month with your employee, there is a wage period of one month and you use the white monthly table. In the case of pensions that you pay quarterly, there is a pay period of one quarter. Then you use the green quarterly table. Exceptions to this general rule apply in the following 2 situations:

- The wage period is interrupted, or your employee enters or leaves employment during the wage period.
- You have part-time employees.

Exception 1: interrupted pay period or entry or exit of employment during the pay period

If you do not pay wages to a full-time employee for 1 or more days in a pay period of, for example, a month, there is no longer a pay period of one month. You may not use the monthly table. Because then you would be calculating with an amount of payroll tax credit that is too high. The wage period is then composed of weeks and/or days for the days for which you do pay wages, even if the employee's wage period is not a week or day. See also chapter 5, section 'VCR memorandum §8.1'.

You then use the weekly and/or daily table. For each full working week, use the weekly table and for the remaining working days the daily table.

Use the week and/or day table in the following cases:

- An employee enters or leaves employment in the course of a wage period, as a result of which he does not receive any salary for a number of days during the wage period.
- An employee will not receive any wages from you for a number of days during the wage period, but a disability benefit directly from the UWV.
- An employee does not receive a salary for a number of days because he takes unpaid leave (see also paragraph 7.7.2. example 1 under Moment of enjoyment)

Note 1

In a period of one month, 65/3, or 21.67 days, are processed for the table application. A weekly table contains 5 days. If there is a interrupted period of one month, you must apply the week and/or day table as explained above. You may never count on more than 21.67 days. See example 2 below and also chapter 5, section 'VCR note §8.9'.

Note 2

In the case of an interrupted pay period, you must compile the pay period for the table application. For full weeks, apply the weekly table. For the other days, apply the daily table. See examples 3 and 4 of section 9.3.5.

You may also apply the daily table for the total number of days of the interrupted period. This often results in a small difference in wage tax/national insurance contributions to be withheld. That is allowed.

Note 3

If an employee does not receive any wages from you for 1 or more days due to illness during the wage period (so-called 'waiting days'), then there is no question of breaking the pay period. You continue to use the regular period table for the lower salary of that period. In that case, you do state code 'Z' of the incidental income reduction in the payroll tax return.

Exception 2: part-timer scheme

The main rule and exception 1 for the use of the period tables do not apply to parttime workers (workers who normally work less than 5 days per week). For these workers, use the time slot table that corresponds to the payout period. So you look at the frequency with which you pay the wages and not at the actual wage period. See chapter 5, section 'VCR memorandum §8.1.2'.

It does not matter whether the part-time employee works regularly or irregularly within the pay period, for example 3 days one week and 4 days the next. Or that the part-time employee takes unpaid leave.

If a full-timer temporarily takes 1 or more days per week of unpaid leave (part-time leave) and this period within the calendar year lasts more than 50% of the weeks, the part-timer scheme applies to that employee: you continue to use the regular table. If that period does not last longer than 50% of the weeks in the calendar year, the part-timer scheme does not apply. You must then apply the daily table. See example 5 below. For more information, see the position of the Knowledge Group.

Note 4

This part-timer scheme also applies to full-time employees who work on 4 days. For example, employees with a full-time contract of 36 hours who work 4 times 9 hours. You may not use the quarterly table for the part-timer scheme.

Example 1

An employee has a wage period of 3 days. This means that his salary is determined per period of 3 days. This could be, for example, a part-time employee who works 3 days a week. But you pay the wages per month. You do not use the table that belongs to the wage period (the white daily table), but the white monthly table.

Example 2

You use an on-call worker without an obligation to appear (see also paragraph 9.3.5 under 'You employ on-call workers'). You call him (almost) every week for 1 day. You pay it per week. Because the employment relationship ends every time after the call, you must apply the daily table. The fact that you pay him per week does not matter.

Example 3

A part-time employee will start working for you in mid-March. He works 2 days a week, on Mondays and Tuesdays. There are still 3 Mondays and Tuesdays in March. You pay his wages per month. Despite the fact that he receives wages in March for 6 days (his actual wage period is then 6 days), the payment period (month) replaces this. Then you must use the white monthly table for March. This is a different system than for the full-time employee in example 4 of paragraph 9.3.5. So you may not use the white daily table 6 times.

Example 4

A part-time employee takes one week of unpaid leave. You pay his wages per month. The payment period replaces the actual wage period. You use the white monthly table, just like in the months in which the employee does not take unpaid leave. This is a different system than for the full-time employee in example 5b of paragraph 9.3.5.

Example 5

A full-time employee with a monthly salary takes 1 day a week of unpaid leave for 12 months. The period begins on October 1 of this year and ends on September 30 of the following year. For this year, there is no period of more than 50% of the weeks in which the unpaid leave applies. You must apply the daily table. You calculate the wage tax/national insurance contributions as follows:

- 1 You calculate the number of days for which you pay wages.
- 2 You divide the wages you pay for that month by the number of days.
- 3 You apply the daily table to that daily amount.
- 4 You multiply the deduction and the settled labor tax credit from the daily table by the number of days.
- 5 The result is the deduction from the salary that you pay that month.

For next year, that period will last longer than 50% of the weeks. From 1 January of that year, you will add the monthly table to the salary you pay each month.

Note 6

Does your employee receive a benefit directly from the UWV for a period that the employee does not work for you at all? For example, because of maternity leave or paid parental leave? And

You do not continue to pay the employee wages or supplements? Then the employee does not receive any salary from you. There is completely unpaid leave. Then there may be an interruption of the wage period, as in example 5.

9.3.5 Period tables: special situations

Special rules apply to the use of the time slot tables for the following special situations:

- Your employee has a wage period of one day.
- Your employee has a pay period of 6 or 7 days.
- Your employee has a wage period of less than one day.
- Your employee has a wage period of one year.
- Your employee has a wage period for which there is no table.
- Your employee has different wage periods.
- You make additional payments of period wages (delayed payment of period wages).
- The calendar year has 53 weeks and your employee has a pay period of one week or 4 weeks.
- You raise students of schoolchildren into service.
- You employ on-call workers.

Your employee has a pay period of one day

If the wage depends on the number of days worked, the wage period is one day, even if you pay per week or per month, for example.

Example 1

A full-timer with an hourly wage of € 20 works 72 hours a week in April and 92 hours a day in May. He is paid monthly. For April it is € 1,440 and for May € 1,840. In this example, the wage depends on the number of hours worked and therefore the wage period is then the day. You apply the daily table as follows:

- April: $\text{€ } 1,440 / 18 = \text{€ } 80$ per day. You use the daily table to determine the deduction that belongs to € 80.
 - May: $\text{€ } 1,840 / (65/3) = \text{€ } 84.91$ per day. You use the daily table to determine the deduction that belongs to € 84.91.
- You do not calculate with 23 days, because the maximum you can take into account for a month is 65/3 days.

Your employee has a pay period of 6 or 7 days

If the pay period is 6 or 7 days, use the weekly table as if your employee had worked 5 days.

Your employee has a pay period of less than one day

If the wage period is shorter than one day, while the exception of the part-timer scheme or student and pupil scheme does not apply, you must calculate with a wage period of one day.

Your employee has a wage period of one year

If the wage period is one year, you should in principle use the bracket rate (see table 1 at the end of this handbook) and settle the tax credits that apply (see table [2a/2b](#)).

But to calculate the wage tax/national insurance contributions, you may use the following practical method:

- You divide the annual salary by 4.
- To this quarter of the annual salary, you apply the quarterly table that applies at the moment of enjoyment of the annual salary.
- You multiply the result by 4.

Instead of the quarterly table, you can also use the four-week table (you take 1/13 of the annual wage, apply the four-week table and multiply the result by 13) or the monthly table (you take 1/12 of the annual wage, apply the monthly table and multiply the result by 12). It is preferable to use the quarterly table, because it leads to the fewest (rounding) differences. You may not use the daily table.

Your employee has a wage period for which there is no table

If your employee has a pay period for which no table exists, you must trace the deduction from a table that does exist. In doing so, you divide the salary into parts for which there is a period table.

Example 2

The wage period is 6 months. The salary per 6 months is € 6,000. You determine the wage tax/national insurance contributions as follows:

- 1 Reduce the salary to salary for a period for which a table exists. In this case, reduction to a month's salary is useful.
- 2 Use the monthly table to determine the wage tax/national insurance contributions and the employed person's tax credit for 1/6 of the salary (€ 1,000).
- 3 Multiply the wage tax/national insurance contributions and the employed person's tax credit by 6.

Unow have the correct wage tax/national insurance contributions and labor tax credit for the wage period of 6 months.

Example 3

The wage period is 3.5 days. The salary for that wage period is € 350. You determine the wage tax/national insurance contributions as follows:

- 1 Reduce the salary to salary for a period for which a table exists. In this case, reduction to a wage per day is useful.
- 2 Use the daily table to determine the wage tax/national insurance contributions and the employed person's tax credit for 1/4 of the salary (€ 87.50). Half a day is also a day when using the daily table.
- 3 Multiply the wage tax/national insurance contributions and the employed person's tax credit by 4.

You now have the correct wage tax/national insurance contributions and labor tax credit for the wage period of 3.5 days.

Example 4

In this example, the calendar and deductions are fictitious.

April							
week	mom	Di	Wed	of the	Fri	behind	so
14			1	2	3	4	5
15	6	7	8	9	10	11	12
16	13	14	15	16	17	18	19
17	20	21	22	23	24	25	26
18	27	28	29	30			

Your employee will start working in week 15 on Thursday 9 April. The period from April 9 to April 30 falls into 4 weeks with 16 working days, divided as follows: week 15: 2 days, week 16: 5 days, week 17: 5 days and week 18: 4 days. The employee receives the salary for the period from 9 to 30 April. The wage period is therefore the period from 9 to 30 April. We call this a 'deviating wage period' because it deviates from the standard wage periods. Because there is no table for this, the table application requires you to trace the deduction from a table that does exist.

For that 1st month that is not full, the month of commencement of employment, you pay the employee € 1,600. For full months, you use the white month table, but in this month, you 'cut' as follows:

- week 15: 2 days
- week 16 and 17: 5 days (2 full weeks)
- Week 18: 4 days.

The deviating period therefore consists of 2 weeks plus 6 days. You calculate the deduction with the white wage tax table as follows:

- 2 times the weekly table over € 500 (= (€ 1,600 : 16) x 5). Suppose the deduction is € 60.48 per week
- 6 times the daily table about € 100 (= € 1,600 : 16). Suppose the deduction is € 12.10 per day

Udeduct from the salary for this deviating wage period: 2 times € 60.48 + 6 times € 12.10 = € 193.56.

Umay also apply the daily table 16 times, i.e. you calculate € 12.10 = € 193.60 16 times.

Example 5a

In this example, the calendar and deductions are fictitious.

August							
week	but	of	where	of the	Fri	behind	so
31		1	2	3	4	5	6
32	7	8	9	10	11	12	13
33	14	15	16	17	18	19	20
34	21	22	23	24	25	26	27
35	28	29	30	31			

An employee has a fixed monthly salary of € 2,100 and a working week from Monday to Friday. August has 23 working days. In this example, these working days are in weeks 31 to 35. The employee takes 1 day of unpaid leave on Wednesday 23 August (week 34). For August, he has agreed with his employer that he will receive 1 day less salary: 20.67/21.67 of € 2,100 = € 2,003.09. You can calculate the deviating wage period as follows:

- week 31: 4 days
- week 32 and 33: 2 x 5 days (2 full weeks)
- week 34: 4 days
- week 35: 4

days This is a total of 22 days. Although this is a different wage period, there are still at least 21.67 days in it. Therefore, for this interrupted month, you 'just' apply the white monthly table to the lower salary of € 2,003.09.

Because this example is unpaid leave, enter the incidental income reduction code with 'O' (unpaid leave).

Example 5b

If the employee of example 5a would have had 4 days of unpaid leave (from 18 to 23 August), with 4 days less pay, for example 17.67/21.67 of € 2,100 = € 1,712.37, then you calculate the deduction with the white wage tax table as follows:

- week 31: 4 days
- week 32: 5 days (1 full week)
- week 33: 4 days
- week 34: 2 days
- week 35: 4 days

This is a total of 19 days. This is a different wage period, for which there is no standard table. So you need to retrace:

- 1 time the weekly table over € 450.62 (= (€ 1,712.37 : 19) x 5). Suppose the deduction is € 40.33 per week
- 14 times the daily table about € 90.12 (= € 1,712.37 : 19). Suppose the deduction is € 8.07 per day.

You deduct from the salary for this deviating wage period: 1 time € 40.33 + 14 times € 8.07 = € 153.31. You may also apply the daily table 19 times, i.e. you calculate € 8.07 = € 153.33 19 times.

Because this example involves unpaid leave, you enter the incidental income reduction code with 'O' (unpaid leave) in the payroll tax return.

Your employee has different pay periods

You may pay your employee a remuneration (no additional payment) for another wage period in addition to his periodic salary. For example, in addition to the monthly salary, an employee receives a statement of his commission every 3 months. You can choose from 2 ways to calculate the wage tax/national insurance contributions for the other wage period:

- You use the table for special remunerations (see paragraph 9.3.6).
- You carry out a recalculation (see below under 'Recalculation method').

The results of the 2 calculations may differ. You can choose which way you use.

Please note

In the case of 2 or more wages from previous employment, such as pensions or annuities, with different wage periods, you must always use the recalculation method.

Recalculation method

If the employee receives remuneration over different periods, you can determine the wage tax/national insurance contributions for the longest period by recalculating. When recalculating, take the following steps:

- 1 Add the wages of the longest period to all other wages that are taxed or still to be taxed in that period.
- 2 Use the table that applies to the longest period to determine the wage tax/national insurance contributions on this total salary, and the corresponding labor tax credit. You use the table that applies when you pay the salary for the longest period. And you start from the wage of column 14 of the wage statement (the table wage).
- 3 Use the same table to determine the wage tax/national insurance contributions on the total of the other salary, and the corresponding labor tax credit, i.e. without taking into account the salary for the longest period. This amount may differ from what you actually deducted from the previous salary and from what you previously determined in terms of labor tax credit.
- 4 Subtract the wage tax/national insurance contributions that you calculated in step 3 from the wage tax/national insurance contributions that you calculated in step 2.

Do the same with the labor tax credit. The difference is the amount you have to deduct from the salary for the longest period, and the corresponding amount of labor credit.

Example 6

The amounts in this example are fictitious

An employee of 25 years of age for whom you apply the payroll tax credit has a regular salary of € 1,000 every month. In April, you also pay the commission for January, February and March. This commission is € 800.

The longest wage period here is the period January to March, the period to which the commission relates. The total wage (table wage) for that period (a quarter) is $3 \times € 1,000 + € 800 = € 3,800$. A table is available for this period. You use the table that applies at the time you pay the commission, i.e. the white quarterly table that is valid in April.

According to the white quarterly table for residents of the Netherlands, the wage tax/national insurance contributions on this wage is € 220.00. The labor tax credit that goes with this is € 500.00.

You determine what you should deduct from the total of the regular salary for January, February and March (€ 3,000). You also use the white quarterly table for residents of the Netherlands that is valid in April. The wage tax/national insurance contributions on € 3,000 is € 155.00. The labor tax credit that goes with this is € 255.00. On the commission of € 800 you deduct: $€ 220.00 - € 155.00 = € 65.00$. The corresponding labor tax credit is: $€ 500.00 - € 255.00 = € 245.00$.

Example 7

The amounts in this example are fictitious

An employee aged 41 for whom you apply the payroll tax credit will have a salary of € 1,000 in January and February. On March 1, he will be employed by a new employer. In April, he will receive the commission for the 1st quarter (January, February, March). This commission is € 800.

The longest wage period with you is the period from January to March, the period to which the commission relates. But because the employee no longer worked for you in March, the actual wage period is a period of 2 months. The total wage (table wage) for that period is $(2 \times € 1,000) + € 800 = € 2,800$. There is no table for this period. That is why you must reduce the table (see above under 'Your employee has a wage period for which no table exists').

You divide the total wage amount by 2 and use the monthly table that is valid in April. You multiply the result by 2.

You now calculate the wage tax/national insurance contributions on the commission for a resident of the Netherlands as follows:

- 1 Calculate the wage tax/national insurance contributions on the total salary of € 2,800.
This is: 2 x wage tax/national insurance contributions on a monthly salary of € 1,400.00 = (2 x € 90.00) € 180.00. The corresponding labor tax credit is (2 x € 200.00) € 400.00.
- 2 Calculate what the wage tax/national insurance contributions would have been over the total of the previous monthly wages. This is: 2 x wage tax/national insurance contributions over € 1,000 = (2 x € 51.00) € 102.00. The corresponding labor tax credit is (2 x € 85.00) € 170.00.
- 3 Subtract the wage tax/national insurance contributions that you calculated in step 2 from the wage tax/national insurance contributions that you calculated in step 1. Do the same with the labor tax credit. On the commission of € 800 you deduct: € 180.00 € 102.00 = € 78.00. The corresponding labor tax credit is: € 400.00 € 170.00 = € 230.00.

U make additional payments of period wages (delayed payment of period wages)

For retrospective payments of period wages (also referred to as: delayed payment of period wages), such as regular wages, but also overtime wages, commissions or collective bargaining wage increases with retroactive effect, you may use the tables for special remunerations (see section 9.3.6). But you can also use the time slot tables. In that case, you must use the recalculation method (see above under 'Your employee has different pay periods').

There is 1 exception to this: you must apply the period table if the retrospective payment relates to a retrospectively determined period wage or a retrospective benefit that you pay in 1 instalment, while you have not previously paid the employee or the beneficiary a period wage over the retrospective payment period. For example, the following situations are involved:

- You no longer pay the employee regular wages. After a while, you will still pay the unpaid wages.
- You grant a pension to a benefit recipient with retroactive effect (start-up periods).

U then calculate the wage tax/national insurance contributions as follows:

- 1 Reduce the amount to an (average) period wage.
- 2 Use the wage tax table that applies at that time. You may not use the special remuneration table for these additional payments.
- 3 Multiply the amount in the table by the number of wage periods to which the payment relates.

In this way, for example, there are more than 12 pay periods of a month in a year, and you can also apply more than 12x the month table during the year. The employee then has a net benefit because you then also apply more than 12x a monthly amount of payroll tax credit. We settle this benefit of the extra tax credit through your employee's income tax assessment. Your employee will then lose this benefit. To avoid calculating too much payroll tax credit, you can deduct more wage tax/national insurance contributions than the table indicates. But you may only do this with your employee's permission. See paragraph 9.3.10 under 'Voluntary higher deduction'.

Example 8

A 36-year-old employee earns € 2,500 per month. You dismiss him and no longer pay him regular wages as of October 2024. In dismissal proceedings, the court determines that the dismissal was unjustified. You will resume regular wage payments as of April 2025 and you will pay the employee 6 months' wages in 1 instalment in April 2025 (total € 15,000). There is no other income. The employee is insured for employee insurance and for the Zvw.

In the case of wage-in-systematics

For each monthly salary of € 2,500, you use the white monthly table that applies in April 2025. For example, the wage tax/national insurance contributions (for residents of the Netherlands) on this is € 300.00. Then multiply this amount by 6. You declare the entire salary (€ 15,000) and the total wage tax/national insurance contributions (€ 1,800.00), together with the regular salary for April, in the return for April.

In the case of excess-wage-systematics

You still allocate € 2,500 in salary to January, February and March 2025 and process it in the payroll administration in those months. For wage tax/national insurance contributions, you use the white monthly table that applies in January, February and March 2025 respectively. For the other 3 wage period retrospective payments of € 2,500, which relate to 2024, use the white monthly table that applies in April 2025. You multiply the amount from the table that corresponds to € 2,500 by 3. You include the wages that you have allocated to January, February and March 2025 in the tax return for those periods or you send a correction for them. You declare the salary for the 3 periods of 2024 and the associated wage tax/national insurance contributions, together with the regular salary for April, in the return for April 2025.

Employee insurance and income-related Zvw contribution

The employee insurance premiums and the income-related Zvw contribution must be calculated in a different way, namely by means of progressive cumulative calculation (VCR) (see Chapter 6 and section 7.7.3). You first determine for which wage periods you will pay wages in 2025. These wage periods lead to an addition to the cumulative maximum premium and contribution salary. The wage periods of 2024 therefore do not count. In this example, that period is January to March for the additional payment and April for the regular salary. The total salary, including the salary relating to periods prior to 2025, is part of the cumulative salary for employee insurance schemes and the contribution salary of April 2025.

Calendar year has 53 weeks and your employee has a pay period of one week or of 4 weeks

Sometimes a calendar year has 53 weeks. If your employee has a pay period of one week, you must also use the weekly table for the wages for the 53rd week.

If your employee has a wage period of 4 weeks, there are 2 possible situations for the salary for the 53rd week:

- You pay the wages for the 13th period of 4 weeks and the wages for the 53rd week separately. In that case, you use the four-week table for the wages for the 13th period of 4 weeks and the weekly table for the wages for the 53rd week.
- You pay the wages for the 13th period and the wages for the 53rd week in 1 go. There is then a wage period of 5 weeks. There is no table for this wage period. You must then convert the table to a salary for a period for which a table does exist (see above under 'Your employee has a wage period for which no table exists'). For example, by dividing the salary by 5. Then you use the weekly table and multiply the wage tax/national insurance contributions and the labor tax credit by 5.

If you apply the payroll tax credit for an employee, you may also do so for the 53rd week.

Please note

In this way, you may calculate more payroll tax credit than the employee is entitled to. We settle this benefit of the extra tax credit through your employee's income tax assessment. Your employee will then lose this benefit. To avoid calculating too much payroll tax credit, you can deduct more wage tax/national insurance contributions than the table indicates. But you may only do this with your employee's permission. See paragraph 9.3.10 under 'Voluntary higher deduction'.

U raises students of scholieren into service

For students and pupils, you can use the student and pupil scheme at the request of the employee (see paragraph 18.16). You then assume a pay period of a calendar quarter, even if the actual pay period is different. You then use the quarterly table. The effect of this scheme is usually that you deduct less wage tax/national insurance contributions than if you were to use the normal period table.

Please note

When using this scheme, there is no distinction between period wages and special wages.

Example of student and pupil scheme

In this example, the withholding amounts are fictitious.

	Wages	Cumulative salary	Deduction quarter table	Deduction from remuneration
April	€ 1000	€ 1000	€ 0	€ 0
May	€ 1000	€ 2000	€ 0	€ 0
Holiday allowance	€ 300	€ 2300	€ 36.75	€ 36.75
June	€ 1000	€ 3300	€ 176.25	€ 139.50

Uemploy on-call workers

To determine the wage period – and therefore the wage tax table – of on-call workers and employees with a zero-hour contract, the agreement and the factual situation are important. See paragraph 18.12 for more information about on-call workers.

On-call workers with a duty to appear (including zero-hour contracts)

In the case of on-call workers with an obligation to appear, the employment relationship continues. There are 2 possibilities:

- It concerns someone who falls under the so-called part-timer scheme (see paragraph 9.3.4, under 'Exception 2: part-timer scheme'). Then the wage period is equal to the payment period.
- It is not a part-timer. Then you determine the wage period for each call. The main rule for the use of period tables applies (see paragraph 9.3.4, under 'Main rule: use period table that corresponds to period wage').

On-call workers without an obligation to appear

In the case of on-call workers without an obligation to appear, there are 3 possible situations:

- The on-call worker is called up for a longer period of time and works 5 or more days a week during that period. This situation can be equated with a full-time contract for a certain period. In this case, you determine the pay period for each call and use the corresponding time slot table.
- The on-call worker is called up for a longer period of time and usually works less than 5 days a week during that period. In this situation, the scheme applies to part-timers (see paragraph 9.3.4, under 'Exception 2: part-timer scheme'). The wage period is equal to the payment period.
- The on-call worker is called up for a short period of time. You then determine the pay period for each call and use the corresponding time slot table.

9.3.6 Special reward tables

A special reward is a one-off reward or a reward that you usually grant once a year. A special remuneration is independent of a wage period. If you pay your employee his wages once a year over a year, this is not a special remuneration but ordinary period wages.

For special rewards, there are special tables to determine the wage tax/national insurance contributions: the tables for special rewards. There are white and green tables for special remunerations (see sections 9.3.2 and 9.3.3). You can download the tables from belastingdienst.nl/tabellen. The special reward tables

are used for the following special rewards:

- bonuses, bonuses, transition payments or other compensations
- holiday allowance
- end-of-year bonus
- payment of unused holidays

Note 1

Holiday allowance that you pay monthly, for example, is part of the monthly salary. You then apply the monthly table to the total.

You may use the special rewards table for the following period rewards:

- remuneration for another period, for example post-paid commissions, retroactive wage increases or overtime pay
- Retrospective payments relating to periods of a previous calendar year
- lump sum payments for annuities, insofar as the lump sum does not exceed € 5,429 (see paragraph [9.6.1](#))

But with these rewards, you can also opt for the time slot table. In that case, you must use the recalculation method (see paragraph [9.3.5](#), under 'Your employee has different pay periods').

Payroll tax credit settlement percentage

The payroll tax credit usually consists of an accrual part and a phasing out part. As a result, it depends on the level of income. To take into account the accrual and phasing out of the employed person's tax credit and the phasing out of the general tax credit for special bonuses, the tables show the column 'Settlement percentage of the payroll tax credit' for employees for whom you apply the payroll tax credit. The settled payroll tax credit is therefore more in line with the income tax that your employee has to pay on his wages.

With the positive settlement percentage, you correct the excess payroll tax credit. With the negative percentage, you correct the deficit. To calculate the wage tax/national insurance contributions, you may add the settlement percentage to the percentage in the 'standard rate' column. You may also apply the 2 percentages separately.

Note 2

The use of the settlement percentage can sometimes still lead to a deduction that is too high or too low compared to what your employee has to pay on his income tax return. In this situation, you can do the following:

- withhold more wage tax/national insurance contributions than the table indicates
You may only do this with your employee's permission. See paragraph [9.3.10](#) under 'Voluntary higher deduction'.
- withholding less wage tax/national insurance contributions For more information about this, see below under 'Authorisation for a lower percentage'.

Annual salary as the starting point for the tables for special remunerations

For the tables for special rewards, you need an annual salary. You base this annual salary on the salary from column 14 of the wage statement (see paragraph [11.2.9](#)).

There are 3 possible situations:

- You have paid the employee wages for the entire previous calendar year. You then assume the salary that the employee received from you in that year.
- You have only paid the employee wages for part of the previous calendar year. You then assume the amount reduced to an annual salary. For example, if the employee started working on 15 November and his cumulative salary (column 14 of the wage statement) is € 3,000 on 31 December, then the amount reduced to annual salary ((€ 3,000 : 1.5) x 12 =) is € 24,000.

Has the employee entered and left employment several times in the previous year, such as in the case of on-call and temporary workers? Then you calculate the annual salary by reducing the salary for all employment relationships with this employee in that year to 1 year's salary.

- The employee started working in the current year. You have therefore not paid the employee any wages in the previous calendar year. You then deduct an annual salary based on the current year. You must deduce the annual salary as if your employee were receiving salary for the entire current year. In doing so, you take into account all wage payments, including incidental payments or any fixed wage increases.

If the employee's income fluctuates, you must adjust the expected annual salary during the year of employment. But you may also suffice with a one-off estimate of the annual salary before the 1st wage payment if you base this on what is customary for you. If the employee enters and leaves employment several times in the year of commencement of employment (such as in the case of on-call and temporary workers), you must make a (new) estimate for each employment relationship according to the general rule. But you may also make that estimate for the total of all employment relationships with that employee.

Note 3

If an employee has changed employers and you and the other employer belong to the same cohesive group of withholding agents, you take as your annual salary the total salary that you and the other employer have paid. See section 3.6 for more information on the concept of 'coherent group of withholding agents'.

Do you or your employee suspect that too much or too little wage tax/national insurance contributions (payroll tax) is still being withheld with the annual salary, compared to what the employee has to pay through his income tax return? Then you can do the following:

- withhold more wage tax/national insurance contributions than the table indicates
You may only do this with your employee's permission. See paragraph 9.3.10 under 'Voluntary higher deduction'.
- withholding less wage tax/national insurance contributions For more information about this, see below under 'Authorisation for a lower percentage'.

Adding up wages for calculating annual wages

There are 3 situations in which you have to add up wages to calculate the annual wage:

- You pay an employee wages for 2 or more income ratios. The total salary of all income ratios is then the starting point for the calculation of the annual salary for the special remuneration table. It does not matter whether it concerns salary from current or former employment. See section 3.4 for more information on the concept of 'income ratio'.
- You pay an employee wages or wages from current or previous employment. In addition, you also continue to pay wages from previous employment with another employer or benefits agency. The total of those wages is then the starting point for the calculation of the annual salary for the special remuneration table.
- You supplement a benefit under the employee insurance schemes and the UWV pays that benefit directly to your employee or you receive that benefit from the UWV to continue paying to your employee. The total (the benefit plus the supplement) is then the starting point for the calculation of the annual salary for the table for special remunerations.

If you declare the different wages under different payroll tax numbers, for example one wage in the tax return with sub-number L01 and the other in the tax return with sub-number L02, you add these wages together to determine the annual wage for the special remuneration table.

Note 4

In the situation that the employee still receives wages from your current employment, the benefit that UWV pays directly to the employee does count towards determining the 'annual salary for the special remuneration table'.

Lower percentage authorization

At the request of your employee, we can issue an authorization to tax the wage components that fall under the table for special remunerations at a lower rate than the table indicates. Your employee can make such a request if normal use of the table for special remuneration means that the wage tax/national insurance contributions on the special remuneration is at least 10% (with a minimum of € 227) more than the income tax/national insurance contributions that the employee is likely to have to pay. We will then send your employee a letter authorising you to use a lower percentage than the table for special remuneration indicates. This percentage only applies to the year stated in the authorization.

After you have received the authorization, you process the lower percentage in the payroll administration. You keep a copy of the authorization with your payroll administration.

How do you find the right annual wage?

The 1st column of the white and green tables for special remunerations shows the annual salary. If the annual salary of an employee or benefit recipient is between 2 amounts mentioned in the table, you take the lower amount. You then take the percentage and possibly the settlement percentage associated with this amount from the correct column. You use these percentages to calculate the withholding.

Example

You have a 45-year-old employee who lives in the Netherlands and for whom you apply the payroll tax credit. The annual salary of this employee is € 70,000. You will not find this amount as an annual salary in the white table for special remunerations for residents of the Netherlands. See below part of the table for special rewards. The lower annual salary that is closest to it is € 58,876. The percentage you use to calculate the deduction is then (37.48% (regular percentage) + 12.85% (settlement percentage)) = 50.33%.

Annual salary	Younger than the state pension age		
	without payroll tax credit	with payroll tax credit	
		Standard rate	settlement percentage of payroll tax credit
...	...	...	...
€ 45,309	37,48%	37,48%	12,85%
€ 58,876	37,48%	37,48%	12,85%
€ 76,818	49,50%	49,50%	6,51%
€ 139,405	49,50%	49,50%	0,00%

9.3.7 Tables for special groups of employees

There are special tables for:

- artists and professional athletes
- contractors of work, home workers, sex workers and similar
- employees and benefit recipients living abroad

Special rules apply to the calculation of wage tax/national insurance contributions on social assistance benefits. More information about this and about reclaiming and settling social assistance can be found in the 'Calculation rules and manual for payroll taxes on social assistance benefits'. You can download this manual from belastingdienst.nl.

Artists and professional athletes

For artists and professional athletes with whom you enter into a short-term contract or who perform or practice a sport for a short time, you calculate the wage tax in a different way. Table 3 at the end of this handbook applies to this. You can find more about this in the 'Manual for Payroll Taxes for Artists and Professional Athletes' Scheme'. You can download the manual from belastingdienst.nl.

Work contractors, home workers, sex workers and similar

A special table applies to a number of groups of employees, see table 4 at the end of this handbook. These are:

- contractors of work, see paragraph [18.2](#)
- Home workers, see paragraph [18.17](#)
- sex workers, see paragraph [18.15](#)
- assimilated persons, see paragraph [18.9](#)

Tables for employees and beneficiaries living abroad

For the deduction of wage tax/national insurance contributions, it is important where someone lives for tax purposes. This is because that determines whether or not the tax part of the tax credits may be applied. To this end, we distinguish 3 areas in the world:

- 1 Netherlands
- 2 the circle of countries: another member state of the European Union (EU), of the European Economic Area (EEA) (Iceland, Norway and Liechtenstein), Switzerland or 1 of the BES islands (Bonaire, Sint Eustatius and Saba)
- 3 third countries: all other countries and overseas territories of Member States of Europe not governed by EU law

From 2020 onwards, a number of bilateral tax treaties must be taken into account for areas 2 and 3. From 2021, the EU-UK Withdrawal Agreement in relation to the withdrawal of the United Kingdom from the EU must be taken into account. The composition of the 3 world areas for the application of the tax component of the general tax credit and/or labor tax credit with wage tax tables is as follows from 2021:

Territories in the world in relation to the settlement of the LB part of the tax credits	
Dependency	LB part applicable for
1. Netherlands I	All tax credits
2. Circle of countries	
2a. Belgium II	general tax credit and labor tax credit
2b. United Kingdom	under certain conditions, see below 'Caution': as with 2c
2c. other member states of the circle of countries III	Labor tax credit
3. Third countries	
3a. Suriname in Aruba IV	general tax credit
3b. United Kingdom	under certain conditions, see 'Caution' below: as with 3c
3c. other third countries V	no tax credit at all

For each of the groups or group parts I to V, there is a set of 77 period tables and 21 tables for special rewards. This is because for each group or group part, in addition to the standard situation, 6 conversion situations can be identified per wage period (see section [9.3.8](#)).

More information on the table, such as the status of overseas territories of European Member States not covered by EU law, can be found on belastingdienst.nl/internationaal.

Countries of the Circle of Countries

The following countries belong to the circle of countries:

- the EU Member States (except the Netherlands), including the overseas territories:
 - BE Austria Belgium Bulgaria Croatia Cyprus Czech Republic Denmark Estonia Finland Germany, including the Åland Islands France Guadeloupe
 - CY French Guiana Martinique Mayotte Réunion
 - DK Saint Martin Greece Hungary Ireland Italy
 - DE Latvia Lithuania Luxembourg Malta Poland
 - EE Portugal, including the Azores and Madeira
 - FI Romania Slovakia Slovenia Spain, including the Canary Islands Sweden
 - IT
 - GP
 - GF
 - MQ
 - YT
 - RE
 - MF
 - GR
 - HU
 - IE
 - IT
 - HR
 - LV
 - EN
 - LU
 - MT
 - AT
 - PL
 - PT
 - RO
 - YES
 - SK
 - EN
 - CZ
 - SE
- from EER-landen:
 - NO Norway,
 - LI Liechtenstein,
 - IS: Iceland
- other countries:
 - CH Switzerland BES islands (Bonaire, Sint Eustatius and Saba)
 - BQ

Please note

As of 1 January 2021, the United Kingdom (England, Scotland, Wales and Northern Ireland, hereinafter: UK) with country code GB is no longer part of the country circle. Certain persons can still rely on the withdrawal agreement that the UK has concluded with the EU in the context of Brexit. This is the case, for example, if an employee living in the UK was already working for a Dutch employer in the Netherlands before 2021 (there was free movement of workers before Brexit). Although this employee no longer actually lives in the circle of countries, he is still treated as if he lives within the circle of countries. However, the Withdrawal Agreement does not apply to workers posted from the UK (who benefited from free movement of services before Brexit), unless this worker is otherwise covered by the Withdrawal Agreement, for example because they were lawfully resident in another EU Member State (the so-called Residence Directive). For more information, see the [Brexit appendix](#) or [belastingdienst.nl/brexit](#).

9.3.8 Conversion rules (in international situations) for wage tax/national insurance contributions

The deduction of wage tax/national insurance contributions consists of 1 percentage that is made up of 4 components:

- Payroll tax
- AOW premium
- Anw survivor benefit premium
- Wlz premium

There are employees who do not have to pay 1 or more of these components due to international situations. For example, there are:

- employees who only have to pay wage tax
- employees who only have to pay national insurance contributions (AOW, Anw and Wlz)
- employees who do not have to pay contributions for 1 or more national insurance schemes

For each of these groups of employees, a different combined percentage for wage tax/national insurance contributions applies than the percentages in the standard wage tax tables. Your payroll software usually calculates this adjusted deduction automatically.

Do you want to determine the deduction yourself? Then use the 'conversion table' that belongs to the 'conversion situation'. You can download these tables from [belastingdienst.nl/tabellen](#).

Conversion situations and associated tables

There are tables for 6 conversion situations with 3 age categories per conversion situation:

- A Subject to contributions only for AOW, Anw and Wlz
- B Exclusively taxable person
- C Liable to pay tax and social security contributions for the AOW and the Anw
- D Liable to pay tax and contributions to the Wlz
- E Only liable to pay contributions for the AOW and the Anw
- F Only subject to contributions for the Wlz

Salarysplit

By a salary split, we mean that an employee within one employment contract is subject to the tax and/or social security contributions levy of the Netherlands for part of the salary and the tax and/or social security contributions levy of another country for another part. There is then a combination of conversion situations. More information on how to calculate the levy and how to declare the wages and deductions in the payroll tax return can be found in the Salary Split Appendix.

Termination of the deduction in the event of a contribution obligation only (conversion situations A, E and F)

In situations of only contribution obligation (i.e. in conversion situations A, E and F), you must stop the deduction as soon as the maximum amount has been reached cumulatively at any time during the year. This is regardless of whether you have deducted from the time slot table or the special remuneration table. Other conversion situations (and also the standard situation) do not have a maximum of the deduction.

If a situation A, E or F arises in the course of the year (only subject to social security contributions), you must count from the moment that the situation takes effect with regard to reaching the maximum. You therefore do not take into account the 'withheld premium' tax part of the other (previous) situations. If in the course of the year the situation of A, E or F changes to another situation (where there is (also) a tax liability), you deduct in accordance with the table values. There will be no recovery from previous periods in which the cap was applied (i.e. no 'catch-up effect').

The maximum deduction per year can be found in the table below. These maximum amounts are the same for both living in the Netherlands and abroad.

Maximum deduction in conversion situations							
	Younger than the state pension age with and without wage tax credit	State pension age or older					
		Born in 1945 or earlier			Born in 1946 or later		
		without payroll tax credit	with payroll tax credit		without payroll tax credit	with payroll tax credit	
			without single person - elderly - discount	with single person - elderly discount <i>only for AOW and/or AIO benefits</i>		without single person - elderly - discount	with single person - elderly discount <i>only for AOW and/or AIO benefits</i>
Standard situation	no	no			no		
Situation A	€ 10,628	€ 3,948	€ 3,948	€ 3,659	€ 3,747	€ 3,747	€ 3,458
Situation B	no	no			no		
Situation C	no	no			no		
Situation D	no	no			no		
Situation E	€ 6,919	€ 40	€ 40	€ 37	€ 38	€ 38	€ 35
Situation F	€ 3,709	€ 3,709	€ 3,908	€ 3,622	€ 3,709	€ 3,709	€ 3,423

Example

An employee is 45 years old, lives in the Netherlands and in 2025 is only liable to pay contributions according to conversion situation A. He has a salary of € 5,500 per month. The white table for conversion situation A applies. The amount of deduction (i.e. only national insurance contributions) is € 577.17. The maximum deduction for the entire year is reached at € 10,628.

In May, X will receive a holiday allowance of € 4,000 and in October a bonus of € 10,000. According to the table of special remunerations (also in conversion situation A), with an annual salary of say € 70,000, a withholding percentage of 27.65 (standard) plus 9.92 (settlement percentage), together 37.57%, applies. This normally leads to a deduction from the holiday allowance of € 1,502.80 and a deduction from the bonus of € 3,757.00.

You calculate the deduction as follows:	
Cumulative through September:	$9 \times € 577.17 + € 1,502.80 = € 6,697.33$ <i>This is less than the maximum of € 10,628</i>
The withholding in October (normally):	$€ 577.17 + € 3,757.00 = € 4,334.17$
The cumulative amount of calculated withholding up to and including October:	$€ 6,697.33 + € 4,334.17 = € 11,031.50$ <i>This is € 403.50 more than the maximum</i>
You limit the deduction in October to the cumulative maximum of € 10,628.	For example, by deducting an amount of € 3,353.50 from the bonus.

There will be no deduction from the wages for November and December, because the maximum has already been reached in October.

9.3.9 Special rates

In addition to the levy with period tables, the tables for special remunerations and the tables for special groups of employees, there are also various 'special rates'. These are the following rates:

- the anonymous rate, see section [2.6](#)
- the rate for negative expenditure on income provisions, see Section [4.10](#).

9.3.10 Points to consider when using the tables

When using the wage tax tables, the following points of attention apply:

- You may only use the tables to determine the wage tax/national insurance contributions in the calendar year from the date shown on the tables.
- In some cases, you may need to use the anonymous rate instead of the tables (see also section [2.6](#)).
- You may withhold more than the table indicates, see under '[Withholding more: voluntarily higher deduction](#)'.
- You may withhold less than the table for special rewards, see under '[Withholding less: authorisation to reduce the percentage of the table for special rewards](#)'.
- You may sometimes limit the deduction on the basis of treaty provisions, see under '[Withholding less: on the basis of treaty](#)'.

Withholding more: voluntarily higher deduction

At the request of an employee, you may withhold more wage tax/national insurance contributions than the period table or the table for special remuneration indicates. An employee can ask for this, for example, to better match the wage tax/national insurance contributions that you deduct from his income tax/national insurance contributions. This is especially useful if the employee has 2 employment contracts or 2 pensions at the same time and in the event of delayed payment of wages (start-up periods). Or if the table for special rewards indicates a low percentage.

Withholding less: authorisation to reduce the percentage of the special remuneration table

Your employee can request authorisation from us to reduce the percentage of the special remuneration table, see paragraph [9.3.6](#) under '[Payroll tax credit settlement percentage](#)'. You must then take this lower percentage of the authorisation into account from the next application of the table for special rewards.

Withholding less: on the basis of treaty

It may be that your employee/benefit recipient is covered by a treaty that stipulates that the tax on that salary may be limited to a certain percentage. For example, the treaty with Switzerland contains a provision that a maximum of 15% tax may be levied in the Netherlands for a certain type of income. We also call this 'capping the tax'.

For the withholding, this means that you may limit (cap) the wage tax part of the withholding.

Please note

You are not obliged to take the capping of the treaty provision into account, even if the employee/benefit recipient asks you to do so. You may also make the normal (table) deduction (without the treaty provision). The employee/benefit recipient can always realize this 15% cap through his income tax return.

However, if you do want to do the capping, you cannot do so simply with the wage tax tables. However, you can apply the following step-by-step plan. As an example, let's take the Tax Treaty with Switzerland. This has such a capping provision of the tax up to 15%.

The system of the step-by-step plan applies to all situations in which the withholding of tax is capped, whether or not in combination with the deduction of national insurance contributions. Your payroll software may offer you support for this, check with your software provider if necessary.

Step 1

First, you apply the regular (national) wage tax system. You determine the deduction in accordance with the regular wage tax table. To select the correct table, take into account the country of residence of the employee/benefit recipient and any applicable conversion situation.

- A To period wages, you apply the period table (of the country of residence and whether or not the conversion situation is required).
 Note the amount of deduction. Suppose € 400.
- B For special salary, you apply the table for special remuneration (of the country of residence and whether or not the conversion situation is applicable). You note the amount of deduction.
 Suppose € 400.

You may then take the treaty provision into account – whether or not at the request of the employee/beneficiary. Then proceed to step 2.

Step 2

- If the amount of the deduction found at A
 - is not more than 15% of the table wage, then that is the actual amount that you deduct from the period wage. This is where the step-by-step plan ends for you;
 - is more than 15% of the table wage, then go to step 3.
- If the amount of the deduction found B
 - is not more than 15% of the table salary, then that is the actual amount that you deduct from the special salary. This is where the step-by-step plan ends for you;
 - is more than 15% of the table wage, then go to step 3

Step 3

If you got into this step 3 because of:

- period wage (the deduction from step 2 at A), then the continuation of this step applies to the capping of the period wage;
- special salary (the deduction from step 2 at B), then the continuation of this step applies to the capping of the special salary.

- A If there is only tax liability (conversion situation B), then you have used conversion table B. You will cap the deduction from step 1 to 15% of the table wage. Suppose the table wage is € 1,400. 15% is € 210. You cap the previously found deduction at € 210. This is the actual amount you withhold.
- B If there is also a (partial) obligation to pay social security contributions (standard situation or conversion situation C or D), then the amount found in step 1 does not indicate which part of this is wage tax and which part is national insurance contributions. To determine this, you can use the following method:

Step 3.1

Determine the withholding again, but this time with conversion table B (the tax-only table). This is approximately the wage tax component that is included in the deduction at step 1:

- If this amount does not exceed 15% of the table wage, then the amount that you actually have to withhold is the amount of (total) deduction that you found in step 1 above.
- If the amount is more than 15% of the table wage, you cap this amount of wage tax at 15%. You note the difference between the table amount and the capped amount. Suppose the table amount found with conversion table B is now € 200. The capped amount is € 150. The difference is € 50. Go to step 3.2.

Step 3.2

You subtract the difference from the deduction you found in step 1. The result (€ 400 - € 50 = € 350) is then the actual amount you withhold.

If you have withheld too much or too little wage tax/national insurance contributions

It is possible that you have withheld too much or too little wage tax/national insurance contributions from an employee. For example, because you used the wrong table or the wrong column. You then have a net debt to the employee or a net claim on the employee. The main rule is that you correct the incorrect tax return with a correction. It does not matter whether you use the wage system or the wage oversystem. You set off this net debt or net claim against the net salary of the next wage period.

You can also fix the error without correction under the following conditions:

- You correct the error within the calendar year.
- You settle the previously too little or too much withheld in a subsequent wage calculation by withholding more or less.
- Make a note of this in your payroll administration.
- Your employee agrees that you will settle the incorrect deduction in this way.

Please note

You must always correct an incorrect deduction of the Zvw contribution with a correction, even if it concerns the previous year. Because the employee cannot rectify this through his income tax return. For more information on corrections for previous years, see section 14.4.

9.4 From net salary to gross salary: gross

The payroll tax system is based on the gross salary and on calculations from gross to net salary. See section 9.1 for an example of a calculation from gross salary to net salary.

If, as an employer, you agree on a net salary with an employee, you must reduce this net salary to a gross salary. You will then have to make a reverse calculation. This is usually possible with payroll software. If this is not possible with your software, you will have to make the calculation yourself.

How does brutting work?

If you reduce a net salary to a gross salary, you must add a few amounts to the net salary to arrive at a gross salary. Such as the withheld wage tax/national insurance contributions and the withheld Zvw contribution.

You can use the following method. Estimate the gross salary that you think belongs to the net salary that you have agreed with your employee. With this gross salary you make a gross-net calculation. You deduct this calculated net salary from the actual net salary. If the difference is positive, subtract it from the estimated gross pay. If the difference is negative, add it to the estimated gross pay. With this new gross salary, you make the same calculation again. You repeat this calculation until you finally arrive at the net salary that you have agreed with your employee.

Example

You want to determine the gross salary associated with a net salary of € 400 per week for a resident of the Netherlands. You use the white weekly table of January 2025 for residents of the Netherlands. Because the payroll tax credit applies and the employee is 35 years old, you take the amounts from column 3 of the table. You start your calculation with a gross salary of, for example, 120% of the net salary. You can see that you can reduce a net salary of € 400 to a gross salary of € 416.52 in 4 steps.

Gross salary	Basis (column 14 of the wage statement)	Wage tax/national insurance contributions	Take-home pay	Difference
€ 480.00	€ 480.00	€ 20.19	€ 459.81	€ 59.81
€ 420.19	€ 420.19	€ 16.71	€ 403.48	€ 3.48
€ 416.71	€ 416.71	€ 16.52	€ 400.19	€ 0.19
€ 416.52	€ 416.52	€ 16.52	€ 400.00	€ 0.00

Principles in this example:

- This example does not take into account, for example, expense allowances, deduction of pension premiums, wages in kind (such as a company car) and the like.
- The employer does not make use of the possibility to recover part of the differentiated Whk premium from the employee.
- The employer must pay the employer's Zvw levy. He does not deduct a Zvw contribution from the employee's salary.

9.5 Final levy

You pay us the wage tax/national insurance contributions that you normally deduct from your employee's salary. But in fact, the employee pays this amount. You do not withhold from certain forms of wages, but as an employer you pay the wage tax/national insurance contributions yourself: the so-called final levy. Wages on which you pay the final levy are not part of the employee's wages and are not shown on their salary slip or annual statement. The final levy wage is therefore not part of his aggregate income for income tax purposes. The employee cannot offset the final levy that you pay on this salary against the income tax/national insurance contributions in his income tax return.

There are different rates for the final levy. The rate you use depends on the type of wage on which you pay the final levy (see Chapter [25](#)).

9.6 Rules for adding up wages

Do you pay an employee or benefit recipient (hereinafter: employee) multiple wages or benefits on the basis of 1 or more employment contracts or insurance policies? Then you sometimes have to add up the various payments to 1 amount on which you withhold and pay the payroll taxes. Adding them together does not mean that you have to declare the different payments in 1 income ratio. This is always allowed in multiple income ratios, as long as you use the total amount as a basis for calculating the payroll taxes. However, you may have to declare the different payments in different income ratios, such as in the case of concurrence of payments, where the white table applies to one salary and the green table to the other (see section [3.4.1](#)).

Whether you need to add up the payments depends on what you are going to calculate: the employee insurance premiums, the income-related contribution under the Health Insurance Act or the wage tax/national insurance contributions.

Employee insurance premiums

For the calculation of employee insurance premiums, the progressive cumulative calculation (VCR) applies, see Chapter 6.

Income-related contribution under the Health Insurance Act

For the calculation of the income-related Zvw contribution, the progressive cumulative calculation (VCR) also applies, see Chapter 6.

Wage tax/national insurance contributions

Do you pay the employee different wages and declare those amounts under multiple income ratio numbers? Then you must look at the calculation of the wage tax/national insurance contributions whether the different income ratios of the employee belong to 1 or more employments.

- If the different income ratios belong to 1 employment, you must always add the amounts together and calculate the wage tax/national insurance contributions on the total amount of the wages. Even if you process them in different revenue ratios.
- If there is a concurrence of wages from current and former employment, you must declare it in different income ratios. If you need or want to add up those wages, see the example below for a practical method.
- If you use different income ratios because the employee has several employment contracts with you at the same time, it is preferable to add the wages together.

This applies not only to someone for whom you include your income ratio in the same payroll tax return under different numbers, but also to someone for whom you file a tax return under different sub-numbers (e.g. L01, L02). You decide how you divide the withheld wage tax/national insurance contributions over the various income ratios. It is preferable to divide the wage tax/national insurance contributions proportionally over the various income ratios.

When divided over income ratios, cumulatively not negative

When distributing the withheld wage tax/national insurance contributions or the settled labor tax credit, the condition applies that the cumulative amount in any payroll tax return may not be negative. An explanation can be found in section 11.2.10. See also the position of the knowledge group: KG:204:2024:15 Negative labor tax credit.

Note 1

If you do not add up the wages, you may only offset the payroll tax credit for 1 employment for the table application.

Note 2

If you do not add up the wages, your employee will probably have to pay extra on his income tax return for a total annual salary of € 28,406.00 or more. This is mainly because the phasing out of the tax credits and the progression of the bracket rate do not have an effect through the payroll taxes. With a total annual salary of up to € 26,288 per year, this can lead to a refund in connection with unrealised (accrual of) tax credits.

Example: adding up wages from current and past employment

The amounts in this example are fictitious

You pay an employee of 56 € 2,000 per month salary from current employment and € 500 per month (early) pension. The employee has the payroll tax credit applied to you. The employee lives in the Netherlands. You calculate the wage tax/national insurance contributions as follows:

- 1 You use the white monthly table for residents of the Netherlands to determine the labor tax credit that belongs to the salary from current employment: € 390.00. In the tax return, enter this amount for this income ratio under 'Settled employment tax credit'.
- 2 You determine the joint salary: € 2,500.
- 3 You use the green monthly table to determine the wage tax/national insurance contributions that belong to the total: € 700.00.
- 4 You deduct the labor tax credit from step 1 from this. The difference is the amount you withhold: (€ 700.00 € 390.00 =) € 310.00.
- 5 You decide how you divide the wage tax/national insurance contributions of € 310.00 over the 2 income ratios. It is preferable to divide the wage tax/national insurance contributions evenly over the 2 income ratios. Because this way you avoid questions from the employee. You do not divide the labor tax credit (€ 390.00), but you enter it in the income ratio with the salary from current employment.

When distributing the withheld wage tax/national insurance contributions, the cumulative amount in any payroll tax return may not be negative. See above under the heading 'Wage tax/national insurance contributions'.

In the following paragraphs, you can read how to proceed if:

- you pay an employee or beneficiary different wages from previous employment (see section [9.6.1](#))
- UWV has you pay a benefit: via a so-called employer payment or agency payment (see section [9.6.2](#))
- UWV pays a benefit directly to a (former) employee of yours and you pay a supplement (see section [9.6.3](#))
- the salary from previous employment is a supplement to an employee insurance benefit and the employee is still employed by you (see sections [9.6.2](#) and [9.6.3](#))

9.6.1 You pay an employee or benefit recipient different wages from previous employment

To calculate the basis for wage tax/national insurance (see section [9.1](#)), you must add up the wages. So you calculate the wage tax/national insurance contributions over the total. This also applies if you continue to pay wages from previous employment of another employer or benefits agency to your employee or benefit recipient and if you provide certain insurance benefits that are taxed for payroll tax purposes (see section [4.10](#)).

If you pay wages from previous employment and the employee from the former employment is also entitled to benefits under a health insurance scheme, you must add the value of that claim to the wages from previous employment. You must calculate wage tax/national insurance contributions on the total amount.

You may not add together in the following situations:

- You pay benefits in connection with the Participation Act. You may not add this benefit to wages from previous employment that you continue to pay for another employer or benefits agency.
- You pay a one-off lump sum payment for an annuity that has commenced or a periodic payment that has commenced (see paragraph [4.10](#)). There are 2 rates for this:
 - The lump sum payment is a maximum of € 5,429. The rate of the special remuneration table applies.
 - The lump sum is more than € 5,429. The special rate of 52% applies (table code 950 applies especially to this type of surrender).

Please note

The lump sum payment counts towards determining the (joint) annual salary for the table for special remunerations.

You pay wages or benefits on which you pay the employer's Zvw levy, and wages or benefits on which you deduct Zvw contributions. You must make separate calculations (see section [8.2.4](#) under 'You pay wages on which you have to pay the employer's Zvw levy and wages on which you have to deduct the Zvw contribution').

9.6.2 UWV has a benefit paid by you

The main rule is that UWV pays benefits directly to benefit recipients. But you can agree with your (former) employee that UWV will pay a benefit to him through you. Your (former) employee must authorise the UWV to do so. The UWV can then pay you this benefit through an employer's payment or an agency payment (see also section [4.4.3](#)). To calculate the payroll taxes, you add up the benefit from UWV, any wages or any supplement to the benefit. You pay the total to the (former) employee.

For more information on employer payments, see Appendix 7 'Payment of benefits under employee insurance and WAZO: questions and answers'.

Employer payment

You use the normal rules for payroll taxes for the total of the benefit from UWV, the salary from current employment and any supplement. The supplement is therefore salary from current employment, see paragraph 9.3.2.

Example 1: Employer payment

In this example, you still pay the employee a regular salary of € 500. You continue to pay the WGA benefit of € 1,000 from the UWV and you also pay the employee € 200 supplement to his benefit. In this example, for convenience, we assume the following percentages:

- employee insurance premiums (total): 10%
- employer's levy Zvw: 7%

What / Who	Amount	On behalf of
WGA benefit	€ 1,000	UWV
Compensation for employee insurance premiums on benefits	€ 100	UWV
Compensation for employer's Zvw levy on benefits	€ 70	UWV
UWV pays the employer	€ 1,000 + € 100 + € 70 = € 1,170 (€ 1,000 to continue paying benefits and € 170 to compensate for employer's costs)	
Employer continues to pay benefits	€ 1,000	
Employer pays regular wages	€ 500	employer
Employer pays supplement	€ 200	employer
Employer calculates basis (column 8, 12 or 14 of the wage statement)	€ 1,000 + € 500 + € 200 = € 1,700	
Employee insurance premiums on the basis	€ 170	employer (UWV compensates on the benefit)
Employer's Zvw levy on the tax base	€ 119	employer (UWV compensates on the benefit)
Wage tax/national insurance contributions on the basis of assessment	Table amount white table	employee (employer withholds)

Processing in the payroll tax return

If the white table applies to the continued payment of a benefit via an employer payment, you can process the benefit in the payroll tax return in two ways:

- in the income ratio of the employment from which you still pay wages or a supplement
- in a different income ratio.

Note 1

You may only process the benefit via an employer payment in the income ratio of the employment if the white table also applies to the benefit. If the green table applies to the benefit, you must use a different income ratio. Information on income ratios can be found in section 3.4. You can read which table applies in paragraph 9.3.

Note 2

You calculate payroll taxes on the total. If you choose to declare the benefit via an employer payment in a different income ratio, you decide how you divide the calculated payroll taxes over the income ratios. Dividing the payroll taxes evenly over the income ratios may prevent questions from the employee, because the employee sees the amount of the deduction in his pre-filled tax return (VIA).

Example 2: when submitting in 1 income ratio

You pay an employee a WAZO benefit of € 2,000 per month. In addition, you pay a supplement to the benefit of € 500. You declare this in the tax return as one total salary for the employee insurance schemes (wage SV) in the income ratio that you previously used for the salary under the employment contract.

The employee has a fixed-term employment contract. You are a large employer for the Aof premium. The high AWf premium and the high Aof premium apply to the supplement (salary on the basis of the employment contract). The low AWf premium and the high Aof premium apply to the WAZO benefit.

In each tax return for the employee, you must state the following in the aforementioned sections. In this example, we use fictitious percentages for employee insurance premiums.

• Wage SV	€ 2,500
• Increase in the cumulative premium wage AWf high	€ 500
• Increase in the cumulative premium wage AWf benefit	€ 2,000
• Accrual in the cumulative premium wage Aof high	€ 500
• Accrual in the cumulative premium wage Aof benefit	€ 2,000
• Premium AWf high (8% x € 500)	40
• Premium AWf benefit (3% x € 2,000)	60
• Premium Aof high (10% x 500)	€ 50
• Premium Aof payment (10% x € 2,000)	€ 200

Government employers and employer payment

If you are a government employer who employs a government employee for whom you pay a UFO premium, the following applies to a benefit through an employer payment to this employee:

- The benefit is wages for employee insurance.
- You only owe Aof premiums and Whk premiums on the benefit. So no AWf premium and no Ufo premium either.
- The benefit does not lead to an increase in the cumulative contribution wage Ufo or to an increase in the cumulative contribution wage AWf.
- If you pay a supplement to the benefit in addition to the benefit, the supplement will lead to an increase in the cumulative contribution wage for the UFO and to the Ufo premium.
- The benefit, including a supplement (if any) to it, does lead to an increase in the cumulative premium wage for the Aof and for the Whk. From 2023 onwards, you will also declare the increase in the cumulative premium wage Whk in the sections for premium and premium wage Whk in the tax return.
- You do not pay a Ufo premium or an AWf premium on the benefit, but you do pay an Aof premium and a differentiated Whk premium.

If you employ an employee for whom you pay the AWf premium, the same applies to a benefit via an employer's payment to this employee as to non-government employees.

Instance payment

If you receive a benefit from the UWV in the form of an agency payment, you will receive the gross benefit with a compensation for the employer's levy Zvw. If you pay a supplement to the benefit that is wages from previous employment, you will not pay employee insurance contributions on this supplement. UWV itself is responsible for calculating and paying the employee insurance premiums on the benefit. You do not calculate employee insurance premiums on the benefit. You do calculate the employer's Zvw levy and the wage tax/national insurance contributions over the total.

Example 3: Instance payment

UWV pays you a WGA benefit of € 1,000 per month in the form of an agency payment for a former employee. You supplement the WGA benefit with € 200 per month. Because the employment has ended, the former employee is no longer insured for employee insurance with you. In this example, for convenience, we assume the following percentages:

- employee insurance premiums (total): 10%
- employer's levy Zvw: 7%

What / Who	Amount	On behalf of
WGA benefit	€ 1,000	UWV
Employee insurance premiums on benefits	€ 100	UWV (UWV files its own tax return for this)
Compensation for employer's Zvw levy on benefits	€ 70	UWV
UWV pays the employer	€ 1,000 + € 70 = € 1,070 (€ 1,000 for continued payment of benefits and € 70 to compensate for the employer's Zvw levy)	
Employer continues to pay benefits	€ 1,000	
Employer pays supplement	€ 200	employer
Employer calculates basis (column 8, 12 or 14 of the wage statement)	€ 1,000 + € 200 = € 1,200	
Employer's Zvw levy on the tax base	€ 84	employer (UWV compensates on the benefit)
Wage tax/national insurance contributions on the basis of assessment	Table amount green table	employee (employer withholds)

Ufile a payroll tax return as follows:

- You do not enter any salary for the employee insurance (Wage SV) or employee insurance premiums.
- For the Zvw, you state the total salary (benefit and supplement) as the salary for wage tax/national insurance contributions. You fill in the employer's levy Zvw.
- For the employer's levy Zvw and the wage tax/national insurance, you assume the total salary (benefit and supplement) as contribution wage for the Zvw and as wage for wage tax/national insurance contributions.
- You specify the agency payment and the supplement in different income ratios.

You must use the above system to calculate the payroll taxes. You decide how you divide the payroll taxes over the 2 income ratios. To avoid questions from your employee, you preferably divide the payroll taxes evenly over the 2 income ratios.

9.6.3 UWV pays a benefit directly to a (former) employee of yours and you pay a supplement

The UWV pays the benefit directly to the beneficiary. As a (former) employer, you pay a supplement to the benefit. There are 2 possible situations:

- The employee will no longer receive any salary from your current employment, for example after dismissal. You do not have to pay employee insurance premiums on the supplement. You calculate the employer's Zvw levy and the wage tax/national insurance contributions on the supplement without taking into account the benefit that UWV pays directly to your former employee.
- The employee still receives wages from your current employment. In this case, you first calculate all payroll taxes on the total of the benefit from the UWV, the supplement and the salary from current employment. You then deduct the amounts for which the UWV itself files a tax return. You must ask UWV to provide you with the details of the benefit and the calculated payroll taxes. You need an authorization from your employee for this.

10 Calculating the discretionary margin and final levy for the work-related costs scheme

This chapter explains how to apply the work-related costs scheme. The following topics are covered:

- How does the work-related costs scheme work? (see paragraph [10.1](#))
- Group scheme (see paragraph [10.2](#))

10.1 How does the work-related costs scheme work?

You may spend a percentage of your total taxable salary, the discretionary margin, on tax-free allowances, benefits in kind and provisions for your employees. A two-band system applies to the calculation of the discretionary margin. Up to and including the taxable salary of € 400,000, the discretionary margin for 2025 is 2.00%. The discretionary margin is 1.18% on the excess of the taxable salary. In addition, you can reimburse, provide or make certain items available tax-free by making use of specific exemptions and nil valuations. See section [10.2](#) for more information about the discretionary margin.

You do not pay payroll taxes on the amount that falls within the discretionary scope and you do not deduct payroll taxes. You pay wage tax on the amount above the discretionary margin in the form of a final levy of 80%. You do not have to pay or withhold national insurance contributions, employee insurance premiums and employer's Zvw or Zvw contribution on this.

You make use of the work-related costs scheme as an individual employer. If you have a payroll tax number with multiple sub-numbers (e.g. L01, L02), the work-related costs scheme applies to all sub-numbers together. To calculate your discretionary margin, you add up the taxable salary of all sub-numbers.

Work-related costs scheme in brief

In this section, you can read what steps you need to take if you want to include allowances, benefits in kind and provisions in your discretionary scope: Step 1: Determine whether the allowance, provision or provision is wages. The work-related costs scheme only applies to wages (see section [10.1.1](#)).

Step 2: If the allowance, provision or provision is wages, check whether it falls under the specific exemptions or nil valuations (see Section [10.1.2](#)).

Step 3: If the allowance, provision or provision does not fall under the specific exemptions or nil valuations, choose whether to designate it as final levy wages or treat them as the employee's wages (see Section [10.1.3](#)).

step 4: Calculate the amount of the discretionary margin, see section [10.1.4](#).

step 5: Determine whether the amount of final levy wages exceeds the discretionary margin (see [10.1.5](#)). step 6: Payment of the final levy on the work-related costs scheme (see [10.1.6](#)).

10.1.1 Step 1: Determine whether the allowance, provision or provision is wages

The work-related costs scheme applies to all allowances, benefits in kind and provisions that are part of the salary from current employment. Allowances, benefits in kind and provisions that are not wages or are not taxed wages (see sections [4.12.1](#), [4.12.2](#) and [4.12.3](#)) are not covered by the scheme and are therefore not at the expense of the discretionary margin. Wages from previous employment, such as pension, are also not covered by the work-related costs scheme. You can still designate wages from previous employment as final levy wages in the exceptional situation that you also pay the employee wages from current employment, and if the customary test is met.

10.1.2 Step 2: Check whether the compensation, provision or provision falls under the specific exemptions or nil valuations

Certain allowances, benefits in kind and provisions are wages, but you can still reimburse, provide and make them available tax-free without this being at the expense of your discretionary margin. This is the case with:

- specific exemptions (see section [22.1](#))
- nil valuations (see paragraph [22.2](#))

You must also designate a compensation, provision or provision for which a specific exemption applies as final levy wages. However, if the allowance, provision or provision is at most equal to the standard of a specific exemption, we assume that you have designated that allowance, provision and provision as final levy wages (see section [22.1](#)).

If you reimburse, provide or make available more than the standard amount, you must choose whether to designate the excess as a final levy wage (which may then fall within the discretionary margin, see section [10.1.3](#)). You can do this, for example, by including it in your administration as the final levy wage for work-related costs scheme. If you do not make a choice, the employee's salary is involved. You make your choice at the latest at the time of reimbursement, provision or making available.

10.1.3 Step 3: Choose: final levy wage or employee wage

If you designate a reimbursement, provision or provision as a final levy wage for which no specific exemption applies (see Section [22.1](#)), then that is final levy wage that may fall within the discretionary scope. If the discretionary margin is exceeded, you will pay 80% final levy on the work-related costs scheme (see Section [10.1.5](#)).

Apart from a few exceptions, you decide which allowances, benefits in kind and provisions you designate as final levy wages and which you treat as the employee's wages and tax them normally. You can make a different choice for each employee.

The following applies to the full or partial designation of allowances, benefits in kind and provisions as final levy wages that may fall within the discretionary scope:

- Your employee does not have to incur costs first. So you don't have to ask for receipts or proof of payment from your employees.
- You do not have to administer these benefits in kind and postings at employee level. If you provide the same amount to several employees and the employees pay a personal contribution, you may deduct the total of the personal contributions from the total value of the benefits in kind. A negative balance may not be processed as a negative final levy wage. See section [4.5](#) for more information on how to value wages in kind.
- You can also designate wages in kind as final levy wages.
- For the designation of allowances, benefits in kind and provisions of a certain size as final levy wages, these allowances, benefits in kind and provisions may not deviate more than 30% from what is customary in comparable circumstances. This is the customary test (see section [4.2](#)). The part that exceeds that 30% limit is the employee's salary.

Always final levy wages or always wages of the employee

For a number of forms of wages, you cannot opt for final levy wages or wages that you tax on the employee.

Always final levy wages are:

- allowances to post-active employees that you also give to your employees who are otherwise in the same situation, for the purchase of products from your own company or from the company of an affiliated company (see paragraph [22.1.8](#))
- benefits in kind to post-active employees that you also give to your employees who are otherwise in the same circumstances, such as a Christmas hamper

The employee's wages are always the following:

- a company car (except for the costs of extraordinary security measures on that car)
- a (service) residence (except accommodation outside the place of residence with regard to the employment relationship and the costs of extraordinary security measures at the residence, see paragraph [22.3.4](#))
- the allowances, benefits in kind and provisions that you have not designated (on time) as final levy wages (see section [4.6](#))
- allowances, benefits in kind and making available for criminal activities
- the part of the allowances, benefits in kind and provisions that does not meet the customary test (see section [4.2](#))
- compensation or payment for a sum of money to be paid on the basis of a penalty order, or a comparable foreign method of punishment, or an administrative penalty payment or a foreign penalty payment comparable to that penalty that the employee has received
- salary from previous employment (except for an allowance designated by you as final levy salary for following a course of study or study to a post-active employee, a provision that you also give to your employees and if there is an allowance for the purchase of a product from your own company that you also give to your employees)
- the interest benefit including the costs of an employee loan for an owner-occupied home of which the interest (including the costs) is deductible for income tax purposes

Please note

Do you pay the employee wages from current employment in addition to wages from previous employment? Then you may designate the salary from previous employment as final levy wages if the customary test is met.

When to choose between final levy wages and wages that you tax on the employee?

You make the choice between final levy wages and wages that you tax on the employee at the latest at the time of reimbursement, provision or making available. So you don't have to choose in advance – for example at the beginning of the year. The choice is apparent, for example, from your administration, in which you include the allowance, provision or provision as final levy wages or as wages of the employee. You do not have to report this choice to us.

Once you have made a choice, that choice is final. You cannot therefore retroactively designate allowances, benefits in kind or provisions as final levy wages. There is 1 exception to this: if you have accidentally entered the allowance, provision or provision incorrectly in your administration, you may correct this error. For example, if you have treated an allowance as final levy wages while you had agreed with your employee that this wages would belong to the employee. You correct the error by correcting the tax return and adjusting your administration.

If, during an audit of your records by us, it appears that you have not included a compensation, provision or provision as a final levy salary or as the employee's salary, we will assume that the compensation, provision or posting:

- the employee's salary is if it was given in a previous calendar year
- final levy wages are if they were given in the current calendar year and if the customary test has been met. However, if the allowance, provision or provision is

at most equal to the standard of a specific exemption, we assume that you have designated those allowances, benefits in kind and provisions as final levy wages (see section [22.1](#)).

10.1.4 Step 4: Calculate the amount of the discretionary margin

In 2025, the discretionary margin will be 2.00% of the total taxable salary of your employees up to and including € 400,000. The discretionary margin is 1.18% on the excess of the total taxable salary.

You calculate your discretionary margin for 2025 based on the total taxable salary of 2025. That is the total amount of column 14 of the wage statement.

Note 1: fee from an artist or professional athlete

The fee of an artist or professional athlete is entered in column 14 of the wage statement, but may not be included in determining the discretionary margin.

Note 2: salary from previous employment

Do you pay wages from previous employment? Then the following applies to the calculation of the discretionary margin:

- If the salary from previous employment is 10% or less of the total taxable salary, you calculate the discretionary margin on the basis of the total taxable salary, i.e. including the salary from previous employment.
- If the salary from previous employment is more than 10% of the total taxable salary, you calculate the discretionary margin on the basis of the total taxable salary from current employment. In that case, you may not take into account wages from previous employment that are listed in column 14 of the wage statement.

If you become an employer during the year, you may not recalculate the total taxable salary to a full year.

10.1.5 Step 5: Determine whether the amount of final levy wages exceeds the discretionary margin

The final levy wage of step 3 (see section [10.1.3](#)) is compared with the discretionary margin of step 4 (see section [10.1.4](#)).

To the extent that the count of the final levy wage is more than the amount of the discretionary margin, you calculate 80% final levy on the work-related costs scheme over that excess.

10.1.6 Step 6: Payment of the final levy on the work-related costs scheme

You must declare and pay the final levy that you calculated in step 5 with the payroll tax return. You do this no later than with your tax return for the 2nd period (month or four weeks) of the following calendar year. A withholding agent with a tax return period of (for example) one month must therefore declare and pay the final levy payable by WKR for the calendar year 2025 at the latest with the payroll tax return of February 2026.

You may also declare and pay the final levy earlier, for example in your last tax return of the year. You may also declare the final levy for the work-related costs scheme during the year. If at the end of the year it turns out that you have paid too much or too little final levy, you must settle this with the payroll tax return for the 2nd period (month or four weeks) of the following year at the latest.

Does your withholding obligation end in the course of the calendar year? Then you must declare the final levy no later than in the tax return for the period in which your withholding obligation ends.

Please note

If you do not exceed the discretionary margin with the final levy salary, you do not have to declare and pay a final levy WKR.

10.2 Group arrangement

The final levy of the work-related costs scheme is calculated per employer. You may also calculate this final levy at group level. Within the group, you calculate the discretionary margin by adding up the total taxable salary of each withholding agent who is part of the group. See section [10.1.4](#) for more information on the taxable wage. This can be advantageous because it allows you to use the discretionary scope of all group components. You can include all allowances, benefits in kind and provisions designated by the group members in this collective discretionary margin. All allowances, benefits in kind and provisions that the group members designate as final levy wages are ultimately set off against the total discretionary scope of the group. The group part with the highest taxable salary must pay a final levy on the amount that exceeds the collective discretionary margin.

Please note

When applying the group scheme, you must calculate the discretionary margin on the total taxable salary of the group. It is not permitted to apply the first bracket per group component.

Example

A group has three group components with the following taxable wages: Part A: Part B: Part C: Total taxable salary of the group in the year 2025:

€ 75,000
 € 150,000
 € 300,000
 € 525,000

If the group scheme is applied, the discretionary margin is $€ 400,000 \times 2.00\% + € 125,000 \times 1.18\% = € 9,475$. Without application of the group scheme, the discretionary margin is $€ 75,000 \times 2.00\% + € 150,000 \times 2.00\% + € 300,000 \times 2.00\% = € 10,500$.

You can decide for yourself which system you apply each year. You make this choice at the latest when filing the tax return in which you declare the settlement of the 'Final levy for exceeding the flat-rate work-related costs scheme'. This is no later than when you file your tax return for the 2nd tax return period (month or four weeks) of the following calendar year.

You must decide no later than when filing your tax return for the 2nd period of 2026 whether you want to apply the group scheme for 2025.

Do one or more group units pay wages from previous employment? Then you must take the 10% criterion into account when calculating the discretionary margin. See section [10.1.4](#). You can choose from two methods.

Method 1: Assessing the 10% criterion at group level

- a If the salary from previous employment of the entire group is 10% or less than the total taxable salary of the group, you calculate the discretionary margin on the basis of the total taxable salary, i.e. including salary from previous employment.
- b If the salary from previous employment of the entire group is more than 10% of the total taxable salary of the group, you calculate the discretionary margin on the basis of the total taxable salary from current employment. In that case, you may not take into account wages from previous employment of all group units.

Method 2: Assessment of the 10% criterion per group component

- a If the salary from previous employment of a group member is 10% or less than the total taxable salary of the group member, the total taxable salary of this group member, i.e. including salary from previous employment, counts towards the calculation of the group's discretionary margin.
- b If the salary from the previous employment of a group member is more than 10% of the total salary of the group member, only the salary from current employment of this group member will be taken into account for the calculation of the group's discretionary margin. In that case, you may not take into account the salary from previous employment of this group unit for the calculation of the discretionary scope of the group.

The method you apply applies to all group units that are part of the group for the entire calendar year.

When is there a group of companies?

If you apply the group scheme, the scheme applies to all group units that form a group for the entire calendar year. Group members that become part of the group or disappear from the group during the calendar year are therefore excluded from the group scheme. A group exists if:

- you have an interest of at least 95% in another employer
- another employer has a stake of at least 95% in you
- a third party has an interest of at least 95% in you and an interest of at least 95% in another employer

Foundations that are financially, organisationally and economically intertwined in such a way that they form a unit are also eligible for the group scheme. There is such a foundation if the following 2 conditions are met:

- A foundation has the right to appoint new board members of another foundation.
- A foundation is entitled to the assets of another foundation if it ceases to exist.

Please note

A cohesive group of withholding agents is not always a group.

Group member with the highest total taxable wage pays the final levy

The group part with the highest total taxable wage includes the final levy in the payroll tax return and pays it. To determine which group part has the highest total taxable salary, compare the taxable annual salary of all employees of the participating group members. For each group unit, you also include the salary for the previous calendar year that is received in the current calendar year. You do not count wages for the current calendar year that are only received in the following calendar year.

Administrative obligations

When applying the group scheme, you record the following information for each participating group member:

- the name and payroll tax number
- Het Total Tax Wage
- an overview of all allowances, benefits in kind and provisions for which the group part makes use of the discretionary margin
- a calculation of the final levy to be paid on the work-related costs scheme at group level and the name of the group member that declares and pays the tax.

11 Posting amounts in the wage statement

You must keep a statement of wages for each employee (see section 3.2.1). On the wage statement, you fill in the information that is important for payroll taxes. You can download the model wage statement from belastingdienst.nl from 2024. The model wage statement consists of 2 parts:

- a section with sections for general data In these sections, you enter the personal data of the employee, your own data and the data for the table application (see section 11.1).
- a section with columns for specific data In these columns, you fill in all the data each time you enter wages (see section 11.2).

For some sections and columns of the wage statement, there are exceptions for certain artists and professional athletes. For more information, see the separate 'Manual for Payroll Taxes for Artists and Professional Athletes' Scheme'. You can download the manual from belastingdienst.nl.

11.1 Headings of the paysheet

The wage statement has the following headings:

-
- withholding agent/employer
- data for the tabular application

Category: employee

In this section, you fill in the personal details of the employee. A new employee must submit this information to you before their 1st day of work. See section 2.3 for more information on how to submit this information. If the personal data changes, you adjust it in the wage statement.

Category: withholding agent/employer

In this section, you enter your name, address and payroll tax number.

Category: data for the table application

In this section, you enter whether you apply 1 or more of the following discounts for the employee:

- the payroll tax credit
- the young disabled person's tax credit
- the single elderly person's tax credit

For each of these discounts, you enter 'yes' if you apply the discount and 'no' if you do not apply the discount (anymore). In addition, you indicate the date from which you will or will not apply this discount (anymore). If you need more rules to indicate changes, make them yourself.

In the wage statement, the term 'payroll tax credit' means: the general tax credit, the employment tax credit, the elderly person's tax credit and the single elderly person's tax credit, insofar as these tax credits apply to the employee. Until 2023, only the SVB could apply the single elderly person's tax credit. From 2024, any withholding agent will be able to do so. You can only apply the single elderly person's tax credit if you apply the payroll tax credit. Because you cannot determine whether the employee is entitled to the single elderly person's tax credit, you need the employee's explicit permission to apply the single elderly person's tax credit. You record this permission in the wage statement. The tax credits included in the payroll tax credit have been incorporated in the wage tax tables.

The young disabled person's tax credit has not been included in the wage tax tables. You can also apply this tax credit if you do not apply the other tax credits.

See Chapter 24 for more information on tax credits.

11.2 Columns wage statements

The wage statement has the following columns:

- column 1: wage period
- Column 2: Income ratio number
- column 3: Wage in money
- column 4: Wage other than in money
- Column 5: Tips and payments from funds
- Column 7: Deductions for all levies
- column 8: Salary for employee insurance
- column 12: Salary for the Health Insurance Act
- column 14: Wage for wage tax/national insurance
- column 15: Withheld wage tax/national insurance contributions
- column 16: Zvw contribution withheld
- Column 17: Amount paid out
- Column 18: Settled labor tax credit

11.2.1 Column 1: Wage period

Enter the wage period in this column. The wage period is the period for which the employee receives wages. This can be a day, a week or a month, for example. The wage period determines which period table, for example the daily table, the weekly table or the monthly table, you must use for the calculation of wage tax/national insurance contributions (see also section 9.3). If you pay wages that are not period wages and if you apply the table for special remunerations to them, such as holiday allowance, overtime wages and bonuses, you indicate in this column that it is a special remuneration.

11.2.2 Column 2: Revenue Ratio Number

Enter the income ratio number in this column – every time you book wages.
 You can always create a wage statement per number of income ratio.

However, you may also process – within the same payroll tax number – multiple numbers of income ratio in 1 wage statement, but only if the data in the header of the wage statement are the same for the different numbers of income ratios. This occurs, for example, in the following situations:

- you pay the person several wages/benefits, which you are obliged to combine for the purposes of the wage tax table.

Example

- In addition to a benefit via an employer payment WIA, you also provide a supplement to the benefit that you process in separate income ratios.
- You provide several wages from previous employment.
- you have 1 employment split into 2 (or more) income ratios. Because it is 1 employment, you must apply the wage tax table to the total.
- 1 person has 2 employment relationships with you. You may add the employment relationships together for the table application. If you do not add up the employment, you must create different wage statements.

Note 1

The above examples are based on the use of a wage statement in accordance with our wage statement model. If you use a different model, with a more extensive heading, which means that data does differ per income ratio, you cannot merge the income ratios into 1 wage statement.

Note 2

The creation of 1 or more wage statements does not affect the payroll taxes that are due on the (to be added) total salary.

11.2.3 Column 3: Wage in money

Enter all the salary in money in this column. You may not enter other wage components in column 3. These include, for example:

- wages in cash from current employment, such as salary, commission, premiums (allowances and the like), holiday allowance paid, hazard pay, overtime pay, bonuses and bonuses, but also (supplements to) wages on the basis of the obligation to continue to pay sick. If you agree on a net salary with an employee, you must still enter the corresponding gross salary in column 3 (see also sections [4.4.1](#) and [9.4](#)).
- wages in cash from previous employment, including AOW, Anw benefits, pension, redundancy pay, transition payment, annuities and other periodic payments and payments from funds to former employees. If your employee receives wages from previous employment and at the same time you also pay wages from previous employment on behalf of another withholding agent, enter the total amount of the 2 wages. Are there different codes for the different forms of salary from previous employment that apply to the type of income ratio from the range 53 to 63? Then you administer it with different codes and therefore with different income ratios. See also section [3.4.1](#) and the [Codes for the 2025 payroll tax return](#).
- Salary in cash of a person who is not insured for employee insurance (such as a director-major shareholder (DGA))
- reimbursements for medical expenses. This concerns, for example, full or partial reimbursements of the nominal premium that an employee has to pay directly to his health insurer (see also section [21.1.1](#)).
- ZW, WW and WAO/WIA benefits and benefits that are comparable to ZW benefits, such as sick pay, and that have been paid through you
- benefits from the UWV that you pay to the employee on behalf of the UWV: via an employer payment or an agency payment (see section [9.6.2](#))
You enter the benefit via an employer's payment in columns 3, 8, 12 and 14. Payments via an agency payment are entered in columns 3, 12 and 14 and not in column 8.
- benefits that you pay to the employee on the basis of your self-risk bearer status
- supplements to a benefit from the UWV to an employee who is no longer employed by you
- periodic benefits that are comparable to WAO/WIA or unemployment benefits to employees who are no longer employed by you
- supplements to ZW, WW and WAO/WIA benefits and the supplement to the Allowances Act. You can also enter these in column 3 if the employee is no longer employed by you.
- Payments from third parties paid through you. These include, for example, payments from funds or tips. You only include those tips in column 3 that you have taken into account when determining the amount of the salary.
- amounts that the employee has to pay, but that you pay for him. This is the case, for example, if you pay the wage tax/national insurance contributions and Zvw contribution for the employee.
- benefits that replace or increase child benefit. This is additional child benefit on the basis of a recognised child benefit scheme, for example the child benefit scheme for foreign workers.
- negative salary in cash (see also section [4.9](#))
Put a minus sign in front of the amount.
- salary from current employment that you have paid after termination of employment. This is compensation for work during employment that you have paid after the dismissal, such as salary, holiday allowance or bonuses.
- posthumous wages. This is wages that you pay to heirs of a deceased employee or that you still pay in the name of the deceased employee (see also section [17.2.7](#)). If you pay part of the salary directly to the heirs, you must include those heirs in your payroll administration and make a separate wage statement for each heir.

- frost leave benefits, insofar as they are not paid from a redundancy pay or unemployment insurance
- benefits under the Work and Care Act (WAZO) for pregnancy, childbirth, adoption, foster care, additional birth leave and paid parental leave
- gross salary for an artist or professional athlete For more information, see the 'Manual for Payroll Taxes for Artist and Professional Athletes' Scheme'.
U can download the manual from belastingdienst.nl.
- benefits under the Participation Act, the IOAW and the IOAZ

Please note

If the employee (temporarily) partially waives wages, for example if he makes use of a cafeteria scheme, you may not enter that wages as negative wages in column 3. In this case, you enter the lower salary in column 3.

11.2.4 Column 4: Salary other than in cash

In this column, enter the salary other than in cash. This concerns wages in kind (entitlements and other benefits in kind and provisions (see also sections [4.5](#) and [4.8](#)). In this column, for example, you enter the addition for the private use of a company car.

There are standard amounts for the value of certain benefits in kind – for example meals. These standard amounts can be adjusted periodically (see also Table [13](#)).

Employee's own contribution

If the employee pays a personal contribution for wages in kind, you can enter this in column 4 in 2 ways:

- You state the balance of the personal contribution and the salary in kind.
- You state the value of the salary in kind (positive amount) and the personal contribution (negative amount) separately.

Example

You give your employee, who pays you monthly wages, a subscription to a daily newspaper with a value of € 30 per month. Your employee contributes € 10 per month. In column 4 of the wage statement, you then enter € 20 or you enter € 30 and € 10.

Please note

In a wage period, your employee's personal contribution for wages in kind – for example, the private use of a company car – may be higher than its value. Or there is a personal contribution in a wage period, but no salary in kind. You may then state the negative balance or negative amount in column 4. However, the balance of the value of the salary in kind minus the personal contribution may not be negative on a calendar year basis (see section [23.3.7](#) for an example).

11.2.5 Column 5: Tips and distributions from funds

In this column, enter the wages that others have paid to the employee. This concerns tips and payments from funds. For more information on funds, see section [21.2.2](#).

Tips

You only enter tips that you have taken into account when determining the salary or for which an addition applies (see also section [4.4.2](#)). If the employee receives such tips directly from third parties, then you enter them in column 5. But if you pay the tips on behalf of third parties, you enter the tips in column 3.

Please note

Special rules apply to tips from catering staff. For more information, please contact the Tax Information Line: 0800 0543.

Distributions from funds

Distributions from funds are entered in column 5. These are non-exempt benefits that the employee receives directly from funds, for example benefits from a personnel fund. The fund that pays a taxable benefit is obliged to inform you of this (see also paragraph 21.2.2).

If you pay the benefit on behalf of a fund, you enter the amount as salary in cash in column 3, even if it concerns a benefit to a former employee.

11.2.6 Column 7: Deductions for all taxes

In this column, enter the amounts that you may deduct from the salary before calculating the payroll taxes, such as:

- the pension contribution that you deduct from the employee's salary
- the employee's contribution to a scheme for death or disability benefits following an accident, or schemes treated as such
- the amount of the small reimbursement scheme or the cost reimbursement decision for artists and professional athletes. For more information, see the 'Manual on Payroll Taxes for Artists and Professional Athletes' Scheme'. You can download the manual from belastingdienst.nl.
- the Premium Private Supplement WW and WGA (PAWW)

Pension contribution for individual modules

A pension scheme can also have individual modules from which the employee can make a choice. The premium that your employee pays for individual voluntary modules must also be entered in column 7.

Please note

- Have you not booked a salary in columns 3, 4 and 5 for an employee in a certain period? And did this employee pay you his employee contribution to the pension scheme during that period? Then enter this employee contribution in column 7. In columns 8, 12 and 14 you will arrive at a negative amount.
- If the employee (temporarily) partially waives wages, for example if he makes use of a cafeteria scheme, you may not enter that wages as a deductible item in column 7. In this case, you enter the lower salary in column 3.

11.2.7 Column 8: Employee insurance wages

Only in the following 2 cases do you enter the salary for employee insurance in this column:

- The employee is compulsorily insured for 1 or more employee insurance schemes.
- You still have to pay employee insurance premiums on additional payments to a former employee.

The salary for employee insurance is the total of column 3 + 4 + 5 – 7.

Please note

- Have you not booked a salary in columns 3, 4 and 5 for an employee in a certain period? And did this employee pay you his employee contribution to the pension scheme during that period? Then enter this employee contribution in column 7. In column 8, you enter the employee contribution as a negative amount.
- Benefits from the UWV that you pay to the employee on behalf of the UWV and on which the UWV pays the employee insurance premiums, via an employer payment (see paragraph 9.6.2), are SV wages and are also entered in column 8. Benefits via an agency payment (see paragraph 9.6.2) are not SV wages and should not be entered in column 8.
- If you pay wages to an employee who is subject to the social security legislation of a country other than the Netherlands, you do not mention anything in column 8.

11.2.8 Column 12: Salary for the Health Insurance Act

If the employee is insured under the Zvw, you enter the salary for the Zvw in this column. That salary is the total of column 3 + 4 + 5 – 7.

If you pay wages to an employee who is subject to the social security legislation of a country other than the Netherlands, you do not mention anything in column 12.

Is there a continued payment of wages scheme (see paragraph 4.14) in which the employee is insured for employee insurance with the payer? And are you the payer? Then don't book anything in column 12 (but you do in column 8). This applies, for example, to a director-major shareholder who works in an operating company through his own holding company and is insured for employee insurance there.

11.2.9 Column 14: wage for wage tax/national insurance

Always enter the wage for wage tax/national insurance in this column, even if the employee does not have to pay wage tax/national insurance contributions. That wage is the total of column 3 + 4 + 5 – 7.

Example

You have an employee who is not insured for employee insurance, for example a director and major shareholder. You then fill in column 12 (wages for the Health Insurance Act) and column 14 (wages for wage tax/national insurance) and leave column 8 (wages for employee insurance schemes) empty.

Note 1

Are you dealing with cross-border employment? Then the following applies:

- Even if you pay wages on which you do not have to withhold wage tax (in part), you must enter this wages in column 14. This is the case, for example, if a country other than the Netherlands is allowed to levy taxes on the basis of a tax treaty. Or if the Netherlands waives taxation by applying the unilateral scheme. See also the Appendix [Salary Split](#).
- If you pay wages to an employee who is subject to the social insurance legislation of a country other than the Netherlands, you do not mention anything in columns 8 and 12.

Note 2

Are you dealing with an artist or professional athlete? Then the following applies.

The value of column 14 is normally the value that you enter as 'Wage LB/PH' in the payroll tax return and on the annual statement. This is different for an artist or professional athlete (code nature of employment relationship 6). You add the amount that you enter in column 7 (the small reimbursement scheme (kvr) or the cost reimbursement decision (kvb)) to the amount in column 14 if you transfer the fee to the payroll tax return and the annual statement.

This is relevant for the impact on the income tax return of the artist/professional athlete. In the income tax return, he must take into account the gross salary, i.e. without deducting the kvr or kvb, while he can then deduct his actual costs.

Is there a continued payment of wages scheme (see paragraph 4.14) in which the employee is insured for employee insurance with the payer? And are you the payer? Then don't book anything in column 14 (but you do in column 8). This applies, for example, to a director-major shareholder who works in an operating company through his own holding company and is insured for employee insurance there.

11.2.10 Column 15: withheld wage tax/national insurance contributions

Enter in this column the amount that you have withheld from wage tax/national insurance contributions (see also section [9.2](#)).

The condition here is that the cumulative amount of withheld wage tax/national insurance contributions in the payroll tax returns may not be negative per calendar year in the income ratio. By this we mean the following:

- The cumulative amount is the total amount of withheld wage tax/national insurance contributions in the income ratio from 1 January of the current year.
- If, according to your calculation system, this cumulative amount does become arithmetically negative in an income ratio, you must determine the amount of divided withheld wage tax/national insurance contributions in your tax return period in such a way that the cumulative amount per income ratio is at least € 0.
- In the tax return period, the amount of withheld wage tax/national insurance contributions may be negative under certain circumstances, as long as the cumulative balance does not become negative.
- You must take this condition into account when recording in the wage statement, because the wage statement is the basis for the payroll tax return.

Please note

This condition also applies to the situation where you combine different wages for the calculation of payroll taxes, but where you process the different wages in multiple income ratios. You then divide the withheld wage tax/national insurance contributions over the income ratios. The cumulative withheld wage tax/national insurance contributions in the individual income ratios may not be negative.

11.2.11 Column 16: Zvw contribution withheld

In this column, enter the Zvw contribution that you have deducted from your employee's salary.

Please note

Do not enter the employer's levy Zvw here.

11.2.12 Column 17: Amount paid out

In this column, book the amount paid out. This is the amount of column 3 minus the amount of columns 7, 15 and 16.

11.2.13 Column 18: settled labor tax credit

In this column, enter the labor tax credit that you have settled via the time slot table.

The condition here is that the cumulative amount of settled labor tax credit in the payroll tax returns may not be negative per calendar year in the income ratio. By this we mean the following:

- The cumulative amount is the total amount of settled labor tax credit in the income ratio from 1 January of the current year.
- If, according to your calculation system, this cumulative amount does become arithmetically negative in an income ratio, you must determine the amount of distributed settled employment tax credit in your tax return period in such a way that the cumulative amount per income ratio is at least € 0.
- In the tax return period, the amount of the settled labor tax credit may be negative under certain circumstances, as long as the cumulative balance does not become negative.
- You must take this condition into account when recording in the wage statement, because the wage statement is the basis for the payroll tax return.

Please note

This condition also applies to the situation where you combine different wages for the calculation of payroll taxes, but where you process the different wages in multiple income ratios. You then divide the settled labor tax credit over the income ratios. The cumulatively offset labor tax credit in the individual income ratios may not be negative.

12 Giving Payslip to Employees

You must give a payslip to all persons with whom you have an employment contract. With the payslip (or salary slip or wage specification) you inform your employee about the structure of his gross salary and what amounts have been deducted from it to arrive at the net salary.

When and how to give?

You must give your employee a payslip for:

- the 1st wage payment
- any wage payment that deviates from the previous wage payment

You must provide a payslip, even if the employee does not ask for it himself. You may also give the payslip digitally. This is only allowed if your employee has agreed to this and he can save the payslip in such a way that he can view it later, for example if he is no longer employed by you.

There is no mandatory model for the payslip: you use your own forms. If you use a payroll software package, a payslip is in most cases part of the software package. Check with your software supplier.

Data on the payslip

You must provide the following information on the payslip:

- the gross salary in cash
- the specified composition of the gross or net salary, for example basic salary, guaranteed salary, performance-related payment, commission, holiday allowance, overtime pay, allowances, premiums, bonuses and transition payments
- the specified amounts that you have deducted from or set off against the salary, such as the deduction of the pension premium, the premium for the Private Supplement WW and WGA (PAWW) or contributions for company boards, the employee contribution for the private use of the car, the wage tax/national insurance contributions, the income-related Zvw contribution and wage garnishment
- the number of hours that the employee works on the basis of the employment contract
- whether there is an employment contract for an indefinite period that has been entered into in writing, and whether there is an on-call contract
- the period for which you have calculated the salary (the wage period)
- the statutory minimum hourly wage or minimum youth hourly wage that applies to the employee
- your name and the name of the employee or beneficiary
- if you also use the payslip as an annual statement (see Chapter 15): the mandatory information of the annual statement

Importance of the payslip for the digital insurance message

The employee can view his digital insurance message on [uwv.nl](https://www.uwv.nl). This message contains information that is important for the amount and duration of a benefit, for example the wage for employee insurance (SV wage) and the number of remunerated hours. If you mention this information on the payslip, the employee can check the digital insurance message against his payslip.

The employee data of your payroll tax return goes to the UWV policy administration (see chapter 13 for more information about the 'policy administration'). The data of the digital insurance message comes from the policy administration. So make sure that you file or have filed a tax return at the time you give the payslip. Otherwise, the digital insurance message is not up-to-date at the time the employee checks the message against the last payslip.

13 Declaring and paying payroll taxes

If you have to file a payroll tax return, you must do so on time and also pay the payroll taxes on time.

The payroll tax return consists of a collective part and an employee part. When you file a report, you provide us with the following information:

- Employee data These are the detailed data per income ratio. See section [3.4](#) for more information on the concept of 'income ratio'.
- collective data
These are:
 - your general details, such as your name and address
 - the totals of the wages and miscellaneous payroll taxes of all employees
 - the amounts of the final levies and remittance reductions

The employee data from your tax return will go to the UWV's policy administration. Various organisations, such as the Employee Insurance Agency (UWV), the Tax and Customs Administration, Statistics Netherlands (CBS) and municipalities use the data from the policy administration. UWV uses the data to determine benefits, such as unemployment benefits. Some information will also be included in the digital insurance message, which every employee or beneficiary (hereinafter: employee) can view on uwv.nl (see Chapter [12](#)). We use the data for the allocation of allowances and the pre-completed income tax return, among other things. It is therefore very important that the data is up-to-date, correct and complete. That is why you must always correct or supplement errors or omissions in a payroll tax return (see Chapter [14](#)). Returns and corrections that come in after January 31 for periods of the previous year can no longer be processed in the pre-completed income tax returns for that previous year.

In this chapter, you will find information on the following topics:

- Reporting period (see section [13.1](#))
- file a tax return (see section [13.2](#))
- Checking the declaration after sending it (see paragraph [13.3](#))
- payment (see section [13.4](#))
- Fines (see section [13.5](#))
- Liability (see section [13.6](#))
- declaration of pseudo-final levy for excessive severance payments (see paragraph [13.7](#))

13.1 Reporting period

The tax return period is the period for which you must file the payroll tax return. This is usually a period of one calendar month or of 4 weeks. In the case of a tax return period of 4 weeks, the 1st tax return period always starts on 1 January and the last tax return period always ends on 31 December. The 1st and 13th tax return period therefore do not coincide with the 1st and 13th wage period.

Please note

A tax return period other than the usual month or 4 weeks applies to:

- staff of self-employed barge operators who live on board the vessel (declaration period is six months)
- staff at home, including staff in the context of a personal budget for care (declaration period is one year) (see paragraph [18.13](#))
- children working (reporting period is one year) (see paragraph [18.11](#))

Declaration letter

If you have to file a tax return, we will send you the 'Payroll Tax Return Letter' for the coming year in November. If you register as an employer during the year, you will receive the declaration letter after registration. The tax return letter contains the tax return periods for which you must file a tax return in the coming year and the corresponding final tax return and payment dates. You can also download these dates from belastingdienst.nl. The 'Payroll Tax Return Letter' contains the payment characteristics of the tax return periods.

Reporting period other than the wage period

The wage period (the period during which an employee receives wages) may differ from the tax return period. It is useful if the tax return period is in line with the wage period of your employees. If the pay period is not the same as the tax return period, please note the following:

- You must file a tax return for each tax return period for the amount that you have paid as wages in the tax return period. If you use the excess-wage-system, you allocate additional payments to the periods to which the additional payment relates. This is only allowed if the additional payment relates to an earlier period of the same calendar year (see paragraph 9.2.1).
- You may not enter a date that is outside the tax return period in the 'date of commencement of income period'. If that date is outside the tax return period, you must enter the 1st date of the tax return period. Only in the case of benefits from the UWV, the SVB and social assistance benefits, the date of commencement of the income period may be outside the tax return period if these benefits are paid retroactively (so-called start-up periods). In the case of the code nature of the employment relationship (employment code) 11, the date of commencement of the income period may also be before the tax period. This is subject to the condition that no other data, such as remunerated hours, from the previous tax return change. If data does change, you must correct the previous declaration (see Chapter 14).

Example

You have a wage period of 4 weeks and a tax return period of one calendar month. Suppose the 1st four-week period ends on January 27. For January, you declare the wages and payroll taxes of the 1st four-week period. For February, you declare the wages and payroll taxes of the 2nd four-week period. When filing your tax return for February, you must enter a date in February as the date at the start of the income period. So you do not enter 28 January, but 1 February. In the December tax return, you usually declare the wages and payroll taxes for the 12th and 13th four-week period. As 'date start of income period' you enter 1 December in this tax return.

Change the tax return period

You can only change the tax return period with effect from 1 January 2026. If you wish, please use the form '[Change of payroll tax return period](#)'. On that form, you can indicate which tax return period (month or 4 weeks) you want to use for 2026. The change form must be received by us by December 14, 2025 at the latest. If it arrives later, the change can only take effect on January 1, 2027.

Tax return period versus wage period 4 weeks, different start and end date of the 1st and 13th period respectively

The 1st week of a year begins according to ISO standard 8601 on the Monday of the 1st week, the Thursday of which falls in the new year. There are 13 tax return periods of 4 weeks in a calendar year (= 260 wage period days and 364 calendar days). Sometimes the 13th four-week pay period has 5 weeks, the so-called 53rd week.

The 2nd to the 12th declaration period of 4 weeks are in line with the ISO standard mentioned. The 1st tax return period always starts on January 1 and the last (13th) tax return period always ends on December 31. The 1st and the last tax return period can therefore be shorter or longer than the 28 days of the four-week pay period. The start dates of the different declaration periods can be [downloaded](#) from belastingdienst.nl.

13.2 Filing a tax return

In this chapter, you will find information on the following topics:

- How to file a report? (see paragraph [13.2.1](#))
- When to file a report? (see paragraph [13.2.2](#))
- nil declaration and zero declaration (see paragraph [13.2.3](#))
- Coherent group of withholding agents (see section [13.2.4](#))
- Revenue ratio (see Section [13.2.5](#))
- round amounts in your tax return (see section [13.2.6](#))
- status of your declarations (see section [13.2.7](#))
- Computer system failure (see section [13.2.8](#))
- object (see section [13.2.9](#))
- you are no longer subject to withholding (see section [13.2.10](#))

13.2.1 How to make a declaration?

You are obliged to file the payroll tax return digitally. Only for the pseudo-final levy on excessive severance payments (see section [13.7](#)) do you file a tax return on paper.

You can file your payroll tax return digitally in 3 ways:

- You file a tax return with our tax return program.
- You file a tax return with other tax return or administration software.
- You have your returns taken care of by an intermediary, such as an accountant or a tax advisor.

We determine specifications that your declaration must meet. These specifications are substantive and technical in nature. The tax returns that you file with our tax return program meet these specifications. Software vendors must ensure that their software meets our specifications.

Below you will find a brief explanation of the 3 ways to file a tax return digitally. More information about filing a tax return digitally can be found on belastingdienst.nl under [Digital reporting](#).

U file a tax return with our online tax return

If you want to file a tax return with our online tax return, this is only possible via 'My Tax and Customs Administration Business' (MBDZ). To do this, go to the portal 'My Tax and Customs Administration Business' and log in with DigiD (for sole proprietorships, general partnerships and partnerships) or with eHerkenning (for non-sole proprietorships). To use eHerkenning, you must be registered with the Chamber of Commerce (KvK). You must purchase an eHerkenning means in time through an approved supplier. More information can be found on the information page 'How eHerkenning works' on belastingdienst.nl. If you cannot or do not want to register with the Chamber of Commerce to purchase an eHerkenning means, you must file your wage declaration with other software (see below) or through an intermediary.

You may be able to get compensation for the costs of eHerkenning. You can read more about this on [our site](#).

Note 1

We prepare the tax return for you in MBDZ no later than 8 days before the end of the tax return period. For example, the January tax return is ready by January 23 at the latest. Suppose that the deadline for filing the 12th four-week period is December 4, then the filing will be ready by November 26 at the latest.

Note 2

With our online tax return via login for entrepreneurs on 'MBDZ' you can file a tax return for a maximum of 10 income ratios per payroll tax number. If you want to file a tax return for more income ratios, you must use other tax returns or administration software.

Ufile a tax return with other tax return or administration software

You file a tax return via Digipoort (WUS channel or FTP channel). To do this, you will need: a PKloverheid services server certificate and Digipoort-enabled software. For the FTP channel you need an FTP account with Logius. Digipoort is a service of Logius. Check logius.nl for more information.

Are you already using a PKloverheid services server certificate, for example for VAT reporting? Then you do not need to apply for a new PKloverheid services server certificate for Digipoort. Please note the validity period of your certificate.

Don't have a PKloverheid services server certificate yet? If so, keep in mind that the application process will take some time.

You can find out how to apply for a PKloverheid services server certificate at logius.nl. Check with your software vendor if your package supports the certificate request.

Digipoort has a channel for standard messages (WUS) and a channel for large messages (FTP) for filing payroll tax returns. The channel you should use depends on the size of your posts:

- Up to 15 MB: The default messaging channel
- larger than 15 MB to 80 MB: choice of the standard message channel or the large message channel
 - For the default message channel, you need to compress these messages to a maximum of 15 MB. This is not necessary for the large message channel.
 - If your messages regularly reach the 80 MB (compressed: 15 MB) limit, consider switching to the big message channel. Because if your message is unexpectedly larger, your message will not reach us via the standard message channel. You may then file a tax return too late.
- larger than 80 MB: the large message channel (compressed or uncompressed)

For the Digipoort large message channel, you need an FTP account with Logius. Sometimes your software supplier has already provided this. If you need to apply for the FTP account yourself, do so on logius.nl.

Please note

Ask your software vendor if your software package is suitable for the right channel. For the WUS channel you need different software than for the FTP channel. Also, be aware that your software can compress messages if necessary.

Change of software package

If you change software packages, this may not affect the income ratios and the payroll taxes to be paid. Therefore, the new software package must be able to:

- continue with progressive cumulative calculation (VCR) (see chapter 6) If you change packages as of 1 January, this will not cause a problem, because you will then start again with VCR.
- continue to use the same income ratio number (see section [3.4.2](#))
- use the same start date of the income ratio (see section [3.4.1](#))

This causes problems with a number of software packages. Make sure you are well informed.

You must also be able to correct tax returns (also for previous years) that were made with the previous package. Often this is not possible with the new package. If necessary, make agreements with the supplier of your old software package.

Please note

Even if you change intermediaries, there may be a change of software package. See below under 'You have your returns taken care of by an intermediary'.

You have your declarations taken care of by an intermediary

If you have your payroll tax returns taken care of by an intermediary, such as a payroll processor or a tax advisor, he will compile the digital return with a software package. He can then sign the declaration for you and send it if you have authorised him to do so. Sometimes you can digitally complete, sign and send the tax return yourself. It is wise to make good agreements about this. Because you remain responsible for the accuracy of the declaration, even if an intermediary signs and sends it on your behalf.

Change of intermediary

If you change intermediaries for sending payroll tax returns, this may not affect the income ratios and the payroll taxes to be paid. Therefore, make good agreements with both intermediaries about the transfer of data or about support, because you or your new intermediary must:

- continue with progressive cumulative arithmetic (VCR) (see chapter 6)
- continue to use the same income ratio number (see section [3.4.2](#))
- use the same start date of the income ratio (see section [3.4.1](#))
- be able to correct previously submitted returns from the 5 previous years You may need the previous intermediary for another 5 years.
- be able to comply with the retention obligation (including the data stored with the previous intermediary)

13.2.2 When to file a tax return?

Your tax return must be received by us no later than the date stated in the 'Payroll Tax Return Letter'. You can also download an overview of the final declaration dates from belastingdienst.nl. You file a tax return after the end of the tax return period. But if you know that your tax return details will no longer change, you can also file a tax return within the tax return period. This has the advantage that the UWV has to request less information from you or your former employee when determining a benefit. You do not have to pay your tax return yet.

You cannot file or pay before the start of the declaration period, because we will not be able to process your declaration. An exception applies to BVs of directors-major shareholders and pension and annuity BVs: they can file a tax return before the start of the tax return period. But paying before the tax return period has started is not possible in this case either.

Please note

If you use our tax return program via 'My Tax and Customs Administration Business' (MBDZ), you can only file a tax return when the tax return has been 'prepared' for you. See section [13.2.1](#).

Filing tax returns for directors-major shareholders and pension and annuity BVs

Private limited companies (BV's) with 1 or more directors-major shareholders (DGAs) may file payroll tax returns for tax returns for tax returns that have not yet started. 2 conditions apply:

- Only DGAs work in the company, possibly with assisting spouses and children. There is no other staff.
- The DGAs and assisting spouses and children are not insured for employee insurance (see paragraph [18.1.1](#)).

The scheme also applies to pension and annuity BVs that – in addition to paying the salary of the DGA – only make payments on which they do not have to pay employee insurance contributions. If you use our

tax return program via 'My Tax and Customs Administration Business' (MBDZ), you can indicate under 'details' in the program that you also want to file a tax return for other tax return periods.

Please note

The January declaration will be ready for you in MBDZ on 23 January at the latest, see section 13.2.1. You cannot send the tax return for January and other tax return periods earlier via MBDZ. With other software, this may be possible, but never before January 1.

Fewer categories

Directors-major shareholders and pension and annuity companies do not have to complete a number of sections of the tax return. Some software packages and our tax return program support this, but with other software packages you still have to fill in these sections. It concerns the following headings:

- provided supplement to employee insurance benefit
- accrued entitlement to holiday allowance
- holiday allowance
- accrual of employment conditions amount
- Inclusion of the terms of employment amount
- Incidental income reduction code

Paying payroll taxes

Do you file a tax return in advance for periods that have not yet started? Then you cannot pay immediately. You can prepare the corresponding payments in advance at your bank by date. In the 'Payroll tax return letter' you will find the payment characteristics for each tax return period.

You can pay the returns from the 1st day of the tax return period, except for the 1st tax return period of the year. You cannot pay it before 1 February. We are unable to process payments that you make earlier. You may still receive an additional assessment despite your (early) payment, because we were unable to process your payment on time. But it is also possible that we will then offset your payment against outstanding tax debts or refund it. You may then have to pay again.

13.2.3 Nil declaration and zero declaration

If you do not have to declare wages and payroll taxes for a tax return period, you must still file a tax return on time. You then file a so-called nil return or zero return:

- You file a nil return if you did not employ any employees during the tax return period. You do not enter any employee data. The collective part of the declaration remains empty or you enter '0' there.
- You file a zero tax return if you employed employees during the tax return period, but did not pay any wages. You do fill in all employee data, but you enter '0' for the salary, payroll taxes and remunerated hours. For example, a zero tax return applies to a director-major shareholder with an annual salary, for the tax return periods in which you have not paid him any salary. Or you hire an employee in the course of a month and only pay his 1st salary in the following month.

Please note

Do you have to declare wages and payroll taxes for a tax return period, but did you also have employees in that tax return period to whom you did not pay wages? Then you must include those employees in the tax return. You fill in all employee data for them, entering '0' for wages, payroll taxes and remunerated hours. You also fill in the correct insurance indications.

13.2.4 Coherent group of withholding agents

Have we designated you as a cohesive group of withholding agents (see section 3.6)? Then you must file a separate declaration for each payroll tax number within this group. This is necessary, among other things, for employee insurance premiums, because they can differ per employer (payroll tax number).

13.2.5 Revenue Ratio

In the payroll tax return, we ask you to provide details of all your income ratios. See section 3.4 for more information on the concept of 'income ratio' and a number of related sections of the tax return.

13.2.6 Rounding Amounts in Your Declaration

In the employee data of your tax return, you enter all amounts with 2 decimal places. You may round off in favour of you or your employee.

In the collective part of your tax return, you may only enter amounts in whole euros. Some sections of the collective part, for example wages and payroll taxes, are additions of the amounts that you have entered in the employee data. You add the amounts of the employee data, including cents, to these headings. You round the total amount to whole euros. In addition, in the collective part of the tax return, you also enter amounts that are separate from the employee data, such as final levies and remittance reductions. You also round these amounts to whole euros. You may round off in your favor in each collective class.

Have you attached corrections? Then you must also fill in the correction balances. You also do this in whole euros. The amount you have to pay must be equal to the sum of all payroll taxes plus or minus the balance of all corrections.

Please note

Make sure that your financial records round up the amounts you have to pay according to your tax return in the same way as you do in the tax return. The final amount of the tax return (the Total General) must be equal to the amount you pay.

13.2.7 Status of your declarations

You can view the status of your declarations yourself. To do this, go to 'My Tax and Customs Administration Business' and log in with DigiD (sole proprietorships, general partnerships and partnerships) or with eHerkenning (for non-sole proprietorships). You will then be taken to an overview of your tax returns. In this overview you can see which declarations you still have to make and which we have received and can process. Have you entered an e-mail address in the user settings and have you checked the e-mail notification? Then you will receive an e-mail from us if the status of a report has changed.

You only have access to this secure area for entrepreneurs on our website. A third party, for example your intermediary, cannot see the status of the declarations he has made for you. However, the person who filed the declaration will receive a digital message from us that the overview of declarations and statements of his customer has been updated on this secure part of belastingdienst.nl. From this he can deduce that we have received a report that we can process.

13.2.8 Computer System Failure

We are responsible for our own systems and ensure their optimal availability. If there is a malfunction in our systems, we will assess for each situation whether it was impossible for you to file your tax return on time. If that is the case, we will provide a suitable solution. Always read the service messages when you log in via 'My Tax and Customs Administration Business'.

You are solely responsible for the availability and performance of your own computer system. Computer and internet problems do not relieve you of the obligation to file a tax return on time. So don't wait until the last minute to file a tax return(s).

13.2.9 Objecting

Have you overstated? Then you can correct the tax return (see chapter 14). But it is also possible that you have calculated, declared and paid the payroll taxes in accordance with the applicable regulations, while you do not agree with those regulations. Then you can object to the amount paid within 6 weeks of payment. You will then receive a ruling from us. You can appeal against this decision to the court.

13.2.10 You are no longer subject to withholding tax

Are you no longer subject to withholding tax? Then you may only stop filing a tax return once you have received a message from us (see paragraph 17.1). Until then, you must file a nil tax return as explained under 13.2.3.

13.3 Checking the declaration after sending

In addition to tax requirements, your digital tax return must also meet technical requirements. The 'Data specifications payroll tax return', written for software developers, states what these requirements are.

Below you will find a brief overview of our check-ups and the messages you can receive from us.

Phase 1: within 24 hours of entry (but usually immediately)

If you file a declaration with declaration or administration software, it will be checked upon arrival whether your message meets the technical requirements and whether a valid certificate has been used:

- If your message is technically incorrect, or the certificate is invalid, the person who sent this message will receive an error message. The form in which the error message appears on your screen depends on the software package you are using. In that case, you have not filed a tax return. You must correct the mistake and file a new report.
- If your message is technically correct, the person who sent it will be notified. The form in which this message appears on your screen depends on the software package you are using. This is followed by phase 2.

Do you file a tax return with our tax return program? Then you may already receive error messages while filling it in. You cannot send the declaration until you have corrected the error. After sending, you will receive a notification on your screen that we have received your declaration.

Phase 2: within 72 hours of entry (but usually almost immediately)

If you file a tax return with tax return or administration software, we will check your message for a number of logical errors within 72 hours (but usually almost immediately) after receipt, such as:

- Does the tax return period exist? For example, the tax return period 2 January to 31 January does not exist.
- Are there letters in fields where we only expect numbers?
- Have only permitted codes been used?
- Are the income ratios unique (see section 3.4)?
- Do the dates entered exist? For example, February 30 does not exist.
- Are there any counting errors in the tax return?
- Are the creation date and time of the message within 24 hours of the time we received the message?

Have you been notified that your tax return has been received and do we not find any errors during the above check? Then the person who sent the report will receive a notification. If you log in via 'My Tax and Customs Administration Business', you can see that we have received your tax return. If we do find errors, the person who sent the declaration will receive an error message. We cannot reasonably accept your message as a report. So you have not yet filed a tax return. Correct the mistake and report it again. The form in which the notifications appear on your screen depends on the software package you use.

Please note

If you file your tax return well in advance and we give you an error message, you can still correct the error before the tax return period has expired (see section [14.2.1](#)).

Do you file a tax return with our tax return program? Then you will receive an error message while filling in if you make a mistake. You cannot send the declaration until you have corrected the error. After sending, you will receive a notification on your screen when we have received your declaration.

We cannot report some errors to you digitally. This can occur if you use our tax return program and also if you use other software. In that case, we will contact the contact person in the report by telephone. You will also receive a letter. If we have not contacted you within 72 hours, you can assume that we can process your declaration. You can check this in the overview of your declarations. To do this, go to 'My Tax and Customs Administration Business' and log in with DigiD (sole proprietorships, general partnerships and partnerships) or eHerkenning (non-sole proprietorships) (see section [13.2.7](#)).

Phase 3: within 2 weeks after the end of the declaration period

Once the declaration period has passed, further checks will take place.

Inspection by UWV

If the UWV's policy administration shows that there are still errors in the employee data, you will receive a letter from us with a so-called error report. It contains an overview of the errors found in your tax return. You must then correct this declaration (see chapter [14](#)). An explanation of the errors in the error report can be found in the '[Explanation of error messages employee data in the payroll tax return](#)'. This explanation is published several times a year.

When calculating a benefit by the UWV, it may turn out that data in the policy administration is incorrect. For example, the holiday allowance, the incidental income reduction code or the remunerated hours appear to have been incorrectly declared. You will then receive a letter from us asking you to correct the incorrect declaration(s).

Control by us

At a later time, we may still find errors in your declarations. For example, in a book research. In that case, you will receive a letter from us with a so-called correction obligation (see paragraph [14.1.2](#)).

13.4 Payment

In this section, you can read how to pay payroll taxes (see section [13.4.1](#)), when to pay payroll taxes (see section [13.4.2](#)) and how to ask us to offset a VAT refund against payroll taxes that you have to pay (see section [13.4.3](#)).

13.4.1 How to pay?

You can pay payroll taxes in different ways: digitally, by bank with your own transfer forms or at some banks still in cash. Always state the payment reference stated in the 'Payroll tax return letter'.

Please note

In connection with the corona crisis, you may have made use of the deferral scheme. You did not have to pay the tax return. For the amount due, you received an additional assessment for which you could get a special postponement. For the special deferral, you can find more information via this page: [belastingdienst.nl/bijzonder deferral of payment due to corona crisis](https://belastingdienst.nl/bijzonder-deferral-of-payment-due-to-corona-crisis).

The moment your payment is in our account determines whether your payment is on time.

Payments to us can be made to IBAN (account number) NL86 INGB 0002 4455 88, in the name of the Tax and Customs Administration in Apeldoorn. If you bank digitally or create payment orders automatically from your administration, make sure you use the correct account number and payment reference.

You pay the amount that is stated in your tax return as payroll taxes to be paid. Because your accounting may not complete or complete differently, the amount in your financial administration may differ from the amount in your tax return. See section [13.2.6](#) for more information on rounding the amounts in your tax return.

Always pay the final amount of your tax return. This will prevent you from paying too little and incurring a payment default penalty.

Payment reference

If you do not provide a payment reference or provide an incorrect payment reference, we may not be able to process your payment or process it on time. You can then receive an additional assessment. The payment reference is different for each declaration. Therefore, make sure that you always state the payment reference that belongs to the tax return that

you pay. You can find the payment reference for tax returns in the 'Payroll tax return letter'.

Lost your payment reference?

Do you want to pay the payroll taxes, but have you lost the 'Payroll Tax Return Letter' with the payment references? Then you can trace the payment reference using the [Payment Reference Search Tool](#) on belastingdienst.nl.

To look up the payment reference, you must have the declaration number of the declaration at hand. You can compile this number as follows:

- 1 Take your payroll tax number.
- 2 Add the period code after the payroll tax number. You can download an overview with the [time slot codes](#).

Example

Your payroll tax number is 123456789L02. You file a tax return per calendar month and, for example, file a tax return for the calendar month of December 2025. The time slot code for December 2025 is 5120. The declaration number is therefore 123456789L025120. The so-called final digits, which you must enter in the Payment Reference Search Tool, are 025120.

13.4.2 When to pay?

The payment must be in our account no later than the date stated in the 'Payroll Tax Return Letter'. If that date falls on a Saturday, Sunday or public holiday, the payment must be in our account before that date. An overview of the final declaration and payment dates can be [downloaded](#) from belastingdienst.nl.

Never pay before the start of the tax return period, as we will not be able to process your payment.

Please note

When paying by bank, the time of payment is often 1 or more days later than the time when the amount is debited from your account.

13.4.3 Offsetting payroll taxes against VAT refund

You can ask us to offset a VAT refund against a payroll tax return. To do this, you use the form 'Request for Payroll Taxes Settlement with VAT refund'. This is possible under the following conditions:

- You have filed the payroll tax return with which you want to offset the VAT refund on time.
- The filing period of your payroll tax return and the filing period of the VAT return for which you receive the refund end in the same month.
- If the return period of that VAT return ends on 31 December, you may also set off against the 12th four-week payroll tax return. Even if that tax return period ends in November.
- You have no other outstanding tax debts.
- You submit the request for set-off no later than the deadline for filing the payroll tax return.

Example

- You can offset the VAT return for the 2nd quarter with the payroll tax return for June or the 6th four-week period (because the 6th four-week period ends in June).
- You can offset the VAT refund for December with the payroll tax return for December, the 13th or 12th four-week period.

You can download the [form Request for Payroll Tax Settlement with VAT refund](#) via belastingdienst.nl.

13.5 Fines

If you are late in filing a tax return or paying, there is a default and you may receive a notice of default or a fine. You may receive an additional assessment. The following situations are possible:

- You pay late, not or too little (payment default) (see paragraph [13.5.1](#)).
- You do not file a tax return or file a tax return too late (see paragraph [13.5.2](#)).
- There is a concurrence of payment and declaration default (see paragraph [13.5.3](#)).
- You file an incorrect or incomplete tax return (tax return default) (see paragraph [13.5.4](#)).
- There are exceptional or special situations (see section [13.5.5](#)).

Please note

In connection with the corona crisis, you may have made use of the deferral scheme. You did not have to pay the tax return. For the amount due, you received an additional assessment for which you could obtain a special deferral. For the special deferral, you can find more information via this page: [belastingdienst.nl/bijzonder deferral of payment due to corona crisis](http://belastingdienst.nl/bijzonder-deferral-of-payment-due-to-corona-crisis).

13.5.1 You pay late, not or too little (payment default)

If you pay the tax return late, or if you do not pay or pay too little, the following applies.

You pay late

You pay late if your payment arrives at us after the final payment date. If you still pay within the leniency period, you may not be fined.

The leniency period starts after the final payment date and ends 7 calendar days after the final payment date. There are 3 possibilities:

- You pay late, but within the leniency period. In this case, there are 2 possibilities:
 - You paid the previous tax return on time and in full. Then you will not receive a payment default penalty. You will receive a notice of default.
 - You paid the previous tax return late or not in full. Then you will receive a payment default penalty of 3% of the amount paid late, with a minimum of € 50 and a maximum of € 6,709.
- You pay late and after the leniency period. In this case, you will receive a payment default penalty of 3% of the amount paid late, with a minimum of € 50 and a maximum of € 6,709.
- You pay late and partly within and partly after the leniency period. In this case, you will receive a payment default penalty of 3% for the total amount you paid within and after the leniency period, with a minimum of € 50 and a maximum of € 6,709.

U don't pay or pay too little

Have you not paid (part of) your tax return at the time we check? Then you will receive an additional assessment with a payment default penalty of 3% of the unpaid amount with a minimum of € 50 and a maximum of € 6,709. Did you also pay part of it late? Then we calculate the fine on the total of the unpaid and the late amount.

Please note

If you have to pay an additional amount due to a correction, there is usually also a payment default. This may occur if you send a correction spontaneously, on your own initiative, but also because you have received a correction obligation from us. See section [14.5.2](#) for more information on this.

13.5.2 You do not file a tax return or file a tax return too late (failure to file a tax return)

For filing a tax return on time, a leniency period of 7 calendar days after the deadline for filing a tax return applies. If your tax return is received by us within this period, you will not be fined. If we receive the tax return later or not at all, you will be fined € 83.

13.5.3 Concurrence of payment and declaration default

We determine payment and declaration defaults separately. Therefore, these absences can coincide for the same period. If you file a tax return too late and pay too little, you can therefore receive 2 fines: 1 for reporting late and 1 for underpaying.

13.5.4 You file an incorrect or incomplete tax return (default on tax returns)

If you have filed an incorrect or incomplete tax return, you may be subject to a tax return default with a fine of € 83. For the time being, we are reluctant to impose these tax return default penalties.

13.5.5 Exceptional or special situations

Sometimes we deviate from the fines for a payment default (see paragraph [13.5.1](#)), for a declaration default for no or late declaration (see paragraph [13.5.2](#)) and for a declaration default for incorrect or incomplete declaration (see paragraph [13.5.4](#)).

Higher default penalties

In exceptional cases, we can set higher default penalties: a maximum of € 1,675 per declaration default, and a maximum of 10% of the late or unpaid payroll taxes for a payment default, with a maximum of € 6,709. An exceptional case is, for example, when you repeatedly do not file a tax return or file it too late, file an incorrect or incomplete tax return, or do not pay or pay late.

Misdemeanor fine

Instead of a payment default penalty, you can also receive an offence penalty. In that case, there must be gross negligence or (conditional) intent for not declaring and not paying or paying late (part of) the tax due.

Before you receive a misdemeanor penalty, we will send you a letter in which we indicate why we believe that there is gross negligence or (conditional) intent. You can still respond to this before we finalize the fine.

If you have received a payment default penalty from us in a previous year, and we later determine that there was gross negligence or (conditional) intent, we can still determine an offence penalty. This is only possible in the situation that we receive new information after the payment default penalty has been imposed. The following applies as new information:

- a statement from yourself or others and information from your administration (also digital)
- information that – in retrospect – was known to us at the time the default penalty was imposed, but which we did not investigate at the time, but we do now. If this new information, if we had had it earlier, would have led to an offence penalty, we can convert the default penalty into an offence penalty.

We deduct the amount of the payment default penalty from the misdemeanor penalty.

Registered too late as a withholding agent

If you have not registered as a withholding agent or have registered too late, you will pay the payroll taxes too late. For this, you can be fined up to 10% of the amount paid late. If you also have to pay payroll taxes for periods of calendar years that have passed, you must pay levy or tax interest.

Intentional failure to comply with the obligation to declare or pay is punishable by law

Do you intentionally not pay the payroll taxes, not on time or not in full? Or do you deliberately file a tax return too late, incorrectly or not at all? Then this can be seen as a crime and lead to criminal prosecution.

13.6 Liability

If you have paid no or too little payroll taxes, you will receive an additional assessment for the amounts you have to pay. Sometimes we can also collect these amounts from others. We will then hold others liable for the amounts you have to pay. Those we can hold liable are:

- hirers of personnel (see Section 13.6.1)
- directors of companies, associations, foundations and foreign legal entities (see paragraph 13.6.2)
- contractors in a chain (see section 13.6.3)

The person we hold liable can object to this. He can also object to the amount for which we hold him liable (see paragraph 13.6.4).

13.6.1 Hirers of personnel

If you hire staff, for example a temporary worker, the employment relationship between the employee and his lender (the temporary employment agency) will continue to exist, even if the employee works under your direction or supervision. The lender must calculate and pay payroll taxes on the wages that the employee receives for the work. If the lender does not do so, you may be jointly and severally liable for these payroll taxes. This means that you are liable for the total amount. If we hold you liable, we will give you a decision. More information about the liability of hirers can be found in the brochure 'Liability for payroll taxes and turnover tax when hiring staff'. [Download this brochure](#) from belastingdienst.nl or call the Tax Hotline: 0800 - 0543.

As a hirer, you can protect yourself against the risk of liability by using a g-account (see section 13.6.5).

13.6.2 Directors of companies, associations, foundations and foreign legal entities

A director is liable for the payment of a number of taxes and premiums if he is a director of 1 of the following legal entities:

- a company (bv or nv)
- an association that must file a corporate income tax return
- a foundation that must file a corporate income tax return
- a foreign legal entity that must file a corporate income tax return in the Netherlands

For example, we can hold a director liable for payroll taxes and VAT. A sectoral pension fund can hold the director liable for the unpaid premiums for a compulsory sectoral pension fund.

Obligation to report payment problems

If a legal entity is unable to pay the tax or social security contributions, the director must report this to us within two weeks after you should have paid the taxes or contributions. If the legal entity has debts to a company pension fund, the director must also report the payment problems to that body. If there are more drivers, it is sufficient for 1 of them to report the payment problems.

Also report payment problems immediately if you have only just started working and have not yet received a declaration letter (see section [2.1](#)).

You report payment problems using the form 'Notification of inability to pay taxes and premiums'. [Download this form](#) from belastingdienst.nl.

Please note

Reporting payment problems is separate from a request for a payment arrangement. You must apply for a payment arrangement separately. To do so, use the form 'Request for Payment Scheme and Deferral of Payment of Tax and/or Premium for Enterprises'. [Download this form](#) from belastingdienst.nl.

More information about directors' liability and the obligation to report payment problems can be found in the brochure '[Directors' liability](#)'.

13.6.3 Contractors in a chain

If you are a contractor in a chain (main contractor, subcontractor, subcontractor) and you outsource work to a subcontractor, we can hold you liable for the payment of the payroll taxes of your subcontractor or its subcontractor. This is the so-called chain liability. As a contractor, you can protect yourself against this liability by using a g-account (see section [13.6.5](#)).

If we hold you liable, we will give you a decision. More information about the liability of contractors can be found in the brochure '[Liability for payroll taxes in the case of subcontracting](#)'.

13.6.4 Objection to liability and amount

If we hold you liable, you can object to the liability claim and to the amount for which we hold you liable in 1 letter. Your objection must be received by us within 6 weeks after the liability claim. You will be notified of our decision.

13.6.5 G Bill

The company from which you hire staff (the lender), or your subcontractor may enter into an agreement with us and a bank to open a blocked account, a g-account, with a bank. To limit your liability for payroll taxes, you can deposit part of the invoice from your lender or subcontractor into this g-account. We then assume that this deposit is intended for the payroll taxes (and VAT) that your lender or subcontractor must pay. So estimate that amount well. We will not hold you liable for that amount, provided it is administered correctly.

The lender or subcontractor uses his g-account to pay his own payroll tax return or to transfer to a g-account of a lender or subcontractor of his own.

There are a number of conditions attached to the use of a g-account.

More information about liability and how to apply for and use a G Account can be found here. in the brochure 'Liability for payroll taxes in the case of subcontracting' and the brochure 'Liability for payroll taxes and turnover tax in the case of hiring of personnel'. You can also download the [g-account application form there](#). Or call the Tax Hotline: 0800 - 0543.

13.7 Declaration of pseudo final levy for excessive severance payments

Do you pay employees who leave your employment a severance payment? Then you must file a pseudo-final levy declaration on paper for the excessive part of the severance payment. You have to pay 75% pseudo-final levy on that excessive part. The excessive part is the part that exceeds the test wage. The test salary in 2025 will be € 680,000. You can read how to calculate the test salary and the excessive part of the severance pay in the '[Explanation of excessive severance pay](#)', which you can download from belastingdienst.nl. See paragraph [25.8](#) for more information about the pseudo-final levy on excessive severance payments.

Do you have to report the excessive part of the severance pay of 1 of your employees? Then does in the tax return period in which the employment ends. If you still grant part of the severance pay after the end of the employment, you will make the calculation again at that time and file a new tax return.

You file a separate tax return using the form 'Declaration of payroll taxes pseudo-final levy excessive severance pay'. You can request this form in writing from:

Tax and Customs
 Administration/Large Enterprises
 Unit Financial Institutions (IND3)
 Antwoordnummer 45637 1040 VE
 Amsterdam

In any case, state in your letter:

- name
- your payroll tax number
- the name of the contact person for this declaration
- the telephone number of the contact person
- the address to which we should send the declaration form
- the reporting period in which you granted the severance pay
- the number of employees for whom you are filing a tax return

Send the completed tax return back to the Tax and Customs Administration/Amsterdam. Wait to pay until you receive an additional assessment from us.

14 Correcting tax returns

With the payroll tax return, you provide us with detailed income data per income ratio, the employee data (see section 3.4 for the concept of 'income ratio'). The UWV stores these income data in the policy administration (see chapter 13 for more information about the 'policy administration'). The data serve as a basis for determining, among other things, benefits and allowances of your employees. That is why it is important that the employee data is up-to-date, correct and complete. You must therefore always correct or supplement errors or incompleteness in a payroll tax return that has been sent.

Please note

Changing the data in the policy administration can only be done by filing a corrected tax return or by submitting correction notices. We can't do that for you.

This section explains which data you need to correct and when to do so (see section 14.1), and how you can correct it (see section 14.2). In this chapter you will also find information about correcting tax returns for 2025 (see section 14.3) and correcting tax returns for 2020, 2021, 2022, 2023 and 2024 (see section 14.4). You may be fined if you make the correction late, incomplete, or incorrectly (see section 14.5.2). Corrections after the end of the year may lead to interest on tax. See section 14.5.1.

14.1 Which data do you have to correct and when?

This section explains which data you need to correct and when you need to do so.

14.1.1 Which data to correct?

Have you filled in a tax return incorrectly or incompletely? Then you must always send a fully completed collective part with the corrected data, the data that was missing and the data that was already correct. If you have made a mistake in the employee data, there are 3 possibilities:

- You forgot to declare an income ratio. You still add it.
- You have entered incorrect information. You fill in all the data for the relevant revenue ratio: the corrected data and also the data that was already correct. Whether you should include the other revenue ratios as well depends on how you correct and what software you use (see section 14.2).
- You have wrongly filed a tax return for an income ratio. You then withdraw this income ratio. You can withdraw in 3 ways:
 - 1 If the declaration period has not yet expired by sending a new 'complete declaration', see paragraph 14.2.1
 - 2 If the declaration period has not yet expired by sending a 'supplementary declaration', see paragraph 14.2.2. Not all software supports the supplementary declaration.
 - 3 If the declaration period has expired in the meantime by sending a correction notice, see paragraphs 14.2.3 and 14.2.4 See also below under '*Withdrawal of an income ratio*'.

Incorrect BSN used for an employee/benefit recipient

Have you previously filed a tax return for an employee or benefit recipient with an incorrect BSN? Then you need to do 2 things:

- You must withdraw the previous income ratio with the incorrect BSN.
- You must send an income ratio with the correct BSN.

See also below under '*Withdrawing an income ratio*'.

You must also correct if this does not affect the payroll taxes you have to pay. For example, in the event of errors in the names, dates of birth, social security number and coding.

Please note

You do not have to correct incorrect address details or a small error in the name (e.g. Jansen instead of Janssen). You include the correct information in the next tax return.

Withdrawing an income ratio

Your software package must support the 'recall' functionality by means of a correction message. If you don't know how to do that with your package, consult your software provider.

Revocation is important, because the person to whom the incorrect BSN belongs may otherwise be bothered by the incorrectly provided data under his number. The UWV may then use this (incorrect) data itself to determine benefit entitlements, but also passes this data on to customers, such as municipalities, pension funds, bailiffs and allowances.

Correcting a tax return with an incorrect payroll tax number

If you have filed a tax return with an incorrect payroll tax number, you cannot correct this in all cases with a correction. In any case, you must first file a new tax return with the correct payroll tax number. Because you have not yet filed a tax return for the correct payroll tax number. Depending on the error you made in the payroll tax number, the following applies:

- You have made a mistake in the sub-number. The sub-number consists of the letter 'L' and the 2 digits after the RSIN/tax number/BSN of your company. For example, if your payroll tax number is 123456789L03, then the sub-number is L03.
 - Have you only used an incorrect sub-number and do you not have to file a tax return for the payroll tax number with that sub-number? Then you don't have to do anything else.
 - Have you only used an incorrect sub-number and do you have to file a tax return for the payroll tax number with that sub-number? Then you must correct the tax return (see paragraph [14.2](#)).
- You have made another error in the payroll tax number and you have not received an error message about it. Then call the Tax Hotline: 0800 - 0543.

14.1.2 When to Correct

If you discover any incompleteness or errors in a declaration yourself, you must correct them on your own initiative. Correcting on one's own initiative is also called 'voluntary improvement'. If we discover any incompleteness or error, we may ask you to correct the declaration (correction request) or require you to correct it (correction obligation). In both cases, you will receive a letter from us. You will receive a correction obligation, for example, as a result of an audit. If you do not comply with a correction obligation, you may be fined.

Please note

You must calculate the employee insurance premiums and the income-related Zvw contribution using the method of progressive cumulative calculation (VCR) (see Chapters 5 and 6). In the payroll tax returns, you indicate the payroll taxes that you have calculated in this way. If you correct payroll data, it may affect amounts from subsequent returns that you have calculated cumulatively. Then you must also correct those returns.

Asking for an additional assessment or refund instead of correcting it

In some cases, the calculations at the individual employee level are not easy to make. Individualised correction with a correction notice can then be accompanied by high regulatory costs for the employer that are disproportionate to the importance of the correction for the employee. And in connection with that, are also disproportionate to the interest of the recipients of the data from the policy administration. Corrections at the collective level may also involve regulatory costs that are disproportionate to the obligation to send a correction notice.

In a number of cases and under certain conditions, you may therefore ask us for an additional assessment or a refund instead of having to send correction notices. This applies in the following cases:

- only additional assessment: it concerns wage components or differences in the rate that are difficult to trace back to one or more individual employees
- additional assessment or refund: this only concerns collective data: final levies or remittance reductions.
- additional assessment or refund: the software supplier of the software with which you previously filed tax returns has definitively terminated its activities, whether or not due to bankruptcy, as a result of which you cannot send corrections. You will then no longer have to make corrections for 2020 and 2021 (in 2025).

In the case of an additional assessment, you pay the wage tax/national insurance contributions as a final levy. In addition, you also use this assessment to pay the (regular) employee insurance premiums and the Zvw contribution (as an employer's levy or as a deduction). You pay the same amount for the premiums and the Zvw contribution as if you had corrected at employee level.

In the case of a refund, you will receive a refund of the wage tax/national insurance contributions that you have paid too much or that you have not declared enough as a remittance reduction.

To receive an additional assessment, the following conditions apply:

- You send a written request to your tax office, specifying the amounts for which you are requesting an additional assessment or a refund.
- You make it plausible that failure to correct the employee data will not have disproportionately adverse consequences for any payment from the UWV to your employees.

Examples

For example, a request for an additional assessment or refund is possible in the cases listed below. The examples illustrate the condition that there are no disproportionately adverse effects for the employee under the employee insurance schemes.

- 1 In several wage periods, there are relatively small differences in wage benefits or in the rate applied.
- 2 There are wage payments to anonymous employees (of whom it is not known who it concerns and what salary that person has received).
- 3 This concerns an amount of no more than € 15 per employee per calendar year.
- 4 There is a sector change with retroactive effect.

14.2 Manners van corrigeren

There are 4 ways you can correct:

- resubmit the complete declaration (see section [14.2.1](#))
- send a supplementary declaration (see section [14.2.2](#))
- send a correction with a declaration (see paragraph [14.2.3](#))
- send a single correction (see section [14.2.4](#))

You are not free to choose how you correct. How you should correct depends on:

- the year for which you want to correct
- the tax return period you want to correct
- the way in which you file a tax return: with our online tax return or with other tax return or administration software

14.2.1 Resubmitting the complete declaration

Has the declaration period for the period you want to correct not yet expired? Then you can – at the latest on the final declaration date – resend the complete declaration (all employee data and the collective part). This new tax return completely overwrites the tax return you previously filed for that period. You can use this method of correction for all ways of filing a tax return.

If you file a tax return with a software package and you have questions about how to resubmit the complete tax return, please contact your software supplier.

If you have sent a correction with the previous tax return and it does not change, you must state the correction balance in the new tax return.

Example

You have filed a tax return for November. You have to pay € 10,000 for that period. With the return for November, you have sent a correction for July, with a correction balance of € 1,000. You will then have to pay a total of € 11,000.

Within the tax return period, you file a new tax return for November, which means that the amount to be paid for November becomes € 12,500. You do not send another correction for July. The new return for November overwrites the previous return for November, but the previous correction for July remains intact. Although you do not include a correction in the new tax return for November, you must include the correction balance of € 1,000 for July in this tax return. So you have to pay: € 12,500 + € 1,000 = € 13,500.

Please note

You must complete the new, corrected tax return. So also fill in the details that have not changed. If you do not complete the corrected declaration, the data that you provided with the previous declaration, but that you have not now entered, will be lost. For example, if you only include the collective data in the improved tax return, i.e. without the employee data, the employee data from your previous tax return will be removed from the policy administration.

14.2.2 Sending a supplementary declaration

Has the declaration period for the period you want to correct not yet expired? Then you can send an additional declaration, at the latest on the deadline for declaration. This is only possible if your software package supports the supplementary declaration. If you send an additional declaration, your software indicates that it is an additional declaration.

If you have any questions about how to send an additional declaration, please contact your software supplier.

Note 1

Are you unable to file a supplementary tax return? Then you must file the complete tax return again (see paragraph [14.2.1](#)). You cannot file a supplementary declaration:

- with our online tax return (via login for entrepreneurs to *Mijn Belastingdienst Zakelijk*)
- with a software package that does not support this capability

The supplementary declaration will overwrite all the data from the collective part of your previous declaration. The supplementary tax return also overwrites all data of the income ratios for whom you include 1 or more changes. The data of the income ratios that you do not mention will not be overwritten: they will remain unchanged in the policy administration.

A supplementary declaration consists of the following information:

- the indication that it is a supplementary declaration Your software will take care of this.
- a fully completed collective part, even if nothing has changed in this part
- any data of the revenue ratios for which you want to change something
Uyou also mention the unchanged data of those income ratios.
- any revenue ratio data you add
- the indication that it is a withdrawal if you want to remove an income ratio for which you have wrongly declared Your software will take care of this.

Note 2

If you do not indicate in your software that you want to file an additional declaration, the software will not indicate the indication 'additional' and we will see the declaration as a completely new declaration (see paragraph [14.2.1](#)). Your previous tax return will then be completely overwritten.

Example

On 12 April, you filed a tax return for 100 income ratios for March. On April 20, you discover that you have declared too little salary for 10 income ratios. Before the end of the tax return period, you send an additional tax return for March with all the details of these 10 income ratios and the new collective part. The collective data and the data of the 10 income ratios are changed, the data of the other 90 income ratios remain unchanged. If you do not indicate that it is a supplementary return, the return will be seen as a completely new return and the data of the other 90 income ratios will be lost.

Note 3

If you make use of a supplementary tax return, a correction to a tax return or a separate correction, you do not have to provide an income ratio for the employees for whom nothing has changed. Make sure that the collective part of the tax return (the totals of the employee data) contains the new totals of all employees, including those of the undeclared income ratios.

14.2.3 Sending a correction when filing a declaration

Has the declaration period for the period you want to correct expired? Then you send a correction for a tax return for a period of the same calendar year for which the tax return period has not yet expired. You can use this method of correction for all ways of filing a tax return. See section [14.3.2](#) for more information on how to send a correction to a tax return.

Note 1

In a number of cases, you do not send the correction with a tax return, but you send a separate correction (see section [14.2.4](#)).

If you have discovered the error or incompleteness yourself or if we send you a correction request, please submit your correction with the next or subsequent declaration. If you have received a correction obligation from us, for example as a result of an audit, the correction obligation states when you must send your correction at the latest.

If you send 1 or more corrections to a tax return, you will offset the balance of that correction(s) against that tax return (see section [14.3.2](#)).

Note 2

If you make use of a supplementary tax return, a correction to a tax return or a separate correction, you do not have to provide an income ratio for the employees for whom nothing has changed. Make sure that the collective part of the tax return contains the totals (additions) of all income ratios, including the income ratios that you do not currently declare.

14.2.4 Sending Single Correction

A separate correction is a correction that you send separately from a payroll tax return. You should only submit a single correction in the following cases:

- You no longer have to file a payroll tax return. You will then have received a 'Notification Withdrawal of Declaration Letter' from us.
- You make use of the artist and professional athlete scheme and do not file periodic tax returns.
- You file a tax return every six months or per year.
- You must submit a correction for a period of a previous calendar year and the declaration period of the last period of that year has passed.

You can use this method of correction for all ways of filing a tax return.

In a separate correction, the collective part must always contain the collective data of all income ratios. The employee data only needs to contain the changed income ratios. But if you file a tax return with our online tax return, you must declare all income ratios, even if they have not changed.

Please note

If you make use of a supplementary tax return, a correction to a tax return or a separate correction, you do not have to provide an income ratio for the employees for whom nothing has changed. Make sure that the collective part of the tax return (the totals of the employee data) contains the new totals of all employees, including those of the undeclared income ratios.

Example of a single correction

It is March 13, 2025. You have filed a tax return for May 2024 for 5 income ratios, for an amount of € 10,000. You forgot to declare an income ratio and you want to correct your return. For the income ratio that you did not declare, you will have to pay € 1,000. The tax return period of the last tax return period of 2024 has already passed. So you have to send a separate correction.

The collective part of the separate correction must contain the collective data of all income ratios, with a total amount of € 11,000. If you use tax returns or administration software, the employee data should only contain the data of the missing income ratio. If you use our tax return program (via *Login for entrepreneurs to My Tax and Customs Administration Business*), you fill in the employee details of all income ratios.

For the difference of € 1,000 you will receive an additional assessment from us.

Please note that correcting wage data may also have consequences for amounts of subsequent tax returns, which you have calculated using the method of rolling cumulative calculation (see section [7.7.3](#)). Then you must also correct those returns.

If you discover the error or incompleteness yourself, send the single correction within 8 weeks after you discover it. If you have received a correction request or a correction obligation from us, it will tell you when you must send your correction at the latest.

If you have sent your separate correction, we will calculate the difference between your previous declaration or previous correction and this correction. In the event of a positive difference, you will receive an additional assessment. In the event of a negative difference, you will receive a refund from us: we will refund the overpaid amount or we will settle it with outstanding debts.

14.2.5 Contact with the Tax and Customs Administration following a correction

Sometimes we have questions for you as a result of a correction. This may have to do with the processing of the correction message, but can also be about its content. We will usually contact you by telephone. We may ask you to update certain information and submit a new correction. We will then discuss with you how best to do this.

14.3 Corrections for 2025

If you want to correct a payroll tax return for 2025, there are 2 possible situations:

- The declaration deadline for the declaration you want to correct has not yet expired (see section [14.3.1](#)).
- The declaration deadline for the declaration you want to correct has already passed (see section [14.3.2](#)).

14.3.1 Declaration period has not yet expired

How you correct the tax return if the tax return period has not yet expired depends on the way in which you file the tax return.

Use our online declaration

If you use our tax return program (via *Login for entrepreneurs to My Tax and Customs Administration Business*), you correct the tax return data and resubmit the complete tax return (see paragraph [14.2.1](#)). You cannot file an additional tax return with our tax return program.

Ufile a tax return with other tax return or administration software

If you use other filing or record-keeping software, correct the filing data and resubmit the entire filing (see section [14.2.1](#)). But you can also opt for a supplementary declaration, if this is possible with your software package (see paragraph [14.2.2](#)).

14.3.2 Declaration period has already passed

If the declaration deadline of the declaration you want to correct has already passed, you must send a correction for a declaration for which the declaration period has not yet passed. In some cases, you may need to send a single correction (see section [14.2.4](#)).

What information do you need to fill in?

The information you need to fill in for such a correction depends on the way in which you file a tax return.

Ufile a tax return with our online tax return (via Login for entrepreneurs to My Tax and Customs Administration Business)

With our online tax return, you can send corrections to a tax return or send individual corrections. In both cases, you must fill in all the data of the tax return that you are correcting, including all the data of all income ratios that have not changed.

Ufile a tax return with other tax return or administration software

With other tax return or administration software, you can send corrections to a tax return or send individual corrections. In both cases:

- If the correction only relates to the collective part of a tax return, you only have to fill in and send the collective part. This concerns, for example, corrections to the final levies or remittance reductions. You do not have to send the employee data.
- If the correction relates to employee data, the following applies:
 - You must fill in all the data of the income ratios for which you want to correct 1 or more errors or omissions, not just the corrected data. You do not have to send the data of the income ratios for which nothing changes.
 - You must always complete the collective part of the tax return in full, even if nothing has changed.

Please note

Correcting errors in employee data involves correcting amounts, indications (e.g. insured or not) and data that do not affect payroll taxes (e.g. names, dates of birth, coding).

Settlement of corrections

Positive or negative corrections – in other words: previously understated or overstated amounts – must be offset against the tax return in which you send the correction(s). If you send corrections to a tax return, you therefore pay the payroll taxes for the tax return period for that tax period, plus or minus the total of all attached corrections. That is why you must also declare the difference for each correction period between the payroll taxes of the corrected tax return and the payroll taxes that you have previously declared for the period that you are correcting.

Example

You declared and paid € 10,000 for January and February. In April, you discover that you forgot to claim a remittance reduction of € 2,000 in January and that you understated € 1,000 for February. You should have paid only € 8,000 for January and € 11,000 for February. You need to correct this. You have not yet filed the tax return for March. You must pay € 11,000 in payroll taxes over this tax period. When you file your tax return for March, you send the correction for January and February. The € 2,000 that you have paid too much for January, and the € 1,000 that you have paid too little for February, you will deduct from the amount for March. So you pay € 11,000 € 2,000 + € 1,000 = € 10,000 for March.

Negative correction is not an objection

A negative correction (i.e. you have previously indicated too much) is not an objection. If you send the negative correction with a tax return, you yourself set off the correction balance against the total amount of payroll taxes for that tax period. If the amount of the tax return, together with 1 or more corrections, leads to a negative amount, you will receive a refund from us: we will refund the overpaid amount or settle it with outstanding debts. In the case of negative individual corrections (see paragraph 14.2.4), you will receive a refund for the difference over that tax return period. If it turns out later, for example during an audit, that this refund was unjustified, we can come back to it.

Incorrect or incorrect correction

Did you wrongly send a correction of a previous tax return when filing a tax return? Or have you made any correction mistakes? Then there is incorrect data in our administration and in the policy administration at UWV. You can't revoke a previous fix. You should fix the error with a new fix. Here's how:

If the declaration period has not yet passed

- Take the tax return where you sent the incorrect or incorrect correction.
- Add to this tax return a correction for the wrongly or incorrectly corrected tax return period. Please include the correct information in this correction.
- Resubmit the declaration (as a complete or supplementary declaration).
- Make sure you pay us the correct amount. If necessary, pay an additional amount. Have you paid too much as a result of your unjustified or incorrect correction? Then we will refund the overpaid amount or settle it with outstanding debts.

Example

You have filed a tax return for November. You have to pay € 10,000 for that period. With the return for November, you have sent a correction for July, with a correction balance of € 1,000. You will then have to pay a total of € 11,000.

Your earlier correction for July turns out to be incorrect. You resend the unchanged return for November with a correction for July, this time with a correction balance of € 800. The new correction for July overwrites the previous correction for July. You will then have to pay a total of € 10,800.

When the declaration period has passed

Attach a correction for the wrongly or incorrectly corrected tax return period to the next tax return. Please include the correct information in this correction.

14.4 Corrections for 2020, 2021, 2022, 2023 and 2024

Do you have to correct a tax return in 2025 for a tax return period of 2020, 2021, 2022, 2023 or 2024? Then you use the tax return or administration software of the year in question. Because a correction for those years includes the specifications of those years. You must therefore use, for example, the tables, percentages and tax credits of those years.

Please note

You can no longer correct tax returns for 2019. You can only correct a tax return for 2019 up to and including 31 March 2025 in the following 2 cases:

- We have given you a correction obligation for 2019 for a correction that you have to make in 2025.
- You have indicated too much or too little for 2019 and we received a letter from you about this before 1 January 2025. In this case, we may still ask you to send a correction.

You can no longer correct tax returns for 2018 and earlier.

14.4.1 Corrections for 2020, 2021, 2022 or 2023

Do you want to send a correction in 2025 for 2020, 2021, 2022 or 2023? Then you can only do so with a separate correction (see section [14.2.4](#)).

If you want to do this with our online tax return, you can do so for the years 2020 and 2021 via *Login for entrepreneurs* on *My Tax and Customs Administration Business (MBDZ)*.

14.4.2 Corrections for 2024

If you want to send a correction for 2024 in 2025, there are 2 possible situations:

- The tax return period of the last tax return period in 2024 has not yet expired.
- The tax return period of the last tax return period in 2024 has already passed.

Tax return period of the last tax return period in 2024 has not yet ended

How you send corrections if the tax return period of the last period in 2024 has not yet expired depends on the way in which you file your tax return.

Ufile a tax return with our online tax return (via Login for entrepreneurs to My Tax and Customs Administration Business)

You send the correction with the tax return for the last period of 2024. If you have already filed the tax return for the last period of 2024, you must submit that return again in its entirety (see paragraph [14.2.1](#)) with the corrections for each tax return for 2024 that you must correct (see paragraph [14.3.2](#)). These corrections always contain all collective data and all employee data, including the income ratios where nothing has changed.

Ufile a tax return with other tax return or administration software

You send the correction with the tax return for the last period of 2024. If you have already filed that return, you can send corrections in 2 ways:

- You send the complete tax return for the last tax return period of 2024 again, even if nothing has changed (see section [14.2.1](#)), and you send corrections for each tax return for 2024 that you have to correct (see section [14.3.2](#)).
- If your software allows you to do so, you can send a supplementary declaration for the last declaration period of 2024 (see section [14.2.2](#)), sending corrections for each declaration for 2024 that you need to correct (see section [14.3.2](#)). If you only want to change something in the collective data of previous tax returns, the supplementary tax return for the last tax return period of 2024 will only consist of a fully completed collective part. The corrections you attach also only consist of a fully completed collective part. You don't need to fill in any employee details.

Example

It is January 20, 2025. You have already filed the tax return for December 2024 and you want to correct the tax return for July 2024. You will then have to resend the December 2024 tax return, even if nothing changes in the December data. You do this as a full return (see section [14.2.1](#)) or as a supplementary return (see section [14.2.2](#)). Together with this tax return, you send a correction for July 2024. In this correction, you must specify the data that you need to correct as described above (see section [14.3.2](#)).

Please note that correcting wage data may also have consequences for amounts of subsequent returns that you have calculated using the method of rolling cumulative calculation (see section [7.7.3](#)). Then you must also correct those returns.

Declaration period of the last declaration period in 2024 has already passed

Do you want to send a correction for 2024 in 2025 while the tax return period of the last tax period of 2024 has already passed? Then this can only be done by sending a separate correction (see section [14.2.4](#)).

14.5 Tax interest and penalties for correction

If you correct tax returns, you may receive 1 or more fines, for example because you have previously filed an incorrect tax return or have previously paid too little. Do you correct tax returns for a previous year? Then you may also have to pay tax interest. We sometimes reimburse tax interest on a refund.

14.5.1 Interest on tax

The period for which we calculate interest on tax depends on whether you still have to pay an amount of payroll taxes or receive an amount of payroll taxes back.

You still have to pay an amount of payroll taxes

If your correction or request for additional assessment means that you still have to pay an amount of payroll taxes for a previous year, we will charge interest on tax in the additional assessment. The tax interest rate for payroll taxes can be found on belastingdienst.nl, see at the end of this paragraph. The rate is fixed annually and takes effect from 1 January of the following year.

Paying tax interest

When determining the additional assessment, we charge tax interest. We calculate the interest on tax for the period starting on 1 January of the year following the year to which the correction relates and ending on the date on which you must have paid the additional assessment at the latest: the date of the additional assessment plus 14 calendar days.

Note 1

We do not charge interest on tax if the additional assessment is the result of a correction made within 3 months after the end of the calendar year to which the additional amount relates.

You can therefore avoid interest on tax by submitting corrections for a year before 1 April of the following year.

Note 2

If we impose an additional payroll tax assessment in response to a correction notice or request for additional assessment from you, it may be that the processing of your correction or request has taken longer than usual. To prevent the tax interest from continuing to accrue tax, the calculation of the tax interest will stop after the expiry of 10 weeks after the receipt of your correction notice or request for additional assessment. If our processing period is longer, this does not lead to additional tax interest.

You will receive an amount of payroll taxes back

If your correction means that you have declared and paid too much for a previous year, you will sometimes be reimbursed tax interest on the refund.

Receiving tax interest

In the case of refund decisions, we reimburse interest on tax in the following situations:

- You have made a negative individual correction and it will take us longer than 8 weeks to grant the requested refund. In this case, the interest period starts 8 weeks after receipt of the correction.
- You have made a negative individual correction and you have received a decision from us stating that you will not receive a refund for this. We will come back to that later and you will still receive the refund. In this case, the interest period starts 8 weeks after receipt of the original adjustment.
- You have objected to the amount paid on the tax return.
We have rejected your objection, but will come back to it later and you will still receive a refund. In this case, the interest period starts the day after the payment of the payroll taxes.

The interest period does not start earlier than 1 April of the year following the year for which the refund relates. The interest period ends 14 days after the date of the refund decision.

Moderation of interest on tax possible if you had already paid part of it earlier

If you receive an additional assessment from us containing an amount of tax interest to be paid, we will calculate the interest on the basis of the entire amount that you have to pay. It is possible that you had already paid part of the amount earlier.

Are you dealing with such a situation? And is the amount of tax interest that we have overcharged you € 100 or more? Then you can request us to moderate interest rates (reductions). How to do this and what information you must provide to us is set out in belastingdienst.nl, see at the end of this section. After receiving your request, we will make a new calculation of the tax interest.

More information about the interest rate on tax can be found on belastingdienst.nl:

- if you have to pay interest on tax
- if you receive tax interest from us
- if you want to request a moderation of interest on tax
- Interest on tax rates

14.5.2 Fines

If you submit a correction, you may be fined for the following situations:

- payment default or misdemeanor due to a previous incorrect or incomplete tax return
- Failure to file a tax return due to a previous incorrect or incomplete tax return
- correction omission

Please note

In connection with the corona crisis, you may have made use of the deferral scheme. You did not have to pay the tax return. For the amount due, you received an additional assessment for which you could obtain a special deferral. For the special deferral, you can find more information via this page: [belastingdienst.nl/bijzonder deferral of payment due to corona crisis](http://belastingdienst.nl/bijzonder-deferral-of-payment-due-to-corona-crisis).

Default or misdemeanor due to an incorrect or incomplete tax return

If your correction means that you have to pay an additional amount, you pay the payroll taxes too late.

If you send the corrections on your own initiative and there is no misdemeanor penalty (see below), you will not be fined.

Misdemeanor fine

Instead of a payment default penalty, you can receive an offence penalty. In that case, there must be gross negligence or (conditional) intent for not declaring and not paying or paying late (part of) the tax due. This may occur if you have corrected but have not done so on your own initiative. For example, because we were already on the trail of the inaccuracy or that we have already imposed a correction obligation. Before you receive a misdemeanor penalty, we will send you a letter or an inspection report in which we indicate why we believe that there has been gross negligence or (conditional) intent. You can still respond to this before we finalize the fine.

If you have received a payment default penalty from us in a previous year, and we later determine that there was gross negligence or (conditional) intent, we can still determine an offence penalty. This is only possible in the situation that we receive new information after the payment default penalty has been imposed. The following applies as new information:

- a statement from yourself or others and information from your administration (also digital)
- information that – in retrospect – was known to us at the time the default penalty was imposed, but which we did not investigate at the time, but we do now. If this new information, if we had had it earlier, would have led to an offence penalty, we can convert the default penalty into an offence penalty.

We deduct the amount of the payment default penalty from the misdemeanor penalty.

Default due to an incorrect or incomplete tax return

If you have filed a tax return and correct this tax return, the previous tax return was incorrect or incomplete. Then there may be a declaration default. You may receive a default penalty for this. We are cautious about imposing these tax return default penalties. The following applies to these declaration default fines:

- If you correct a tax return on your own initiative, you will not receive a tax return default penalty.
- If you correct a tax return because we have obliged you to do so, you may receive a tax return default penalty of € 83. But if, for example, you file an incorrect or incomplete tax return time and time again, you can receive a higher default penalty, with a maximum of € 1,675. If you send more than 1 correction at the same time with a tax return or as a separate correction, we consider this to be at most 1 tax return default.

Correction Failure

If you do not send a correction, or do not send it on time, incorrectly, or incompletely, it is a correction default. You may receive a default penalty for this. We are cautious about imposing correction and default penalties. But if, for example, you repeatedly fail to send the corrections, or send them late, incorrectly or incompletely, you can be fined up to € 1,675.

In the event of non-compliance with the correction obligation (in full), in addition to imposing a default or misdemeanor penalty, we can also impose an additional assessment for the amount that is estimated not to have been corrected or has not been corrected sufficiently. We can also impose a default or misdemeanor penalty for this.

Please note

If you do not correct and you subsequently receive an additional assessment from us with an estimated amount to pay, you will continue to have your correction obligation. This does not relieve you of your obligation to make corrections.

Correction for additional payments if you use 'excess-wage-system'

In the case of administrations based on 'excess-wage-system', you may process additional payments in the tax return period to which the additional payment relates. However, that tax return period must be in the same calendar year in which you make the additional payment (see paragraph 9.2.1). With such a supplementary payment, you send a correction while your previous tax return was not wrong. We cannot see from your correction that it is a wage overcorrection. That is why we sometimes wrongly determine a payment default. Then object to that.

14.6 Schedule corrections for 2025, 2024, 2023, 2022, 2021, and 2020

The following 3 diagrams show you how to correct tax returns in 2025.

Correcting tax returns for 2025

With	Declaration period not over (see paragraph 14.3.1)	Declaration period is over (see paragraph 14.3.2)
Online tax return from the Tax and Customs Administration via <i>Login for entrepreneurs to My Tax and Customs Administration Business</i>	You send the declaration all over again.	You send a correction with the next, subsequent or subsequent declaration.
Other software	You send the declaration all over again.	
You send an additional declaration (if this is possible with your software).	You send a correction with the next or subsequent tax return.	

Correcting tax returns for 2024

With	Declaration period not over (see paragraph 14.4.2)	Declaration period last period has passed (see paragraph 14.4.2)
Online tax return from the Tax and Customs Administration via <i>Logging in for entrepreneurs to Mijn Belastingdienst Zakelijk</i>	You send the tax return for the last period all over again, with a correction over 1 or more periods.	You send a separate correction for each period.
Other software	You resubmit the tax return for the last period if: • complete declaration • supplementary declaration (if this is possible with your software) With this declaration you send a correction over 1 or more periods.	You send a separate correction for each period.

Correcting tax returns for 2023, 2022, 2021 or 2020

With	All cases (see section 14.4.1)
Online tax return from the Tax and Customs Administration via <i>Logging in for entrepreneurs to Mijn Belastingdienst Zakelijk</i>	You send a separate correction for each period.
Other software	You send a separate correction for each period.

15 Giving annual statements to employees

You must provide an annual statement to every employee or beneficiary (hereinafter: employee) at the end of the year, even if the employee does not request it himself. If the employee leaves employment during the year or if the benefit stops, you may also give the annual statement then. How many annual statements you give depends on the situation (see section [15.1](#)).

The annual statement is free of form (see paragraph [15.2](#)). In any case, you must state the mandatory information on the annual statement (see paragraph [15.3](#)). You may also provide other information.

15.1 Number of annual statements

How many annual statements you give an employee depends on the situation.

Annual statement with multiple income ratios

You must provide an annual statement for each employment. Have you included an employee in the payroll tax return several times, i.e. under different income ratio numbers (see section [3.4](#))? And do those income ratios belong to 1 employment? Then you can add up the amounts and give 1 annual statement for all income ratios together. But to avoid questions from your employee, it is better to give an annual statement for each income ratio separately or to state the income ratios separately on 1 annual statement. This makes it easier for your employee to check the details of the pre-completed income tax return or of his digital insurance report (see chapter [12](#)).

Annual statement for a related group of withholding agents

If an employee works for 2 or more withholding agents within a coherent group of withholding agents (see Section [3.6](#)), each withholding agent must provide this employee with an annual statement. The different annual statements may also be included in 1 document, as long as you mention them separately for each withholding agent.

15.2 Annual statement form-free

You can download a model annual statement from belastingdienst.nl. There you will find the model that applies from 2022. You are not obliged to use this model, because the annual statement is free of form.

You can choose from the following options:

- You use your own forms.
- You use the annual statement as compiled by your tax return or administration software.
- You use a digital annual statement.
- You use the last payslip that you give to the employee as an annual statement.
- You use our model annual statement to create an annual statement for 2025.

Make sure that at least the data on our model is reflected in the annual statement you give to your employees.

Do you give the annual statement digitally to your employees? Then it is useful if your employee can also view the digital statement when he is no longer employed by you. The employee may still need the annual statement.

Do you use the last (digital) payslip of the year as an annual statement? Then put all the cumulative mandatory data on this payslip (see section [15.3](#)). However, you must point out to your employees which information on the last payslip of the year constitutes their annual statement.

15.3 Mandatory information on the 2025 annual statement

The annual statement must in any case contain the following:

- name of the employee
- name of the employer/withholding agent
- the wage for wage tax/national insurance that the employee received in 2025 (column 14 of the wage statement) If there is a fee within the meaning of the artist and professional athlete scheme, you add the amount of the small allowance scheme or the cost reimbursement decision (column 7 of the wage statement). For more information, see section 11.2.9 or the 'Manual for Payroll Taxes for Artists and Professional Athletes' Scheme'. You can download the manual from belastingdienst.nl.
- the wage tax/national insurance contributions that you have withheld (column 15 of the wage statement)
- the total amount of the employed person's tax credit that you have settled (column 18 of the wage statement)
- the employee's BSN
- the Zvw contribution that you have deducted from the employee's net salary (column 16 of the wage statement)
- the employer's Zvw levy on the employee's wages This is the amount for the Zvw that is for your account and that you pay to us.
- the total of the employee insurance premiums This is the total amount of employee insurance premiums that you have paid for the employee with the payroll tax return. You do not enter a premium here for any private or private insurance such as for the PAWW. You do not take into account the WGA premium that you may have recovered from the employee. If the employee is not covered by the Dutch social security system, you do not enter anything here.

Conscientious un-insured

We do not have a separate model annual statement for conscientious objectors or employers. If you use our model or your own annual statement, you must change the names of the sections 'withheld wage tax/national insurance contributions' and 'withheld contribution under the Health Insurance Act'. Instead, you mention 'withheld wage tax/wage tax contributions' and 'withheld contribution replacement wage tax' (see Chapter 28). In these sections, you state the amounts of the wage tax contribution replacement and the wage tax contribution replacement. If you are a conscientious employer, you must also state the wage tax contribution replacement under 'total employee insurance premiums'.

16 Obligation to provide information

You can get different types of audit visits from us. Common visits include:

- an audit (see paragraph 16.1) We check whether your company's tax returns are in order.
- a company visit (see paragraph 16.2) We will have a conversation with you about your company and your business operations. We can also provide information and make appointments with you.
- a so-called on-site observation (see section 16.3) We collect information about the state of affairs in your company.

You are obliged to cooperate with an inspection (see paragraph 16.4).

We may ask you for information not only during an inspection visit, but also in writing (see paragraph 16.5).

Retention obligation

Your payroll administration is subject to a retention obligation. See section 3.5 for more information about the retention period and the storage location of your payroll records.

16.1 Due diligence

We always announce an audit in writing in advance. The audit is a check of your tax returns. It may be an investigation over a certain period of time or an audit of certain parts of your tax return. We make a report of each audit. You will receive a copy of this. If you do not agree with the report, you can respond to it.

16.2 Company visit

We usually announce a company visit in writing in advance. The letter states when we will visit your company and the purpose of our visit. During such a company visit, we discuss aspects of your company and your business operations with you. We can also provide information and make agreements with you, for example about your administration, your retention obligation and the sector affiliation. We make a report of every company visit. You will receive a copy of this. If you do not agree with the report, you can respond to it.

16.3 On-site observation

With an on-site observation, we want to gain insight into the day-to-day business of your company. For example, we can check whether your administration is properly maintained and how many staff are present. If something is not right, we will point it out to you immediately. We use the data we collect during the on-site observation immediately or later to check your declarations.

The 1st time we want to make 1 or more observations on site, we usually announce this in writing in advance. The letter does not state when we will make the observation on the spot, nor the number of observations. Any follow-up visit can take place on the same day, but also later. However, you can read in the letter what we focus on during the observation(s) on site and what information you should keep at hand.

If we have not announced the on-site observation in writing in advance, you will receive the same information during the observation as with a pre-announced observation.

We make a report of an on-site observation. You will receive a copy of this. If you do not agree with the report, you can respond to it.

More information can be found in the brochure 'On-site observation', which you can [download](#) from [belastingdienst.nl](#).

16.4 Participating in the audit

You are obliged to cooperate with an inspection. This means the following:

- You must give our employees access to the buildings in which your company is located, except if it is a dwelling.
- You must provide all data and information that may be relevant to our audit.
- You must allow us to inspect your records and allow us to make copies of them.
- You must explain how your records are set up so that we can complete the audit within a reasonable timeframe.

This obligation to cooperate with an audit also applies if we carry out an audit for the taxation of third parties. For example, if you have made payments to a contractor, we can check with you whether the amounts in his records match the payments in your records.

During audits, we make a connection between the declarations, the annual statements and the administration. That is why it is best to keep the calculations you have made for the tax returns and any annual wage statements.

If you have an automated administration, you can also facilitate our audit by using the Audit file of your accounting package (the Financial Audit File), the Salary Audit File and the Audit File of your mileage registration system (the Trip Registration Audit File). This is possible with most packages. With the Audit File, you can quickly store the most important data we need for the audit in a file.

16.5 Information requests

Even without auditing, we may ask you to provide information about yourself or for the taxation of third parties. This can be done, for example, with a letter of questions about a payroll tax return. You are obliged to cooperate with this request for information.

If you do not provide the requested data or do not provide it completely, you do not have to report this to us. After the period stated in the letter of questions has expired, and after any reminders, we can send you a so-called information decision. This states the reason for the request for information. Are you still not cooperating with our request? Then we can impose a correction obligation and an additional assessment if our investigation shows that you have withheld or paid too little payroll taxes.

The information decision also states that we will apply the reversal of the burden of proof if you do not cooperate with the request for information. The reversal of the burden of proof has 2 consequences:

- You will be given the burden of proof.
- It increases your burden of proof. This means that it is no longer sufficient that you make it plausible that any additional assessment is incorrect, but that you have to prove this convincingly.

You can object to the information decision and appeal.

17 End of withholding obligation or employment

Are you no longer subject to withholding (see section 17.1) or does an employee's employment contract end (see section 17.2)? Then you have to let us know a number of things.

17.1 You are no longer subject to withholding tax

You are no longer subject to withholding if you meet the following conditions:

- You no longer employ staff; and
- You no longer pay wages.

Do you expect this to be the case for at least 12 months? Please report this to us in writing. For this you can use the form 'Notification of Payroll Taxes Deregistration Employer'. You can download this [form](#) from [belastingdienst.nl](#). Do this within 1 month after the end of the last tax return period in which you are still subject to withholding tax.

End of the obligation to report

After your report, we will withdraw the obligation to file a tax return for future periods. You will receive a 'Notification Withdrawal of the Tax Return Letter'. This notification states when you no longer have to file a tax return. As long as you have not received this notification, you must file nil returns (see section [13.2.3](#)).

Have you received a 'Notification Withdrawal of a Tax Return Letter' and do you have to correct a previous tax return? Then do this with a separate correction (see section [14.2.4](#)). You use the payroll tax number that you had as the withholding agent.

If you are not expected to have any staff for less than 12 months, you do not need to report this to us. You must continue to file nil returns during that period.

If you no longer have to pay employee insurance premiums

Do you no longer have staff for whom you pay employee insurance contributions, but do you still have staff for whom you deduct wage tax/national insurance contributions and pay income-related Zvw contributions? Then you remain subject to withholding tax. You must inform us in writing that you no longer have to pay employee insurance premiums. You can do this via the form 'Notification of Payroll Taxes Deregistration Employer' that you can download from our website. We will then cancel your sector affiliation(s). As soon as you hire staff again for whom you have to pay employee insurance premiums, you must report this to us again using the form 'Notification of Payroll Tax Contributions Employee Insurance Premiums'. You can download this [form](#) from [belastingdienst.nl](#).

17.1.1 You transfer your business

If you transfer your company and you no longer have employees, you are no longer subject to withholding tax. In the following cases, there is a transfer of your company:

- You transfer activities of your company to another employer, for example to 1 of your children, an employee or a private limited company.
- You change the legal form of (part of) your company, for example from a sole proprietorship to a private limited company.

Until the moment of the transfer of your company, you are responsible for withholding and paying payroll taxes. After the transfer, the employer who takes over your company is responsible. After the transfer, you remain responsible for withholding and paying payroll taxes for the period before the transfer.

You report the transfer of your company to us together with the acquiring employer using the form 'Notification of Payroll Taxes Transfer of Activities', which you can [download](#) from [belastingdienst.nl](#). You then cease to be an employer. This also ends your own risk bearer status for the ZW and for the WGA. You continue to file a tax return (nil tax returns) until the date stated in the 'Notification Withdrawal of Tax Return Letter'.

If you transfer your company to a new employer, he must register as a new employer (see section [2.1](#)).

17.2 Employment of an employee ends

An employment relationship ends, for example, due to the dismissal or death of an employee. This also means the end of that income ratio. You always enter the date of the end of the income ratio in the employee data in the payroll tax return for the period in question. If you are expected to be out of withholding for at least 12 months due to the end of the employment relationship, you must notify us in writing within 1 month (see section [17.1](#)).

You must keep the following data of your employees for at least 5 calendar years after the calendar year in which the employment ends:

- Wage tax statements or forms with the data for payroll taxes, such as the 'Model Statement of Data for Payroll Taxes' and the 'Model Statement of Data for Payroll Taxes (Student and Pupil Scheme)'

U also keep the old certificates and forms if they have been replaced by new ones.

- copies of identity documents
- copies of decisions or statements made by your employees

In sections 17.2.1 to 17.2.7, we discuss a number of special situations that may arise at the end of an employment relationship.

17.2.1 Company car

If a former employee of yours only receives wages in the form of a company car, you will remain subject to withholding tax. You must deduct wage tax/national insurance contributions on the benefit of private use and pay the employer's Zvw levy or withhold Zvw contributions (see sections [8.2.1](#), [8.2.2](#) and [23.3.8](#)). You apply the green table to this salary.

You must deduct the wage tax/national insurance contributions and, if applicable, the Zvw contribution from the salary. But if there is no salary in money, this is not possible and you may recover those amounts from your former employee. This means that your ex-employee must pay that amount to you. If you do not make a claim, your former employee will have, in addition to the value of the private use of the company car, a benefit equal to the non-recovered wage tax/national insurance contributions and any Zvw contribution. You must treat this benefit as net salary and convert it into a gross salary (see paragraph [9.4](#)). You apply the green table to this salary.

Please note

If the employer's levy Zvw applies, you may not recover it from the employee.

17.2.2 Lapsed

This paragraph has been deleted.

17.2.3 Study Costs

Sometimes a former employee has to repay a previously exempt study costs allowance to you. You can read how to deal with the refund in section [22.1.4](#).

17.2.4 Vacation days

At the end of the employment, the employee may buy off the remainder of the holidays that he has not taken. The lump sum is wages from current employment for all payroll taxes.

17.2.5 Employee starts working for another group unit

If an employee starts working within the group at another division, the existing employment ends and a new employment begins. In order to reduce the administrative burden in this situation, we can, at your request, designate your group as a cohesive group of withholding agents (see section [3.6](#)).

17.2.6 Severance pay

If you pay your employee a transition or other severance payment upon dismissal, this is salary from previous employment. You apply the green table for special rewards to this. You must also pay the employer's levy Zvw (see also section [4.7.1](#)).

In some cases, the severance payment can be regarded as an early retirement scheme (RVU scheme). You will then have to pay a pseudo-final levy on the severance payment. You can ask us whether we see the severance pay as an RVU scheme. You do this before you agree on the severance payment. You will then receive a decision from us, against which you can object. See sections [21.3.1](#) and [25.7](#) for more information.

If the severance payment is excessively high, you must pay pseudo-final levy on excessive severance pay. See section [25.8](#) for more information.

17.2.7 Posthumous wage

Posthumous wages are wages that you pay after the death of an employee. You do not have to pay employee insurance premiums and employer's levy Zvw on this salary, nor do you have to deduct any Zvw contribution. You only have to deduct wage tax/national insurance contributions from posthumous wages.

You may process wages posthumously, even though they are 'wages from someone else's previous employment', in the payroll administration in the name of the deceased employee. When you pay the posthumous salary to the heirs, you apply the wage tax table with the colour that you would have applied if you had paid the salary to the employee immediately before the death. If there are new tables, such as after the turn of the year, you use the white or green table, which applies at the time of payment of the posthumous salary (see paragraph [9.2](#)).

You can also pay posthumous wages to the heirs, by allocating them according to the distribution key that applies to the inheritance. You must then include each of these heirs in your payroll administration and make a separate wage statement for each heir (see also section [11.2.3](#)). You should always apply the green table. Then there is no insurance or contribution obligation for employee insurance. If the heirs are obliged to pay national insurance contributions, you must also calculate the Zvw contribution. For heirs who are younger than the state pension age, this is the employer's levy, for heirs who were already of the state pension age at the beginning of the month, it is the deduction of the contribution. See section [8.2](#).

18 Special employment relationships

In this chapter we deal with the following special employment relationships:

- shareholders (and any partners) with a substantial interest (see paragraph [18.1](#))
- contractors of work and their assistants (see paragraph [18.2](#))
- agents and sub-agents (see section [18.3](#))
- artists (see section [18.4](#))
- au pairs (see section [18.5](#))
- professional athletes (see section [18.6](#))
- Directors (see Section [18.7](#))
- Supervisory Board members (see paragraph [18.8](#))
- assimilated persons (see paragraph [18.9](#))
- apprentices and trainees (see paragraph [18.10](#))
- children assisting (see paragraph [18.11](#))
- on-call workers (see paragraph [18.12](#))
- staff or services at home (see paragraph [18.13](#))
- Pseudo-workers (opting-in) (see paragraph [18.14](#))
- sex workers who work for an operator (see paragraph [18.15](#))
- students and pupils (see paragraph [18.16](#))
- home workers and their assistants (see paragraph [18.17](#))
- top-level athletes with an A-status (see paragraph [18.18](#))
- Temporary agency workers and payroll employees (see paragraph [18.19](#))
- volunteers (see paragraph [18.20](#))
- employees who have reached the state pension age (see paragraph [18.21](#))

18.1 Shareholders (and any partners) with a substantial interest

The customary salary scheme applies to persons who work for a company or cooperative and have a substantial interest in it, possibly together with their tax partner. Sometimes a fictitious salary also applies to them.

Substantial interest holder

A person is a shareholder with a substantial interest if he, possibly with his tax partner:

- has 5% or more of the shares in a company
- has rights to buy 5% or more shares in a company
- has profit participation certificates to obtain 5% or more of the company's annual profit – or of a distribution in the event of liquidation –
- has 5% or more voting rights in the general meeting of a cooperative or an association on a cooperative basis

For the purposes of this scheme, the tax partner of the substantial interest holder is:

- the spouse or registered partner
- the person with whom the substantial interest holder is registered at the same residential address in the Personal Records Database (BRP) They must then also meet 1 of the following conditions:
 - The substantial interest holder and his partner have a notarial cohabitation contract together. Both must then be of age.
 - The substantial interest holder and his partner have a child together.
 - The substantial interest holder or his partner has a child and the other has acknowledged this child.
 - The substantial interest holder and his partner are adults and 1 of them has a minor child who is registered at the same address. But if the substantial interest holder and his partner have a business lease, they are not tax partners in this case.
 - The substantial interest holder and his partner are registered as partners with a pension fund.
 - The substantial interest holder and his partner both own the house that is their main residence.
 - The substantial interest holder and his partner were already tax partners in the previous

year. Do the substantial interest holder and his partner only meet 1 of these conditions for part of the year? Then they can choose to be tax partners all year round. Unless they are registered together in the BRP all year round. Then they cannot choose: they are tax partners all year round.

Customary salary scheme

The customary salary scheme applies to a substantial interest holder (but also to his partner, if any), who works for the company or cooperative. The customary salary scheme determines the minimum amount of the salary of the substantial interest holder. For the calculation of that salary, the concepts of 'most comparable employment' and 'affiliated company' are important. A relaxed regime applies to substantial interest holders who work for start-ups (see below under 'Start-ups'). And start-ups and loss-making companies may also assume a lower customary salary in certain cases (see below under 'Start-ups' and 'Loss-making companies').

Most comparable employment

To calculate the salary, you must make a comparison with the 'most comparable employment'. So, you can make a comparison with the wages of employees who don't do exactly the same job. This makes it possible, for example, to determine the salary of an orthodontist on the basis of the salary of an employed dentist.

Affiliated company

A company affiliated with your company is:

- a company in which your company has at least 1/3 interest
- a company that has at least 1/3 interest in your company
- a company in which a third party has at least 1/3 interest, while this third party also has at least 1/3 interest in your company

Calculation of customary salary

We assume that the substantial interest holder receives a salary that is customary for the level and duration of his work. This salary is the higher of the following amounts:

- 100% of the salary from the most comparable employment

Note: transitional arrangement

Up to and including 2022, the percentage of wages from the most comparable employment was 75%. This percentage has been increased to 100% as of 2023. We called the difference of 25% the efficiency margin. From 2023 onwards, there will therefore no longer be an efficiency margin, but in 2025 there may still be a transitional arrangement. This transitional arrangement concerns the situation in which you have made an agreement with us in a previous year about the level of the customary salary, in combination with that efficiency margin, which has been laid down in a so-called 'settlement agreement' (VSO). If that VSO is valid beyond 2022, this agreement on the amount of the 100% salary will remain in force. For the duration of that VSO, your usual salary will then be that 100% wage from 2023. But if there are relevant changes in your situation that could lead to a different customary salary, you should assume that.

- the salary of the highest-earning employee of you or of an affiliated company
- € 56,000

You may set the salary at a lower amount in the following cases:

- You make it plausible that the salary from the most comparable employment is less than € 56,000. You then set the salary at 100% of the salary from the most comparable employment.
- You make it plausible that 100% of the salary from the most comparable employment is lower than the salary of the highest-earning employee of yours or of an affiliated entity. You set the salary at 100% of the salary from the most comparable employment.

Example 1

The salary of the highest-earning employee is € 60,000. You make it plausible that another employment is more comparable to the employment of the substantial interest holder. The salary of the most comparable employment is € 40,000. That is lower than € 56,000. You therefore set the salary of the substantial interest holder at € 40,000 (100% of the salary from the most comparable employment).

If we think that a higher salary is plausible, we will discuss this with you. If we cannot reach an agreement, we must prove our position.

Part-time situations

Does a substantial interest holder work for you part-time? Then you may not automatically set the customary salary at an amount lower than € 56,000. In this case, too, you must make it plausible that the salary from the most comparable employment or the salary of the highest-earning employee is less than € 56,000.

Example 2

A substantial interest holder works for you 2 days a week. If you can make a plausible case that the salary of the most comparable employment for a full-time position is € 60,000, you may set the customary salary at 2/5 of € 60,000 (€ 24,000).

Example 3

A substantial interest holder works for you 150 days a year. If you can make a plausible case that the salary of the most comparable employment for 150 days is € 30,000, you may set the customary salary at € 30,000 instead of € 56,000.

Fictitious salary

In the customary salary scheme, we assume that the substantial interest holder receives a salary that is customary for his work. If you do pay wages, but less than the usual wage, you must process the difference as wages in your administration and calculate payroll taxes on it. That difference is the so-called fictitious salary: you do not actually pay it. The moment of enjoyment of this notional salary is the end of the calendar year or the moment at which the employment ends if this is in the course of the calendar year.

If you do not pay any wages at all, you will treat the usual wages in full as fictitious wages.

Customary salary € 5,000 or less

Does a substantial interest holder not receive any salary for his work and does his customary salary not exceed € 5,000? Then you do not have to take fictitious salary into account at the end of the year.

If you do pay wages – even if it is less than € 5,000 – you will have to pay payroll taxes on this. The limit of € 5,000 is not assessed per company, but applies to all activities of the substantial interest holder.

Partner and children of the substantial interest holder

The customary salary scheme applies in the same way to the partner of the substantial interest holder who works for the company. For relatives by blood or marriage in the direct line of the substantial interest holder or the partners of those relatives by blood or marriage who work for the company, the customary salary scheme applies in the same way if they hold shares in or profit participation certificates of the company.

Note 2

- The customary salary is the 'wage for wage tax/national insurance contributions' (column 14 of the wage statement), plus individualisable final levy salary. This salary therefore includes the addition of the benefit of a car made available (see also paragraphs [23.3](#) and [23.4](#)) and after application of the statutory exemptions, such as the exemption from pension contributions. Participation in a pension scheme can therefore have consequences for the application of the customary salary scheme (see also section [21.4](#)).
- A shareholder with a substantial interest is not always insured for employee insurance. For example: a director and major shareholder is a shareholder with a substantial interest, but is not insured (see paragraph [18.1.1](#)). If the shareholder with a substantial interest is insured, the customary salary scheme also applies to employee insurance premiums.

Start-ups

Until 2022, substantial interest holders who work for so-called 'innovative start-ups' were subject to an exception to the normal rules of the customary salary scheme. As of 2023, this exception has expired for new cases.

Transitional arrangements for existing cases

If you make use of this exception for the first time for the year 2021 or 2022, you may continue to do so for the maximum duration of 3 years. For all first-time buyers, this transitional law will expire as of 2025.

Start-ups

Start-ups that do not meet the conditions for a start-up can still temporarily assume a salary for a substantial interest holder that is lower than what is customary for the level and duration of the work. The basic principle is that the customary salary is not lower than the statutory minimum wage that is appropriate to the number of hours that the substantial interest holder works for you.

You may assume a lower salary if you cannot pay the customary salary due to the start-up of the company, for example because you have invested a lot or have a low cash flow. You may do this for a maximum of 3 years. You must shorten the period of 3 years if the company starts as a sole proprietorship and is only later contributed to a company or cooperative. The period in which the business was run in the name or for the account of the substantial interest holder or another person must then be deducted from the 3 years.

Loss-making companies

Is your company suffering so much loss that the continuity of the company is at risk? Then you may set the salary lower than the customary salary.

You may not set the salary lower in the following situations:

- Your company suffers occasional losses.
- Your company can still pay the bills.
- Your company is unable to pay the bills as a result of an increasing current account debt, dividend paid or other withdrawals.

Note 4

There may be business reasons for assuming a lower customary salary than the statutory minimum wage. For example, in the event of a (structural) loss situation in which the continuity of the company is jeopardised. This also applies in the event of a risk to the continuity of start-ups and start-ups.

Preliminary consultation with us about customary salary?

Would you like to consult with us in advance about the amount of your usual salary? Then use the [Request for consultation form](#). See the [Checklist for Customary Salary Consultation](#).

18.1.1 Director-major shareholder

A director-major shareholder is employed by his own company for the purposes of wage tax/national insurance contributions and the Zvw. The following directors-major shareholders are not insured for employee insurance:

- the director who, on the basis of the articles of association, can decide on his dismissal himself, or together with his spouse, or cannot be dismissed against his will
- the director who himself, or together with his spouse and with his (in-law) family members up to and including the 3rd degree, has shares that represent at least 2/3 of the votes, so that he (together with his family members) can decide on his dismissal or cannot be dismissed against his will
- directors who together hold all the shares in the company and all hold an equal or almost equal share of the capital. An almost equal share means that the difference in the share capital may not exceed the value of 1 share.
- the director who, through a legal entity of which he is also a director, or through a company in which he has shares together with his spouse, has so much influence in the company that he can decide on his dismissal or cannot be dismissed against his will
- the director who, through a legal entity of which he is also a director, or through a company in which he himself, or together with his spouse and with his (in-law) family members up to and including the 3rd degree, has shares representing at least 2/3 of the votes, has so much influence in the company that he can decide on his dismissal or cannot be dismissed against his will

In the above cases, the company does not pay employee insurance premiums and also deducts the Zvw contribution (see paragraph [8.2.2](#)).

For all these situations, the director must have shares in the company, directly or indirectly.

In these cases, 'director' refers to the director under the articles of association. If the director under the articles of association is a legal entity, the person who does the board work is also considered a director.

Husband

For these situations, a spouse is also:

- the registered partner
- the unmarried adult who has a joint household with the director, with the exception of blood relatives of the director in the 1st degree

18.1.2 Continued payment of wages scheme

A director-major shareholder can make use of the continued payment of wages scheme under certain conditions (see paragraph 4.14). In situations where the employee has a substantial interest in the main employer and the continued payment of wages scheme is used, the main employer is deemed to provide at least the full salary that the employee receives from the payer as part of the wages it owes.

18.2 Work contractors and their assistants

Work contractors and their assistants are in fictitious employment with you if they work on the basis of a building contract. With a building contract, the contractor undertakes to carry out a certain work of a material nature for you, for a certain price. Works of a material nature include construction, road construction, land cultivation, repair work and the making of clothing.

This fictitious employment relationship does not apply in the following situations:

- The contractor carries out the work in the personal or domestic sphere (see paragraph 18.13).
- A self-employed person or home worker takes on the work (see paragraph 18.17).

Wages of contractors' assistants

If a contractor has helpers, you must also withhold payroll taxes from the wages that the contractor pays to his assistants. That is why the contractor must indicate to you how much salary each help will receive. To do so, he must submit a statement to you that he and his assistants have signed.

If the contractor does not submit a statement to you, you must consider the entire salary as the contractor's salary for the calculation of all payroll taxes.

Special table for contractors and their assistants

For contractors and their assistants, you must calculate the wage tax/national insurance contributions using the special table for work contractors, home workers, sex workers and similar persons (see table 4 at the end of this handbook). You apply this table to the basis (column 14 of the wage statement; see paragraph 9.1).

18.3 Agenten en subagenten

Agents and sub-agents are intermediaries who mediate in the conclusion of agreements between persons they visit and their client. These include, for example, commercial agents, colporteurs, insurance agents and commission travellers. Agents and sub-agents are in fictitious employment if they meet the following conditions:

- They work exclusively for 1 client or agent.
- They mediate regularly: mediating is not an additional task for them.
- No more than 2 people help with the work in which they visit people.

The normal rules for payroll taxes apply to agents and sub-agents in fictitious employment.

18.4 Artists

In principle, an artist who performs in the Netherlands is subject to a special payroll tax scheme: the artist and professional athlete scheme. Detailed information about this scheme can be found in the Manual on payroll taxes for artists and professional athletes' scheme.

18.5 Au pairs

You do not have to pay payroll taxes for a foreign au pair under the following conditions:

- The remuneration that the au pair receives for the work in the household and the care and care of your children is laid down in an agreement.
- More than 90% of the reward consists of:
 - room and board
 - a reimbursement for health and liability insurance
 - a sum of money of up to € 340 per month, which must also be used for travel, visa fees, agency fees and other costs for work
- The au pair has no other taxable income for income tax purposes.

If these conditions are not met, foreign au pairs will be subject to the home services scheme (see section [18.13.2](#)) or the simplified scheme for home staff (see section [18.13.3](#)).

Work permit

An au pair does not need a work permit if the conditions of the Dutch au pair policy are met. More information about this can be found on ind.nl.

18.6 Professional athletes

In principle, a professional athlete who lives abroad and plays sports in the Netherlands is covered by a special payroll tax scheme: the artist and professional athlete scheme. You will find detailed information about this scheme in the [Manual on Payroll Taxes for Artists and Professional Athletes' Scheme](#).

18.7 Drivers

For payroll tax purposes, a distinction must be made between directors who work for an unlisted company, a listed company, a foundation, an association or a cooperative with employee self-management.

Director of a non-listed company

A director of a non-listed company is formally employed and is under the authority of the general meeting of shareholders, even if he is a member of it himself.

For employee insurance, an exception applies to a director-major shareholder (see paragraph [18.1.1](#)).

Director of a listed company

Was the agreement between the director and the listed company entered into before 2013? Then there is a real employment relationship.

If the agreement was entered into on or after 1 January 2013, you can distinguish between listed companies with a one-tier board and a two-tier board. A one-tier board is a one-tier (monistic) board model in which the management and the supervisor sit on 1 board. There is therefore no separate Supervisory Board, as with a two-tier board. A one-tier board has executive and non-executive directors.

Listed companies with a one-tier board

Non-executive directors of a listed company with a one-tier board are not in fictitious employment. As a result, the non-executive directors of a listed company with a one-tier board and supervisory directors (of a two-tier board) are treated equally: for both of them, you no longer deduct wage tax/national insurance contributions and you no longer pay the employer's levy Zvw.

Executive directors of a listed company with a one-tier board are still in fictitious employment. For them, you simply deduct wage tax/national insurance contributions and pay the employer's levy Zvw and employee insurance contributions. For the Zvw and employee insurance schemes, an exception applies to a director/major shareholder (see Section 18.1.1).

Note 1

Together with the supervisory director or the non-executive director, you can still opt for a fictitious employment via opting in (see paragraph 18.14).

Listed companies with a two-tier board

Directors of listed companies with a two-tier board are in fictitious employment of the company.

Director of a foundation

It follows from settled case law that in the case of a director of a foundation, he is in a formal relationship of authority with the foundation. Whether there is a material relationship of authority is considered irrelevant in those cases. The director of a foundation is therefore formally employed if he is obliged to perform personal work for a certain period of time and receives a salary for this.

Director of an association

A director of an association is often under the authority of the general meeting of members. If he performs work in that case and receives compensation for it, he is employed by the association.

Director of a cooperative with employee self-management

Directors who work for a cooperative with employee self-management and are members of that cooperative are in fictitious employment. The normal rules for payroll taxes apply to them.

There is a cooperative with employee self-management if the cooperative meets the following conditions:

- At least 2/3 of the employees are members of the cooperative.
- Any employee can become a member of the cooperative under the same conditions. No financial conditions are set.
- Each member has 1 vote.
- The terms of employment are common in similar companies in the industry.
- A member can only claim his contribution upon termination of membership, except in the event of liquidation.

Note 2

The following directors are not in fictitious employment:

- directors who are not members of a cooperative with employee self-management
- directors of cooperatives consisting of only 2 people

18.8 Commissioners

Supervisory directors supervise the management of an organization. Supervisory directors are, for example, members of supervisory boards.

Supervisory directors are not in real or fictitious employment. You and your supervisory director can still opt for opting-in (see paragraph [18.14](#)).

18.9 Persons treated as such

An equivalent is someone who can be equated in social terms with someone who works in real employment. An equivalent person must meet the following conditions:

- He personally performs the work for which he receives a salary.
- The gross weekly wage is usually at least 40% of the statutory minimum wage per week. A week consists of 7 consecutive days. The minimum wage is the wage according to the Minimum Wage and Minimum Holiday Allowance Act. Employees under the age of 21 are subject to a lower statutory minimum wage than other employees. If the wage is not dependent on age, the minimum wage for employees aged 21 or older applies to the 40% limit.
- He usually works on at least 2 days a week, regardless of the number of hours.
- The employment relationship has been entered into for an indefinite period of time or for at least 1 month. This can also involve 2 employment relationships with the same client that follow each other within a month and that together last at least one month. For this scheme, one month is a continuous period of 30 days.
- He is not a contractor of work or his assistant, agent, sub-agent, director of a cooperative with employee self-management, supervisory director, apprentice, trainee, assisting child, home worker or his assistant, top athlete with an A-status or temporary worker.

An equivalent is in fictitious employment with his client.

Exceptions

A person is not an equivalent if he belongs to one of the following groups:

- persons who mainly have religious work, for example priests
- authors or editors who work for a publisher but do not do this work for their profession
- directors of associations and foundations
- persons whose employment relationship is mainly determined by a family relationship
- self-employed entrepreneurs
- persons who work in the personal or household sphere of the client
- contractors who, together with their client, have included a provision in their written agreement that the fictitious employment relationship for assimilated persons does not apply

Special rules apply to staff or services at home (see paragraph [18.13](#)).

You must assess whether someone is in fictitious employment with you on the basis of expectations at the start of the employment relationship. If the conditions are sometimes deviated from, for example if the equivalent only works on 1 day in a week, this does not lead to an interruption of the fictitious employment. But if it is a permanent deviation, you must reassess whether you can consider the employment relationship as a fictitious employment relationship.

Please note

It is possible that in the event of a permanent deviation, the assimilated person no longer meets the conditions, for example the time criterion. Then there is no longer an equivalent and a fictitious employment relationship. From that moment on, you will no longer declare the remuneration in the payroll tax return.

U must then report that reward to us as an amount paid to a third party (see section [1.3](#)).

Special table for assimilated persons

For assimilated persons, you must calculate the wage tax/national insurance contributions using the special table for work contractors, home workers, sex workers and equivalent persons (see table 4 at the back of this handbook).

U apply this table to the basis (column 14 of the wage statement; see paragraph 9.1).

18.10 Apprentices and trainees

For students of certain educational institutions, working in practice is part of their education. Apprentices who work in practice are called trainees. In most cases, apprentices and trainees are not in real employment (see section 1.2.1). But if an intern receives a real reward for the hours spent on the internship, for example the minimum (youth) wage, he is in real employment. Then the normal rules for payroll taxes apply and the trainees are insured for all employee insurances. You must then calculate employee insurance premiums and also pay the employer's Zvw levy.

If there is no real employment, but the intern does receive a reward, then there is a fictitious employment relationship. This intern is insured for the ZW. You do not have to calculate employee insurance premiums. You must deduct wage tax/national insurance contributions and pay the employer's Zvw levy. Under certain conditions, the trainee is also entitled to benefits. For more information about this, please contact UWV.

If the intern does not receive the internship allowance himself, you do not have to withhold and pay payroll taxes under the following conditions:

- You transfer the internship allowance directly to the school or the internship fund, with the exception of expense reimbursements.
- The school or the internship fund does not pass on the internship fee to the intern, but uses it for general school activities.
- The school or the internship fund administers the internship allowances and their spending.
- Within 2 months after the end of each year, you record the following information in your records: the name, address and social security number of the intern, the name and address of the school or the internship fund and the amount of the remuneration. Please state the date and number of the decision on which the scheme is based: 14 December 2010, no. DGB2010/2202M.

18.11 Children assisting

A child who works in his parent's business may be in real employment (see section 1.2.1). This is the case if the child working with the child works under the same terms of employment as other employees. The child is therefore insured for the employee insurances. In that case, the normal rules for payroll taxes apply.

For assisting children, the fictitious employment relationship applies if the child is at least 15 years old and the family relationship predominates in the employment relationship between parent and child, in other words: the terms of employment are not the same as those of the other employees. In that case:

- The parent is obliged to withhold wage tax/national insurance contributions and must pay the employer's Zvw levy.
- The parent must comply with all associated administrative obligations. For example, he must keep a copy of his child's identity document with the administration.
- The assisting child is not insured for the employee insurance schemes.

The fictitious employment relationship does not apply if the child receives profits from his

parent's business. For assisting children, you may, under certain conditions, apply a simplified scheme for wage tax/national insurance contributions and the Zvw (see section 18.11.1). Special rules apply to the valuation of clothing, meals and board that assisting children receive from their parents (see section 18.11.2).

18.11.1 Simplified arrangements for assisting children

For children who are employed in their parents' business, a simplified scheme may be applied under certain conditions. The scheme entails the following:

- You file payroll tax returns once a year.
- You use a separate payroll tax number. You can apply for this using the form 'Notification of Payroll Taxes Employer of Co-working Children'. You can download this [form](#). If you already have a separate payroll tax number for assisting children, you can also use it to file a tax return for other assisting children.
- You do not have to fill in wage statements.
- You must keep the wage specification with the payroll administration.
- You always apply the payroll tax credit.
- You deduct the wage tax/national insurance contributions 1 time a year on the 1st working day of the new calendar year, by using 4x the quarterly table of the old year over 1/4 of the total salary. You will also pay the employer's Zvw levy at the rate of the old year. If the child has not worked for the entire calendar year, you only allocate the salary to the calendar quarters in which the child has worked in the company.

You file your tax return digitally 1 month after the end of the calendar year. This means that you must file the tax return for 2025 by 31 January 2026 at the latest. In the tax return, you state the details of the children. You can file a tax return in 3 ways (see section 13.2.1).

Conditions for the simplified scheme for assisting children

You may apply the simplified scheme for assisting children under the following conditions:

- You have a sole proprietorship, partnership, general partnership or limited partnership.
- Before the first payment of wages, you must enter the name, address and social security number of the assisting child in the records.
- The child works in the company of the parent(s). In the case of a partnership, general partnership or limited partnership, it is therefore a child of 1 of the partners or partners.
- The child belongs to the household of these parent(s).
- The child is at least 15 years old.
- The child is not insured for the employee insurance schemes.
- The child does not receive any profit from the business.

You must ask us for permission to apply the simplified scheme. If you have not requested this consent or if not all conditions are met, you will be subject to all normal administrative obligations.

18.11.2 Appreciation of Board, Meals, or Clothing for Children Assisting

When determining the wages of your assisting children, did you take into account free board, the free provision of meals and the free provision of clothing? Then you include the invoice value or the value in the course of trade in the salary. This also applies if you did not take these benefits into account when determining the salary and agreed with your child that is at least 30% lower than the salary that is customary for the work that your child performs. But in both cases you may also use the following standard amounts for board and meals:

- € 6.80 per day per child for the value of the free board
- € 3.95 per meal

If you determine the value of the benefits in kind using the standard amounts and then arrive at a salary that is at least 30% lower than the usual salary, you set the salary at 70% of the usual salary.

Example

You have set the salary of your assisting child at € 1,000 per month. In addition, you provide your child with 30 meals per month with an invoice value of € 10 per meal. Another employee receives € 1,700 for the same work.

If you assume the standard amount for the 30 meals you provide ($30 \times € 3.95 = € 118.50$), you will arrive at a monthly salary of $€ 1,000 + € 118.50 = € 1,118.50$ for your assisting child. This is more than 30% lower than the usual wage for the work your child performs. You then set the salary of your assisting child at 70% of the usual salary and therefore at $(70\% \text{ of } € 1,700 =) € 1,190$.

18.12 On-call workers

An on-call worker is someone who is available for work on call. You often reward an on-call worker based on his hours worked. There are different types of on-call contracts. The employment relationship of an on-call worker is usually a real employment relationship (see section [1.2.1](#)). Working with an on-call contract leads to a higher AWf premium (see Section [7.2](#)).

Broadly speaking, there are 3 types of on-call contracts:

- the agreement with a job guarantee and obligation to appear
- the agreement without a guarantee of work or wage payment, but with an obligation to appear (zero-hour contract)
- the agreement without guarantee and without obligation to appear

The agreement with a job guarantee and the obligation to appear

In this agreement, you guarantee the employee a minimum number of hours of work per week. In the absence of a job offer, you must pay wages over that minimum number of hours. The employee must come to work when you call him. This is the so-called obligation to appear. This is a continuous employment relationship in which there is part-time work and sometimes there may be full-time work. The wage period depends on the duration of the call and the period for which you pay the salary (see section [9.3.5](#)).

The agreement without a guarantee of work or wage payment, but with an obligation to appear (zero-hour contract)

In this agreement, there is no guarantee of work or wage payment, but the employee does have a duty to appear. This is also called a 'zero-hour contract'. This is an agreement with a deferred performance obligation. There is a continuous employment relationship, where your employee does not have to work regularly – as every week or month. The wage period depends on the duration of the call and the period for which you pay the salary (see section [9.3.5](#)).

The contract without guarantee and without obligation to appear

In this agreement, there is no guarantee of work or wage payment, nor is there an obligation to appear. With this agreement, there is therefore a certain non-commitment between you and the on-call worker. There is no continuous employment. In the case of a call, there is always a new employment relationship that ends after the call. The wage period depends on the duration of the call and the period for which you pay the salary (see section [9.3.5](#)).

Filing a tax return for on-call workers

An on-call worker with a duty to appear (i.e. also an on-call worker with a zero-hour contract) has a continuous employment relationship. This means that you include this on-call worker in all your tax returns, including tax return periods in which he has not worked for you. You then always use the same number income ratio (see also section [3.4](#)).

For an on-call worker without an obligation to appear, a new employment contract starts with each call, which ends after the call ends. This means that there is always a new income ratio, which ends after the call has ended. In the tax returns, there is therefore a new income ratio for each call, for which you use a new income ratio number (see section [3.4](#)). You only include the on-call worker in the tax returns for the tax return periods in which he has worked.

18.13 Home Personnel or Services

As a private individual, you can have household work carried out by a service provider (see section [18.13.1](#)). This may result in an employment relationship between you and your service provider. You must then withhold and pay payroll taxes from the payment(s) to the service provider.

In this section you can read about the withholding and payment of payroll taxes for:

- home services (see section [18.13.2](#))
- staff at home (see paragraph [18.13.3](#))

Personal budget

If you receive care at home through a personal budget, the financing of this personal budget determines whether you have to withhold and pay payroll taxes yourself or not.

If you have a personal budget based on the Social Support Act 2015, the Long-Term Care Act or the Youth Act, the PGB Service Centre of the Social Insurance Bank will manage your budget. The PGB Service Centre takes care of your payroll administration: the payment of your healthcare provider, the deduction and payment of payroll taxes, salary slips and annual statements. The information in this section is then not important to you, because you do not withhold and pay payroll taxes yourself.

Do you receive a personal budget on the basis of the Health Insurance Act? Then you can arrange personal or medical help yourself. You can request the help through a home care agency or look for help yourself.

If you request the help through a home care agency, ask the agency if the help is employed by the agency. If that is the case, then this paragraph is not important to you. If the help is not employed by the home care agency or if you arrange the help yourself, the information in this section is important to you, because you may have to withhold and pay payroll taxes yourself.

Please note

If you receive a personal budget on the basis of the Zvw, you can ask the SVB's PGB Service Centre to take care of your payroll administration. For more information, see svb.nl.

Buitenlandse au pairs

A separate exemption scheme applies to au pairs (see section [18.5](#)).

18.13.1 What Are Household Activities?

Housework is a task that you have done in your household. These are tasks that you would otherwise do yourself, such as:

- cleaning your home, washing, ironing, cooking and washing dishes
- babysitting your children
- walking your dog
- maintaining your garden
- carrying out minor maintenance on your home
- be a private driver
- performing all kinds of chores, for example shopping and picking up medicines
- personal and/or medical care, for example in the context of a personal budget by an alpha assistant, nurse or family member

Household work does not always have to be done in or around your home. For example, babysitting your children may also be done at your childminder's home. It is also possible that you are in need of care and are temporarily living somewhere else. In that case, you may receive care at your temporary home address.

18.13.2 Home Services

Are you a private individual and do you hire someone for housework in and around the house for a maximum of 3 days a week? Then the home services scheme applies to you. This arrangement means that you do not have any administrative burdens for the Tax and Customs Administration. You don't have to let them know who works for you. And you also do not have to withhold and pay payroll taxes. However, you must meet the following conditions:

- It concerns household work in and around the house (see paragraph 18.13.1).
- You are a private individual (you do not have a company) and the person you hire is also a private individual.
- The person you hire works for you on no more than 3 days a week. The number of hours he works per day is not important. If he works 1 hour a day, that counts as 1 day worked.

The exemption for payroll taxes does not mean that the service provider does not have to pay income tax/national insurance contributions and Zvw contributions. The service provider must declare his income in his income tax return.

Home Services Regulations not applicable

In the following cases, the normal rules for payroll taxes apply and the home services scheme therefore does not apply:

- You hire someone through a home care agency. The person you hire is then employed by the home care agency.
- You hire someone through an employment agency or another company. The person you hire is then employed by the employment agency or by the other company.
- You are a natural person with a business and the person you hire works less than 90% of their working time in your household.
- You are a liberal professional with a practice at home, such as a doctor or a lawyer, and the person you hire works more than 40% of his working time for the practice.

Please note

In its judgment of 30 March 2023 (ECLI:NL:CRVB:2023:481), the Central Appeals Court (CRvB) ruled that the exclusion from the insurance obligation is not justified for persons who usually work on the basis of a PGB on no more than 3 days a week. On the basis of this ruling, home service providers who work on the basis of an employment contract paid from a PGB are insured for employee insurance.

Based on this ruling, there may be some changes as of 2026 for employment in the context of a PGB budget. The changes will then take place in employment law, social security law and tax law. You will be informed about this on rijksoverheid.nl. With regard to payroll taxes, you will not owe employee insurance premiums and employer's levy Zvw for these service providers in 2025. If this changes, we will inform you.

18.13.3 Home Staff

Do you hire someone to do housework around the house for 4 or more days a week? Then the person you hire is employed by you. You must then withhold and pay payroll taxes according to the simplified scheme for home staff. This arrangement means that you only have to file a tax return once a year.

Home staff are also insured for employee insurance. See Chapter 7 for the calculation of employee insurance contributions.

You must also pay the Zvw employer's levy for your home staff (see Chapter 8).

If you have a family relationship with the service provider

If you have a family relationship with the service provider, there may be no real employment relationship, as there is no relationship of authority (see section 1.2.1). You do not have to withhold and pay payroll taxes. This may be the case, for example, if your parents look after your children or a live-in daughter takes care of a person in need of care in your family.

Withholding and paying payroll taxes

You must pay the payroll taxes that you deduct to us once a year. To do this, you must file a digital declaration. There is no separate declaration for staff at home. You must file the same declaration as all other employers (see Chapter 13). In November prior to the year, you will receive the 'Payroll Tax Return Letter' from us. If you later registered as a withholding agent, you will receive the tax return letter later. The tax return letter states the tax return period for the coming year and the final tax return and payment date. The payment reference is also on it. Always state this payment reference when transferring payroll taxes, because otherwise it will be difficult for us to determine to which tax return the payment belongs. If you can't remember the payment reference, you can use the search tool on belastingdienst.nl. Or call the Tax Hotline: 0800 - 0543.

The moment your payment is credited to our account determines whether you have paid on time. If you do not pay the tax or do not pay it on time, and/or do not file a tax return on time, you may receive an additional assessment (with a penalty).

18.14 Pseudo-workers (opting in)

If the employment relationship between the client and the contractor is not real or fictitious employment (see sections 1.2.1 and 1.2.2), they can jointly choose to regard their employment relationship as a fictitious employment relationship. This arrangement is also called 'opting-in'. The contractor is called a 'pseudo-employee'.

Note 1

- Opting in does not apply if the contractor works as an entrepreneur.
- Opting in does not apply to employee insurances.

The pseudo-employee and you only have to report the choice to us. For this you can use the form 'Declaration of Payroll Taxes Opting-in'. [Download this form](#) from belastingdienst.nl or request it from the Tax Information Line: 0800 - 0543.

Note 2

Before the pseudo-employee starts working for you, the following must be arranged (see also Chapter 2):

- You must establish the identity of the pseudo-employee.
- The pseudo-worker must give you his data.

After the notification, you must withhold and pay payroll taxes, and the normal rules for wage tax/national insurance contributions apply. This also means, for example, that you can give the pseudo-employee the opportunity to participate in a pension scheme. You must also deduct a Zvw contribution from the remuneration of the pseudo-employee (see section 8.2.2).

Note 3

With opting in, you voluntarily bring the employment relationship under the wage tax/national insurance contributions. You can also reverse your choice for opting in, but not retroactively. The choice for opting in has no consequences under employment law. For example, there is no protection against dismissal.

18.15 Sex workers who work for an operator

As an operator of sex workers, you first assess whether the sex worker is in real employment (see section 1.2.1). If the sex worker is not in real employment, then the sex worker is in fictitious employment. As an operator, you must deduct the wage tax/national insurance contributions from the sex worker's wages and also pay us the Zvw employer's levy. In addition, if the employment relationship can be equated in social terms with that of someone who works in real employment and is therefore in fictitious employment for the purposes of employee insurance premiums, you must also pay the employee insurance premiums to us.

Package of conditions

If the employment relationship meets the rules of the so-called conditions package, you do not have to pay the employee insurance premiums. One of the conditions of the package is the application of the opting-in scheme (see paragraph 18.14). You do deduct wage tax/national insurance contributions and the Zvw contribution. In addition, we impose conditions on the work, income and obligations of the operator, among other things. More information about the package of conditions can be found on www.rijksoverheid.nl.

For sex workers who work on the basis of the package of conditions, you must calculate the wage tax/national insurance contributions using the special table for contractors of work, home workers, sex workers and similar persons (see table 4 at the back of this handbook). You apply this table to the basis (column 14 of the wage statement; see paragraph 9.1).

18.16 Students and pupils

There is a special scheme for students and pupils: the student and pupil scheme. If you apply the scheme, you will have to withhold less wage tax/national insurance contributions. You may use the calendar quarter instead of the actual wage period for the calculation of payroll taxes. You will then usually deduct less or no wage tax/national insurance contributions.

Please note

If you make use of this scheme, the calendar quarter also counts as a wage period for the calculation of the employee insurance premiums and the Health Insurance Act.

The scheme applies to:

- pupils for whom there is entitlement to child benefit under the General Child Benefit Act at the beginning of the calendar quarter
- students and pupils who are entitled to a gift or performance-related grant at the start of a calendar quarter in accordance with the Student Finance Act 2000 or the Higher Education and Research Act
- students and pupils who are entitled to a contribution to the study costs at the beginning of the calendar quarter in accordance with the Education Contribution and School Costs Allowance Act
- foreign students and pupils from another country of the European Union, Iceland, Norway, Switzerland or Liechtenstein who have an International Student Identity Card (ISIC)

Conditions and obligations apply to the application of the student and pupil scheme (see sections [18.16.1](#) and [18.16.2](#)). To terminate this scheme, you must comply with certain obligations (see section [18.16.3](#)).

18.16.1 Terms and Obligations

Dutch students and pupils

A Dutch student or pupil must submit a written request, dated and signed, to you to apply the student and pupil scheme. In the application, he states the following:

- the citizen service number (BSN)
Please note: The education number of DUO is often the same as the BSN. If the student does not (yet) have a BSN, he may **not** mention his temporary education number here.
- the effective date of the scheme
- that he is a student or pupil within the meaning of the regulation
- that he wants to have the scheme applied

For this request, you can download the 'Model Statement of Data for Payroll Taxes (Student and Pupil Scheme)' from belastingdienst.nl. Keep the form or request with your payroll administration.

Foreign students and pupils

Do you want to apply the student and pupil scheme for a foreign student or pupil from another country of the European Union, or from Iceland, Norway, Switzerland or Liechtenstein? Then you must be able to prove that there is a student or pupil. This is possible with an International Student Identity Card (ISIC). Students who do not have an ISIC can apply for this card at a drop-off point (see isic.nl).

If you apply the student and pupil scheme, you can use the 'Model Statement of Data for Payroll Taxes (Student and Pupil Scheme)' for the data for payroll taxes. [Download this form](#) from belastingdienst.nl. Please keep this form along with a copy of the ISIC with your payroll records.

18.16.2 Application of the student and pupil scheme

To apply the student and pupil scheme, use the quarterly table for the calculation of the wage tax/national insurance contributions (see section [9.3.4](#)) and the quarterly maximum for the calculation of the employee insurance premiums and Zvw contributions. You determine the quarterly maximum by taking into account three times the monthly amount (see table [11](#) at the end of this handbook). To calculate the deduction:

- 1 Add the wages you paid earlier in the calendar quarter to the wages you pay at that time.
- 2 Calculate the payroll taxes as if you were paying the entire salary at that time.
- 3 Deduct the payroll taxes that you had already calculated. If the result is negative, enter € 0.

You also use this calculation if the employee has more than 1 consecutive employment contract with you in a calendar quarter. In section 9.3.5 you will find an example of an elaboration of the student and pupil scheme for the deduction of wage tax/national insurance contributions. How it works out for the VCR can be seen in the example in section 6.6.

Please note

Whether the high or low AWf premium applies to the student or pupil – as it does to all other employees – depends on the contract (see section 7.2). If the student or pupil is younger than 21 and meets the hours criterion (see section 7.2) in the tax return period, you always apply the low AWf premium.

18.16.3 Termination of the student and pupil scheme

You can only terminate the student and pupil scheme with effect from the next calendar quarter. The employee must submit a written request to you with a date and signature. This can be done with the 'Model Opgaaf data voor de loonheffingen (studenten- en schpupilrenregeling)', which you can [download](#) from [belastingdienst.nl](#). Keep the form with your payroll administration.

18.17 Home workers and their assistants

You should not confuse the home worker with the employee who has a real or fictitious employment relationship and (sometimes) works from home. A home worker is someone who only works from home and does not outsource the work. Moreover, a home worker does not have his own company. Think, for example, of packing work at home.

First, you assess whether the home worker is in real employment (see section 1.2.1). If the home worker is not in real employment, the home worker and his helpers are in fictitious employment if the following conditions are met:

- The work is done in person.
- The gross salary per month is usually at least 40% of the statutory minimum wage per month. The minimum wage is the wage according to the Minimum Wage and Minimum Holiday Allowance Act.
- Employees under the age of 21 are subject to a lower statutory minimum wage than other employees. If the wage is not dependent on age, you must maintain the minimum wage for employees aged 21 or over for the 40% limit.
- The employment relationship has been entered into for an indefinite period of time or for at least 1 month. This can also involve 2 employment relationships with the same client that follow each other within a month and that together last at least one month. For this scheme, one month is a consecutive period of 30 days.

The fictitious employment relationship does not apply if the home worker and his helpers belong to 1 of the following groups:

- persons who mainly have religious work, for example priests
- authors or editors who work for a publisher but do not do this work for their profession
- directors of associations and foundations
- persons whose employment relationship is mainly determined by a family relationship
- self-employed entrepreneurs
- persons who usually have more than 2 helpers, who are not their spouse or minor children who belong to their household
- contractors who, together with their client, have included a provision in their written agreement that the fictitious employment relationship for home workers does not apply

You can assess whether a home worker and his helpers are in fictitious employment with you on the basis of expectations at the start of the employment relationship. If the conditions are sometimes deviated from, for example if you only pay 30% of the minimum wage in a month, this does not lead to an interruption of the fictitious employment. But if it is a permanent deviation, you must reassess whether the employment relationship is a fictitious employment relationship.

18.17.1 Who must withhold payroll taxes?

As the client of the home worker, you must deduct the payroll taxes from the home worker's wages and pay them to us. The home worker must withhold and pay payroll taxes on the wages of his assistants, unless the home worker usually works only for you. Then you must deduct the payroll taxes from the wages of the helpers of the home worker and pay it to us.

18.17.2 Wages of the home worker's assistants

If a home worker has helpers and you also deduct and pay the payroll taxes for those helpers, the home worker must indicate to you how much salary each helper receives. To do so, he must submit a statement to you that has been signed by himself and his assistants. If the home worker does not submit a statement to you, you must consider the entire salary as the home worker's salary for the calculation of all payroll taxes.

Please note

It is possible that the situation changes during the employment as a result of which the home worker no longer meets the conditions of a fictitious employment. From that moment on, you will no longer declare the salary in the payroll tax return. You must then report the salary to us as an amount paid to a third party (see paragraph [1.3](#)).

18.17.3 Special table for home workers (and their helpers)

For home workers and their assistants, you must calculate the wage tax/national insurance contributions using a special table for work contractors, home workers, sex workers and similar persons (see table 4 at the end of this handbook). You apply this table to the basis (column 14 of the wage statement; see paragraph [9.1](#)).

18.18 Top athletes with an A status

Some elite athletes who have received an A-status from NOC*NSF receive a monthly benefit (stipend) from the 'Fund for the Elite Athlete' and an expense allowance. In addition, there is a category of top athletes with an A-status who only receive a cost allowance from the Fund.

Both categories of elite athletes are in fictitious employment with the 'Fund for the Elite Athlete' for the purposes of wage tax/national insurance contributions and the Zvw. Only the top athletes who receive a monthly benefit are also covered by the employee insurances.

Please note

For other income that elite athletes with an A status earn from sports, the special scheme for professional athletes may apply (see section 18.6). There may also be a real employment relationship (see paragraph 1.2.1) or pseudo-employment (see paragraph 18.14).

18.19 Temporary agency workers and payroll employees

A temporary worker is in real employment (see section 1.2.1) with a temporary employment or secondment agency if the following conditions are met:

- The secondment takes place through a temporary employment or secondment agency.
- The temporary worker works under the supervision and direction of the hirer.
- There is a temporary employment contract.
- The temporary employment or secondment agency is the employer.

If there is no real employment, there may be a fictitious employment relationship. This is the case when a temporary worker works for a third party through an organisation or a natural person. There is no fictitious employment relationship in the following cases:

- The temporary worker usually works at your home as a service provider on a maximum of 3 days per week (see paragraph 18.13.2).
- The temporary worker works as an occupational therapy.
- The temporary worker has his own company and carries out an assignment through an intermediary agency at his own expense and risk.

The normal rules for payroll taxes apply to temporary workers in real or fictitious employment.

If a temporary worker receives wages for days of leave that have not been taken, you can choose between 2 tables for the deduction of wage tax/national insurance contributions: the table for special remunerations (see paragraph 9.3.6) or the period table (see paragraph 9.3.4) for ordinary wage payments.

When is a temporary worker a payroll employee?

From 2020, legal provisions on payrolling will apply, including a definition of payrolling. According to this definition, payrolling is a special form of a temporary employment contract in which there are the following differences:

- With the temporary employment contract, the employment agency looks for a suitable employee on the labour market for the client (hirer). In the case of payrolling, the payroll company has no involvement in this. The client (hirer) or a third party provides a suitable employee.
- The temporary employment agency can also have a temporary worker work for other employers. In the case of payrolling, permission is required from the client (hirer).

It has also been arranged that the same employment conditions apply to a new or existing payroll employee as to an employee who works in an equal or equivalent position with the client (hirer).

The lighter employment law regime of the temporary employment contract – such as the temporary employment clause – will no longer apply to a payroll contract as of 1 January 2020.

It is therefore important that it is determined for each employee whether there is a payroll employee or a temporary worker. The type of employment relationship code 82 applies to the payroll employee and the type of employment relationship 11 applies to the temporary worker.

The payroll company is the legal employer. This means that the payroll company takes care of all administrative matters, such as concluding the employment contract, payment during illness and filing a tax return. The payroll company passes on all wage costs to the client.

In principle, the payroll employee is in real employment with the payroll company.

18.20 Volunteers

A volunteer is someone for whom you do not have to check whether they are in real or fictitious employment for wage tax/national insurance contributions. The following conditions apply.

- The person works for 1 of the following organizations:
 - an organisation that is not subject to corporate income tax or is exempt from it
 - a sports organization
 - a public benefit institution (ANBI) In the case of a sports organization and an ANBI, the legal form and whether or not you have to file a corporate income tax return are not important.
- The person does not do the work 'by way of profession'. An important feature here is that the remuneration is not proportional to the time required and the nature of the work. If the person receives a remuneration that can be regarded as in line with the market, he is not a volunteer. We consider an hourly allowance of up to € 5.60 (or € 3.30 for a person under the age of 21) to be a non-market-based remuneration. This also applies if you do not pay the allowance per hour, but per activity and convert the allowance to an hourly allowance. Keeping time records is not mandatory
- The person receives allowances and benefits in kind with a combined value of up to € 210 per month and a maximum of € 2,100 per calendar year

Please note

The aforementioned hourly fees of € 5.60 and € 3.30 are amounts for which we assume that the fee is not in line with the market. If you give a higher hourly allowance and can make a plausible case that it is not in line with the market, there may still be a volunteer allowance.

If all conditions are met, you may apply the volunteer scheme. You do not have to keep payroll records and therefore do not have to withhold and pay payroll taxes.

If 1 or more of these conditions are not met, you must assess whether the person to whom you pay the compensation is an employee (in real or fictitious employment). If so, the normal rules for payroll taxes apply. If you only reimburse the actual costs, there is no question of an employee.

Example 1

3 volunteers work for association X. Volunteer A is paid per activity: he receives € 9 for a 2-hour activity, which he does 10 times a month for the organization. Volunteers B and C both receive a compensation of € 4 per hour and are active for 35 hours per month. Volunteer C also claims € 79.50 per month for travel expenses. All volunteers are 22 years or older. Because the hourly allowance for the volunteers does not exceed € 5.60, A, B and C fall under the tax definition of volunteer.

On the basis of the amounts paid, the association must assess whether the volunteer exemption applies. Volunteer A stays under € 210 per month and also under € 2,100 per year, so the allowance is untaxed. Volunteer B receives € 140 per month and thus remains below the monthly amount of € 210. If the association ensures that the annual amount does not exceed € 2,100, the allowance is untaxed. Volunteer C receives € 219.50 (€ 140 + € 79.50 travel allowance) and thus exceeds the monthly maximum, which applies to the total of the allowances and benefits, including reimbursements. The volunteer exemption does not apply to volunteer C: the association must determine whether this person can be regarded as an employee in real or fictitious employment.

Example 2

A volunteer works 100 hours per month for 2 months and 50 hours per month for a football club for 3 months. In total, the volunteer works 350 hours in 5 months. He receives an allowance of € 2.50 per hour, a total of € 875. A remuneration of € 2.50 per hour is not a remuneration in line with the market and the total remuneration of € 875 does not exceed the annual maximum of € 2,100. However, the volunteer scheme does not apply, because the remuneration exceeds the monthly maximum of € 210. The compensation in the 2 months in which the volunteer works 100 hours is € 250. The association must determine whether there is an employee. If so, the association must withhold and pay payroll taxes on the total compensation. The association must also keep a time administration.

Example 3

A 25-year-old volunteer works 50 hours a month for a football club for 10 months. He receives an allowance of € 3 per hour, a total of € 1,500. The association transfers this amount to him in 1 go. A remuneration of € 3 per hour is not a remuneration in line with the market and the total remuneration of € 1,500 does not exceed the monthly maximum of € 210 and the annual maximum of € 2,100. The association does not have to withhold and pay payroll taxes on the remuneration of this volunteer. The association also does not have to keep time records.

Example 4

A tennis club pays a 30-year-old volunteer a fee of € 7 per hour. The volunteer works 20 hours a month for the association for 9 months. The reimbursement does not exceed the monthly maximum of € 210 and the annual maximum of € 2,100. But the compensation of € 7 is higher than the standard of € 5.60 per hour. Unless the tennis club makes it plausible that this higher compensation is not in line with the market, the association must still withhold and pay payroll taxes. The association must also keep time records if there is an employee in real or fictitious employment.

Volunteer on benefits

Does the volunteer receive benefits? Then it is possible that the volunteer allowance will be reduced from his benefit. This does not apply to benefits under the Participation Act. For other benefits such as from UWV, this depends on the situation. If necessary, have the volunteer inquire about this.

18.21 Employees who have reached the state pension age

The state pension age has been set at 67 years for 2024 to 2027. For employees who have reached this age, you apply the deduction from the column 'AOW age or older' of the wage tax table from the 1st day of the calendar month in which the employee reaches the AOW pension age. This deduction column also applies to a weekly wage or a four-week wage if the employee receives that wage on or after the 1st day of the month in which he reaches the state pension age.

For employee insurance, you no longer pay employee insurance premiums for these employees for wages received from the 1st day of the calendar month in which they reach the state pension age. These employees are insured for the ZW after the state pension age, but you do not pay a premium for this.

Under the Health Insurance Act, you will also owe the employer's levy on wages from current employment after you have reached the state pension age. Do you pay wages to the director, major shareholder or a pseudo-employee? Then you will also deduct Zvw contribution from the salary after reaching the state pension age. For wages from previous employment, you must always deduct Zvw contributions from the 1st day following the month in which you reach the state pension age.

Example 1: Monthly wages

Your employee will turn 67 on 18 January 2025. After reaching the state pension age (at 67) he continues to work. This means the following:

- Your employee will reach the state pension age on 18 January 2025.
- The insurance obligation for the AOW, WW, WAO and WIA will continue until 17 January 2025.
- The insurance indications are all set to 'J' until 17 January. From 18 January, all indications will be set to 'N', except for those for the ZW: this will remain at 'J', because the employee will still be insured for the ZW.
- For all wages received on or after 1 January (the beginning of the calendar month), you will no longer pay employee insurance premiums.
- For the wage tax table, use the column 'AOW age and older' from 1 January.
- You will continue to pay the employer's Zvw levy until the end of the employment.

Example 2: wages per 4 weeks

Your employee will turn 67 on 14 May 2025. After reaching the state pension age (at 67) he continues to work. The 5th four-week wage period and the 5th four-week tax return period run from 21 April 2025 to 18 May 2025. This means the following:

- Your employee will reach the state pension age on 14 May 2025.
- The insurance obligation for the AOW, WW, WAO, and WIA runs until 13 May 2025.
- The insurance indications for employee insurance schemes are all set to 'J' until 13 May. From 14 May, all indications will be set to 'N', except for those for the ZW: it will remain at 'J', because the employee will still be insured for the ZW.
- For all wages received on or before 30 April, you pay all employee insurance premiums, even if that wages are intended for the period from 1 May.
- For all wages received on or after 1 May (the beginning of the calendar month), you no longer pay employee insurance premiums.
- For the wage tax table, you use for all the wages that the employee has received up to and including 30 April: the column 'Younger than the state pension age'. Even if that salary relates to a period from 1 May.
- For the wage tax table, you use for all the salary that the employee has received on or after 1 May (beginning of the calendar month) the column 'AOW age and older'. Even if that salary relates to a period before 1 May.
- You will continue to pay the employer's Zvw levy until the end of the employment.

Employee is still employed

If your employee has reached the state pension age and is still employed by you, use the white table to calculate the wage tax/national insurance contributions on the salary (see section [9.3.2](#)).

Employee (pension recipient) receives a benefit from you

If you pay an employee a benefit, such as an annuity or (pre)pension payment, this is referred to as salary from previous employment. To calculate the wage tax/national insurance contributions, use the green table (see section [9.3.3](#)).

19 Working across the border: wage tax

For internationally working employees, working across the border can lead to the same wage being taxed in both the Netherlands and abroad. You must withhold Dutch payroll tax and the employee must pay tax abroad. This is called 'double taxation'. To prevent this double taxation, the Netherlands has concluded tax treaties with many countries. In this chapter, we explain the most common situations of taxation in cross-border employment and indicate what actions you can take. A special situation is when the salary can be split into a part taxed in the Netherlands and a part taxed abroad (also called a salary split). See Appendix 4: [Salary split](#) for more information on this. Insofar as wage tax is due in the Netherlands, you must always make the deduction with (special) wage tax tables. In this chapter, we also discuss the reimbursement of extraterritorial costs, the expat scheme (30% ruling) and how to deal with the work-related costs scheme in foreign situations.

Please note

In this chapter you can read how to deal with wage tax in a cross-border situation. Chapter 20 explains how to deal with the national insurance contributions, the income-related contribution under the Health Insurance Act and the employee insurance premiums in this situation.

In this chapter, we cover the following topics:

- general explanation of taxation of cross-border employment (see section [19.1](#))
- most common cases of cross-border employment (see section [19.2](#))
- special situations (see section [19.3](#))
- extraterritorial costs and the expat scheme (30% ruling) (see section [19.4](#))
- the work-related costs scheme in foreign situations (see paragraph [19.5](#))
- exemption from income tax/national insurance contributions for your employees (see paragraph [19.6](#))
- Brexit (see section [19.7](#))
- Working from home and permanent establishment in Belgium (see paragraph [19.8](#))

Employees with special status

Sections [19.1](#) and [19.2](#) do not apply to a number of employees with a special status. These are:

- Directors and supervisory directors (opting-in)
- benefit and pension recipients
- artists and professional athletes
-
- professors and other lecturers
- persons in public-law employment
- employees in international transport and air traffic
- employees who are sent out by or on behalf of the Dutch state

See section [19.3](#) for more information about these employees.

19.1 General explanation of taxation in cross-border employment

Without additional regulations, an employee would possibly pay tax on his wages twice when working cross-border: (wage) tax in the country of employment and income tax in the country of residence. To prevent this, countries conclude tax treaties. On the basis of the applicable tax treaty, it is determined which country is allowed to levy tax and when (see section 19.1.1). If the Netherlands has not concluded a treaty with the country where your employee will work, there is still the unilateral arrangement for employees who live in the Netherlands (see section 19.1.2).

Please note

You can read what we mean by 'living in the Netherlands' and how you can determine this in section 2.3.3.

19.1.1 Tax treaties and the labour article

In most tax treaties, the employment article stipulates that the employee's country of employment has the right to levy tax on the employee's salary that relates to the work performed in the country of employment. There is 1 exception to this: the employee's country of residence has the right to levy tax on that salary if the following 3 conditions are met cumulatively:

- The employee does not stay in the country of employment for more than 183 days within a certain period. The period within which the 183 days must fall differs per treaty country. See the table below. To count whether the 183-day criterion for the employment article is met, you use the days of stay: all days on which the employee was in the country of employment. You also count days on which the employee did not work, for example weekends or holidays. You count a part of the day as a full day.
- The employer who pays the wages is not established in the country of employment and the wages are also not paid by or on behalf of an employer in the country of employment. This may also involve a so-called material employer (see below, under 'Loaning, sending or seconding staff').
- The salary is not charged to the profits of a permanent establishment or a permanent representative of the employer in the country of employment, for example a branch, or of a fixed centre of the employer in the country of employment, for example a manufacturer's point of sale. The tax treaty includes what is meant by a permanent establishment or permanent representative.

The person who wants to use the exception of the employment article of the tax treaty – this can be the employer, the employee or the tax authorities – must prove that all 3 conditions have been met. If 1 of the 3 conditions is not met, the country of employment has the right to levy tax on the employee's wages that relate to the work performed in the country of employment.

Loan, secondment or secondment of staff

Are you dealing with situations in which staff is made available, such as lending, temporary employment and secondment? In that case, when assessing the second condition of the employment article, it may be difficult to determine whether there is a material employer in the country of employment. In any case, there is a material employer in the country of employment if all the following conditions are met:

- The employee is in a relationship of authority with the client in the country of employment: the client determines how, when and under what circumstances the employee works.
- The work is at the expense and risk of the client in the country of employment: the financial advantages and disadvantages of the work are borne by the client.
- The salary is borne by the client in the country of employment. This is the case if the wage costs are charged globally per unit of time, for example an amount per hour or per day.

If there is a material employer in the country of employment, the second condition of the employment article is not met. In that case, the country of employment may levy tax on the employee's wages that relate to the work performed in the country of employment.

Temporary employment within a group

In the case of the secondment of an employee within a group, the following applies:

- employee lives in the Netherlands and is posted abroad If you have an employee who is posted abroad, it must be assessed on the basis of the employment article of the tax treaty (or the unilateral scheme, see section 19.1.2 or 19.2) which country has the right to tax this remuneration. You must withhold wage tax on the wages from the foreign work if this employee stays abroad for less than 183 days in a certain period (see the table of employment articles) and there is also no material employer or permanent establishment abroad. It is possible that the country of employment believes that tax should be paid there. You can submit this situation, involving double taxation, to your tax office.
- employee lives abroad and is posted to the Netherlands In this situation, there is usually a material employer in the Netherlands (see above for the three conditions). The Netherlands may then levy taxes and the foreign group part must withhold wage tax on the part of the salary that the employee earns here. If you are unsure who counts as an employer, you can call the Tax Information Line: 0800 - 0543 or from abroad +31 55 538 53 85.

Note 1

Policy has been formulated in the Decree of 15 December 2023, no. 2023 24021 (Government Gazette 2023 31181) on the following 2 topics:

- 1 The interpretation of the concept of employer in tax treaties
For the interpretation, you must distinguish between treaties concluded before 22 July 2010 and those concluded from 22 July 2010.
- 2 Intra-group secondments For a foreign employee, you may not be a material employer in the Netherlands if that employee is not employed in the Netherlands for more than a total of 60 working days in a period of 12 months. The conditions that are important in this regard are set out in the decree.

Reverse charge mechanism for withholding payroll taxes

Does an employee of a foreign group member come to work in the Netherlands and is the foreign group part subject to withholding as a formal employer? Then you can request that you withhold and pay the payroll taxes instead of the foreign group part doing so. This is the so-called reverse charge mechanism.

To apply the reverse charge mechanism, you and the foreign group member must jointly submit a request to your tax office. In the request, you must provide the following information:

- your name, address, place of business and payroll tax number
- the name, address and place of business of the foreign group member and possibly the payroll tax number, if the foreign group member has this
- the desired effective date of the decision
- whether you want to have a general decision or a decision for 1 or more specific employees
- if you want to have a decision for 1 or more specific employees: name, address, place of residence and citizen service number of this employee(s)

Once we have dealt with your request, we will send you a decision stating whether you can apply the reverse charge mechanism.

You can submit requests for multiple foreign group units at the same time.

Note 2

If a foreign group member employs an employee who is socially insured in the Netherlands, the foreign group unit must pay employee insurance premiums and the income-related contribution under the Health Insurance Act and file its own payroll tax return. The reverse charge mechanism cannot be applied exclusively to employee insurance premiums and the income-related contribution under the Health Insurance Act. However, if the foreign group member is also designated as a withholding agent for payroll tax, the reverse charge mechanism can be applied. This situation is explained in the position of the Knowledge Group [KG:041:2024:5](#).

When does the labor article not apply?

The employment article usually does not apply to directors and supervisory directors of companies, professional athletes, artists, professors, teachers and persons in public-law employment (see Section [19.3](#)).

Learn more about tax treaties

Most treaties have a labor article. If you want to apply this provision properly, you must consult the relevant treaty. Look at verdragenbank.overheid.nl and search for the country and 'tax'. Then you will find the tax treaties and amendment protocols that the Netherlands has concluded with that country.

Please note

The multilateral instrument (MLI) applies to an increasing number of tax treaties. The MLI makes it possible for countries to quickly and efficiently adjust their tax treaties to combat tax avoidance, without the need for new negotiations. The MLI contains provisions against tax avoidance, which have an effect on tax treaties of countries that choose to do so. If the MLI applies to a tax treaty, you cannot simply follow the text of the tax treaty. Due to the MLI, a provision can no longer apply. For payroll tax, it is then particularly important that the MLI influences the provisions on the permanent establishment, the residence of an entity and the avoidance of double taxation. For example, the MLI does not change the employment (or pension) article. However, a provision amended as a result of the MLI, such as the provision on the permanent establishment, can also have an impact on, for example, the application of the labour article because the term permanent establishment is also used in it.

More information, including which tax treaties the MLI applies to and from when, can be found on the website of the [Dutch government](#). On this page you will also find a link to the so-called 'synthesised texts'. For a number of treaties, this includes the concrete impact of the MLI on the text of the relevant tax treaty.

Labour article table

The table below shows per country which period you must take into account when applying the 183-day criterion in the labour article. To count the days, you use the days of stay: all days on which the employee was in the country of employment.

You also count days on which the employee did not work, such as weekend or holiday days. You count a part of the day as a full day. An explanation for the letters in the table can be found immediately after the table.

Period within which the employee may be in the country of employment for a maximum of 183 days		
Country of employment	Country of employment	Country of employment
F Albania	B Greece	C Austria
F Algeria	B Hungary	B Pakistan
F Argentina	F Hong Kong	F Panama
F Armenia	B Ireland	F Poland
A Aruba	F Iceland	F Portugal
B Australia	B India	F Qatar
F Azerbaijan	F Indonesia	F Romania
F Bahrain	B Israel	F Saudi Arabia
D Bangladesh	B Italy	C Serbia
F Barbados	F Japan	C Singapore
F Belarus (Belarus Russia)	C (former) Yugoslavia	F Saint Martin
F Belgium	F Jordan	F Slovenia
F Bermuda	F Kazakhstan	B Slovakia
A BES islands ¹ (Bonaire, Sint Eustatius, Saba)	F Kuwait	B Spain
	F Croatia	A Sri Lanka
C Bosnia and Herzegovina	F Latvia	A Suriname
B Brazil	F Liechtenstein	F Taiwan
B Bulgaria	F Lithuania	B Thailand
^{And} Canada	B Luxembourg	B Czech Republic
B Chile	F Macedonia	B Tunisia
F China 2013	C Malaysia	C Turkey
F Curaçao	C Malta	B Venezuela
A Cyprus ²	B Morocco	F United Arab Emirates
A Denmark	F Mexico	F United Kingdom
F Germany 2012	F Moldova	B United States of America
F Egypt	C Montenegro	F Vietnam
F Estonia	B New Zealand	F Zambia
F Ethiopia	G Nigeria	B Zimbabwe
B Philippines	A Norway	F South Africa
^{And} Finland	F Uganda	B South Korea
B France	F Ukraine	A Sweden
F Georgia	F Uzbekistan	B Switzerland
F Ghana	F Oman	

- 1 Tax regime for the country of the Netherlands.
- 2 The DTC shall apply only to those parts over which the Government of the Republic of Cyprus exercises effective control.

Periods within which the employee may be in the country of employment for
a maximum of 183 days: A: 12 12 months start or end in calendar year
months C: calendar year D: tax F: 12 months start or end in tax year G:
period or tax year B: tax year E: tax year or year of assessment

Working from home threshold: anticipating changes to tax treaties

The Income Tax Act will be amended as of 2025, which anticipates possible future changes to tax treaties. The change concerns the introduction of a 'working from home threshold'. The introduction of the homeworking threshold means that if the Netherlands, as a country of employment, has a right to tax the days worked from home in the country of residence on the basis of an amended tax treaty, the Netherlands can exercise that right to tax in all situations. The employee who works abroad, but also works from home for days, must then keep a working day calendar with a registration of his home working and working abroad days. This provides insight into whether several countries have a right to tax their labour income and, if so, how the right to tax should be distributed. Incidentally, this registration is already required (regardless of the possible homeworking threshold) to determine which country has the right to tax and in which country the employee is socially insured. The employee who already keeps this working day calendar can also use that calendar to determine the (future) homeworking threshold.

19.1.2 Unilateral regulation

If an employee who lives in the Netherlands works in a country with which the Netherlands has not concluded a treaty, you can avoid double taxation on the basis of the unilateral scheme. This scheme applies to wages from current employment and to wages from previous employment.

The scheme stipulates for the salary from current employment, among other things, that you do not have to withhold wage tax on the foreign part of that salary in the following situations:

- The employee works less than 30 consecutive days in the non-treaty country and can prove that he pays tax on his wages in the country of employment.
- The employee works 30 consecutive days or more in the non-treaty country and makes it plausible that the country of employment levies tax on his wages. He does not have to prove that he also pays tax.
- The employee has been working in non-treaty countries for more than 3 consecutive months and is in a private-law employment relationship with an employer established in a member state of the EU/EEA.

When determining the duration of the period in which the employee works continuously in the non-treaty country, regular work stoppages, such as weekends and short holiday closures, are taken into account.

19.2 Most common cases of cross-border employment

In this section, we will discuss the following 4 situations:

- Your employee lives in the Netherlands and works abroad (see paragraph [19.2.1](#)).
- Your employee lives abroad and works in the Netherlands (see paragraph [19.2.2](#)).
- Your employee lives and works abroad alone (see paragraph [19.2.3](#)).
- Your employee works within 1 employment in both the Netherlands and abroad. Working in several countries can lead to wage tax having to be paid partly in the Netherlands and partly abroad. This is called a 'salary split'. For more information about processing a salary split in the payroll tax return, see Appendix 4: [Salary split](#).

You can read what we mean by 'living in the Netherlands' and how you can determine this in section [2.3.3](#).

19.2.1 Your employee lives in the Netherlands and works abroad

For employees who live in the Netherlands and work (temporarily or partly) abroad, you can find information about withholding wage tax here. At the end of this section, you will find a flow chart that will help you determine whether you need to withhold payroll tax for your employee.

Withholding payroll tax

To determine whether you have to withhold wage tax on the wages that your employee earns abroad, first check whether a tax treaty has been concluded with the country where your employee works. Look for this on verdragenbank.overheid.nl and search for the country and 'tax'.

If your employee works both in the Netherlands and abroad within 1 employment, this may result in wage tax having to be paid partly in the Netherlands and partly abroad. This is also called a 'salary split'. For more information about processing a salary split in the payroll tax return, see Appendix 4: [Salary split](#).

There is a tax treaty

If there is a tax treaty, proceed as follows:

- 1 Determine whether your employee will be in the country of employment for more than 183 days within a certain period as specified in the convention:
 - If you expect this to be the case, then there is a salary split. You calculate the payroll taxes on your employee's salary and process it in the payroll tax return as we indicate in Appendix 4: [Salary split](#).
 - Is your employee expected to stay in the country of employment for a maximum of 183 days? Continue to step 2.
- 2 Determine whether there is an employer in the country of employment. That does not have to be the formal employer. For a further explanation of the concept of employer, see section [19.1.1](#).
 - If so, then there is a salary split. You calculate the payroll taxes on your employee's salary and process it in the payroll tax return on the basis of Appendix 4: [Salary split](#).
 - Is there no employer in the country of employment? Continue to step 3.
- 3 Check whether your employee's salary is attributable to a permanent establishment or permanent representative of yours in the country of employment, for example a branch or point of sale of yours in the country of employment:
 - If so, there is a salary split. You calculate the payroll taxes on your employee's salary and process it in the payroll tax return on the basis of Appendix 4: [Salary split](#).
 - If this is not the case, you will continue to deduct wage tax from your employee's full salary, i.e. both the foreign part and any Dutch part.

There is no tax treaty: unilateral regulation

If your employee is going to work in a country with which the Netherlands has not concluded a tax treaty, you must determine how long your employee will work abroad:

- If your employee is going to work in the non-treaty country for 3 consecutive months or more, you calculate the payroll taxes on your employee's salary and process this in the payroll tax return, using Appendix 4: [Salary split](#). This only applies if the salary was received from a private-law employment relationship.
- If your employee is going to work in the non-treaty country for less than 3 months, but longer than 30 consecutive days and you can make a plausible case that he has to pay tax on his wages there, then you calculate the payroll taxes on your employee's wages and process this in the payroll tax return on the basis of Appendix 4: [Salary split](#). Your employee does not actually have to pay tax in the non-treaty country. It is sufficient that the employee can be taxed for his work under local tax laws.
- If your employee is going to work in the non-treaty country for less than 30 consecutive days and demonstrably pays tax on the salary he earns in that non-treaty country, you calculate the payroll taxes on your employee's salary and process this in the payroll tax return on the basis of Appendix 4: [Salary split](#).

Note 2

Tax treaties that the Netherlands has concluded with other countries to prevent double taxation stipulate how the Netherlands prevents double taxation. In some treaties it has been agreed that the Netherlands as the country of residence provides exemption or deduction if the country of employment levies tax. If your employee does not pay tax in the country of employment, we recommend that you still withhold wage tax. This prevents your employee from having to pay additional income tax. In Appendix 4: [Salarysplit](#) you can read how to process your employee's wages in the payroll tax return.

19.2.2 Your employee lives abroad and works in the Netherlands

For employees who live abroad and work (temporarily or partly) in the Netherlands, you will find information about:

- Social Security number
- withholding payroll tax
- payroll administration and payroll tax return

At the end of this section, you will find a flow chart that will help you determine whether you need to withhold payroll tax for your employee.

Social security number

To be able to work in the Netherlands, an employee who lives abroad must have a citizen service number. An exception only applies to artists and professional athletes who live abroad. If the employee stays in the Netherlands for less than four months, he must register with 1 of the 19 municipalities with a Non-Resident Registration Desk (RNI Desk). If the employee stays in the Netherlands for four months or longer, he must register with the municipality in the Personal Records Database (BRP). After registration, your employee will receive a copy of the registered data, including his social security number. For more information about BRP and RNI, please visit rvig.nl.

When applying for a social security number, the employee must:

- be able to identify themselves with a valid and original identity document
- have a valid residence endorsement in his passport stating that he is allowed to work in the Netherlands if he comes from a non-EEA country. Although Switzerland is a non-EEA country, employees from Switzerland do not need a residence endorsement in their passports. See Section [20.1.1](#) for an overview of the EEA countries.

Withholding payroll tax

To determine whether you have to withhold payroll tax on the salary of your employee living abroad, you determine where he works for you:

- only in the Netherlands
- 90% or more abroad
- partly in the Netherlands and partly (for less than 90%) abroad. This may result in wage tax having to be paid partly in the Netherlands and partly abroad. This is called a 'salary split'. For more information about processing a salary split in the payroll tax return, see Appendix 4: [Salary split](#).

Employee only works in the Netherlands

If the employee only works for you in the Netherlands, you must withhold wage tax on his full salary.

Employee works abroad for 90% or more in a calendar year

- Your employee lives in a treaty country: then you do not deduct wage tax, not even on the wages that he may still earn in the Netherlands.
- Your employee lives in a non-treaty country:
 - Is the salary, including any Netherlands salary, not subject to tax in that country? Then you must withhold wage tax on it.
 - Is the salary, including any Dutch salary, subject to tax in that country? Then you do not deduct wage tax on it. Your employee does not have to prove that the country of employment actually deducts tax.

In all cases, you must state the salary, including any Dutch salary, in your payroll tax return under 1 number of income ratio.

In a calendar year, the employee works partly in the Netherlands and partly (for less than 90%) abroad

- Does your employee live in a treaty country? Then you deduct wage tax on the wages he earns in the Netherlands. You only deduct wage tax on the wages that your employee earns in that treaty country if the Netherlands is allowed to levy tax according to the treaty.
- Does your employee live in a non-treaty country? Then you deduct wage tax from the Dutch wage. The following applies to foreign wages:
 - If the non-treaty country does not levy tax on the wages that your employee earns there, you must withhold wage tax on it.
 - If the non-treaty country itself levies tax on the wages that your employee earns there, you do not deduct any wage tax on it.

Working within 1 employment in both the Netherlands and abroad can lead to wage tax having to be paid partly in the Netherlands and partly abroad. This is also called a 'salary split'. For more information about processing a salary split in the payroll tax return, see Appendix 4: [Salary split](#). In all cases, you must state the Dutch and the foreign wages in your payroll tax return.

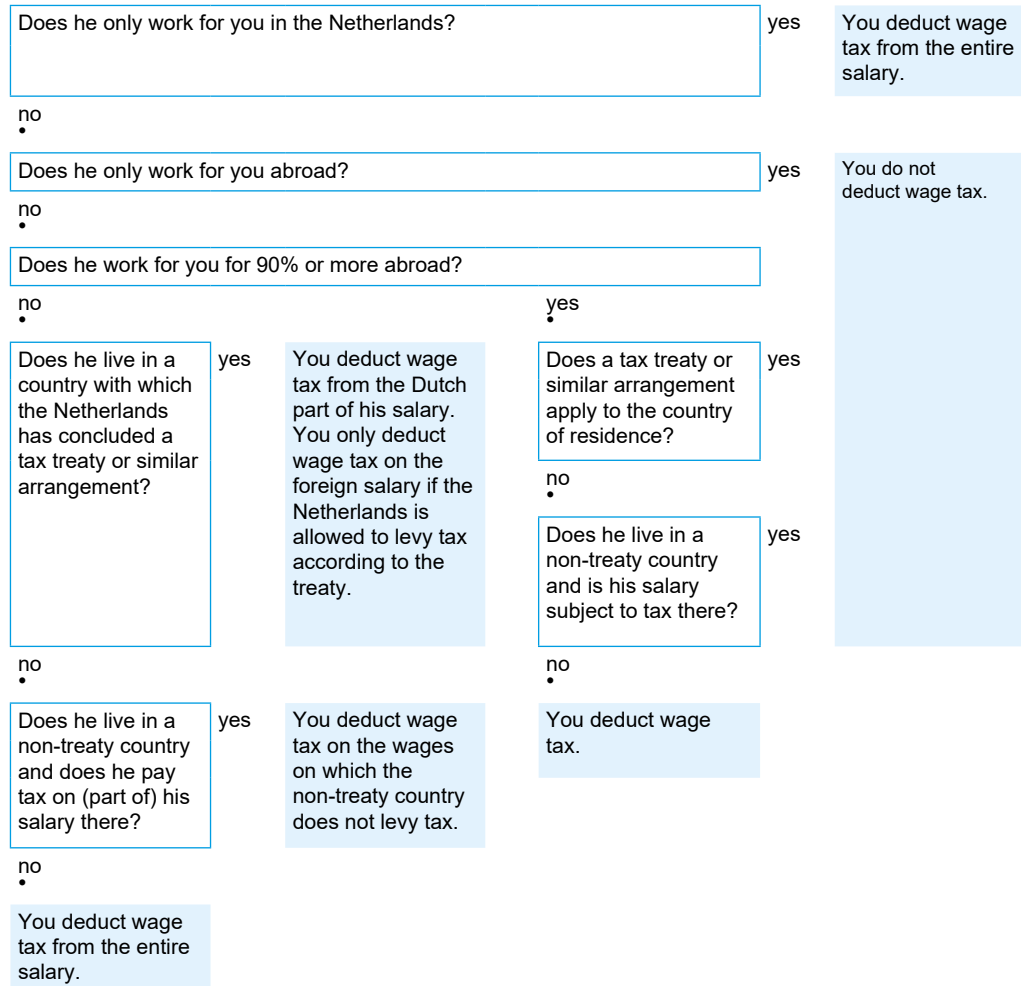
Flowchart

You can use the following flowchart to determine if you need to withhold payroll taxes from the wages your employee earns in the Netherlands. You apply the schedule by country: if you have more employees living in different countries, you go through the schedule for each country.

Note 1

This scheme does not apply to directors and supervisory directors, benefit and pension recipients, artists and professional athletes, trainees, professors and other lecturers, persons in public-law employment, employees in international transport and air traffic and employees who are sent out by or on behalf of the Dutch state. See section [19.3](#) for more information about these employees.

Flow chart 2: Your employee lives abroad and works in the Netherlands



Note 2

In Appendix 4: Salarysplit you can read how to process your employee's wages in the payroll tax return.

19.2.3 Your employee lives and works abroad alone

If your employee lives abroad and only works abroad, you do not have to deduct payroll tax from the salary you pay him. You also do not have to include it in the payroll tax return.

Please note

This may be different for the premium levy. See chapter 20 (working across the border: social security).

19.3 Special situations

The following persons have a special status in cross-border activities:

- Directors and supervisory directors (see Section [19.3.1](#))
- benefit and pension recipients (see Section [19.3.2](#))
- trainees (see section [19.3.3](#))
- artists and professional athletes (see section [19.3.4](#))
- professors and other lecturers (see section [19.3.5](#))
- persons in public-law employment (see section [19.3.6](#))
- workers in international transport and air transport (see Section [19.3.7](#))
- employees who are sent by or on behalf of the Dutch state (see paragraph [19.3.8](#))

19.3.1 Directors and supervisory directors (opting-in)

Does your organisation, for example a public limited company or private limited company, have a director or supervisory director who lives abroad? In most situations, you must deduct wage tax from the salary you pay him for his board work or supervisory position. You usually do this even if the director or supervisory director does not work in the Netherlands. For more information, please call the Tax Hotline: 0800 - 0543 or from abroad +31 555 385 385.

Please note

For a supervisory board member, the above only applies if a joint choice is made for opting in. For more information, see section [18.14](#).

19.3.2 Beneficiaries and pensioners

You must also withhold wage tax on wages from previous employment. However, you do not have to deduct wage tax from a Dutch (pension) benefit of someone who lives abroad, if the Netherlands has concluded a treaty with the country of residence of the beneficiary that assigns the taxation to the country of residence.

You must decide for yourself whether or not you have to withhold wage tax. Because it is difficult to determine this on the basis of a treaty, you can ask the benefit recipient to apply for an [exemption certificate from wage tax and national insurance contributions](#) from the Tax and Customs Administration/Knowledge and Expertise Centre Abroad. We issue this statement if the withholding agent is allowed to waive the withholding tax on the basis of a tax treaty.

Please note

If you do not have to withhold payroll taxes on the basis of international regulations, you must still include the full (pension) benefit in the payroll tax return.

19.3.3 Staging

You must deduct payroll tax from the wages that a foreign intern earns from you. This is not necessary if the following 5 conditions are met:

- The intern stays in the Netherlands for 6 months or less.
- The intern is doing an internship for his studies or vocational training.
- You only reimburse living expenses and pocket money. You or the intern must be able to substantiate the cost of living with receipts or receipts.
- You keep a copy of the intern's work permit with the payroll administration. If no work permit is required for the intern, you must keep a statement from the educational institution where the intern is registered with the payroll administration. This must state what education the intern is following and what kind of internship he is doing.
- At the end of the calendar year, you inform us of the amounts you have paid the intern. You can read how to do this in section [1.3](#).

If you do not meet these conditions, it may be the case that no wage tax has to be withheld on the basis of the tax treaty. For more information, please call the Tax Hotline: 0800 - 0543 or from abroad +31 555 38385.

19.3.4 Artists and professional athletes

Artists and professional athletes usually pay tax in the country of employment. It does not matter whether they are employees, self-employed or entrepreneurs. Are you hiring an artist, professional athlete, artist company or sports team? Then read the 'Manual for Payroll Taxes for Artist and Professional Athletes' Scheme. You can download the manual from belastingdienst.nl.

19.3.5 Professors and other teachers

If an educational institution in the Netherlands sends out a professor or another lecturer, that institution must usually continue to withhold wage tax from the salary of the seconded lecturer.

19.3.6 Employment under public law

The remuneration of a person employed by a public body is taxed in the country for which he works. There are exceptions to this, for example, for persons who work for a government institution or parts of a government institution located abroad, such as an embassy.

19.3.7 Workers in international transport and air transport

Separate wage tax rules apply to employees in international traffic on board ships or aircraft and to inland shipping skippers. More information can be obtained from the Tax Hotline: 0800 - 0543 or from abroad +31 555 38385.

19.3.8 Employees who are sent by or on behalf of the Dutch state

The following applies to employees who are sent out by or on behalf of the Dutch state – for example, teachers at Dutch international schools abroad:

- If these employees work in a country with which the Netherlands has concluded a tax treaty, you must consult the treaty to determine whether you have to withhold wage tax for them.
- If these employees work in a non-treaty country, the salary is taxed in the Netherlands.

19.4 Extraterritorial costs and the expat scheme (30% ruling)

Employees who are temporarily sent abroad or to the Netherlands to work often receive compensation for the extra costs of that stay outside the country of origin, the so-called extraterritorial costs. A specific exemption applies to this. To reimburse these costs, you can choose: reimbursing the actual extraterritorial costs or, under certain conditions, applying the expat scheme. The expat scheme is the new term we use for what we called the 30% ruling for incoming and seconded employees until 2024.

Reimbursement of actual costs

If you reimburse the actual extraterritorial costs, you must make these reasonably incurred costs plausible. You then keep track of the costs and the allowance per employee in your payroll administration.

You may reimburse these costs to the employee tax-free for a maximum of 5 years. After that, the fee is taxed. However, you may designate the allowance as final levy wages (see Section [10.1.3](#)). See section [19.4.5](#) for which costs qualify as extraterritorial costs.

Reimbursement with expat scheme

If you use the expat scheme, you may designate a maximum of a fixed percentage of the salary including the allowance as a specifically exempt allowance for the extraterritorial costs without further proof of the actual extraterritorial costs (see section [19.4.3](#)). Until 2026, this will be 30%. If you also provide an allowance or provision for the actual extraterritorial costs, this allowance or provision is your employee's salary.

You may also designate this extra allowance or provision as a final levy wage that may fall within the discretionary margin, provided that the customary test is met (see Section 10.1.3). This depends on the facts and circumstances. See also the position of the Knowledge Group [KG:204:2023:25](#).

Choice of expat scheme or actual extraterritorial costs

As of 1 January 2023, as long as you are allowed to apply the expat scheme, you must choose each year whether to apply the expat scheme or that you reimburse the actual extraterritorial costs. See section [19.4.4](#).

U this section you will find information about:

- employees who come to the Netherlands (see paragraph [19.4.1](#))
- employees posted abroad (see section [19.4.2](#))
- content of the scheme (see section [19.4.3](#))
- mandatory annual choice for applying the expat scheme or actual extraterritorial costs (see [19.4.4](#))
- definition of extraterritorial costs (see Section [19.4.5](#))
- income tax return (see section [19.4.6](#))
- abolishing partial foreign tax liability (see section [19.4.7](#))
- other specifically exempted allowances and benefits in kind (see paragraph [19.4.8](#))
- refugees and the reimbursement of extraterritorial costs (see Section [19.4.9](#))

19.4.1 Employees come to the Netherlands

The expat scheme applies to employees that you have recruited from another country or who have been sent from another country to work in the Netherlands. To make use of the expat scheme, the following conditions apply:

- The employee is employed by you
 - The employee has specific expertise (expertise requirement, see below)
 - The employee meets the definition of 'incoming employee' (see below)
 - We have issued a decision showing that you are allowed to make use of the expat scheme.
- You can apply for this decision using the form 'Request for Payroll Taxes Expat Scheme 2025', which you can download from belastingdienst.nl

The expat scheme also applies to residents of the BES islands, Aruba, Curaçao and Sint Maarten who meet the conditions.

As of 1 January 2019, you may make use of the expat scheme for a maximum of 5 years for an incoming employee.

Expertise requirement

If you want to make use of the expat scheme for an employee who comes to the Netherlands, this employee must have specific expertise, among other things. An income standard applies to demonstrating this specific expertise, which is indexed every year. In 2025, there is specific expertise if your employee has a taxable annual salary that is more than € 46,660, excluding the specifically exempted allowance for extraterritorial costs. For employees who have obtained a Dutch master's degree or an equivalent foreign title in university education, and who are younger than 30 years of age, the taxable annual salary must be more than € 35,468, excluding the specifically exempted allowance for extraterritorial costs.

An exception applies to employees who conduct scientific research at certain institutions and doctors in training to become specialists: they do not have to meet an income standard.

Note 1: Increase in salary standard from 2027

The salary standard for the expertise requirement will be increased from € 46,107 (2024 amount) to € 50,436 as of 1 January 2027 and for employees under the age of 30 with a master's degree, it will be increased from € 35,048 (2024 amount) to € 38,338. These amounts are still without indexation. This means that the standards will be higher than the amounts mentioned by 2027.

Transitional law

Transitional rules apply to employees whose decision was valid in 2024 and who applied the expat scheme (30% ruling) no later than the last wage period of 2024. For them, the old (indexed) salary standards will continue to apply for the entire term of the decision.

In exceptional cases, your employee must not only meet the income standard (expertise requirement), but also a scarcity requirement: your employee's expertise must be difficult or impossible to find on the Dutch labour market. This is the case if almost all employees in a specific sector meet the income standard, for example professional footballers. In those cases, you must demonstrate the employee's scarcity.

When assessing the scarcity and expertise requirement, we then take the following into account 3 factors:

- the employee's level of education
- the employee's experience relevant to the position If an employee has worked for more than 2.5 years in a similar position, we assume that he has relevant experience for the position.
- the ratio between the remuneration level for the position in the Netherlands and the remuneration level in the employee's country of origin The basic principle is that the net remuneration in the country of origin is not lower than the net remuneration for the position in the Netherlands. The compensation for the extra costs of temporary stay outside the country of origin (extraterritorial costs) does not count in this regard.

150 kilometersgrens

The expat scheme for employees who come to the Netherlands, the so-called incoming employees, only applies to employees who have more than lived for 16 months at a distance of more than 150 kilometers from the Dutch border. You cannot therefore use the expat scheme for employees from Belgium and Luxembourg. Workers from northern France, from large parts of Germany and from a small part of the United Kingdom are also not eligible for the scheme.

Exceptions to the restriction

The restriction does not apply to an employee who comes from the Dutch border region and who meets the following 3 conditions:

- The employee has previously worked in the Netherlands and comes back to work in the Netherlands after a stay abroad, where the previous work period started no more than 5 years ago.
- In the 24 months prior to this previous work period in the Netherlands, this employee has more than 16 for 16 months at a distance of more than 150 kilometers from the Dutch border.
- During this earlier work period, there was a decision for the expat scheme for the employee. If there was no decision, he can make a plausible case that he met the conditions for the expat scheme that applied at the time.

An exception also applies to employees with a doctorate (PhD) who start working for you in the Netherlands within 1 year of their PhD. If a PhD candidate meets both of the following conditions, we still consider him to be an incoming employee:

- During the PhD research and between the PhD and the start of the work, he lived in the Netherlands, or within a radius of 150 kilometres from the Dutch border.
- In the 24 months prior to the start of his PhD research in the Netherlands, he lived more than 16 months at a distance of more than 150 kilometers from the Dutch border.

In the following situations, we also consider a PhD graduate to be an incoming employee:

- He did PhD research in the Netherlands and was employed in the Netherlands in addition to his PhD research.
- He received an employment contract from you before his promotion. Obtaining the doctorate was a prerequisite for you to hire him.

In these cases, the expat scheme only takes effect from the moment the employee obtains his doctorate.

Decision: validity and testing of conditions

Since 1 January 2019, decisions for the expat scheme have a maximum term of 5 years.

We deduct from that term:

- periods of residence or work in the Netherlands that started more than 25 years before the date of arrival in the Netherlands and ended less than 25 years before the date of arrival in the Netherlands
- periods of residence or work in the Netherlands in the 25 years prior to the date of arrival in the Netherlands. We do not count the following periods:
 - periods of up to 20 days per year, during which the employee has worked in the Netherlands
 - periods of up to 6 weeks per year in which the employee has been in the Netherlands for holidays, family visits or other private reasons. To determine these periods that do not count, we do not take into account a period of a maximum of three consecutive months
- periods during which an employee worked or stayed abroad, but was still an employee

The latest end date is stated in the decision you receive from us. The end date can be brought forward, see the paragraph on transitional law below. The expat scheme ends in any case on the last day of the wage period after the period in which the last working day falls. For example, if your employee's last working day is 15 February 2025, you may apply the expat scheme up to and including 31 March 2025 for a wage period of one month, if this date is before the end date on the decision. You may only apply the expat scheme to wages received before or on the end date stated in the decision. See the position of the Knowledge Group [KG:041:2023:6](#).

Note 2

Has the employment of an employee actually been terminated because he has been suspended with pay, has been suspended or is exempted from work until the end of his employment? Then you may not use the expat scheme for this employee during the period of inactivity. You may still apply the expat scheme to the wages you pay in the 1st wage period after the wage period in which the inactivity started.

Testing income standard

During the term of the decision, you must check whether your employee still meets the income standard. You must test this income standard on an annual basis. If the salary in a year is lower than the standard (see under the heading 'Expertise requirement'), the expat scheme will in principle expire with retroactive effect to 1 January of that year. You must then correct your previous declarations. If the employment contract starts or ends in the course of a calendar year, you recalculate the salary to an annual salary. If the employee does meet the income standard again at a

later date, you may no longer apply the expat scheme. In the case of a lower salary caused by parental leave and maternity leave, you can assume the salary that the employee would receive without this leave. Even if the salary is lower due to birth leave, additional birth leave, foster care leave and adoption leave, you can assume the salary that the employee would receive without this leave.

If the employee receives less salary than the income standard and you have made specific agreements with your employee about the application of the expat scheme, the expat scheme may continue to apply. See the position of the Knowledge Group [KG:204:2023:21](#) for this.

Employees with a master's degree

Employees who have obtained a Dutch master's degree or an equivalent foreign title in university education, and to whom the reduced income standard applies, must meet the higher standard (taxable annual salary of more than € 46,660 excluding the specifically exempted allowance for extraterritorial costs) from the month after the month in which they turn 30.

Change of employer

If the employee changes employers within a coherent group of withholding agents (see also Section 3.6), a decision for the expat scheme will remain valid as long as the employee also meets the conditions of the scheme with the new employer.

For an employee who switches to a new employer during the term of the decision, the expat scheme may continue to apply under certain conditions. The new employer must then submit a new request together with the employee. More information about this can be obtained from the Tax Information Line: 0800 - 0543 or from abroad +31 55 538 53 85.

Note 3

If an employee is transferred to the acquiring employer in the event of a transfer of an undertaking within the meaning of Article 7:662 of the Dutch Civil Code, the employee will be employed by the transferee by operation of law. In this situation, there is no need to apply for a new decision for the expat scheme.

In the case of a temporary employment within the group, the employee may formally remain employed by the old (foreign) employer. In that situation, too, you can make use of the expat scheme under certain conditions, for example by including the employee in the payroll administration of the Dutch group unit, see the section '[Reverse charge mechanism for withholding payroll taxes](#)' in section 19.1.1. More information about this can also be obtained from the Tax Information Line: 0800 - 0543 or from abroad +31 55 538 53 85.

Transitional rules for employees received in the period from 1 January 2012 up to and including 31 December 2018

As of 1 January 2019, the term of the then 30% ruling has been shortened from a maximum of 8 to a maximum of 5 years. Did you have a 30% ruling in 2017 or 2018 stating a term of 8 years? Then that term has been shortened to 5 years by a change in the law.

Example

Since 1 July 2018, you have been making use of the 30% ruling for an employee. The 30% ruling issued at that time was issued for a period of 8 years, i.e. until 30 June 2026. Due to the transitional law, the maximum duration is limited to 5 years. You may therefore no longer apply the 30% ruling to this employee from 1 July 2023.

19.4.2 Workers posted abroad

The expat scheme also applies to the following employees:

- workers who are sent from the Netherlands to countries in Africa, Asia, Latin America and a number of Eastern European countries
- employees who are sent from the Netherlands to practise science or teach in another country
- civil servants representing the Netherlands abroad
- civil servants, judicial officials and military personnel who are deployed to the BES islands, Curaçao, Sint Maarten or Aruba
- military personnel who are sent to countries outside the Kingdom of the Netherlands

Would you like to make use of the expat scheme for these employees? Then the employee must stay abroad for at least 45 days in a period of 12 months. Broadcasts of less than 15 days do not count. However, once the employee meets the 45-day condition, you may also include all postings of at least 10 days when calculating the number of days on which you may apply the expat scheme.

Example 1

You send employee A to Chile on 1 February for 50 days. After the work there has been completed, the employee returns to the Netherlands. In October of the same year, you send this employee again, this time to Argentina for 11 days. Because this employee meets the 45-day condition, you may also count the 11-day assignment: you apply the expat scheme for this employee to the salary he earned during the 61-day assignment.

Example 2

On 8 March, you send employee B to Tanzania. The assignment lasts 20 days, after which the employee comes back to the Netherlands. In the course of the same year, you send employee B 2 times out: for 14 days to Mali and for 20 days to Kenya. Although you have sent employee B a total of 54 days in a period of 12 months, this employee does not meet the 45 days condition, because the deployment to Mali (less than 15 days) does not count. You may not apply the expat scheme for this employee.

To make use of the expat scheme for posted employees, you do not need a decision from us. If you meet the conditions, you can make use of the scheme. You do need a decision for employees who you have recruited from another country to come and work in the Netherlands (see section [19.4.1](#)).

19.4.3 Content of the Arrangement

General

The expat scheme means that you may designate a maximum of 30% of the salary of certain employees, including the allowance, as a specifically exempt allowance for the extraterritorial costs, without further proof of the actual extraterritorial costs. The maximum of 30% of the salary including the allowance is equal to 30/70 of the salary excluding the allowance. However, you must take into account the expertise requirement (see section [19.4.1](#)). By wages we mean wages from current employment for which you file payroll tax returns.

Example 1

The salary including the allowance is € 70,000. The specifically exempted compensation for extraterritorial costs is a maximum of $30\% \times € 70,000 = € 21,000$.

Example 2

The salary including the allowance is € 50,000. Because the salary excluding compensation must be more than € 46,660, the specifically exempted allowance amounts to a maximum of € 3,339. Because $€ 50,000 - € 46,660 = € 3,340$.

Example 3

The salary **excluding** the allowance is € 50,000. The specifically exempted reimbursement of extraterritorial costs is a maximum of $30/70 \times € 50,000 = € 21,428$.

If you reimburse or provide more than the maximum amount, this is multiple wage for payroll tax purposes. However, see also under 'Other specifically exempted allowances and benefits'.

If the reasonably incurred, actual costs are higher than 30/70 of the salary, you may also choose to reimburse the actual costs specifically exempt. You must then be able to prove the costs. See section 19.4.4, which states that from 2023 you must choose annually and that your choice is for the whole year.

Capping amount of application of expat scheme for incoming employees

If you choose to apply the expat scheme, there is a maximum basis on which you may calculate the expat allowance. This measure took effect on 1 January 2024 and applies to incoming employees. This applies to employees for whom you may apply the expat scheme on the basis of a decision. For some employees, the measure will take effect from 2026 on the basis of a transitional arrangement. This transitional arrangement applies if you have applied the expat scheme (then still 30% ruling) for the employee over the last wage period of 2022.

Capping as of 2024: main rule

If you apply the expat scheme, from 2024 onwards there will be a maximum basis on which you may calculate the expat allowance. The maximum basis is the standard from the Top Income Standards Act (WNT standard). For 2025, the WNT standard is € 246,000. This amount is indexed annually. The maximum amount of the specifically exempted allowance is then 30% of € 246,000 or € 73,800. These amounts are on an annual basis. If the expat scheme only applies for part of the calendar year, for example because an employee comes to the Netherlands or goes back abroad during the year, you apply this maximum amount over time.

Example 4

An employee will come to the Netherlands on 15 June 2025. The month of June 2025 has 10 working days left. The employee's salary (including the expat allowance) is € 150,000 from 15 June to 31 December 2025.

If you apply the expat scheme, you will calculate the targeted exempt amount in 2025 as follows: step 1: 30% of the actual salary of € 150,000 = € 45,000 step 2: 30% of the reduced WNT standard per year

You can trace the WNT year standard to the period that the employee is employed. € 150,000 is the salary for a period of 6 months and (in June) 10 working days. A month sets you at 65/3 days. A year sets you at 260 days. The amount of € 150,000 applies for 10 days (in the month of June)

+ 130 days (6 months $\times$ 65/3 days) = 140 days. The reduced WNT annual standard is then $€ 246,000 \times 140/260 = € 132,461.53$. That is less than the actual wage. This means that you have to cap the amount of step 1, see step 3.

step 3: The maximum amount to be reimbursed is 30% of € 132,461.53 = € 39,739 (rounded up to whole euros). In other words: you cap the amount of step 1 at € 39,739.

Capping as of 2026: transitional arrangement for some employees

For some employees, the capping measure will only take effect on 1 January 2026 on the basis of transitional law. This transitional law applies under the following conditions:

- You have applied the expat scheme (then still the 30% ruling) for the employee for the last wage period of 2022.

The position of the Knowledge Group [KG:041:2024:13](#) explains that in certain situations you can also meet this condition by means of a correction notice.

- After an interruption after 31 December 2022, the employee has not become an incoming employee again.

There is no 'interruption' for this transitional law if the employee finds a new employer within 3 months and the rule of evidence applies during the remaining term on joint request.

Example 5

As of 1 July 2022, an employee has a valid expat decision. The decision is valid for a period of 5 years (i.e. until 30 June 2027). The employee's annual salary (including expat allowance) is always € 500,000. You have applied the expat scheme to the monthly salary that the employee received in December 2022. You can give this employee a specific exempt allowance of € 150,000 per year (30% of € 500,000) up to and including 2025.

With effect from 1 January 2026, you must cap the specifically exempted allowance at 30% of the amount of the WNT standard. With a WNT standard in 2026 of, for example, € 270,000, the maximum basis for the expat scheme is € 270,000. On an annual basis, the maximum amount of the specifically exempted allowance is then € 81,000 (30% of € 270,000).

Example 6

In the example above, suppose the employee resigns on February 1, 2023 and joins a new employer on March 1, 2023. In that case, there is no interruption, because the employee has a new employer within three months.

Austerity of the expat scheme largely reversed as of 2025.

As of 1 January 2024, the expat scheme (then still the 30% ruling) for incoming employees has been changed. This change entailed a cutback, whereby the maximum amount of the specifically exempted allowance is no longer 30% over the entire term, but a decreasing percentage of a maximum of 30% during the first 20 months, a maximum of 20% during the following 20 months and 10% during the last 20 months of the term.

This austerity will have largely been reversed by 2025. However, the scheme will be cut back in another way. The maximum percentage of the flat-rate allowance will be reduced from 30% to 27% with effect from 2027. This applies to both incoming and seconded employees. This percentage of 27% then applies for the entire (remaining) period of 60 months. For 2025 and 2026, the maximum percentage for all incoming and seconded employees is 30%.

Transitional law

Some employees remain entitled to an exempt allowance of up to 30% for the entire term of the decision. This transitional law applies if:

- you have applied the expat scheme (then still the 30% ruling) for the employee for the last wage period of 2023 at the latest. The position of the Knowledge Group [KG:041:2024:13](#) explains that in certain situations you can also meet this condition by means of a correction notice; and
- the employee has not become an incoming employee again after an interruption after 31 December 2023. There is no 'interruption' for this transitional law if the employee finds a new employer within 3 months and the rule of evidence applies during the remaining term on joint request.

In summary, the transitional law for the austerity of the expat scheme and the increase in the salary standard is as follows:

Application of expat decision (30% decision)	In 2025 and 2026	From 2027 and beyond
No later than 31.12.2023	30% and indexed salary standard of 2024	30% and indexed salary standard of 2024
In 2024	30% and indexed salary standard of 2024	27% and indexed salary standard of 2024
From 1/01/2025	30% and indexed salary standard of 2024	27% and new salary standard for 2027

19.4.4 Mandatory annual choice for applying the expat scheme or actual extraterritorial costs

As of 1 January 2023, as long as you are allowed to apply the expat scheme, you must choose each year whether you apply the expat scheme or whether you reimburse the actual extraterritorial costs. You make this choice with regard to the first wage period of the calendar year in which you reimburse extraterritorial costs. Your choice applies to the entire calendar year, as long as the expat scheme decision runs in that calendar year. The position of the Knowledge Group [KG:041:2024:12](#) further explains how to make the choice.

Effective date of choice for new application for expat scheme for incoming employees

The moment at which the annual choice for a new application for the expat scheme for an incoming employee takes effect depends on when you submit the application:

- You submit the application within 4 months of the start of the work.
The decision then has retroactive effect to the start date of the employment. Within these 4 months, you can choose per wage period whether you make use of the expat scheme or whether you want to reimburse you for the actual extraterritorial costs. With regard to the first wage period after the end of the four-month period, you must make a choice that applies to the rest of the calendar year. Then you choose per calendar year.

Example 1

An incoming employee will start on 1 July 2025. You must apply for the expat scheme on 1 October 2025. Because you submit this application within 4 months of the start date, we will issue a decision for this with effect from 1 July 2025. In the period of 4 months from 1 July 2025, i.e. up to and including 31 October 2025, you can choose per wage period whether you apply the expat scheme or whether you reimburse any actual costs. As of 1 November (after the 4-month period), you can make a choice that applies for the rest of 2025 (November and December). As of January 1, 2026, you must make this choice annually.

- You submit the application after 4 months after the start of the work.
In that case, the decision for the expat scheme does not have retroactive effect. Until the effective date of the decision, you may only reimburse the actual extraterritorial costs tax-free. From the effective date of the decision, you make the choice for the rest of the calendar year. Then chooses u calendar year.

Example 2

An incoming employee will start on 1 February 2025. You must submit the request to apply for the expat scheme on 15 June 2025. Because the application was not submitted within 4 months of the start of employment, the decision for the expat scheme has 1 July 2025 as its effective date. So there is no retroactive effect. Until 1 July 2025, you may only reimburse the actual extraterritorial costs tax-free. As of 1 July 2025, you must choose whether to apply the expat scheme or to reimburse the actual extraterritorial costs. That choice applies for the rest of 2025. As of January 1, 2026, you must choose annually.

19.4.5 Extraterritorial costs

The extraterritorial costs include:

- the extra cost of living due to a higher price level in the country of employment than in the country of origin (cost of living allowance)
- the costs for an introductory trip to the country of employment, possibly with the family, for example to look for a home or a school
- the costs of applying for or converting official personal papers, such as residence permits, visas and driving licences.

Note 1

The application and conversion of a work permit and the expat scheme do not constitute wages within the meaning of the Wage Tax Act. For a single permit for residence and work, you must make a division into the part that relates to residence (taxed salary) and a part that relates to work. More background information on this can be found in a number of positions of the Knowledge Group:

KG:204:2024:1, KG:204:2022:16 a KG: 204:2024:2.

- the costs for medical examinations and vaccinations (including family members) for the stay in the country of employment
- the double accommodation costs, because the employee continues to live in the country of origin, for example hotel costs
- the (first) accommodation costs Only the (first) accommodation costs, for accommodation in respect of the employment, which exceed 18% of the salary from current employment, are extraterritorial costs.

Note 2

More information about reimbursing housing costs as referred to in this bullit and the previous bullit can be found in a position position the Knowledge Group

KG:204:2023:25.

- the costs of storage of the part of the household effects that is not moved to the country of employment (long-term storage)
- the travel costs to the country of origin, for example for family visits or family reunification ('home leave')
- the extra costs of having the income tax return completed if this is more expensive than having the return completed by a comparable tax advisor in the country of origin. We explain this below in section 19.4.6.
- the course costs to learn the language of the country of employment for the employee and for the family members who reside with him
- the additional (non-business) call costs for calling the country of origin
- the cost of applying for a certificate of the applicable social security legislation, such as an A1/certificate of coverage (CoC) form. More information about this can be found in the position paper of the Knowledge Group KG:204:2024:3.

Note 3

The application for and extension of an A1 certificate in the case of temporary secondment do not constitute wages within the meaning of the Wage Tax Act.

- school fees for an international school or for an international department of an ordinary school. This is the case if:
 - the programme at the relevant (department of the) school is based on a foreign system
 - the school or department is mainly intended for children of posted workers

The following costs are not extraterritorial costs and may therefore not be reimbursed or provided in a targeted exempt manner:

- the temporary employment allowances, bonuses and similar allowances (foreign service premium, expat allowance, overseas allowance)
- capital losses in the State of residence
- the purchase and sale costs of a property (reimbursement expenses purchase house, brokers fee)
- compensation for higher tax rates in the country of employment (tax equalization)

19.4.6 Income tax return

Do you have an employee from abroad? And do you pay the costs of filing his income tax return? Then this is taxed wages (wages in kind). If these are (partly) extraterritorial costs, a specific exemption applies. For the value of this wage benefit, you assume the invoice value. If you do not have a sufficiently itemised invoice, you must reconstruct the value of the salary in kind, whether or not on the basis of a requested specification.

What is included in the costs for the declaration?

These costs include the costs of filing a tax return, applying for a provisional assessment and assessing the imposed assessment(s). And any costs to ensure that the correct form is used to file a tax return.

The costs for the tax return do not include: costs for objections and appeals, costs for the income tax return of the employee's partner and for any foreign tax return, costs for advice in the field of housing and other consultancy costs.

Note 1

The salary also includes costs that were not incurred for the income tax return, such as tax advice for the employee.

How do you determine the extraterritorial costs?

For the income tax return, you determine as follows which part is taxable wages and which part is extraterritorial costs:

- Does your employee only have to file a tax return in the Netherlands? And are the costs for this higher than the costs for the declaration in the country of origin by a tax advisor? Then the extra costs are extraterritorial and specifically exempt. The rest is taxed wages.
- Does your employee only have to file a tax return in the country of origin? Then the costs for this are taxed wages. Are the costs for that declaration higher because the employee works in the Netherlands? Then the extra costs are extraterritorial and specifically exempt. The rest is taxed wages.
- Does your employee have to file a tax return in the Netherlands and in the country of origin? Then the costs for the Dutch declaration are extraterritorial costs and specifically exempt. The costs for the declaration in the country of origin are taxable wages. Are the costs for the declaration in the country of origin higher because the employee works in the Netherlands? Then the extra costs are extraterritorial and specifically exempt. The rest is taxed wages.
- Are you sending a Dutch employee abroad and does he have to file a tax return there? Then the costs for the foreign declaration are extraterritorial costs and specifically exempt.

Example

An employee comes to work in the Netherlands from France. You reimburse the costs for his Dutch income tax return, € 1,500 (including VAT). The employee does not have to file an income tax return in France. A French tax consultancy firm would charge € 1,200 (including VAT) for that return. Of the € 1,500 that you reimburse for the Dutch tax return, € 1,200 taxed wages and € 300 are specifically exempt as extraterritorial expenses.

Note 2

Do you apply the expat scheme? Then the extra costs for having the income tax return completed (just like other extraterritorial costs) are not specifically exempt. It is then the employee's salary or you can designate it as final levy salary (and possibly use the discretionary margin).

19.4.7 Abolition of partial foreign tax liability as of 2025

Incoming employees can opt for the so-called partial foreign tax liability when filing an income tax return. This means that these employees are treated as non-residents of the Netherlands for income tax purposes in box 2 and box 3.

This scheme is an option on the basis of Article 2.6 of the Income Tax Act. But this scheme has been abolished as of 1 January 2025. This means that from 1 January 2025, the employee will no longer be able to opt for partial tax liability.

Transitional law

Some employees can continue to use the partial foreign tax liability for their income tax return up to and including 31 December 2026. This transitional law applies if:

- you have applied the expat scheme (then still 30% ruling) for the employee for the last wage period of 2023.
The position of the Knowledge Group [KG:041:2024:13](#) explains that in certain situations you can also meet this condition by means of a correction notice; and
- the employee has not become an incoming employee again after an interruption after 31 December 2023.

There is no 'interruption' for this transitional law if the employee finds a new employer within 3 months and the rule of evidence applies during the remaining term on joint request.

For you as an employer, the disappearance of the partial foreign tax liability also has consequences. Under certain conditions, you may align the wage tax/national insurance contributions that you must withhold with the income tax and any national insurance contributions that your employee has to pay. Your employee does not have to file an income tax return. The discontinuation of the partial foreign tax liability for your employee has consequences for the possibility of applying this simplified working method. As of 2025, you can no longer apply the simplified method to employees who live in the Netherlands and can no longer opt for partial foreign tax liability. The covenant that you have concluded with us will lapse insofar as it applies to persons who can no longer opt for partial foreign tax liability. For employees who can still opt for partial foreign tax liability until 31 December 2026 at the latest due to the application of the transitional law, you can apply the simplified method until 2027.

For employees who live abroad, work in the Netherlands and only have wage income in the Netherlands, the possibility remains to obtain an exemption for filing an income tax return under certain conditions. You can read more about this simplified procedure and the covenant in section [19.6](#).

19.4.8 Other specifically exempted allowances and benefits in kind

If you make use of the expat scheme or reimburse the actual extraterritorial costs, you can also designate the following costs as specifically exempt reimbursement or provision:

- the removal costs and the costs of temporary storage and the transfer of the household effects (see also paragraph 22.1.5)
- the costs for an introductory visit by the employee to the company in the country of employment
- school fees for an international school or for an international department of an ordinary school This is the case if:
 - the education at the relevant (department of the) school is based on a foreign system
 - the school or department is mainly intended for children of posted workers

Please note

The expat scheme also applies to employee insurance premiums. If the employee is insured for employee insurance in the Netherlands, you do not have to calculate employee insurance premiums on the specifically exempted reimbursement for extraterritorial costs.

For more information about the expat scheme, please call the Tax Information Line: 0800 - 0543, or from abroad +31 55 538 53 85.

Payroll administration and payroll tax return

You have the same administrative obligations for employees who make use of the expat scheme as for your other employees. If you apply the expat scheme, you must pay extra attention to the allowances and benefits in kind that you have paid or provided in addition to the expat scheme. Because it is not allowed to reimburse or provide the actual extraterritorial costs in addition to the expat scheme.

19.4.9 Refugees and the reimbursement of extraterritorial expenses

Employees who have come to the Netherlands to perform work (so-called incoming employees) can make use of the specific exemption for extraterritorial costs if the other conditions are also met. A refugee, such as someone who has fled Ukraine because of the war, does not meet the conditions for being an incoming employee.

19.5 Work-related costs scheme in foreign situations

Do you have cross-border employees or employees who live and work abroad? Then in this section you will find information about:

- work-related costs scheme and employees who live in the Netherlands and work abroad (see section 19.5.1)
- work-related costs scheme and employees who live abroad and work in the Netherlands (see section 19.5.2)
- work-related costs scheme and employees who live and work abroad (see section 19.5.3)
- work-related costs scheme and foreign employees who are included in a Dutch payroll administration (see section 19.5.4)
- overview of foreign situations and work-related costs scheme (see section 19.5.5)

See chapters 10 and 22 for more information about the system of the work-related costs scheme. You can read what we mean by 'living in the Netherlands' and how you can determine this in section 2.3.3.

19.5.1 Work-related costs scheme and employees who live in the Netherlands and work abroad

The same rules apply to employees who live in the Netherlands and (also) work for you abroad as to employees who live and work in the Netherlands: the wages and allowances, benefits in kind and provisions of these employees are covered by the work-related costs scheme.

It may be that (part of) the wages of these employees are not taxed in the Netherlands, for example due to a treaty for the avoidance of double taxation. If that is the case, you will initially base the calculation of the final levy on the work-related costs scheme on the basis of the full salary, including allowances, benefits in kind and postings. You then apply the double taxation rules to the employee's salary that is taxed in the other country. This prevents this part of the salary from being taxed in the Netherlands as well.

If you exceed the discretionary margin, part of the final levy will lapse. You can calculate this part in 2 ways:

- with the collective method
- with the individual method

You must use the same method for all employees with taxed wages abroad.

Please note

If you do not apply the double taxation rules, you tax the entire salary. You then deduct too much wage tax. Your employee can reclaim this wage tax through his income tax return. In this case, you do pay the full final levy; therefore no part of the final levy will lapse.

Collective method

With the collective method, you calculate the part of the final levy that will lapse as follows:

- Take the part of the total taxable salary of all employees that is not taxed in the Netherlands.
- Divide this by the total taxable salary of all employees.
- Multiply the result of this fraction by the final levy that you have to pay.

With this method, you do not have to keep track of the allowances, benefits in kind and postings per employee.

Example

You have 2 employees:

- Employee A lives in the Netherlands and works 50% of his time for you in Belgium. He earns 50% of his salary with his work in Belgium. The allowances, benefits in kind and postings he receives are proportional to his work in the Netherlands and Belgium. This employee has a salary of € 100, including € 10 in allowances, benefits in kind and making available. There is no specific exemption or nil valuation for this. You designate the allowances, benefits in kind and provisions as final levy wages. The taxable salary of this employee is therefore € 90. Because the employee earns 50% of the salary from work in Belgium and this salary is taxed there according to the tax treaty, the salary of employee A that you have to tax in the Netherlands is € 45.
- Employee B lives and works in the Netherlands. He has a salary of € 100, including € 5 in allowances, benefits in kind and making available. There is no specific exemption or nil valuation for this. You designate these allowances, benefits in kind and provisions as final levy wages. The taxable salary of this employee is therefore € 95.

Calculation of the final levy

- The total taxable salary of all employees is € 185. For example, your free space is 3% of € 185 = € 5.55.
- You exceed your discretionary margin by € 9.45 (€ 15 € 5.55). You have to pay 80% final levy on this: € 7.56.
- The total taxable salary of all employees that is not taxed in the Netherlands is € 45. € 45 divided by the total taxable salary of all employees (€ 185) is 24%.
- The part of the final levy that is not taxed in the Netherlands is € 7.56 x 24% = € 1.81.
- You pay a final levy of € 7.56, € 1.81 = € 5.75.

Individual method

In the individual method, you calculate the part of the final levy that will lapse as follows:

- Take the part of the employee's allowances, benefits in kind and provisions that is attributable to work with wages that is not taxed in the Netherlands.
- Divide this by the total amount of allowances, benefits in kind and provisions of all employees.
- Multiply the result of this fraction by the final levy that you have to pay.

With this method, you have to keep track of the allowances, benefits in kind and provisions per employee with taxed wages abroad.

Example

You have the same 2 employees A and B as in the example of the collective method above.

Calculation of the final levy

- The total taxable salary of all employees is € 185. For example, your free space is 3% of € 185 = € 5.55.
- You exceed your discretionary margin by € 9.45 (€ 15 € 5.55). You have to pay 80% final levy on this: € 7.56.
- The part of the allowances, benefits in kind and provisions of employee A that is attributable to work with wages that is not taxed in the Netherlands is € 5.
- The total amount of the allowances, benefits in kind and provisions of all employees is € 15. € 5 divided by the total amount of allowances, benefits in kind and provisions (€ 15) is 33.3%.
- The part of the final levy that is not taxed in the Netherlands is € 7.56 x 33.3% = € 2.52.
- You pay a final levy of € 7.56, € 2.52 = € 5.04.

19.5.2 Work-related costs scheme and employees who live abroad and work in the Netherlands

The same rules apply to employees who live abroad and work for you in the Netherlands as to employees who live and work in the Netherlands: the wages and allowances, benefits in kind and provisions of these employees are covered by the work-related costs scheme.

If the employee also works for you in another country

Does this employee also work for you in his country of residence or in another country? Then (part of) his salary may not have been taxed in the Netherlands, for example due to a double taxation treaty. If that is the case, you will initially base the calculation of the final levy on the work-related costs scheme on the basis of the full salary, including allowances, benefits in kind and postings. You then apply the double taxation rules to the employee's salary that is taxed in the other country. This prevents this part of the salary from being taxed in the Netherlands as well.

If you exceed the discretionary margin, part of the final levy will lapse. You can calculate this part in 2 ways: with the collective method or the individual method (see section [19.5.1](#)).

Please note

If you do not apply the double taxation rules, you tax the entire salary. You then deduct too much wage tax. Your employee can reclaim this wage tax through his income tax return. In this case, you do pay the full final levy; therefore no part of the final levy will lapse.

19.5.3 Work-related costs scheme and employees who live and work abroad

For employees who live and work abroad, you determine in the usual way whether they are employees for the purposes of payroll tax (see sections [19.2.2](#), [19.2.3](#) and [19.3](#)).

Not an employee

If your employee lives and works abroad, he may not be an employee for payroll tax purposes, see sections [19.2.2](#), [19.2.3](#) and [19.3](#). Then you do not pay wage tax and the wages and allowances, benefits in kind and provisions are not covered by the work-related costs scheme.

Employee

Is your employee, who lives and works abroad, an employee for wage tax purposes? In that case, the wages and allowances, benefits in kind and provisions do fall under the work-related costs scheme. But perhaps (part of) his salary is not taxed in the Netherlands, for example due to a treaty for the avoidance of double taxation. If that is the case, when calculating the final levy for the work-related costs scheme, you will still assume the full salary, including allowances, benefits in kind and provisions. You then apply the double taxation rules to the employee's salary that is taxed in the other country. This prevents this part of the salary from being taxed in the Netherlands as well.

If you exceed the discretionary margin, part of the final levy will lapse. You can calculate this part in 2 ways: with the collective method or with the individual method (see section [19.5.1](#)).

Please note

If you do not apply the double taxation rules, you tax the entire salary. You then deduct too much wage tax. Your employee can reclaim this wage tax through his income tax return. In this case, you do pay the full final levy; therefore no part of the final levy will lapse.

19.5.4 Work-related costs scheme and foreign employees in Dutch payroll administration

If your company is part of the Dutch part of an international company (multinational), you may include a foreign employee who has an employment contract with another group part and is therefore not employed by you in your Dutch payroll administration. This requires that a decision for the transfer of the withholding obligation has been issued, see paragraph [19.1.1](#). This employee will then formally remain employed by a foreign part of the multinational, but you will pay wage tax in the Netherlands for this employee. In this case, the work-related costs scheme applies to this employee, just like to your other employees who work in the Netherlands.

You take into account any allowances, benefits in kind and provisions that the foreign part of the multinational gives to the employee. You assess whether these allowances, benefits in kind and provisions in the Netherlands are considered to be specifically exempt allowances, provision and provisions and whether they remain within the standard amounts. If this is not the case, these allowances, benefits in kind and provisions are the employee's salary. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

19.5.5 Overview of foreign situations and work-related costs scheme

The diagram below shows the situations in which you can make use of the work-related costs scheme for cross-border employees.

Situation	Consequence
The employee is not an employee for the purposes of wage tax.	Wages, allowances, benefits in kind and provisions are not covered by the work-related costs scheme.
The employee is an employee for wage tax purposes and the salary is taxed in the Netherlands.	Wages, allowances, benefits in kind and provisions are covered by the work-related costs scheme.
The employee is an employee for wage tax purposes. The salary is (partially) not taxed in the Netherlands, for example due to a tax treaty. You do deduct wage tax.	The allowances, benefits in kind and provisions fall under the work-related costs scheme. If you apply the rules for the avoidance of double taxation, the part of the final levy that has to do with the salary that is not taxed in the Netherlands will lapse. You can calculate this part using the collective or the individual method.
You pay the actual extraterritorial costs for your employee or you reimburse them for those costs.	A specific exemption applies to the allowances and benefits in kind if you designate them as final levy wages.
You make use of the expat scheme and you also reimburse or provide actual extraterritorial costs for your employee.	You can choose to provide the actual extraterritorial costs or to apply the flat-rate allowance. If you choose to apply the expat scheme and you also reimburse the actual extraterritorial costs to an employee, then that compensation is the employee's salary.

19.6 Exemption from income tax return/national insurance contributions for your employees

Under certain conditions, you may align the wage tax/national insurance contributions that you must withhold with the income tax and any national insurance contributions that your employee has to pay. If you have agreed on a net salary with your employee, you can use this method to quickly and definitively settle the correct amount. And your employee does not have to file an income tax return. This simplified procedure applies to:

- an employee who lives abroad and works in the Netherlands, and who only has wage income in the Netherlands
- an employee who has been recruited from another country or sent from another country to work in the Netherlands. If this employee lives in the Netherlands, makes use of the expat scheme and falls under the transitional law, he can opt for the so-called partial foreign tax liability, see paragraph

19.4.7. In that case, the employee is treated as a non-resident for the purposes of income tax in boxes 2 and 3. Often, taxation in the Netherlands can therefore be limited to the salary received.

Please note

Partial foreign tax liability has been abolished as of 2025. The simplified procedure does not apply to employees who live in the Netherlands and can no longer opt for partial foreign tax liability. For more information, see section 19.4.7.

In order to be able to apply this simplified working method, you must make agreements with us and record our approval in a (payroll tax) covenant.

In order to receive our approval, you must meet at least the following conditions:

- The employee only has income from you and no other income in the Netherlands.
- You can and want to perform the complete salary calculation and you have the necessary expertise for this – internally or externally – available.
- You have an information system that allows you to keep the payroll administration on time and in full (with all wage-related elements).
- You are responsible for the complete and correct processing of the payroll administration and you can be held accountable for this.
- The employee declares in writing that he agrees to this method and you keep this statement with the payroll administration.

You may only apply this method after we have given you approval and have concluded a covenant with you. For approval, consult with your tax office.

Processing of the covenant in the payroll administration

You can read below how to process the covenant in your payroll administration.

End of the year: one-off calculation

When implementing the covenant, you can make an annual calculation in the payroll administration in December or immediately after the end of the year. You then set the wage tax/national insurance contributions at the correct amount of income tax/national insurance contributions that you have to pay. You take into account the employee's country of residence for the calculation of the tax credits. You do not take into account the qualifying foreign tax liability for income tax purposes. You include the wage tax/national insurance contributions that you calculate in this way in the last tax return for the calendar year.

The costs of processing the one-off calculation in the payroll administration do not constitute a salary for the employee.

During the year: estimating wage data

Throughout the year, you must estimate the wage data that you need for the annual calculation for each wage period as accurately as possible. Data that is reasonably known later than in the wage period may be included in the aforementioned annual calculation.

Correct

Correct immediately if:

- You have made mistakes, for example due to information that has been received.
- The employment relationship with the employee ends in the course of the year.
- There are rewards accrued in the context of the employment, such as a bonus that you grant one year after the employee's departure.

Please note

Your employee is only entitled to the premium part of the tax credits for the period that he is insured in the Netherlands. The employee is entitled to the tax part of the tax credits if he lives in the Netherlands. You can read what we mean by 'living in the Netherlands' and how you can determine this in section [2.3.3](#). If your employee lives abroad all year round, you do not take the tax part of the tax credits into account when deducting the wage tax. There are exceptions to this rule: your employee is entitled to the tax part of the employed person's tax credit for the period that he lives in a country in the country circle (see section [9.3.7](#)). If the employee lives in Belgium, Suriname or Aruba, he is also entitled to the tax part of the general tax credit.

Do you take the employment tax credit or the general tax credit into account for your employee? Then base your assessment on his total salary and not just on the salary that you tax in the Netherlands (otherwise you will charge too much labour tax credit, see section [24.1.2](#)). You also take that total salary as taxable salary.

A seconded person in private-law employment, who does not actually live in the Netherlands but is deemed to remain a resident of the Netherlands, can be treated in the same way as a resident of the Netherlands for the purposes of the tax credits.

19.7 Brexit

The United Kingdom (hereinafter: UK) left the European Union on 31 January 2020. This has consequences for the wage tax, income tax and social security position of employees who work in the EU member states and the UK. In Appendix 5: [Brexit](#), we explain the consequences for you as an employer and for your employees.

19.8 Working from home and fixed establishment in Belgium

The Dutch and Belgian governments have concluded an agreement to provide employers with clarity about the tax consequences for employees working from home. This removes uncertainty about the tax consequences of working from home by employees who live on the other side of the border. The agreement provides a clarification of the existing tax treaty between the Netherlands and Belgium, while also providing a practical guide that applies from the date of publication of the 88, 2023. More information can be found in the [published agreement](#).

20 Working across the border: social security

In the situation where your employee works cross-border, separate rules and treaties apply for wage tax and for social security (national insurance, the Health Insurance Act (Zvw) and employee insurance). In this chapter you can read how to deal with the national insurance contributions, the employee insurance premiums and the income-related contribution under the Health Insurance Act in cross-border situations. In chapter [19](#) you can read how to deal with wage tax in this situation.

There are many general rules and exceptions to those rules when it comes to social security and cross-border work. The main rule is that your employee is insured for social security in the country where he works. In this handbook, it goes too far to include all the rules and exceptions. That is why we regularly refer to the Social Insurance Bank (SVB) for further information. You can reach the SVB on (020) 656 52 77 or visit svb.nl. You should also contact the SVB if your employee does not work for you alone. This is the case, for example, if your employee still has an employer or is also self-employed. Detailed information can also be found in the [SVB policy rules](#).

In this chapter, we cover the following topics:

- general explanation of social security in cross-border employment (see section [20.1](#))
- most common cases of cross-border employment (see Section [20.2](#))
- special situations (see paragraph [20.3](#))
- (COVID-19 and) working from home (see section [20.4](#))
- United Kingdom (Brexit) (see paragraph [20.5](#))

20.1 General explanation of social security in cross-border employment

When determining your employee's insurance obligation in the event of cross-border employment, there are various rules for:

- the countries covered by the European Social Security Regulations No. 883/2004 and No. 987/2009 (hereinafter: Regulation countries) (see section [20.1.1](#))
- the countries with which the Netherlands has concluded a social security treaty (hereinafter: social treaty countries) (see paragraph [20.1.2](#))
- all other countries (see Section [20.1.3](#))

20.1.1 Living/working in a country of regulation

If your employee is a national of 1 of the Regulation countries (see below) and lives and works in 1 or more of these countries, the Basic Regulation No. 883/2004 and the Implementing Regulation No. 987/2009 (hereinafter: the Regulations) determine which national social security legislation is applicable.

National social security legislation determines whether your employee is insured and whether you and your employee have to pay social security contributions. For the sake of readability, in the remainder of this chapter we mean by 'the employee is insured in a country' that the social security legislation of that country applies.

Under certain conditions, the regulations also apply to workers of a nationality other than that of a country of the regulation. For more information about these employees, please contact the SVB.

20.1.2 Living/working in a social treaty country

The Netherlands has concluded social security treaties with the following countries with conflict of laws rules for compulsory insurance:

-
- and Herzegovina
- Canada (including Quebec)
-
-
-
- Israel (excluding Gaza Strip, West Bank, East Jerusalem and Golan)
-
- Verde
-
- Isle of Man¹
-
- Montenegro
- Zealand
-
-
-
-
- United States of America
- United Kingdom – Channel Islands (Jersey, Guernsey, Alderney, Herm, Jethou)³
- United Kingdom – Trade and Cooperation Agreement (as of 1 January 2021)⁴
- Korea

These treaties regulate which social security legislation applies and in which country you and your employee must pay social security contributions. The conditions for this may differ per treaty country. For more information, please contact the SVB.

20.1.3 Living/working in all other countries

Do you live in the Netherlands as an employer or are you located here? And does your employee work abroad, but not in a regulation country and not in a social treaty country? In that case, the national legislation of the Netherlands and the country where the employee works determine where the employee is socially insured. In the Netherlands, the Decree on the Extension and Limitation of the Circle of Insured Persons in National Insurance and the Decree on the Extension and Limitation of the Circle of Insured Employee Insurance Schemes are important. For more information, please contact the SVB.

20.2 Most common cases of cross-border employment

In this section, we will discuss the following 3 situations:

- Your employee lives in the Netherlands and (also) works abroad (see paragraph [20.2.1](#)).
- Your employee lives abroad and (also) works in the Netherlands (see paragraph [20.2.2](#)).
- Your employee lives and works (also) abroad (see paragraph [20.2.3](#)).

You will also find a flow chart here to determine in which country your employee is insured in cross-border situations with Regulation countries (see section [20.2.4](#)).

³ This is under the Convention on Social Security between the Kingdom of the Netherlands and the United Kingdom of Great Britain and Northern Ireland, which covers the Channel Islands and the Isle of Man.
⁴ The rules on the Trade and Cooperation Agreement are detailed in the Brexit annex.

You can read what we mean by 'living in the Netherlands' and how you can determine this in section [2.3.3](#).

Please note

As of 1 July 2023, there is the possibility of making use of a scheme for cross-border teleworking in relation to a number of regulation countries. More information can be found in section [20.4](#).

20.2.1 Your employee lives in the Netherlands and works abroad

The rules for national insurance contributions, employee insurance contributions and income-related Zvw contributions depend on the country in which your employee works. In this section you will find information about the following situations and their consequences for your payroll administration and payroll tax return:

- Your employee lives in the Netherlands and works in a regulation country.
- Your employee lives in the Netherlands and works in a social treaty country.
- Your employee lives in the Netherlands and works in 1 of the other countries.

Your employee lives in the Netherlands and works in a country of regulation

If the Regulations apply to your employee (see section [20.1.1](#)) and your employee lives in the Netherlands, the following applies:

- Special rules apply to certain groups of employees: to persons in public-law employment, military personnel, Rhine boatmen, seafarers in international waters and cockpit or cabin crew in civil aviation. For more information, see section 20.3.6 or contact the SVB.
- If the employee only works in 1 other regulation country, he is in principle insured in that country (there are exceptions in the case of posting; see below).
- If the employee works in several regulation countries, he is insured in the Netherlands provided that he performs a substantial part of his work in the Netherlands. In any case, there is a substantial part if he works in the Netherlands for at least 25% of his contractual working hours or if he earns at least 25% of his salary in the Netherlands. See also the special rules for cross-border teleworking, which are set out in paragraph 20.4.
- If the employee works in several regulation countries and he works less than 25% of his time in the Netherlands and you as his employer are established in the Netherlands, he is insured in the Netherlands.
- If you temporarily post an employee to another country of regulation, that employee can remain insured in the Netherlands for national insurance, Zvw and employee insurance. The following cumulative conditions apply:
 - The employee is insured in the Netherlands for at least 1 month immediately before the secondment.
 - You do not second the employee as a replacement for a previously seconded colleague. The prohibition of replacement also applies if the worker replaces a posted worker from another employer, even if that employer is established in another Member State.
 - There will continue to be a direct relationship between you as an employer and your employee. This is the case, among other things, if the work takes place at your expense, a relationship of authority continues to exist between you as an employer and your employee, the employment contract between you and your employee continues to exist and your employee's salary is paid directly or indirectly by you.
 - The employee normally works in the Netherlands.
 - The company to which you have posted your employee does not make the employee available to another company (on-lending).

The following applies to secondment:

- secondment of up to 24 months If the secondment is not expected to last longer than 24 months, the employee will remain insured for social insurance in the Netherlands. To do this, you must apply for an A1 certificate from the SVB before, during or after the secondment. This certificate serves as proof that the employee remains insured in the Netherlands.
- secondment for more than 24 months If the secondment is expected to last longer than 24 months, the employee can remain insured for social insurance in the Netherlands for a maximum period of 5 years upon request. To do this, you must apply for a so-called Article 16 agreement from the SVB. This agreement serves as proof that the employee remains insured in the Netherlands.

For more information about the conditions and consequences of secondment for social insurance, please contact the SVB.

Your employee lives in the Netherlands and works in a social treaty country

Have you posted an employee to 1 of the social treaty countries? Then that employee can remain socially insured in the Netherlands for 1 or more years. This is only possible if you meet the conditions for secondment. These conditions may vary from treaty to treaty. In any case, the following cumulative conditions apply:

- The employee is insured in the Netherlands for at least 1 month immediately before the secondment.
- You do not second the employee as a replacement for a previously seconded colleague. The prohibition of replacement also applies if the worker replaces a posted worker from another employer, even if that employer is established in another country.
- There will continue to be a direct relationship between you as an employer and your employee. This is the case, among other things, if the work takes place at your expense, a relationship of authority continues to exist between you as an employer and your employee, the employment contract between you and your employee continues to exist and your employee's salary is paid directly or indirectly by you.
- The employee normally works in the Netherlands.
- The company to which you have posted your employee does not make the employee available to another company (on-lending).

For more information, please contact the SVB.

Your employee lives in the Netherlands and works in 1 of the other countries

Does your employee work abroad, but not in a country of regulations and not in a social treaty country? Then the national legislation of the Netherlands and the country where your employee works determine where the employee is socially insured. The general rule in this situation is that this employee is socially insured in the Netherlands. An employee who works abroad and is insured in the country of employment against long-term disability and unemployment is not insured for employee insurance in the Netherlands. It is also possible that this worker is insured under the national laws of both countries or not insured at all.

For more information, please contact the SVB.

Payroll administration and payroll tax return

If an employee is insured in the Netherlands, you include him in your payroll administration (see Chapter 3). Payments to this employee must be processed in your payroll tax return. Pay extra attention to the use of the correct codes for the wage tax table. You can download these [codes](#) from belastingdienst.nl. You may not have to withhold payroll tax on this employee's salary (see Chapter 19 for payroll tax in cross-border situations).

If your employee works both in the Netherlands and abroad within 1 employment, this may result in wage tax having to be paid partly in the Netherlands and partly abroad. This is also called a 'salary split'. For more information about processing a salary split in the payroll tax return, see the Salary Split Attachment.

If the employee is going to work in another country, you must report this to the SVB. This allows the SVB to determine in which country the employee is insured after this change. If an employee is insured in a country other than the Netherlands, you must pay contributions in the country where the employee is insured. You must then report to the competent institution of the country where the employee is insured. In such a situation, ask that authority how you should pay the premiums.

20.2.2 Your employee lives abroad and works in the Netherlands

The rules for national insurance contributions, employee insurance contributions and income-related Zvw contributions depend on the country in which your employee lives. In this section you will find information about the following situations and their consequences for your payroll administration and payroll tax return:

- Your employee lives in a regulation country and works in the Netherlands.
- Your employee lives in a social treaty country and works in the Netherlands.
- Your employee lives in 1 of the other countries and works in the Netherlands.

Your employee lives in a regulation country and works in the Netherlands

If the Regulations apply to your employee (see section [20.1.1](#)) and your employee lives abroad:

- Special rules apply to certain groups of employees: civil servants, military personnel, Rhine boatmen, seafarers in international waters and cockpit or cabin crew in civil aviation. For more information, please contact the SVB.
- In principle, the employee is insured in the Netherlands if he only works in the Netherlands.
- **Please note!** This may be different with secondment. The employee then often remains insured in his country of residence.
- The employee is not insured in the Netherlands if he meets the following 2 conditions:
 - He works in the Netherlands and also in his country of residence.
 - He works for at least 25% of his contractual working hours in his country of residence or he earns at least 25% of his salary in his country of residence.
- The employee is insured in the Netherlands if he meets the following 2 conditions:
 - He works for you and 1 or more other employers in the Netherlands.
 - He works less than 25% of his contractual working hours in his country of residence or he earns less than 25% of his salary in his country of residence. See also the special rules for cross-border teleworking, which are set out in [paragraph 20.4](#).
- The employee is insured in the Netherlands if he meets the following 2 conditions:
 - He works for you in the Netherlands and for 1 or more other employers in his country of residence.
 - He works less than 25% of his contractual working hours in his country of residence or he earns less than 25% of his salary in his country of residence.
- The employee is insured in his country of residence if the following 3 conditions are met:
 - The employee works for you in the Netherlands and for 1 or more other employers in other regulation countries.
 - You and at least 1 other employer are established in different regulation countries, but not in the employee's country of residence.
 - The employee works less than 25% of his contractual working hours in his country of residence or he earns less than 25% of his salary in his country of residence.

Your employee lives in a social treaty country and works in the Netherlands

If your employee lives in a social treaty country and works in the Netherlands, he is usually insured in the Netherlands. There are exceptions to this rule that differ per treaty.

For more information, please contact the SVB.

Your employee lives in 1 of the other countries and works in the Netherlands

Does your employee live abroad, but not in a country of regulation and not in a country of social treaty? Then the national legislation of the Netherlands and the country where your employee lives determine where the employee is socially insured. As a rule of thumb, you can assume that the employee is insured in the Netherlands for national insurance and the Zvw if he is in real employment with you and you have to withhold wage tax on his salary (see section [19.2.2](#)).

The employee, who works in real employment in the Netherlands, will usually be insured in the Netherlands for the employee insurances. However, this worker may also be insured in both countries under national legislation, or may not be insured at all.

For more information, please contact the SVB (for national insurance) or UWV (for employee insurance).

Payroll administration and payroll tax return

If an employee is insured in the Netherlands, you include him in your payroll administration (see Chapter 3). Payments to this employee must be processed in your payroll tax return. Pay extra attention to the use of the correct codes for the wage tax table. You can download these [codes](#) from [belastingdienst.nl](#). You may not have to withhold payroll tax on this employee's salary (see Chapter [19](#) for payroll tax in cross-border situations).

If the employee is also going to work in a country other than the Netherlands, you must report this to the competent authority of the employee's country of residence. This allows that institution to determine in which country the employee is insured after this change. If an employee is insured in a country other than the Netherlands, you must pay contributions in the country where the employee is insured. You must then report to the competent institution of the country where the employee is insured. In such a situation, ask that authority how you should pay the premiums.

20.2.3 Your employee lives and works abroad

If your employee lives and works abroad, it is possible – for example in the case of secondment – that this employee is socially insured in the Netherlands.

For more information, please contact the SVB.

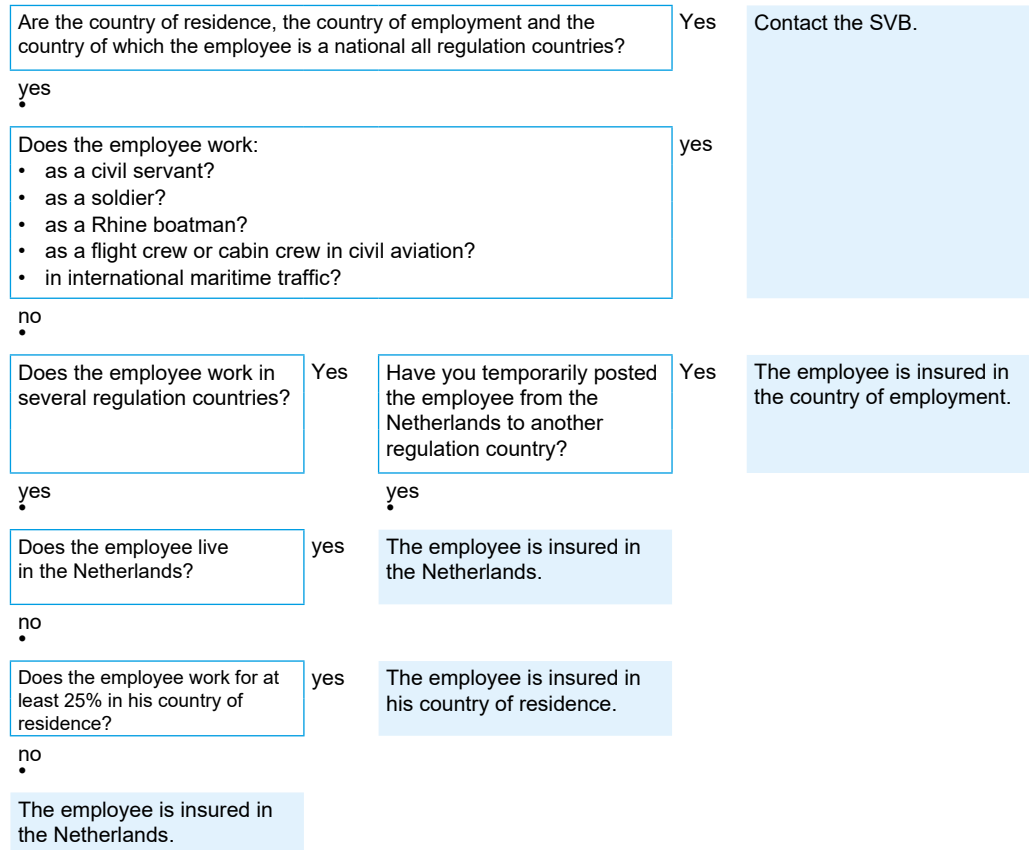
20.2.4 Regulation Country Flowchart

On the basis of the flow chart below, you can determine in which regulation country your employee is insured in cross-border situations. The starting point for this flow chart is that your employee only works for you. If your employee does not work for you alone, you can contact the SVB. This is the case, for example, if your employee still has an employer or is also self-employed.

There is no flow chart for cross-border situations with other countries. In those situations, contact the SVB.

See section [20.1.1](#) for all situations covered by the Regulations.

Flowchart: Regulation No 883/2004



Please note

As of 1 July 2023, there is the possibility of making use of a scheme for cross-border teleworking in relation to a number of regulation countries. More information can be found in section 20.4.

20.3 Special situations

The following persons have a special status in cross-border activities:

- employees with voluntary insurance (see Section [20.3.1](#))
- management and supervisory directors (see paragraph [20.3.2](#))
- benefit and pension recipients (see Section [20.3.3](#))
- Artists and professional athletes (see Section [20.3.4](#))
- trainees (see section [20.3.5](#))
- workers in international transport and air transport (Section [20.3.6](#))
- employees who are posted by or on behalf of the Dutch state (see paragraph [20.3.7](#))

20.3.1 Voluntary insurance workers

If an employee who lives in the Netherlands goes to work abroad, he may no longer be insured in the Netherlands for national insurance and employee insurance. This employee can then take out voluntary insurance. For example, he can continue to accrue his state pension.

Your employee can contact the SVB about registering for voluntary national insurance. Your employee must apply for voluntary national insurance within one year of the end of the insurance obligation.

Your employee can contact the UWV about registration for voluntary employee insurance. The employee must apply for voluntary employee insurance within thirteen weeks of the termination of the insurance obligation.

If you give your employee an allowance for the voluntary national insurance contributions, this allowance is taxed. A reimbursement for the premium of the voluntary employee insurances for the WAO, WIA, ZW and the WW is untaxed, insofar as it is a reimbursement for the 'statutory employer's contribution'.

20.3.2 Directors and supervisory directors

In the regulations, directors and supervisory directors are only considered employees if they are insured for employee insurance (see Chapter 7 for more information on employee insurance). If a director or supervisory director is not considered an employee, contact the SVB.

20.3.3 Beneficiaries and pensioners

Pension funds and insurance companies must deduct a long-term care contribution under the Long-Term Care Act (Wlz) and a Zvw healthcare contribution from the wages of benefit recipients who meet the following conditions:

- The benefit recipient lives abroad.
- The beneficiary is entitled to care at the expense of the Netherlands in his country of residence.
- The beneficiary is not insured under the Wlz and is therefore not obliged to be insured under the Zvw.

The healthcare contribution is also called a pseudo contribution.

You do not have to include these deductions in your payroll tax return, but pay them to the CAK. For more information, see [hetcak.nl](https://www.hetcak.nl).

20.3.4 Artists and professional athletes

Special rules apply to musicians, artists and professional athletes who do not live in a country of regulation and who work in the Netherlands for a short period of time. They are not socially insured in the Netherlands, even though you have to withhold wage tax. More information can be found in the 'Manual for Payroll Taxes for Artists and Professional Athletes' Scheme'. You can download the manual from belastingdienst.nl.

20.3.5 Statagairs

If a foreign intern is doing an internship with you, you and your intern will have to pay social security contributions on the salary that the intern earns with you. This is not necessary if the following 5 conditions are met:

- The intern stays in the Netherlands for 6 months or less.
- The intern is doing an internship for his studies or vocational training.
- You only reimburse living expenses and pocket money. You or the intern must be able to substantiate the cost of living with receipts or receipts.
- You keep a copy of the intern's work permit with the payroll administration. If no work permit is required for the intern, you must keep a statement from the educational institution where the intern is registered with the payroll administration. This must state what education the intern is following and what kind of internship he is doing.
- At the end of the calendar year, you inform us of the amounts you have paid the trainee with 'Amounts paid to third parties'. You can read how to do this in section [1.3](#).

If you do not meet these conditions, it may be that no contributions have to be paid on the basis of the regulation, a social security treaty or national legislation. For more information, please contact the SVB.

20.3.6 Workers in international transport and air transport

Regulations

If the Regulations apply:

- The employee in international air traffic is insured in the country where he has his home base.
- Seafarers in international waters are usually insured in the so-called flag country: the country whose flag the ship flies.
- The general rules apply to workers in international road transport and inland waterway transport. In the case of transport by inland waterways, the Rhine Agreements may also apply.

For more information, please contact the SVB.

Social security treaties

The social security treaties with other countries include provisions on employees in international transport and air traffic. These provisions may vary from treaty to treaty.

Other countries

Is there no regulation country or a social treaty country? Then the national legislation determines where employees in international transport and air traffic are insured. In the Netherlands, the Decree on the Extension and Limitation of the Circle of Insured Persons in National Insurance and the Decree on the Extension and Limitation of the Circle of Insured Employee Insurance Schemes are important.

For more information, please contact the SVB.

20.3.7 Employees who are sent by or on behalf of the Dutch state

Regulations

Employees who are sent by or on behalf of the Dutch state to a country of regulation remain insured in the Netherlands.

Social security treaties

For employees who are posted by or on behalf of the Dutch state to a social treaty country, special rules are included in the social security treaty in many cases.

Other countries

Is there no regulation country or a social treaty country? It is then the national legislation that determines where workers sent by or on behalf of the State are insured. In the Netherlands, the Decree on the Extension and Limitation of the Circle of Insured Persons in National Insurance and the Decree on the Extension and Limitation of the Circle of Insured Employee Insurance Schemes are important.

For more information, please contact the SVB.

20.4 (COVID 19 and) working from home

If employees worked from home in their country of residence due to COVID-19, working from home did not lead to changes in the social security legislation to be applied until 30 June 2023, under otherwise unchanged circumstances. The countries of the EU, EEA and Switzerland have made agreements about this.

As of July 1, 2023, this transition period has ended. As of that date, the normal rules will apply again to determine in which country an employee is insured. However, a number of countries have signed the Framework Agreement on Cross-Border Telework. This agreement contains an agreement specifically for employees who telework between 25% and 50% of their total working hours in their country of residence. For these employees, an exception to the normal rules of the regulations is made under certain conditions.

More information can be found on the SVB website.

20.5 United Kingdom (Brexit)

Now that the United Kingdom has left the EU, 2 agreements have been made on social security, on the one hand the Withdrawal Agreement and on the other hand the Trade and Cooperation Agreement (TSA). In the [Brexit appendix](#), we explain the consequences for you as an employer and your employees.

21 Entitlements, exempt benefits, severance payments and pensions

This chapter covers the following topics:

- entitlements and benefits based on entitlements (see Section [21.1](#))
- exempt benefits (see Section [21.2](#))
- severance payments (see section [21.3](#))
- pension, pre-pension and early retirement (see section [21.4](#))

21.1 Entitlements and benefits based on entitlements

An entitlement is a right to receive 1 or more benefits or benefits in kind after a certain period of time or under certain conditions. In general, a claim is part of the salary, but can also be (partially) exempt. If the entitlement is exempt, the benefit arising from that entitlement is generally taxed.

The following situations may arise in the case of claims:

- The entitlement is part of the salary.
- The entitlement is (partially) exempt.
- The entitlement was wrongly not included in wages.

Entitlement is part of wages

The main rule is that entitlements are part of the salary. For these entitlements, the benefits are generally exempt.

Value of the entitlement

The value of the entitlement is the amount that you pay for the employee to a third party, for example to a fund or insurance company. If you manage the entitlement yourself, the value of the entitlement is the amount that you would have to deposit with a third party.

The amount that you include in the salary is the value of the entitlement minus any employee contribution.

Enter this in the wage statement as follows:

- The full value of the entitlement is entered in column 4 (Salary other than in cash).
- You can book the employee's own contribution in 2 ways:
 - as a negative amount in column 3 (Salary in cash) or
 - in column 7 (Deductions for all levies) The balance of the value of the entitlement and the personal contribution may not be negative.

Note 1

You may also designate the total value of the entitlements minus the total of the employee contributions as final levy wages (see Section [10.1.3](#)). This is only allowed if the entitlements are wages from current employment and if the customary test (see section [4.2](#)) has been met. There is 1 exception to this: if the entitlement is wages from previous employment and you also pay the employee wages from current employment, you may still designate the value of the entitlement as final levy wages. Here too, the customary test must be met.

A number of special rules apply to the valuation of entitlements under health insurance schemes that do not fall under the Health Insurance Act (hereinafter referred to as the Zvw) and holiday vouchers (see sections [21.1.1](#) and [21.1.2](#)).

Entitlement (partially) exempt

If an entitlement is exempt, this usually means that you do not pay the payroll taxes when the entitlement arises, but only when the benefits are paid. This is called the 'reversal rule'. The entitlements that fall under the reversal rule (subject to conditions) are the entitlements to:

- leave (see paragraph [21.1.3](#))
- benefits under the ZW, WAZO, WW and WAO/WIA and corresponding entitlements (see Section [21.1.4](#))
- a one-off payment at the end of employment (see section [21.1.5](#))
- periodic benefits in the event of accidental death or disability (see Section [21.1.6](#))
- accident insurance (see paragraph [21.1.7](#))
- pension, pre-pension and early retirement (see section [21.4](#))

In the following cases, not only the entitlement but also the benefit is (partially) exempt. These are claims to:

- a one-off payment in the event of accidental death (see Section [21.1.6](#))
- a one-off benefit or benefit in the event of death other than as a result of an accident (see section [21.1.8](#))

Note 2

You may not designate benefits or benefits in kind that are wages from previous employment and that arise from entitlements as final levy wages. This is only allowed if you also pay the employee wages from current employment, and if the customary test is met (see section [10.1.3](#)).

Entitlement wrongly not included in salary

If the value of an entitlement is part of the salary, the benefits or benefits in kind are generally exempt. If an entitlement was wrongly not included in the salary and the entitlement was granted less than 5 years ago, you must still include that entitlement in the levy via a correction notice. If the grant took place more than 5 years ago, any benefits or provisions arising from this entitlement are taxed.

Note 3

You may not designate benefits or benefits in kind that are wages from previous employment and that arise from entitlements as final levy wages. This is only allowed if you also pay the employee from wages from current employment, and if the customary test has been met (see section [10.1.3](#)).

21.1.1 Entitlements to health insurance schemes not covered by the Zvw

Claims under health insurance schemes that are not covered by the Zvw are taxed. Only if the value of such an entitlement per year is a maximum of € 27, you do not have to include the value in the salary. Benefits arising from these entitlements are exempt. This does not apply to periodic payments.

The value of the entitlement is the amount that you pay for the employee to a third party, for example to a fund or insurance company. If you do not deposit the amount for the employee with a third party and manage the entitlement yourself, the value of the entitlement is the estimated amount that you would have to deposit with a third party. The following special rules also apply to the valuation of entitlements under a self-administered health insurance scheme for at least 25 (former) employees that existed throughout the previous calendar year:

- The value of the entitlement is the amount of the average benefit. This is the average of the annual averages of the past 5 calendar years or, if the health insurance scheme has not yet existed for 5 calendar years, the number of calendar years that the health insurance scheme has existed. The annual average is the amount of benefits and benefits in kind in the year in question, divided by the number of (former) employees who were entitled to benefits for at least 6 months in that year.
- The highest and lowest annual average may not be taken into account if this leads to a lower average benefit. This is not allowed if the health insurance scheme has only been in existence for 1 or 2 calendar years.

Note 1

You may also designate claims under health insurance schemes that are not covered by the Zvw as final levy wages (see section 10.1.3). You deduct the total of your own employee contributions from this. The balance of the value may not be negative.

No claim, but reimbursement of medical expenses

If you have not granted your employee the right to reimburse medical expenses and you reimburse the costs of illness, disability and childbirth, these reimbursements are part of the salary. This also applies to benefits in kind for illness, disability and childbirth. You may also designate the allowances and benefits in kind as final levy wages (see Section 10.1.3).

Note 2

An (additional) reimbursement for health insurance premiums is also part of the salary. You can also designate this wage as final levy wage.

21.1.2 Lapsed

This paragraph has been deleted.

21.1.3 Leave entitlements

The entitlements to the following types of leave are discussed below:

- holiday and compensatory leave
- conditional leave (leave that you grant for specific purposes)
- leave during rest and public holidays

Note 1

If you give an employee the opportunity to go on leave just before he leaves employment, there may be an early retirement scheme. You may then have to pay a pseudo final levy. See section 21.3.1 for more information on this.

Holiday and compensatory leave

Entitlements to holiday leave and compensatory leave are exempt if, at the end of the calendar year, they entitle the holder to a number of hours of leave of up to the agreed number of working hours per week in the previous 100 weeks.

Example 1

An employee has a full-time employment contract of 40 hours per week. The maximum number of exempted leave hours at the end of the calendar year is then 40 hours per week x 100 weeks = 4,000.

Example 2

An employee has a part-time employment of 32 hours per week. The maximum number of exempted hours of leave at the end of the calendar year is then 32 hours per week x 100 weeks = 3,200.

Example 3

An employee works 30 hours one week and 20 hours the next. The maximum number of exempted hours of leave at the end of the calendar year is then: (50 weeks x 30 hours) + (50 weeks x 20 hours) = 2,500.

If your employee has saved more days of leave than the maximum number at the end of the calendar year and carries them over to the next calendar year, the entitlement to the days above the maximum number is taxed. You calculate the payroll taxes on this part of the entitlement in December.

If your employee leaves employment in the course of the calendar year, the entitlements to holiday and compensatory leave saved by him are exempt if, at the time of termination of employment, they entitle you to a number of hours of leave of no more than the agreed number of working hours per week in the previous 100 weeks. If your employee has saved more days of leave than the maximum number, you must calculate the payroll taxes at the time of termination of employment.

If your employee continues to be paid his current salary during the period of leave, you will calculate the payroll taxes on the basis of the hourly wage that your employee will receive at that time. Does your employee take a day of leave in a subsequent calendar year, for which you have already withheld the payroll taxes? Then you do not have to calculate payroll taxes again for this day.

Note 2

In the event that your employee starts working fewer hours, the maximum exempted leave balance must be adjusted accordingly to this reduction. If, taking into account the reduced working hours, your employee has saved more days of leave than the maximum number at the end of the calendar year and carries them over to the next calendar year, the entitlement to the days above the maximum number is taxed.

Example 4

This example is based on the actual calendar of 2024 and 2025

An employee works 5 days a week, from Monday to Friday, 8 hours a day, 40 hours a week and will work 30 hours a week instead of 40 hours a week (6 hours a day) as of Tuesday, July 1, 2025. On Wednesday, December 31, 2025, the employee has accrued a leave balance of 4,000 hours over the previous 100 weeks.

The number of agreed working hours in the previous 100 weeks, i.e. from Thursday 11, 2024, is as follows:

- In the period from 1 July to 31 December 2025, during which the employee works 30 hours per week, the number of agreed working hours is 792, calculated as follows: week 27: 4 days x 6 hours week 28 to 52: 25 weeks x 5 days x 6 hours week 1 of 2026 (29 to 31 December): 3 days x 6 hours
- In the remainder of the 100-week period, prior to 1 July 2025, in which the employee 40 hours per week, the number of agreed working hours is 2,944, calculated as follows: week 5 of 2024 (1 2 February): 2 days (Thursday and Friday) x 8 hours week 6 to 52 of 2024: 47 weeks x 5 days x 8 hours week 1 to 26 of 2025: 26 weeks x 5 days x 8 hours week 27: 1 day (Monday) x 8 hours The maximum exempted leave balance as at 31 December 2025 is a total of (792 + 2,944 =) 3,736 hours. Because the actual leave balance at the end of the calendar year is 4,000, 264 hours are considered to have been enjoyed. You must calculate payroll taxes on the monetary value of these 264 hours.

Example 5

An employee works 5 days of 8 hours per week. The maximum number of exempted hours of leave is then 40 hours per week x 100 weeks = 4,000. At the end of 2025, the number of remaining hours of leave will be 4,040. You must then calculate the payroll taxes over 40 hours in December 2025. Your employee will then take these 40 hours of leave in January 2026. You do not have to calculate payroll taxes again on the continued wages.

Note 3

You can designate the entitlements to holidays and compensatory leave for hours in excess of the maximum as final levy wages if the customary test has been met (see section 10.1.3).

An entitlement to holiday and compensatory leave is only exempt up to the maximum number of hours if the employee is entitled to paid leave from his employer. This is not the case if the equivalent value of the leave has been deposited by you into a private account of the employee.

Conditional leave

Conditional leave is leave that you grant for specific purposes, such as:

- adoption leave
- foster care leave
- leave
- maternity leave
- maternity leave
- special leave
- emergency and other short-term absence leave
- studieverlof
- carers' leave
- leave
- palliative leave (leave for end-of-life care)
- political leave (leave for political ancillary activities)

Entitlements to conditional leave are exempt. Paid conditional leave is taxed in the normal way.

Leave on rest and public holidays

Entitlements to leave during rest and public holidays are exempt. It concerns leave on unique days that cannot be carried over to the next year. It doesn't matter if it's an official day of rest or holiday.

We have the following types of rest and holidays:

- religious, national, regional and local holidays and holidays, such as Christmas, King's Day or a harvest festival
- personal holidays of your employee, such as a wedding
- holidays of your company, such as an anniversary because of the 25th anniversary

21.1.4 ZW, WAZO, WW, WAO/WIA and corresponding entitlements

Entitlements to benefits under the ZW, WAZO, WW and WAO/WIA and corresponding entitlements are exempt. The benefits are taxed. 'Corresponding entitlements' are, for example, arrangements for the granting of sick pay for waiting days or redundancy pay after dismissal.

The employee's part of the premium for schemes that correspond to the ZW, WAZO, WW and WAO/WIA is deducted from the salary for all payroll taxes (column 7 of the wage statement).

Entitlements to supplementary benefit WAO/WIA

Supplementary benefits may be provided in various ways if the employee is covered by the WAO/WIA:

- The entitlement is laid down in the pension scheme. The premiums for the supplement are treated as pension premiums. This is subject to the condition that there is still a pension scheme that meets the statutory conditions (see section [21.4.1](#)).
- The entitlement is not laid down in a pension scheme, but it does correspond to an entitlement to a WAO/WIA benefit. In any case, there is no such entitlement if the WAO/WIA benefit and supplement together are higher than the salary they replace. The entitlement is exempt and the deducted employee contributions are deducted from the salary for all payroll taxes (column 7 of the wage statement).
- There is no claim. For example, the employee has taken out insurance with a private insurer. If you reimburse the premium, this is the employee's taxable salary. You can also designate this salary as final levy salary (see section [10.1.3](#)).

Please note

For the table application to benefits under the ZW, WAZO, WW and WAO/WIA and on the basis of corresponding entitlements, see section [9.3.2](#) (white table) and section [9.3.3](#) (green table). In the event of concurrence situations of a ZW or WAO/WIA benefit with a supplement or remaining salary from the employer, you may still apply the white table to a ZW or WAO/WIA benefit for a maximum period of 2 years, see paragraph [9.6.2](#) under the heading **Employer payment**.

Uprinciple, you cannot designate these benefits as final levy wages.

Exception: if you pay the employee wages from current employment in addition to the benefit, and if the customary test is met, you may designate that wages as final levy wages, see Chapter [10](#).

21.1.5 Entitlements to a one-off payment at the end of employment

The following rules apply to entitlements to a lump sum payment at the end of employment:

- The entitlement to a one-off payment of up to three times the salary over a month is exempt if the benefit is paid at the end of the employment due to incapacity for work or reaching retirement age. An entitlement to a higher benefit is fully part of the salary. The salary that determines the amount of the exemption is equal to the salary for a month that determines the amount of the service period benefit (see paragraph [21.2.1](#)). If the entitlement is taxed, you can designate it as final levy wages (see Section [10.1.3](#)).
- The entitlement to a lump sum payment is exempt, regardless of the amount of the benefit, if the benefit is paid at the end of the employment relationship for a reason other than incapacity for work or death of the employee, early retirement or reaching retirement age (see sections [21.1.6](#), [21.1.8](#) and [21.4](#)).

The benefit on the basis of an exempt entitlement is part of the salary, unless the benefit can be regarded as an exempt service period benefit (see paragraph [21.2.1](#)).

Please note

If you pay an excessive severance payment to your (former) employee, you must pay 75% pseudo final levy on the excessive part of this compensation in addition to the normal payroll taxes (see paragraph [25.8](#)).

21.1.6 Claims for death or disability benefits due to an accident

Claims for death or disability benefits due to an accident are exempt. It does not matter whether it concerns an entitlement to a one-off payment or an entitlement to periodic payments.

The employee contribution that you deduct from the salary for these entitlements will be deducted from the salary for all levies (to be entered in column 7 of the wage statement).

One-off payment in the event of accidental death

A one-off death benefit is exempt up to a maximum of three times the salary over a month. The exemption applies if 1 of the following persons dies:

- the employee
- the person who is the tax partner of the employee in the (previous) calendar year
- one's own children or foster children

See section [21.2.1](#) for more information on the salary for a month.

If the benefit is higher than three times the salary over a month, the excess is part of the salary. The special remuneration table then applies to this. You may not designate this salary as final levy salary (see paragraph [10.1.3](#)), because the salary is from previous employment. You may designate this salary as final levy wages in 1 exceptional situation, namely if you also pay the employee wages from current employment, and if the customary test is met.

One-off payment in the event of disability due to an accident

A one-off payment in the event of disability is part of the salary, unless the benefit can be regarded as an exempt service period benefit (see section [21.2.1](#)).

Periodic benefits in the event of accidental death or disability

If the death or disability benefit is not a one-off payment, but consists of periodic payments, these benefits are part of the salary.

21.1.7 Accident insurance

There are 2 options for accident insurance:

- Your employee has taken out accident insurance and you reimburse the premium. The reimbursement of the premium is the employee's taxable salary. But you can also designate this wage as a final levy wage for the work-related costs scheme (see section [10.1.3](#)). If you no longer have a discretionary margin, you pay 80% final levy (see section [10.1.5](#)).
- You have taken out accident insurance for your employee. You owe the premium and your employee is entitled to a payment from the insurer in the event of an accident. If the accident insurance only provides for death or disability benefits, the entitlement is fully exempt (see also section [21.1.6](#)).

Mixed accident insurance

In the case of mixed accident insurance that an employer has taken out for its employee, there are three options:

- 1 The entitlement is taxable wages for the employee if:
 - there is a single set of insured risks for which one non-divisible premium is due, and
 - the insurance mainly covers other risks that include the cover in the event of death or disability in the event of an accident. You can designate the entitlement as final levy wages for the work-related costs scheme (see section [10.1.3](#)). If you no longer have a discretionary margin, you pay 80% final levy (see section [10.1.5](#)).
- 2 The entitlement is fully exempt if:
 - there is a single set of insured risks for which one non-divisible premium is due, and
 - the insurance mainly covers the risk of death or disability in the event of an accident, which includes the other covers.

- 3 The entitlement is partly exempt and partly taxed if there is an insurance policy that can be supplemented with various modules for which an additional premium is charged. The part of the entitlement to death or disability benefits is exempt (see also Section [21.1.7](#)). The part of the entitlement to other benefits is taxable wages for the employee.

You can designate this part as the final levy wage for the work-related costs scheme (see Section [10.1.3](#)). If you no longer have a discretionary margin, you pay 80% final levy (see section [10.1.5](#)).

Please note

If you take out travel insurance for your employee because he or she is travelling as part of his employment, it may be specifically exempted (see section [22.1.1](#)).

21.1.8 Entitlements to a lump sum payment or benefit in the event of death other than as a result of an accident

Entitlements to a lump sum payment or benefit in the event of death other than as a result of an accident are if the benefit or provision does not exceed three times the salary for a month in the event of the death of:

- the employee
- the person who is the employee's tax partner in the (previous) calendar year
- one's own children or foster children

Is the benefit or provision higher than three times the salary for a month? Then the part of the entitlement that relates to the excess belongs to the salary. On request, the Minister of Finance can nevertheless designate such a claim as an exempt claim. This only happens if you cannot reasonably determine the value of the claim.

One-off payment or provision in the event of death other than as a result of an accident

A one-off payment or death benefit from which the entitlement was exempt is exempt up to three times the salary for a month.

See section [21.2.1](#) for more information on the salary for a month.

If the benefit or provision is higher than three times the salary over a month, the excess is part of the salary. The special remuneration table then applies to this. You may not designate this salary as final levy salary (see paragraph [10.1.3](#)), because the salary is from previous employment. You may designate this salary as final levy wages in 1 exceptional situation, namely if you also pay the employee wages from current employment, and if the customary test is met.

A one-off payment or provision in the event of death on the basis of a taxed claim is exempt.

Please note

Have you given a lump sum payment or death benefit to which there was no entitlement? Then this benefit or provision is also exempt up to three times the salary over a month.

21.1.9 Directors' and officers' liability insurance

You have taken out directors' and officers' liability insurance for your director. You pay the premium and your director can claim the payment in the event of a private liability claim. The premium you pay for the benefit is taxed wages for your director. But you can also designate this salary as final levy salary if the customary test is met.

21.2 Exempt benefits

If you and your employee meet the conditions, the following benefits are exempt from payroll taxes:

- service benefits (see Section [21.2.1](#))
- benefits from funds linked to the employment relationship (see Section [21.2.2](#))

21.2.1 Service Payments

A one-off payment or provision that you give your employee because he has been employed for at least 25 or 40 years is exempt up to a maximum of the salary for one month. You may give your employee such a benefit or provision after at least 25 years of service and again after at least 40 years of service.

Length of service

To determine the length of service, you base your employee's years of service with you as an employer. You can also consider years of service with the employee's previous employer. This is possible if it is socially customary. For example, you have the same collective labor agreement.

There are employers who calculate the length of service by taking into account the years of service that the pension provider takes into account. The Tax and Customs Administration follows this if you have a consistent line of conduct, the employee has not previously benefited from the exemption and you can demonstrate this plausibly if requested.

Note 1

In some industries, such as construction, there is not work all year round. An employee often receives a temporary benefit during the period in which he does not work. If the employee does not work for another employer during that period, this period of temporary unemployment counts towards determining the period of service.

Salary over a month

When determining the salary for a month (period wage), you assume the taxable salary for a month. This is the wage for wage tax/national insurance from column 14 of the wage statement. You may not take into account:

- special remuneration that is not fixed and guaranteed, such as bonuses
- entitlements that are part of the salary

To the taxable salary for a month, you add the monthly amount of:

- the employee's share of the pension contribution
- the employee's contribution for entitlements that correspond to entitlements to WW, ZW, WAZO and WAO/WIA benefits
- the employee's contribution for claims to benefits in the event of death or disability due to an accident
- amounts deducted in lieu of the premiums and contributions mentioned above

In addition, you add to the calculated amount:

- 1/12 of the holiday allowance
- 1/12 of the annual amount of fixed guaranteed special remuneration
- 1/12 of the annual amount of an optional budget to which your employee is entitled under a collective labor agreement or employment contract. It does not matter what your employee spends (part of) the budget on.

Note 2

Insofar as the choice budget can flow back to you, you do not add it to the annual amount. This is the case, for example, with a study costs budget, the remainder of which flows back to you if the employee does not use that budget or does not use it completely.

Example

An employee has a taxable monthly salary of € 2,900, his personal contribution to the pension premium is € 100 (his gross salary is € 3,000) and according to his collective labour agreement, he has an individual choice budget (IKB), which includes the former holiday allowance and the former end-of-year bonus. The IKB is 15% of the gross salary. The employee may decide for himself when he has his IKB paid, but the employer always pays any remaining IKB in the calendar year. The employee chooses to have the IKB paid twice a year, in May and December. In June, the employee will have been employed for 25 years and the employer wants to know what the maximum permitted service benefit is. In this case, the period wage is € 2,900 per month. The employer may add the personal contribution to the pension premium to this. For the maximum tax-free service period payment, the employer may add 15% of the gross salary per month in connection with the IKB. In this case, the salary for a month is € 3,450.

21.2.2 Benefits from funds linked to employment

Fund

By a fund in this context, we mean a provision of the employer linked to the employment relationship.

If employees receive benefits and benefits from such funds, they qualify as wages as a general rule.

Exception

There is an exception for certain benefits and benefits, such as benefits from a staff association or a study fund for children of employees. Such benefits and benefits from funds are exempt if:

- the employees who contribute to the fund have collectively contributed at least as much as the employer in the last 5 years. If the fund has been in existence for less than 5 years, you assume the period from the establishment of the fund to the year in which the payment or provision takes place.
- it does not concern benefits and benefits in kind for adoption and death, for illness, disability and childbirth.
- the employee is not an exempt person entitled to the benefits or provisions from the fund.

Contributions from the employee to the fund are deducted from the net salary. These contributions are therefore not deductible.

Time savings fund

Although the Time Savings Fund is a fund, it is not a fund like the one above. The deposits in the Time Savings Fund are net. Payroll taxes have already been calculated on this. For more information about the Time Savings Fund, see the [Time Savings Fund appendix](#).

21.3 Severance payments

U2014 onwards, you may only grant a severance payment in the form of a taxed benefit.

A severance payment is a taxed benefit. For severance payments from before 1 January 2014, the (former) employee could choose to receive the severance payment in the form of an exempt annuity (entitlement to periodic payments). The annuity exemption expired on 1 January 2014.

Transitional rules apply to the annuity rights that already existed on 31 December 2013. The rules as they were on 31 December 2013 will continue to apply to these tribal rights. These basic rights may also be taken up early in 1 instalment or in parts. Your former employee does not have to pay revision interest. The benefits arising from the annuity are wages from previous employment.

Severance payment to be regarded as an early retirement scheme

In some cases, a severance payment can be regarded as an early retirement scheme. In that case, you may also have to pay pseudo-final levy in addition to the normal payroll taxes. See section [21.3.1](#) for more information on this.

Please note

If you pay an excessive severance payment to your (former) employee, you must pay 75% pseudo final levy on the excessive part of this compensation in addition to the normal payroll taxes (see paragraph [25.8](#)).

21.3.1 Early retirement scheme

An early retirement scheme (RVU) enables older employees to retire earlier. There may also be an early retirement scheme in the event of individual dismissal. In the case of early retirement schemes, in addition to the normal payroll taxes, you must also calculate 52% pseudo-final levy on the severance payment (see also section [25.7](#)).

An RVU concerns situations in which there is an age-related dismissal and the severance payment actually enables the period until the commencement of the pension or the AOW benefit or where there is a supplement to the pension benefits.

There may be an early retirement scheme in the following cases:

- You give your employee a severance payment at the end of his employment.
- You give your employee the opportunity to go on (long-term) leave just before the end of the employment relationship.
- You suspend your employee just before the end of the employment.
- You introduce a redundancy scheme for employees from a certain age and you give these employees a benefit to bridge the period until the commencement date of the state pension or pension or to supplement the pension benefit.

Not all cases in which you dismiss, suspend or leave older employees for a long time are an early retirement scheme. For example, there is no early retirement scheme if there is a reorganisation in which you dismiss employees according to objective criteria (such as the reflection principle), or if the employee includes the severance payment in the pension scheme. However, you must ensure that the pension scheme continues to meet the statutory conditions (see section [21.4.1](#)).

If you want to know in advance whether there is an early retirement scheme, you can ask us to assess the dismissal, leave or non-activity scheme before you agree on the scheme. You will then receive a decision from us. You request the assessment from your tax office. We then assess whether there is an early retirement scheme on the basis of the objective conditions and characteristics of the scheme. An objective condition is, for example, an age limit. For our assessment, the actual outflow afterwards is therefore not important. Nor why you offer the scheme or why your employees choose the scheme.

21.3.1.1 Temporary relaxation of the RVU levy

As of 1 January 2021, the so-called temporary RVU threshold exemption was introduced retroactively for early retirement schemes (RVU schemes). This means that the pseudo-final levy of 52% will be temporarily and under certain conditions not applied to you as an employer, insofar as the payments under the early payment scheme remain below the amount of the threshold exemption and are paid out in the period of 36 months before the state pension age.

The following conditions must be met in order to make use of the threshold exemption:

- The RVU threshold exemption is a temporary measure that applies from 1 January 2021 up to and including 31 December 2025.
- For the period from 1 January 2026 to 31 December 2028, a phasing-out period applies. During this period, the RVU threshold exemption can be applied, provided that the termination agreement is signed no later than 31 December 2025 and the employee is no later than 31 December 2025 reaches the age that is (at most) 36 months before the state pension age.
- The threshold exemption applies to both a one-off payment and a periodic payment. The RVU threshold exemption is calculated on the basis of the number of months from the (first) benefit to the employee's reaching the state pension age, with a maximum of 36 months. So if the (first) payment takes place at a time that is less than 36 months before the state pension age, the exemption only applies to the remaining months.
- The threshold exemption amounts to a maximum amount per month (with a maximum of 36 months) that, after reduction of wage tax and national insurance contributions, is equal to the net amount of the AOW benefit for single persons as it applies on 1 January of the year in which the benefit is paid.

In the table below you will find the monthly amount for calculating the RVU threshold exemption. The RVU threshold exemption for the year 2025 amounts to € 2,273 per month.

Monthly amount for calculating the RVU threshold exemption (maximum 36 months)	
2021	€ 1,847
2022	€ 1,874
2023	€ 2,037
2024	€ 2,182
2025	€ 2,273
2026 and beyond	In 2025, you will also calculate the amount of 2025 for benefit periods before 2025. In the following years, you recalculate the threshold exemption amount after the amount has been indexed.

Note 1

To calculate the total exempt amount, the exemption per month must be multiplied by the number of months between the (first) benefit and the moment of reaching the state pension age. In addition, rounding up to whole months may be allowed.

Note 2

If the RVU is designed as a periodic benefit, the RVU threshold exemption will be recalculated if the annual limits are exceeded. Due to the indexation of the threshold amount, the amount of the exemption will increase annually.

Note 3

If, as an employer, you pay an allowance under an RVU to the employee earlier than 36 months immediately prior to the state pension age, you will owe the regular pseudo final levy of 52% on this entire allowance. If you have agreed on compensation in the form of a periodic payment with your employee, the threshold exemption only applies to those payments that are made within the period of 36 months prior to the employee's state pension age.

Note 4

The RVU threshold exemption applies retroactively during the period from 1 January 2021 to 31 December 2025. On the basis of transitional law, a phasing-out period applies for the years 2026 to 2028 under the conditions set out below. If an RVU has been agreed in writing by 31 December 2025 at the latest and the employee has reached the age that is (at most) 36 months before the AOW age, benefits can still be made from it in the years 2026 to 2028 using the RVU threshold exemption.

Note 5

If you, as an employer, grant a severance payment in the form of a periodic payment, while there is no RVU, this periodic payment may qualify as a taxed claim. You must then withhold payroll tax on this claim at the time of the commitment (signing the termination agreement).

21.4 Pension, pre-pension and early retirement

In this section you will find information about:

- pension schemes based on the Future Pensions Act (see section [21.4.1](#))
- pension schemes based on the old scheme (see section [21.4.2](#)).
- the transitional rules for (pre-)pension and early retirement rights accrued up to 1 January 2006: some of these schemes allow the employee to stop before reaching retirement age (see section [21.4.3](#)).

21.4.1 Pension schemes under the Future Pensions Act (WTP)

On 1 July 2023, the Future Pensions Act (WTP) came into force. From that date, we will have a new pension system. Do you have a pension scheme for your employees and does it not yet comply with the rules of this new system? Then you must ensure that you have adapted your pension scheme to this new system by 1 January 2027 at the latest. For more information about the new pension system, please visit pensioenduidelijkheid.nl and werkenaanonspensioen.nl.

If you are going to adapt the pension scheme for your employees to the WTP or if you are going to introduce a pension scheme for your employees, you can ask us to check whether the amended or new pension scheme complies with the tax rules. You must make the request to us to assess the scheme before you change or introduce the pension scheme. If our assessment shows that the scheme does not fully comply with the tax rules and you have submitted the request to assess the scheme on time, you have the option of adjusting the scheme retroactively without tax sanctions. And if you disagree with our assessment of the scheme, you can lodge an appeal against our decision.

For more information on this, see our Questions and Answers 08-080 and 08-081, as we have published them on centraalaanspreekpuntpensioenen.belastingdienst.nl.

Note 1

During the parliamentary debate on the WTP, the Minister for Poverty Policy, Participation and Pensions indicated that the period for adjusting pension schemes will be extended until 1 January 2028. However, at the time of writing this handbook, this has not yet been incorporated into the law and regulations.

If you have submitted a request for assessment to us and if we decide that the scheme does not comply with the tax rules of the Wage Tax Act, our decision will be irrevocable after 6 weeks. However, if you then immediately adjust the scheme in accordance with the tax rules, whereby that adjustment takes effect at the same time as the scheme takes effect, that scheme can be regarded as a pension scheme within the meaning of the Wage Tax Act. The scheme is then deemed to be a pension scheme as referred to in the Wage Tax Act from the effective date of the scheme.

Note 2

In exceptional cases, it is possible to continue to use an existing defined contribution pension scheme (using a graduated scale with an increasing contribution that depends on age) even after 1 January 2027.

Important information for 2025 (under the WTP)

- The state pension age has been set at 67 years for 2024 to 2027.
- As of 1 January 2018, the standard retirement age is 68 years.
- As of 1 July 2023, a maximum annual premium of 30% will apply.
- As of 1 January 2024, the pensionable salary will be a maximum of € 137,800 for full-time employment. In the case of part-time employment, you must reduce this amount proportionally.

Pension schemes under the WTP must broadly meet the following conditions:

- In a pension scheme, you may (almost) only make provisions for:
 - a lifelong retirement pension for the employee The basic principle is that the employee stops working when he is 68 years old. The employee may retire earlier, but then the pension benefits must be recalculated. Your employee will then receive a lower benefit. A recalculation is not necessary if the pension starts on the 1st day of the month in which the employee turns 68. Full early retirement is only possible if the employee stops working completely on that date. If he stops working partially, the pension may in principle only be brought forward for the part that he no longer works. There is 1 exception to this: the employee may fully advance the pension in the 10 years before he reaches the state pension age, even if he continues to work full or partially. If you have already transferred the scheme to the new system, early retirement is only possible up to a maximum of 10 years before the state pension age. The employee does not have to stop working completely or partially for this.
 - a partner's pension that is paid after the death of the employee to the (ex-)spouse or (ex-)partner with whom the employee had a joint household The partner's pension may commence on the 1st day of the month in which the employee died or no later than the 1st day of the following month.
A partner's pension in the event of death before the retirement date amounts to a maximum of 50% of the pensionable salary and is insured on a risk basis. A partner's pension in the event of death on or after the retirement date is financed on a capital basis from the flat age-independent contribution that is also available for the accrual of the retirement pension.
 - an orphan's pension that is paid after the employee's death to the employee's own children or foster children under the age of 25 The orphan's pension may commence on the 1st day of the month in which the employee died or no later than the 1st of the following month.
An orphan's pension in the event of death before the retirement date amounts to a maximum of 20% of the pensionable salary and is insured on a risk basis. For full orphans, the orphan's pension amounts to a maximum of 40% of the pensionable salary.
 - a disability pension that is reasonable according to social views and is paid in the event of the employee's incapacity for work that has lasted more than 1 year
 - a survivor's bridging pension that can be paid in addition to the partner's pension until the partner reaches the state pension age – to compensate for the loss of Anw/AOW – if that pension commences immediately after the death of the employee or after the end of the Anw benefit. The survivor's bridging pension can also be paid in addition to the orphan's pension.

Note 3

As a result of any indexation, a surviving dependants' bridging pension may not exceed the following:

- 1° for the partner or former partner: the total amount of 8/7 times the nominal benefit according to the General Surviving Dependants Act, plus the holiday allowance. You no longer take into account premium compensation (as was the case under the old scheme)
- 2° for full orphans: 8/7 times the nominal benefit for a child of 16 years of age or older according to the General Surviving Dependants Act, plus the holiday allowance
- 3° for half-orphans: 50% of the maximum applicable to full orphans, referred to under 2

- The scheme must include the fact that your employee cannot surrender, alienate, lend or relinquish the pension rights, unless the Pensions Act allows this.
- The pension must be insured with an insurer specified in the law. See below under 'Recognised pension insurer'.
- Based on the retirement age, the pension must remain within the legal limits, such as a maximum annual contribution of 30%. This percentage will be increased by a maximum of 3% until 2037 for the purpose of compensation in connection with the transition from the old system to the WTP.
- All the above limits are determined, including the AOW benefits (normally with the so-called AOW franchise). In addition to the collective – compulsory – pension scheme, a scheme may, within the aforementioned limits, have individual modules from which the employee can choose.
- As long as your employee is employed, he or she may accrue pension during leave, such as parental, sabbatical, study and care leave.
- Your employee may also exchange partner's and orphan's pension for higher or earlier retirement pension and vice versa.
- The commencement date of the pension may be postponed until no later than 5 years after reaching the state pension age. The employee does not have to be employed by you during these 5 years.
- You may pay the pensions variably, within the ratio 100:75. In the case of variable payment, the amount of the variation and the period in which the benefits vary in amount must be determined at the latest at the time when the benefits start.
- In addition to the variability of 100:75, the benefits may also vary by an amount equal to twice the benefits applicable for those years for married persons without a supplement as described in Article 9, paragraph 1, part b, and paragraph 5 of the General Old Age Pensions Act, plus the holiday allowance.
- The amount of the pension benefits may also vary compared to the amount that was the starting point at the time the pension started. This involves higher or lower benefits due to developments in life expectancy, the mortality results achieved or the investment results achieved.
- As of 1 January 2024, the pensionable salary may not exceed € 137,800. You can offer a net pension for incomes above this amount (see paragraph 21.4.2 under the heading 'Net pension'). For employees who work part-time, the amount of € 137,800 is proportionally less.

Recognised pension insurer

The following can act as a pension insurer:

- a (general) pension fund
- an insurer as referred to in Article 1:1 of the Financial Supervision Act For corporate income tax purposes, the insurer must include the pension obligation in the domestic business assets.
- a premium pension institution
- an organisation not established in the Netherlands that meets 1 of the following conditions:
 - The organization has been designated by the Minister.
 - The organisation already insured the pension during a period in which the employee or former employee did not live or work in the Netherlands and then continued this pension with this insurer.

AOW-franchise

When calculating the retirement pension, you must take into account the AOW benefits that your employee will receive. That is why you must deduct an AOW deductible from the pensionable salary.

You calculate the pension on the amount that remains after deduction of the deductible.

This amount is called the pension base.

Under the WTP, the following applies:

- With maximum use of the room for pension accrual, the AOW offset for a defined contribution scheme is at least € 18,475.
- You may apply a lower AOW franchise if you apply a lower annual accrual percentage than the maximum allowed. You may apply the following lower AOW deductible:
 - With a premium per year of service of up to 27.216%, the AOW franchise may be € 14,752.
 - With a premium per year of service of more than 27.216%, but not more than 28.608%, the AOW franchise may be € 16,655.

21.4.2 Pensions under the old scheme

The old pension scheme may still apply until 2026 (and possibly until 2027, see Note 1 in section [21.4.1](#)).

Important information for 2025 (under the old scheme)

- The state pension age has been set at 67 years for 2024 to 2027.
- As of 1 January 2018, the standard retirement age is 68 years.
- With effect from 1 January 2015, the annual scope for accrual of retirement pension is a maximum of 1.875% in the case of an average pay system and a maximum of 1.657% in the case of a final pay system.
- As of 1 January 2024, the pensionable salary will be a maximum of € 137,800 for full-time employment. In the case of part-time employment, this amount will be proportionally less.

Pension schemes under the old scheme must broadly meet the following conditions:

- In a pension scheme, you may (almost) only make provisions for:
 - a lifelong retirement pension for the employee The basic principle is that the employee stops working when he is 68 years old. The employee may retire earlier, but then the pension benefits must be recalculated. Your employee will then receive a lower benefit. A recalculation is not necessary if the pension starts on the 1st day of the month in which the employee turns 68. Full early retirement is only possible if the employee stops working completely on that date. If he stops working partially, the pension may in principle only be brought forward for the part that he no longer works. There is 1 exception to this: the employee may fully advance the pension in the 10 years before reaching the state pension age, even if he continues to work fully or partially.
 - a partner's pension that is paid after the death of the employee to the (ex-)spouse or the (ex-)partner with whom the employee had a joint household The partner's pension may commence on the 1st day of the month in which the employee died.
 - an orphan's pension that is paid after the employee's death to the employee's own children or foster children under the age of 30 The orphan's pension may commence on the 1st day of the month in which the employee died.
 - a disability pension that is reasonable according to social views and is paid in the event of the employee's incapacity for work that has lasted more than 1 year
 - a survivor's bridging pension that can be paid in addition to the partner's pension until the partner reaches the state pension age – to compensate for the loss of Anw/AOW – if that pension commences immediately after the death of the employee or after the end of the Anw benefit. The survivor's bridging pension can also be paid in addition to the orphan's pension.

Note 1

As a result of any indexation, a surviving dependants' bridging pension may not exceed the following:

1° for the partner or former partner: the total amount of 8/7 times the nominal benefit under the General Surviving Dependants Act, plus the holiday allowance, and the difference in the national insurance contributions due on the partner's pension before and after the retirement age under the General Old Age Pensions Act; 2° for full orphans: 8/7 times the nominal allowance for a child aged 16 or over according to the General Surviving Dependants Act, plus the holiday allowance; 3° for half-orphans: 50% of the maximum applicable to full orphans, referred to in 2°.

- The scheme must include the fact that your employee cannot surrender, alienate, lend or relinquish the pension rights, unless the Pensions Act allows this.
- The pension must be insured with an insurer specified in the law. See below under 'Recognised pension insurer'.
- The pension must remain within the statutory limits, based on the retirement age, such as:
 - In the case of an average pay scheme, a maximum of 1.875% of the pensionable salary is accrued in retirement pension per year of service and a maximum of 1.657% in the case of a final pay scheme.
 - A different accrual method applies to defined contribution schemes. In that case, an annual contribution to be paid is determined instead of an annual accrual percentage (see below under 'Pension accrual according to defined contribution schemes').
- All the above limits are determined, including the AOW benefits (normally with the so-called AOW franchise). In addition to the collective – compulsory – pension scheme, a scheme may, within the aforementioned limits, have individual modules from which the employee can choose.
- As long as your employee is employed, he or she may accrue pension during leave, such as parental, sabbatical, study and care leave.
- Your employee may also exchange partner's and orphan's pension for higher or earlier retirement pension and vice versa.
- The commencement date of the pension may be postponed until no later than 5 years after reaching the state pension age. The employee does not have to be employed by you during these 5 years.
- You may pay the pensions variably, within the ratio 100:75. In the case of variable payment, the amount of the variation and the period in which the benefits vary in amount must be determined at the latest at the time when the benefits start.
- In addition to the variability of 100:75, the benefits may also vary by an amount equal to twice the benefits applicable for those years for married persons without a supplement as described in Article 9, paragraph 1, part b, and paragraph 5 of the General Old Age Pensions Act, plus the holiday allowance.
- The amount of the pension benefits may also vary compared to the amount that was the starting point at the time the pension started. This involves higher or lower benefits due to developments in life expectancy, the mortality results achieved or the investment results achieved.
- As of 1 January 2024, the pensionable salary may not exceed € 137,800. You can offer a net pension for incomes above this amount (see below under 'Net pension'). For employees who work part-time, the amount of € 137,800 is proportionally less.

Recognized pension insurer

The following can act as a pension insurer:

- a (general) pension fund
- an insurer as referred to in Article 1:1 of the Financial Supervision Act For corporate income tax purposes, the insurer must include the pension obligation in the domestic business assets.
- a premium pension institution
- an organisation not established in the Netherlands that meets 1 of the following conditions:
 - The organization has been designated by the Minister.
 - The organisation already insured the pension during a period in which the employee or former employee did not live or work in the Netherlands and then continued this pension with this insurer.

Participation years pension

Employees who have reached 42 years of participation can build up a supplementary lifelong retirement pension. As a result, they can stop working when they turn 65. The participation year pension must commence at the same time as the retirement pension.

At the age of 65, the old-age pension and the participation years pension together may not exceed 75% of the average pensionable salary. Taxed payments on the basis of a bridging allowance or pre-pension also count towards the test of whether there is room for a participation year pension. You must also take into account the AOW accrual from the AOW pension age. Before the state pension age, the retirement pension and the participation years pension may together compensate for the lack of state pension up to the amount of the state pension accrual.

AOW-franchise

When calculating the retirement pension, you must take into account the AOW benefits that your employee will receive. That is why you must deduct an AOW deductible from the pensionable salary.

You calculate the pension on the amount that remains after deduction of the deductible. This amount is called the pension base. With maximum use of the room for pension accrual, the AOW franchise for an average pay scheme is at least € 18,475 and for a final pay scheme at least € 20,906. But you may also apply a lower AOW franchise if you apply a lower annual accrual percentage than the maximum permitted and if there is no transitional arrangement. Depending on the accrual system, you may apply the following lower AOW deductible:

- Pension accrual according to the average pay system:
 - With an accrual per year of service of up to 1.701%, the AOW franchise may be € 14,752.
 - If the accrual per year of service is more than 1.701%, but not more than 1.788%, the AOW franchise may be € 16,655.
- Pension accrual according to the final salary system:
 - With an accrual per year of service of up to 1.483%, the AOW franchise may be € 16,692.
 - If the accrual per year of service is more than 1.483%, but not more than 1.570%, the AOW franchise may be € 18,843.

Note 2

A pension scheme can also have individual modules, from which your employee can choose. This allows your employee to increase the total accrual per year of service. To assess whether you can take into account a lower AOW accrual, you must assume this higher accrual. Make sure that the pension scheme continues to meet the statutory conditions.

Pension accrual according to defined contribution schemes

In the Decree of 26 June 2023, no. 2023-13825 (Government Gazette 2023, 18466) (amended by amending decree of 13 September 2023, no. 2023-20266 (Government Gazette 2023, 25923) and the amending decree of 12 June 2024, no. 2024-10674 (Government Gazette 2024, 19899)), the State Secretary has published graduated scales with the contribution percentages for pension accrual. You can apply these premium scales in the following way:

- For defined contribution schemes with an average pay accrual of up to 1.875%, you may apply the graduated scales for an accrual of 1.875% average pay. You can apply these scales to the pensionable salary, from which you deduct a deductible of € 18,475.
- For defined contribution schemes for an average pay accrual of up to 1.788%, you may apply the graduated scales for an accrual of 1.788% average pay. You can apply these scales to the pensionable salary, from which you deduct a deductible of € 16,655.
- For defined contribution schemes with an average pay accrual of up to 1.701%, you may apply the graduated scales for an accrual of 1.701% average pay. You can apply these scales to the pensionable salary, from which you deduct a deductible of € 14,752.

Net pension

As of 1 January 2024, the pensionable salary will be a maximum of € 137,800. Your employee can no longer accrue a 'normal' pension above this amount by applying the reversal rule. Your employee can accrue net pension on the income above € 137,800. He must save this net pension from the net salary. Saving net pension is only possible in the form of a defined contribution scheme. The net scales are published in Annex VII of the amending decree of 12 June 2024, no. 2024-10674 (Government Gazette 2024, 19899).

Note 3

Contributions that you make as an employer to your employee's net pension scheme must be brutated, so that a net contribution remains after withholding and paying payroll taxes. This applies to both employer's contributions to the premium and to contributions to the costs.

Designating a pension scheme

If you have a scheme that does not fully meet the conditions for a pension scheme, the Ministers of Finance and of Social Affairs and Employment can still designate this scheme as a pension scheme under certain conditions. You can send a request for the designation of a scheme as a pension scheme to: Ministry of Finance PO Box 20201 2500 EE The Hague

Note 4

If you are unsure whether a scheme is a pension scheme, please contact us.

Note 5

A foreign pension scheme can also be designated as a pension scheme to which the reversal rule applies under certain conditions. The designation conditions are included in the Decree of the State Secretary for Finance of 9 October 2015, no. DGB2015/7010M, Government Gazette 2015, 36798.

Self-administered pension not possible

Since 1 July 2017, you can no longer accrue pension under your own management.

21.4.3 Transitional rules for (pre-)pension and early retirement rights accrued up to 1 January 2006

Since 1 January 2005, the tax benefits of (pre)pension and early retirement (including temporary bridging pension) have expired. Transitional rules apply to rights accrued up to 1 January 2006.

Group pension schemes

In the case of collective pension schemes, entitlements to early retirement and early retirement (including temporary bridging allowance) accrued before 1 January 2006 may continue to exist in accordance with the rules laid down in

31 December 2004. This must concern entitlements based on compulsory participation in a collective scheme or on the basis of individual modules in addition to compulsory collective schemes.

Please note

In the case of individual supplementation of pension deficits, you must first recalculate early retirement rights (including temporary bridging pension) and pre-pension entitlements to pension entitlements at the age of 68, after which you calculate any pension deficit that needs to be supplemented.

22 Specific exemptions, nil valuations and standard amounts

You may spend a percentage of your total taxable salary, the discretionary margin, on tax-free allowances, benefits in kind and provisions for your employees (see paragraph [10.2](#)). In addition, you can reimburse, provide or make available certain items tax-free, the so-called specific exemptions (see section [4.6](#)). Specific exemptions are not at the expense of your discretionary margin (see paragraph [22.1](#)).

Certain facilities that your employee uses in the workplace are also valued at zero. These 'nil valuations' are therefore not at the expense of your discretionary margin. The nil valuations only apply to wages in kind, not to cash allowances (see section [22.2](#)).

Standard amounts apply to certain facilities at the workplace and to (service) housing (see paragraph [22.3](#)).

22.1 Specific exemptions

There are specific exemptions for a number of allowances, benefits in kind and provisions. You must then designate this as final levy wages. But if the allowance, provision or provision is at most equal to the standard of a specific exemption, we assume that you have designated that compensation, provision and provision as final levy wages. If this is for an amount higher than the standard amount, you must choose whether to designate the excess as a final levy wage (which may then fall within the discretionary margin, see section [10.1.3](#)). You can do this, for example, by including the excess in your administration as the final levy wage for work-related costs scheme. If you do not make a choice and reimburse, provide or make available more, then there is wages of the employee. You make your choice at the latest at the time of reimbursement, provision or making available.

Specific exemptions are not at the expense of your discretionary margin if the allowances, benefits in kind and provisions remain within the conditions that apply to these specific exemptions. Limit or standard amounts apply to some specific exemptions.

You may also give a fixed expense allowance under the specific exemptions (see section [4.6.1](#)).

If you have included a wage component in the individual salary, we will in principle assume that the wage component has not been designated as a final levy salary. However, if you make it plausible that the wage component was mistakenly included in the individual salary, you may change it. In that case, the burden of proof lies with you.

Please note

If wages in kind could fall under a nil valuation and under a specific exemption, you treat the wages as a nil valuation.

Excess part

If you reimburse or provide more than the set standard, then there is an excessive part. For this excessive part, you can choose:

- tax your employee as wages
- designate as final levy wages (see Section [10.1.3](#))
- tax partly as your employee's salary and partly designate it as final levy salary

Example

You pay your employee a travel allowance of € 0.29 per business kilometre. Of this amount, you can reimburse € 0.23 per kilometre specifically exempt. The rest of the amount (€ 0.06 per kilometre) is the excessive part and does not fall under the specific exemption. You can designate this as your employee's salary or as final levy salary. If you do not have any discretionary margin left in the latter case, you will have to pay 80% final levy on the excess.

Reimbursement on a claim basis of costs from a previous year

Will you reimburse your employee for 2024 costs in 2025 on a declaration basis? Then you can only reimburse this allowance in 2025 if your employee was already entitled to reimbursement of these costs in 2024 without any conditions attached. If the right to such an allowance depended on a choice made by the employee (for example, in the case of a cafeteria system), he must have made his choice in the year in which he incurred the costs. It will then become the final levy wage of the new year 2025, under the usual conditions that you designate the wage as final levy wage and that the customary test has been met. Any changed rules of that new year (such as changed standard amounts) apply.

Example

According to the employer's travel allowance scheme, an employee is entitled to a travel allowance of € 0.35 per kilometre for trips made in 2024. Under this scheme, the employer pays a mileage allowance in February 2025 for trips made for work in December 2024.

In 2025, a specifically exempted kilometre allowance of € 0.23 will apply. Since the employee already had an unconditional right to compensation of at least € 0.23 in 2024, the compensation for those kilometres paid in 2025 is specifically exempted up to a maximum of € 0.23 per kilometre.

Please note

In this example, if the employer pays the travel allowance in January and allocates it to the last tax return of the previous year (see paragraph 9.2.1 under the heading 'Wages you pay in January for periods of 2024'), then the specific exemption of 2024 (€ 0.23 per kilometre) applies.

What specific exemptions are there?

There are specific exemptions for reimbursing, providing or making available the following

- transport (see Chapter 23)
- temporary stays in the context of employment, such as overnight stays during business trips (see section [22.1.1](#)) and meals (see section [22.1.2](#))
- courses, conferences, professional literature and the like for maintaining and improving the knowledge and skills required for work, registration in a professional register and outplacement (see section [22.1.3](#))
- study and training with a view to acquiring (more) income and procedures for the recognition of acquired competences (EVC procedures) (see section [22.1.4](#))
- removals for employment purposes (see Section [22.1.5](#))
- extraterritorial costs (see section [22.1.6](#))
- necessary tools, computers, mobile communications and similar equipment (see paragraph [22.1.7](#))
- discount on in-house products (see section [22.1.8](#))
- Mandatory health and safety provisions (see section [22.1.9](#))
- Assistive devices (see paragraph [22.1.10](#))
- VOG (certificate of good conduct) (see paragraph [22.1.11](#))
- additional costs associated with working from home (see paragraph [22.1.12](#))

22.1.1 Temporary stay

If you reimburse or provide your employee with costs of temporary stay, this reimbursement or provision may be specifically exempt. The following 2 cases include temporary residence:

- It concerns an itinerant employee (see below under 'Ambulatory employees').
- Your employee travels back and forth between a temporary residence and his place of work, because there are business reasons not (yet) to live at the place of work. This is the case, for example, with temporary projects or as long as your employee is in the statutory probationary period.

As soon as there is no longer any question of temporary stay, the reimbursement of the costs of the stay is no longer specifically exempt. The compensation is then your employee's salary from the moment he is no longer outpatient. Or if there are no longer any business reasons for not living near the workplace. However, you may also be able to designate this salary as a final levy wage (see section [10.1.3](#)).

Itinerant workers

An employee is ambulatory if he travels to different workplaces at all times. An employee is also ambulatory if he usually travels back and forth to the same workplace on at least 1 day a week and he does so on a maximum of 20 days (the 20-day criterion).

You must assess the 20-day criterion over the so-called reference period. This period starts in the week in which your employee travels to the workplace for the first time, and ends in the week in which he travels to this place for the last time. In the event of occasional interruptions, the reference period continues. In the event of long interruptions, the reference period starts again. A long-term interruption occurs if your employee does not travel to the same place of work during 1 or more of the following periods:

- 2 or more consecutive weeks, other than due to leave and/or illness, in a period of 26 weeks or less
- 3 or more consecutive weeks, other than due to leave and/or illness, in a period of more than 26 weeks
- 6 or more consecutive weeks due to leave and/or illness

Collective Labour Agreement for the State Business Trips at home and abroad

Sections 10.2 and 10.3 of the [Collective Labour Agreement](#) for the State regulate the subsistence allowances for civil servants on missions. These subsistence allowances are specifically exempted up to certain amounts. If you are not bound by the Collective Labour Agreement for the State, you can grant these allowances to your employee under the same conditions with the same tax consequences, provided that this employee is in the same circumstances as civil servants on a business trip from a cost point of view.

Inland services

For domestic business trips, you can reimburse your employee a maximum of the following amounts for subsistence costs:

- small daytime expenses: € 6.27
- small expenses in the evening: € 12.54
- a breakfast: € 14.87
- a lunch: € 12.51
- an evening meal: € 31.40
- accommodation: € 150.55

If you reimburse more than these amounts, you can count the excessive part of the allowance as part of your employee's salary or designate it as final levy salary (see paragraph [10.1.3](#)).

See section [22.1.2](#) for more information about meals.

See section [22.3.4](#) for more information about a home that you make available to your employee for the proper performance of the employment.

Foreign business trips

Paragraph 10.3 of the Collective Labour Agreement for the State regulates the allowances for business trips abroad. The subsistence allowance referred to there relates to costs for meals, accommodation and small expenses during the business trip. The amount of this allowance depends on the temporary place of residence stated in the Tariff List of Accommodation Costs for Foreign Business Trips (Appendix 8 to the Collective Labour Agreement). Subsistence allowances that have been determined in accordance with that paragraph and the percentages and amounts mentioned in the appendix are specifically exempt. There is 1 exception to this: If you cannot make the costs of an overnight stay plausible, you may give an allowance of € 11.34 for a maximum of four nights per business trip according to this collective labor agreement. This fee is not specifically exempt. You can, however, designate this wage as final levy wage.

22.1.2 Meals

Meals as part of temporary accommodation costs are specifically exempt. Such a meal is the case with:

- Service stimuli
- travel by mobile and itinerant workers, such as representatives and accountants
See section 22.1.1 for more information on temporary stays.
- business meetings with customers outside the fixed workplace
- work at non-permanent locations, such as the work of road builders, construction workers and film crew members See section 22.1.1 for more information on temporary stays.

The reimbursement or provision of meals is also specifically exempt if the meals are of a more than ancillary business nature. In any case, there is a meal with a more than incidental business character:

- if an employee cannot eat at home between 17:00 and 20:00 due to his work
- if an employee cannot eat at home after 20.00 due to expected or unexpected overtime (overtime is the time that exceeds the normal working hours per day)
- when working on shopping evenings
- therapeutic co-eating
- when working on board aircraft, ships, drilling platforms or fairground wagons

If your employee incurs costs for such meals, you can reimburse the actual costs of them. You may also use the standard amount for meals in company canteens of € 3.95 per meal for the reimbursement. It does not matter where your employee has incurred costs for the meal. For example:

- in a restaurant
- at a bakery for, for example, ready-made (luxury) sandwiches
- in a supermarket, for example, for a meal that your employee takes from home the next day

There is no specific exemption for the reimbursement or provision of a meal where the business character is only incidental (such as a lunch at the workplace).

Itinerant workers

For itinerant employees, an allowance or provision of a meal is specifically exempt. An employee is ambulatory if he travels to different workplaces at all times. An employee is also ambulatory if he usually travels back and forth to the same workplace on at least 1 day a week and he does so on a maximum of 20 days (the 20-day criterion).

You must assess the 20-day criterion over the so-called reference period. This period starts in the week in which your employee travels to the workplace for the first time, and ends in the week in which he travels to this place for the last time. In the event of occasional interruptions, the reference period continues. In the event of long interruptions, the reference period starts again. A long-term interruption occurs if your employee does not travel to the same place of work during 1 or more of the following periods:

- 2 or more consecutive weeks, other than due to leave and/or illness, in a period of 26 weeks or less
- 3 or more consecutive weeks, other than due to leave and/or illness, in a period of more than 26 weeks
- 6 or more consecutive weeks due to leave and/or illness

As soon as an employee is no longer ambulatory, you must apply the standard amount (see paragraph [22.3.1](#)).

Collective Labour Agreement for the State Business Trips at Home and Abroad

In the Collective Labour Agreement for the State, paragraphs 10.2 and 10.3 Business trips at home and abroad regulate the allowances for, among other things, meals for civil servants on a mission. The subsistence allowances are specifically exempted up to certain amounts. If you are not bound by the Collective Labour Agreement for the State, you can grant these allowances to your employee under the same conditions with the same tax consequences, provided that this employee is in the same circumstances as civil servants on a business trip from a cost point of view. See section [22.1.1](#) for more information on when these fees are specifically exempt.

Business dinner

If your employee goes out to dinner with a customer and your employee pays the bill himself, you can reimburse that bill to your employee tax-free. You must then be able to make a plausible case that it is a business dinner.

Therapeutic eating along

Some employees in health care or welfare are obliged to eat together with the patients, pupils or residents entrusted to them on the basis of a public-law regulation or (collective) employment agreement. For this therapeutic co-eating, you do not have to add anything to the salary of these employees.

Meals in company canteens

For meals in company canteens, you include a standard amount in the salary (see paragraph [22.3.1](#)).

Meals during staff parties

How you handle meals during staff parties, receptions and anniversary parties depends on the location of the party (see section [22.3.1](#)).

22.1.3 Conferences, Courses, Literature, and the Like

Allowances or benefits in kind that you give your employee for maintaining and improving his knowledge and skills required for the work, such as courses, conferences and professional literature, are specifically exempt. This also applies to registration in a professional register and outplacement.

Mixed study day

If you are organising a study day with different activities, different exemptions may play a role. If you organise such a day for your employees with lunch, dinner and a relaxing evening of team building, you should – depending on the content of the programme and the time spent – split the costs into:

- the costs of activities with a mainly business character These costs are exempt on the basis of the following specific exemptions:
 - courses, conferences, seminars, professional literature and the like (the specific exemption from this paragraph)
 - temporary stay in the context of the employment relationship (see paragraph [22.1.1](#))
 - meals of a more than ancillary business nature (see paragraph [22.1.2](#))
- the costs of activities of a mainly consumptive nature The rules for the staff party apply (see paragraph [22.2.3](#)).

Travel expenses

More information on travel reimbursements related to courses, congresses, seminars, symposia and excursions can be found in Chapter [23](#).

Registration in the professional register

The remuneration for or the provision of an entry in a professional register is specifically exempt if it concerns legally prescribed registrations and registrations that the profession requires for the safeguarding and monitoring of quality standards. You can also reimburse or provide specific exemption for registration in a register without a mandatory nature. This is subject to the condition that there is sufficient quality assurance by the professional association. This quality assurance can be evidenced by a combination of factors, such as admitting members who meet certain expertise requirements, imposing obligations for training (such as having to obtain EP points), or otherwise encouraging the maintenance or acquisition of knowledge and skills in the field. Are you unsure whether you can reimburse or provide the registration in the professional register on a targeted exempt basis? Please [contact us](#).

Outplacement

Outplacement is the set of services and advice for the employee to find a suitable new job in the shortest possible time by improving knowledge and skills. This includes, for example, the costs of a career scan. Outplacement does not include the costs of mediation or contract negotiation by a representative of the employee.

You can reimburse the costs of outplacement on a specific exempt basis. The provision of outplacement facilities is also specifically exempt.

A pre-retirement course in preparation for a new phase of life is comparable to outplacement. If the course is more recreational in nature, the compensation or provision is your employee's salary. However, you may also be able to designate this salary as a final levy wage (see section [10.1.3](#)). At your request, we can assess the extent to which you can reimburse or provide the course specifically exempt.

An allowance for domestic travel in connection with outplacement is exempt up to a maximum of € 0.23 per kilometre if your employee uses his or her own means of transport. If your employee travels by public transport, you may reimburse a maximum of € 0.23 per kilometre. But you can also reimburse the actual costs of travelling by public transport in a targeted and exempt manner.

More information on outplacement-related travel allowances can be found in Chapter [23](#).

Newspapers

The reimbursement or provision of (subscriptions to) newspapers is specifically exempt, if the newspaper is professional literature for the employee.

If the newspaper is not professional literature, the remuneration or provision of (subscriptions to) newspapers is your employee's salary. But you can also designate this wage as final levy wages.

22.1.4 Education and Training

Is your employee following a study or training course to develop personally, so that he can earn (more) income from work and home? Then your allowances and benefits in kind are specifically exempted for this. There are 3 conditions for exemption:

- The study costs are not already reimbursed by someone else.
- The study or training is aimed at fulfilling a profession in the future.
- You have provided or promised the reimbursement before the end of the calendar year in which the costs are incurred.

This mainly concerns tuition fees, costs of textbooks and other teaching materials and travel costs for class attendance.

More information can be found in the guide [Training costs in payroll taxes](#) that you can download from belastingdienst.nl.

Please note

Reimbursements for a study room and the furnishings are not specifically exempt, unless it concerns mandatory health and safety facilities (see section [22.1.9](#)).

The exemption also applies if an employee has to repay the reimbursement for study costs under certain circumstances, for example if he interrupts the study or if he does not achieve sufficient study results. However, bonuses or bonuses that you grant to your employee upon completion of his study or training are part of the salary, even if the amount is in line with the amount of the study costs.

Allowances and benefits in kind for certain study costs in connection with the performance of the current employment are also specifically exempted (see paragraph [22.1.3](#)).

Expansion of study costs

From 1 January 2021, the specific exemption for training will also apply to allowances and benefits in kind for training that constitute wages from previous employment. The extension relates to allowances and benefits in kind for following a course of study or study with a view to earning income. As a result, allowances and benefits in kind to former employees also fall within the scope of the specific exemption for training or study. As a result of the expansion, employees who have a training budget and may still use it after the employment contract has ended with that training budget can follow exempt training if, for example, they have become self-employed or work for another employer in the event of unemployment.

The extension does not apply to allowances and benefits in kind for maintenance and improvement of knowledge and skills of the employment relationship (see paragraph [22.1.3](#)).

The purpose of the extension is not to change anything about the existing possibilities, such as the possibility of deducting transition and employability costs incurred earlier during the employment from the transition payment.

Travel expenses

More information on domestic travel allowances related to study and training can be found in Chapter 23. In the case of trips abroad in connection with study and training, you may reimburse the actual costs on a specific and exempt basis.

Study allowances and dismissal

Sometimes an employee must repay the specifically exempted study costs allowance in the event of dismissal. This reimbursement is not a negative salary for the employee.

If a new employer reimburses the reimbursed amount to the employee, he may do so specifically exempt in the calendar year in which the employee repays the amount. If a new employer takes over the repayment obligation in the calendar year in which the employee has to repay the amount to his old employer, this has no consequences for wage and income tax. However, if the new employer does so in a later calendar year, the allowance is only specifically exempted or the assumption of the repayment obligation only without tax consequences if he:

- has already unconditionally promised to reimburse the repayment obligation in the calendar year in which the employee repays the amount; or
- has already unconditionally promised to take over the repayment obligation in the calendar year in which the employee must repay the amount to his former employer

Recognition of acquired competencies

Expenses and benefits in kind for following a procedure Recognition of acquired competences are study costs. Allowances and benefits in kind in connection with this procedure are specifically exempt.

22.1.5 Removals

Allowances for relocation expenses are generally part of the salary, but you can pay a specific exempted allowance for an employee's relocation costs if the relocation is related to the employment.

You may give a specifically exempted relocation allowance of up to € 7,750 in addition to the reimbursement of the actual costs of transferring the estate. The condition is that it concerns a move that is sufficiently related to the employment. In any case, there is a sufficient connection with the employment relationship if the following 2 conditions are met:

- The employee moves within 2 years of accepting a new employment or after transfer.
- The employee lives at least 25 kilometres from work and moves, reducing the distance between his new home and his work by at least 60%.

In special situations, you can also give a specifically exempt relocation allowance to an employee who leaves your employment. For example, if the employee can no longer continue to live in an official residence due to the end of the employment.

There is no specific exemption for reimbursements for the purchase and sale costs of homes. These allowances are your employee's wages. You may also be able to designate this salary as final levy salary (see section 10.1.3).

22.1.6 Extraterritorial costs

See section 19.4 for more information on the reimbursement and provision of extraterritorial costs and the expat scheme (30% ruling).

22.1.7 Necessary tools, computers, mobile communications and similar equipment

Allowances, provisions and the provision of tools, computers, mobile means of communication and similar equipment are specifically exempt if they meet the following conditions:

- in your reasonable opinion, the provision is necessary for the proper performance of the employment (necessity criterion)
- your employee must return the provision or pay the residual value of this provision to you if he no longer needs it for the employment
- the facility is not part of a cafeteria scheme

If your employee has a private benefit from the necessary provision, you do not have to include this benefit in the salary.

If your employee does not return the provision or does not pay you the residual value of the provision, you must include the residual value of the provision in his salary from the moment he no longer needs the provision. You may be able to designate this wage component as final levy wages (see Section [10.1.3](#)).

Necessary

'Necessary' means that the employee cannot properly perform his employment without the provision. This means that the employee needs and uses the facility for his work. The extent of that business use is not decisive.

If the work is theoretically possible without the facility, you can still meet the necessity criterion. What matters is that, in your reasonable opinion, the provision is necessary for the proper performance of the employment relationship and you can therefore demonstrate that this provision is aimed at optimal business operations.

The necessity of a provision for your employee's work may also be apparent from your financial responsibility for this. Therefore, in principle, the costs of a necessary facility are at your expense. We have abandoned our position that the necessity criterion requires that the employer must bear all the costs of the necessary provision. You can also apply the specific exemption for necessary facilities if the employee owes a personal contribution for private use.

Example

A newspaper journalist who is employed by you needs certain digital tools to be able to do his job. If you provide him with 1 tablet and 1 phone, this will not cause any discussion. But if you provide him with a laptop, tablet and mobile phone, we can ask you for an explanation about the necessity of the aids. Are you saying that your employee works more efficiently because of these tools, but we are not convinced? Then we have to prove that not all aids are necessary.

The necessity criterion has many similarities with the previously used arm's length requirement, but goes a step further. A business provision or costs that only contribute to the proper performance of the employment do not have to be necessary in order to be specifically exempted (see paragraph [22.1.10](#)).

Tools and similar equipment

Examples of tools are: a carpenter's pneumatic staple gun or laser-guided rangefinder, a photographer's camera, a musician's musical instrument, a painter's brush and a tailor's sewing machine. An example of 'such equipment' is a calibration device that is needed to keep tools ready for operation. The paint that a painter paints with and the fabric that the clothes are made of are not tools, nor are work clothes or office furniture.

Computers, mobile communications and similar equipment

Computers and mobile means of communication include desktops, laptops, tablets, mobile phones and smartphones. SIM cards, dongles, subscriptions for internet and telephony and software may also be exempt. An example of 'such equipment' is an organizer, a printer or a navigation system because these are mainly intended to be used independently.

If the internet at your employee's home meets the conditions, the reimbursement of the subscription costs is specifically exempt. You can also apply the specific exemption if the employee owes a personal contribution for private use. An expense allowance for internet use in proportion to the number of days worked from home is not in conflict with the necessity criterion.

Has your employee purchased a 3-in-1 package (internet, landline telephone and television) from a provider? Then you determine the part of the invoice that is for the internet connection. If necessary, you can check what the provider charges for a separate subscription for internet. You can reimburse that part on a specific exempt basis.

If you also reimburse the rest, then that is your employee's salary. However, you may also be able to designate this salary as a final levy wage (see section [10.1.3](#)).

Fixed expense allowances

You may grant tax-free fixed expense allowances for facilities that meet the conditions of this specific exemption, as long as you explicitly lay down the requirements that these facilities must meet. You should also always research the actual costs in advance.

Cafeteria regulations and necessity

Within a cafeteria scheme, reimbursements for tools, computers, mobile means of communication and similar equipment are not specifically exempt as a necessary provision.

Does your employee opt for a more expensive implementation of a necessary provision and only the additional price is exchanged with the gross salary? Then this is possible if you designate that part as final levy wages. However, you must meet the customary test (see section [4.2](#)). The specific exemption for necessary facilities does not apply to the additional price.

You may ask your employee to make a contribution for private use. You can choose to deduct the personal contribution from the net salary. You can also allow your employee to exchange a contribution with the gross salary. Again, this is only possible if you designate this part as final levy wages and you meet the customary test. The specific exemption does not apply to that part.

Directors and supervisory directors

For managing directors and supervisory directors (opting-in), the exemption only applies if you can make a plausible case that the provision is customary for the proper performance of the employment. In this case, you therefore have the burden of proof.

Example

A commissioner asks you to provide a tablet and Virtual Reality glasses (VR glasses) for his work. You must assess whether these facilities are customary and necessary for the proper performance of the employment. For the work of a supervisory director, a tablet is not unusual and may therefore be necessary. This does not apply to VR glasses.

22.1.8 Discount on company-owned products

A specific exemption applies to discounts on products from your own company. If you give your employee a discount or allowance when purchasing products from your own company, this is specifically exempt under the following conditions:

- The products are not foreign to the industry.
- The discount or compensation per product is a maximum of 20% of the value of that product in the course of trade.
- The discounts or reimbursements do not exceed € 500 in the calendar year combined.

If you exceed the maximum of € 500 or the maximum of 20% per product, the excess is your employee's salary. You may also be able to designate this salary as final levy wage (see section [22.1](#)). If you do not exceed the maximum of € 500, you may not carry over the unused part of the exemption to the next year.

Do you give the discounts or allowances for in-house products that you give to your employees, even after the employment has ended, for example due to retirement or disability? Then the specific exemption also applies to these discounts and reimbursements.

This scheme also applies if the discount is given by a company affiliated with you. An affiliated company is understood to mean:

- a company in which the employer has at least 1/3 of the interest
- a company that has at least 1/3 of the employer's interest
- a company in which a third party has at least 1/3 interest, while this third party also has at least 1/3 interest in the employer

22.1.9 Occupational health and safety provisions

Mandatory health and safety provisions are specifically exempt. It does not matter whether you reimburse, provide or make it available. In all these situations, a specific exemption applies that is not at the expense of your discretionary margin.

The health and safety facilities must meet the following conditions:

- The provisions are directly related to your obligation under the Employment Conditions Act. In short, these are facilities that ensure the safety and health of the employee.
- The employee uses or consumes the facilities (in whole or in part) at the workplace, in the workspace at home or at a place where you implement the Working Conditions Act.
- You do not charge any costs to the employee. In other words, the employee may not pay a personal contribution for the facilities. In this context, the exchange of a taxed wage component for a tax-free provision is also a personal contribution, for example in the case of cafeteria

schemes. These include:

- safety glasses with cut lenses for a lab technician or welder
- sunglasses for a driver or pilot
- an ergonomically sound office chair
- a footstool for computer work
- screen glasses
- special insulating or protective clothing See section [22.2.4](#) for more information on (work) clothing and uniforms.
- a mandatory medical examination
- a corona (self) test for the performance of work at the workplace
- an employment examination
- a first aid course This also applies to refresher courses and refresher courses in connection with the first aid diploma. If the employee with a first aid diploma receives an allowance for this, this allowance is taxed.

If you give your employee a more luxurious, equally safe, implementation of the same facility or upgrade of a mandatory health and safety facility (a more expensive frame for computer glasses or a more expensive fabric on an office chair), the specific exemption does not apply to the additional costs associated with this. The extra provision is then wages. You can designate this as the employee's salary, or designate it as final levy wages that may fall within the discretionary scope (subject to the customary nature test). If you request a personal contribution from the employee for these extra costs, the personal contribution will be deducted from the employee's salary or from the final levy salary.

Chair massage/smoking cessation course

In the past, it was approved that the smoking cessation course and chair massage always fell generically under the specific health and safety exemption. As of 1 January 2022, this is no longer the case. If chair massage is offered at the workplace, a nil valuation may apply. In addition, these facilities may fall under the specific health and safety exemption in individual situations.

Occupational health and safety facilities in the home workspace

The reimbursement, provision or provision of health and safety facilities in the workspace at home is also specifically exempted in the case of working from home if the aforementioned conditions are met.

See section [22.2.8](#) for more information about the home workspace.

22.1.10 Tools

Tools that your employee uses or consumes in the workplace, but can also use or consume outside the workplace, are specifically exempted if there is 90% or more business use. This also applies if, in your reasonable opinion, there is no necessary computer and similar equipment, a mobile means of communication and tools and accessories (see section [22.1.7](#)).

22.1.11 VOG (Certificate of Conduct)

A reimbursement of a VOG applied for for employment will be specifically exempt from 2020. Under certain circumstances, it may happen that a certificate comparable to the Dutch VOG is requested from a foreign authority. This can occur if an employee performs all or part of his work abroad or if an employee has lived or worked abroad in the past. The reimbursement of such a foreign certificate is also specifically exempt if it is applied for in the context of the employment.

22.1.12 Additional costs associated with working from home

From 2022, a new specific exemption will apply to additional costs associated with working from home. This specific exemption is in addition to the already existing specific exemptions for the tax-free reimbursement, provision and provision of, among other things, necessary tools and ICT resources and mandatory health and safety facilities.

The specific exemption for 2025 amounts to a maximum of € 2.40 per day worked from home. This amount is intended for the extra costs of working from home and is based on research conducted by Nibud. You can also apply the exemption if an employee only works from home for part of the day.

Concurrence of working from home and travelling to a fixed place of work

You may not apply the exemption for working from home and the exemption for travelling to a fixed place of work at the same time for the same working day (see section 23.1.2). If the employee works partly from home on a day and makes a business trip other than commuting (business trip), you may apply the specific exemption of € 0.23 per kilometre and the specific exemption for working from home. In any case, there is a fixed place of work if the employee works at the same place for more than 40 days per calendar year.

If the employee has access to an OV chip card, public transport subscription, company car or bicycle or other transport from the employer and actually uses it for a trip to a fixed place of work, concurrence with a specific exempted allowance for working from home for those days is also not possible.

Fixed allowance for working from home days or travelling to the fixed place of work

The agreements made between you and your employee about the number of working from home and travel days can form the basis for determining the fixed expense allowance to be specifically exempted by you for both commuting and working from home by the employee. An incidental deviation from this does not have to lead to an adjustment of the compensation. This follows from the 128-day rule. This means that if your employee works from home for at least 128 days, you may give your employee a fixed specifically exempted allowance for working from home costs as if the employee works from home for 214 days per calendar year. Or if your employee travels to a fixed place of work for at least 128 days, you may give a fixed specifically exempted allowance for commuting as if the employee makes that trip for 214 days.

Calculate proportionally

You must apply the number of working days (214) and working from home and travel days (128) proportionally if your employee 'as a rule' works from home or travels less than 5 days a week.

Example 1

Anton works 5 days a week. He works from home for 2 days and goes to the office for 3 days (one way travel distance 20 km). Specific exempted travel allowance per month: $\frac{3}{5} \times 214 \text{ days} = 129 \text{ days}$; $129 \text{ days} \times (40 \text{ km} \times € 0.23) / 12 = € 98.90$.

Targeted exempted homeworking allowance per month: $\frac{2}{5} \times 214 \text{ days} = 86 \text{ days}$; $(86 \text{ days} \times € 2.40) / 12 = € 17.20$.

Example 2

Bouchra works 4 days a week. She works 2 days at home and 2 days at the office (one way travel distance 12 km). Specific exempted travel allowance per month: $\frac{2}{5} \times 214 \text{ days} = 86 \text{ days}$;

$86 \text{ days} \times (24 \text{ km} \times € 0.23) / 12 = € 39.56$.

Targeted exempted homeworking allowance per month: $\frac{2}{5} \times 214 \text{ days} = 86 \text{ days}$; $(86 \text{ days} \times € 2.40) / 12 = € 17.20$.

As a rule,

There is no tax definition of the term 'as a rule'. We take the following position:

- Your employee does not 'as a rule' work from home if he does not work from home for more than 2 months.
- Your employee does not 'as a rule' travel to a fixed place of work if he or she makes more than 2 consecutive months.

This period of more than 2 months of not working from home or traveling is assessed per reason, such as leave, course or illness. You also assess this per calendar year. This means that if the reason exceeds the calendar year, you must see it as if there is a new reason on 1 January.

Example 3

An employee has a full-time employment of 5 days per week. He works 3 days a week at the office and 2 days a week at home. The employee takes 1 day per week of parental leave for the period of 1 year (52 days). The employee informs the employer of this in advance. He will then work 2 days a week at the office and 2 days a week at home from December 2025.

The following applies to the question of whether in this example there is still 'as a rule' travel to a fixed place of work.

For the year 2025, the employee 'as a rule' travels to the fixed place of work. In 2025, the employee will take 1 day a week of parental leave for 4 weeks. This will not lead to an adjustment of the specifically exempted fixed travel or homeworking allowance for 2025. For the year 2026, the employee will take 1 day of parental leave per week for 48 weeks. In 2026, the employee will no longer travel 'as a rule' to the fixed place of work on 3 days a week. This will lead to an adjustment of the specifically exempted fixed travel or homeworking allowance for the year 2026. You must change the basis of the specific exemption for the fixed travel allowance for 2026 to 2/5 (was 3/5 in 2025). The basis of the specific exemption for the fixed homeworking allowance remains 2/5.

Recalculate according to time

In the following situations, you must recalculate the number of days to be taken into account on which the specifically exempted allowance is based over time:

- You start or stop the allowance during the calendar year, for example because an employee enters or leaves employment during the calendar year.
- You change the amount of the fixed allowance in the course of the calendar year.

22.2 Nil valuations

Everything you provide, reimburse or make available to your employee for his employment is wages. To prevent the value of facilities that your employee uses at the workplace from falling into the discretionary scope, a number of provisions have been valued at zero. These 'nil valuations' are therefore not at the expense of your discretionary margin. The nil valuations only apply to wages in kind, not to cash allowances.

When determining the nil valuation, the concept of 'workplace' is important: you may only value facilities that your employee also uses at the workplace at zero. Moreover, the nil valuation only applies to employees who have to work at that workplace for their employment. See section 22.2.1 for more information on the concept of 'workplace'.

Please note

If wages in kind could fall under the nil valuations and under the specific exemptions, you treat the wages as a nil valuation.

What are the nil valuations?

You value the following facilities at zero:

- facilities that your employee uses or consumes at the workplace (see section [22.2.2](#))
- refreshments at the workplace that are not part of a meal (see section [22.2.3](#))
- work clothing provided (see section [22.2.4](#))
- the interest benefit of an employee loan if your employee uses it to buy an (electric) bicycle or electric scooter (see paragraph [22.2.5](#))
- the value of accommodation and accommodation (including energy, water and laundry provided) that you make available at the workplace for the performance of the employment (see section [22.2.7](#)). This is a nil valuation if your employee does not live at the workplace and he or she should reasonably make use of this facility.
- facilities in the home workspace (see section [22.2.8](#))

22.2.1 Workplace

A workplace is any place where your employees work and for which you are responsible under the Working Conditions Act. Your duty of care for the workplace can be evidenced by an occupational health and safety plan or by the risk inventory and evaluation that you must make under the Working Conditions Act.

A workplace is, for example: the office, a room, an open-plan office, the conveyor belt, a factory hall, the kitchen, the meeting room, a company canteen, the parking garage or the bicycle shed on the company premises, a fitness room, the public space for a construction worker who carries out excavation work and for a municipal gardener who takes care of the public planting.

A car or other means of transport can also be a workplace if an employee works in it and you are responsible for health and safety for that means of transport. Examples are the (truck) car for professional drivers, the plane for pilots and the train for conductors and drivers. In other professions, too, means of transport can be a workplace if you instruct your employee to use a certain means of transport for his work. For example, if an employee uses your car on your behalf for a business trip. A nil valuation then applies to facilities, such as a notebook or mobile phone, that the employee uses for work in the car (workplace).

Parking in the vicinity of the workplace

Do your employees use a parking facility in the vicinity of the workplace? Then it is part of the workplace if you are responsible for that parking facility. This means that an employee can successfully hold you liable if, for example, his car is damaged as a result of your negligence. If you make this parking available, you value it at zero.

Workplace and staff parties, receptions and anniversaries

For staff parties, receptions and anniversaries, the concept of workplace is broader. You value the consumptions during the party, reception or anniversary at zero if the party takes place in a place for which you are responsible for health and safety. You also rate it at zero for:

- employees from other branches, locations or offices
- employees of other employers, with whom you apply the group scheme (see section [10.1.5](#))

See section [22.2.3](#) for information about staff parties in a group or at an external location.

Workplace in the employee's home

Your employee works in a workspace in his own home, holiday home, caravan, houseboat, garage, garden shed and the like. Such a workspace may be a workplace. See section [22.2.8](#) for more information on this.

No workplace

There is no workplace in the following situations:

- Your employee works on the road. For example, he e-mails on the train or bus or writes an article in a catering establishment. In these situations, you are not responsible for health and safety. There is no nil valuation for the facilities that your employee only uses on the road.
- Changing your employee's circumstances. This is the case, for example, in the event of a transfer (the old workplace is no longer a workplace), permanent incapacity for work or the end of the employment relationship.

22.2.2 Workplace Facilities

A nil valuation applies to facilities at the workplace. Think of a desk or a copier. But this can also be a workplace gym.

The following conditions apply:

- You provide the facility or make the facility available in a reasonable manner. We assess whether a provision or a provision is reasonable on a case-by-case basis. The facts and circumstances play a role in this.
- Your employee uses or consumes all or part of the facility at the workplace.
- It is not customary for the employee to use or consume the facility outside the workplace.

22.2.3 Refreshments at the workplace

Refreshments that are consumed or consumed at the workplace (see paragraph 22.2.1) and that are not part of a meal should be valued at zero. This includes, for example, coffee, tea, pastries, a piece of fruit and other snacks of little value (meals are not included). You do not have to provide these refreshments during working hours. Consumption at the workplace must also be reasonable.

Do the consumptions, together with other consumptions that you (partially) reimburse or provide, constitute a meal? Then the meal scheme applies (see section [22.1.2](#)).

An allowance for refreshments at the workplace is your employee's salary. But you can also designate this allowance as final levy wages (see Section [10.1.3](#)).

Staff parties

How you should deal with consumptions at staff parties, receptions and anniversary parties depends on the location of the party:

- party at the workplace You value the refreshments provided that are not part of a meal at zero, also for employees of other branches, locations or offices and for employees of other employers, with whom you apply the group scheme (see paragraph [10.1.5](#)).
- party at an external location at a third party These parties are your employee's wages. But you can also designate this wage as final levy wages.

Allowances for staff parties, receptions and anniversary parties are your employee's wages. But You may also be able to designate this wage as final levy wages. You can read how to deal with meals at staff parties in paragraph [22.3.1](#).

In the case of an external activity where the business character predominates and the festive character is no more than incidental, you do not have to split the total costs into business and consumer costs. The consumptions are specifically exempt.

Sinterklaas party

When organizing a Sinterklaas party for the children of your employees, there are 2 possibilities:

- You organize the party at the workplace, for example in the canteen. The party is a not-uncommon amenity. You value the consumptions at zero. This also applies to employees of other branches, locations or offices and to employees of other employers, with whom you apply the group scheme (see section [10.1.5](#)). If you give the children or your employees a gift, it is the employee's salary. But you can also designate this wage as final levy wages.
- You organize the party externally at a third party's premises. The value of the party and any gifts for the children or your employees is wages for the employee. But you can also designate this wage as final levy wages.

Staff trips

The invoice value (including VAT) of staff trips and the like, or allowances for them, is your employee's salary. But you may also be able to designate this wage as final levy wages.

Collective Labour Agreement for the State Business Trips at Home and Abroad

In the [Collective Labour Agreement for the State](#), paragraphs 10.2 and 10.3 Business trips at home and abroad regulate the allowances for including refreshments for civil servants on business trips. The subsistence allowances are specifically exempted up to certain amounts. If you are not bound by the Collective Labour Agreement for the State, you can grant these allowances to your employee under the same conditions with the same tax consequences, provided that this employee is in the same circumstances as civil servants on a business trip from a cost point of view. See section [22.1.1](#) for more information on when these fees are specifically exempt.

22.2.4 Workwear

You can provide clothing to your employee (you remain the owner), reimburse (your employee is the owner) or provide it (your employee becomes the owner). In this section you can read when this is taxed. You can also read here whether the reimbursement of the cleaning costs of these clothes is taxed.

U reimburse or provide clothing

Do you reimburse or provide the clothing to your employee? Then this is the employee's salary. This also applies to compensation for the cleaning costs of those clothes. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

U provide clothing

Do you make clothing available to your employee? Then you value this at zero if it is work clothing and is worn in whole or in part at the workplace and there is reasonableness for the provision (see paragraph [22.2.2](#)).

What is workwear?

Clothing is workwear if it meets 1 of the following conditions:

- The clothing is (almost) only suitable for wearing during work, such as a lab coat and a dust coat.
- The clothing contains 1 or more clearly visible image features that belong to the employer (e.g. a company logo). Together, these have a surface area of at least 70 cm² per garment. The area is calculated with an imaginary rectangle around the extreme points of the logo.
- The clothing is demonstrably left behind at the workplace.
- The clothing is a uniform or overalls.
- You reimburse, provide or make the clothing available because the Working Conditions Act prescribes this, such as a pair of safety shoes. The employee does not have to pay a personal contribution.

What is a Uniform?

If a group of employees wears the same clothing, which is also associated with a company or profession outside the work environment, then that clothing is a uniform. For example, the clothing of police, soldiers and flight attendants. Black pants with a blue blazer of a driver is therefore not a uniform.

The recognizability of the clothing determines whether the clothing is a uniform and which parts belong to it. U can discuss with us whether the clothes your employees wear are uniforms.

If a garment is part of a uniform, then that garment is also workwear. It does not matter whether or not this loose garment is recognized as a uniform and whether it can be worn outside of work.

Clothing does not meet the conditions

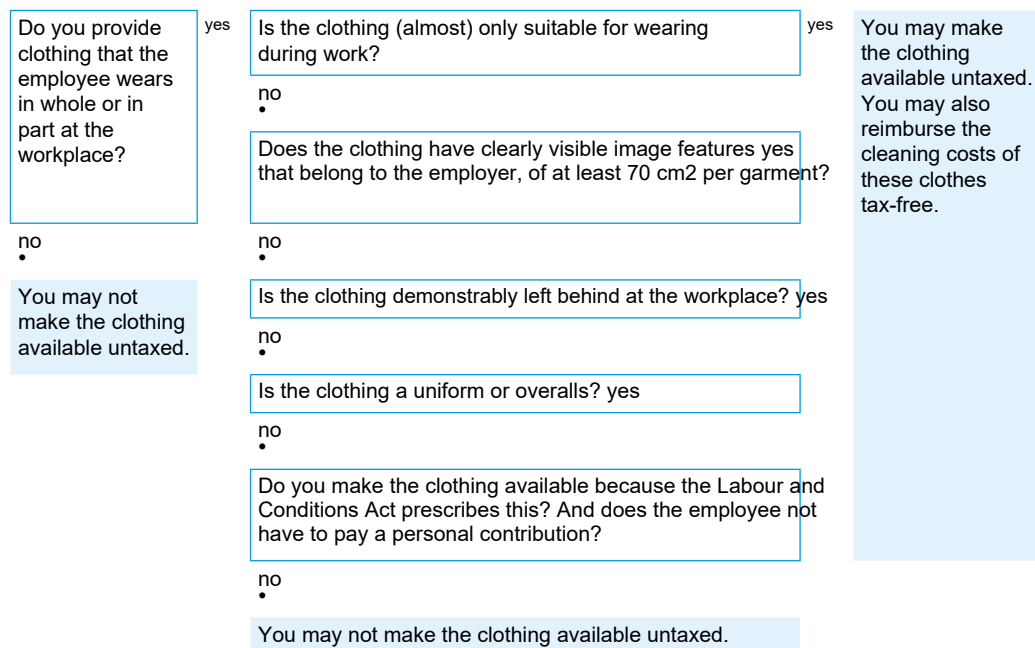
If the clothing does not meet at least 1 of the conditions, the value of the clothing is the employee's wages. But you may also be able to designate this wage as final levy wages.

Reimbursement of cleaning costs

Does the clothing you make available be subject to a nil valuation? Then you can also reimburse the cleaning costs of those clothes tax-free. A reimbursement of these costs to your employee is not a salary, but a reimbursement for intermediary costs (see paragraph [4.12.2](#)).

Flow chart for providing clothing

In the following flow chart you can see whether you can make the clothing available to your employee untaxed.



22.2.5 Interest benefit for employee loan for (electric) bicycle or electric scooter

When you or a company affiliated with you lend money to an employee, there may be an interest benefit for that employee. This is the case when he pays less interest on the loan than with a lender. This interest benefit is subject to a nil valuation for an employee loan for an (electric) bicycle or an electric scooter. This also applies within a cafeteria scheme (see paragraph [4.15](#)). The interest benefit

is taxed on all other employee loans (see paragraph [4.17](#)).

22.2.6 Lapsed

This paragraph has been deleted.

22.2.7 Housing and Lodging

If you provide accommodation at the workplace for the proper performance of the employment, you will value this at zero if your employee meets the following conditions:

- Your employee does not live at the workplace (see section [22.2.1](#)). He lives elsewhere.
- Your employee must reasonably make use of the accommodation. This applies, for example, to the group leader who has sleeping shifts in a family replacement home, the firefighter who sleeps at the fire station and your employee who stays on board a ship or on an oil platform.

If these conditions are met, the nil valuation applies. Also for the provision of energy, water and laundry. Here too, the provision must be reasonable.

If these conditions are not met, apply the standard amount for accommodation at the workplace in the case of accommodation at the workplace (see section [22.3.3](#)). When making a home available, you calculate with the rental value in the course of trade (see paragraph [22.3.4](#)). A standard amount applies to the official residence that you make available for the proper performance of the employment (see paragraph [22.3.4](#)).

22.2.8 Home Workspace Amenities

Home workspace

A workspace at home is, for example, an office, study or study in the employee's home. For this scheme, holiday homes, caravans with a permanent location and houseboats with a permanent berth are also homes. A studio or other space that is used for the performance of the employment is also workspace.

A specific exemption applies to mandatory health and safety provisions for a workspace at home. You may reimburse, provide or make it available tax-free. For more information, see section [22.1.9](#). For other facilities in the workspace at home, a nil valuation applies if the workspace at home can also be regarded as a workplace.

Workplace in the employee's home

A workspace in your employee's home can also be a 'workplace'. The space must then meet the following conditions:

- The space is an independent part of the house: for example, the room has its own entrance and its own sanitary facilities.
- You have a real (business) rental agreement with your employee, which means that only you have the space.
- Your employee works in that space.

If all 3 conditions are met, the space is a workplace for your employee.

If there is a workplace in the employee's home, nil valuations apply for:

- facilities provided and provided that your employee uses at the workplace (see section [22.2.2](#))
- refreshments at the workplace that are not part of a meal (see section [22.2.3](#))
- work clothing provided (see section [22.2.4](#))
- the housing, energy, water and laundry provided (see section [22.2.7](#))

No workplace in the employee's home

Is there no workplace in your employee's home? Then the nil valuations do not apply.

Please note

The following applies to reimbursing the costs of facilities for the workspace in your employee's home, such as energy costs:

- If the workspace is a workplace, the reimbursement of the costs of facilities to your employee is not a salary, but a reimbursement for intermediate costs (see section [4.12.2](#)).
- If the workspace is not a workplace, the allowance is your employee's salary.

22.3 Standard amounts

The following provisions at the workplace are the employee's wages for which standard amounts apply:

- meals in the company canteen (see paragraph [22.3.1](#))
- childcare (see section [22.3.2](#))
- Accommodation at the workplace (see Section [22.3.3](#))

A (service) residence that you make available is also your employee's salary. A standard amount applies to the service accommodation made available. See section [22.3.4](#) for more information on how to calculate this salary.

22.3.1 Meals in company canteens

The value of a meal in a company canteen is € 3.95. This standard amount applies to breakfast, lunch and dinner. You may apply the standard amount to meals in company canteens or similar areas. The standard amount minus any personal contribution of the employee of a maximum of € 3.95 is your employee's salary. But you can also designate the value of the meal as final levy wages (see section [10.1.3](#)). You do not have to administer the meals per employee. You only keep track of the total number of meals of all employees combined. You multiply the total number of meals by € 3.95 and deduct the personal contributions of all employees from the result. The amount may not become negative.

Company canteens for different companies

In a company canteen with an external caterer where employees of different companies eat, you act as follows: In your administration, you include the provision as final levy wages. Together with the caterer and the other employers, you develop a system that provides insight into:

- the total number of meals per employer
- the employees' own contributions per employer

You may not equate the final levy wage with your payments and benefits in kind to the caterer.

Meals during staff parties

How you handle meals during staff parties, receptions, and anniversary parties depends on the location of the party:

- The party is at the workplace.
For meals during parties that take place at the workplace, you count a standard amount as part of the salary. This standard amount is € 3.95 per meal. You can also designate this wage as final levy wage.
- The party is at an external location at a third party's.
You count these meals as part of the salary. You assume the invoice amount including VAT. There is no standard amount for these meals. You can also designate this wage as final levy wage.

22.3.2 Childcare

If you reimburse or provide childcare to your employees, this is your employee's salary. However, you may also be able to designate this salary as a final levy wage (see section [10.1.3](#)).

If you provide childcare to your employees, the calculation of its value depends on the place of childcare and whether you purchase the childcare. There are 3 possibilities:

- 1 You purchase childcare from a childcare organisation and the childcare is at the workplace or at another location. In this case, the value of the provision is the value of the childcare minus any employee contribution. The value of the childcare is the amount that the childcare organization charges you.
- 2 You organise the childcare yourself at the workplace (see paragraph [22.2.1](#)). In this case, you determine the economic value of the provision as follows: the number of hours of childcare received times the hourly rate according to the Childcare and Quality Requirements for Playgroups Act. You deduct any employee contribution from this. A condition for this way of valuing is that the parents can receive a childcare allowance or an allowance under the Childcare and Quality Requirements for Playgroups Act if they are entitled to it.
- 3 You organise the childcare yourself outside the workplace. In this case, the value of the provision is the value of the childcare in the course of trade minus any employee contribution.

Childcare for employees of various establishments

Do you have several locations and do you organize childcare yourself at one location?

Then the following applies:

- For your employees who work at the location where you organise childcare, this is referred to as 'workplace organised childcare'. You determine the value of the provision as indicated above at 2.
- For your employees of the other locations, the childcare is the employee's salary. But you can also designate this wage as final levy wages. To determine the amount of this salary, you use the market value.

22.3.3 Workplace Housing

If the accommodation at the workplace does not meet the conditions of the nil valuation (see paragraph [22.2.7](#)) and it is also not a (service) residence (see paragraph [22.3.4](#)), you will charge a standard amount of € 6.80 per day to your employee's salary for accommodation at the workplace. This standard amount includes the provision of energy, water and laundry. You may also be able to designate this salary as final levy salary (see section [10.1.3](#)). In that case, administration per employee is no longer necessary.

You multiply the number of employees by the number of days you provide the accommodation and by the standard amount of € 6.80 per day.

The standard amount of € 6.80 per day applies per employee. If you also provide the housing to 1 or more family members of your employee, the amount will not increase. The standard amount applies, for example, to the presence of agricultural staff at the workplace, to the presence of a sailor who lives on board, or to the stay of an employee at a permanent workplace.

22.3.4 (Service) accommodation

The provision of (service) accommodation or the reimbursement of the costs of a home is your employee's salary. How you calculate this salary depends on whether it is a home or a service residence.

Dwelling

If you make a home available to an employee or reimburse the costs of that home, this is the employee's salary. The value of this provision or compensation is based on the rental value in the course of trade. That is the rent that would have to be paid if the house were to be rented out.

Service accommodation

If you make a home available to an employee for the proper performance of the employment, this is called a service residence. This is a home from which he must perform his work, while he cannot reasonably refrain from using the home. The value of the enjoyment of the official accommodation made available is your employee's salary. The value of this posting is based on the rental value in the course of business, with a maximum of 18% of your employee's annual salary for a 36-hour working week. If you have a fixed working time of less than 36 hours per week, you must recalculate the salary to 36 hours.

Please note

- If you work more than 36 hours per week, you may not recalculate.
- For the calculation of the annual salary, you do not take into account the addition of 18%.
- Of the holiday allowance that you pay once a year, you must allocate 1/12 part to each month.

Example

Your employee lives in a service residence and has a monthly salary of € 3,200. He works 32 hours a week. The holiday allowance is 8%. Your employee's annual salary is: $(12 \times 36/32 \times € 3,200) + (12 \times 36/32 \times 8\% \text{ of } € 3,200) = € 46,656$. This is € 3,888 per month. The rental value in the course of trade of the official residence is a maximum of € 699.84.

If the rental value of the official residence is higher than the amount your employee would normally spend on rent, he cannot ask us to determine the lower savings value.

You cannot designate the rental value in the course of trade of the (service) residence as final levy wages (see paragraph [10.1.3](#)). The following 2 exceptions apply:

- the part of the rental value in the course of trade in connection with extraordinary security measures
- housing outside the place of residence caused by the employment relationship (the so-called pied-à-terre)

22.4 Hybrid working

The work-related costs scheme (WKR) offers you the opportunity to reimburse costs in the context of hybrid working free of payroll taxes. Within the WKR, there are various schemes to provide tax-free expense allowances for hybrid working:

- Free space
- Specific exemption from mandatory health and safety provision
- Specific exemption for necessary ICT resources
- Specific exemption from homeworking allowance

Free space

Within the WKR, there is a discretionary margin for giving tax-free allowances, benefits in kind and provisions. The discretionary margin amounts to 2.00% on the total taxable salary up to and including € 400,000. Above that, you calculate with a maximum percentage of 1.18% (see paragraph [10.1](#)).

Specific exemption from mandatory health and safety facilities

The specific exemption for health and safety facilities makes it possible for you to reimburse costs for mandatory health and safety facilities tax-free, such as for an ergonomically sound office chair, in order to enable workers to work in a healthy and safe hybrid way (see section [22.1.9](#)).

Specific exemption for necessary ICT resources

The specific exemption for necessary ICT resources, to which the necessity criterion applies, makes it possible for you to reimburse costs for necessary ICT resources tax-free (see section [22.1.7](#)).

Specific exemption from homeworking allowance

For additional costs associated with working from home, you can give a targeted exempt allowance of up to € 2.40 per day worked from home. This specific exemption applies in addition to the specific exemptions for the tax-free reimbursement, provision and provision of, among other things, necessary ICT resources and mandatory health and safety facilities. You can also apply the exemption if an employee only works from home for part of the day (see paragraph [22.1.12](#)).

Plant hubs

Work hubs offer workers the opportunity to rent a workplace in a shared office so that they do not work at the company location and the regular workplace. The rental costs paid by you for a work hub do not qualify as wages. This also applies if you reimburse the employee for the rental costs that he has advanced for you. These advanced costs qualify as intermediate costs (see section [4.12.2](#)).

23 Transport and travel expenses

Most employees travel for work. You can think of commuting (e.g. to the office), other business trips (e.g. to customers) or travel for a training course that your employee is following for his work. As an employer, you can reimburse the costs for these trips. You can also ensure that your employee can make these trips for work in another way, such as by providing them with a car or providing them with train tickets.

In this chapter you will find information about allowances and benefits in kind for travel that your employee makes for work. You will also find information about the provision of means of transport, tickets, subscriptions and parking facilities.

Please note

These allowances, benefits in kind and provision are sometimes subject to specific exemptions or nil valuations. In other cases, you can choose to designate the allowance, provision or provision as final levy wages (see section [10.1.3](#)). The compensation, provision or provision may not deviate by more than 30% from what is customary in comparable circumstances (see paragraph [4.2](#)).

The following topics are covered:

- travelling with your own car, motorcycle, bicycle, moped, etc. (see section [23.1](#))
- travelling by public transport (see section [23.2](#))
- travelling with a company car (see section [23.3](#))
- travelling with a company van (see section [23.4](#))
- travelling by another means of transport of the company (see paragraph [23.5](#))
- travel by taxi, boat or plane (see section [23.6](#))
- travelling by bicycle (see section [23.7](#))
- carpooling scheme (see section [23.8](#))
- transport on behalf of the employer (see paragraph [23.9](#))
- parking facilities (see paragraph [23.10](#))
- travel expenses for periodic family visits (see Section [23.11](#))
- temporary other transport due to roadworks (see paragraph [23.12](#))

23.1 Travelling with your own car, motorcycle, bicycle, moped, etc.

This section is about reimbursing trips that your employee makes for work with his or her own transport. For example, with your own car, motorcycle or bicycle, but also on foot. You will find information on the following topics:

- tax-free allowance of up to € 0.23 per kilometre (see paragraph [23.1.1](#))
- fixed remuneration (see section [23.1.2](#))
- reimbursement of total car costs (see section [23.1.3](#))
- allowance higher than € 0.23 per kilometre and other allowances (see paragraph [23.1.4](#))
- administering and storing fees (see section [23.1.5](#))
- Fees for charging stations and electricity for electric cars (see paragraph [23.1.6](#))

More information about reimbursing, providing or making available a bicycle can be found in section [23.7](#).

23.1.1 Tax-free allowance of a maximum of € 0.23 per kilometre

Your employee uses their own means of transport for travel for work. You may pay your employee a tax-free allowance of up to € 0.23 per kilometre for these trips. This is a specific exemption. If you meet the conditions, we will assume up to and including the maximum of € 0.23 per kilometre that you have designated this allowance as final levy salary. It makes no difference whether your employee uses the means of transport for commuting or other business trips.

And it is not important which private means of transport your employee uses. For example, if your employee lives 8 kilometres from work and travels to work every day, you may reimburse a maximum of € 3.68 (€ 0.23 x 16) tax-free per day. Commuting kilometers are business kilometers. Commuting also includes the kilometres that your employee drives between the place of work and his home in the course of a working day, for example the kilometres to have lunch at home.

The tax-free allowance of € 0.23 per kilometre does not apply to:

- detour kilometres driven for private reasons (e.g. to take a child to the nursery)
- an allowance for (parts of) journeys for which you arrange transport (see section [23.9](#))

Example 1

Your employee travels for work from Monday to Wednesday with your staff van from the pick-up point to a fixed place of work. He travels with his own car from his home to the pick-up point (distance 9 kilometers). On Thursdays and Fridays, he travels with his own car from his home to this fixed place of work (distance 42 kilometers), because the staff van is not available on those days. On Friday, he has to make a 10-kilometre detour to take his child to the nursery.

Umay then pay your employee the following tax-free travel allowance:

- Monday to Wednesday: 3 days x 18 kilometers x € 0.23 = € 12.42
- Thursday and Friday: 2 days x 84 kilometers x € 0.23 = € 38.64

Because the detour kilometers on Fridays are private, an allowance for this is your employee's salary. You can also designate this salary as final levy wage (see section [10.1.3](#)).

Example 2

You have made a passenger car available to your employee for the whole of 2025. He also has his own car. He will drive his own car in 2025, 400 business kilometers. If your employee uses his own car, you may still pay him a tax-free allowance of up to € 0.23 per business kilometre. You must then make it plausible that your employee has not used the passenger car you have made available for these business kilometres.

Please note

You may only reimburse travel expenses incurred in 2024 in 2025 if the employee was already unconditionally entitled to the allowance in 2024. Whether there was an unconditional right in 2024 depends on the employment law agreements between the employer and the employee. If the employee was unconditionally entitled to the allowance of at least € 0.23 in 2024, the allowance, insofar as it is received in 2025, is specifically exempt up to a maximum of € 0.23 per kilometre. See also paragraph 22.1 under the heading 'Reimbursement on the basis of a claim for costs from a previous year'.

23.1.2 Fixed Fee

You may give your employee a fixed tax-free allowance if he travels to a fixed place of work for work. This is a specific exemption. However, you must meet the conditions (see section [4.6.1](#)).

You can base the amount of the fixed allowance on the number of times in a year that your employee is likely to make his business trips and the length of those trips. You must adjust the allowance if circumstances change, for example if your employee moves or starts working on fewer days.

You may also determine the amount of the fixed tax-free allowance using a practical method. You can then choose from 2 methods.

Method 1

In the case of an employment relationship for a full year, an employee is likely to travel in at least 36 weeks (70% of 52 weeks) on 5 days for work to a fixed place of work. If the employment relationship starts or ends during the calendar year, 70% of the number of full weeks that the employment is likely to last may be assumed. For the calculation of the fixed tax-free allowance, you assume 214 working days in a year. This already takes into account short-term absences due to holidays, illness and leave. If you can plausibly demonstrate that the number of days is at least 25% higher than 214 days (i.e. at least 268 travel days to a fixed place of work), you may assume the higher number of days.

You multiply the number of working days by the total number of kilometers per day. You multiply the total number of kilometres for a year by the untaxed kilometre allowance of a maximum of € 0.23. For the fixed monthly or weekly fee, divide the result by 12 or 52.

You may also apply this method to employees who travel less than 5 days a week to a fixed place of work, for example by part-time. You do this proportionately. For example, if an employee is likely to travel to a fixed place of work 3 days a week, multiply the result of the calculation by 3/5.

Please note

Under method 1, you may continue to pay a fixed travel allowance during a maximum of 6 consecutive weeks in which your employee is absent. If you expect your employee to be absent for a long time, you may still pay the fixed tax-free travel allowance during the current and the next calendar month.

Example

An employee has the flu and he reports sick on March 20. He has just been back at work for 1 week, when he is on 5 April falls down the stairs and breaks his leg. As a result, the employee is probably unable to do his work for more than 3 months. On 5 August, the employee recovered and resumed his work.

On March 20, there is a short absence; You may continue to pay the fixed travel allowance tax-free. Long-term absence is to be expected on 5 April. You may then still pay the fixed travel allowance for April and May tax-free. After that, the fixed travel allowance is taxed as the employee's salary up to and including August, the month in which the employee returns to work.

You can also designate this salary as final levy wage (see section 10.1.3). Only from 1 September can the employee receive a tax-free fixed travel allowance again.

Subsequent calculation

In the case of a one-way travel distance of more than 75 kilometres from the home or place of residence to a fixed place of work for the work, subsequent calculation is mandatory. You must determine whether the fixed expense allowance corresponds to the actual number of commuting kilometres in the calendar year times the kilometre allowance you have paid (but a maximum of € 0.23 per kilometre). Variable mileage allowances can be netted (see section 23.1.4). You must include an excessive part of the compensation in the salary or your employee must repay you. You can also designate this salary as final levy wage (see section 10.1.3).

You make the actual calculation at the end of the calendar year, or in the wage period after the month in which the employment ends, if this takes place during the calendar year. A fixed expense allowance with subsequent calculation is allowed for all regular trips to all fixed places of work.

Method 2

If your employee does not always travel to a fixed place of work for work, you may also determine the fixed tax-free travel allowance using a different method. The following principles apply to method 2:

- You give a tax-free travel allowance of up to € 0.23 per business kilometre.
- You assume 214 working days per calendar year. This number takes into account, among other things, occasional working from home, illness, holidays, sabbatical leave and care leave.
- Your employee travels to the fixed place of work on at least 128 days per calendar year.

You may also apply this method to employees who travel less than 5 days a week to a fixed place of work, for example by part-time. You do this proportionately. For example, if an employee is likely to travel to a fixed place of work 3 days a week, multiply the result of the calculation by 3/5.

Concurrence of travelling to a fixed place of work and working from home

You may not apply the exemption for travel to a fixed place of work and the exemption for working from home at the same time for the same working day (see paragraph 22.1.12). This applies to both the use of method 1 and method 2. If the employee makes a business trip on a day other than commuting (business trip) and works from home, you may apply the specific exemption of € 0.23 per kilometre and the specific exemption for working from home. In any case, there is a fixed place of work if the employee works at the same place for more than 40 days per calendar year.

Fixed allowance for travel to the fixed place of work or home working days

The agreements made between you and your employee about the number of travel and home working days can form the basis for determining the fixed expense allowance to be specifically exempted (tax-free) to be given by you for both commuting and working from home by the employee. An incidental deviation from this does not have to lead to an adjustment of the compensation. If your employee works from home for at least 128 days, you may give your employee a fixed specifically exempted allowance for working from home costs as if the employee works from home for 214 days per calendar year. Or if your employee travels to a fixed place of work for at least 128 days, you may give a fixed specifically exempt allowance for commuting as if the employee makes that trip for 214 days.

Calculate proportionally

You must apply the number of working days (214) and working from home and travel days (128) proportionally if your employee 'as a rule' travels to a fixed place of work or works from home on less than 5 days a week.

As a rule, your employee no longer travels to a fixed place of work if he or she has more than does not travel to the fixed place of work for 2 months. This period of more than 2 months of not traveling is assessed per reason, such as leave, course or illness. You also assess per calendar year. This means that if the reason exceeds the calendar year, you must see it as if there is a new reason. For more information and an example, see section 22.1.12 under the heading 'As a rule'.

Example 1

Your employee with a two-day working week usually travels to a fixed place of work on 2 days a week. The one-way travel distance from his home to the permanent place of work for his work is 25 kilometers. The fixed tax-free travel allowance is then a maximum of 86 days ($2/5 \times 214$) for the whole year. $86 \text{ days} \times 50 \text{ kilometers} \times € 0.23 = € 989$. You can pay your employee a fixed tax-free allowance of € 82.42 per month for these trips, if he travels to the fixed place of work on at least 51 days ($2/5 \times 128$) in the calendar year.

Example 2

As a rule, your employee travels to a fixed place of work on 5 days a week. The one-way travel distance from his home to the fixed place of work for his work is 25 kilometers. The fixed tax-free travel allowance is then a maximum of 214 days x 50 kilometres x € 0.23 = € 2,461 for the entire calendar year. That is € 205.08 per month.

Your employee will become ill for a longer period of time from 15 July. You choose to pay the fixed travel allowance per September 1. Your employee will return to work on 1 December and you will pay the allowance again from 1 December. According to this scheme, your employee must travel to the fixed place of work on at least 85 days (8/12 x 128 days) in the period January to August for the fixed tax-free allowance of € 205.08 per month and in December at least 10 days (1/12 x 128 days). If your employee does not meet these requirements, you may reimburse a maximum of € 0.23 per actual commuting kilometre tax-free.

You must send corrections for any fixed tax-free allowances given in excess (see Chapter 14). You may also designate this salary as final levy salary (see section 10.1.3).

Example 3

Your employee with a four-day working week has agreed with his employer to travel to a fixed place of work (commuting) two days a week and to work from home the other two days. The one-way travel distance from his home to the permanent place of work for his work is 25 kilometers.

The fixed specifically exempted travel allowance is then a maximum of 86 days (2/5 x 214) for the whole year. 86 days x 50 kilometers x € 0.23 = € 989. You can pay your employee a fixed specifically exempt allowance of € 82.42 per month for these trips, if he travels to the fixed place of work on at least 51 days (2/5 x 128) in the calendar year. The specifically exempted homeworking allowance is then a maximum of 86 days (2/5 x 214) for the entire year. 86 days x € 2.40 = € 206.40. You can pay your employee a targeted exempt homeworking allowance of € 17.20 per month.

Example 4

Your employee with a four-day working week has agreed with his employer to travel three days a week to a fixed place of work (commuting) and to work from home for the remaining day. The one-way travel distance from his home to the permanent place of work for his work is 25 kilometers.

The fixed specifically exempted travel allowance is then a maximum of 129 days (3/5 x 214) for the whole year. 129 days x 50 kilometers x € 0.23 = € 1,483.50. You can pay your employee a fixed specifically exempted allowance of € 123.63 per month for these trips, if he travels to the fixed place of work on at least 76 days (3/5 x 128) in the calendar year. The specifically exempted homeworking allowance is then a maximum of 43 days (1/5 x 214) for the whole year. 43 days x € 2.40 = € 103.20. You can pay your employee a specifically exempt homeworking allowance of € 8.60 per month.

Recalculate according to time

In the following situations, you must recalculate the number of days on which the specifically exempted allowance is based over time:

- You start or stop the allowance during the calendar year, for example because an employee enters or leaves employment during the calendar year.
- The basis for calculating the allowance changes during the calendar year, for example because the commuting distance changes in the course of the calendar year.
- You change the amount of the fixed allowance in the course of the calendar year. The recalculation applies to both method 1 and method 2.

23.1.3 Reimbursement of total car costs

If you have agreed to reimburse the total costs (including depreciation) of your employee's own car, the rules apply to a car that you have made available to your employee. This is also the case for a car that your employee has leased and for which you reimburse the costs. It does not matter whether your employee pays you an allowance for the private use of the car (see sections [23.3](#) and [23.4](#)).

23.1.4 Allowance higher or lower than € 0.23 per kilometre and other allowances

Higher mileage allowance than € 0.23

If you reimburse your employee for travel by private means of transport more than € 0.23 per kilometre, the allowance is above that € 0.23 salary of the employee. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

Variable mileage allowances: net metering scheme

In the case of variable kilometre allowances (partly higher and partly lower than € 0.23), you may take the average of the kilometre allowances paid per employee to determine whether the allowance is on average more than € 0.23 per kilometre. This is only allowed:

- if you are also expected to give a lower allowance than € 0.23 per kilometre within the calendar year, and
- if you have designated both the higher and lower allowance than € 0.23 per kilometre as the final levy wage, and
- if you have agreed with your employee that higher mileage allowances are also intended for travel expenses for which you have given a lower mileage allowance than € 0.23. For example, you can lay down the scheme in a supplement to the (collective) employment contract or your compensation scheme.

You calculate the average of the higher and lower mileage allowances before the final declaration date of the last declaration for the calendar year. Because if there is wages, you must declare that wages in that tax return. But you may also designate this salary as final levy salary (see section [10.1.3](#)).

If the employment ends in the course of the calendar year, you calculate the average before the deadline for the declaration of the declaration for the period in which the employment ends. Because if there is wages, you must declare that wages in that tax return. But you may also designate this salary as final levy salary (see section [10.1.3](#)).

Example

U2025, you will pay your employee the following mileage allowances for travel for work:

- 3,000 km à € 0.30 per km = € 900
- 1,000 km à € 0.10 per km = € 100
- mileage allowance: € 900 + € 100 = € 1,000

Calculation of wages in December 2025:

- reimbursed in 2025: € 1,000
- Tax-free reimbursement in 2025: 4,000 km at € 0.23 per km = € 920
- salary: € 1,000 - € 920 = € 80

Other fees

Reimbursements for travel expenses that you pay in addition to the € 0.23 per kilometer are wages. These are, for example, reimbursements for parking and toll fees, for (extra) depreciation and wear and tear of the car, for extra fuel consumption by a trailer or for damage to the car.

Ferry transport

You can reimburse the actual costs of ferry transport if this transport is public transport (see section [23.2](#)). In that case, you do not pay a fee of € 0.23 per kilometre for the distance by ferry. If the transport by ferry is not public transport, the compensation for this that you pay in addition to the € 0.23 per kilometre is salary.

Parking at the employee's home or place of work

In which cases the fee for parking is wages can be read in paragraph [23.10](#).

Please note

Does the reimbursement, provision or provision of navigation equipment meet the necessity criterion (see section [22.1.7](#))? Then it is specifically exempt.

23.1.5 Administering and Storing Fees

You must keep the details of your employee's expense allowances for travel to a fixed place of work with your own means of transport with the payroll administration. You must also keep the details of the expense allowances for occasional trips with your own means of transport, but this is not necessary in your payroll administration. For each employee, you keep track of the number of kilometres for which you have given an allowance for each payment period. In order to be able to make the tax-free allowance of a maximum of € 0.23 per kilometre plausible, it is wise to note the route followed and the address visited for each trip.

23.1.6 Fees for charging stations and electricity for electric cars

You have a charging station installed at your employee's home or you reimburse the costs of installing a charging station. This may be tax-free, as long as it fits within the tax-free allowance of a maximum of € 0.23 per kilometre that you pay the employee. Allowances that you pay in addition to the € 0.23 per kilometre are wages. This also applies to the electricity for the car and any necessary adjustments, such as an extra group in the meter cupboard and a meter to measure consumption.

23.2 Travelling by public transport

By public transport (hereinafter: public transport) we mean passenger transport according to a timetable that is available to everyone. This can be, for example, transport by car, bus, ferry, train, tram or metro. Transport by taxi, boat or plane is not public transport. A separate regulation applies to this (see section [23.6](#)).

In this section, we will cover the following topics:

- the right to travel freely and the right to discounts in general (see section [23.2.1](#))
- reimbursement of public transport costs, including the right to free travel and the right to a discount (see section [23.2.2](#))
- ticketing, including the right to free travel and the right to a discount (see paragraph [23.2.3](#))
- provision of tickets, including the right to free travel and the right to discounts (see paragraph [23.2.4](#))
- transport to and from a station or stop (see section [23.2.5](#))
- travel deduction for income tax purposes (see section [23.2.6](#))

23.2.1 Right to free travel and right to discount

Public transport companies offer various products to be able to travel by public transport. Such as a subscription that entitles you to free travel, to free travel on a fixed route or free travel at certain times. The public transport companies use different names for these travel products. In addition, public transport companies also offer products in the form of a right to a reduction in the price of public transport tickets. A

right to free travel or a right to a discount may include:

- a subscription that you have taken out for the employee
- a season ticket that an employee has taken out himself and can claim from you, whereby this season ticket entitles you to free travel, to free travel on a fixed route or free travel at certain times or gives you a right to a discount on travel
- the possibility, for example with a mobility card or mobility app, that you offer an employee to use public transport without a subscription, but where the bill for individual journeys is charged directly to you by an external (transport) company
- the possibility, for example with a mobility card or mobility app, that you offer an employee to use public transport without a subscription, but where the costs are paid by you in advance, for example by loading an amount of balance on such a travel product

The reimbursement, provision and provision of a right to free travel and a right to a discount is specifically exempt if the employee (also) uses the right for business travel, including commuting.

Note 1

The specific exemption does not apply to declared private trips made with a private travel product (no right to free travel and no right to discount).

Example

The employee travels at his own expense with a mobility card or mobility app without a subscription. The employee claims the private travel expenses incurred with the mobility card or mobility app with you. If you reimburse these private travel expenses, the reimbursement is not specifically exempt.

Note 2

With a mobility card or mobility app, other forms of transport may also be facilitated, such as a taxi or bicycle. The tax treatment of these facilities is subject to the rules that apply to those forms of transport.

Note 3

From 2025, the specific exemption will also apply to foreign public transport.

23.2.2 Reimbursement of public transport costs (including the right to free travel and the right to a discount)

You can reimburse your employee's business expenses for public transport tax-free (a specific exemption applies). If you meet the conditions, we will assume that you have designated that allowance as final levy wages up to and including the maximum specific exempt amount. You have the following options:

- If your employee travels by public transport at his or her own expense, you may reimburse a maximum of € 0.23 per kilometre tax-free. You can also choose to reimburse the actual travel costs. That too can be untaxed. You do not have to take into account any delay compensation that the carrier may give to your employee.
- If your employee travels partly by private transport and partly by public transport, you may give a tax-free allowance of up to € 0.23 per kilometre for the entire travel distance. You may also reimburse the actual public transport costs tax-free and also reimburse a maximum of € 0.23 per kilometre for journeys with your own transport tax-free.
- You may give your employee a tax-free fixed allowance for travel if you opt for reimbursement of a maximum of € 0.23 per kilometre (see paragraph [23.1.2](#)).

If you want to reimburse the actual public transport costs tax-free, you must make it plausible that your employee has incurred costs for business travel by public transport. For example, you keep the (copies of the) tickets or the overviews of the journeys and costs made with the mobility card or mobility app in your records.

Reimbursement of a right to free travel or a right to a discount

Do you reimburse the employee for the costs of a right to free travel or a right to a discount (see section 23.2.1)? If the employee also uses the right for business travel, including commuting, the entire allowance is specifically exempt. The degree of private use is not important and the private use is not taxed.

Please note

When reimbursing a right to free travel, your employee has no travel expenses. As a result, you cannot give a tax-free travel allowance for these trips. When reimbursing an entitlement to a discount, your employee may still have travel expenses. You can reimburse or provide the business travel expenses (after discount) on a targeted exempt basis. Private travel expenses that the employee claims from you (after discount) cannot be reimbursed or provided specifically exempt.

Reimbursement of a mobility card or mobility app

Do you reimburse the employee for the costs of a mobility card or mobility app (see section 23.2.1)? The specific exemption does not apply to declared private trips made with a private travel product (no right to free travel and no right to discount).

Example

The employee travels at his own expense with a mobility card or mobility app without a subscription. The employee claims the private travel expenses incurred with the mobility card or mobility app with you. If you reimburse these private travel expenses, the reimbursement is not specifically exempt.

Do you reimburse more than what is specifically exempt? Then you add the allowance to your employee's salary. You may also designate this salary as final levy salary (see section [10.1.3](#)).

No business use

If your employee does not use the right to free travel or the right to a discount for business travel, the invoice value is the employee's salary. You can also designate this salary as final levy wage (see section [10.1.3](#)).

23.2.3 Ticket issue (including the right to free travel and the right to discounts)

Your employee can travel by public transport for business travel and for commuting with tickets that you provide him. You can do this, for example, in the form of providing individual tickets or a right to free travel or a right to a discount. This is transport on the part of the employer (see paragraph [23.9](#)).

You may provide the individual tickets to your employee tax-free (there is a specific exemption). Your employee has no travel expenses. As a result, you cannot give a tax-free travel allowance for these trips. However, you can give a tax-free allowance of up to € 0.23 per kilometre for journeys for which the tickets do not apply, for example journeys to and from the station or the bus or tram stop (see paragraph [23.2.5](#)).

Provision of a right to free travel or a right to a discount

Do you provide your employee with a right to free travel or a right to a discount (see section 23.2.1)? If the employee also uses the right for business travel (including commuting), the provision is specifically exempt. The degree of private use is not important and the private use is not taxed.

Please note

When granting a right to free travel, your employee does not have any travel expenses for those trips. As a result, you cannot give a tax-free travel allowance for these trips. When providing an entitlement to a discount, your employee may still have travel expenses. You can reimburse or provide the business travel expenses (after discount) on a targeted exempt basis. Private travel expenses that the employee claims from you (after discount) cannot be reimbursed or provided specifically exempt.

No business use

If your employee does not use the right to free travel or the right to a discount for business travel, the invoice value is the employee's salary. You can also designate this salary as final levy wage (see section [10.1.3](#)).

23.2.4 Provision of tickets

Your employee can travel by public transport for business travel and for commuting with tickets that you make available to him. You can do this in the form of making available a right to free travel or a right to a discount. This is transport on the part of the employer (see paragraph [23.9](#)).

Provision of a right to free travel or a right to a discount

Do you provide your employee with a right to free travel or a right to a discount (see section 23.2.1)? If the employee also uses the right for business travel, including commuting, the posting is specifically exempt. The degree of private use is not important and the private use is not taxed.

Please note

When making available a right to free travel, your employee does not have any travel expenses for those trips. As a result, you cannot give a tax-free travel allowance for these trips. When making a right to a discount available, your employee may still have travel expenses. You can reimburse or provide the business travel expenses (after discount) on a targeted exempt basis. Private travel expenses that the employee claims from you (after discount) cannot be reimbursed or provided specifically exempt.

There may also be a right to free travel or a right to a discount if this product is in the name of your employee.

No business use

If your employee does not use the right to free travel or the right to a discount for business travel, the invoice value is the employee's salary. You can also designate this salary as final levy wage (see section [10.1.3](#)).

23.2.5 Transportation to and from a station or stop

For journeys with your employee's own means of transport from his home or a fixed place of work to, for example, a station or bus or tram stop, you may reimburse a maximum of € 0.23 per kilometre tax-free (see paragraph [23.1.1](#)). When using a taxi, you may reimburse the actual taxi costs tax-free (see paragraph [23.6](#)).

23.2.6 Travel deduction for income tax purposes

If your employee travels by public transport for work, he may be entitled to the travel deduction for income tax purposes. This is possible under the following conditions:

- You do not issue your employee with tickets.
- Your employee travels by public transport to the place of work at least once a week or 40 times per calendar year.

Your employee reduces the amount of the travel allowance by the travel allowance that you pay. Furthermore, your employee must be able to provide us with a statement for the travel deduction. In most cases, this is a public transport statement that the public transport company has issued to your employee. If your employee does not travel with subscriptions, for example because he works part-time, he may still be eligible for the travel deduction. To do this, he must be able to submit a travel statement from you and make it plausible that he has made the trips. He can do this by submitting the overviews of the journeys with the public transport chip card and of the costs of those journeys. If your employee does not use an OV-chipkaart, he can present the individual tickets.

The travel declaration signed by you must in any case contain the following:

- your name and address
- the name and address of your employee
- the number of days per week on which your employee usually travels to work by public transport

23.2.7 Public transport flow chart

We have dropped the public transport flow chart.

23.3 Travelling with a company car

You can provide your employee with a company car. For more information about when a car is made available, see the [guide to private use of a car](#). You can download it from belastingdienst.nl.

If you make a company car available to an employee, this is transport on behalf of the employer (see section [23.9](#)). You may not pay a tax-free mileage allowance to your employee for business trips for which the employee uses the car. Any compensation is then the employee's salary. You can also designate this salary as final levy salary if the customary nature test has been met (see section [10.1.3](#)).

You can provide your employee with a car that belongs to you. But you can also provide a car that is not yours. This is the case in these situations:

- You rent or lease a car for your employee.
- You agree to reimburse the total costs (including depreciation) of your employee's own car. If your employee drives his own car and you only give an allowance of € 0.23 per kilometre for business trips, there is no question of a car provided by you.
- You reimburse all costs of a car that your employee rents or leases himself.

If your employee reimburses you an amount for private use of the car, in all cases there is still provision of the car.

If your employee is also allowed or able to use the passenger car that you make available to him for private purposes, a special arrangement applies to private use: the addition to taxable income. You make a car available for private purposes if your employee can decide for himself or for which trips he uses the car. A car may also be made available for private purposes if, for example, you impose a limitation on the number of kilometres or if you prohibit travelling abroad with the car.

The regulation for private use generally also applies to the provision of a delivery van, but there are also specific rules for these cars. These rules can be found in section [23.4](#). This

section deals with the following topics:

- Scheme for private use of a car (addition) (see paragraph [23.3.1](#))
- Basis for the addition to taxable income for private use of a car (see paragraph [23.3.2](#))
- addition to taxable income for private use of a car: percentages and starting points (see paragraph [23.3.3](#))
- cars with zero CO2 emissions (see section [23.3.4](#))
- addition for cars with limited CO2 emissions (see paragraph [23.3.5](#))
- addition to taxable income for private use of car and employee's own contribution (see paragraph [23.3.7](#))
- private use of a car and little or no salary in cash (see paragraph [23.3.8](#))
- Fees for charging stations and electricity for electric cars (see paragraph [23.3.9](#))
- provide a car for part of the calendar year (see paragraph [23.3.10](#))
- make another car available during the calendar year (see paragraph [23.3.11](#))
- Provide more than 1 car at a time (see paragraph [23.3.12](#))
- cars that are equipped and recognisable for certain services (see section [23.3.13](#))
- (collective) agreement on no private use of a car with the Tax and Customs Administration (see paragraph [23.3.14](#))
- no addition for a maximum of 500 kilometres of private use (see paragraph [23.3.15](#))
- 'Declaration of no private use of the car' (see paragraph [23.3.16](#))
- Amend or withdraw 'Declaration of no private use of car' (see paragraph [23.3.17](#))
- journey registration (see paragraph [23.3.18](#))
- other evidence (see paragraph [23.3.19](#))
- cars older than 15 years (see paragraph [23.3.20](#))
- addition to taxable income for private use of a car for the automotive industry (see paragraph [23.3.21](#))
- consequences of addition to taxable income for salary-related schemes (see paragraph [23.3.22](#))
- Processing private use of a car in the payroll tax return (see paragraph [23.3.23](#))
- Flow chart for the passenger car made available (see paragraph [23.3.24](#))

Learn more

If, after reading section [23.3](#), you still have questions about the private use of the company car, you can obtain more information from:

- the Tax Telephone: 0800 - 0543
- Tax and Customs Administration/team Car/PGA, P.O. Box 9001, 6800 DB, Arnhem

Your employee can also get information here.

23.3.1 Scheme for private use of a car (addition)

If you provide your employee with a company car that he can also use privately, you must add an amount to the salary. This is the addition to taxable income for private use of a car. The addition is wages in kind (see Section [4.5](#)). You must deduct wage tax/national insurance contributions and pay employee insurance contributions, and pay the employer's Zvw levy or withhold the Zvw contribution.

It is possible that your employee does not use the car made available for a while, because he is temporarily incapacitated for work or interrupts his career. Even then, the addition to taxable income for private use of a car will continue to apply.

Please note

The addition is always the employee's salary. You cannot therefore designate this wage as final levy wages. There is 1 exception: the part of the addition for the extraordinary security measures (see paragraph [23.3.2](#)) can be designated as final levy wages (see paragraph [10.1.3](#)).

Business mileage and private mileage

Business kilometers are kilometers that your employee drives for work. Kilometres for commuting are also business kilometres. Commuting also includes the kilometres that your employee drives between the place of work and his home during the course of a working day, for example the kilometres to have lunch at home. Kilometres that your employee makes a detour to or from work for private reasons, for example along the crèche, are private kilometres.

On-call schedule

If you can plausibly demonstrate that you have made a car available to your employee for on-call duty (a rotation system in which your employee must be on call for a certain period of time), you may treat all kilometres during this on-call duty as business. The following conditions apply:

- Your employee has no influence on the choice of car.
- Your employee has his or her own car that is just as suitable for private use as, or better suited than, the company car.
- Your employee must remain within a reasonable distance of his place of residence during the stand-by time.
- You or your employee keep track of how many kilometres he drives during the on-call duty and the place(s) of work for which he is called.

Maximum 500 kilometres of private use: no addition

If your employee does not drive more than 500 kilometres privately with the company car on a calendar year basis, you do not have to add the private use to his salary under certain conditions (see paragraph [23.3.15](#)).

23.3.2 Basis for the addition to taxable income for private use of a car

The addition is the difference between the value of the private use minus any personal contribution of the employee for the private use. You calculate the value of the private use over the basis for the addition to taxable income for private use of a car.

The basis of assessment is the Dutch list price on the date of first admission of the car, including the tax on passenger cars and motorcycles (hereinafter: bpm) and VAT. The list price includes accessories that have already been fitted at the factory or that have been fitted to the car by the dealer or importer before the date the car was registered.

The basis also includes the costs for extraordinary security measures, such as bulletproof glass, drive-through tyres and door or floor armour, unless these costs are designated as final levy wages (see Section [23.3.1](#)).

Did you buy the car outside the Netherlands? In that case, too, you calculate the tax base on the basis of the Dutch list price. If the car is not available in the Netherlands, calculate the tax base with the list price of a comparable car available in the Netherlands.

The basis for the value of the private use of the car is calculated as follows:

Net list price calculated by the manufacturer or importer (including accessories)
 + VAT
 + bpm amount stated on the license plate
 = Base value of the private use of the car

Cars older than 15 years

From the moment that the car made available is older than 15 years, the market value of the car forms the basis for calculating the value of the private use of the car (see paragraph [23.3.20](#)).

Catalogusprijzen auto's in online database RDW

You can find the list prices of cars in an online database of the Road Traffic Department (RDW). In this database, the RDW records the list prices of cars that were registered for the first time from 1 January 2005. You can find the database on rdw.nl.

For cars that are older, but not yet 15 years old, you can use the historical price lists of the official importers.

Imported used cars and date of 1st admission

For an imported used car, the Dutch list price applies on the date on which the car was first admitted on the road (abroad). This date is in the vehicle registration of the RDW. This means that the list price of an imported car is the same as that of a car that was first used as a new car in the Netherlands. If there is no Dutch list price, you calculate the tax base with the list price of a car available in the Netherlands and comparable in the Netherlands.

23.3.3 Addition to taxable income for private use of a car: percentages and starting points

Which addition percentage you should use depends on the CO2 emissions of the car and on the date of 1st admission or 1st registration of the car. We explain these concepts below.

The general addition percentages for the private use of the car are:

- 22% for cars with a date of 1st admission on or after 1 January 2017
- 25% for cars with a date of 1st admission before 1 January 2017
- 35% for cars older than 15 years

If a discount applies, 1 of the following reduced percentages applies: 8%, 11%, 12%, 15%, 16%, 17%, 19% or 20%. For cars with a date of first admission from 2019 and for cars with a date of first registration before 2019 and a first registration in 2019 or later, the reduced percentages do not apply to the entire tax base. See section [23.3.4](#).

You apply the percentage that applies to the basis for the value of the private use of the car (see paragraph [23.3.2](#)). For each wage period, you then add a time-proportional part of the value of the private use of the car to your employee's salary. If you are no longer allowed to use the discount percentage during the course of the calendar year, you will apply the discount percentage until that moment and then the then applicable percentage. So you make 2 calculations to determine what you need to add each pay period (see example 1 below).

Datum 1e toelating

The date of 1st admission is the date on which the vehicle (anywhere in the world) was first admitted on the road. From 1 January 2017, the date of 1st admission, in addition to the CO2 emissions, determines the addition percentage that you must use. You will find the date 1st admission on the registration certificate and on rdw.nl when you enter the car's registration number.

Date of 1st registration

In addition to the CO2 emissions, the date of 1st registration determines the addition percentage that you must use for cars with a date of 1st admission before 1 January 2017. The date of 1st registration is the date on which the registration number of the car was first registered in the Dutch vehicle registration register. You will find the date of 1st registration on the registration certificate ('date of first registration in the Netherlands') and on rdw.nl when you enter the registration number of the car ('date of first issue in the Netherlands').

On the registration certificate and on rdw.nl you will also find the date on which the car was last registered in your name ('date of registration'). This date is not important for the addition.

CO2 emission limits

The CO2 emissions of a car, which determines the amount of the addition, can be found:

- in the vehicle registration of the Road Traffic Department (RDW)
- on the so-called certificate of conformity
U can request this certificate from the manufacturer or the importer.
- on the car's eco-label
- in the fuel consumption booklet that the RDW publishes every year
U can find this booklet on rdw.nl.

Example 1

The basis for a car without CO2 emissions with a date of 1st admission of 1 February 2016 and a date of 1st registration of 1 February 2020 is € 40,000. In the case of a one-month wage period, the value of private use in the months of January and February 2025 is ($\text{€ } 40,000 \times 11\% \times 2/12 =$) € 733.33, or € 366.66 per month. Over the remaining months in 2025, the value of the private use is ($[\text{€ } 30,000 \times 20\% + \text{€ } 10,000 \times 25\%] \times 10/12 =$) € 7,083.33, or € 708.33 per month.

Excessive private use

If the actual value of the private use is clearly more than the value based on the general addition percentage, there is excessive private use of the car. You must then assume the higher value of the private use. If a discount on the general addition percentage applies, you apply that discount to the list price and you deduct that discount from the value of the private use.

If you are unsure whether there is excessive private use, please contact your tax office.

Example 2

The basis for the addition for a car without CO2 emissions and with a date of 1st admission of February 1, 2022 is € 45,000. The actual value of the private use is € 14,500. This is more than the value of the private use based on the general addition percentage ($22\% \times \text{€ } 45,000 = \text{€ } 9,900$). The 60-month period within which a discount on the addition may be taken into account has not yet expired. The amount of the discount on the general addition percentage is then 6% of the list price up to € 35,000 = € 2,100. The value of the private use is then € 14,500, € 2,100 = € 12,400. In the case of a one-month wage period, the addition per wage period is € 1,033.33 ($\text{€ } 12,400 : 12$). In the case of a wage period of 4 weeks, the value of the private use per wage period is € 953.84 ($\text{€ } 12,400 : 13$).

Please note

It is increasingly common for employers to provide an employee not only with a car, but also, for example, with a mobility card. The employee can then choose which means of transport to take for his journey. If the employee uses public transport for his business trips, this does not affect the amount of the addition to taxable income for private use of a car.

23.3.4 Addition percentage for cars without CO2 emissions

For cars without CO2 emissions with an engine that can be powered by hydrogen and for fully battery-powered electric cars, a discount on the value of private use applies. This discount is calculated on a maximum amount (or: the cap). In the case of electric cars, a distinction is made between electric cars without and electric cars with integrated solar panels (solar cell cars). Solar cell cars are equipped with integrated solar panels, where the energy required for propulsion is stored in a battery pack that does not contain lead and the solar panels have a capacity in watt peak divided by the consumption in watt hours per kilometer is at least 7. The cap does not apply to these cars and cars that are powered by an engine that can be powered by hydrogen. For cars without CO2 emissions, the addition percentage depends on the date of 1st admission:

Datum 1e toelating	Addition percentage in 2025
2025	Electric cars: • 17% insofar as the basis for the addition is € 30,000 or less • 22% for the part of the tax base above € 30,000 for hydrogen cars and solar cell cars: • 17% for the entire basis for the addition
2024	Electric cars: • 16% insofar as the basis for the addition is € 30,000 or less • 22% for the part of the tax base above € 30,000 for hydrogen cars and solar cell cars: • 16% for the entire basis for the addition
2023	Electric cars: • 16% insofar as the basis for the addition is € 30,000 or less • 22% for the part of the tax base above € 30,000 for hydrogen cars and solar cell cars: • 16% for the entire basis for the addition
2022	Electric cars: • 16% insofar as the basis for the addition is € 35,000 or lower • 22% for the part of the tax base above € 35,000 for hydrogen cars and solar cell cars: • 16% for the entire basis for the addition
2021	Electric cars: • 12% insofar as the basis for the addition is € 40,000 or less • 22% for the part of the tax base above € 40,000 for hydrogen cars and solar cell cars: • 12% for the entire basis for the addition
2020	Electric cars There may still be the 60-month period. This period started on the 1st day of the month following the month in which the 1st admission fell: • 8% during the 60-month period insofar as the basis for the addition is € 45,000 or lower • 22% during the 60-month period for the part of the tax base above € 45,000 • 17% after the end of the 60-month period insofar as the basis for the addition is € 30,000 or lower, during the rest of the year • 22% after the end of the 60-month period on the part of the tax base above € 30,000, during the rest of the year. hydrogen cars and solar cell cars • 8% during the 60-month period for the entire basis for the addition • 17% after the end of the 60-month period for the entire basis for the addition
2017, 2018 and 2019	Electric cars: • 17% insofar as the basis for the addition is € 30,000 or less • 22% for the part of the tax base above € 30,000 for hydrogen cars and solar cell cars: • 17% for the entire basis for the addition
Before 1 January 2017	The addition percentage depends on the date of 1st registration. Look for the percentages in the table below.

Example 1

You provide your employee with an electric lease car (not a solar cell car). The date of 1st admission is 1 February 2025. The basis for the addition is € 85,000. The employee's wage period is one month. He pays you a personal contribution for private use of € 200 every month.

The addition per month is then:

value of private use: $([€ 30,000 \times 17\%] + [€ 85,000 - € 30,000] \times 22\%) / 12 =$	€ 1.433,33
Personal contribution:	€ 200,00
addition:	€ 1.233,33

Addition percentages for the date of 1st admission before 1 January 2017

In this table, we do not distinguish between electric cars and hydrogen or solar cell cars. Insofar as it concerns a hydrogen or solar cell car: see the caption below the table.

Date of 1st registration	Addition percentage in 2025
2025	20% insofar as the basis for the addition is € 30,000 or less • 25% for the part of the basis above € 30,000
2024	19% insofar as the basis for the addition is € 30,000 or lower 25% for the part of the tax base above € 30,000
2023	19% insofar as the basis for the addition is € 30,000 or lower 25% for the part of the tax base above € 30,000
2022	19% insofar as the basis for the addition is € 35,000 or less 25% for the part of the tax base above € 35,000
2021	15% insofar as the basis for the addition is € 40,000 or less 25% for the part of the tax base above € 40,000
2020	There may still be a 60-month period. This period started on the 1st day of the month following the month in which the 1st registration fell: 11% during the 60-month period insofar as the basis for the addition is € 45,000 or less 25% during the 60-month period for the part of the tax base above € 45,000 20% after the expiry of the 60-month period insofar as the basis for the addition is € 30,000 or less 25% after the end of the 60-month period on the part of the tax base in excess of € 30,000
Before 1 January 2020	20% insofar as the basis for the addition is € 30,000 or lower 25% for the part of the tax base above € 30,000

The cap (the maximum to which the low percentage applies) does not apply to hydrogen cars and solar cell cars. You then use the lowest percentage for the entire tax base. If you make the car available to another employee or if the car changes hands, the addition percentage does not change.

Example 2

You provide your employee with an electric lease car (not a solar cell car). The date of 1st admission is 1 February 2016. The date of 1st registration is May 1, 2020. The basis for the addition is € 60,000. The employee's wage period is one month. He pays you a personal contribution for private use of € 50 each month.

The addition per month for January to May 2025 is then:
 $([€ 45,000 \times 11\%] + [€ 60,000 - € 45,000] \times 25\%) / 12$
 $€ 50 = € 675.$

The addition per month for June to December 2025 is:
 $([€ 30,000 \times 20\%] + [€ 30,000 \times 25\%]) / 12$
 $€ 50 = € 1,075.$

Example 3

You provide your employee with an electric car with integrated solar panels (solar cell car). The date of 1st admission is 1 February 2025. The basis for the addition is € 85,000. The employee's wage period is one month. He pays you a personal contribution for private use of € 200 every month.

The addition per month is then: $([€ 85,000 \times 17\%] / 12) € 200 = € 1,004.16$

Please note

For a car with no CO2 emissions, which was first put into use more than 15 years ago, the value of private use is 35% of the market value of the car, see [paragraph 23.3.20](#). You may apply a discount to this in connection with the lack of CO2 emissions. The amount of the discount and the duration of the discount may depend on the date of first registration in the vehicle register. These addition percentages are not shown in the table above. If you are unsure about the addition percentage, please contact your tax office.

23.3.5 Addition percentage for cars with limited CO2 emissions

For cars with limited CO2 emissions, there are no longer any discounts on the addition to taxable income. For cars for which a discount on the addition to taxable income previously applied due to limited CO2 emissions, the 60-month discount period has now expired. Cars with a date of 1st admission before 1 January 2017 will retain an addition percentage of 25% regardless of the date of 1st registration.

Datum 1e toelating	Addition percentage in 2025
January 1, 2017 or later	22%
Before 1 January 2017	25%

23.3.6 Lapsed

This paragraph has been deleted.

23.3.7 Addition to taxable income for private use of car and employee's own contribution

Any personal contribution by the employee for the private use that you deduct from his net salary is deducted from the value of the private use. The conditions are that the contribution is intended for private use and that you have agreed this in advance with your employee.

Examples of agreements that you can make with your employee for personal contributions are: parking costs incurred by the employee, costs for accessories that are not or will not be the property of the employee, a fixed amount per private kilometre driven and a personal contribution in the event of damage. This is subject to the condition that the damage may not be the result of unlawful or negligent actions by your employee.

Note 1

Your employee may not deduct a personal contribution for the private use of the car in his income tax return.

In the case of a higher lease amount for a car from a more expensive class, only the amount that the employee pays you for the private use will be deducted from the value of the private use of the car. If you have agreed with your employee that his higher personal contribution (above-standard contribution) is entirely intended as a contribution for private use, you may deduct the entire contribution. But if you and your employee have not agreed on anything or anything else, this is not allowed. For example, if the employee also has to pay a contribution while he has no value from the private use of the car.

Furthermore, you must distinguish between payments to you and payments to third parties. If your employee pays an amount to third parties, for example for washing the car in the car wash, that amount is not deducted from the value of the private use of the car (and therefore does not lead to a lower addition). The addition will only be reduced if you have agreed with your employee that he will make the payment to third parties for you or on your behalf and you settle that payment as a contribution for private use. In that case, you may not reimburse the payment.

Note 2

A fine that your employee pays you because he has used the car privately against your prohibition is not a personal contribution for private use.

The balance of the value of the private use of the car and the personal contribution for private use of your employee (or: the addition) may not be negative per calendar year. You must deduct wage tax/national insurance contributions on the balance per wage period, pay employee insurance contributions, and pay the employer's Zvw levy or withhold Zvw contributions. In the payroll tax return, you state the value of your employee's private use and personal contribution (see paragraph [23.3.23](#)).

Example 1

You make a car available to your employee of which the basis for the value of the private use of the car is € 24,000. The wage period is 1 month and the addition percentage is 22%. Your employee pays a personal contribution for private use of € 100 per month. You then count as $\frac{1}{12} \times 22\% \times € 24,000 - € 100$ (personal contribution) = € 340 for each wage period.

It is possible that the employee's personal contribution is not the same every wage period. Then in a wage period the personal contribution may be more than the value of the private use of the car. Then the balance in that wage period may be negative, as long as the total balance per calendar year is not negative. If at the end of the calendar year it turns out that on balance too much personal contribution has been settled, you may have to make 1 or more corrections to the previous payroll tax returns (see also Chapter [14](#)).

Example 2

In a previous year, you provided your employee with a car with a list value of € 40,000, for which an addition percentage of 8% applies in the current year in this example. Per year, that is a value of private use of a car of € 3,200. The wage period is 1 month. The value of the private use of the car is € 266 per month. Your employee has paid you a personal contribution for private use of the car of € 300 per month. The addition is then theoretically € 266 - € 300 = € -34.

However, now that you already know in advance that the personal contribution is structurally more than the value of the private use, the addition per month is € 0. In the sections of the tax return, you must enter the following:

- Value of private use of car € 266
- Employee contribution for private use of car € 266 (so not the amount of € 300)

Note 3

In the example above, the employee pays you € 34 more each month than the amount of value for private use. This amount therefore no longer leads to any deduction from the taxable salary and also does not lead to a deduction via the employee's income tax return.

Example 3

Your employee has a car with a value of a private use car of € 6,000 per year. That's € 500 per month. You have agreed with your employee that he will pay a personal contribution of 50% of his net holiday allowance for May (which amounts to € 3,000 for this year) and in November of 50% of his net end-of-year bonus (which amounts to € 4,000 for this year).

In the payroll tax returns for January to December, you always take into account € 500 of value for private use of the car. In May, there is € 1,500 in personal contribution from the employee (from the holiday allowance) and in November (from the end-of-year bonus) there is € 2,000 personal contribution from your employee.

In the payroll tax return, this leads to the following course:

Wage period	Value of private use	Employee's own contribution	Addition
January	€ 500	€ 0	€ 500
February	€ 500	€ 0	€ 500
March	€ 500	€ 0	€ 500
April	€ 500	€ 0	€ 500
May	€ 500	€ 1.500	€ -1.000
June	€ 500	€ 0	€ 500
July	€ 500	€ 0	€ 500
August	€ 500	€ 0	€ 500
September	€ 500	€ 0	€ 500
October	€ 500	€ 0	€ 500
November	€ 500	€ 2.000	€ -1.500
December	€ 500	€ 0	€ 500
Total	€ 6.000	€ 3.500	€ 2.500

The cumulative addition is positive, the personal contribution is not higher than the value of private use, so you do not have to restore anything.

Note 4

If you have agreed with the employee on a fluctuating personal contribution per pay period, as in example 3, you may also take the average personal contribution into account during the year. In example 3, you then enter in each month ($€ 3,500 / 12$) € 291.67 in personal contribution, making the addition in each month € 208.33.

It is possible that at some point you will abandon the agreement that the employee will pay the personal contribution. Or that you do not take advantage of any alternative recourse options. Or that the employee has paid less in personal contribution than you had agreed in advance. Then you must consider the amount that the employee does not pay you at that time as a negative personal contribution. The negative personal contribution then leads to taxable wages. See also "Caution 2" in section 29.21.

Example 4

Your employee has a car with a value of a private use car of € 6,000 per year. That's € 500 per month. You have agreed with your employee that he will pay a personal contribution for private use of 50% of his net holiday allowance for May (which amounts to € 3,000 for this year) and in November of 50% of his net end-of-year bonus. The end-of-year bonus amounts to € 12,000. As a result, the employee must pay € 6,000 in personal contribution in November. As a result, the cumulative addition would become negative. That is not allowed and you must rectify it. This leads to the following course of the declarations:

Wage period	Value of private use	Employee's own contribution	Initially calculated addition per period	Cumulative addition
January	€ 500	€ 0	€ 500	€ 500
February	€ 500	€ 0	€ 500	€ 1.000
March	€ 500	€ 0	€ 500	€ 1.500
April	€ 500	€ 0	€ 500	€ 2.000
May	€ 500	€ 1.500	€ -1.000	€ 1.000
June	€ 500	€ 0	€ 500	€ 1.500
July	€ 500	€ 0	€ 500	€ 2.000
August	€ 500	€ 0	€ 500	€ 2.500
September	€ 500	€ 0	€ 500	€ 3.000
October	€ 500	€ 0	€ 500	€ 3.500
November	€ 500	€ 6.000	€ -5.500	€ -2.000
December	€ 500	€ 0	€ 500	€ -1.500*
Total	€ 6.000	€ 7.500	€ -1.500	€ -1.500

* When you file your tax return for December, you note that there is a cumulative negative addition of € 1,500. But the total addition may not be negative per calendar year. So you still have to add € 1,500. This can be done in a number of ways, for example:

1 You add in December.

You take into account a negative personal contribution of € 1,500 in December. This leads to extra wages in kind for the employee in December on which you have to calculate all payroll taxes. You process an addition of € 2,000, which brings the cumulative balance to € 0.

Do not send correction notices for previous time periods.

Your payroll administration for December contains the following information:

Wage period	Value of private use	Employee's own contribution	Addition	Cumulative addition
December	€ 500	€ -1.500	€ 2.000	0

2 You correct retroactively.

- You file a regular tax return for December with a value of € 500 for private use, without a personal contribution with an addition of € 500.
- You add a correction for November, in which you correct the amount of the personal contribution by € 1,500 to € 4,500. This makes the addition for the employee in that month € 4,000, which means that you calculate € 1,500 more in wages for November and therefore also calculate a higher amount of payroll taxes.

After correction, your payroll records for November and December will state:

Wage period	Value of private use	Employee's own contribution	Addition	Cumulative addition
November	€ 500	€ 4,500	€ -4.000	€ -500
December	€ 500	€ 0	€ 500	0

23.3.8 Private use of a car and little or no salary in cash

If your employee receives little or no salary in cash (for example due to unpaid leave), you must also pay all payroll taxes on the value of the private use of the car. You may recover the wage tax/national insurance contributions and Zvw contributions, if you deduct them, from your employee (but not the employee insurance contributions and the employer's Zvw levy). You can do this by offsetting in the next wage period. If you don't, 2 situations can occur:

- You only recover this amount in a later wage period. You then give your employee a loan for this amount until the moment when you recover the amounts. The interest benefit on this loan is wages for your employee (see paragraph [22.2.5](#)). You can also designate this salary as final levy wage (see section [10.1.3](#)).
- You no longer recover this amount from your employee. The amount is your employee's net salary. You must convert this benefit into a gross salary (see paragraph [9.4](#)). You can also designate this net salary as final levy salary (see Section [10.1.3](#)).

23.3.9 Fees for a charging station and electricity for an electric car

You have a charging station installed at your employee's home or you reimburse (up to cost) the costs of installing a charging station. These benefits for your employee are already included in the value of the private use and are not a salary. This also applies to the electricity for the car and any necessary adjustments, such as an extra group in the meter cupboard and a meter to measure consumption. If you do not reclaim a charging station from the employee after the end of the employment contract or if you no longer make an electric car available to this employee, the remaining charging station may constitute a provision that is taxed as wages in kind. For example, if you have agreed on a return clause at the time of installing the charging station. If you have any questions about the tax qualification of charging stations, you can ask us for [preliminary consultation](#). You will find a form for this on belastingdienst.nl. Or for information about preliminary consultation, contact the Tax Information Line on 0800 - 0543.

23.3.10 Providing a car for part of the calendar year

Do you make a car available to your employee for part of the calendar year? For example, because he does not work for you for the entire calendar year? Then you must apply the scheme for private use of the car according to the time of your year. In order to determine whether your employee drives more than 500 private kilometres on a calendar year basis (see paragraph [23.3.15](#)), you must convert the private kilometres driven into the number of private kilometres that your employee would drive in an entire calendar year.

Example 1

From 1 January to 31 March, you make a car available with a basis for the value of the private use of the car of € 24,000. An addition of 22% applies to this car. During that period, your employee drives 100 kilometres privately. Converted to a whole year, your employee would drive $12/3 \times 100 = 400$ kilometers privately. You do not have to add anything to your salary now, because your employee does not drive more than 500 kilometres privately on a calendar year basis.

Example 2

Your employee does not drive 100, but 200 kilometres privately during the same period. Converted to a whole year, your employee would drive $12/3 \times 200 = 800$ kilometers privately. That is more than 500 kilometers. On a calendar year basis, the addition is 22% of € 24,000 = € 5,280. Over the period from 1 January to 31 March, the value of the private use of the car is $3/12 \times € 5,280 = € 1,320$. For a wage period of one month, the addition is € 440 per month.

If you make the car available in the course of a calendar month, the addition in that month is based on the number of calendar days on which the car was made available.

Example 3

You make a car available to your employee from 15 April. You have a wage period of one month and an addition percentage of 22% applies to the car. The basis for the addition is € 20,000.

The addition for April is € 195.56 ($22\% \times € 20,000 = € 4,400$; $€ 4,400 \times 1/12 = € 366.67$; $€ 366.67 : 30 \text{ days} = € 12.22$; $€ 12.22 \times 16 = € 195.56$).

23.3.11 Providing another car during the calendar year

If you make another car available to your employee during the calendar year, you must add if your employee drives a total of more than 500 kilometres privately in that year (see paragraph [23.3.15](#)).

You must calculate the addition for each car according to time.

Example 1

You have a car available from 1 January to 31 March. During that period, your employee will drive 50 kilometres privately with this car. From 1 April to 31 December, you will have another car at your disposal. With this car, your employee drives 300 kilometres privately. You do not have to add anything to the salary now, because your employee drives a total of 350 kilometres privately on a calendar year basis.

Example 2

From 1 January to 31 October, you make a car available with a basis for the value of the private use of the car of € 24,000. From 1 November to 31 December, your employee will receive a car with a basis for the value of the private use of the car of € 30,000. An addition of 22% applies to both cars. Your employee drives 450 kilometres privately in the period from 1 January to 31 October. In the period from November 1 to December 31, he will drive 100 kilometres privately. In total, he drives 550 kilometres privately in that calendar year.

On a calendar year basis, the value of the private use of the car for the 1st car is 22% of € 24,000 = € 5,280. For the period from 1 January to 31 October, the addition is $10/12 \times € 5,280 = € 4,400$. On a calendar year basis, the value of the private use of the car for the 2nd car is 22% of € 30,000 = € 6,600. Over the period 1 November to 31 December, the addition is $2/12 \times € 6,600 = € 1,100$. The total addition is € 4,400 + € 1,100 = € 5,500.

It is possible that you make another car available in a calendar year and that your employee only drives 1 of those cars privately. If that is more than 500 kilometres on a calendar year basis, you must still calculate and add private use of the car for the car that has not been driven privately.

Example 3

From 1 January to 31 July, you make a car available with a basis for the addition of € 24,000. Your employee does not drive this car privately. Therefore, you do not add anything to your employee's salary for the wage periods from January to July. From 1 August to 31 December, you must provide a car with a basis for the value of private use of € 30,000. With this car, your employee drives 1,000 kilometres privately from August to December. For the 1st car an addition of 22% applies, for the 2nd car (a car without CO₂ emissions) an addition of 16%.

Because your employee drives more than 500 kilometres privately on a calendar year basis, you must add private use of the car to your salary for the entire calendar year. For the period January to July, you must therefore still add $7/12 \times 22\%$ of € 24,000 = € 3,080 to the salary. For a wage period of 1 month, the addition is € 440 per month. For the declaration deadlines that have passed, you must submit a correction (see Chapter [14](#)). From 1 August, you must add $1/12 \times 16\%$ of € 30,000 = € 400 to the salary per month.

If you make another car available in the course of a calendar month, you will base the addition of both cars on the number of calendar days on which they were available to the employee.

Example 4

From 17 April, you make another car available to your employee. You have a wage period of one month and an addition percentage of 22% applies to both cars. The basis for the addition to taxable income for car 1 (made available up to and including 16 April) is € 20,000, that for car 2 (made available from 17 April) € 25,000.

The addition for April is € 195.56 for car 1 ($22\% \times € 20,000 = € 4,400$; $€ 4,400 \times 1/12 = € 366.67$; $€ 366.67 : 30 \text{ days} = € 12.22$; $€ 12.22 \times 16 = € 195.56$). For car 2, the addition is € 213.89 ($22\% \times € 25,000 = € 5,500$; $€ 5,500 \times 1/12 = € 458.33$; $€ 458.33 : 30 \text{ days} = € 15.28$; $€ 15.28 \times 14 = € 213.89$).

23.3.12 Providing more than 1 car at a time

Do you make 2 or more cars available to an employee at the same time? Then you must assess the private use per car. You apply the value of the private use of the car for every car with which the employee drives more than 500 private kilometres on a calendar year basis. If your employee does not drive more than 500 private kilometres with any car on a calendar year basis, you do not need to add anything (see section [23.3.15](#)).

Example 1

You make 2 cars available to an employee at the same time. The employee drives more than 500 private kilometres with car 1 on a calendar year basis. The employee can prove that he does not use car 2 for private purposes. In that case, you only have to add for car 1.

Reasonable application of these rules means that the value of the private use of the car can be limited to 1 car if the employee is single or if 1 person in his family has a driver's license. You only take into account the addition of the car with the highest addition. If 2 people in the employee's family have a driver's license, you calculate the addition over 2 cars. You only take into account the addition of the 2 cars with the highest addition. The addition consists of the flat-rate addition minus the personal contribution for the private use of the car.

Example 2

You provide an employee with 2 cars at the same time, car 1 and car 2. Car 1 has a catalogue value of € 80,000. The percentage of private use of a car is 16%. The employee pays a personal contribution of € 7,200 for this car. Car 2 has a list value of € 50,000. The percentage of private use of a car is 22%. The employee pays a personal contribution of € 1,800 for this car. In this example, the addition of car 1 is € 8,600 ($(€ 30,000 \times 16\%) + (22\% \times € 50,000) - € 7,200$). In this example, the addition of car 2 is € 9,200 ($€ 50,000 \times 22\% - € 1,800$). The car with the highest addition in this example is car 2.

When there are several cars available, the number of cars for which an addition must be applied may be more than 2 in individual cases. We must then demonstrate why. When determining, we take into account the employee's own cars that are just as suitable for private use as 1 of the cars made available.

If you do not know how many cars you need to add for, please contact the Tax and Customs Administration/Auto/PGA team, P.O. Box 9001, 6800 DB Arnhem.

23.3.13 Cars that are equipped and recognizable in appearance for certain services

For cars that are equipped for certain services and are recognizable as such, the following applies for private use: for these cars, we assume that your employees drive a maximum of 500 kilometers privately on a calendar year basis, unless otherwise indicated. These are cars that are used:

- by the police
- by the fire brigade
- for the transport of the sick and wounded
- for the transport of mortal remains
- for the transport of prisoners
- for the transport of sick or injured animals
- for cash transport

23.3.14 (Collective) agreement on no private use of a car with the Tax and Customs Administration

You can agree with the Tax and Customs Administration/team Car/PGA (PO Box 9001, 6800 DB Arnhem) for (a group of) your employees that the private use of a car is not permitted. And that you supervise this, for example. You record the agreement in writing. Your employee can use this agreement as evidence to prevent the value of the private use of the car. In that case, he does not have to keep a journey registration (see paragraph [23.3.18](#)).

23.3.15 No addition for a maximum of 500 kilometres of private use

You may omit the value of the private use of the car if your employee drives a maximum of 500 kilometres privately on a calendar year basis. You can assume this in the following 3 cases:

- Your employee has a conclusive journey registration showing that he does not drive more than 500 private kilometres (see paragraph [23.3.18](#)).
- You can use another type of proof according to the so-called free theory of evidence to prove that the employee does not drive more than 500 private kilometres (see paragraph [23.3.19](#)).
- You have a copy of your employee's 'Declaration of no private use of a car' (see paragraph [23.3.16](#)).

23.3.16 Declaration of no private use of the car

If your employee drives a maximum of 500 kilometres privately with a car made available on a calendar year basis, he can apply for a 'Declaration of no private use of a car'. Your employee can complete and submit the application form online. For this he needs a DigiD. Employees without a DigiD can order an application form from the Tax Information Line: 0800 - 0543.

Note 1

Your employee cannot request a statement if he drives a car for which you have made a (collective) agreement with us for private use (see paragraph [23.3.14](#)).

In some situations, your employee may not apply for a statement for a delivery van (see section [23.4.6](#)).

At our request, your employee must be able to provide convincing evidence during or after the end of a calendar year that he drives or has driven privately for a maximum of 500 kilometres per calendar year, with a journey registration (see paragraph [23.3.18](#)) or with other evidence (see paragraph [23.3.19](#)). See section [23.3.21](#) for information on the value of the private use of the car for the automotive industry.

You keep a copy of the 'Declaration of no private use of a car' with your records. With the statement, you omit the addition from the next wage period for which you have to calculate the salary. You may not correct the value of the private use of the car for wage periods for which your employee has already received wages.

Example 1

You have provided your employee with a car. On 23 May you paid him the wages for May. In the wage calculation, you have taken into account the value of the private use of the car. On 25 May, your employee will give you a copy of his 'Declaration of no private use of a car'. Because of this statement, you must omit the value of the private use of the car from June. You may not correct the wage calculation for January to May.

You may not take a statement into account if you know that your employee drives more than 500 kilometres privately on a calendar year basis with a car made available.

Example 2

From January to May, your employee has a car with a basis for the value of the private use of the car of € 24,000. During this period, your employee will drive 1,000 kilometres privately by car. The addition to taxable income is 22% of € 24,000 = € 5,280 on a calendar year basis. With a wage period of one month, you add € 440 per month to the salary.

On 1 June, your employee will receive another car with a basis for the value of the private use of the car of € 30,000. Your employee gives you a 'Certificate of no private use of the car' for this car. Because you know that he has already driven 1,000 kilometres privately from January to May, you should not take the certificate into account (see section 23.3.11). From 1 June, you must therefore add $1/12 \times 22\%$ of € 30,000 = € 550 to the salary per month.

With the 'Declaration of no private use of a car', you will not receive an additional assessment if it turns out afterwards that your employee has wrongly applied for the statement, for example because he is going to drive more than 500 kilometres privately. In such a case, your employee will receive an additional assessment for the wage tax/national insurance contributions, the employee insurance contributions and the Zvw contribution for the wage periods that have already passed. In that case, you do not pay the employer's Zvw levy and employee insurance premiums yourself. We can increase the additional assessment with tax interest and a penalty. Retrospective taxation is possible up to and including 5 years after the end of a calendar year.

Note 2

If you know that your employee has wrongly received the 'Declaration of no private use of the car', you must ignore the statement and add the value of the private use of the car to the salary.

Example 3

Your employee drives a car that he does not use privately with a basis for the value of the private use of the car of € 24,000. You have received a 'Declaration of no private use of a car' from him. At the end of September, he asked for the statement to be withdrawn, because he was going to drive more than 500 kilometers on a calendar year basis. The wage period is 1 month.

Based on this information, your employee will receive an additional assessment for wage tax/national insurance contributions, employee insurance premiums and Zvw contribution from us on the value of the private use of the car for January to September. The value of the private use of the car is $9/12 \times 22\%$ of € 24,000 = € 3,960. We can increase the assessment with a fine. In addition, we charge tax interest if we impose the assessment in a subsequent calendar year.

From 1 October, you must add $1/12 \times 22\%$ of € 24,000 = € 440 to the salary every month. You must deduct wage tax/national insurance contributions and pay employee insurance contributions on the value of the private use of the car, and pay the employer's Zvw levy or withhold the Zvw contribution.

23.3.17 Changing or withdrawing the declaration of no private use of the car

The 'Declaration of no private use of a car' is valid for an indefinite period of time. Your employee must notify us of any changes. This concerns a (new) registration number or changes that lead to the withdrawal of the statement.

Specify (new) license plate

Your employee provides a (new) license plate using the form 'Declaration of no private use of a car: provide a (new) license plate'. He can complete this form online and send it via 'My Tax Authorities'. For this he needs a DigiD. Employees without a DigiD can order a form from the Tax Information Line: 0800 - 0543. Your employee will be notified of the change in the statement within 2 weeks of receipt by the Tax and Customs Administration/Auto/PGA team.

Withdraw statement

Changes that lead to the withdrawal of the 'Declaration of no private use of a car' must be reported to us by your employee as soon as possible. If he does not do this or does not do so on time, your employee can be fined up to € 6,709.

Your employee withdraws the statement using the form 'Declaration of no private use of a car: withdraw'. He can complete this form online and send it via 'My Tax Authorities'. For this he needs a DigiD. Employees without a DigiD can order a form from the Tax Information Line: 0800 - 0543. Your employee will receive a message from the Tax and Customs Administration/Auto/PGA team about the withdrawal of the statement within 2 weeks of receipt.

If the statement is withdrawn, your employee must inform you as soon as possible. If your employee indicates to us that he will be driving more than 500 kilometres privately in the calendar year, you will receive a letter about the withdrawal with information that is important to you as an employer.

The following changes will result in the withdrawal of the declaration:

- Your employee will drive more than 500 kilometres privately in the calendar year.
- Your employee no longer has a car at his disposal.
- Your employee is going to drive a van that he cannot use outside working hours.
- Your employee is going to drive a van that is subject to a written ban on private use.
- Your employee will drive a van that is (almost) exclusively suitable for the transport of goods.
- Your employee will drive a delivery van for which the final levy applies (see paragraph 23.4.5).
- Your employee will drive a (van) car for which you have made a (collective) agreement with us for private use.

Please note

If you submit a 'Declaration of exclusive business use of delivery van' on behalf of your employee, your employee must withdraw the 'Declaration of no private use of a car' himself (see paragraph 23.4.6).

The following changes do not result in the withdrawal of the statement:

- Your employee provides a change of license plate.
- Your employee provides the registration number that was not yet known when he applied for the certificate.

23.3.18 Mileage registration

By means of a conclusive journey registration, your employee can prove that he has driven a maximum of 500 kilometres privately in the calendar year. A trip is the one-way distance between 2 addresses. A journey of a mixed nature is if your employee drives both business kilometres and private kilometres during the journey.

Data for a fully conclusive journey registration

The mileage registration is completely conclusive if your employee registers the following data:

Car details

-
-
- plate number
- period during which the car is available to the employee Your employee must enter the start date and, if you already know it, the end date.

Trip Details

-
- Trip number Your employee must number the trips per day.
- Odometer initial position
- Odometer final reading
- departure address
- Deviating route Your employee only has to fill in this route if it deviates from the usual route.
- Visiting address Your employee must enter the visiting address if it concerns a business trip or if it concerns a trip with business kilometers and private kilometers. In both cases, the visiting address is the business address that your employee visits.
- Private?
Your employee must fill in whether the ride was private. For example, the purpose of a ride can determine whether it was business or private. For example, if your employee visits the doctor during his work and uses the car to save time, this counts as a private trip.

If there are more users per car, the mileage registration must show which user has made a trip. This can be done, for example, by adding an extra column in the registration.

The reports with the accompanying documents form the verifiable mileage registration that serves as proof that your employee drives a maximum of 500 kilometers privately. You can check the accuracy of a trip registration with, for example, office calendars, promissory notes, garage notes and digital route planners. You must also keep this data with your payroll records, so that you can show it during an investigation by us and we can check the data.

Trip registration system

You can also have the journey registration done automatically with a so-called journey registration system. This allows the driver to accurately record the number of kilometers he has driven with the car. The system automatically records a number of data for each trip, of which you can receive a written report. In this way, the system contributes to reducing administrative work. The driver must indicate whether it is a business or private trip. That is why it is still necessary to store agendas and promissory notes, for example, in the case of automated registration.

If you use a system with a Quality Mark Trip Registration Systems, we assume that your trip registration is conclusive. When assessing whether your employee drives a maximum of 500 kilometres privately on a calendar year basis, we can still check whether a trip is business or private.

If you use a mileage registration system, you must meet the following conditions:

- The mileage registration system must contain the same data as in a manual and fully conclusive mileage administration.
- If the distance traveled is determined with external systems such as GPS, this distance differs from the kilometers traveled according to the odometer. In that case, you must process the difference between the distance travelled according to the odometer and the distance travelled according to the journey registration system with a separate correction trip in the journey registration at least every 2 months. You divide the difference evenly over the business kilometers and private kilometers driven in that period.

Example 1

Your employee travels from his home to work on a working day. He works in the same place all day and drives back to his home in the evening. In his journey registration, he must register 2 journeys that day.

Example 2

Your employee travels from his home to work on a working day. From work he travels to customer A, from customer A to customer B, from customer B to customer C, from customer C back to work and at the end of his working day to his home. Your employee must therefore register 6 journeys that day.

Please note

If your employee makes a detour during a business trip, for example to take his child to the nursery, that trip has a mixed character. The detour kilometers are private kilometers.

Rij-instructors

For practical reasons, driving instructors only have to record the start and end mileage per working day.

Simplified journey registration for delivery vans

For delivery vans, you may use a simplified journey registration (see section [23.4.8](#)).

23.3.19 Other Evidence

A conclusive journey registration, possibly with a 'Declaration of no private use of a car', is a way to prove that your employee drives a car privately for a maximum of 500 kilometres per calendar year. But your employee is not bound by this way. Other forms of evidence are also acceptable. This is called the free theory of evidence. Here are some forms that are acceptable in practice as evidence and some that are not.

Acceptable evidence

Acceptable evidence exists if you and your employee have agreed in writing that private use is not permitted, for example as a supplement to the employment contract. Characteristics here are:

- You check the use of the car and you administer your findings.
- Your employee is not insured for private use.
- Your employee also has a car of his own.
- In the event of violation of the prohibition, you impose an appropriate sanction, for example a fine that is proportionate to the payroll taxes on private use.

For supporting evidence, you can also record other data (in consultation with us), for example work schedules, holiday overviews, sick and leave statements, garage invoices, damage reports, fines and the like.

An irregular travel pattern, such as a sales representative's travel pattern, requires you to pay more attention to car use control than a regular travel pattern. In consultation with us, you can do the check randomly. In the event of an investigation by us, you must be able to demonstrate that you have paid sufficient attention to monitoring car use.

Unacceptable evidence

In any case, the following methods are not acceptable as evidence:

- There is only a written agreement between you and your employee that private use is prohibited. Perhaps a sanction has been included, but nothing about monitoring the agreement. It has also not been shown that there is actually control.
- There is only an itemized estimate of the business use of the car and of commuting.

23.3.20 Cars older than 15 years

From the moment a car is older than 15 years, the market value of the car forms the basis for the value of the private use of the car. The addition percentage for all cars older than 15 years is 35% instead of 22%. For example, if the car is 15 years and 1 day old on 1 May, for the 1st 4 months, take as the basis the total amount of the list price including VAT, the bpm and the accessories (see section [23.3.2](#)). Then you assume the market value. Auction prices can give an indication of the determination of this value. You can also look at the appraisal value of the car for insurance or at the current mileage and lease prices. The market value may be higher than the original new price of the car.

Please note

If the car of 15 years or older has no CO2 emissions, a discount on the addition percentage applies. See the [Caution](#) in Section 23.3.4.

23.3.21 Addition to taxable income for private use of a car for the automotive industry

If you are an employer in the automotive industry, your employees may use cars on a rotating basis. This can make it difficult to determine the basis for the value of the private use of the car. That is why you can determine the basis in a practical way with the 'Guide to private use of a car'. You can download this [guide](#) from [belastingdienst.nl](#).

Supervision

Do you add on the basis of the 'Guide to private use of a car'? Then you must ensure that for each employee it is clear from your records on which car the basis for the value of the private use of the car per day is based. And why you based the basis on that car. That is why you must regularly check the correctness and completeness of the registration, so that you can correctly process the addition in your payroll tax return. You will find guidelines for this in the guide. The guide also contains guidelines for the supervision that you must carry out if you do not add to the taxable income.

Car rental industry: proof of private mileage

Are you an employer in the car rental industry? Then you probably have employees who have several passenger cars from the rental fleet at their disposal for only the following activities:

- Pick-up and drop-off
- take it through the car wash
- Refueling
- Drop off and pick up for maintenance and repair

For you and these employees (hikers), keeping a mileage registration is often a major burden. For practical reasons, you may therefore provide proof of the number of private kilometres driven with a ban on private use and commuting use of your company's passenger cars. The following conditions apply:

- You record the prohibition in a written agreement.
- You monitor compliance with the prohibition.
- In the event of violation of the prohibition, you impose a sanction.
- Your employee does not apply for a 'Declaration of no private use of a car'.

You can download a Sample Agreement for the prohibition of private use and commuting of passenger cars made available from [belastingdienst.nl](#).

23.3.22 Consequences of addition to taxable income for salary-related schemes

The value of private use of the car also affects salary-related schemes such as the customary salary scheme (see paragraph 18.1) and the 30% ruling (see paragraph 19.4). Due to the value of the private use of the car, there are also consequences for, for example, the health care and rent allowance.

No pension may be accrued on the value of the private use of the car.

23.3.23 Processing of private use of a car in the payroll tax return

For each wage period, you add a time-proportional part of the value of the private use of the car to your employee's salary. You enter this amount in column 4 of the wage statement. You also state the personal contribution for the private use of your employee's car as a negative amount in column 4 of the wage statement.

In the employee data in the payroll tax return, you state the salary on which you have calculated the payroll taxes. In addition, you must provide the following information:

- the value of the private use of the car before deduction of the personal contribution for the private use of your employee's car
- your employee's own contribution for the private use of the car

The addition to the salary due to the private use of one or more cars by an employee is the difference between the amounts of the value of the private use of the car and the employee contribution for the private use of the car.

You may only enter the employee contribution if it concerns a contribution for the period in which a car is made available as a 'taxed' car. In this context, a 'taxed' car is a car for which there is value for private use of the car. This is reflected in the payroll tax return by a cumulative (cumulative) value in this section of more than € 0 – as of 1 January of the current year.

You may not enter a personal contribution for a 'tax-free' car in this section. Not even if there is also a 'taxed' car. In this context, a 'tax-free' car is a car for which – from 1 January of the current year – no cumulative amount or € 0 is included in the section 'Value of private use of cars'.

The addition to the salary in connection with these taxed car(s) may not be negative per calendar year. To this end, you must consider the two headings (value of private use of car and the employee contribution for private use of car) cumulatively per year. As a result, the employee's personal contribution to be deducted from the value of private use of the car in a tax return over a tax period of one month, four weeks or six months may be higher than the value of private use of the car, but may not be higher than the value of private use of the car per calendar year. In other words, in an individual tax return, the balance may be negative, but not cumulatively per year.

It may be that you have made a car available to your employee, but no private use of the car counts towards his salary. In this case, you must state 1 of the following codes in the payroll tax return:

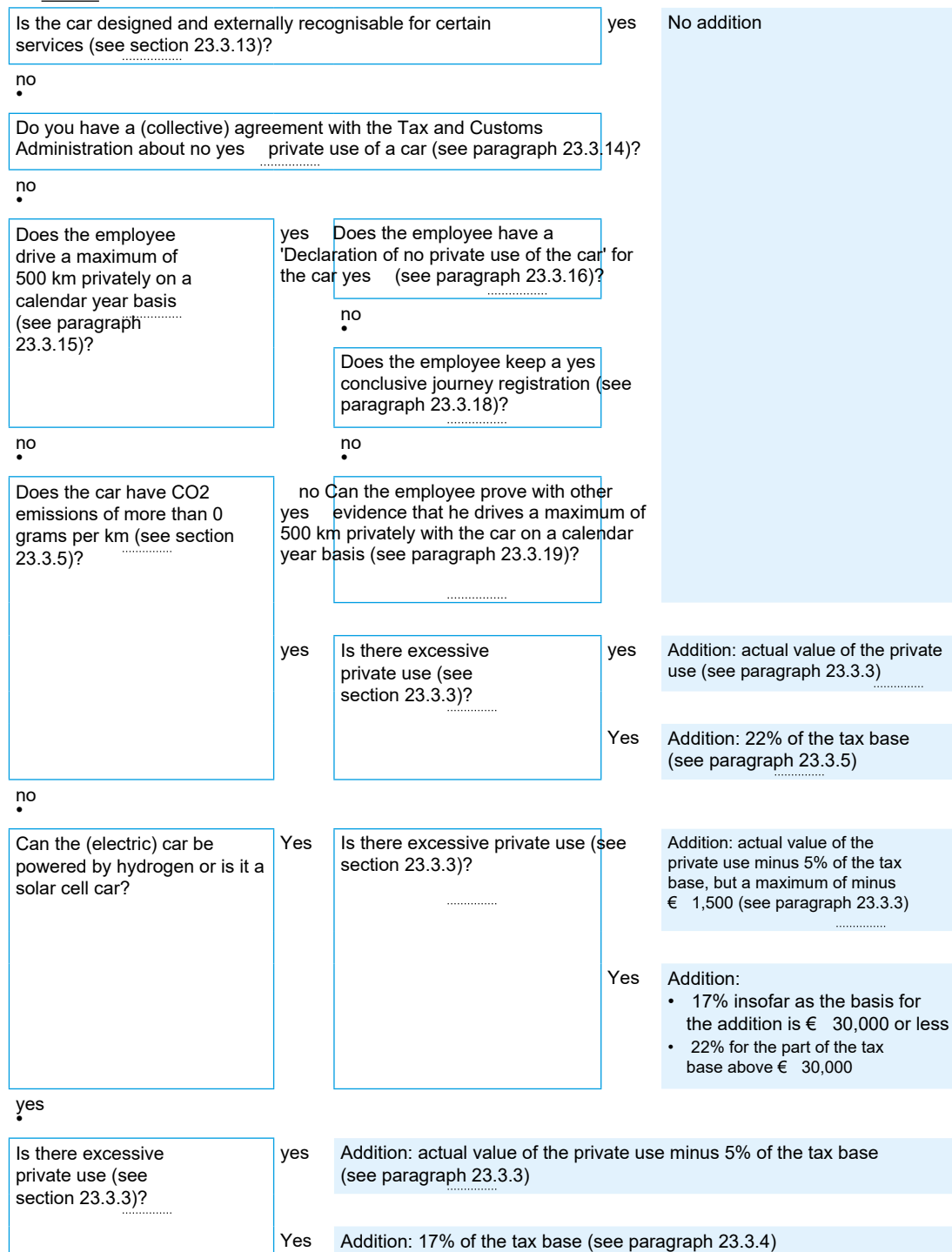
- code 1 (Employer's agreement with the Tax and Customs Administration) if you have made a collective agreement with us (see paragraph 23.3.14)
U must also use this code if you have prohibited private use of a delivery van.
- code 2 (Employee has a 'Declaration of no private use of car' from the Tax and Customs Administration) if your employee has submitted a copy of the 'Declaration of no private use of a car' to you (see paragraph 23.3.16)
- code 3 (Other proof of passenger car and delivery van) if you have not made a collective agreement with us, or if your employee has not submitted a 'Declaration of no private use of a car' to you This code is also used for a delivery van that is only suitable for the transport of goods (see paragraph 23.4.3), or that your employee cannot use outside working hours (see paragraph 23.4.2).
- code 5 (Continuous alternating use of delivery van) if you apply the final levy for the employee, because he and other employees use the delivery van alternately on an ongoing basis (see sections 23.4.5 and 25.4)
- code 7 ('Declaration of exclusive business use of delivery van') if you have submitted this declaration to us on behalf of your employee (see section 23.4.7)

23.3.24 Flow chart for the passenger car made available

Use the flow chart below if you provide a passenger car to your employee.

Please note

The addition percentages in the flow chart only apply to passenger cars with a date of 1st admission in 2025. For the addition percentages of other cars, see paragraphs [23.3.4](#) and [23.3.5](#).



23.4 Travelling with a company van

You can provide your employee with a company van. The term 'delivery van' means a car with a cargo space that is not equipped for the transport of people and that is equipped with a cargo floor. The car must meet the design requirements for the cargo space of a delivery van and must be allowed to be driven with a B driving licence. On belastingdienst.nl under 'Requirements for conversion and furnishing' you will find whether your van meets the furnishing requirements.

If your employee is also allowed to use the van that you make available to him for private purposes, a special arrangement applies to private use: the addition. The same applies here as for the provision of a passenger car (see paragraph [23.3](#)), but there are also additional rules for delivery vans. You can find those rules in this section. The following topics are discussed:

- Prohibition of private use of delivery vans (see section [23.4.1](#))
- use of delivery vans outside working hours not possible (see paragraph [23.4.2](#))
- delivery van (almost) exclusively suitable for the transport of goods (see paragraph [23.4.3](#))
- calculation of the addition (see paragraph [23.4.4](#))
- continuous alternating use of delivery vans (see paragraph [23.4.5](#))
- 'Declaration of no private use of car' (see paragraph [23.4.6](#))
- 'Declaration of exclusive business use of delivery van' (see paragraph [23.4.7](#))
- simplified journey registration (see paragraph [23.4.8](#))
- flow chart for delivery vans (see paragraph [23.4.9](#))

As an employer in the automotive sector, you can also apply the 'Guide to private use of cars' for delivery vans (see paragraph [23.3.21](#)).

Please note

The advantage of the private use of the company car is always the employee's salary. You cannot therefore designate this wage as final levy wages. There is 1 exception: the addition for the extraordinary security measures (see paragraph [23.3.2](#)) can be designated as final levy wages (see paragraph [10.1.3](#)).

23.4.1 Prohibition on private use of delivery vans

If you make a delivery van available for which you prohibit private use, the private use of the car scheme does not apply. So you don't have to add anything to the salary for the private use of the car. You must meet the following conditions:

- You record your prohibition in a written agreement and keep it with your payroll administration.
- You ensure that your ban is complied with. In the event of an inspection by us, you must be able to demonstrate your supervision. That is why you must record your observations and keep them with your payroll administration. You can make agreements with the Tax and Customs Administration/Auto/PGA team (PO Box 9001, 6800 DB Arnhem) about the degree of supervision and the retention period(s) of your observations. You can monitor compliance with the ban by, for example:
 - compare the mileage with the reports of the number of kilometers driven that you have agreed with the leasing company(s)
 - compare the mileage with the amount of fuel used
 - check data on traffic fines, damage reports or refuelling outside working hours
- In the event of violation of the prohibition, you impose a sanction, for example:
 - a fine that is proportionate to the payroll taxes on private use
 - dismissal

In consultation with VNO-NCW and EVO, we have made a sample agreement with which you can record your ban on private use in writing. You can download the [sample appointment](#) from belastingdienst.nl. If

you do not use the model agreement or if you change it, it may be that the written record of your prohibition is not (or no longer) sufficient. To prevent this, you can submit your appointment for approval to the Tax and Customs Administration/team Car/PGA, PO Box 9001, 6800 DB Arnhem.

You declare a ban on private use of a delivery van in the payroll tax return with code 1 (Appointment via employer with the Tax and Customs Administration).

23.4.2 Use of delivery vans not possible outside working hours

If your employee cannot use a van that has been made available outside working hours, the scheme for private use of a car does not apply. So you don't have to add anything to the salary for private use. This is the case, for example, with a delivery van that your employee parks on your company premises outside working hours, where it is verifiable that private use is not possible.

23.4.3 Delivery van (almost) exclusively suitable for the transport of goods

If a van made available is (almost) exclusively suitable for the transport of goods, the scheme for private use does not apply. If the employee uses the van for private purposes, the economic value of the private kilometres driven is the employee's salary. This is the case, for example, with a delivery van with only a driver's seat if the attachment points of the passenger seat have been ground away or welded shut.

The economic value is the number of private kilometres multiplied by the kilometre price of the delivery van. The kilometre price consists of the cost per kilometre of the car in fuel, maintenance, repair, depreciation, motor vehicle tax and insurance. You will deduct this salary from your employee's own contribution for the private use of the delivery van. The outcome should not be negative.

Your employee does not have to keep a trip registration for this delivery van.

23.4.4 Calculation of the addition

The basis for calculating the addition to taxable income for a delivery van is the same as for a passenger car (see paragraph [23.3.2](#)).

23.4.5 Continuous alternating use of delivery vans

It is possible that 2 or more employees use a van alternately on a continuous basis due to the nature of the work. In principle, you must also make use of the normal scheme for private use of a car (see section [23.3.1](#)). But in this situation, it may be difficult to apply the scheme individually. In that case, you must apply a final levy for private use.

Example 1

A company has 3 delivery vans and 7 mechanics. When a report is made, they randomly use 1 of the available delivery vans. In this situation, there is continuous alternating use and you must apply the final levy.

Example 2

2 of your employees each have a delivery van. They decide to exchange these cars daily. There is currently no question of continuous alternating use. Final levy is not possible for these delivery vans. There is also no continuous alternating use if employee A uses a van one week and employee B the next.

The final levy is a fixed amount of € 438 per delivery van on an annual basis. For a declaration period of 1 month, you then charge € 36.50 per van per month (see paragraph [25.6](#)). You must state the total amount of the final levy for all delivery vans in the payroll tax return in the section 'Final levy for continuous alternating use of delivery vans'. You round down the total amount to whole euros.

In the employee's income ratio, you indicate in the section Code reason no addition car with code 5 that there is continuous alternating use of delivery van, for which you calculate the final levy. With this final levy, your employee does not have to keep a journey registration.

23.4.6 Declaration of no private use of the car

As for a passenger car, the employee may apply for a 'Declaration of no private use of a car' for a delivery van (see paragraph [23.3.16](#)). But for a delivery van, this is not allowed in the following situations:

- Your employee drives a van for which you have made a (collective) agreement with us about private use (see paragraph [23.3.14](#)).
- Your employee drives a van to which the private use of the car scheme does not apply (see paragraphs [23.4.1](#), [23.4.2](#) and [23.4.3](#)).
- Your employee drives a van for which you apply a final levy, because 2 or more employees use this car alternately on a continuous basis due to the nature of the work (see paragraph [23.4.5](#)).
- Your employee has a 'Declaration of exclusive business use of delivery van' for this delivery van (see paragraph [23.4.7](#)).

See section [23.3.16](#) for information about the 'Declaration of no private use of a car'.

23.4.7 Declaration of exclusive business use of delivery van

Does your employee have a company van that he uses exclusively for business purposes (i.e. 0 kilometres privately)? Then you can submit the 'Declaration of exclusive business use of delivery van' to us on behalf of your employee. From the effective date of the declaration:

- you do not have to add an addition for the private use of the car to your employee's salary
- your employee does not have to keep a trip registration

Does an employee have a 'Declaration of exclusive business use of a delivery van' for a delivery van? Then you cannot use a 'Declaration of no private use of a car' for that employee for that delivery van.

Submit statement

You submit the 'Declaration of exclusive business use of delivery van' on behalf of your employee. You can do this digitally via [Login for entrepreneurs](#) on our website. After sending, you will take a printout of the statement. You have this signed by your employee and keep it with the payroll administration. The statement is valid for an indefinite period of time. You and your employee will both receive a confirmation of receipt of the statement from us.

From the effective date of the statement, your employee may not use the van for private purposes. If we find the van during an inspection at an unusual time or at a special location, we may ask you and your employee to demonstrate the business nature of the trip. Therefore, keep supporting documents in a safe place.

What you need to know about the statement

If your employee has a 'Declaration of exclusive business use of delivery van', the following is important:

- The 'Declaration of exclusive business use of delivery van' does not apply retroactively. Does your employee already have the delivery van at his disposal on 1 January of the year in question and do you submit the declaration for him later? Then your employee must be able to prove that he has not driven more than 500 kilometres privately with the van on an annual basis until the effective date of the declaration (see paragraph [23.3.15](#)).
- If your employee has a 'Declaration of no private use of the car' for the delivery van, he must withdraw it and let you know. He must withdraw this statement on the day on which you submit the 'Declaration of exclusive business use of delivery van' on his behalf.

- A separate 'Declaration of exclusive business use of delivery van' is required for each combination of an employee with a delivery van. 2 employees who use the same van exclusively for business purposes must therefore each have a statement. And an employee who uses several vans exclusively for business purposes must have a statement for each van.
- In the payroll tax return, you use code 7 to indicate that you have not added anything for an employee because he has a 'Declaration of exclusive business use of delivery van'.
- Is there any change in the situation? For example, because your employee gets a different delivery van? Or because your employee is going to use the van privately anyway? Then both you and your employee have a duty to report these changes to us in time. This may mean that your employee has to ask you to withdraw the statement.

'Declaration of exclusive business use of delivery van' not possible

In a number of cases, you cannot submit a 'Declaration of exclusive business use of delivery van' for your employee:

- Your employee has already driven more than 500 kilometres privately in the calendar year.
- Your employee drives a van for which you have made a (collective) agreement with us about the private use of the car (see paragraph [23.3.14](#)).
- Your employee drives a van to which the private use of the car scheme does not apply (see paragraphs [23.4.1](#), [23.4.2](#) and [23.4.3](#)).
- Your employee drives a van for which you apply a final levy, because 2 or more employees use this car alternately on a continuous basis due to the nature of the work (see paragraph [23.4.5](#)).

Withdraw a statement at the request of your employee

In the following situations, your employee must ask you to withdraw the 'Declaration of exclusive business use of delivery van':

- Your employee no longer has the delivery van.
- Your employee will drive the van privately.
- Your employee has wrongly asked you to submit the statement.
- Your employee is not allowed to use the van privately due to another arrangement.

You withdraw the statement on behalf of your employee. You can do this digitally via ['Login for entrepreneurs'](#) on our website using the form 'Declaration of exclusive business use of delivery van'. After sending, you will make a printout of the withdrawal of the declaration. You have this signed by your employee and keep it with the payroll administration. Both you and your employee will then receive a confirmation of receipt from us stating that the 'Declaration of exclusive business use of delivery van' has been withdrawn.

If you do not withdraw the 'Declaration of exclusive business use of delivery vans' or do not withdraw them on time, your employee and you may be fined up to € 6,709.

If you withdraw the statement before your employee uses the van privately, we assume that he has not driven any private kilometers with the van during the period in which he had the statement. The employee can then request a 'Declaration of no private use of a car' from us if he does not drive more than 500 private kilometres on a calendar year basis and still keeps a journey registration from that date.

Withdraw declaration on own initiative

It may happen that you know or suspect that your employee still uses the van for private purposes, but does not want you to withdraw the statement. In that case, you must report this to us. You should then send a letter to:

Tax and Customs
Administration/team
Car/PGA P.O. Box 9001
6800 DB Arnhem

In the letter, you explain why you suspect or know that your employee is driving privately. In addition, you must state:

- your details
- your payroll tax number
- the name and address of your employee
- your employee's social security number
- the registration number of the van

Your employee can then receive a decision from us, stating that we withdraw the statement and when. Your employee can object to this. In addition, your employee can receive an additional assessment for wage tax/national insurance contributions, employee insurance premiums and possibly a Zvw contribution for the period in which he had access to the van. In that case, you will receive a message from us from when you must add the addition to the employee's salary.

If you know that your employee drives the van privately, you must add the addition to the salary from that moment on. If you suspect that there is private use, you will wait for our decision after your report.

Additional assessment and fine

Are you or your employee unable to prove business use? Then we assume that your employee has driven more than 500 kilometres per year privately with the delivery van. Your employee will receive an additional assessment for wage tax/national insurance contributions, employee insurance premiums and Zvw contributions for the period for which you have wrongly not added anything for the private use of the van. Your employee may also be fined.

Have you not complied with your obligation to report? Or have you given permission for the private use of the delivery van? Then you must correct your returns for the year in question. For tax return periods from previous years, you submit separate corrections and you will receive an additional assessment (see Chapter 14). You can also be fined. You recover the wage tax/national insurance contributions and any Zvw contribution withheld from your employee (you may not recover the employer's Zvw levy). If you do not do so, you must tax this benefit as the employee's salary. You may also be able to designate this salary as final levy wage (see section 10.1.3).

Example: partial private use of a car

An employee starts with you on 1 March. Because the new van is not yet available, he will have a passenger car at his disposal for the 1st month. Your employee submits a 'Declaration of no private use of a car' and keeps a mileage registration. In March, he will ride 60 kilometers privately.

As of 1 April, the employee will have the new van at his disposal. He informs us that the 'Declaration of no private use of a car' must be withdrawn as of 1 April. On 1 April, you submit the 'Declaration of exclusive business use of delivery van' on his behalf, with an effective date of 5 April. Your employee keeps a trip registration for another 4 days, does not drive private kilometers with the van and then stops keeping the trip registration. He keeps his diary with appointments. You keep all work orders, so that you can always prove which trips your employee has made. As of 1 November,

your employee will be given a different position. The position includes a passenger car, which your employee would also like to use privately. He must ask you to withdraw the 'Declaration of exclusive business use of delivery van' as of 1 November, because he will no longer have the delivery van at his disposal. If your employee starts driving privately without a trip registration or other proof that he does not drive more than 500 private kilometres, you must add to the passenger car as of 1 November. And your employee will receive an additional assessment for wage tax/national insurance contributions, employee insurance contributions and Zvw contributions for the period from March to November.

To prevent this, your employee immediately applies for a 'Declaration of no private use of a car' and keeps a trip registration again from 1 November. He calculates how many private kilometers he can drive until January 1. In total, he is allowed to drive 416 (10/12 of 500) kilometers privately this year, because he only had a car from you at his disposal from 1 March. In March, he already drove 60 kilometers privately. In the period from 1 November to 1 January, he can therefore still drive a maximum of 356 kilometres privately, without having to pay tax for the private use of the cars made available.

As of 1 January of the new year, your employee will have the 'Declaration of no private use of the car' revoked by us, because he will be driving more than 500 kilometres privately with the passenger car. You count the addition to taxable income for private use of a car as part of the employee's salary.

23.4.8 Simplified mileage registration

You may omit the addition to taxable income for private use of a delivery van if it turns out that your employee drives a maximum of 500 kilometres privately on a calendar or annual basis. You may also omit the addition if you have received a copy of his 'Declaration of no private use of a car' from your employee. In both situations, the employee can provide proof with a journey registration. In it, he must register every business trip and every private trip.

If your employee (often) has many trips in a day due to the nature of the work, keeping a mileage registration can be a major administrative and financial burden for you and your employee, because the business trips are tracked during working hours. In this case, for practical reasons, the proof can be provided with a simplified journey registration. This is subject to the condition that you have agreed in writing with your employee that:

- the employee has a simplified journey registration
- private use during work and lunch time is not allowed
- you have information about business destinations in your records

In consultation with the organizations VNO-NCW, EVO, Uneto-Vni, Fosag and Bouwend Nederland, we have made a sample agreement with which you can record the agreement in writing. The explanation of the example agreement explains what the simplified mileage registration looks like. You can download this sample appointment from belastingdienst.nl.

If you do not use the sample agreement or if you change it, it may be that the written record of the agreement is not (or no longer) sufficient. To prevent this, you can submit your appointment for approval to the Tax and Customs Administration/team Car/PGA, PO Box 9001, 6800 DB Arnhem.

23.4.9 Flow chart for delivery vans

Use the flow chart below if you make a delivery van available to your employee.

Please note

The addition percentages in the flow chart only apply to delivery vans with a date of 1st admission in 2025. For the addition percentages of other delivery vans, see paragraphs [23.3.4](#) and [23.3.5](#).

Is the private use of the van prohibited (see section 23.4.1)?	yes	No flat-rate addition
no		Any private kilometres driven must be valued at the market value. The salary in kind then applies: the (number of private kilometres x kilometre price) - personal contribution of the employee.
Is the van not usable outside working hours (see section 23.4.2)? yes		
no		
Is the delivery van (almost) exclusively suitable for the transport of goods (see paragraph 23.4.3)?		
yes		
no		
Is the van equipped and externally recognisable for certain services (see paragraph 23.3.13)?	yes	No addition
no		
Do you have a (collective) agreement with the Tax and Customs Administration about no private use of a car (see paragraph 23.3.14)?		
no		
Does the employee have a 'Declaration of exclusive business use of the delivery van' for the delivery van (see paragraph 23.4.7)?	yes	No addition and no trip registration
no		
Is there continuous alternating use of the delivery van that makes it difficult for you to apply the private use of the car scheme individually (see paragraph 23.4.5)?	yes	Final levy of € 438 on an annual basis (see paragraph 23.4.5).
no		
Does the employee drive a maximum of 500 km privately on a calendar year basis (see paragraph 23.3.15)?	yes	No addition
Does the employee have a 'Declaration of no private use of the car' for the car (see paragraph 23.3.16)?	no	
Does the employee keep a conclusive journey registration (see paragraphs 23.3.18 and 23.4.8)?	no	
Does the car have CO2 emissions of more than 0 grams per km (see section 23.3.5)?	no	
Can the employee prove with other evidence that he drives a maximum of 500 km privately with the car on a calendar year basis (see paragraph 23.3.19)?	yes	
Is there excessive private use (see section 23.3.3)?	yes	Addition: actual value of the private use (see paragraph 23.3.3)
	Yes	Addition: 22% of the tax base (see paragraph 23.3.5)
Can the (electric) car be powered by hydrogen or is it a solar cell car?	Yes	Addition: actual value of the private use minus 5% of the tax base, but a maximum of minus € 1,500 (see paragraph 23.3.3)
Is there excessive private use (see section 23.3.3)?	yes	Addition: actual value of the private use minus 5% of the tax base (see paragraph 23.3.3)
	Yes	Addition: 17% of the tax base (see paragraph 23.3.4)

23.5 Travelling by another means of transport in the company

If you make a means of transport other than a passenger car or delivery van available to your employee, such as a motorcycle, moped or (electric) scooter, the economic value of your employee's private use is wages. You may also be able to designate this salary as final levy salary (see section [10.1.3](#)).

The value is the number of private kilometres multiplied by the actual kilometre price and minus your employee's own contribution for private use. The kilometre price consists of the cost per kilometre of a means of transport in terms of fuel, maintenance, repair, depreciation, motor vehicle tax and insurance. If that results in a negative amount, you may not deduct it from the salary. When calculating the number of private kilometres, the kilometres for commuting are business.

If the employee travels with a means of transport provided by you, this is considered transport by the employer. A kilometre allowance is then your employee's salary (see paragraph [23.9](#)).

More information about reimbursing, providing or making available a bicycle can be found in section [23.7](#).

23.6 Travelling by taxi, boat or plane

If your employee travels by taxi, boat or plane for work, you may reimburse the actual travel expenses tax-free. The maximum tax-free allowance of € 0.23 per kilometre does not apply to these means of transport. The tax-free reimbursement of the actual travel expenses is a specific exemption. If you meet the conditions, we assume that you have designated that allowance as final levy wages.

You may also give a fixed, tax-free expense allowance for these means of transport if you meet the conditions (see paragraph [4.6.1](#)).

If you provide boat or airline tickets to your employee for travel for work, this is tax-free (specific exemption). If you meet the conditions, we assume that you have designated that provision as final levy wages. In that case, you may not pay your employee a tax-free kilometre allowance because it concerns transport on behalf of the employer (see paragraph [23.9](#)). If you do pay a fee, it is your employee's salary. You can also designate this salary as final levy wage (see section [10.1.3](#)).

23.7 Travelling with a bicycle

In this section you can read which rules apply if you reimburse, provide or make a bicycle available to your employee. These rules also apply to an electric bicycle, such as an e-bike or speed pedelec.

This section covers:

- reimbursement of a bicycle (see paragraph [23.7.1](#))
- provision of a bicycle (see section [23.7.2](#))
- provision of a bicycle (see paragraph [23.7.3](#))
- bicycle-related matters and bicycle insurance (see paragraph [23.7.4](#))
- Bicycle flow chart (see section [23.7.5](#))

See section [23.10.1](#) for information on reimbursement of parking costs and the provision of a parking space.

23.7.1 Reimbursing a bicycle

Do you reimburse your employee (part of) the purchase price of a bicycle that he has purchased? Then that compensation is the employee's salary. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

If you pay your employee a tax-free (fixed) allowance of up to € 0.23 per kilometre (specific exemption) for business trips for which he uses the bicycle, we will assume that you have designated the allowance as final levy wages (see sections [23.1.1](#) and [23.1.2](#)).

23.7.2 Providing a bicycle

If you have provided your employee with a bicycle, your employee becomes the owner of the bicycle. The invoice value or the economic value of the bicycle is your employee's salary. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

You may pay your employee a tax-free (fixed) allowance of up to € 0.23 per kilometre (specific exemption) for business trips for which he uses the bicycle. In that case, we assume that you have designated the allowance as final levy wages (see sections [23.1.1](#) and [23.1.2](#)).

23.7.3 Provision of a bicycle

If you make a bicycle available to your employee, the bicycle remains your property. If you make an (electric) bicycle available to your employee for commuting, the bicycle is in any case deemed to have been made available for private use. You must add an amount to the salary annually for this private use. Unlike in the case of a company car, there is no possibility to provide evidence to the contrary in the case of minor private use. The value of this private use is 7% of the value (including VAT) of the (electric) bicycle on an annual basis, insofar as this is more than a contribution from the employee for private use. The value of the bicycle is the recommended retail price publicly announced in the Netherlands by the manufacturer or importer. The RAI association has set up a database for this purpose. This database can be viewed on www.bijtellingfietsvandezaak.nl.

If the original recommended retail price cannot be determined, you can use the recommended retail price (including sales tax) of the most comparable bicycle.

The addition is wages in kind. You must deduct wage tax/national insurance contributions, pay employee insurance premiums and pay the employer's Zvw levy or withhold the Zvw contribution. You can also designate this salary as final levy salary and charge it to the discretionary margin (see Section [10.1.3](#)).

You may not pay your employee a (fixed) tax-free allowance for business trips for which he uses the bicycle. This is because a bicycle made available is transport by the employer (see paragraph [23.9](#)).

Concurrence of a bicycle made available and reimbursement for other transport

It is possible that your employee travels a few days a week with other transport, such as his own car and a number of days with a company bicycle. You and your employee then have the opportunity to make individual agreements about this. These agreements can form the basis for determining a fixed tax-free travel allowance for the days on which the employee 'as a rule' travels by other transport, such as by private car, see paragraph 23.1.2 under '[Calculating proportionally](#)'. In addition, the agreements must be tailored to the personal circumstances of the employee and that they have sufficient reality value. If this agreement is occasionally deviated from, this does not have to lead to taxability or adjustment of the allowance.

23.7.4 Bicycle related matters and bicycle insurance

A reimbursement for or provision of items related to the bicycle and bicycle insurance is the employee's salary. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

Examples of things related to the bicycle are: a rain suit, repair costs, an extra lock or a support for the bag.

Please note

If you provide a bicycle, the reimbursement of the repair costs, an extra lock or a support for the bag is not a salary, but a reimbursement for intermediate costs. A rain suit that you make available to your employee is your employee's salary. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

23.7.5 Bicycle Flow Chart

Use this flowchart if your employee travels by bike.

You provide a bicycle for private use or commuting.	yes	• Reimbursement of business kilometers is taxed if the bicycle has been used for this purpose. • 7% of the value of the (electric) bicycle is wages. Or designate it as a final levy wage that can fall within the discretionary scope.
no		
You provide a bicycle that may not be used for private or commuting.	yes	• The business use of the bicycle is untaxed. • Reimbursement of business kilometers is taxed.
no		
You reimburse or provide a bicycle.	yes	• Reimbursement or provision of the bicycle is the employee's salary or final levy wage that may fall within the discretionary scope. • Reimbursement of business kilometers of up to € 0.23 per kilometer is untaxed.
no		
You reimburse the business kilometres that the employee drives with the bicycle.	yes	Allowance for business kilometres of up to € 0.23 per kilometre is untaxed.

23.8 Carpool Arrangement

It is possible that your employee takes 1 or more colleagues to work in the car, the so-called carpooling. For the question of which tax-free travel allowances you can pay, we distinguish the following situations:

- Your employee is travelling with a private car (see section [23.8.1](#)).
- Your employee travels with a company car (see paragraph [23.8.2](#)).

23.8.1 Your employee is travelling with a private car

You may pay your employee the tax-free maximum allowance of € 0.23 per kilometre. This is a specific exemption. If you meet the conditions, we will assume that you have designated this allowance as final levy wages up to and including the maximum of € 0.23 per kilometre (see sections [23.1.1](#) and [23.1.2](#)).

If you organise the carpooling yourself and arrange for your employee to pick up 1 or more colleagues, he may have to make a detour. Then you may also pay your employee a tax-free allowance of up to € 0.23 per kilometre for the detour kilometres. For the colleagues who ride along, there is transport on behalf of the employer (see paragraph [23.9](#)). You may not pay

them a tax-free allowance. If your employee decides to bring 1 or more colleagues, you may also pay a tax-free allowance of up to € 0.23 per kilometre to that colleague(s). You may then not pay a tax-free allowance to your employee who drives for any detour kilometres, because these kilometres are of a private nature.

Please note

You do not organize the carpooling yourself if, for example, you keep an interest registration for your employees. And not even if you ask your employees to tell you how they have organised carpooling.

23.8.2 Your employee travels with a company car

If your employee travels with a company car, he is considered to be transport by the employer. Uthat case, you may not pay him a tax-free travel allowance (see paragraph [23.9](#)).

If you organise that your employee takes 1 or more colleagues with him in the company car, there is also transport from the employer for those colleague(s). Then you may not pay them a tax-free travel allowance either.

If your employee decides to take 1 or more colleagues with him in the company car, you may pay a tax-free travel allowance of up to € 0.23 per kilometre to those colleague(s). This is a specific exemption. If you meet the conditions, we will assume that you have designated the allowance as final levy wages up to and including the maximum of € 0.23 per kilometre.

23.9 Employer-based transportation

In the following situations, there is transport on behalf of the employer:

- You organise your employee's transport, for example with a staff bus.
- Your employee travels with a company car or bicycle provided by you.
- You arrange for your employee to ride in the private means of transport of a colleague who receives an allowance for this.
- Your employee travels by public transport with tickets that you have purchased.

You may not pay a tax-free mileage allowance in these situations. If you pay compensation, it belongs to your employee. You can also designate this salary as final levy wage (see section [10.1.3](#)).

23.10 Parking

In this section you can read which rules you must take into account when you reimburse, provide or make available parking facilities to your employee. It makes a difference whether:

- your employee travels with his or her own means of transport (see paragraph [23.10.1](#))
- your employee travels with a company means of transport (see paragraph [23.10.2](#))

In both situations, you must then look at where the parking facility is located: in or near your employee's home or at the place of work.

With a parking facility you can think of a (fixed) parking space, parking deck, garage or driveway for a car, but also a parking space for a motorcycle or a bicycle. The place of work can be the permanent place of work of your employee, but also the address of a customer.

23.10.1 Your employee travels with his own means of transport

Parking at the employee's home

The reimbursement, provision and provision of parking space in or near your employee's home is taxed. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

Parking at work: parking at or near the site of work

Do your employees use a parking space or garage on your company premises? In that case, they are part of the site of work (see paragraph [22.2.1](#)). This parking facility is untaxed (nil valuation).

Do your employees use a parking space in the vicinity of the place of work? Then it is also part of the place of work if you are responsible for that parking space. This means that an employee can successfully hold you liable if, for example, his car is damaged as a result of your negligence. In that case, you may make this parking facility available tax-free.

If the employee cannot successfully hold you liable, the provision of the parking facility is taxed.

Parking at work: parking in other places

For other parking spaces and garages that your employees use, you have no (health and safety) responsibility. In these cases, the reimbursement, provision or provision of parking facilities at work, for example with a parking card for parking at a customer's premises, is the employee's salary insofar as this salary together with a kilometre allowance from you (or a fixed amount) exceeds € 0.23 per kilometre (see paragraph [23.1.4](#)). You value these parking facilities on the basis of their fair market value or invoice value. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

23.10.2 Your employee travels with a company means of transport

The following applies to the reimbursement, provision and provision of a parking facility or storage facility:

- Does your employee have a parking permit or a storage facility in his name for a parking facility at his home that can also be used for other means of transport? Then the reimbursement of the costs of the parking permit or parking facility, or the provision or provision thereof, is your employee's salary. You may also designate this salary as final levy salary (see section [10.1.3](#)).
- If your employee has a parking permit with a registration number or a storage facility that is only intended for the means of transport of the business, the reimbursement, provision or provision of the permit or storage facility is not part of the salary. The costs of the parking permit or parking facility are part of the intermediate costs (see paragraph [4.12.2](#)).
- If the employee puts the company means of transport in his garage, there is sometimes a real (business) rental situation. This is the case if your employee uses the garage exclusively for the company's means of transport. You can then give the employee a tax-free allowance in the form of rent for the use of the garage. If the garage remains partially at the disposal of your employee, for example for storage, there is no real rental situation. A fee for the use of the garage is then your employee's salary. You can also designate this salary as final levy wage (see section [10.1.3](#)).

23.11 Travel expenses for periodic family visits

Do you reimburse travel expenses to employees who stay in the place where they work (e.g. in rooms or internally) and periodically visit their families? In that case, the same applies to this travel allowance as to other business trips (see paragraphs [23.1](#) and [23.2](#)). If your employee uses his own means of transport, you may therefore reimburse him a maximum of € 0.23 per kilometre tax-free. If your employee travels by taxi, boat or plane, you may reimburse the actual travel expenses tax-free (see paragraph [23.6](#)).

Travel costs zeevarenden

Your employees who work as captains, ship's officers or ship's journeymen on a seagoing vessel make journeys with their own means of transport between the home or the place of residence ashore and the berth of the ship. The travel allowances to these seafarers for travel between the home or residence ashore and the berth of the ship are untaxed up to a maximum of € 0.23 per kilometre.

If the partner or the children who belong to the family of these seafarers make journeys between the home or residence of your employee ashore and the ship, you may reimburse these travel expenses to the employee tax-free up to a maximum of € 0.23 per kilometre. This is only allowed if the ship is in the port of Dunkirk or Hamburg for a very short period of time or in 1 of the ports in the coastal strip in between.

Please note

If you pay a higher allowance than € 0.23 per kilometre to your employee, the excess is the employee's salary. You may also be able to designate this salary as final levy wage (see section [10.1.3](#)).

23.12 Temporary other transport due to roadworks

Does your employee use temporary, specially organised transport in connection with road works? Then the compensation you pay for that special transport is the employee's salary. But you can also designate this salary as final levy wage (see section [10.1.3](#)).

24 Tax credits

A tax credit is a discount on the wage and income tax and/or national insurance contributions of an employee or benefit recipient (hereinafter: employee). There are 7 tax credits. At the request of your employee, you take 5 of these tax credits – together the payroll tax credit – into account when calculating the wage tax/national insurance contributions (see section [24.1](#)).

The employee can have all tax credits – including the payroll tax credit – offset via his income tax return.

All tax credits are personal. Your employee cannot transfer them to someone else.

Tax credits and income tax

There are 2 tax credits that you do not take into account. These are:

- the income-dependent combination tax credit
- the discount for green investments

The employee must have these tax credits settled through income tax. This can be done at the end of the year with the income tax return, but also in advance with a request for a provisional assessment. Then the employee will receive a monthly amount deposited into his account.

24.1 Payroll tax credit

The payroll tax credit is the collective name for the 5 tax credits that you can take into account when determining the wage tax/national insurance contributions that you deduct from the salary. The payroll tax credit, insofar as it is entitled, includes:

- the general tax credit (see paragraph [24.1.1](#))
- the employed person's tax credit (see paragraph [24.1.2](#))
- the elderly person's tax credit (see paragraph [24.1.3](#))
- the single elderly person's tax credit (see section [24.1.4](#))
- the young disabled person's tax credit (see paragraph [24.1.5](#))

Apply at the request of the employee

Every employee who meets the conditions of one or more tax credits is entitled to the payroll tax credit. Your employee must ask you in writing to apply the payroll tax credit, for example with the 'Model statement of data for payroll taxes' (see section [2.3.1](#)). If your employee no longer wants or is allowed to have the payroll tax credit applied to you, he must also let you know in writing.

There are three exceptions to this rule.

- 1 In the case of an AOW benefit, the SVB may always apply the payroll tax credit, unless the person entitled to an AOW pension requests in writing that the payroll tax credit should not (or no longer) be applied.
- 2 If the employee is eligible for the young disabled person's tax credit, you may offset it, even if the employee does not have the other tax credits applied to you (see paragraph [24.1.5](#)).
- 3 There is an exemption for the child working in the parent's business and you meet the conditions to be allowed to apply the simplified scheme for assisting children. See paragraph [18.11](#).

If the employee has not asked you to apply the payroll tax credit, he will not miss out on the discount: he can offset the payroll tax credit via his income tax return.

Note 1

Employees who were already employed by you before 1 January 2007 do not have to ask you in writing to apply the payroll tax credit. We equate the wage tax statement that they completed and signed during that time with this request.

Note 2

An employee may only have the payroll tax credit applied to 1 employer or benefits agency. But your employee does not have to tell you that he has other wages or benefits. If you know or suspect that your employee also receives wages or benefits elsewhere, you can point out this rule to the employee. In this way, the employee can reduce or prevent a possible additional payment via the income tax return.

Note 3

Sometimes it is even wise for the employee not to have the payroll tax credit applied by any employer or benefits agency, in order to reduce or prevent an additional payment via the income tax return.

Example

Your employee also receives wages from another employer or from a benefits agency. With you, the employee has the payroll tax credit settled. Not with the other employer or benefits agency. In the income tax return (at the end of the year) both wages are added together, so that tax credits (sometimes up to € 0) can be phased out. (Part of) the salary may also fall into a different rate bracket. Then the employee often has to pay extra. If the employee does not have a payroll tax credit deducted from you, you will deduct more from wage tax/national insurance contributions. As a result, the later additional payment via the income tax return will be lower. Or the employee can get a refund.

The employee can also ask us (whether or not additionally) for a provisional income tax assessment during the year. In the application, the employee can specify the various wages and benefits and any other income and deductions. A provisional assessment or a provisional refund with a payment in monthly instalments will then follow.

In the section 'Data for table application' on the wage statement, you state whether you apply the payroll tax credit. In addition, you must indicate separately whether you apply the young disabled person's tax credit or whether you apply the single elderly person's tax credit (see paragraph [11.1](#)).

Payroll tax credit and the payroll tax tables

The general tax credit, the elderly person's tax credit and the single elderly person's tax credit are included in the white and green time slot tables. The labor tax credit is only included in the white time slot tables. You do not have to calculate these 4 tax credits yourself. You must calculate the young disabled person's tax credit yourself (see section [9.3.1](#)).

The table for special remunerations has a column 'settlement percentage of payroll tax credit' for employees for whom you apply the payroll tax credit. With this settlement percentage, you apply the increase and reduction of the employment tax credit and the reduction of the general tax credit in the case of special bonuses.

Note 4

If the employee or benefit recipient has requested it, you can use the wage tax table to offset the general tax credit for your employee or benefit recipient. In doing so, you take into account the phasing out of this tax credit if the salary or benefit exceeds a certain limit.

For payroll taxes, nothing will change in that respect for 2025. But there will be some changes in the income tax return. The phasing out of the general tax credit will then no longer only be calculated on the income in box 1 (work and home), but on the aggregate income. This means that your employee or benefit recipient who also has income in box 2 (income from a substantial interest) or box 3 (income from savings and investments) will receive additional reduction via the income tax return and may therefore have to pay extra. You can inform your employee or benefit recipient about this.

Employees who are not fully subject to tax or social security contributions

The payroll tax credit has a tax and a premium component. For employees who are not liable for payroll tax or who are not (fully) liable for national insurance contributions, you must reduce the wage tax credit. For employees who have reached the state pension age, this reduction has been incorporated in the white and green period tables in columns with different age categories. The state pension age has been set at 67 years for 2024 to 2027.

Employees who are not residents of the Netherlands

All employees who are insured for national insurance in the Netherlands are entitled to the premium part of the payroll tax credit. It does not matter for the premium part of which country an employee is a resident. Your employee is only entitled to the premium part of the tax credits for the period that he is insured in the Netherlands.

Non-residents of the Netherlands are not entitled to the tax part of the payroll tax credit. If someone is a resident of the Netherlands, you can read in paragraph [2.3.3](#). Your employee is only entitled to the tax part of the tax credits for the period that he is a resident of the Netherlands.

An exception applies to 1 tax credit, namely the labor tax credit: residents of another EU member state, of an EEA country (Iceland, Norway and Liechtenstein), Switzerland or a BES island (Bonaire, St. Eustatius and Saba) are entitled to the tax part of this tax credit. This also applies to an employee who falls under the transitional law of the withdrawal agreement that the United Kingdom has concluded with the European Union. This employee remains entitled to the tax part of the employed person's tax credit as long as he is covered by the withdrawal agreement.

If the employee lives in Belgium, Suriname or Aruba, he is also entitled to the tax part of the general tax credit. A posted civil servant who does not actually live in the Netherlands but is deemed to live in the Netherlands is also entitled to the tax parts of the tax credits, regardless of the actual country of residence.

Employees with more than 1 employer or benefits agency

Only 1 employer or benefits agency may apply the payroll tax credit. If the employee wants you to apply the payroll tax credit, he must give you a written, signed request, with a date, for example with the 'Model Statement of Data for Payroll Taxes' (see paragraph [2.3.1](#)). If the employee does not have the payroll tax credit applied to you, you may only take the young disabled person's tax credit into account.

If the employee has more than 1 employer or benefits agency, he may not be able to have the full payroll tax credit deducted.

It is also possible that the employee chooses not to have the payroll tax credit applied by any employer or benefits agency. The employee can then apply for a refund through his income tax return/national insurance contributions. Or with a request for a provisional assessment.

Employees with multiple wages or benefits with 1 employer or benefits agency

Do you pay an employee multiple wages or benefits on the basis of 1 or more employment contracts, insurance policies or other (legal) relationships? Then you may only apply the payroll tax credit once. You can do this in several ways:

- If you do not add up the wages (there is not always an obligation for this), you apply the payroll tax credit to 1 of the wages. The employee must inform you in writing to which salary you may apply the payroll tax credit.
- If you do add up the wages (whether or not compulsory), you apply the payroll tax credit to the total. The rules for aggregating wages can be found in section 9.6.

Payroll tax tables

The period tables and tables special remuneration for 2025 can be found on belastingdienst.nl/tabellen. The tables can be found with a tool, where you will also find tables for the less common situations with a different tax or social security contribution obligation, also for the years 2020 to 2024. Other tables, such as for artists, contractors of work and for final levy, can be found in Appendix 1 of this handbook.

24.1.1 General tax credit

In 2025, the general tax credit will be a maximum of € 3,068. The general tax credit will be phased out in 2025 by 6.337% of the income from work and home if this income is € 28,406 or more per year, but no more than € 76,817. The discount will be reduced to zero. If the employee has reached the state pension age, the tax credit in 2025 will be a maximum of € 1,536. The discount will be reduced to zero. For more information, see table 2a/2b at the end of this handbook.

The general tax credit and its phasing out have been incorporated into the wage tax tables, the table for special remunerations and the calculation rules.

Note 1

For the general tax credit, it matters which country your employee is a resident of. See section 24.1 under 'Employees who are not residents of the Netherlands'.

Note 2

From 2025, the general tax credit via the income tax return will also be phased out on income in box 2 (income from substantial interest) or box 3 (income from savings and investments). This means that your employee or benefit recipient will then receive additional reduction and may therefore have to pay extra. You can inform your employee or benefit recipient about this.

24.1.2 Labor tax credit

An employee with wages from current employment is entitled to the labor tax credit. The labor tax credit is a percentage of that wage up to a maximum amount. The employed person's tax credit is only calculated on period wages and not on one-off rewards or rewards that you only grant once a year, such as bonuses, bonuses or holiday allowance. The table for special remunerations does take into account the accrual and phasing out of the employed person's tax credit.

Please note

For the employment tax credit, it matters which country your employee is a resident of. See section 24.1 under 'Employees who are not residents of the Netherlands'.

You must keep track of the amount of labor tax credit you have set off against the employee's wage tax/national insurance contributions for each wage period. This settled labor tax credit can be found in the white time slot tables. In paragraph 9.3.2 you can read for which salary you use the white period tables. You state the settled labor tax credit in column 18 of the wage statement (see paragraph 11.2.13) and in the payroll tax return. You must also include the total amount of the settled employment tax credit in the annual statement for the employee (see paragraph 15.3). Because the employee must fill in this amount in his income tax return. In the annual statement,

you only include the labor tax credit that you have settled via the regular period table. You do not include the employed person's tax credit that you have set off against the 'payroll tax credit settlement percentage' of the special remuneration table (see paragraph [24.1](#)) in the annual statement.

The employed person's tax credit for 2025 is a maximum of € 5,599 on an annual basis (see table [2a/2b](#) at the end of this handbook). The discount is included in the wage tax tables, the table for special remunerations and the calculation rules.

Labor tax credit for employees who have reached the state pension age

Employees who have reached the state pension age are subject to a lower employed person's tax credit than younger employees (see table [2a/2b](#) at the end of this handbook). You apply this lower labor tax credit by using the columns 'state pension age or older' in the wage tax table. You do this from the first payment of wages from the first day of the calendar month in which the employee reaches the state pension age. The labor tax credit for 2025 is a maximum of € 2,802 on an annual basis. This discount is included in the wage tax tables, the table for special remunerations and the calculation rules.

Phasing out of labor tax credit for wages higher than € 43,071

The labor tax credit for lower incomes is a maximum of € 5,599 for 2025.

In addition, the labor tax credit for higher incomes will be reduced to zero. In 2025, a reduction of 6.510% of the income from current employment applies if this income is more than € 43,071 per year, but no more than € 129,078. The employed person's tax credit is nil if the income from current employment exceeds € 129,078.

For employees who have reached the state pension age, a reduction of 3.257% of the salary above € 43,071 applies, with a maximum of € 2,802. This labor tax credit is nil if the income exceeds € 129,078. The phasing out of the employed person's tax credit has been incorporated into the white time slot tables, the table for special remunerations and the calculation rules.

Please note

Sometimes your employee has to pay us (part of) the reduction of the employed person's tax credit of up to € 5,599 via the income tax return. This occurs if your employee has an annual salary that is higher than € 43,071 and 1 of the following situations occurs:

- Your employee had a wage below the phasing-out limit (reduced to the period amount) in 1 or more wage periods and he receives a period-proportional labor tax credit without phasing out via the white period table.
- Your employee has different employers. He remains below the phasing-out limit for each employer, but his annual salary is above the phasing-out limit.
- In addition to wages, your employee also has other employment income (profit from business or result from other activities). For the salary, he remains below the phasing-out limit, but his total labour income is above the phasing-out limit.

24.1.3 Elderly person's tax credit

An employee is entitled to the elderly person's tax credit if he has reached the state pension age. The elderly person's tax credit is € 2,035 for employees with an income of € 45,308 or less. If the income is higher than € 45,308, the elderly person's tax credit will be reduced by 15% of the difference between the income and € 45,308. From an income of € 58,875, the employee is no longer entitled to the elderly person's tax credit.

Example

Your employee has a salary of € 48,000. The elderly person's tax credit is then: € 2,035 15% of (€ 48,000 - € 45,308) = € 2,035 - 403.80 = € 1,631.20.

You apply the elderly person's tax credit via the period table from the first wage payment in the month in which your employee reaches the state pension age.

24.1.4 Single elderly person's tax credit

Until 2023, only the Social Insurance Bank (SVB) could apply the single elderly person's tax credit. From 2024, any benefits agency or employer can apply this tax credit.

The single elderly person's tax credit is a tax credit for an employee who:

- has or is entitled to an AOW benefit for a single person for the entire calendar year or part of it.
- has no or partial AOW benefit for a single person in the calendar year because the employee/beneficiary lived abroad before the AOW age or because the employee/beneficiary is conscientious objector due to religious beliefs and has therefore not accrued a (full) AOW benefit.
- receive an AOW benefit for married people, but no longer live together because the partner lives in a nursing home, for example.

The employee/benefit recipient can choose not to have the payroll tax credit applied by the SVB. If he chooses to have the payroll tax credit applied to you, you can also offset the single-elderly person's tax credit from 2024. The employee must make the choice known to you in writing, for example using the model 'Statement of data for payroll taxes'. We have adjusted this form accordingly from 2024.

Please note

An employee may only have the payroll tax credit settled with 1 withholding agent. If your employee who has reached the state pension age has the payroll tax credit settled with you, it is wise to point out to him to terminate its application with the SVB.

The single elderly person's tax credit is € 531 per year. You apply the single elderly person's tax credit via the period table by using the columns AOW age or older and then 'with payroll tax credit including single elderly person's tax credit'. You do this – after the employee has provided a written statement – from the first payment of wages from the first day of the calendar month in which your employee reaches the state pension age.

24.1.5 Young disabled person's tax credit

The young disabled person's tax credit applies to anyone who:

- receive a Wajong benefit
- is entitled to a Wajong benefit, but does not receive this benefit because he has other income

If you continue to pay a Wajong benefit, you can always deduct the young disabled person's tax credit. This also applies if your employee does not have the payroll tax credit applied to you.

It is possible that your employee is entitled to a Wajong benefit, but does not receive it because he has other income. Then you may offset the young disabled person's tax credit if you keep a copy of the letter that the UWV sent to your employee in your payroll administration, stating that he or she is entitled to the young disabled person's tax credit.

The young disabled person's tax credit is € 909 per year. This tax credit is not included in the tables or in the calculation rules. You must deduct the table amount of the wage tax/national insurance contributions yourself with the young disabled person's tax credit. If you use the monthly table, the four-week table, the weekly table, the daily table or the quarter table, the discount is 1/12, 1/13, 1/52, 1/260 or 1/4 part. Does your employee have a wage period for which there is no table? Then you use the same conversion rules to calculate the discount that you use to calculate the wage tax/national insurance contributions (see section 9.3.5).

25 Final levies

We levy wage tax/national insurance contributions in the form of a so-called final levy on certain forms of wages. You do not deduct this final levy from your employee's salary, but is for your account. Final levy wages are not wages for employee insurance and the income-related Zvw contribution. An exception is the final levy wage in the event of additional assessments: you pay all payroll taxes on this, unless you had designated or should have designated these wage components as final levy wages.

Final levy wages are not (or no longer) part of your employee's wages and are therefore not part of their aggregate income for income tax purposes. Your employee cannot offset the wage tax/national insurance contributions that you pay on this salary against the income tax/national insurance contributions.

You do not enter final levy wages in the wage statement.

In this chapter you will find information about the following (pseudo-)final levies:

- Final levy on additional assessments (see paragraph [25.1](#))
- final levy on public law benefits (see Section [25.2](#))
- Final levy on temporary bottlenecks of a serious nature (see paragraph [25.3](#))
- final levy on provision to persons other than your employees (see paragraph [25.4](#))
- final levy on goods and services in the promotional sphere and benefits from savings systems (see paragraph [25.5](#))
- final levy for continuous alternating use of delivery vans (see paragraph [25.6](#))
- pseudo-final levy RVU scheme (see paragraph [25.7](#))
- pseudo-final levy for excessive severance payments (see paragraph [25.8](#))

You can also read how to calculate the final levy in this chapter (see section [25.9](#)). See Chapter [10](#) for information on the final levy on the work-related costs scheme. The calculation of the final levy for payments to general social assistance under the Participation Act can be found in the brochure 'Calculation rules and manual payroll taxes on social assistance benefits'. You can download this brochure from belastingdienst.nl. The 2025 brochure will be published in the course of 2025.

Final levy no wages for employee insurance and Zvw

You only pay wage tax/national insurance contributions on final levy wages. You do not pay employee insurance premiums and employer's Zvw levy on final levy wages, nor do you deduct Zvw contributions from your employee's wages. An exception is the salary for which we apply the final levy by imposing an additional assessment. You must pay employee insurance premiums and pay the employer's levy Zvw or withhold the Zvw contribution on this, unless you had designated or should have designated these wage components as final levy wages (see Section [25.1](#)).

25.1 Final levy for additional assessments

If you receive an additional assessment, we will levy the wage tax/national insurance contributions in the form of a final levy. These final levy components are also wages for employee insurance and the Zvw.

There are 2 exceptions to the rule that we impose an additional assessment with a final levy:

- You ask for an additional assessment that you want and can recover from your employees and provide the necessary information.
- You will receive a decision from us stating that we will not apply the final levy. This can happen if the following 2 circumstances apply to you:
 - There are no practical objections to the imposition of a recoverable additional assessment, for example if it concerns a small number of employees.
 - Final levy would have unintended financial benefits for 1 or more employees, such as tariff advantages or a higher surcharge.

In these 2 exceptional cases, there is no final levy, but the employee's salary for all payroll taxes. In these 2 cases, you must correct the tax return for each employee. See Chapter 14 for information on how to make corrections.

Exception: only wages for wage tax/national insurance contributions

Final levy components of additional tax assessments are wages for all payroll taxes. But there is an exception in which the final levy components are only wages for wage tax/national insurance contributions. This applies to wage components that you had designated or should have designated as final levy wages (see sections 25.4, 25.5 and 25.6). You can then no longer ask us for an additional assessment that you want to recover from your employees.

Calculating the final levy

Are the final levy components of the additional assessment only wages for wage tax/national insurance contributions? Then we calculate the wage tax/national insurance contributions with the table rate, which applied when the employee received the salary.

We also apply the table rate if the final levy components on which we impose the additional assessment are also wages for the employee insurance schemes and for the Zvw. We then use the table rate, the percentages for the employee insurance schemes and the income-related Zvw contribution that applied when the employee received the wages.

We calculate the final levy differently in the event of an additional assessment if you can plausibly demonstrate that the final levy salary was gross salary. The calculation is done in 2 steps:

- 1 We calculate the wage tax/national insurance contributions on the gross salary according to the simple rate of the year for which we levy retrospectively (see paragraph 25.9.2). We also calculate the employee insurance contributions and the income-related Zvw contribution on this. The total of the wage tax/national insurance contributions and any Zvw contribution is the net benefit that your employee has, because you pay the wage tax/national insurance contributions and the Zvw contribution.
- 2 We calculate the wage tax/national insurance contributions on this net benefit according to the table rate at the time when you pay the final levy. We calculate the employee insurance premiums and the income-related Zvw contribution on the total of the net benefit and the wage tax/national insurance contributions.

For the total of steps 1 and 2, we impose an additional assessment.

The table rate and the single rate for 2025 can be found at the end of this handbook (see tables 5.1 to 5.6 and 6.1 to 6.6). The final levy rates for 2024, 2023, 2022, 2021 and 2020 can be found in tables 5, 6a and 6b of the handbooks for those years. You can download the handbooks of those years from belastingdienst.nl.

If you receive an additional assessment from us, we may increase the amount of the assessment with a penalty and tax interest.

25.2 Final levy on public law benefits

The final levy on public law benefits is only applied by a limited number of government institutions. That is why we do not discuss these benefits and the associated final levy in this handbook.

25.3 Final levy on temporary bottlenecks of a serious nature

There may be circumstances in which we cannot reasonably expect you to process certain wage components per employee separately correctly, on time and in full. Consider, for example, technical, administrative or employment law problems.

In these circumstances, we may decide at your request that you can temporarily (generally a maximum of one year) suffice with a final levy for these wage components. You will then receive a decision from us.

If you apply the final levy, these wage components are not wages for the employee insurance schemes and the Zvw.

Calculating the final levy

To calculate the final levy, use the table rate (see paragraph [25.9.1](#)).

Processing the final levy in the tax return

You process the final levy in the tax return for the period in which your employees receive the wage components. In the payroll tax return, you state the amount of the final levy in the section 'Final levy on public-law benefits and temporary bottlenecks of a serious nature'.

25.4 Final levy on benefits in kind to parties other than your employees

You may pay the income tax/national insurance contributions for benefits in kind to your business relations that you also give to your employees at the same time and for the same occasion. You can do this by paying us a final levy on the benefits in kind. Your relations will then no longer have to pay tax on these benefits.

You can also use this final levy option if you want to take care of the taxation of benefits in kind (e.g. a Christmas package) to temporary workers and self-employed persons.

For all benefits in kind, you must inform the recipient that you apply the final levy. You can also include a provision in your general terms and conditions that you apply a final levy on these benefits. You must also record who the recipient of the provision is.

You may also apply the final levy if the recipient of the provision is not a natural person, but a private limited company, for example.

If you apply the final levy, these benefits are not wages for the employee insurance schemes and the Zvw.

Calculating the final levy

If the value of the provision does not exceed € 136, you pay a 45% final levy. If the value of the provision is more than € 136, you will pay 75% final levy on the full value.

Processing the final levy in the tax return

You process the final levy in the tax return for the period in which your business relations receive the benefits. In the payroll tax return, you state the amount of the final levy in the section 'Final levy on public-law benefits and temporary bottlenecks of a serious nature'.

25.5 Final levy on goods and services in the promotional sphere and benefits from savings systems for parties other than your employees

You may also apply a final levy on the economic value of goods or services in the promotional sphere and on the benefits from savings systems (paper or digital) that you do not give to your employees, but to others. The value of the benefits from loyalty systems is the average market value of the goods or services provided when loyalty points are redeemed.

For all goods and services in the promotional sphere and the benefit from savings systems, you must inform the recipient that you apply the final levy. You can also include a provision in your general terms and conditions that you apply a final levy on these goods, services and benefits from savings systems. You must also record who is the recipient of the goods, the services and the benefit from savings systems.

You may also apply the final levy if the recipient of the goods, services and benefits from savings systems is not a natural person, but a private limited company, for example.

If you apply a final levy, these goods and services in the promotional sphere and the benefits from savings systems are not wages for the employee insurance schemes and the Zvw.

Calculating the final levy

If the value of the goods, services or benefits from savings systems does not exceed € 136, you pay a 45% final levy. If the value is more than € 136, you pay 75% final levy on the full value.

Processing the final levy in the tax return

You process the final levy in the tax return for the period in which others receive these goods, services and benefits. In the payroll tax return, you state the amount of the final levy in the section 'Final levy on public-law benefits and temporary bottlenecks of a serious nature'.

25.6 Final levy for continuous alternating use of delivery vans

If 2 or more employees use a van continuously alternately due to the nature of the work, it may be difficult to apply the scheme for private use individually. In that case, you pay the final levy on the addition to taxable income for private use of a car. See section [23.4.5](#) for information on when there is continuous alternating use.

If you apply the final levy, the addition is only wages for wage tax/national insurance contributions and not for employee insurance and the Zvw.

Calculating the final levy

The final levy for continuous alternating use of delivery vans for 2025 is an annual amount of € 438 per delivery van. In the case of a one-month tax return period, you then calculate € 36.50 per van per month.

Processing the final levy in the tax return

You must state the total amount of the final levy for all delivery vans in the payroll tax return in the section 'Final levy for continuous alternating use of delivery vans'. You round down the total amount to whole euros.

In the employee's income ratio, you indicate in the section Code reason no addition car with code 5 that there is continuous alternating use of delivery van, for which you calculate the final levy. With this final levy, your employee does not have to keep a journey registration.

25.7 Pseudo final levy RVU scheme

In the case of early retirement schemes (RVU schemes) and the pay-as-you-go part of pre-pension schemes, you pay a pseudo-final levy on the benefits from these schemes, the employer's contributions and contributions. This pseudo-final levy is 52%.

Ustate this final levy in the payroll tax return in the section 'Pseudo-final levy RVU'.

You do not have to apply this final levy if a transitional arrangement applies to the RVU scheme or the pay-as-you-go part of the pre-pension scheme (see also section [21.4.2](#)).

Please note

The benefits from RVU schemes and the pay-as-you-go part of pre-pension schemes must continue to be processed as the employee's wages in the payroll tax return.

Severance pay

In some cases, we consider a severance payment to be an RVU scheme. You will then have to pay 52% of the pseudo-final RVU levy on the severance payment. Before you agree on a severance payment, you can ask us whether we consider this severance payment to be an RVU scheme. You will then receive a decision from us, against which you can object.

Please note

Since 1 January 2021, a temporary RVU threshold exemption applies. More information about this can be found in section [21.3.1](#).

25.8 Pseudo final levy for excessive severance payments

You must pay 75% tax on the excessive portion of severance payments of employees who leave your employment. In 2025, you will pay this so-called pseudo-final levy in the following situations:

- The employee will leave your employment in 2025, the test salary is more than € 680,000 and the severance pay is higher than the test salary. You can read how to calculate the test salary and the excessive part of the severance pay in the 'Explanation of excessive severance pay 2025'.
- Ucan download this explanation from belastingdienst.nl.
- In 2025, you still make additional payments for an employee who left your employment in 2024, 2023, 2022, 2021 or 2020. If you have already paid a pseudo-final levy for this employee in these years, you can read how to calculate the pseudo-final levy in step 5 of the 'Explanation of excessive severance pay' for these years. If the additional payment is the 1st severance payment for the employee, use these explanations to determine whether, and if so, how much pseudo-final levy you have to pay.

Ucan download the notes 2025, 2024, 2023, 2022, 2021 and 2020 from belastingdienst.nl.

You may not include the pseudo-final levy for excessive severance payments in your regular payroll tax return. See section [13.7](#) for information on how to make the declaration.

25.9 Calculating the final levy

The calculation of the final levy that you have to pay deviates from the rules for calculating wage tax/national insurance contributions (see Chapter 7). There are separate tables for the final levy (see Tables [5.1](#) to [5.6](#) and [6.1](#) to [6.6](#) at the end of this handbook). You process the final levy in the tax return for the period in which the moment of enjoyment falls.

Which rate you must apply depends on the wage component on which you apply the final levy. When you need to apply the fixed rates (45%, 52% or 75%) and the fixed amount of € 438 on an annual basis, you can read in the above paragraphs. See section [25.9.1](#) for more information on the table rate and section [25.9.2](#) for information on the single rate.

25.9.1 Table

The table rate is a percentage that we apply to the final levy salary in the event of additional assessments (see paragraph [25.1](#)), and that you must apply to public-law benefits (see paragraph [25.2](#)) and to temporary bottlenecks of a serious nature (see paragraph [25.3](#)). The amount of the percentage depends on:

- the employee's annual salary for the application of the special remuneration table (see also paragraph [9.3.6](#))
- the age of the employee (younger or older than the state pension age)
- whether or not to apply the payroll tax credit
- the country in which the employee is resident (the Netherlands, a country of the circle of countries or a third country see also section [9.3.1](#))

There are 3 types of table rates:

- the table rate for employees under the state pension age
- the table rate for employees who have reached the state pension age born in 1945 or earlier
- the table rate for employees who have reached the state pension age born in 1946 or later

Example

You pay an employee's wages to which you apply the final levy on temporary bottlenecks of a serious nature on the basis of a decision from us. The employee is 40 years old. He has an annual salary of € 25,000 and is entitled to a payroll tax credit. The table rate is 58.60%.

Different rates for some groups of employees

Rates that differ apply to some groups of employees. It concerns the following groups:

- employees who only have to pay national insurance contributions
- employees who only have to pay wage tax
- anonymous employees
- contractors of work, home workers, sex workers and similar persons (see also Chapter [16](#))

You can find the final levy tables in Tables [5.1](#) to [5.6](#) and [6.1](#) to [6.6](#) at the end of this handbook.

25.9.2 Single rate

The single rate is a percentage that we apply when calculating the final levy in the event of an additional assessment (step 1) if you can plausibly demonstrate that the final levy wage was gross salary (see paragraph [25.1](#)). The amount of the percentage of the single rate depends on:

- the employee's annual salary for the purposes of the special remuneration table (see also paragraph [9.3.6](#))
- the age of the employee (younger or older than the state pension age)
- whether or not to apply the payroll tax credit
- the country of residence of the employee (the Netherlands, a country of the circle of countries or a third country, see also section [9.3.1](#))

There are 3 types of single rates:

- the single rate for employees under the state pension age
- the single rate for employees of state pension age and older, born in 1945 or earlier
- the single rate for employees of state pension age and older, born in 1946 or later

Different rates for some groups of employees

Rates that differ apply to some groups of employees. It concerns the following groups:

- employees who only have to pay national insurance contributions
- employees who only have to pay wage tax
- anonymous employees
- contractors of work, home workers, sex workers and similar persons (see also Chapter [16](#))

You can find the final levy tables in Tables [5.1](#) to [5.6](#) and [6.1](#) to [6.6](#) at the end of this handbook.

26 Remittance reductions

Under the Wage Tax and National Insurance Contributions (Reduction) Act (WVA), you can pay less tax and contributions for different groups of employees. You will then pay less wage tax/national insurance contributions and final levy than you declare. The main purposes of the remittance reductions are to stimulate employment and promote research.

You may be entitled to the following remittance reductions:

- remittance reduction for research and development (see paragraph [26.1](#))
- remittance reduction for maritime shipping (see paragraph [26.2](#)).

For each type of remittance reduction, we explain which conditions apply and how to apply the remittance reduction.

The concept of 'employee'

The term 'employee' is more limited for remittance reductions than for payroll taxes. By an employee for the remittance reductions we mean:

- employees who are in real employment with you (see section [1.2.1](#))
- the following employees with a fictitious employment relationship (see section [1.2.2](#)):
 - assisting children
 - directors of cooperatives with employee self-management
 - assimilated persons

You can only apply the remittance reductions for the above employees. However, you can offset the remittance reductions against the wage tax/national insurance contributions that you have to pay for other employees (see sections [26.1.6](#) and [26.2.8](#)).

Please note

You cannot apply the remittance reduction to a shareholder with a substantial interest in a company if his actual salary is nil.

26.1 Remittance reduction for research and development work

In this section, we explain the following aspects of the remittance reduction for research and development work (hereinafter: remittance reduction R&O):

- basis for R&D remittance reduction (see paragraph [26.1.1](#))
- amount of remittance reduction R&D (see paragraph [26.1.2](#))
- duration of R&D remittance reduction (see paragraph [26.1.3](#))
- administrative obligations (see paragraph [26.1.4](#))
- concurrence with remittance reduction for maritime shipping (see paragraph [26.1.5](#))
- offset the remittance reduction for R&D in the tax return (see paragraph [26.1.6](#))
- correction of R&D statement (see paragraph [26.1.7](#))

Please note

The implementation of the R&D remittance reduction scheme has been transferred almost entirely to the Netherlands Enterprise Agency (RVO). For more information about this remittance reduction, see rvo.nl. RVO uses the term WBSO (Research and Development Promotion Act) for the term S&O.

26.1.1 Basis for R&D remittance reduction

The R&D remittance reduction is based on the wage costs of employees who do research and development work, and on the other costs and expenses for research and development work. To be eligible for an R&D remittance reduction, you must have a so-called R&D statement. You request this statement yourself from RVO. We only check whether your R&D remittance reduction corresponds to your R&D statement from RVO.

You must apply for the R&D statement from RVO no later than the last day before the start of the period in which the research and development work will take place. For applications relating to a period starting on 1 January of a calendar year, 20 December of the preceding calendar year is the final application date. You apply for the R&D statement with an application program on rvo.nl. You can also download the 'WBSO Manual' via this site.

Foreign country

The wage costs of your employee who carries out research and development work in another EU country, and the other costs and expenses for research and development work abroad, also count towards the R&D remittance reduction.

More information about the basis for the R&D remittance reduction can be found on rvo.nl.

Definition of R&D activities

More information about the activities that are eligible for R&D remittance reduction can be found on rvo.nl.

Please note

The final levy wage is not part of the basis of the remittance reductions.

26.1.2 Amount of remittance reduction R&D

In 2025, the R&D remittance reduction will be:

- 36% of the wage costs and the other costs and expenses for research and development work, up to an amount of € 380,000
- 16% on the excess

Starters

For first-time buyers, the R&D remittance reduction in 2025 is:

- 50% of the wage costs and the other costs and expenses for research and development work, up to an amount of € 380,000
- 16% on the excess

You are a starter if you meet the following 2 conditions:

- You were not an employer in 1 or more of the 5 previous calendar years.
- In the 5 previous calendar years, you have not applied for the R&D remittance reduction more than 2 times.

If you continue research and development work that was previously carried out directly or indirectly by an affiliated company (see section 4.11) or by someone who now has a substantial interest, you must include the statements issued to this company or the substantial interest holder.

Please note

You must always have your own R&D statement, even if you continue someone else's research and development work.

26.1.3 Duration of R&D remittance reduction

You can apply for an R&D statement for a maximum of 4 periods in 1 calendar year. The periods may cover a minimum of 3 and a maximum of 12 calendar months. From 1 January 2022, it is possible that you can apply for an R&D statement that relates to a period that is already (partly) involved in a previous R&D statement. In addition, from now on applications will always relate to the rest of the calendar year.

26.1.4 Administrative Obligations

You have the following administrative obligations:

- You must keep records of the research and development work. This must be available for inspection within 2 months after the calendar quarter in which the research and development work was done.
- The time administration of the research and development work must be available for inspection within 10 working days after the day on which the research and development work was done.
- You must report the wage costs and the other costs and expenses for research and development work to RVO in a so-called notification within three months after the end of the calendar year. You can do this digitally via rvo.nl.

The communication at the end of the year will be simplified, because there is no longer any need to distinguish between hours, costs and expenses related to the various R&D statements. One annual total can be indicated.

All hours, costs and expenses incurred can be taken into account as long as they do not exceed the total of the requested hours, costs and expenses allocated in various R&D statements.

It remains the case that only hours, costs and expenses that have been realised after they have been applied for may be taken into account. After all, it must be intended R&D work. See rvo.nl for more information about the announcement.

RVO can check your project and time administration and establish a correction R&D statement. See section [26.1.7](#).

More information about administrative obligations for the R&D remittance reduction can be found at rvo.nl.

26.1.5 Concurrence with remittance reduction for maritime shipping

You cannot apply the R&D remittance reduction to wages to which you already apply the maritime shipping remittance reduction.

26.1.6 Settlement of the R&D remittance reduction in the tax return

From 2022 onwards, you can enter a part of the amount of the R&D remittance reduction granted to you in the section 'Remittance reduction for research and development work' for each tax return period to which an R&D statement relates. The amount that you may enter is capped at the wage tax/national insurance contributions withheld by you in that tax return period, plus the amount of the final levies. The amount that you have already taken into account as an R&D remittance reduction in an earlier tax return period will be deducted from this. The amount you enter reduces the final amount of the tax return (Total General) that you have to pay.

You may round up the total amounts to whole euros. You may not round off the amounts per employee.

If you have a payroll tax number with different subnumbers, such as L01 and L02, you may offset the remittance reductions with each other.

Have you not been able to offset part of the R&D remittance reduction against your payroll tax returns at the end of the calendar year? Then you may offset the remainder against all periods in the calendar year to which the R&D statement relates, if there is still room for this. In this case, you can submit a correction to the previously filed tax return (see Chapter [14](#)).

26.1.7 Correction of the R&D statement

You must report the wage costs and the other costs and expenses for research and development work to RVO. You can do this digitally via rvo.nl and at the latest within:

- 3 months after the end of the calendar year to which the R&D statement relates
- 3 months after the issuance of the last R&D statement for the calendar year, if that statement was issued in the following calendar year

If it turns out afterwards that the wage costs and other costs and expenses for research and development work are less than what is stated in the R&D statement, RVO will revise the statement. You will then receive a correction R&D statement from RVO. This contains 1 correction amount for all R&D statements of the calendar year. You include the amount of the correction as a negative remittance reduction in the payroll tax return for the period in which the correction statement was issued, or in the tax return for the following period. You therefore do not submit a correction for the tax return periods that have already elapsed to which the correction R&D statement relates.

End of withholding obligation

If your withholding obligation ends in a year to which the R&D statement relates, you must report the R&D hours and possibly your costs and expenses within 1 calendar month after the end of your withholding obligation. You can do this in writing to RVO: PO Box 10073, 8000 GB Zwolle. Or by e-mail: wbsso@rvo.nl. For example, your withholding obligation ends if you cease your business or in the event of bankruptcy.

More information can be found on rvo.nl/wbsso.

26.2 Remittance reduction for maritime shipping

In this section, we explain the following aspects of the remittance reduction for maritime shipping:

- apply the remittance reduction for maritime shipping (see section [26.2.1](#))
- wages for the remittance reduction for maritime shipping (see paragraph [26.2.2](#))
- Height of the remittance reduction for maritime shipping (see paragraph [26.2.3](#))
- duration of the remittance reduction for maritime shipping (see paragraph [26.2.4](#))
- apply the remittance reduction for maritime shipping per wage period (see paragraph [26.2.5](#))
- administrative obligations (see section [26.2.6](#))
- concurrence with R&D remittance reduction (see paragraph [26.2.7](#))
- offset the remittance reduction for maritime shipping in the tax return (see paragraph [26.2.8](#))

26.2.1 Applying the remittance reduction for maritime shipping

You can apply the maritime remittance reduction if you pay wages to seafarers who work on a ship that is registered in the Netherlands and flies the Dutch flag. The ship must also meet the following conditions:

- The Seafarers Act applies to the ship.
- The ship is provided with a certificate of registration.
- The vessel is largely operated at sea for a company for 1 of the following activities:
 - the transport of goods or persons in international traffic
 - the transport of goods or persons for the purpose of exploring for or exploiting natural resources at sea
 - towing and assistance work at sea to ships
 - dredging activities

remittance reduction for maritime shipping does not apply to wages that you pay to seafarers who work on:

- a ship that is used for pilotage, for sailing (unless it complies with Article 1, paragraph 2, of the Wage Tax and National Insurance Contributions (Reduction) Act or in the harbour towage service
- a dredger without its own propulsion
- a vessel for commercial fishing or sport fishing

Seafarers who work on a ship that sails according to regular passenger services between ports in the EU, but who do not themselves have the nationality of one of the EU or EEA countries, are not seafarers for the maritime remittance reduction.

The maritime remittance reduction also temporarily applies to seafarers who work on a sailing Commercial Cruising Vessel (CCV) that is registered in one of the EU or EEA member states and that flies the flag of one of those (member) states. As an additional condition, these seafarers must be regarded as employees for employee insurance purposes. In addition, the wages of those seafarers in the Netherlands must be subject to a tax based on income. The duration of this measure for CCVs has been extended until 31 December 2028.

26.2.2 Wages for the remittance reduction for maritime shipping

You calculate the remittance reduction for maritime shipping on the salary for wage tax/national insurance contributions (column 14 of the wage statement) of the qualifying employees (see above under 'Concept of employee'), insofar as it concerns salary from current employment.

26.2.3 Amount of remittance reduction for maritime shipping

The remittance reduction for maritime shipping is a percentage of the salary for wage tax/national insurance contributions (column 14 of the wage statement) minus the salary from the former employment of the seafarer in the relevant wage period.

In the case of seafarers on ships intended for dredging work, only the part of the wage for the transport of dredged material by sea is wage for the remittance reduction for maritime shipping. In the case of seafarers on ships intended for towing and assistance work, only the part of the wage for towing and assistance work at sea is wage for the remittance reduction for maritime shipping.

Separate percentages apply for:

- seafarers living in the Netherlands or in another EU or EEA country (40%)
- seafarers who do not live in the Netherlands or in another EU or EEA country and have to pay wage tax or national insurance contributions (10%)

26.2.4 Duration of remittance reduction for maritime shipping

The maritime remittance reduction applies as long as you meet the conditions.

26.2.5 Applying the remittance reduction for maritime shipping per wage period

The remittance reduction for maritime shipping is determined per wage period. If the pay relates partly to a period in which the employee worked as a seafarer and partly to a period in which he did not work as such, you must allocate this pay proportionately to those periods. You must keep the data in the payroll administration that shows to which period(s) the salary relates and how you have allocated the salary proportionally.

Salary after the end of employment

It is possible that you pay wages to an employee who is no longer a seafarer at the withholding time. If you can prove that the salary relates to a period in which the employee worked as a seafarer, you may also apply the maritime remittance reduction to this salary.

26.2.6 Administrative Obligations

You must register the following data and keep it with the payroll administration:

- how much remittance reduction you have applied per seafarer per payroll tax return
- the names, dates of birth and the numbers of the seafarers for whom you have applied the maritime remittance reduction
- the period or periods during which the seafarer was signed on board a seagoing vessel
- the name and call sign of the seagoing vessel or vessels on which the seafarer has been signed on
- copies of the muster rolls and the changes to the muster roll for each seafarer (in chronological order)
- copies of sea letters (in chronological order)
- the percentage of the remittance reduction applicable per seafarer
- the calculation of the remittance reduction

26.2.7 Concurrence with R&D remittance reduction

You cannot apply the maritime remittance reduction to wages to which you already apply the R&D remittance reduction.

26.2.8 Settlement of the remittance reduction for maritime shipping in the tax return

In the payroll tax return, enter the total amount of the maritime shipping remittance reduction per declaration period in the section 'Maritime shipping remittance reduction'. The amount that you may enter is capped at the wage tax/national insurance contributions withheld by you in that tax return period, plus the amount of the final levies. The amount you enter reduces the final amount of the tax return (Total General) that you have to pay.

If you have a payroll tax number with different subnumbers, such as L01 and L02, you may offset the remittance reductions with each other.

No rollover scheme

It is possible that the total amount of wage tax/national insurance contributions and final levy withheld in a certain tax return period is lower than the total amount of remittance reductions to which you are entitled in that period. Because the amount of the wage tax/national insurance contributions and final levy can never be negative on balance, you cannot use part of the remittance reduction in such a case. You may not offset an unused part of the maritime shipping remittance reduction in another period.

27 Wage cost benefits and low income benefit (LIV)

The Wage Domain Allowances Act (Wtl) contains a number of allowances for wage costs for employers. From 2025 onwards, the Wtl will only have wage cost benefits, see section [27.1](#). Up to and including 2024, the low-income benefit (LIV) was also included in the Wtl, see section [27.2](#).

27.1 Wage cost benefits

The aim of the wage cost benefits is to give vulnerable groups of workers better opportunities on the labour market.

There are 4 wage cost benefits:

- the LKV for older employees
- the LKV for disabled employees
- the LKV target group job agreement and training obstacles
- the LKV redeploying a disabled employee

Do you employ employees aged 56 or over? Employees who are (partially) incapacitated for work or unemployed? Whether employees who are included in the target group register for the jobs agreement or are hindered by training? Then you may be entitled to 1 of these wage cost benefits. The conditions for eligibility differ per wage cost benefit.

In this section you will read:

- the conditions for the various wage cost benefits (see section [27.1.1](#))
- how high the wage cost benefits are (see paragraph [27.1.2](#))
- what you need to do to get the wage cost benefits (see section [27.1.3](#))
- when you receive the wage cost benefits (see section [27.1.4](#))

27.1.1 Conditions for the wage cost benefits

In this section you can read about the conditions that apply to:

- the LKV for older employees
- the LKV for disabled employees
- the LKV target group job agreement and training obstacles
- the LKV redeploying a disabled employee

Conditions LKV for older employees

You are entitled to the LKV older employee if you hire an employee who meets all the following conditions. The employee:

- is insured for 1 or more employee insurance schemes.
- is 56 years of age or older, but has not yet reached the state pension age.
- has not been employed by you in the 6 months prior to commencement of employment.
- is entitled to 1 of the following benefits in the month prior to taking up employment with you:
 - unemployment benefit (WW, IOW)
 - disability benefit (WAO, WIA, Wajong, Waz, Wamil)
 - social assistance benefit (Participation Act, IOAW and IOAZ)
 - benefit from an EU country, an EEA country or Switzerland, which has the same purpose as one of the above Dutch benefits Or the employee is entitled to a benefit from the following in the month prior to taking up employment with you.
 - employment support on the basis of the Wajong

Note 1

The United Kingdom is no longer an EU country. An English benefit prior to employment is therefore no longer sufficient.

Furthermore, the following applies:

- You have a target group statement for the employee. This statement shows that the employee meets the conditions.
- In your payroll tax return, you indicate that you want to apply for this wage cost benefit for the employee.

You can read more about applying for the target group statement and completing the tax return in section [27.1.3](#).

Do you and the employee meet all the above conditions? Then the right to the wage cost benefit starts from the moment the employee starts working for you. You are entitled to the wage cost benefit for this employee for a maximum of 3 years. But at the latest until the employee reaches the state pension age.

If the period of the wage cost benefit starts or ends during the tax period, the full SV wage and all remunerated hours of that tax return period count for determining the wage cost benefit.

If the employee continues to work after reaching the state pension age, you are still entitled to the wage cost benefit up to and including the tax return period in which the employee reaches that age. Except if the employee reaches the state pension age on the 1st day of the tax return period. Then you are no longer entitled to the wage cost benefit for that period.

Is the employment contract interrupted during the term of the wage cost benefit? Then you may then be entitled to the wage cost benefit for this employee again. The condition that the employee has not been employed by you in the 6 months before the employee starts working for you does not apply. The term of the wage cost benefit is not extended by the interruption.

Note 2

The wage cost benefit for older employees will be abolished in a number of steps. This gradual abolition of the LKV for older employees may have consequences if you have hired older employees from 1 January 2024 or are about to hire them.

Consequences for employment that started before 1 January 2024

For employment that started before 1 January 2024, nothing changes:

- You will continue to be entitled to the LKV for older employees for 3 years.
- The amount of the allowance per paid hour remains the same.

You will receive the last payment of the LKV for older employees for 2026 in 2027.

Consequences for employment that started in 2024

For employment that started in 2024:

- You are entitled to the LKV for older employees for a maximum of 2 years.
- You will receive an allowance of € 3.05 per paid hour for 2024 with a maximum of € 6,000 per year.
- You will receive an allowance of € 1.35 per paid hour for 2025 with a maximum of € 2,600 per year.
- You will no longer receive any compensation for 2026.

You will receive the last payment of the LKV for older employees for 2025 in 2026.

Consequences for employment starting in 2025

For employment starting in 2025:

- You are entitled to the LKV for older employees for a maximum of 1 year.
- You will receive an allowance of € 1.35 per paid hour for 2025 with a maximum of € 2,600 per year.
- You will no longer receive any compensation for 2026.

You will receive the last payment of the LKV for older employees for 2025 in 2026.

Consequences for employment starting in 2026

For older employees that you hire in 2026, you will no longer be entitled to the LKV older employee.

If an older employee also meets the conditions for the LKV for a disabled employee, you can also apply for the LKV for a disabled employee. The amount of the LKV for disabled employees and the duration do not change. In order to be eligible for the LKV for a disabled employee, your employee must apply for a target group statement for a disabled employee from the UWV.

Conditions LKV for disabled employee

You are entitled to the LKV for an employee with a disability if you hire an employee who meets all of the following conditions. The employee:

- is insured for 1 or more employee insurance schemes.
- has not yet reached the state pension age.
- has not been employed by you in the 6 months prior to taking up employment with you.
- meets 1 of the following conditions:
 - In the month prior to entering employment with you, the employee is entitled to a WIA benefit or to a benefit from an EU country, an EEA country or Switzerland that has the same purpose as the WIA benefit.

Note 3

The United Kingdom is no longer an EU country. An English benefit prior to employment is therefore no longer sufficient.

- The employee will be employed by you within 5 years of the day on which the waiting period (or the period of the extended obligation to continue to pay wages) ended, and meets the following conditions:
 - In an occupational examination, the UWV established that on the 1st day after the end of the waiting period of the WIA (or of the period of the extended obligation to continue to pay wages), the employee was less than 35% incapacitated for work and unable to do his own or other suitable work for the employer with whom the employee was still employed that day.
 - The employee was still employed by the same employer 11 weeks before the end of the WIA waiting period (or of the period of the extended obligation to continue to pay wages) as when the employee became ill.
- Before 1 January 2006, the employee was entitled to a WAO or Waz benefit and was therefore disabled for work on the basis of the REA Act. And the employee would have been disabled for work within the meaning of the REA Act for the same reason in the calendar month prior to your employment if the REA Act had not been repealed.

Furthermore, the following applies:

- You have a target group statement for the employee. This statement shows that the employee meets the conditions.
- In your payroll tax return, you indicate that you want to apply for this wage cost benefit for the employee.

You can read more about applying for the target group statement and completing the tax return in section [27.1.3.](#)

Do you and the employee meet all the above conditions? Then the right to the wage cost benefit starts from the moment the employee starts working for you. You are entitled to the wage cost benefit for this employee for a maximum of 3 years. But at the latest until the employee reaches the state pension age.

If the period of the wage cost benefit starts or ends during the tax period, the full SV wage and all remunerated hours of that tax return period count for determining the wage cost benefit.

If the employee continues to work after reaching the state pension age, you are still entitled to the wage cost benefit up to and including the tax return period in which the employee reaches that age. Except if the employee reaches the state pension age on the 1st day of the tax return period. Then you are no longer entitled to the wage cost benefit for that period.

Is the employment contract interrupted during the term of the wage cost benefit? Then you may then be entitled to the wage cost benefit for this employee again. The condition that the employee has not been employed by you in the 6 months prior to starting employment with you does not apply. The term of the wage cost benefit is not extended by the interruption.

Conditions LKV target group job agreement and training obstacles

You are entitled to the LKV target group job agreement and training impediments if you hire an employee who meets all the following conditions. The employee:

- is insured for 1 or more employee insurance schemes.
- has not yet reached the state pension age.
- has not been employed by you in the 6 months prior to taking up employment with you.
- In the month prior to starting employment with you or on the 1st day of employment, the employee meets 1 of the following conditions. The employee:
 - a is entitled to a benefit or employment support under the Wajong.
 - b has a WSW indication (Social Employment Act).
 - c to the UWV, c is unable to earn 100% of the statutory minimum wage and is guided to work under the responsibility of the municipality. Or the municipality has determined that the employee is unable to earn 100% of the statutory minimum wage when assessing the wage cost subsidy (the 'Practical Route'). In both cases, you hired the employee on or after 1 January 2016.
 - d has an indication as an occupationally disabled person. This includes school-leavers from Secondary Special Education and school-leavers from Practical Education.
 - e has a Wiw job (Employment Opportunities Act) or an ID job (Entry and transfer job).
 - f had a WSW indication or entitlement to a benefit or employment support under the Wajong on or after 1 January 2013, but lost that indication or benefit or employment support at any time until 1 May 2015. This is an exception to a person with a Wajong status who has no capacity to work.
 - g developed an illness or disability before his 18th birthday or while studying and can only earn the statutory minimum wage with a benefit or subsidy.
 - h does not belong to the target group of the Jobs Agreement, has had problems following education due to an illness or disability and will be employed by you within 5 years of completing that education.
 - i no longer meets conditions a to h, but is still included in the target group register.

The employees under conditions a to g and i are included in the target group register for the jobs agreement. You can consult the target group register via the employer portal on uwv.nl. Furthermore, the following applies:

- You have a target group statement for the employee. This statement shows that the employee meets the conditions.
- In your payroll tax return, you indicate that you want to apply for this wage cost benefit for the employee.

You can read more about applying for the target group statement and completing the tax return in paragraph [27.1.3](#).

Do you and the employee meet all the above conditions? Then the right to the wage cost benefit starts from the moment the employee starts working for you. You are entitled to the wage cost benefit for this employee for a maximum of 3 years. But at the latest until the employee reaches the state pension age.

If the period of the wage cost benefit starts or ends during the tax period, the full SV wage and all remunerated hours of that tax return period count for determining the wage cost benefit.

If the employee continues to work after reaching the state pension age, you are still entitled to the wage cost benefit up to and including the tax return period in which the employee reaches that age. Except if the employee reaches the state pension age on the 1st day of the tax return period. Then you are no longer entitled to the wage cost benefit for that period.

Is the employment contract interrupted during the term of the wage cost benefit? Then you may then be entitled to the wage cost benefit for this employee again. The condition that the employee has not been employed by you in the 6 months prior to starting employment with you does not apply. The term of the wage cost benefit is not extended by the interruption.

Conditions for LKV redeploying a disabled employee

Reassignment is when a disabled employee returns to work for you in whole or in part, in his own position or in another position. You are entitled to the LKV reassignment of a disabled employee if you redeploy a disabled employee who meets all the following conditions. The employee:

- is insured for 1 or more employee insurance schemes.
- has not yet reached the state pension age.
- meets 1 of the following conditions:
 - During the waiting period of the WIA benefit, or of a benefit from an EU country, an EEA country or Switzerland that has the same purpose as the WIA benefit, the employee resumes all or part of his or her own work or starts working for you in whole or in part in another position. After the waiting period, the employee is entitled to a WIA benefit or to a benefit from an EU country, an EEA country or Switzerland that has the same purpose as the WIA benefit.
 - In the month before reassignment, the employee is entitled to a WIA benefit or to a benefit from an EU country, an EEA country or Switzerland that has the same purpose as the WIA benefit.
 - Before 1 January 2006, the employee was entitled to a WAO or Waz benefit and was therefore disabled for work on the basis of the REA Act. In the calendar month before reassignment, the employee would have been disabled for work within the meaning of the REA Act for the same reason if the REA Act had not been repealed.

Note 4

The United Kingdom is no longer an EU country. For the first two parts of this condition, an English benefit is therefore no longer sufficient.

Furthermore, the following applies:

- You have a target group statement for the employee. This statement shows that the employee meets the conditions
- In your payroll tax return, you indicate that you want to apply for this wage cost benefit for the employee.

You can read more about applying for the target group statement and completing the tax return in paragraph [27.1.3](#).

Do you and the employee meet all the above conditions? Then the right to the wage cost benefit in the event of reassignment after the waiting period starts from the moment you redeploy the employee. You are entitled to the wage cost benefit for this employee for a maximum of 1 year. But at the latest until the employee reaches the state pension age. If you redeploy an employee during the waiting period, the right to LKV reassignment of a disabled employee starts at the end of the waiting period. From this date, you are entitled to the wage cost benefit for the employee for a maximum of 1 year. But at the latest until the employee reaches the state pension age.

If the period of the wage cost benefit starts or ends during the tax period, the full SV wage and all remunerated hours of that tax return period count for determining the wage cost benefit.

If the employee continues to work after reaching the state pension age, you are still entitled to the wage cost benefit up to and including the tax return period in which the employee reaches that age. Except if the employee reaches the state pension age on the 1st day of the tax return period. Then you are no longer entitled to the wage cost benefit for that period.

Is the employment contract interrupted during the term of the wage cost benefit? Then you may then be entitled to the wage cost benefit for this employee again. The term of the wage cost benefit is not extended by the interruption.

Entitlement to wage cost benefits for WSW work and work under the Participation Act

There are various forms of WSW work and work in a sheltered workplace. The form of work determines the right to wage cost benefit. In the payroll tax return, you indicate the form with the code nature of the employment relationship 21, 22, 23 or 24. See section [29.13](#) for which code to use.

You are not entitled to the wage cost benefits if the employee's employment is fully subsidised under the Social Employment Act (WSW). This concerns an employment relationship as referred to in Article 2 of the WSW. Depending on the form of employment, you use the code type of employment relationship 21 or 22.

If the employment is partly subsidised, you may be entitled to the wage cost benefits for the employee, if you and the employee meet all the conditions. This concerns an employment relationship as referred to in Article 7 of the WSW. You then use the code nature of the employment relationship 23.

If the employment falls under so-called sheltered work under the Participation Act, there is no entitlement to wage cost benefits. You then use the code nature of the employment relationship 24.

Concurrence of wage cost benefits

Are you entitled to more than 1 wage cost benefit for the same employee at the same time? Then you apply for them all in your tax return. For each wage cost benefit, the amount to which you are entitled for the employee is calculated. You will then only be paid the highest amount. If you are entitled to the LKV for older employees and the LKV for disabled employees and the amounts calculated are the same, you will only receive the LKV for older employees. For the amount of the wage cost benefits, see section [27.1.2](#).

Note 5

The term of a wage cost benefit is not extended. Not even if you do not receive a wage cost benefit due to the concurrence of wage cost benefits because you receive another wage cost benefit.

You take over a company

Are you taking over all or part of a company, which means that there is a transfer of an undertaking? And have you taken over employees for whom the transferring employer was entitled to 1 or more wage cost benefits and for whom the target group statement is still valid? Then the right to the wage cost benefit will be transferred to you from that moment on for the remaining period. In order to receive the wage cost benefit, you, as the acquiring employer, must include (a copy of) the target group statement of the acquired employee in your administration and apply for the relevant LKV in your payroll tax returns. The transfer of this right applies from the judgment of the Supreme Court of 24 May 2024, insofar as the WtI decision had not yet been irrevocably established on that date.

Note 6

A transfer of a company is a merger or demerger, but also, for example, the contribution of a sole proprietorship or general partnership to a private limited company. In the case of a restart or takeover after bankruptcy, there is usually no transfer of an undertaking. For more information on the transfer of an undertaking, see section [7.6.7](#).

27.1.2 Amount of wage cost benefits

Are you entitled to 1 of the wage cost benefits for an employee? Then you will receive an amount per paid hour from us (see paragraph [27.3](#)). This amount is not the same for all wage cost benefits.

How much wage cost benefit you receive therefore depends on: how many remunerated hours does the employee have and what wage cost benefit is involved? The amounts for 2025, which will be paid in 2026, are:

Wage cost advantage	Amount per paid hour	Maximum amount per year	Maximum number of years that you can apply for the LKV for the same employee
Older employee, employment started before 1 January 2024	€ 3.05	€ 6,000	3
Older employee, employment started in 2024	€ 1.35	€ 2,600	2
Older employee, employment started in 2025	€ 1.35	€ 2,600	1
Disabled employee	€ 3.05	€ 6,000	3
Target group job agreement and those with educational obstacles	€ 1.01	€ 2,000	3
Redeploying a disabled employee	€ 3.05	€ 6,000	1

Does an employee have 2 or more income ratios (see section [3.4](#)) with you? For example, because you pay him under different payroll tax subnumbers? Then the number of remunerated hours of all his income ratios together determines how much wage cost benefit you are entitled to for him.

27.1.3 What do you need to do to get the labour cost benefits?

Are you hiring or redeploying an employee? And do you think you are entitled to 1 or more wage cost benefits for that employee? Then you apply for the wage cost benefit in your payroll tax return. This is possible as soon as you have a target group statement from your employee.

The target group statement states for which wage cost benefit the statement was issued and the conditions that your employee meets. You need a target group statement for each wage cost benefit.

How do you get a target group statement?

Your employee can request a target group statement himself and indicate that you should automatically receive a copy. The employee can also give you a copy himself. If your employee authorises you to do so, you can also apply for the target group statement yourself. You apply for the target group statement from the same authority (municipality or UWV) where your employee should apply for the target group statement.

Application municipality

Only for an employee who is 56 years of age or older and receives benefits under the Participation Act, IOAW or IOAZ, you or your employee must apply for the target group statement for older employees from the municipality.

Application UWV

In all other cases, you or your employee request the target group statement from the UWV.

Note 1

It is important that you or your employee request the target group statement from the correct authority. Only if the target group statement has been issued by the correct authority, is there a valid target group statement.

Note 2

If your employee receives a benefit from an EU country, an EEA country or Switzerland, you or your employee always request the target group statement from the UWV. The United Kingdom is no longer an EU country. An English benefit prior to employment is therefore no longer sufficient.

Your employee is not obliged to apply for the target group statement. If you or your employee want to apply for a target group statement, you or your employee must do so within 3 months of the date of commencement of employment with you or on which you redeploy the employee. If you redeploy an employee during the waiting period, you or your employee must submit a target group statement within three months of the end of the waiting period. If you or your employee do not do so or later, no target group statement will be issued. And you are then not entitled to the wage cost benefit.

You keep the target group statement with the payroll administration.

More information about applying for a target group statement can be found at [uwv.nl/wtl](https://www.uwv.nl/wtl).

Applying for wage cost benefits in your tax return

In your payroll tax returns for 2025, you can indicate which wage cost benefit you want to apply for for the employee. That can also be more than 1 for the same employee. How exactly you indicate this depends on your software package.

As long as you do not yet have a copy of the target group statement for an employee, you may not apply for the wage cost benefit for this employee in your tax return. This is only allowed when you have the statement. If the statement also applies to previous tax return periods, you must correct those periods to avoid missing out on part of the wage cost benefit. This is because the period in which you may apply for an LKV for the employee starts from the moment the employee starts working for you, that you redeploy the employee or after the waiting period has expired.

Note 3

Based on the policy administration and the issued target group statements, the UWV assesses for which employees you are entitled to the wage cost benefit. For these employees, you will receive an amount per paid hour, up to a maximum amount per year. So fill in the number of remunerated hours in your tax return. Because otherwise you may miss out on part of the wage cost benefit.

27.1.4 When will you be paid the wage cost benefits?

If your payroll tax returns for 2025 and the target group statements issued show that you are entitled to wage cost benefits, we will automatically pay you the wage cost benefits for 2025 in 2026.

This payment is made as follows:

- 1 Before 15 March 2026, you will receive a provisional calculation of the wage cost benefits to which you are entitled for your employees. The calculation is based on the tax returns and corrections for tax return periods of 2025 that you have filed up to and including 31 January 2026.
- 2 Do you disagree with the calculation or do you think that you were wrongly denied a provisional calculation? This may be because you have entered incorrect information. In that case, you can send corrections for 2025 up to and including 1 May 2026. We will take these into account in the final calculation of your wage cost benefits. This date is a legal deadline. Corrections that you send after 1 May 2026 are therefore not included by the UWV in the final calculation of the wage cost benefit. These corrections are processed in the policy administration and are still used for other processes, such as determining the employee's entitlement to benefits. If your tax returns are correct, please contact UWV Telephone Employers 088 - 898 92 95.
- 3 We will send you the decision with the final calculation of your wage cost benefits. We will do this before 1 August 2026, based on the data we receive from UWV. You can object to this decision. When assessing your notice of objection, only the corrections you have sent up to and including 1 May 2026 will be taken into account.
- 4 We will pay your wage cost benefit by 12 September 2026 at the latest.

You will receive 1 provisional and 1 final calculation. This includes an overview of all your wage cost benefits and the employees for whom you are entitled to them. For each employee, you can also see whether you have more than 1 income ratio with the employee and whether the employee falls under different payroll tax sub-numbers.

Are you entitled to the same wage cost benefit for several employees or are you entitled to different wage cost benefits for several employees? Then you will find all this in the provisional and final calculation. Are you entitled to various wage cost benefits for an employee? Then we will pay you 1 wage cost benefit. You will only be paid the wage cost benefit for the employee for which the amount to which you are entitled is the highest.

You will receive your wage cost benefits in 1 amount. We transfer the amount to you, not to your employee. We use the account number that belongs to the payroll tax number with the lowest sub-number (usually L01). Do we not have an account - number of yours with that payroll tax subnumber? Then you will receive a form from us with which you can pass on this account number to us. Do you still have to pay us any amounts? Then we can offset your wage cost benefit with this.

Do we reject your application for 1 or more wage cost benefits?

Then you do not meet all the conditions. You will receive a provisional and final calculation. This shows for whom we have rejected your application.

27.2 Low income benefit (LIV)

The low-income benefit (LIV) has been abolished as of 1 January 2025. In 2025, you may still receive the LIV for 2024. This section therefore relates to the LIV for 2024.

Did you employ employees with low wages in 2024? Then you may be entitled to a contribution to wage costs for 2024: the low-income benefit (LIV).

In this section you will read:

- which conditions apply to the LIV (see section [27.2.1](#))
- how high the LIV is (see section [27.2.2](#))
- what you need to do to get the LIV (see section [27.2.3](#))
- when you will receive the LIV (see paragraph [27.2.4](#))

27.2.1 Conditions for the LIV

Uthe year 2024, you are entitled to the LIV for every employee who meets all these 4 conditions:

- The employee is insured for 1 or more employee insurance schemes.
- The employee has an average hourly wage of at least € 14.33 and at most € 14.91.
- The employee has at least 1,248 remunerated hours (see paragraph [27.3](#)) per calendar year.
- The employee has not yet reached the state pension age.

Does the employee have 2 or more income ratios (see paragraph [3.4](#)) with you? For example, because you pay the employee under different payroll tax subnumbers? Then look at the average hourly wage and the remunerated hours of these income ratios together to determine whether you are entitled to the LIV for this employee. Because the UWV determines at employer level whether you are entitled to the LIV for an employee and not to the payroll tax subnumber level.

You can use the 'Regelhulp loonkostenvoordeel en low-inkomensvoordeel' (Wage cost benefits and low-income benefits rule-aid) to check whether you are entitled to the LIV. You can find the control tool on regelhulpenvoorbedrijven.nl. See also table [15](#) of this handbook for all figures of the LIV.

In the following, we will discuss the 2nd and 3rd conditions in more detail.

Average hourly wage

Your employee's average hourly wage is his annual wage divided by the number of hours paid. The annual salary is the salary from current employment that you pay to the employee in a calendar year as long as the employee is employed by you and is insured for 1 or more employee insurance schemes, including special remunerations. The average hourly wage that we calculate may therefore differ from the hourly wage that you have agreed with the employee.

The minimum and maximum amounts of the average hourly wage are based on the statutory minimum hourly wage for employees aged 21 and over plus 8% holiday allowance.

Note 1

This table also applies to employees who are younger than 21 years old and have an average hourly wage that falls within these hourly wage limits. The hourly wage amounts are:

Percentage of the statutory minimum hourly wage plus 8% holiday allowance	Hourly wage amounts 2024	Explanation
100%	€ 14.33	If the employee earns less, you are not entitled to the LIV for him.
104%	€ 14.91	If the employee earns more, you are not entitled to the LIV for him.

Until 2023, there was no fixed statutory minimum hourly wage, but a statutory minimum wage per month, week or day. As a result, an employee with, for example, an agreed fixed monthly wage had a different hourly wage when working 36 hours per week than when working 40 hours per week. Due to the introduction of the statutory minimum hourly wage on 1 January 2024, employees must earn at least the statutory minimum hourly wage for all hours worked. For employees who you pay at the level of the minimum wage, who have a full-time employment contract of more than 36 hours per week (e.g. 38 or 40 hours), the introduction of the statutory minimum hourly wage will lead to a wage increase. You may therefore no longer receive an LIV in 2024 for employees for whom you previously received it. This is because the average hourly wage as we calculate it for 2024 is higher than for 2023.

U check your employee's average hourly wage against the lowest and highest hourly wage amount.

The following are not part of the annual salary:

- ZW benefits that you, as a self-risk bearer, pay to a former employee after the employment
- WGA benefits that you pay to the employee as a self-insured person
- WAO, WIA and WW benefits that you receive from the UWV and pay to the employee (see section 9.6.2)
- Retrospective payments made by the employer after the employment has ended

As a starting point for the annual salary, take column 8 of the wage statement (salary for employee insurance).

Note 2

Sometimes an employee to whom you pay the minimum hourly wage still has an average hourly wage of less than 100% or more than 104% of the minimum hourly wage on an annual basis. For example, if the employee also receives allowances or bonuses from you, such as irregularity allowances or performance bonuses. Then the employee earns more. Or if you deduct a pension contribution. Then the employee earns less. In those cases, the employee does not meet the conditions and you are not entitled to the LIV.

1,248 remunerated hours per calendar year

The condition of 1,248 remunerated hours per calendar year is a hard condition. This also applies if the employee starts working for you during the year. The 1,248 hours are then not reduced proportionally. For employees who are not employed by you all year round, it is therefore more difficult to meet the condition of 1,248 remunerated hours.

If the employee has reached the state pension age in 2024, you may still be entitled to the LIV for the employee. For example, if the employee has not reached the state pension age until late in the year. Then there is a greater chance that the employee will reach 1,248 remunerated hours. If the employee continues to work after reaching the state pension age, you may include all remunerated hours from 2024 when determining whether the employee has 1,248 remunerated hours in 2024. This includes the remunerated hours after reaching the state pension age.

Transfer of an undertaking and the LIV

In paragraph 27.1.1 we indicated that the Supreme Court has ruled that the right to LKV is transferred to the acquiring employer in the event of a transfer of an undertaking. In the meantime, the Amsterdam Court of Appeal has ruled that the right to LIV is also transferred to the acquiring employer in the event of a transfer of an undertaking.

Are you transferring or taking over all or part of a company, which constitutes a transfer of an undertaking? In that case, the remunerated hours with the transferring employer and the acquiring employer count when determining whether the employee meets the requirement of 1,248 remunerated hours per calendar year. In the event of a transfer of an undertaking, the number of remunerated hours and the average hourly wage are assessed jointly by the transferring and receiving employer. This joint assessment is not automatic. As a transferring and receiving employer, you can report to us for this together or individually. This is subject to the condition that at least 1 of the employers has a WtI decision that has not yet been irrevocably determined. The LIV will then be determined again and per employer. The LIV is paid to the transferring and the acquiring employer on the number of remunerated hours with that employer.

Concurrence with wage cost benefits

Are you entitled to the LIV and a wage cost benefit for the same employee at the same time (see section 27.1)? Then we will pay you 1 of both. You will receive the wage cost benefit for the employee if the amount to which you are entitled is higher or the same as the LIV to which you are entitled. If the LIV is higher, you will only be paid that.

27.2.2 Amount of the LIV

Are you entitled to the LIV for an employee for the year 2024? Then you will receive an amount per paid hour from us. You can read what remunerated hours are in section 27.3.

Exactly how much your benefit is therefore depends on the number of remunerated hours of the employee. And of the average hourly wage (see paragraph 27.2.1). You get:

Average hourly wage over 2024	LIV per employee per paid hour	Maximum LIV per employee per year
€ 14.33 or more, but not more than € 14.91	€ 0.49	€ 960

Example

An employee for whom you are entitled to the LIV has 1,300 remunerated hours and an annual salary of € 19,275 over a whole year. The average hourly wage is then € 14.83 (€ 19,275: 1,300). Your LIV for this employee is € 637 (1,300 x € 0.49).

If an employee continues to work after reaching the state pension age

If an employee continues to work after reaching the state pension age, you are still entitled to the LIV for the remunerated hours of the tax return period in which the employee reaches that age. Except if the employee reaches the state pension age on the 1st day of the tax return period. Then you are no longer entitled to the LIV for that period.

For example, does an employee reach the state pension age on 2 August and does the employee continue to work for you? Then you are also entitled to the LIV amount of € 0.49 for the remunerated hours in August for a tax return period of one month. Of course, only if the employee meets all the conditions for the LIV. But will the employee reach the state pension age on 1 August? Then you will no longer be entitled to the LIV in August with a one-month tax return period.

Calculator to calculate your LIV

You can also use the calculator. Then you will quickly have an indication of your LIV. You can use the calculator to calculate the amount you are entitled to per employee. You can find the calculator on [regelhulpenvoorbedrijven.nl](https://www.regelhulpenvoorbedrijven.nl).

27.2.3 What do you have to do to get the LIV?

You do not need to apply for the LIV. Based on the policy administration, the UWV assesses for which employees you are entitled to the LIV. It is important that you have also entered the number of remunerated hours (see paragraph [27.3](#)) correctly in your tax return for 2024. If not, correct your declarations at the latest

11, 2025.

Are the details in your tax return incorrect? Then you may miss out on all or part of the LIV.

27.2.4 When will you receive the LIV?

We will automatically pay you the LIV for 2024 in 2025 if your payroll tax returns for 2024 show that you are entitled to it. Earlier is not possible, because we will not know until 2025 how many remunerated hours an employee had in 2024 and what the average hourly wage was.

The payout is done as follows:

- 1 You will receive a provisional calculation of your LIV before 15 March 2025. This calculation is based on the tax returns and corrections for tax return periods of 2024 that you have made up to and including 31 January 2025.
- 2 Do you disagree with the calculation or do you think that you were wrongly denied a provisional calculation? This may be because you have entered incorrect information. In that case, you can send corrections for 2024 up to and including 1 May 2025. We will include these in the final calculation of your LIV. This date is a legal deadline. Corrections that you send after 1 May are therefore not included by the UWV in the final calculation of the LIV. These corrections are processed in the policy administration and are still used for other processes, such as determining the employee's entitlement to benefits. If your tax returns are correct, please contact UWV Telephone Employers 088 - 898 92 95.
- 3 We will send you the decision with the final calculation of your LIV. We do this before August 1, 2025, based on the data we receive from UWV. You can object to this decision. When assessing your objection, only the corrections you have sent up to and including 1 May 2025 will be taken into account.
- 4 We will pay out your LIV by 12 September 2025 at the latest.

You will receive 1 provisional and 1 final calculation. This includes an overview of the LIV and the employees for whom you are entitled to it. Are you also entitled to 1 or more wage cost benefits? Then that is also in the overview. For each employee, you can also see whether you have more than 1 income ratio with the employee and/or whether you pay the employee under different payroll tax sub-numbers.

We transfer the amount to you, not to your employee. We use the account number that belongs to the payroll tax number with the lowest sub-number (usually L01). Do we not have an account number for you with that payroll tax subnumber? Then you will receive a form from us with which you can pass on this account number to us. Do you still have to pay us any amounts? Then we can offset your LIV against this.

27.3 Remunerated hours

For the LKV and the LIV (up to and including 2024), the number of remunerated hours that you have entered in your tax return is important. Based on the remunerated hours in the policy administration, the UWV assesses for which employees you are entitled to LKV and LIV. In addition, the calculation of the amount of the LKV and the LIV is based on the remunerated hours in the policy administration. Verify that you have specified the correct number of remunerated hours. If not, correct your tax returns for the granting of LKV and/or LIV for 2024 by 1 May 2025 at the latest.

More information about remunerated hours can be found in section [29.9](#).

28 conscientious objectors

Employees and employers can be conscientious objectors. This means that they object to any form of insurance because of a philosophy of life. A conscientious objector can apply to the Social Insurance Bank (SVB) for exemption from the obligations under 1 or more of the national insurance schemes (AOW, Anw, Wlz) and all employee insurance schemes (ZW, WAO, WIA, WW). No separate exemption can be applied for under the Healthcare Insurance Act (Zvw). But if a conscientious objector has an exemption from the Wlz, the exemption automatically also applies to the Zvw.

For employees and employers with an 'Exemption due to conscientious objections' from the SVB, special rules apply to the national insurance contributions, the employee insurance contributions and the income-dependent Zvw contribution. This chapter concerns the following situations or a combination of them:

- Your employee has an exemption for 1 or more insurance policies (see paragraph [28.1](#)).
- You have an exemption for 1 or more insurance policies (see paragraph [28.2](#)).

In this chapter you will also find information about the wage cost benefits (see section [28.3](#)) and about the payroll tax return and the annual statement (see section [28.4](#)).

Exemption due to conscientious objection

Employees and employers who have conscientious objections to any form of insurance can submit a 'Declaration of Conscientious Objections' form to the SVB. The SVB assesses the request and then issues an 'Exemption due to conscientious objections'. The exemption states to which insurance policies the exemption applies.

For national insurance, you can get an exemption for 1 or more insurances. For employee insurance, the SVB has only issued exemptions for all employee insurance schemes since 2011. Exemptions issued by the SVB or UWV before 2011 for 1 or more employee insurance schemes will remain valid until they expire or are withdrawn.

The SVB passes on the exemption data to a number of bodies involved in the exemption: the CAK, UWV, the Tax and Customs Administration and the Motor Vehicle Traffic Guarantee Fund.

More information about conscientious objections and applying for an exemption can be found on svb.nl.

28.1 The employee has an exemption for 1 or more insurance policies

An employee can be a conscientious objector for:

- the national insurance schemes and the Zvw (see section [28.1.1](#))
- employee insurance schemes (see Section [28.1.2](#))

28.1.1 The employee is a conscientious objector for the purposes of the national insurance schemes and the Zvw

If your employee has an exemption from the SVB for 1 or more national insurance schemes, you must withhold wage tax contributions instead of national insurance contributions. The wage tax contribution replacement is just as high as the national insurance contribution it replaces. So you simply deduct the amount from the wage tax/national insurance contributions table that applies to the employee.

In most cases, you pay the Zvw employer's levy. In a number of cases, your Zvw contribution deducts from the net salary of your employees (see section 8.2 for more information). If your employee has an exemption for the Wlz - and therefore automatically also an exemption for the Zvw - there are 2 possible situations:

- You have to pay the employer's levy Zvw (see section 8.2.1). In that case, there is no question of contribution replacement wage tax. You pay the employer's levy Zvw and process it in the payroll tax return in the same way as for a non-conscientious objector employee.
- You must deduct the Zvw contribution from your employee's net salary (see paragraph 8.2.2). You then deduct wage tax in lieu of the Zvw contribution. The wage tax contribution replacement is just as high as the Zvw contribution it replaces. You process this wage tax contribution replacement in the payroll tax return in the same way as the Zvw contribution withheld from a non-conscientious objector employee.

Please note

Even if the exemption does not apply to all national insurance schemes, you still deduct wage tax for all national insurance schemes and for the Zvw.

See section 28.4 for more information about the processing of the wage tax contribution and contribution replacement in the payroll tax return and on the annual statement.

28.1.2 The employee is a conscientious objector for the employee insurance schemes

You pay the employee insurance premiums. You process this in the payroll tax return in the same way as for a non-conscientious objector employee (see paragraph 28.4).

Even if your employee is conscientious, you may still recover a maximum of 50% of the WGA premium component of the differentiated Whk premium that you have to pay as an employer from his net salary (see section 7.6.9).

28.2 You have a waiver for 1 or more insurance policies

A conscientious objector employer can be:

- a natural person
- a legal entity

U can be a conscientious objector for:

- the national insurance schemes and the Zvw (see section 28.2.1)
- employee insurance (see paragraph 28.2.2)

If you are a conscientious objector, you do not have to deduct national insurance contributions or pay employee insurance contributions. Instead, you deduct premium replacement wage tax.

U do pay the employer's Zvw levy, but you do not deduct any Zvw contribution. Instead of the Zvw contribution, u will be required to pay wage tax in lieu of contributions.

28.2.1 You are a conscientious objector for national insurance and Zvw

If you have an exemption from the SVB for national insurance, you deduct wage tax contributions for all your employees, instead of national insurance contributions. You do pay the employer's Zvw levy, but you do not deduct any Zvw contribution. Instead of a Zvw contribution, you deduct wage tax in lieu of contributions. See section [28.1.1](#) for more information.

Please note

Even if the exemption does not apply to all national insurance schemes, you still deduct wage tax contributions for all national insurance schemes.

If, despite your beliefs, you still want to deduct national insurance contributions and Zvw contributions, you can report this to the SVB. For employees who are not conscientious objectors, you will deduct national insurance contributions and Zvw contributions.

28.2.2 You are a conscientious objector to employee insurance

If you have an exemption from the SVB for employee insurance, you pay wage tax instead of employee insurance contributions. You must calculate the wage tax contribution replacement yourself on the basis of the calculation rules for employee insurance premiums.

See section [28.4](#) for more information about processing the wage tax contribution replacement in the payroll tax return.

Even if you are conscientious, you may still recover a maximum of 50% of the wage tax contribution replacement (which replaces the WGA premium component of the differentiated Whk premium) from the net salary of your employees (see paragraph [7.6.9](#)). It doesn't matter whether your employees are conscientious objectors or not.

28.3 Wage cost benefits

Are you dealing with an employee for whom you are entitled to 1 or more wage cost benefits? And are you or your employee mentally burdened? Then you can still apply for the wage cost benefits in your payroll tax return.

See section [27.1](#) for more information about the wage cost benefits.

28.4 Payroll tax return and annual statement

Payroll tax return

The payroll tax return does not include separate sections for wage tax contributions or contributions replacement.

Uact as follows:

- You can state the withheld wage tax contributions (instead of national insurance contributions) in the section 'Withheld wage tax/national insurance contributions'.
- You can state the withheld contribution replacement wage tax (instead of Zvw contribution) in the section 'Withheld contribution under the Health Insurance Act'.
- You can mention the wage tax contributions (instead of employee insurance contributions) in the sections for employee insurance.
- You can apply for the wage cost benefits in the relevant sections.

Because the SVB and the CAK maintain savings for the AOW and the Zvw for conscientious objectors, it is important that you state the premium and contribution replacement wage tax in the correct sections. Because the savings are filled with the withheld premium and contribution replacement wage tax. Conscientious objectors can use this savings account at the CAK for their healthcare costs. When they reach the state pension age, they can rely on the savings at the SVB for the state pension benefit.

As a conscientious objector employer, do you also deduct wage tax contributions for non-conscientious objector employees? In that case, those employees may offset the withheld wage tax contributions (instead of national insurance contributions) in their income tax return as deducted national insurance contributions.

Annual statement

You can download a Model Annual Statement from belastingdienst.nl. We do not have a separate model for conscientious objectors or employers. If you use our model or your own annual statement, you must change the names of the sections 'withheld wage tax/national insurance contributions' and 'withheld contribution under the Health Insurance Act'. Instead, you state 'withheld wage tax/premium replacement wage tax' and 'withheld contribution replacement wage tax'. In these sections, you state the amounts of the wage tax contribution replacement and the wage tax contribution replacement. If you are a conscientious objector, you must also state the wage tax contribution replacement under 'total employee insurance premiums'.

29 Headings of the payroll tax return

In this chapter, we explain a number of sections of the payroll tax return. This information was previously included in other documentation (such as the [Data Specifications for Payroll Tax Return](#) (for software developers) and the [Explanation of Error Messages Data for Employee Insurance Schemes](#)), but for you as an employer/withholding agent, we now also want to provide this information clearly in this handbook. Where we speak of 'employee' in this chapter, we also mean 'benefit recipient'. When we speak of 'employer', we also mean other withholding agents, such as benefit agencies.

We cover the following sections:

- Address details, see section [29.1](#)
- Personnel number, see section [29.2](#)
- Income period, see paragraph [29.3](#)
- Code of influence of insurance obligation, see paragraph [29.4](#)
- Contract indications, see section [29.5](#)
- Indication of redundancy pay for the old scheme, see paragraph [29.6](#)
- Incidental income reduction code, see paragraph [29.7](#)
- Salary from overtime, see paragraph [29.8](#)
- Number of hours paid, see paragraph [29.9](#)
- Contract wages, see paragraph [29.10](#)
- Contracted hours per week, see paragraph [29.11](#)
- Income ratio type code, see paragraph [29.12](#)
- Code of nature of employment relationship, see paragraph [29.13](#)
- Wage tax table code, see paragraph [29.14](#)
- Holiday allowance, see paragraph [29.15](#)
- Amount of employment conditions, see paragraph [29.16](#)
- Collective Labour Agreement Code, see paragraph [29.17](#)
- Indication of a public-law appointment for an indefinite period, see paragraph [29.18](#)
- Healthcare Insurance Act Code (Zvw), see paragraph [29.19](#)
- Zvw contribution: employer's levy or withheld contribution, see paragraph [29.20](#)
- Private use of car: value of private use, employee contribution and code reason no addition, see paragraph [29.21](#)
- 'Wages in cash', 'Value of wages not paid in cash', 'Wage SV', 'Wages LB/PH', 'Withheld LB/PH' and 'Settled labor credit', see paragraph [29.22](#)
- Insurance indications ZW, WW and WAO/IVA/WGA, see paragraph [29.23](#)
- Wages taxed according to the special remuneration table, see paragraph [29.24](#)
- Code phase classification F&Z, see paragraph [29.25](#)
- Indication of participation in the time savings fund, see paragraph [29.26](#)
- Indication of transport by the employer, see paragraph [29.27](#)
- Code reason for termination of employment relationship, see paragraph [29.28](#)
- Supplement to employee insurance benefits, see paragraph [29.29](#)
- Accrual in the cumulative premium wage Aof, AWf, Whk and Ufo, see paragraph [29.30](#)

29.1 Address

It concerns the employee's home address. In principle, this is the home address that the employee has given you with the (latest) [Statement data for payroll taxes](#), see below. You must check this information, see section [2.3.3](#). It is possible that you have a different (newer) home address from other information. Then you enter that address. If necessary, you can have the employee fill in a new 'Statement of data for payroll taxes'.

There are sections for 'Domestic address' and 'Foreign address'. 'Address of the Netherlands' is intended for the employee who lives in the Netherlands, 'Address abroad' is for the employee who lives abroad. In that respect, the BES islands are also foreign.

Note 1

If the employee lives in the Netherlands, you may not enter the address details in the sections for 'Address abroad', even if you enter the country code NL there.

You can also include a location description in the address details of the payroll tax return. This is a further indication of the home address you provide. You only enter this if the home address with the other information (street name, house number, house number addition) is incomplete.

Example

At the address 'Waterparkstraat 24' several people live in different houseboats. Your employee lives in houseboat 'De Ark'. As a location description, you then enter 'Houseboat De Ark'.

Residential address

The employee must provide you with his address details using the form Opgaaf gegevens voor de loonheffingen. In principle, the employee must determine his home address himself. Circumstances are important in this regard, such as:

- Where is the house that he has permanently available?
- Where is the center of his social life?
- Where is he registered in the Personal Records Database?
- Where do his partner/spouse and children live?
- Where do the children go to school?
- In which country is he a member of, for example, a sports club?
- Where did he take out his insurance?
- What are the will and intention of the employee?

The sum of the relevant circumstances determines where someone lives. The employee must take all these circumstances into account when entering his home address on the form Statement of data for payroll taxes. If the employee is unsure where he lives, he can contact his tax office.

Note 2

We do not require you as an employer to check these matters. But if the employee enters an address that you know is not a residential address, you may not include that address in the payroll tax return. Such as a PO Box number or the address of a campsite or bungalow park. You then leave the address fields empty.

No residential address

Do you not have an employee's home address? Then you must apply the anonymous rate. See section 2.6.

29.2 Personnel Number

You must use the employee number if you do not have the employee's Social Security Number (BSN). This is necessary to be able to identify the income ratio in the policy administration at UWV.

The income ratio in the UWV's policy administration is characterized by 3 key values:

- the payroll tax number
- the number of income ratio
- the Citizen Service Number

(BSN) In the absence of the BSN, the personnel number takes over the function of the BSN, so that the personnel number is then the key data.

The employee number is the number under which the person in your records is known. Are you not using an employee number? Then you must – in the absence of a BSN – determine a number as such.

You must use that employee number as long as you do not have a BSN. If the BSN is known at any time, you must provide (at least) the same personnel number together with the BSN one more time. After that, you no longer need to provide the employee number. From that moment on, the BSN will receive the key value. In policy administration, in combination with the income ratio number used, that BSN is linked to the employee number used.

Note 1

Do you want to correct or withdraw an income ratio from a previous tax return period in which you only used the employee number? Then you can do as follows:

- You use that employee number in your correction. This method is always good. Or
- If you have later entered the BSN in the manner prescribed for this purpose (i.e. at least once together with the employee number), you may correct with only the BSN. We then linked the employee number to the social security number provided later.

Note 2

If you provide an employee number because you do not have the employee's BSN, you must apply the so-called anonymous rate, see paragraph [2.6](#).

Exception to the application of the anonymous rate in the absence of a BSN

Your employee may not have given you his BSN in time. We can take a flexible position on the main rule of applying the anonymous rate. You can request that we agree not to apply the anonymous rate. You must then demonstrate to us that you and your employee have no influence on the absence of the BSN, such as a (temporary) delay in the issuance of BSNs at the municipality. You must make your request to us in writing.

First-day notification

Are you submitting a first-day report? Then use the same personnel number in the payroll tax return as you used in the first-day declaration.

29.3 Earnings Period

In the payroll tax return, you declare the employee in an income ratio. You also specify indications and codes that apply to a certain period in that income ratio, the so-called income period, such as:

- Income ratio type code / income code
- Code nature of employment relationship
- Code influence of insurance obligation
- Collective Labour Agreement Code
- Code drove no addition car
- Payroll tax table code
- Zvw Insurance Situation Code
- Incidental income reduction code
- Indication insured WAO/IVA/WGA
- Indication of an employment contract for an indefinite period
- Indication of application for wage cost benefit for older employees
- Indication of payroll tax

credit These (and other) codes and indications may change at any time during the tax return period. You then enter the new code or indication with a new (effective) date. Your software often supports you in this. A new income period will then start on that date. All codes and indications will then receive a new 'Date of start of income period'. Codes and indications that you have not changed will remain as they were.

The following rules apply to the 'Date of commencement of income period':

- no two income periods may start on the same date
- the date is not before the date of commencement of the income ratio
- the date is within the tax return period

There are two exceptions to this, see below.

Exception

In two situations, the 'Date of commencement of income period' may be before the tax return period:

- 1 There is a temporary worker (code nature of employment relationship 11). Temporary workers often hand in their work sheets afterwards, so they may receive the wages in a later tax return period. In that (later) tax return, temporary employment agencies may then have the Date of commencement of the income period start on the start date of the work sheet, i.e. before the start date of the tax return period. This is an agreement with the temporary employment industry in order to prevent correction messages.
- 2 For benefits under social insurance laws that are granted retroactively. This only applies to the UWV, the municipality and the SVB. Then the Date of commencement of the income period may be outside the tax return period once in the first tax return period. More information about this can be found in the [Data specifications for payroll tax returns](#).

29.4 Code influence of insurance obligation

The code for the influence of compulsory insurance indicates the special circumstances that apply to being insured for employee insurance schemes. You can choose from the following situations: A No relationship of authority with the spouse or family of the owner or of the director-major shareholder (DGA) 'Spouse' here also refers to the former spouse, the registered partner or the unmarried adult with whom the owner or DGA has a joint household or, in the case of the former spouse or registered partner, had a joint household. 'Unmarried adult' does not include a blood relative in the parent-child relationship (1st degree family). In the case of family members of the owner or of the DMS, these are the relatives by blood and marriage of the owner or of the DMS. This includes (grand)children, (grand) parents, brothers, sisters, uncles, aunts, nephews, nieces.

- B No relationship of authority with previous owner
- D Summoner/substitute worker without obligation to come
- E Call-up/substitute with obligation to come

Specifying the code on the influence of insurance obligation for these situations is necessary because it may affect the person's benefit rights from employee insurance schemes. You only fill in situations A and B if the spouse, family member or previous owner is not insured for employee insurance due to the lack of a relationship of authority. This is the case with a spouse or family of the owner or of the DGA if the family relationship predominates in the employment relationship. The previous ownership can also dominate the employment relationship, so that there is no relationship of authority. As a result, the employment relationship is not the same as that of other employees. Due to the lack of a relationship of authority, this person is not insured for employee insurance. In situations where there is an obligation to insure for employee insurance because there is a relationship of authority (see point 3 below), do not use this code.

If applicable, you only enter the code under the type of income ratio code (income code) 11 (civil servant) or 15 (other employee, not being an insured director or a DGA). For other codes type of income ratio, do not enter a code.

Common special situations

- 1 In addition to situation A, situation D or E also applies: you only enter code 'A'.
For example: The son of the DMS works in the BV of the DMS. There is no question of a relationship of authority. As a result, there is no employment relationship under private law and the son is not insured for employee insurance (see also point 3). The indication sections for 'insured WAO/IVA/WGA', 'insured WW' and 'insured ZW' must all be filled with 'N'. You must fill the section 'Code influence of insurance obligation' with 'A'. If the son does that work as an on-call worker (in principle D or E applicable), this does not change the insurance situation. You only enter code 'A' and not code 'D' or 'E'.
- 2 In addition to situation A, situation B also applies: you only enter code 'B'.
For example: The employee is a partner of the DGA, but is also the previous owner. There is no question of a relationship of authority. Both situation A and B apply. You only enter code B.
- 3 Situation A or B applies, but the person works under the same working conditions and conditions as the other staff: you do not enter code 'A' or 'B'; The person can be regarded as a 'regular employee'.
For example: The spouse of the owner of the company works under the same working conditions as the other regular staff. There is then an obligation to insure for the employee insurance schemes. The indication sections for 'insured WAO/IVA/WGA', 'insured WW' and 'insured ZW' must all be filled with 'J'.
For the section 'Code influence of insurance obligation', this means that you may not use code 'A' or 'B'. If the person is an on-call worker, you must enter 'D' or 'E'.
- 4 The on-call worker is partly obliged to come (situation E) and partly not (situation D): you only enter code E.
For example: the obligation to come in the morning does apply and this obligation does not apply to the afternoon. Code 'E' takes precedence over code 'D'.
- 5 Person from situation A to D is a trainee in fictitious employment (code nature of employment relationship is 7): you do not enter a code. The situation of the trainee, who is only insured for the ZW, takes precedence over these 4 situations.
- 6 In the case of the type of income ratio / income code 11 (Civil servants), situation D or E may apply under certain circumstances. Situation A or B cannot occur with code 11.

29.5 Contract Indications

Since the introduction of the Balanced Labour Market Act (Wab) in 2020, the contract indications have been introduced. You indicate this with 'J' (yes) or 'N' (no). These affect the amount of the AWf premium (the so-called WW premium differentiation). But they are also important for CBS. With these indications, you specify some characteristics of the civil employment contract that you have concluded with the employee.

These are indications of the following 4 characteristics:

- 1 the employment contract has been entered into for an indefinite period of time
- 2 The employment contract is in writing
- 3 the employment contract is an on-call contract In these 3 indications, enter 'J' or 'N'
- 4 the annual hours standard has been applied (see below)

Note 1

Umust also mention the first three characteristics on the payslip, see chapter 12.

Note 2

If the fixed-term employment contract has been transferred to an indefinite period on the basis of the chain provision, the following applies:

- from that moment on, you enter the indication for an employment contract for an indefinite period with 'J'
- if the previous employment contract (if any) written is not supplemented or amended for this purpose, there is no (longer) a written employment contract. From that moment on, you enter that indication with 'N'.

If there is an employment contract, you have filled in the following:

- Income ratio type code / income code is 11, 13 or 15 (see section [29.12](#)); and
- The nature of the employment relationship code is 1, 11, 21, 22, 23, 24, 82 or 83 (see paragraph [29.13](#)).

Note 3

If there is no employment contract under civil law, you do not provide a code in the tax return. This applies to public-law appointments, fictitious employment relationships, but also to other income relationships for which no employment contract under civil law applies. For more information about a public-law appointment, see paragraph [29.12](#) under code type of employment relationship 18.

Note 4

If there is a temporary employment contract with a temporary employment clause, you must fill in the 'Indication of an employment contract for an indefinite period' with 'N'.

On-call contract

The definition of the on-call contract of the Civil Code (Article 628a of Book 7) applies to the contract indication 'On-call contract'. The following applies, among other things:

- If the scope of the work is determined as one number of hours per unit of time of no more than one month, then there is no on-call contract.
For example, with a zero-hour contract and a min-max contract, there is always an on-call contract.
- If the obligation to continue to pay wages is excluded, then there is always an on-call contract, even if situation A, C or D is otherwise met.
- If the scope of the work is determined as one number of hours per unit of time of more than one month but of no more than one year and the employee's entitlement to wages is evenly spread over that unit of time, there is no on-call contract (there is the so-called annual hours standard, see below).
- If the scope of the work has been determined, as described in situations A and C, and the employee has also been required to be on stand-by, stand-by or on-call duty, there is no on-call contract, provided that there is compensation in time or money.

Annual hours standard

You must only submit this section with 'J' if the scope of the work is determined as one number of hours per unit of time of more than one month but of no more than one year, whereby the employee's right to wages is evenly spread over that unit of time. This is the case, for example, if situation C applies (above). In other cases, you do not provide this information. The contract

indications are in the so-called income period (see paragraph 29.3). A contract indication can change on any day. In the event of a change to a contract indication, this may mean that the AWf premium changes from high to low or vice versa.

Note 5

The premium change will only take effect from the first moment of enjoyment in the next tax return period. For more information about the contract indications in relation to the unemployment insurance premium differentiation, see section 7.2.

29.6 Indication of redundancy pay under the old scheme

With the 'Indication of redundancy pay old scheme' you indicate with a 'J' or an 'N' whether the salary (the benefit) of the redundancy pay beneficiary falls under the redundancy pay scheme from before 2001. If so, you do not owe a UFO premium or AWf premium. You do owe the high Aof premium (in the Aof benefit section) and the WGA component of the Whk premium.

U must enter a 'J' or 'N' if:

- there is a Code type of income ratio / income code 18 (Redundancy pay from a government institution); and
- the Code nature of the employment relationship is 18 (Appointment under public law).

Please note

In concrete terms, the above means that if you provide both codes with 18, you must always enter a 'J' or 'N'. So even if the redundancy pay does not fall under the 'old scheme'. In the old scheme, enter 'J', otherwise enter 'N'.

In cases other than providing 2x code 18, you provide 'N' or nothing.

29.7 Incidental Revenue Reduction Code

The Incidental Income Reduction Code is a code that indicates that the salary in the tax return period is lower than the salary that you have agreed with the employee. On the basis of this code, the UWV will not take this lower salary into account when determining a benefit. The code applies to the following situations: K Child leave O Unpaid leave S Strike days Z Illness Below you will find a further explanation of the various codes.

Note 1

You do not fill in this section if you continue to pay 100% wages, even if there is a situation mentioned.

Note 2

In the case of a benefit under the Work and Care Act (WAZO) for pregnancy, maternity leave, adoption

and use. See also the explanation of those codes.

or foster care leave, you may not use the codes K and O

Are there multiple income periods in the tax return period (see section 29.3)? Then always enter the same code for all income periods, for example:

- the employee has been ill for two weeks in a reporting period, as a result of which he has received less salary. Enter code 'Z' in all income periods of that tax return period.
- the employee has additional birth leave, but becomes ill on 21 March. He recovered on April 15. In the month of March, you enter code 'K' for the entire tax return period. In April, you enter code 'Z' for the entire tax return period.

Explanation of the different codes:

Code 'K'

You use this code for the following two schemes (which are offset by a benefit under the Work and Care Act (WAZO)):

- the 'Additional birth leave' This scheme also existed in 2021. For this you used code 'G'. From 2022 onwards, you will use code 'K' for this, also for employees for whom you used code 'G' in 2021. 'Additional birth leave' is a period of (unpaid) leave agreed between the employer and employee after the birth of the partner. Until 2 August 2022, this additional birth leave only applies to employees who are insured under employee insurance schemes. From 2 August, this scheme also applies to non-insured employees.
- the 'Paid parental leave' This scheme will take effect on 2 August 2022. 'Paid parental leave' is a period of leave agreed between the employer and the employee (for part or all of the working time). This scheme applies to insured and non-insured employees.

Note 3

You only enter the code 'K' if the total of the employee's salary in the tax return period is lower than the agreed salary. By 'wage' we mean the total of:

- the regular salary,
- the WAZO benefit that you continue to pay on behalf of the UWV (for additional birth leave or for paid parental leave),
- any supplement to the WAZO benefit provided by you. If you provide a supplement, you must also mention it in the section 'Supplement to employee insurance benefits provided'.

Note 4

Do you have a parental leave scheme for which no WAZO benefit applies, but with which you 'normally' continue to pay the employee for part of his salary? In that case, the employee will have a lower salary than usual. This is a form of 'unpaid leave' for which you have to use code 'O'.

Code 'O' (Unpaid leave)

'Unpaid leave' in this context is a period of leave agreed between the employer and employee for part or all of the working hours, during which the employee does not perform any work for the employer, such as: unpaid parental leave, care leave and the Sustainable Employability Scheme for older people in education.

Note 5

U do not enter a code 'O':

- if the employee's lower salary is offset by a WAZO benefit in the case of pregnancy and maternity leave, adoption and foster care leave. In these situations, no code applies.
- if the employee's lower salary is offset by a WAZO benefit in the event of additional birth leave or unpaid parental leave. You use code 'K' (see above).
- in the case of leave for holidays if the salary for the holiday period is fully covered by a time saving scheme, see section 21.2.2. In this situation, no code applies.

U must then fill in the section 'Indication of holiday vouchers applied'.

Code 'S'

Strike in this context is the temporary non-performance of the stipulated work as a means of coercion to achieve a certain goal. For this concept, there is no distinction between organised and wildcat strikes, nor whether it is a trade union membership or payment from the strike fund.

Code 'Z'

In this context, illness is a limitation in the physical or mental health of the employee that makes him unable to perform his work.

Note 6

You do not enter code 'Z' if the employee's lower salary is offset by (entitlement to) a benefit under the Sickness Benefits Act, the Work and Income (Capacity for Work) Act or the Disability Insurance Act. Not even if that benefit does not provide for the full agreed salary.

If there is a benefit under the Sickness Benefits Act, to which you provide a supplement, you must also mention this supplement in the section 'Supplement to employee insurance benefits provided' as long as the employment has not yet been terminated.

29.8 Overtime wages

For this section, 'Overtime wages' refers to the (gross) amount paid in wages in connection with overtime. 'Overtime' in this context is working more hours than the number of contracted hours, for which a surcharge on the hourly wage applies. In the section, you enter the salary including the surcharge on the salary.

Examples

- 1 According to the collective labor agreement, the full-time working hours are 36 hours per week. The employee works 41 hours in a week, so 5 hours more than the collective labor agreement hours. The hourly wage for those 5 extra hours is equal to the hourly wage of the regular hours. This wage is NOT a wage from overtime for this section.
- 2 Same as example 1, but now a surcharge of 25% on the normal hourly wage applies to the 5 extra hours. This wage includes the surcharge BUT wages from overtime for this section.
- 3 A part-timer usually works 21 hours per week. He works 25 hours a week, so 4 hours more than usual. The hourly wage for those 4 extra hours is equal to the hourly wage of the regular hours. This wage is NOT a wage from overtime for this section.
- 4 Same as example 3, but now a surcharge of 25% on the normal hourly wage applies to the 4 extra hours. This wage includes the surcharge BUT wages from overtime for this section.

Note 1

The concept of 'overtime pay' for this section is related to a surcharge on the wage. For the concept of 'overtime pay', for which you may apply the table for special remunerations, there does not have to be a surcharge on the salary, see paragraph 9.3.6.

Note 2

This section is only filled in for income ratios with Code type of income ratio/income code 11, 13, 15 or 17 (see section [29.12](#)). For other codes, enter zero (0).

Note 3

This amount is a separate piece of information in the payroll tax return and is not part of an addition.

29.9 Number of remunerated hours

In this section, enter the number of hours that were paid to the employee in the income ratio in the tax return period.

Remunerated hours are important for various schemes of various customers of this fact, such as:

- for the UWV to determine the standard wage and the duration of unemployment and WIA benefits
- for the UWV to calculate allowances from the WTL, such as the low income benefit and the wage cost benefits, see Chapter [27](#)
- for yourself as an employer in connection with the revision of the low AWf premium in the event of a 30% standard exceedance, see paragraph [7.2](#)
- for RVO for counter-information for the R&D scheme, see paragraph [26.1](#)
- for various pension funds for counter-information
- to the Dutch Labour Inspectorate to indicate whether the provisions relating to the minimum wage are being complied with
- for Statistics Netherlands (CBS) to produce various statistics on labour, wages and income
- for the Tax and Customs Administration for the determination of various allowances

Main rule

The main rule is that every hour for which you pay wages is a remunerated hour. Payroll means that you pay the salary to the employee or settle it with him.

When to fill in remunerated hours?

Remunerated hours can only be entered in the codes type of income ratio / income code: 11, 13, 15, 17. These are codes that relate to 'a job'. You must also fill in remunerated hours if you use code 31 (Sickness Benefits Act, voluntary insurance under the Sickness Benefits Act and the Work and Care Act (WAZO)) while the employment relationship still exists. You use this code when you pay a ZW or WAZO benefit to the employee. This occurs in the case of a payment via an employer's payment (see paragraph [9.6.2](#)) or a self-risk bearer payment (see paragraph [7.8](#)).

For UWV as the withholding agent, if UWV takes over the payment of wages from an employer in the event of the employer's inability to pay, code 33 (unemployment benefit) applies. With that type of unemployment benefit, UWV must also fill in the remunerated hours.

If the UWV pays you the unemployment benefit in special situations (due to frost unemployment, unworkable weather and a reduction in working hours), you will also enter remunerated hours.

How to do this in the above situations can be found in the document '[Clarifications of remunerated hours](#)'.

Further explanation of various situations of the main rule

- Remunerated hours per period.
You derive the remunerated hours per period from the number of contracted hours that you have laid down with the employee in the employment contract or in other agreements. Often there is one of the following two situations:
 - 1 The salary per period depends on the number of days of the period. For example, there are fewer working days (and therefore hours) in February than in March, so the wages for February are lower than for March. The number of paid hours in February is then lower than that of March.
 - 2 The salary per period is based on the average number of hours per period on an annual basis. Despite the fact that the employee works fewer hours in February than in March, for example, he still receives the same wage for each month. This is an 'average monthly wage' and therefore an average number of remunerated hours. You declare that average number as remunerated hours. A common method is that the employer determines the number of workable days (hours) annually (so-called standard hours). That number of hours per year divided by 12 is then the average number of remunerated hours per year. This system also applies to other wage periods, such as a four-week wage.

If the contracted hours are filled in flexibly, but the remuneration in each pay period is based on the average number of hours to be worked, that average is the number of remunerated hours. Shifted shifts and irregular working hours do not affect the remunerated hours, if the same number of contracted hours is paid each time.

Example 1

The employee has a contract of 30 hours per week. He works 24 hours one week and the other week 36 hours. He is paid 120 hours per period of 4 weeks. The number of remunerated hours is then 120 each time.

If the remuneration fluctuates per pay period with the number of hours actually worked in that period, then the hours actually worked and paid are the remunerated hours.

- Rounding off remunerated hours.
The number of remunerated hours is rounded off arithmetically to whole hours per tax return period. So 0.5 and higher up, below 0.5 down.
 - Additional hours, overtime hours and reduced hours.
Additional hours and overtime hours are hours that are worked and paid more than the contracted hours. In this context, additional work is paid at 100% of the hourly wage and overtime is subject to a surcharge on the hourly wage (see also [29.8](#)). Reduced hours are hours that are paid less, for example because they have not been worked. For the employee without more, overtime and less hours, the remunerated hours are equal to the contracted hours, insofar as they have been paid. Additional and overtime hours that are paid are added, you do not count fewer hours.
- Additional hours and overtime hours that are compensated in time do not lead to remunerated hours. Not even if the surcharge is paid for the overtime hours.
- Adv hours (reduction of working hours).
Adv hours do not lead to remunerated hours. A 40-hour working week, in which 4 hours of adv is accrued, is seen as a contract duration of an average of 36 hours per week.
 - Leave and work stoppages.
Leave and work stoppages have no effect on the number of remunerated hours as long as the employer continues to pay the agreed salary in full.

- Pay holiday hours and adv hours.
Unused holiday hours and adv hours that are paid out count as (extra) remunerated hours at that time.
- Shift work.
For shift workers, determine the number of paid hours by dividing the annualized hours by the number of pay periods per year.
- Hourly wage earners.
For employees who are paid per hour worked (such as a 0-hour contract, a minimum hourly contract, a flexible contract as with many temporary workers), you always state the actual (worked and) remunerated hours.
- Availability hours, travel hours, consignment hours.
If you give the employee an hourly allowance for on-call, travel, consignment, and similar hours, then each hour for which the allowance applies is a remunerated hour.

Example 2

An employee has a contract for 24 hours per week. He has a regular hourly wage of € 25 per hour. In addition, the employee is available to be called up for 8 hours a week. A fee of € 1.25 per hour applies for this availability. A number of remunerated hours of 32 per week applies to this employee.

- Piecework.
If the remuneration depends entirely on the number of products or services delivered (piecework or variant thereof) and not on the amount of time worked, enter 0 (zero). However, if the number of hours over which that wage was received is known, you enter those hours. These hours may be apparent, for example, from the time during which the employee has used the company's means of production, or the time that the employee has participated in the work process at the company's location or at the customer's premises.
- Artists who fall under the artist and professional athlete scheme.
If you have agreed with the artist (code nature of employment relationship 6) a number of hours to be performed, enter that number of hours. If the appointment is without agreed hours, enter 0 (zero).
- Negative number of remunerated hours.
The number of remunerated hours can be negative if period wages have to be repaid, such as wages relating to wrongly paid hours. If it is reimbursement of special salary, such as holiday allowance or end-of-year bonus, this has no effect on the number of remunerated hours.

Example 3

The employee must repay 100 hourly wages from previously received period wages. In the tax return period, he received 1 week of 40 hours of wages. The balance of remunerated hours is 60 (negative).

Note 1

If the employer over-administers wages, this works differently if wages are repaid within the same year, see section [9.2.1](#).

Exception to the main rule

- Unpaid leave: apply payment factor.

In the case of unpaid leave, such as parental leave or care leave, there are two systems. Suppose there is a contract duration of 40 hours per week, but temporarily there is 80% unpaid leave:

- 1 The 32 hours of leave are not paid. In this situation, the main rule is that the 8 hours that are paid are the remunerated hours.
- 2 All hours are still paid, but for 20% of the original hourly wage. The main rule is that all 40 hours are paid, which means that these are in principle remunerated hours. However, in deviation from this, in the event of unpaid leave, you must adjust the number of remunerated hours with the so-called payment factor. The payment factor is 20%, the number of remunerated hours is then 20% of 40, so (also) 8 hours.

Example 4

The employee with a 36-hour working week has 100 hours of parental leave. He takes 5 weeks 20 hours. He is paid 16 hours at 100% and 20 hours at 75% for each week. The number of remunerated hours per week is then $16 + 75\% \text{ of } 20 = 31$.

Note 2

If there is unpaid leave, where there is a WAZO benefit for the part that is not paid, this may not affect the number of paid hours. You fill in the regular hours.

Example 5

The employee works 160 hours regularly in a period of 4 weeks, 5 days a week. He intends to 4 days a week (that is 80% of the working time) of unpaid leave, for which he receives a WAZO benefit, such as additional birth leave. If you process the wage and benefit in 1 income ratio, you still declare 160 hours. If you process the salary and the benefit in separate income ratios, you enter 32 hours in the income ratio of the wage and 128 hours in the income ratio of the WAZO benefit.

Until the IKV decision is introduced, you have the choice to process the WAZO benefit in the same income ratio as the regular wage or to process it in a different income ratio. You can find more about this in section [4.4.3](#).

Various examples

An employee has a contract for 40 hours per week. Of that, 2 hours are build-up of adv hours. A: He works in the first period of four weeks regular 4×40 is 160 hours. He gets 4×38 is paid 152 hours.

Elaboration: adv hours are not remunerated hours. The employee can 'take' the adv hours worked at another time, i.e. continue to be paid without working. The number of remunerated hours is 152.

B: In the second period of four weeks, he works 4×40 hours, but also works 10 hours of overtime. He is paid for that overtime (there is no compensation in time).

Elaboration: as with A, but now increased by the paid overtime hours. The number of remunerated hours is 162.

C: In the third four-week period, he is sick for a week and has also been to the doctor a number of times during working hours.

Effect: the employee is entitled to continued payment of wages. Assuming that the employer does the same, the number of remunerated hours is simply 152.

D: 99990101000000+00'00' The fourth period of four weeks takes the employee 20% unpaid leave.

Elaboration: regardless of the system used (see explanation above), the number of remunerated hours is 80% from 152 is 121.6, for the tax return arithmetically rounded to 122.

More information about remunerated hours and special situations can be found in the document '[Clarifications of remunerated hours](#)'.

29.10 Contractloon

For this section, you must state the fixed agreed gross salary, as included in or to be derived from the collective labour agreement or individual employment contract (code nature of employment relationship 1, 11, 21, 22, 23, 24, 82 or 83), or if it arises from the appointment under public law (code 18) or from a fictitious employment relationship (code 4, 6, 7, 79 or 81).

You must fill in this section for all employment relationships. So for an employment contract under civil law, but also for a public-law appointment and a fictitious employment relationship.

If there is an employment contract, the salary will usually be based on a job group, salary scale and any periodicals granted. Any part-time factor will also be included in the employment contract. In the case of part-time work, you declare the part-time salary.

Example 1

The contract wage for a full-time appointment is € 2000. The part-time factor is 0.5. The contract wage to be declared is € $2000 \times 0.5 = € 1000$.

More or fewer hours worked/paid in a tax return period than the number of contracted hours

You continue to enter the contract wage and the corresponding number of contracted hours per week, even if the employee works or is paid more or fewer hours than his contracted hours. Examples of fewer hours worked/remunerated in which contract wages and contracted hours per week remain the same are unpaid leave, waiting days in the event of illness or a demotion scheme.

Wage period for which you state the contract wage

You declare the salary in accordance with the periodicity of the tax return period. If the contract wage has been agreed for a different period, you convert the contract wage to the tax return period. You use the following conversion factors: a year is 260 days, 52 weeks, 13 periods of four weeks or 12 months.

Example 2

The contract wage has been agreed for € 600 per week. The tax return period is the month. You calculate the contract wage per month as follows: weekly wage $\times 52 / 12$. The contract wage to be declared per declaration of one month is then € $600 \times 52 / 12 = € 2600$.

Example 3

The wage has been agreed as a fixed hourly wage of € 25. In addition, it was agreed that the employee would work 32 hours per week.

In the case of a four-week tax return period, you calculate the contract wage for four weeks as follows: € $25 \times 32 \text{ hours} \times 4 \text{ weeks} = € 3200$.

For a tax return period of one month, the calculation is: € $25 \times 32 \text{ hours} \times 52 \text{ weeks} / 12 \text{ months} = € 3466.67$.

Reference date

The contract wage can change in the course of a tax return period. Therefore, you assume the situation on the last day of the tax return period, unless the income ratio has ended earlier. In that case, you enter the amount that applies on the last day of the income ratio.

Wage components that you do not count as part of the fixed contract salary

- holiday allowance, employment conditions amount, money and bonuses, insofar as these have not been converted into fixed amounts per pay period;
- wages in kind, including the taxed value of holiday vouchers;
- net expense allowances, such as for travel expenses or working from home.

Wage components that you do count as part of the fixed contract salary

- holiday allowance and employment conditions amount, which are part of a fixed all-in salary;
- fixed, contractually agreed gross allowances that are paid with the periodic salary, such as holiday allowance, diploma allowance, commutation of leave entitlements in excess of the statutory entitlement;
- wages used for exchange with tax-free allowances via a cafeteria system;
- deposits of the fixed salary into a time savings fund;
- Payments of the fixed salary into a benefit budget.

Exception: net wage agreements

If there is a contract with a fixed net salary, you provide this net salary.

Special situations

If no fixed contract salary has been agreed per period, you must fill this section with 0 (zero).

This applies in the following situations:

-
- on-call workers without a wage payment guarantee;
- commission or piecework;
- other forms of flexibly agreed working hours and/or payment.

Even if the contracted hours are missing from the administration, and remuneration is only based on the hours worked in the work schedule and the corresponding hourly wage, you must enter 0 (zero).

Example 4

A fixed hourly wage has been agreed in the employment contract. The hours are determined by scheduling every week and can fluctuate per week (and therefore also per month). In this case, you fill the rubric with 0 (zero).

29.11 Contracturen per week

For this section, you must state the fixed agreed number of hours per week, as included in or to be deduced from the collective labour agreement or individual employment contract (code nature of employment relationship 1, 11, 21, 22, 23, 24, 82 or 83), or if this arises from the appointment under public law (code 18) or from a fictitious employment relationship (code 4, 6, 7, 79 or 81).

The agreed number of hours is part of the employment contract. This section must be filled for all employment relationships, i.e. for an employment contract under civil law, but also for a public-law appointment and a fictitious employment relationship.

More or fewer hours worked/paid in a tax return period than the number of contracted hours

You continue to enter the contract wage and the corresponding number of contracted hours per week, even if the employee works or is paid more or fewer hours than his contracted hours. Examples of fewer hours worked/remunerated in which contract wages and contracted hours per week remain the same are unpaid leave, waiting days in the event of illness or a demotion scheme.

Example 1

An employment contract has been entered into for 36 hours per week. If 40 hours are worked in a given week, then '36' must be filled in this section. Also in the situation if 3 hours of unpaid leave has been taken in a certain week, '36' must be entered in this section.

Working part-time

If only a part-time factor has been agreed, you can reduce this to the number of hours per week. In that case, you multiply the usual full-time working hours per week by the part-time factor.

Example 2

The employment contract has been entered into for 50%. In the case of a usual full-time working week of 38 hours, $38 \times 0.5 = 19$ contract hours must be declared in this section.

Reference date

The number of contracted hours per week can change in the course of a tax return period. Therefore, you assume the situation on the last day of the tax return period, unless the income ratio has ended earlier. In that case, you enter the number that applies to the last day of the income ratio.

The agreed number of hours is not determined per week

If the period associated with the fixed agreed number of hours is not equal to a week, you reduce the number of agreed hours to a week. When converting to a week from, for example, a month, you note the result of the following formula: hours per month $\times 12/52$.

Example 3

The employment contract was entered into for 174 hours per month. When converting to a week, you note the result of the following formula: hours per month $\times 12/52$. That is $174 \times 12/52 = 40.15$ hours.

Example 4

The employment contract has been entered into for 4 hours per day and the work will always take place on every working day. The number of contracted hours to be declared is then $4 \times 5 = 20$ hours. If you work on a number of working days other than 5 per week, multiply the hours per day by that number.

You round the contractures arithmetically to two decimal places, i.e. the 4 or lower down and the 5 or higher up (for example, 38.734 is rounded to 38.73 and 38.735 is rounded to 38.74).

Special situations

The fixed number of hours has been agreed for a period of several weeks

If a fixed number of hours has been agreed for a period of several weeks in which the hours vary per week, you calculate a weekly average. For example, 16 hours one week and 24 hours the next week results in 20 hours.

If the agreed hours pattern is not available for the software, enter 0.

No fixed number of hours agreed

If the employer has not agreed on a fixed number of contracted hours, the section must be filled with 0 (zero).

This applies if there is an on-call contract, such as zero-hour contracts, min-max contracts. But also when paid on the basis of piecework.

Consignment and on-call services

In certain cases, on-call services or on-call services may be agreed without an on-call contract. The agreed number of hours is then the fixed working hours of the employee, whereby the hours that the employee must be available for calls are not counted.

Example 5

The employment contract was entered into for 30 hours per week plus 10 hours of consignment services per week and there is no on-call contract. The agreed number of hours per week is 30, regardless of whether the employee is called up or not.

Please note

If the consignment services are not paid per hour in cash or compensated in free time and there is no fixed working time, then there is an on-call contract and the heading must be filled with 0 (zero).

On-call services

On-call time is special service, since the entire service is regarded as working time within the meaning of the Working Hours Act. It depends on the individual agreement whether these services are provided within the agreed working hours, or whether these services are occasionally provided outside the agreed working hours. There is no on-call contract, provided that there is a compensation in time or money (and otherwise there is no on-call contract, for example it is not a zero-hour or min-max contract).

Example 6

The employment contract was entered into for 30 hours per week. Within those thirty hours, sleep shifts are performed for 10 hours a week. In that case, the agreed number of hours per week is 30.

Example 7

The employment contract was entered into for 30 hours per week. In addition, an on-call time is occasionally imposed, whereby the hours worked as on-call time are compensated in paid time off. The agreed number of hours is then the employee's fixed working hours, i.e. 30 hours per week.

29.12 Income Ratio Type Code / Income Code

This code indicates what kind of income it concerns. For the complete list of available codes, see the [list of codes for the payroll tax return](#).

Explanation of a number of codes

Code type of income ratio	Description and explanation
11	Wages or salary of civil servants within the meaning of the Civil Servants Act This code applies: 1. for all civil servants who were previously covered by the Civil Servants Act 1929, but who have been transferred to the Civil Servants Act 2017 as of 2020 on the basis of the Civil Servants (Normalisation of Legal Status) Act (Wnra). 2. for employees who are employed by certain independent administrative bodies that have become government employers within the meaning of the Civil Servants Act 2017 on the basis of the Wnra with effect from 1 January 2020, such as the UWV and the Netherlands Authority for the Financial Markets (AFM) and employees who are employed by public bodies for profession and business, such as the Royal Dutch Association of Notaries and the Netherlands Bar Association. 3. for ambulance personnel employed by a safety region. As of 1 January 2020, the Civil Servants Act 2017 applies (see also point 1). 4. for other personnel employed by a security region, the Civil Servants Act 1929 will continue to apply temporarily. The Civil Servants Act 2017 will enter into force for them at a later date. This includes fire brigade personnel, personnel serving crisis management and other personnel, such as support staff and staff officers. Please note • Employees of public institutions in the education sectors must be required to work from 1 January 2020 are no longer a civil servant on the basis of the Wnra. This concerns staff of primary and secondary education, universities, research institutes and academic hospitals) and of independent administrative bodies under public law that are considered to be part of the education sectors, such as the Royal Netherlands Academy of Arts and Sciences, the Netherlands Organisation for Scientific Research and the National Library of the Netherlands • For civil servants as referred to in the Civil Servants Act 1929, who are exempted from the Civil Servants Act 2017, the legal status will continue to be unilateral in nature. This concerns, for example, political office holders, personnel employed by the Defence and Police sectors or judicial officials. From 2020, this staff will fall under code 15. You can find more information about the Wnra on https://kennisopenbaarbestuur.nl/thema/normalisering-rechtspositie-ambtenaren/.
31	Benefits under the Sickness Benefits Act (ZW), the voluntary insurance under the Sickness Benefits Act and the Work and Care Act This code is also used for sickness benefits that a self-insured person has to pay (not for the supplement). You use this code for all forms of WAZO benefits that you continue to pay through an employer payment, but only if you declare them in a separate income ratio. If you declare the WAZO benefit in the same income ratio as that of the regular wage (including any supplement), you use the code of the regular wage for the total of the regular wage and the benefit.
32	Benefits under the Disability Insurance Act (WAO) and private insurance for sickness, disability and accidents You can also use this code in the event of concurrence of a benefit under the Disability Insurance for the Self-Employed Act (WAZ) with a benefit other than a Wajong benefit.
40	Benefit under the Resumption of Work Partially Disabled Scheme (WGA) You also use this code for WGA benefits that a self-insured person has to pay (not for the supplement).

Code type of income ratio	Description and explanation
53	Early retirement benefits This concerns all benefits under an early retirement scheme (RVU) and pre-pension that serve to bridge the period up to the commencement date of the pension or the state pension age of the employee, insofar as they do not fall under code 56. This applies to both periodic and one-off payments (such as severance pay). This applies regardless of whether the threshold exemption for the pseudo-final RVU levy applies. The UWV deducts an RVU benefit from the unemployment benefit if the employee applies for unemployment benefit in addition to an RVU benefit. If the scheme bears the term 'early retirement scheme', you must assess whether this scheme is an RVU or not. If so, this code applies. For more information about the RVU, see sections 21.3 and 25.7.
55	Benefit under the General Pension Act for Political Office Holders (APPA) This concerns payments of old-age pensions and widows' and orphans' pensions under the General Pension Act for Political Office Holders, which are made after the resignation or dismissal of the political office holder, also known as 'redundancy pay'.
56	Old-age pension accrued through the employer or old-age pension accrued through a compulsory occupational pension scheme / industry-wide pension scheme These are old-age pension payments of entitlements exempted from an employer under a pension scheme as referred to in the Wage Tax Act 1964. For more information about pensions, see section 21.4. This code applies to both periodic payments and lump sum payments (commutation of small pensions). This code does not apply to commutation of pensions that are not permitted under the Pensions Act. In that situation, code 63 applies. This code 56 also applies to, for example: • early retirement. This is a precursor to the old-age pension, where the payment is charged to the accrued old-age pension capital; • a payment of old-age pension that has been accrued under self-administration (not the commutation, code 63 applies to this); • a Christmas bonus under a pension scheme paid directly to the retired employee by the pension fund, without the intervention of the (former) employer.
57	Survivor's pension that has been accrued through the employer or survivor's pension accrued through a compulsory occupational pension scheme / industry-wide pension scheme It concerns payments of survivor's pensions (including partner's and orphan's pensions) of entitlements exempt from an employer under a pension scheme as referred to in the Wage Tax Act 1964. This also includes payments of survivor's pensions without accrual (risk partner's pension). This code also applies: • for a sectoral pension fund that pays a supplement to an ANW benefit to the surviving dependants of the deceased employee; • for a Christmas bonus under a pension scheme paid by the pension fund, without the intervention of the (former) employer, directly to the surviving relative of the retired employee.
58	Disability pension that has been accrued through the employer or disability pension accrued through a compulsory occupational pension scheme / industry-wide pension scheme It concerns benefits in connection with disability of entitlements exempt from an employer under a pension scheme as referred to in the Wage Tax Act. This also includes benefits in respect of incapacity for work from a group insurance policy (risk insurance) taken out by the employer.
59	Annuities taken out under an individual or collective bargaining agreement. These are annuity payments on the basis of claims exempted from an employer to periodic payments to replace lost or to be lost income (employment annuities, including annuity payments from severance payments). This code also applies to a periodic payment from a wage annuity.

Code type of income ratio	Description and explanation
60	Annuities that <u>have not</u> been taken out under an individual or collective labour agreement. These are annuity payments paid by an insurance company that are part of the taxable income from work and home or the taxable income from work and home in the Netherlands within the meaning of the Income Tax Act 2001 (capital annuities). This also includes the following paid out by an insurance company: • benefits from annuity rights, insofar as it is not a wage annuity. Code 59 applies to a wage standing right; • benefits under an Anw shortfall insurance. This is an insurance that can be regarded as an insurance policy taken out by an individual and is paid out after the death of the insured.
61	Supplement from the employer to an employee on an employee insurance benefit while the employment has ended. These are supplements paid by the employer to benefits from employee insurance schemes (WW, ZW, WAO and WIA) but also supplements to benefits under the WAZO (including WIEG and WBO) and the Allowances Act, while there is no longer an existing employment relationship.
62	Severance pay/transition pay. It concerns the severance or transition payments paid in connection with the termination of the employment. This also includes the compensation in lieu of notice in connection with the failure to give notice of the end of a temporary employment contract (in time).
63	Other, not indicated above pensions or concurrence* of several pensions/annuities or a payment on the basis of an agreement after the end of employment. These include: 1. All payments from pensions and taxed periodic payments to which one of the codes 18 to 62 does not apply, for example: • the commutation of a self-administered pension, even if it is a commutation of a 'small' self-administered pension. Note: not the benefits, code 56 applies to them; • a payment from an old-age provision after a self-administered pension provision has been converted into it; • commutation of pension that is not permitted under the Pensions Act. This is wages from previous employment, but it is not a benefit under a pension scheme; • a benefit under the PAWW (Private Supplement WW and WGA) or; 2. Concurrence* of several pensions or; 3. Payments on the basis of an appointment that continues after the end of the employment. This concerns wage benefits that are wages from current employment during the existence of the employment relationship. If this salary is still provided after the termination of the employment, then that salary is from previous employment and code 63 applies. This includes, for example, after the end of the employment relationship: • interest benefits of an employee loan; • reimbursement of medical expenses; • the retention of a company residence or a company car; • a Christmas bonus for (surviving dependants of) the retired employee, which is provided by (the intervention of) the former employer, whether or not on the basis of the pension scheme.

* Further explanation regarding concurrence

In the event of concurrence of various benefits, the following applies:

- 1 If you pay several (pension) benefits in one total amount and these fall under codes 55 to 62, while you can split these benefits, you must declare these benefits in multiple income ratios. For example: an old-age pension and a survivor's pension are paid in one total amount. If you can split the old-age pension and the survivor's pension, you must use 2 income ratios: 1 for the old-age pension with code 56 and 1 for the survivor's pension with code 57.
- 2 If you pay several (pension) benefits in one total amount and these partly fall under codes 55 to 62, while you can split these benefits, you must declare the benefit(s) that fall under codes 55 to 62 under the applicable code in separate income ratios. You declare the benefits that do not fall under these codes with code 63.
- 3 If you pay several (pension) benefits in one total amount and these do not fall under codes 55 to 62, you may declare these benefits with 1 total amount in 1 income ratio with code 63.

Example 1

You pay a person both a partner's pension (from the deceased partner) and a special partner's pension (from the deceased ex partner). Both benefits are (forms of) survivor's pension that fall under code 57. You may account for both pensions in 1 income ratio.

Example 2

You pay a person different retirement pensions (accrued with different employers, but placed with the same pension provider). Code 56 applies to all pensions. You may account for all pensions in 1 income ratio.

29.13 Code of nature of employment relationship

This code indicates the nature of the employment relationship. This is necessary to determine whether an employee is compulsorily insured for employee insurance. You only enter the code if the type of income ratio / income code is 11, 13, 15 or 18. The available codes are also in the [list of codes for the payroll tax return](#).

Explanation of the codes

Code of nature of the employment relationship	Description and explanation
1	Employment contract (excluding BBL) This code is only eligible if other codes do not apply. You use this code: - for an employment contract under civil law, unless it is linked to a BBL practice agreement. If this BBL practice agreement has been signed by the 3 parties (educational institution, student and yourself) and is included in your administration, you use code 83. Otherwise, code 1 also applies. - for the civil servant who falls under the Civil Servants Act 2017 and works on the basis of an employment contract under civil law. - if the employee is not insured for employee insurance (such as children working with you) and no other code applies.
4	Share-fisherman This code is used for the employment relationship of a share-fisherman, who does not work on the basis of an employment contract under civil law, but is insured for employee insurance, because there is a fictitious employment relationship under the Sickness Benefits Act.

Code of nature of the employment relationship	Description and explanation
6	Musician / artist You use this code if you are an artist within the meaning of the artist and professional athlete scheme.
7	Trainee This code is used for the employment relationship of a person who is employed as part of his training and receives less than a competitive remuneration for this. This is a fictitious employment relationship for the purposes of the Sickness Benefits Act.
11	Temporary worker This code is used for an employee who works on the basis of a temporary employment contract. See paragraph <u>18.19</u> . U do not use this code for a payroll employee. Code 82 applies to this.
18	Public law appointment This code applies to civil servants who do not fall under the Civil Servants Act 2017, i.e. who do not yet work on the basis of an employment contract under civil law. They are subject to the public-law appointment of the Civil Servants Act 1929 (see also the explanatory note to code 11 of the Code type of income-ratio / income code). It concerns persons with a public-law appointment, such as: • political office holders: for example, ministers, state secretaries, deputies, mayors and aldermen; • members of the High Councils of State: members of the Senate and House of Representatives, the Council of State, the Court of Audit and the National Ombudsman; • members of advisory boards and independent administrative bodies; • the judiciary: judges, prosecutors and prosecutors-general; • all defence officials: both military and civilian personnel; • all police officers: police officers, investigators and administrative and technical staff; • notaries and bailiffs; • temporary: staff employed by a safety region (with the exception of ambulance staff).
21	WSW sheltered work This code applies to the employee who works in sheltered work at a WSW workplace. This concerns a workplace as referred to in Article 2 of the WSW.
22	WSW secondment to regular employer This code applies to employees who work in sheltered work and are seconded from there to another employer. This concerns a workplace as referred to in Article 2 of the WSW. See the further information below: from 2025 you may no longer use code 21 for these cases.
23	WSW supervised work This code applies to employees who work in the workplace in a regular employment with supervision. This concerns an employment relationship as referred to in Article 7 of the WSW.
24	Participation Act for Sheltered Work This code applies to employees who work in a sheltered environment under adapted conditions. This concerns adjusted circumstances as referred to in Article 10b of the Participation Act.

Code of nature of the employment relationship	Description and explanation
	Further information on codes 21 to 24 There are different forms of WSW work and sheltered work. The form determines the right to a wage cost benefit, which means that subdivision is necessary. Codes 21 to 23 apply to the various WSW working methods. Code 24 is partly for the distinction with sheltered work in code 21 (on the basis of the WSW). Please note If a WSW employee with guidance from the municipality is employed by an employment agency as a temporary worker, both code 11 and code 23 apply. In this situation, you use code 23 (and not code 11) in the payroll tax return. Wage cost benefits (see also section 27.1.1) In 2025, a wage cost benefit will only apply to code 23. No wage cost benefit applies to codes 21, 22 and 24. For code 22, a wage cost benefit will apply after the introduction of the Jobs Agreement Act. If you have not yet made the distinction between code 21 and 22 in your administration, you may also use code 21 for the WSW employees referred to by code 22. Banenmonitor From 2025, the distinction between codes 21 and 22 will also be necessary for the jobs monitor. This is because internal sheltered work (code 21) does not fall under the future Jobs Agreement Act. Therefore, from 2025, companies in sheltered employment (SW companies) may no longer use code 21 for situations in which the employee is seconded to a regular employer. To do this, you must use code 22. The SW companies received information about this from Cedris at the end of 2024. Municipalities were informed about this by the Ministry of Social Affairs and Employment in early 2025.
79	Opting-in scheme This is the fictitious employment relationship that the client and contractor can voluntarily opt for if there is no real or fictitious employment relationship. This fictitious employment relationship only applies to wage tax/national insurance. Not for employee insurance. See also paragraph 18.14 and (with regard to sex workers) paragraph 18.15
81	Other fictitious employment These are fictitious employment relationships that apply to both wage tax/national insurance and employee insurance. For more information about fictitious employment, see section 1.2.2.
82	Payrolling For more information about when someone is a payroll employee, see paragraph 18.19
83	Practical vocational training of the apprenticeship-based learning pathway (BBL) This code is important for the application of the low AWf premium. The code applies to employees who work on the basis of a vocational practical training course of the vocational training pathway (BBL), but for whom the employer meets the (administrative) conditions for the application of the low AWf premium. There must be: • a recognized training company, • that a written and signed practical agreement has been agreed with the educational institution and the BBL pupil, • which is included in his administration. If these conditions are not met, code 1 applies. Code 1 also applies if, in addition to the BBL contract, the employee also has another (regular) employment with the same employer (e.g. at the weekend). A separate income ratio applies to this, with code nature of employment relationship 1. From 2023, the low AWf premium will no longer apply if there is a temporary employment clause in the employment/practice agreement. You must then use the regularly applicable code: usually code 11 (temporary worker) or 82 (payrolling).

Other points of attention

- In the event of dismissal with a continued payment plan, you continue to use the code that applied before the dismissal.
- A sex worker can work on an 'Employment contract' (code 1), i.e. in real employment or in an 'Other fictitious employment' (code 81). In both situations, the normal rules and withholding tables apply to payroll taxes.
- If a sex worker, to whom the fictitious employment applies, works on the basis of the so-called package of conditions, code 79 (Opting-in regulation) applies to this sex worker. Then the wage tax table for work contractors, home workers, sex workers and equivalent persons (wage tax table 210 code) applies.

29.14 Wage tax table code

In this section, you enter the code of the wage tax table that you have applied for the deduction of wage tax/national insurance contributions. The code consists of 3 digits. If you have not used a table, code 999 applies (see below). For many situations, these three figures are as follows:

The first digit

The first digit indicates the tax/insurance obligation:

Code Meaning

0	Table without conversion rules, employee subject to both tax and social security contributions
3	Employee only liable to pay national insurance contributions (AOW/ANW/Wlz)
5	Employee only liable to pay tax
6	Employee liable to pay tax and not subject to contributions to the Wlz
7	Employee liable to pay tax and only to pay contributions to the Wlz

The second digit

The second digit indicates the color of the table: white (wages from current employment) or green (wages from former employment)

Code Meaning

1	White
2	Green

The third digit

The third digit indicates the wage period for which the table used applies

Code Meaning

1	Quarter
2	Month
3	Week
4	weeks
5	Day
0	Only table for special remunerations applied (i.e. no wage period) These

codes apply to the following special situations:

Code Meaning

210	Work contractors, home workers, sex workers and similar persons Domestic artists
220	Foreign artists or professional athletes (reduced rate) Foreign artist companies and sports teams
221	Foreign professional athletes with a reduced rate on the basis of a ministerial decree
224	Employee not subject to tax and only subject to contributions for the Wlz
225	Employee not liable to pay tax and only to be subject to contributions for the ANW
226	Employee not liable to pay tax and only to pay contributions for the AOW/ANW
227	Percentage rate for social assistance 52% rate in connection with anonymous employees
228	52% rate in connection with negative expenses in the case of surrender of income provisions
250	Other cases in which no table has been applied (see further explanation below)
940	
950	
999	

Note 1

If you need to apply two tables simultaneously, use the table code of the largest amount to which you apply the table.

Note 2

The contribution obligation in the wage tax table relates to national insurance contributions AOW/ANW/Wlz and does not affect any obligation to contribute to employee insurance schemes.

Use of Table Code 999

Use table code 999 if no table is applied. This occurs in the following situations, for example:

- the employee is insured for employee insurance but you are not obliged to withhold tax for him, as in the following situations:
 - the continued payment of wages scheme of the employee (director/shareholder) who works for you in the 'work company' through a personal holding company. He is insured for the employee insurance schemes in the work company. You pay the wages to the employee's personal holding. The work company must pay employee insurance premiums on tax return. The work BV is not obliged to withhold wage tax/national insurance. In other words: the employee does appear in the payroll tax return of the work company, but no table has been applied, i.e. code 999. In the personal holding, there is a withholding obligation for the LB/PH. The holding company uses the regular table code.
 - a worker insured in the Netherlands is employed by an employer established abroad. He works abroad. Under international law, the employee does not owe wage tax in the Netherlands. There are national insurance contributions, but because the employer is not obliged to withhold wage tax, he is not obliged to withhold national insurance either. He therefore does not apply a wage tax table, i.e. code 999.

The foreign employer is obliged to pay contributions to the employee insurance schemes, because the employee is obliged to insure for the employee insurance schemes.

Note 3

In this situation, the employer may, at the request of the employee, voluntarily withhold national insurance contributions with the conversion table (because the employee does owe national insurance contributions on that salary via his income tax return). Then you use the table code that belongs to that conversion table.

- There is no salary in a tax return period, but the employment relationship (income ratio) remains, as in the following situations:
 - a period of unpaid leave
 - in the case of a zero-hour contract, without a call.

The income ratio must be stated (as an ikv with all amounts € 0), because the employment relationship is still ongoing. However, there is no wage, so no table has been applied. Code 999 applies.

In practice, payroll software still enters the regular table code in these kinds of situations. For the time being, there is no objection if you continue to use the regular table code in these situations.

Note 4

If, for example, there is still private use of a car in these situations, there is wages to which the regular period table continues to apply.

- There is a different rate as with a ruling.

You might not use table code 999 if, for example, the following situations:

- There is a 53rd week, in which you pay 5 weeks in the 13th period. You then use a reduction of the weekly or four-week table. You then enter the code of the weekly or four-week table.
- The employee asks for a (voluntary) higher deduction than the table indicates. You enter the table code of the table that would have applied without a voluntary higher deduction.
- There is an interest benefit from an employee loan for former employees. Depending on the situation, you can use the time slot table or the special reward table.

Other points of attention

1. Concurrence of negative expenses in the case of surrender of income provisions and other taxed benefits

If a bank, insurance company or other financial institution has to withhold wage tax/national insurance contributions in connection with negative expenses in the surrender of income provisions, the wage tax table 950 code applies.

Note 5

If the same institution also pays one or more other taxed benefits to the same person, the lump-sum payment for which the wage tax table 950 code applies (negative expenses in the event of surrender of income provisions) must always be included in the tax return under a separate income ratio number.

The benefits for which the wage tax table 950 does not apply must be combined under one income ratio number.

2. Concurrence of the work acceptance premium and other taxed benefits under the Participation Act, the Income Provision for Older and Partially Disabled Unemployed Employees Act (IOAW) or the Income Provision for Older and Partially Disabled Former Self-Employed Persons Act (IOAZ)

The white table applies to the work acceptance premium. This is in contrast to the other taxed benefits under the Participation Act, the IOAW or the IOAZ.

Note 6

If you pay one or more other taxed benefits under the Participation Act, the IOAW or the IOAZ to the same person under the same payroll tax number, in addition to a taxed work acceptance premium, you must always declare the taxed work acceptance premium in a different income ratio, i.e. with a separate income ratio number.

29.15 Holiday allowance

Under the term 'holiday allowance' you will find 2 sections in the payroll tax return:

- **Holiday allowance** This is the amount that the employee actually received in holiday allowance during the tax return period. This is often 8% of the gross salary.
- **Accrued entitlement to holiday allowance** This is the amount that the employee accrues in entitlement to holiday allowance in each tax period. This is regardless of whether you actually make a reservation for it or not.

Note 1

You are required to provide both sections. This means that if there is no holiday allowance, you fill in the sections with € 0.

What are these holiday allowance headings for?

The UWV needs these two headings to determine the daily wage. The UWV bases this on the salary for employee insurance schemes (wage SV) in a period prior to unemployment, illness, incapacity for work or certain types of leave (the reference period). This can be a previous period of 12 months, but sometimes that period can also be shorter. Because holiday allowance is often paid once a year, this can lead to the payment being just outside or just within that period. That is why the UWV does not base itself on the moment of enjoyment of the holiday allowance, but on the accrued entitlement, with the aim of arriving at a balanced calculation of the daily wage. These headings are also used to determine the so-called 'maatmanloon' (that is the wage that the employee earned before he became ill). And for the settlement of income with some current benefits from employee insurances.

For more information about how UWV determines the daily wage, tailor-made wage or income settlement, please refer to UWV as an employer's desk in the context of benefits: uwv.nl/werkgevers.

Below are some examples showing the influence of the accrued entitlement and of the payment of holiday allowance. By year T, we mean the current year, and by year T-1, we mean the previous year.

Example 1

Employee A becomes unemployed as of April 1 of this year (year T) and becomes entitled to unemployment benefits. A first had a salary of € 1,000 per month, but from June last year (year T-1) € 1,100 per month. His employer normally always pays the holiday allowance in May. This is accrued over the period from 1 June from T-1 to 31 May of T. The employer submits a monthly declaration.

The reference period for the unemployment benefit runs from 1 March last year (year T-1) to 28/29 February of this year (year T). But A will receive his (accrued entitlement to) holiday allowance for 10 months, from June from T-1 to March from T, at the same time as his salary for March. The payment of this holiday allowance will then be part of the salary for the employee insurance schemes in March.

Month	Wage for employee insurance (wage SV)	Holiday allowance	Accrued entitlement	Balance accrual
March last year (T-1)	€ 1,000	€ 0	€ 80	€ 800
april	€ 1.000	€ 0	€ 80	€ 880
May	€ 1.960	€ 960	€ 80	€ 0
June	€ 1.100	€ 0	€ 88	€ 88
July	€ 1.100	€ 0	€ 88	€ 176
August	€ 1.100	€ 0	€ 88	€ 264
september	€ 1.100	€ 0	€ 88	€ 352
October	€ 1.100	€ 0	€ 88	€ 440
november	€ 1.100	€ 0	€ 88	€ 528
december	€ 1.100	€ 0	€ 88	€ 616
January current year (T)	€ 1.100	€ 0	€ 88	€ 704
February	€ 1.100	€ 0	€ 88	€ 792
Total 12 months (reference period)	€ 13.860	€ 960	€ 1.032	
March current year (T)	€ 1.232	€ 880	€ 88	€ 0

The holiday allowance of € 960 in May of T 1 has been accrued in the preceding 12 months at € 80.

The holiday allowance in March of T (€ 792 + € 88) is accrued in 10 months. UWV calculates the annual wage to calculate the daily wage as follows: € 13,860 / € 960 + € 1,032 = € 13,932. The month of March of year T is therefore not included in this calculation.

Example 2:

Employee B becomes unemployed on April 1 of this year (year T) and becomes entitled to unemployment benefits. He was employed from September of last year (year T1). His employer normally always pays the holiday allowance in May. This is then accrued over the period from 1 June from T1 to 31 May of T. The employer submits a monthly return.

The reference period for the unemployment benefit runs from 1 March last year (year T 1) to 28/29 February of this year (year T). But B will receive his (accrued right to) holiday allowance for 7 months, from September from T1 to March from T, at the same time as his salary for March. The payment of this holiday allowance is then part of the salary for the employee insurance schemes in March, but does not fall within the reference period.

Month	Wage for employee insurance (wage SV)	Holiday allowance	Accrued entitlement	Balance accrual
March to August last year (T-1)	-	-	-	
september	€ 1.000	€ 0	€ 80	€ 80
October	€ 1.000	€ 0	€ 80	€ 160
november	€ 1.000	€ 0	€ 80	€ 240
december	€ 1.000	€ 0	€ 80	€ 320
January current year (T)	€ 1.000	€ 0	€ 80	€ 400
February	€ 1.000	€ 0	€ 80	€ 480
Total 12 months (reference period)	€ 6.000	€ 0	€ 480	
March current year (T)	€ 1.540	€ 540	€ 80	€ 0

T's holiday allowance in March has been accrued over 7 months (7 x € 80). If the UWV were to base its calculation on the salary for employee insurance, the UWV would not include any holiday allowance at all in the calculation of the daily wage.

But UWV calculates the annual wage to calculate the daily wage as follows: € 6,000 / 0 + € 480 = € 6,480. The month of March of year T is therefore not included in this calculation.

Because this relates to a period of 6 months, the UWV is looking for replacement wages for the missing months in order to arrive at an annual amount.

Special situations

1. You do not pay holiday allowance, you pay an 'all-in wage', you have a system of time savings or you have a system with a choice budget

In the following cases, enter € 0 for the holiday allowance in both sections:

- You do not pay holiday allowance, for example because there is a fictitious employment relationship.
- You pay the holiday allowance of (for example) 8% with each payment of wages by paying 108% of the hourly wage each time. We also call this an 'all-in remuneration'. This means that the UWV's goal has already been achieved.
- You have a system of time savings in a fund (TSF), see also section 21.2.2. The entitlement to holiday allowance is then always counted as salary for employee insurance purposes. This means that the UWV's goal has already been achieved.
- The holiday allowance is part of an optional budget. You must then fill in the sections 'Accrual of employment conditions amount' and 'Inclusion of employment conditions amount', see paragraph 29.16.

2. You reserve part of the holiday allowance and pay it out immediately

If you pay part of your holiday allowance entitlement immediately and reserve part of it to be paid out later, then you fill in the sections as in example 3.

Example 3

In this example, holiday allowance is partly reserved and partly paid out immediately. Every month, the employer pays an amount of € 30 directly on the salary of € 1,000 of the 8% holiday allowance on € 1,000 and reserves the remainder of € 50 to be paid out in May. In May, the employer will then pay € 12 x € 50 + € 30 = € 630 in holiday allowance. The holiday allowance is accrued over the period June of year T 1 to May of year T.

Month	Wage for employee insurance (wage SV)	Holiday allowance	Accrued entitlement	Balance accrual
June last year (T-1)	€ 1.030	€ 30	€ 80	€ 50
July	€ 1.030	€ 30	€ 80	€ 100
August	€ 1.030	€ 30	€ 80	€ 150
september	€ 1.030	€ 30	€ 80	€ 200
October	€ 1.030	€ 30	€ 80	€ 250
november	€ 1.030	€ 30	€ 80	€ 300
december	€ 1.030	€ 30	€ 80	€ 350
January current year (T)	€ 1.030	€ 30	€ 80	€ 400
February	€ 1.030	€ 30	€ 80	€ 450
March	€ 1.030	€ 30	€ 80	€ 500
april	€ 1.030	€ 30	€ 80	€ 550
May	€ 1.630	€ 630	€ 80	€ 0
June	€ 1.030	€ 30	€ 80	€ 50

In this case, the employer pays € 30 in holiday allowance in May as usual. In addition, he also pays out $12 \times € 50 = € 600$ in reserved holiday allowance in May. In total, the amount of holiday allowance in May is therefore $€ 30 + € 600 = € 630$.

3. Holiday allowance is part of an optional budget

If it is stipulated in an employment contract that the holiday allowance is part of an optional budget, you fill in both this section and the accrued holiday allowance section with € 0. You must then fill in the sections Accrual of the employment conditions amount and Withdrawal of the employment conditions amount, see paragraph 29.16.

Note 2

Suppose you switch to an optional budget as of 1 January. Previously, you used a system with payment of the holiday allowance in, for example, May. Then you may still pay holiday allowance 'old style' in that new year. But there is no more accrual in that year. This accrual is then part of the 'employment conditions amount', see paragraph 29.16. In that year, you fill in the section with 'Accrued entitlement to holiday allowance' with € 0. In the tax return period in which you pay the holiday allowance, you fill in the section 'Holiday allowance' with the amount paid.

4. Part of the accrued entitlement is used for a tax-free allowance or leave of extra paid leave for the employee

If the employee (whether or not in a cafeteria system) waives holiday allowance in exchange for a tax-free allowance or for extra paid leave, you do not report this decrease in the payroll tax return.

Suppose that in example 2 above, the employee uses € 500 in March in exchange for a tax-free allowance for a bicycle, then this looks like this:

Month	Wage for employee insurance (wage SV)	Holiday allowance	Accrued entitlement	Balance accrual
January	€ 1.030	€ 30	€ 80	€ 400
February	€ 1.030	€ 30	€ 80	€ 450
March	€ 1.030	€ 30	€ 80	€ 0
April	€ 1,030	€ 30	€ 80	€ 50
May	€ 1,130	€ 130	€ 80	€ 0
June	€ 1,030	€ 30	€ 80	€ 50

At the end of February, the status of the accrual is € 450. € 50 will be added in March. In March, € 30 will still be paid out immediately and € 50 will be added to the stand of the superstructure, that stand will be € 500. The employee uses that € 500 for a tax-free expense allowance for the bicycle. The decrease of € 500 in the stock is not reflected in the sections for holiday allowance. In May, € 30 will be paid out regularly again, plus the € 50 of the stand at the end of April plus the € 50 that was added in May.

Points

- 1 Even in a tax return period in which a payment of previously accrued entitlement to holiday allowance has taken place, you must enter the entitlement to be accrued for that period. See also example 2 above.
- 2 If you reserve the right to holiday allowance by taking a percentage of the salary in each tax return period, you enter that amount in accrued entitlement.
- 3 If you base the amount of the holiday allowance to be paid on the last-earned salary, you will use the holiday allowance percentage over that last-earned salary as the accrual.
- 4 If you base the amount of the holiday allowance to be paid on a percentage of the salary on a reference date (reference date system), you will use the holiday allowance percentage over that salary on that reference date. If that salary is difficult to determine, for example because the salary on the reference date is not known in advance, you must nevertheless enter a realistic amount of accrual. In any case, it is realistic if you enter 8% of the salary in the tax return period as accrual.
- 5 You enter the amounts per tax return period, so no cumulative amounts.
- 6 The amounts 'Accrued entitlement to holiday allowance' and 'Holiday allowance' are separate data in the payroll tax return and are not part of an addition.

29.16 Amount of employment conditions (avwb)

Due to various forms of budgets to be spent by the employee, such as individual choice budget (IKB), personal choice budget (PKB), employee benefit or similar names (hereinafter: choice budgets), from 2022 onwards you will find the following sections in the payroll tax return:

- Structure of the employment conditions amount
- Inclusion of the employment conditions amount This term also includes what we meant by 'Extra period salary' (EPS) up to and including 2021. We have explained the concept of EPS in the Payroll Tax Newsletter 2022. This concept was no longer sufficient due to the emergence of various forms of choice budgets. In connection with this, the two headings for the 'Extra period salary' have been dropped.

Definition of employment conditions amount

The term 'employment conditions amount' stands for an allocated wage component, on the basis of the employee's (collective) employment contract, insofar as that wage component is expressed in money. In addition, that wage component must be able to lead to wages that are taxed at the employee's expense in the future.

All employment conditions that fall under this definition fall under the 'employment conditions amount'. Examples:

- what you declare as an 'extra period salary' (EPS) up to and including 2021, such as an entitlement to an end-of-year bonus or a 13th/14th month. This is a wage element:
 - that is not dependent on business results
 - which does not depend on the qualitative or quantitative performance of the employee
 - that amounts to a fixed amount or a certain percentage of the salary
 - that has been agreed in writing in a (collective) employment agreement
 - that is paid at least 1x per year
 - that payment is made proportionally if the employment relationship has only lasted part of the year and there is periodic accrual (reservation) during that period
 - for which there is no restrictive condition for payment.
- a choice budget to be spent by the employee. See below under 'Choice budget'.

It is therefore not a question of entitlement to future hours of leave, nor of a budget from which an employee can only receive training for the benefit of his employer, nor of special remuneration, allowances for irregular shifts, overtime compensation, severance payments and compensation. Insofar as the right to holiday allowance exists separately (in addition to or without an optional budget), you will continue to fill both sections for 'Holiday allowance' as usual, see also paragraph [29.15](#). In that case, you do not enter the holiday allowance in the sections for the AVWB.

Why the terms of employment amount?

The UWV needs these two headings to determine the daily wage. The UWV bases this on the salary for employee insurance (wage SV) in a period prior to unemployment, illness, incapacity for work or certain types of leave (the reference period). This can be a previous period of 12 months, but sometimes that period can also be shorter.

The irregular withdrawal of the employment conditions amount (avwb) may result in that payment falling just outside or just within that reference period. That is why the UWV does not assume the moment of enjoyment of the avwb, but the structure of the avwb, with the aim of achieving a balanced calculation of the daily wage.

These headings are also used to determine the so-called 'maatmanloon' (that is the wage that the employee earned before he became ill). And for the settlement of income with some current benefits from employee insurances.

For more information about how UWV determines the daily wage, tailor-made wage or income settlement, please refer to UWV as an employer's desk in the context of benefits:

uwv.nl/werkgevers.

Choice budget

An optional budget concerns amounts of employment conditions, which are known by various names, such as individual choice budget (IKB), personal choice budget (PKB), employee benefit or similar names. This usually leads to a periodic, regular accrual of an amount of future salary. The employee can, at his request, have the accrued amount paid out at any time or use it for another purpose. The budget or terms of employment scheme may also stipulate that the employer pays out (part of) the credit at any time.

An optional budget falls under the terms of employment amount if:

- that is laid down in the (collective) terms of employment of the employee.
- This can lead to wages taxed at the employee's expense.

Note 1 Holiday allowance and optional budget

In the payroll tax return, the sections 'Holiday allowance' and 'Accrued entitlement to holiday allowance' will continue to exist. If an employee's entitlement to holiday allowance is part of the optional budget, you must fill in these sections with '€ 0', because these amounts are included in the sections for the terms of employment amount.

Insofar as the right to holiday allowance exists separately (in addition to or without an optional budget), you will continue to fill both sections for 'Holiday allowance' as usual, see also paragraph 29.15. In that case, you do not enter the holiday allowance in the sections for the AVWB.

Note 2 Decrease in (the status of) the employment conditions amount is not always the same as the 'Withdrawal of employment conditions amount'

The terms of employment amount always has a 'balance' in your administration: the cumulative amount after all accrual and decreases. Decreasing the state of the employment conditions amount can be done in various ways, such as:

- 1 withdrawal of an amount for withdrawal
- 2 waiving or using an amount in exchange for a tax-free allowance or provision (for the employee) (see paragraph 4.15 Cafeteria scheme and paragraph 10.1 How does the work-related costs scheme work?). It does not matter whether or not a specific exemption applies to the final levy wage of the work-related costs scheme.
- 3 waiver or waiving of an amount in exchange for paid leave.

For the decrease in situation 1, you enter the amount that enters the salary processing as 'salary in cash' in the section 'Withdrawal of employment conditions amount'.

In situations 2 and 3, you do not specify the amount of the decrease in the section 'Withdrawal of employment conditions amount'. This decrease also does not lead to a reduction in the section 'Accrual of the employment conditions amount'.

Points of attention with regard to the terms of employment amount

- 1 If there is no amount of employment conditions, there is no accrual or withdrawal. You enter € 0 in both sections.
- 2 You must also enter the amount accrued for that period in periods in which you enter an employment conditions amount.
- 3 If the accrual takes place by taking a percentage of the salary in that period in each period, enter that amount as an accrued amount.
- 4 If the accrual amount is not or difficult to determine, because it is based, for example, on the last-earned salary or the salary on a reference date (reference date system), you must still enter a realistic amount as the accrual of the employment conditions amount, as if an accrual percentage did apply.
- 5 If the accrual amount per tax return period is difficult or impossible to determine, for example because the allocation takes place at one time in the year, enter the amount accrued at that time. This may have consequences for any payment under the employee insurance schemes or for the income settlement.
- 6 You enter the amounts per tax return period, so no cumulative amounts.
- 7 If the employee withdraws the employment conditions amount directly in one or every tax return period, you must still enter the amount of the accrual or withdrawal in the section 'Accrual of employment conditions amount' and in the section 'Withdrawal of employment conditions amount', despite the fact that the amount of the accrual is then equal to the amount of the withdrawal.
- 8 If the employee has the amount of employment conditions to be accrued paid out immediately and partly added to the balance of the budget in a tax return period, enter the total of the sum of the amount added to the budget and the amount paid out immediately in the section 'Accrual of the employment conditions amount'. In the section 'Inclusion of employment conditions amount', enter the total of the amount paid out immediately and the amount that will be withdrawn from the accrued employment conditions amount. See also example 4 below.
- 9 The amounts 'Accrual of employment conditions amount' and 'Inclusion of employment conditions amount' are separate data in the payroll tax return and are not part of an addition.

Examples

Here are a few examples:

- Example 1 shows how to process the employment conditions amount in the payroll tax return.
- Example 2 and Example 3 show how the amount of employment conditions can affect the daily wage.
- Example 4 shows how to process the employment conditions amount if an employee has the amount of the accrual paid out in part immediately.

For 'employment conditions amount' we use the abbreviation 'avwb'.

Example 1

This example shows how to process the employment conditions amount in the payroll tax return.

An employer has a choice budget scheme for its employees. This budget is built up monthly of 14% of the salary. This 14% consists of 8 percentage points of holiday allowance, 5 percentage points end-of-year bonus and 1 percentage point of (converted into monetary value) non-statutory leave.

Employee Q has a period wage of € 1,000. During the year, he chooses the following:

- in June, Q withdraws € 800 from the budget to be paid out
- in October, Q exchanges € 380 of the budget for a reimbursement for a bicycle. The employer designates this allowance as final levy wages for which he can use the discretionary margin.
- in December he withdraws € 500 from the budget to be paid out

Month	Wage for employee insurance (SV wage)	Structure of the AVWB	Recording avwb ¹	Other purchase avwb ²	Booth avwb ²
January	€ 1,000	€ 140	€ 0		€ 140
February	€ 1,000	€ 140	€ 0		€ 280
March	€ 1,000	€ 140	€ 0		€ 420
april	€ 1.000	€ 140	€ 0		€ 560
May	€ 1.000	€ 140	€ 0		€ 700
June	€ 1.800	€ 140	€ 800		€ 40
July	€ 1.000	€ 140	€ 0		€ 180
August	€ 1.000	€ 140	€ 0		€ 320
september	€ 1.000	€ 140	€ 0		€ 460
October	€ 1.000	€ 140	€ 0	€ 380 ³	€ 220
november	€ 1.000	€ 140	€ 0		€ 360
december	€ 1.500	€ 140	€ 500		€ 0
Total	€ 13.300	€ 1.680	€ 1.300	€ 380	€ 0

1 The 'Inclusion' in this column leads to taxable wages for the employee.

2 You do register the 'Other offtake' and the status of the avwb in your administration, but you do not report them in the payroll tax return.

3 The amount of € 380 in October is a 'different decrease'. It is an exchange for a tax-free allowance/provision for the employee for which the employer can use the free space. As a result, the accrued amount decreases by € 380. This is not a 'withdrawal' for the section 'Withdrawal of employment conditions amount'. For the employer, this is final levy wage under the work-related costs scheme, see section [10.1 How does the work-related costs scheme work?](#)

Note 3

If the non-statutory leave is determined in hours and not in monetary value, this will not lead to an 'accrual of the employment conditions amount' for this part of the budget. Not even if the employee can (later) choose to have the non-statutory holiday hours paid out.

Example 2

This example shows how the accrual and withdrawal of the amount of employment conditions for determining the daily wage leads to a lower basis than the salary for employee insurance.

An employer has a scheme with a 13th month in December. The scheme meets the conditions for an AVWB. The employer files a monthly tax return.

An employee has a period wage of € 1,000. For this employee, the employer will pay the full amount of employment conditions accrued during the year 2024 in December 2024. The employee will be dismissed as of 1 April 2025 after 5 years of employment. The reference period is

1 March 2024 to 28 February 2025.

The accrual of the employment conditions amount for the months of January and February 2025 will be paid by the employer at the same time as the salary for February. The accrual for March at the same time

as the salary for March. If the UWV were to calculate the daily wage on the basis of the actual wage for the employee insurance schemes (SV wage) during the reference period, the wage would be too high. In December 2024, the amount of accrual of the employment conditions amount for the entire year 2024 will be paid, including that part accrued before the start of the reference period.

This example works out as follows:

Month	Wage for employee insurance (SV wage)	Structure of the AVWB	Recording avwb	Other purchase avwb ¹	Booth avwb ¹
January 2024	€ 1.000	€ 80	€ 0	€ 0	€ 80
February	€ 1.000	€ 80	€ 0	€ 0	€ 160
March	€ 1.000	€ 80	€ 0	€ 0	€ 240
april	€ 1.000	€ 80	€ 0	€ 0	€ 320
May	€ 1.000	€ 80	€ 0	€ 0	€ 400
June	€ 1.000	€ 80	€ 0	€ 0	€ 480
July	€ 1.000	€ 80	€ 0	€ 0	€ 560
August	€ 1.000	€ 80	€ 0	€ 0	€ 640
september	€ 1.000	€ 80	€ 0	€ 0	€ 720
October	€ 1.000	€ 80	€ 0	€ 0	€ 800
november	€ 1.000	€ 80	€ 0	€ 0	€ 880
december	€ 1.960	€ 80	€ 960	€ 0	€ 0
January 2025	€ 1.000	€ 80	€ 0	€ 0	€ 80
February	€ 1.160	€ 80	€ 160	€ 0	€ 0
March	€ 1.080	€ 80	€ 80	€ 0	€ 0

¹ You do register the 'Other purchase' and the status of the AVWB in your administration, but you do not report them in the payroll tax return.

UWV calculates the daily wage over the reference period as follows:

- the salary for employee insurance from March to February: € 13,120
 - at: the accrued amounts: € 960
 - deducted: the amounts withdrawn: € 1,120
- The basis for calculating the daily wage is then € 12,960. The basis then corresponds to the salary of 12 months.

Example 3

This example shows how the accrual and withdrawal of the amount of employment conditions for determining daily wages leads to a higher basis than the wages for employee insurance schemes.

An employer has a scheme with an employment conditions amount. The employer files a monthly tax return. An employee's employment starts on 1 September 2024. He has a period wage of € 1,000.

For this employee, the employer will pay the full amount of employment conditions accrued from September in December 2024.

The employee becomes ill on 16 March 2025. The reference period is 1 September 2024 to 31 January 2025. During the reference period, the employer only paid the employee the employment conditions amount for September to December 2024. The payment of the employment conditions amount for the month of January 2025 is in the future (after the end of the aforementioned

reference period). If the UWV were to calculate the daily wage for the Sickness Benefits Act on the basis of the actual wage for the employee insurance schemes (SV wage) during the reference period, the wage would be too low. The accrued amount from January and February is not (yet) included in the salary for employee insurance. That is why the UWV must include the accrual for January and February in the calculation of the daily wage.

This example works out as follows:

Month	Wage for employee insurance (SV wage)	Structure of the AVWB	Recording avwb ¹	Other purchase avwb ²	Booth avwb ²
september 2024	€ 1.000	€ 80	€ 0		€ 80
October	€ 1.000	€ 80	€ 0		€ 160
november	€ 1,000	€ 80	€ 0		€ 240
december	€ 1,320	€ 80	€ 320		€ 0
January 2025	€ 1.000	€ 80	€ 0		€ 80
February e.V. ³	p.m.				

1 The 'Inclusion' in this column leads to taxable wages for the employee.

2 You do register the 'Other offtake' and the status of the avwb in your administration, but you do not report them in the payroll tax return.

3 Because the reference period runs up to and including January, the salary for February and beyond is not relevant for this example.

UWV calculates the daily wage for the ZW over the reference period as follows:

- the salary for employee insurance from September to January: € 5,320
- at: the accrued amounts: € 400
- deducted: the amount withdrawn: € 320 The basis for calculating the daily wage is then a reference wage of € 5,400.

Example 4

This example shows how you should process the AVWB if the amount of accrual is partly paid out immediately (see point 9 of the points of attention).

An employer has a scheme with an employment conditions amount. The employer files a monthly tax return.

An employee has a period wage of € 1,000. The employee will become unemployed as of 16 February 2025. The reference period for the WW daily wage is 1 January 2024 to 31 December 2024. During this period, the employee accrues € 80 in terms of employment every month. Of this, € 30 will be paid out immediately and € 50 will be added to the employment conditions amount to be paid out at any given time. In December, the employee also withdraws the remaining accrued amount of 12 x € 50 = € 600. The employee uses part of it (€ 300) to buy a bicycle in a cafeteria scheme. The other half is paid out by the employee.

This example works out as follows:

Month	Wage for employee insurance (SV wage)	Structure of the AVWB	Recording avwb ¹	Other purchase avwb ²	Booth avwb ²
January	€ 1.030	€ 80	€ 30		€ 50
February	€ 1.030	€ 80	€ 30		€ 100
March	€ 1.030	€ 80	€ 30		€ 150
april	€ 1.030	€ 80	€ 30		€ 200
May	€ 1.030	€ 80	€ 30		€ 250
June	€ 1.030	€ 80	€ 30		€ 300
July	€ 1.030	€ 80	€ 30		€ 350
August	€ 1.030	€ 80	€ 30		€ 400
september	€ 1.030	€ 80	€ 30		€ 450
October	€ 1.030	€ 80	€ 30		€ 500
november	€ 1.030	€ 80	€ 30		€ 550
december	€ 1.330	€ 80	€ 330	€ 300 ³	€ 0
Total	€ 12.660	€ 960	€ 660	€ 300	€ 0

1 The 'Inclusion' in this column leads to taxable wages for the employee.

2 You do register the 'Other offtake' and the status of the avwb in your administration, but you do not report them in the payroll tax return.

3 The amount of € 300 in December is a 'different decrease'. It is an exchange for a tax-free allowance/provision for the employee for which the employer can use the free space. As a result, the accrued amount decreases by € 300. This is not a 'withdrawal' for the section 'Withdrawal of employment conditions amount'. For the employer, this is final levy wage under the work-related costs scheme, see section [10.1 How does the work-related costs scheme work?](#)

If UWV had to calculate the daily wage for the ZW and the reference period is 1 January to 31 December, this is done as follows:

- the salary for employee insurance from January to December: € 12,660
- at: the accrued amounts: € 960
- deducted: the amount withdrawn: € 660 The basis for calculating the daily wage is then a reference wage of € 12,960.

29.17 Collective Labour Agreement Code

If your company's staff is covered by a collective terms of employment scheme, you must enter the collective labour agreement code applicable to each employee in the payroll tax return.

'Collective arrangements' include the following types of arrangements:

- 1 Schemes that you must report to the Ministry of Social Affairs and Employment (hereinafter referred to as: SZW):
 - Collective labour agreements that have been notified in accordance with the Wage Formation Act
 - Employment conditions schemes at the government SZW issues a 'collective labor agreement code' to the applicant after assessing this. SZW numbers from 1 to 7999. SZW also passes on the information to CBS.

For more information about registering, changing or terminating such a scheme, see www.uitvoeringarbeidsvoorwaardenwetgeving.nl. On this site you will also find overviews of collective labor agreements and universally binding declarations (avvs).

- 2 Other collective terms of employment schemes If other collective terms of employment schemes have been established in your organisation (for example with the works council), then there is no collective labour agreement but an 'other collective terms of employment scheme'. CBS registers these schemes and issues a number to the applicant (numbering from 8000). You must report these regulations to Statistics Netherlands, Collective Labour Agreement Data Department. You can also send an email to caolijst@cbs.nl.

In both cases, it only concerns regular arrangements for employment conditions. It does not include social plans, collective agreements relating to early retirement schemes, R&D funds and other social funds. You do not have to register it, there is no collective labor agreement code for it and you do not have to fill it in in the tax return.

Note 1

If the income ratio type code is 11, 13, 15 or 17 (see section 29.12), you must enter the correct code in the 'CLA Code' section. If there is no collective labor agreement or other collective employment conditions scheme, you enter 9999.

Note 2

For payroll companies, you must enter 2 CLA codes: the CLA code under which the employee falls with you as a payroll company (the lender) and the code of the CLA or other collective terms of employment scheme of the company that hires the temporary worker (the hirer).

In the event of concurrence of several hirers for 1 payroll employee, you enter the collective labor agreement code of the hirer for whom you pay the most for the employee.

CBS manages the 'Collective Labour Agreement Code List', which contains all collective labour agreements and other collective terms of employment. CBS enters an end date when the collective labor agreement no longer applies (as a result of a new collective labor agreement or as a result of the end of the after-effect period of the collective labor agreement). You can find that list on cbsvooruwbedrijf.nl. Is there a collective labor agreement or other employment conditions scheme missing from the list? Please contact CBS, Collective Labour Agreement Data Department. You can also send an email to caolijst@cbs.nl.

Points of attention when specifying the collective labor agreement code

- It does not matter whether the employee is directly covered by the collective labor agreement or via a universally binding collective labor agreement (avv).
- If a collective labor agreement has recently expired, you must continue to fill in the collective labor agreement code of the expired collective labor agreement for a maximum of 2 years (the after-effect period) as long as a new collective labor agreement has not yet been published.

Note 3

In any case, you may no longer use the code from the end date of the collective labor agreement that is in the CBS list.

- Sometimes several collective labor agreements apply to a company, for example a framework collective labor agreement and a company collective labor agreement. You must then use the collective labor agreement code of the collective labor agreement in which the most important employment conditions are arranged, such as the employee's salary.
- You enter a collective labor agreement code for each employee in the tax return. This does not always have to be the same code for every employee. Several collective labor agreements may apply within one company. But some employees may also fall outside the scope of a collective labor agreement. In the tax return, you enter the collective labor agreement code that applies to the individual employee.
- If no collective scheme applies or if a certain scheme is followed on a voluntary basis, code 9999 applies.
- If you are going to pay an employee according to a different collective labor agreement, you must enter the new collective labor agreement code in the tax return. If a collective labor agreement is no longer applied, you must enter code 9999. You enter the new code from the moment the change occurs (see also section 29.3 Income period).
- Do not use your own industry-specific collective labor agreement codes. You may only use the codes issued by SZW or CBS. These codes are listed in a table on cbsvooruwbedrijf.nl.
- As soon as a collective labour agreement code has been assigned to a collective scheme (by SZW or CBS), you must use the assigned code and not code 9999. This code is also not yet included in the published CBS collective labor agreement code list. The code may already be pre-programmed into your software, but with the description 'RESERVED' (or another general description). You must already use this code. This is because only the number (and not the description) will end up in the tax return.

In the payroll tax returns for 2025, you may no longer use a number of CLA codes. This is because those collective labor agreements or employment conditions regulations are no longer valid. Your software vendor may have already incorporated this into your payroll software. For some codes that can no longer be used, a different code may apply. You may be able to use the codes included in the table below under 'Replacement CLA code'

CLA name	CLA code expired 31-12-2024	Replacement collective labor agreement code
CENTRALE EXPERTISE SERVICE BERGWEG	1158	4178
LUCENT CAO V/H LUCENT CAO A	1194	
DECS OPERATING	1267	
NEDERLANDS HORECA Gilde (NHG CAO)	1291	4274
FRANS MAAS LOGISTICS NEDERLAND	1425	
POSTKANTOREN BV	1545	
ARBODUO BV	1893	
MAXEDA IT SERVICES B.V. (VH VENDEX KBB IT SERVICES B.V.)	1941	
CNV BEDRIJVENBOND (VH CAO-CNV)	2020	
BIOMERIEUX BOXTEL	2036	
COMPANY DE MANUTENTION ROTTERDAM B.V. (CDMR)	2047	3784
STICHTING CARMELCOLLEGE	2089	
PURAC GLUCOCHEM B.V.	2164	
LUCENT TECHNOLOGIES NEDERLAND B.V.	2174	
DOCKWISE BV	2262	
MARKO B.V.	2353	
DUTCH SPACE COVENANT FROM WORK TO WORK	2465	
NOVIO N.V. CAO	2719	
F EN C NETHERLANDS B.V.	2745	
GELDNET SERVICES B.V. 2002-2004	2756	
SMURFIT KAPPA HERMES N.V.	2761	
SAXION COLLEGES	2767	625
PROMELCA B.V.	2856	
ORGANON BIOSCIENCES NETHERLANDS SENIOR STAFF	2868	
ICOPAL	4012	4325
LUCENT CAO V/H LUCENT CAO A	1194	
DECS OPERATING	1267	
NEDERLANDS HORECA Gilde (NHG CAO)	1291	4274
FRANS MAAS LOGISTICS NEDERLAND	1425	
POSTKANTOREN BV	1545	
ARBODUO BV	1893	
MAXEDA IT SERVICES B.V. (VH VENDEX KBB IT SERVICES B.V.)	1941	
CNV BEDRIJVENBOND (VH CAO-CNV)	2020	
BIOMERIEUX BOXTEL	2036	
COMPANY DE MANUTENTION ROTTERDAM B.V. (CDMR)	2047	3784
STICHTING CARMELCOLLEGE	2089	
PURAC GLUCOCHEM B.V.	2164	
LUCENT TECHNOLOGIES NEDERLAND B.V.	2174	

The codes that you can use can be found on cbsvooruwbedrijf.nl. Are you still using an expired code in 2025? Then you will receive a so-called 'feedback report' from us. In it, we ask you to correct your declaration with the incorrect code with a correction notice. Is there no valid collective labor agreement or employment conditions scheme? Then use code 9999.

29.18 Indication of appointment under public law for an indefinite period

You fill in this section for an employee with a public-law appointment. See also paragraph 29.13 (code nature of employment relationship) under code 18.

You enter 'J' if there is an appointment for an indefinite period. You enter 'N' if there is a fixed-term appointment.

Please note

For employment contracts (also with civil servants), do not fill in this section, but fill in the section 'Indication of an employment contract for an indefinite period' with 'J' or 'N'.

29.19 Code of insurance situation under the Health Insurance Act (Zvw)

With the Zvw Insurance Situation Code, you indicate whether the employee/beneficiary is subject to insurance under the Zvw and, if so, which rate applies. The following situations with the associated codes can occur:

Code Zvw	Description and explanation
A	Not subject to insurance because a person is not insured for Wlz
B	Not subject to compulsory insurance because a person is a military official in actual service or on special leave This code occurs almost exclusively in sector 63 (Defence). Do you think the code applies in another sector? Then it is advisable to first consult with your advisor or to submit it to us.
G	Not subject to insurance because the person is a foreign artist or a foreign professional athlete where the wage tax table 221, 224 or 225 has been applied
H	Subject to insurance, no rate applied because person is a domestic artist where the wage tax table 220 code has been applied. This concerns a person with the type of employment relationship code 6 (musician/artist), see paragraph 29.13.
I	Not subject to insurance because the person is not insured under the Wlz, but is liable to pay a pseudo contribution, because there is a right to care at the expense of the Netherlands in the country of residence (Article 69 of the Zvw). You may apply this code if the situation described arises. But you can always apply code A in this situation.
K	Subject to insurance, standard rate of employer's levy
L	Compulsory insurance, 0% rate employer's levy (seafarers)
M	Compulsory insurance, withheld contribution
N	Subject to insurance, more rates of employer's levy (K and L) You use this code in a payroll tax return for a person if there is the rate of letter K and the rate of letter L <i>at the same time</i> within one income ratio. Then enter the correct code for each income period (see 29.3).

Relationship between the insurance obligation for the Wlz and the Zvw

If there is an insurance obligation for the Wlz, there is also an insurance obligation for the Zvw. This means that if you use a (code) wage tax table that can lead to deduction of Wlz premiums, there must also be an insurance obligation for the Zvw. In other words: if the wage tax table code starts with a 0, 3 or 7 or the code is 226 (see paragraph 29.14), then code K, L, M or N applies to the code Zvw.

Please note

The above has one exception: if the employee/benefit recipient has died and you still pay wages in the name of the deceased after death. We call this posthumous wages, see section 17.2.7. You must deduct national insurance contributions (including the Wlz premium) from this salary. But because the insurance obligation for the Zvw has ended, you no longer pay the Zvw contribution. Not as a deduction and not as an employer's levy.

Conscientious objectors

For a conscientious objector, you must enter the code that would apply if the person were not a conscientious objector.

Participation Act

If the percentage rate for social assistance applies (wage tax table 250 code, see paragraph 29.14), always use code K or code M. For more information about calculating payroll taxes on these benefits, see the [Social Assistance brochure](#).

29.20 Withheld Zvw contribution and Zvw employer's levy

If an employee is insured under the Health Insurance Act (Zvw), there are various situations in which you may have to pay a contribution. In paragraph 29.19 you will find the letters K, L, M and N indicating which situations these are. We have 2 rates for which there are separate sections:

- the withheld Zvw contribution
- the employer's levy Zvw For more information on when which rate applies, see Chapter 8.

For a conscientious objector, fill in in these headings respectively:

- the wage tax substitute withheld
- the contribution replacement wage tax that you owe as an employer/benefits agency

The basis for calculating the contribution is the Zvw contribution wage. You apply the calculation rules of the VCR system, see Chapter 6.

29.21 Private use of car: value of private use, employee contribution and code reason no addition

If you have provided an employee with a 'company car', you must provide information about this in the payroll tax return. To this end, there are three sections:

- 1 Value of private use of a car
- 2 Employee contribution for private use of a car
- 3 Code reason no addition

Note 1

The balance of 'value of private use' (1) minus the 'employee contribution' (2) is the so-called addition. In the payroll tax return, this balance (the amount of the addition) is expressed as (part of the) salary in the section 'Salary other than in money'. See section 11.2.4 for how to book this in the wage statement. This balance is therefore part of the salary in the categories 'Wage SV' and 'Wage LB/PH'.

For more information on private use of the car, see section 23.3. Below we will give you more information about filling in these three sections of the payroll tax return.

Value of private use of car

This is – except in the case of excessive private use – the fixed amount based on the applicable general percentage of the list price. You calculate the percentage over the list price. For specific cars without CO2 emissions, you take into account a discount in percentage points on the general percentage. For some cars, there is a ceiling on the amount to which the discount applies, see section [23.3.4](#). Above that ceiling, you then use the general percentage. The outcome of the calculation (percentage x catalogue value, whether or not taking into account the ceiling) leads to a value of private use on an annual basis. You divide this amount evenly over the employee's wage periods. If the car has not been at the employee's disposal for the entire wage period, a time-proportional allocation applies, see paragraphs [23.3.10](#) and [23.3.11](#).

Employee contribution for private use of car

This is an amount that the employee pays you for the private use of the car, see paragraph [23.3.7](#). This is often done by deducting from the net salary. Or because the employee pays you in another way. This payment is also referred to as 'the employee's own contribution'. For the employee contribution, you may only enter it for a car for which a value for private use applies. You enter the actual amount that the employee pays you as a personal contribution in the tax return period in the section 'Employee contribution for private use of a car'. If the employee's contribution is not the same in every wage period, this means that the addition also differs per wage period.

The addition

The amount of the employee contribution per wage period is deducted from the 'Value of private use of the car' for the calculation of the addition. The balance (the 'addition') is accounted for as 'Value of wages not paid in cash' (or: wages in kind). For how you can enter this in the wage statement, see paragraph [11.2.4](#).

Note 2

In the event of varying personal contributions in any wage period, the personal contribution may be higher than the value of the private use. This can lead to a negative addition in the wage period. That is allowed. But cumulatively, the addition (the balance of the value of private use and the employee contribution) over the calendar year may not be negative. Per year, the employee's personal contribution may not lead to the addition becoming negative. For a detailed example of how to process this in the payroll tax return, see paragraph [23.3.7](#).

Note 3

You may have agreed with your employee that he will not pay his personal contribution periodically with the same amount. But for example in once or twice a year. Or that the amount of his own contribution fluctuates in a different way. According to the above system, this would mean that he has a (high) addition in the wage periods without a personal contribution (or with a low personal contribution). But in the periods in which he does pay a (high) personal contribution, he has a low or even negative addition.

In this situation (where you have agreed to pay the personal contribution with the employee in this way), you may also take into account an average personal contribution. You then act as follows:

- You determine the annual amount of the value of the car for private use and allocate it proportionally to the number of wage periods that the car is/will be available to the employee in the year.
- You take the annual amount of personal contribution that you have agreed with the employee and allocate it to the number of wage periods that the car is/will be available to the employee in the year.
- You process the found period amounts in the relevant sections of the payroll tax return.
- For each tax return period, you take into account the addition, i.e. the difference between the value of private use and the employee contribution per period.

In this way, the employee always has an equal addition.

It is possible that at some point you will waive the employee's payment of the agreed personal contribution. Or that you do not take advantage of any alternative recourse options. Or that the employee has paid less in personal contribution than you had agreed in advance. Then you must consider the amount that the employee does not pay you at that time as a negative personal contribution. The negative personal contribution then leads to taxable wages.

See also 'Note 4' in example 2 in section [23.3.7](#).

Code reason no addition

For various reasons, it may be that no addition has to be made. You specify this with the appropriate code.

Code	Description and explanation
1	Appointment via employer with the Tax and Customs Administration You also use this code if you have prohibited the private use of a delivery van.
2	Employee has a statement of no private use of car from the Tax and Customs Administration
3	Other evidence of passenger cars and vans
5	Continuous alternating use of delivery van
7	Employee has a statement of the exclusive business use of delivery van from the Tax and Customs Administration

More than one car made available?

If you make two or more cars available to the same employee at the same time in the same tax period, the following situations may arise for possible private use:

- 1 An addition applies to all cars. You must add up the private use of each car for the section 'Value of private use of car'. How to calculate these value(s) can be found in section [23.3.12](#).
- 2 There is no addition to taxable income for all cars. In this situation, in the section 'Code reason no addition', enter the code for the car that the employee has been available for the longest time in the tax return period. You fill the sections 'Value of private use of car' and 'Employee contribution for private use of car' with € 0.
- 3 In addition to a car for which no addition to taxable income on the basis of one of the codes is required, you have also made one (or more) cars available at the same time, for which an addition for private use must be made. Because there is now an addition, you do not mention a code in the section 'Code reason no addition'.

You may not enter a personal contribution by the employee for cars for which a code reason does not apply to the addition in the section 'Employee contribution for private use of a car'. Not even if you also make another car available to the employee, which does lead to a value for private use.

Example

You provide your employee with 2 cars:

- 1 a van without addition (so with a code reason no addition) but **with** a personal contribution of € 100 per month
- 2 a passenger car with private use value of € 300 per month but **without** personal contribution.

In the section 'Value of private use of car' you enter € 300. You may not enter the employee's personal contribution for the van in the section 'Employee contribution for private use of the car'. The personal contribution is also not deducted for determining the addition for this employee. The addition (value of wages not paid in cash) is therefore € 300 per month.

29.22 Wages in cash, Value of wages not paid in cash, Wages SV, Wages LB/PH, withheld LB/PH, Deducted Zvw contribution and Settled labor tax credit

For the following sections, you take the value from the wage statement. For an explanation, please refer to the relevant paragraphs:

- Salary in cash, see section [11.2.3](#)
- Value of wages not paid in cash (wages other than in cash), see section [11.2.4](#)
- Wage SV (wage for employee insurance schemes), see paragraph [11.2.7](#)
- Wage LB/PH (wage for wage tax/national insurance), see paragraph [11.2.9](#)
- Withheld LB/PH (withheld wage tax/national insurance contributions), see paragraph [11.2.10](#)
- Withheld Zvw contribution, see paragraph [11.2.11](#)
- Settled labor tax credit, see paragraph [11.2.12](#)

29.23 Insurance indications ZW, WW and WAO/IVA/WGA

With the three insurance indications for the ZW, the WW and the WAO/IVA/WGA, you indicate with a 'J' (yes) or 'N' (no) whether the employee is insured for the relevant employee insurance in the income period.

ZW, WW and WAO/IVA/WGA and AOW age

Upon reaching the state pension age, the insurance obligation ends for:

- the Unemployment Insurance Act (WW)
- the Disability Insurance Act (WAO)
- the Work and Income (Capacity for Work) Act (WIA)

The WIA has 2 schemes: the Income Provision for Fully Disabled Persons (IVA) and the Resumption of Work for Partially Disabled Persons (WGA). If the employee continues to work after reaching the state pension age, set the indication for the WW and the WAO/IVA/WGA to 'N'. This is regardless of whether you continue to account for the salary in the same income ratio or in a different income ratio. This also applies if you hire the person after reaching the state pension age.

You do not pay employee insurance premiums from the first day of the month that the employee reaches the state pension age. You can read more about employees who have reached the state pension age in paragraph [18.21](#).

Please note

For a person who reaches the state pension age while employed by you, but who is not insured for employee insurance, you may not start a new income ratio when you reach the state pension age.

Under the Sickness Benefits Act (ZW), if the employee reaches the state pension age during the employment, he or she will remain insured under the Sickness Benefits Act (ZW). You then continue to fill in the indication for the ZW with 'J'. This applies to the following situations:

- The person was already employed by you, reaches the state pension age and continues to work. You account for his salary after reaching the state pension age in the same income ratio.
- The person was already employed by you, reaches the state pension age and continues to work. You end the previous income ratio when you reach the state pension age and start a new income ratio (with a different number of income ratio) for the period from the state pension age.
- You hire a person who has already reached the state pension age.

Self-insured

An employer can be self-insured for the ZW and the WGA, see section 7.7. Despite the employer's self-risk bearership, you must still fill in the insurance indications with 'J'. The employee is insured for the ZW and the WGA.

Government employers

A government employer must set the unemployment benefit indication to 'J' for an employee, also in the following situations:

- the government employer who is the self-risk bearer for the unemployment benefit
- the government employer does not pay unemployment insurance contributions, but UFO contributions for the employee
- the government employer pays unemployment benefits

The employee is insured for unemployment benefits in all situations.

Conscientious objector employee

For a conscientious objector employee, you fill in the indication that would apply if the person in question were not a conscientious objector.

29.24 Wages taxed according to the special remuneration table

In the section 'Salary taxed according to the table of special remunerations', enter the part of the salary LB/PH (wage for wage tax/national insurance contributions) that you have taxed with the table for special remunerations.

Please note

This amount is a separate piece of information in the payroll tax return and is not part of an addition.

Example

In the month of November, you pay the employee a regular salary of € 2,500. You have applied the period table to this salary. In addition, you pay € 1,000 in end-of-year bonus. You have applied the table for special remunerations to this.

You enter the total of these wages in the section 'Wage LB/PH' with € 3,500. This includes a part of € 1,000 that you have charged with the table for special rewards. You enter this amount of € 1,000 in the section 'Wages taxed according to the special remuneration table'.

29.25 Code phase classification F&Z

The 'Code phase classification F&Z' indicates in which phase the employee, whom you indicate in the relevant income ratio, is in the context of the Flexibility and Security Act (F&Z Act).

If there is a code type of employment relationship 11 (temporary worker) where you have not yet specified an end date of the income ratio (i.e. the temporary employment contract has not yet been terminated), you are obliged to provide the code.

In other situations, providing a code is not mandatory.

We know the following codes:

Code	Description and explanation
1	Phase 1-2 with temporary employment clause, from the NBBU1 collective labor agreement
3	Phase 3, from the NBBU collective labor agreement
4	Phase 4, from the NBBU collective labor agreement
5	Legal regime If no collective labour agreement applies to a temporary employment agency, the legal regime for temporary employment contracts within the employment law of Book 7 of the Dutch Civil Code ³ applies.
6	Chain system For both temporary employment agencies and non-temporary employment employers, the chain system (also known as chain rule) of the employment law of Book 7 of the Dutch Civil Code³ applies. For temporary employment employers, deviations from the main rule of this chain system are possible. Code 6 applies in the following situations: • you are a non-temporary employment employer with an employment contract with an employee. Entering the code is not mandatory. • you are a temporary employment employer, but you are not covered by the collective labor agreement of the NBBU or the ABU. U are obliged to fill in the code as soon as the employee has performed work for you in more than 26 weeks.
17	Phase A with temporary employment clause, from the collective labor agreement of the ABU ²
18	Phase B, from the collective labor agreement of the ABU
19	Phase C, from the collective labor agreement of the ABU
38	Phase A without a temporary employment clause, with the exclusion of the obligation to continue to pay wages, from the ABU collective labor agreement
40	Phase A without a temporary employment clause, from the ABU collective labor agreement
41	Phase 1-2 without a temporary employment clause, from the NBBU collective labor agreement
43	Phase 1-2 without a temporary employment clause, excluding the obligation to continue to pay wages, from the NBBU collective labor agreement

- 1 The NBBU is the Dutch Association of Mediation and Temporary Employment Agencies.
At the end of December 2019, the NBBU and the ABU harmonised their collective labour agreements, as a result of which phase 1 and 2 were combined into 1 new first 'Phase 1-2' in the NBBU collective labour agreement.
- 2 The ABU is the General Union of Temporary Employment Agencies.
- 3 For more information about employment law and whether the legal regime or the chain system applies, please refer to your own employment law expert.

29.26 Indication of participation in the time savings fund

By a 'time savings fund' we mean an agreement between employer and employee in a collective labour agreement or other collective terms of employment, whereby the employee has an independent right to holiday allowance and to wages during holidays, leave and absenteeism, as opposed to a time savings fund set up by the business organisation.

You are required to provide this indication with a 'J' for all income ratios with Code type income ratio 11, 13, 15 and 17 if such a time savings fund is involved.

If there is no such time savings fund, you do not provide anything for your employees or you provide the indication 'N'.

The UWV needs this information for the assessment of benefit entitlements.

For more information about a time savings fund, see section 5.1 under 'VCR memorandum §8.11 Holiday vouchers', section 21.2.2 and the Appendix 6 Time Savings Fund.

29.27 Indication of transport by the withholding agent

The 'Indication of transport on behalf of the withholding agent' on 'J' (yes) indicates that in the context of this income ratio, transport has been arranged for the employee on behalf of the withholding agent. More information about this can be found in section [23.9](#).

29.28 Code reason for termination of employment

The Code for the Reason for the End of the Employment Relationship provides insight into the reason for the end of the employment relationship. An employment relationship can be:

- an employment contract on the basis of the Civil Code (code nature of employment relationship 1, 11, 21, 22, 23, 24, 82 and 83);
- a public-law appointment (code nature of employment relationship 18); or
- a fictitious employment relationship, such as in the case of opting-in and certain forms of internship (code nature of employment relationship 4, 6, 7, 79 and 81).

For the content of the codes, see paragraph [29.13](#).

With the section 'Reason for the end of the employment relationship' section, you must state the reason for the end of the employment relationship at the end of the income ratio. Before 2023, this was the section 'Code reason for termination of employment contract'. From 2023, the section will also apply to employment relationships without an employment contract (for public-law appointments and for fictitious employment relationships, as mentioned above). The description of a number of codes has been adjusted. In addition, a number of codes have been added. We explain the codes below.

- 01 Termination/dismissal by the employer within the probationary period
- 02 *This code has already expired as of 2022, replacing it with codes 05 and 06*
- 03 Dissolution by court at the request of the employer
- 04 Termination of employment relationship by mutual consent at the initiative of the employer
- 05 Termination/dismissal by the employer due to long-term incapacity for work
- 06 Termination/dismissal by the employer for economic reasons
- 20 Termination of employment relationship due to notice of termination by employee, by the employee's actions or on the employee's initiative
- 21 Termination/dismissal by employer for serious cause (instant dismissal)
- 30 Termination by operation of law due to the expiry of the fixed-term employment relationship
- 31 End by operation of law, for another reason (occurrence of resolute condition, retirement, death, etc.)
- 40 Termination of temporary employment contract, invocation of temporary employment clause by the hirer due to illness of the temporary worker
- 41 Termination of temporary employment contract, invocation of temporary employment clause by the hirer for another reason
- 50 Dismissal of a public-law appointment due to incompetence or incapacity
- 51 Dismissal of a public-law appointment due to age/retirement
- 90 The employment relationship continues, but the income ratio has been administratively terminated
- 91 The employment relationship continues with a new employer
- 92 The employment relationship is succeeded without interruption by a new employment relationship with the same employer
- 99 Another reason not mentioned above

Explanation of codes 01, 03 and 04

These codes cover situations where:

- the employer has terminated the employment relationship
- the employer has dismissed the employee
- the employment contract has been dissolved at the request of the employer
- the employment relationship has been terminated by mutual consent at the initiative of the employer. In general, a termination agreement or settlement agreement will be concluded. If

the initiative to terminate the employment contract comes from the employee, use code 20 and not one of the codes 01 to 04. And also not code 05 or 06. Codes 01 and 04 can also be used when terminating a public-law appointment or a fictitious employment relationship as mentioned at the top of this paragraph. In the case of fictitious employment such as opting-in, you can read 'client' for 'employer'. And for 'employee' you can read 'contractor'.

Explanation of codes 05 and 06

In 2022, both descriptions stated "with permission from UWV". That addition has been deleted. The codes concern situations from 2023 onwards:

- in which the employment contract is terminated after permission from the UWV in the event of long-term incapacity for work (code 05) or for economic reasons (code 06), or
- in the event of dismissal from a public-law appointment. No permission from the UWV is required for this. Code 05 applies to dismissal from a public-law appointment after 2 years of illness due to long-term incapacity for work. Code 06 applies in the event of dismissal for economic reasons. This mainly concerns dismissal due to redundancy of staff, the dismissal of a position or the lack of a suitable position after a reorganisation.

If you make a supplementary payment in 2023 or later on an income ratio that had already been terminated in 2021 or earlier, for which you used code 02 (Termination by the employer with the permission of the UWV) at the time, you will still use code 05 or 06 for the supplementary payment, if those codes would have applied at the time. Code 02 may no longer be used from 2022.

Explanation of codes 20 and 21

These codes relate to situations in which the employment relationship ends as a result of an act or behaviour of the employee.

Code 21 specifically refers to summary dismissal (dismissal for an urgent reason). Summary dismissal concerns acts, characteristics or behaviour of the employee, which result in the employer not reasonably being expected to allow the employment relationship to continue. Code 20 applies to other situations. This includes the situation in which the employee has resigned or that he has taken the initiative to resign. This can be, for example, a termination by mutual consent on the initiative of the employee or a request for dissolution by the employee in court. This also includes other acts and omissions by the employee that have led to:

- termination of the employment relationship, other than summary dismissal, or
- not renewing a temporary employment contract/appointment.

These codes also cover situations in which the employee with a public-law appointment requests his dismissal himself or the employee no longer meets the requirements attached to the appointment due to his fault. In these situations, you must use code 20 and not one of the codes 01, 03 or 04 when dismissed by the employer.

You can also use these codes when terminating a fictitious employment. In some fictitious employment relationships, such as opting-in, you can read 'client' for 'employer'. And for 'employee' you can read 'contractor'.

Explanation of codes 30 and 31

These codes relate to situations in which the employment relationship ends by operation of law. Code 30 refers to the situation in which a fixed-term employment relationship ends due to the expiry of the period for which it was entered into. If a temporary employment relationship is not renewed due to the employee's actions or omissions, use code 20.

Code 31 covers the other situations in which the employment relationship ends without notice. This is the case, for example:

- when a resolutive condition occurs, or
- if the collective labour agreement or in some other way provides that the employment relationship ends by operation of law when the employee reaches the state pension or other retirement age, or
- in the event of the death of the employee.

You can also use these codes when terminating a public-law appointment or a fictitious employment relationship as mentioned at the top of this paragraph. In the case of a public-law appointment, retirement will often not be a termination by operation of law, but a dismissal will be granted. Codes 50 and 51 apply to this.

Explanation of codes 40 and 41

These codes are specific to temporary employment contracts. In the case of temporary employment contracts with a temporary employment clause, the special feature is that the agreement can be terminated at the request of the hirer by invoking the temporary employment clause. For other terminations, the same reasons apply that also apply to other employment contracts.

Explanation of codes 50 and 51

These codes cover a number of specific situations of termination of public-law appointments for which different dismissal rules apply than for employment contracts.

Code 50 refers to situations in which the employee is dismissed due to incompetence or unsuitability for his office. This may involve incapacity for work due to illness or infirmity, but it may also involve incapacity or incapacity that is not the result of illness, such as inadequate performance or failure to meet certain educational requirements. However, in the event of dismissal after 2 years of illness due to long-term incapacity for work, use code 05. If the dismissal of the employee is the result of an act or omission by the employee that is attributable to him, then you use code 20 or 21. Code 51 refers to situations in which the employee is dismissed because he has reached a certain age, such as retirement age, or dismissal at his own request due to retirement. This does not concern situations in which the employee is not dismissed, but the employee goes on leave during the appointment because he or she has reached a certain age. After all, the appointment continues during the leave.

Explanation of codes 90 to 99

Codes 90 and 99 are necessary to be able to set up a conclusive check on the completion of the Reason for Termination of Employment Relationship.

Code 90 refers to situations in which the employment relationship continues, but where you fill the 'End of Income Relationship' date with an end date for administrative reasons. This is the case, for example, if you are going to pay the employee under a different payroll tax sub-number within the same employment contract. There is then automatically a new income ratio. Code 91 concerns the situations in which the employment relationship with the employee continues with the new employer. This is as a result of a transfer of an undertaking in which the employee transfers to another employer. Or in the situation where the employment contract with the employee is transferred to another employer by deed (Article 6:159 of the Dutch Civil Code).

Code 92 is required from 2025, if you have to create a new income ratio under the IKV Decree if a terminated employment relationship is followed by a new employment relationship with the same employer without interruption. However, if you declare such a new employment relationship in a new income ratio as early as 2023 in anticipation of the entry into force of this decree, please use code 92 when terminating the old income ratio.

Code 92 is also used if an employee enters into an employment contract with you following an internship. Code 99 may only be used for situations where none of the other codes apply.

Note 1

If the description suggests that more than one code could apply, enter the code that most closely matches the reason why the employment relationship ended.

Note 2

If you make another payment in 2023 that you process in an income ratio that you ended in 2022 or earlier, use the 2023 code if that code would have been valid in 2022 or earlier.

29.29 Supplement to employee insurance benefits provided

If an employee is insured under the employee insurance schemes, enter the amount in this section that you pay an employee in wages for employee insurance (wage SV) as a supplement to a benefit under WW, ZW, WAO, WIA, WAZO (including WIEG and WBO) and Allowances Act (TW). You may only fill in this section if the employment has not yet ended. The amount in this section is also part of the amount of the SV wage and LB/PH wage section.

You may not fill in the section if the supplement is more than the mandatory percentage that you continue to pay in the event of illness. You may also not fill in the section if you supplement payments/benefits other than those we have mentioned above.

Please note

If it concerns a supplement to a benefit of an employee who has since left employment (you then use 'Code type of income ratio/income code' 61), there is no question of wages for employee insurance. You do not fill in this section.

29.30 Accrual in the cumulative premium wage Aof, AWf, Whk and Ufo

By the cumulative premium wage we mean the wage for the employee insurance schemes (SV wage) on which you have calculated the employee insurance premium using the rules of the progressive cumulative calculation (VCR).

By applying the VCR system, the increase in the cumulative premium wage in the tax return may be smaller than the social security wage (because the premium wage is capped), but the increase can sometimes also be larger, see Chapter 6.

If the anonymous rate applies to the withholding of wage tax/national insurance contributions, there is no maximum for the increase. For more information about the wage period system, see chapter 5 and about the VCR system, see chapter 6.

Government employers

Are you a government employer and do you owe a UFO premium on the salary of the government employee? Then you do **not** declare the Accrual in the cumulative premium wage UFO or the Accrual in the cumulative premium wage AWf benefit for a WW, ZW, WAZO, WAO or WIA benefit that you receive from the UWV and pay to the employee. **However**, you do declare the Accrual in the cumulative premium wage Aof benefit on these benefits. You also declare the Accrual in the cumulative premium wage Whk on the joint amount of wages and the benefit.

Employee with state pension age or older

You can read more about employees who have reached the state pension age in paragraph [18.21](#). For insurance indications and inclusion in the income ratio, if the employee continues to work, see paragraph [29.23](#).

29.30.1 Disability fund (Aof)

The Aof premium wage has 3 variants in the tax return: Aof low, high and benefit.

Within 1 income ratio in 1 tax return period, you can declare either Accrual in the cumulative premium wage Aof low or Accrual in the cumulative premium wage Aof high. You then fill the other section with € 0. If you have to declare both Aof low and Aof high for 1 employee, use 2 separate income ratios. This may occur with certain WSW employees, see section [7.5](#).

Do you also have to declare Aof benefit in addition to Aof low or high? Then you have the choice:

- You process the benefit in a different income ratio.
- You process the benefit in the same income ratio as that of the salary. The cumulative premium wage Aof benefit may be processed together with the cumulative premium wage Aof low or with the cumulative premium wage Aof high in 1 income ratio. Here's how:
 - You indicate the part of the premium wage that you must allocate to the regular salary (without the benefit) in, for example, the section 'Accrual in the cumulative premium wage Aof low'. You can then declare the premium on this (part of the) premium salary in the section 'Premium Aof low'.
 - You declare the part of the premium salary that you must allocate to the benefit in the section 'Accrual in the cumulative premium wage Aof benefit'. You then declare the premium on this (part of the) premium salary in the section 'Premium Aof benefit'.

You can read more about the Aof premium in section [7.5](#). There you will also find an example of Aof low with Aof benefit and Aof high with Aof benefit.

29.30.2 General Unemployment Fund (AWf)

The AWf premium wage has 4 variants in the tax return: AWf low, high, benefit and revised. The same system applies to the declaration of AWf low, high and benefit as to the Aof.

In paragraph [7.2](#) you can read when AWf low, AWf high or AWf benefit applies.

In addition, the AWf is subject to the system of revision. If revision applies, you will apply the low premium in some situations, but you will have to pay the high premium retroactively.

You can read more about the AWf premium and about revision in section [7.2.1](#), section [7.2.2](#) and section [7.2.3](#).

29.30.3 Werkhervattingskas (Whk)

The UWV uses the section 'Accrual in the cumulative Whk premium wage' to determine, among other things, the Whk premium percentage that you must use in 2 years' time.

You can read more about the differentiated premium for the Whk in section [7.6](#).

Please note

Are you self-insured for the ZW and/or WGA? Then the premium component for the ZW and/or the WGA is 0%. But even then you must fill the section for the 'Accrual in the cumulative Whk premium wage' in the payroll tax return with the Whk wage received as if you were not a self-risk bearer, because the UWV needs that information.

You can read more about being a self-insured person in section [7.8](#).

29.30.4 Government Implementation Fund (UFO)

Only employers in sectors 61 to 66 can be granted a Ufo premium. You can read more about the UFO in section [7.4](#).

29.31 Withheld wage tax/national insurance contributions

In this section, you enter the total amount of wage tax/national insurance contributions that you have withheld in the tax return period, as stated in column 15 of the wage statement.

Please note

The cumulative amount of withheld wage tax/national insurance contributions may not be negative in the tax return. More information about this can be found in section [11.2.10](#).

29.32 Settled labor tax credit

In this section, you enter the total amount of the employment tax credit that you have settled in the tax return period, as stated in column 18 of the wage statement.

Please note

The cumulative amount of settled labor tax credit may not be negative in the tax return. You can read more about this in section [11.2.13](#).

Attachments

Appendix 1: Rates, amounts and percentages of payroll taxes from 1 January 2025

Table 1 Bracket rate for wage tax/national insurance contributions

Disk	For wages per year		Wage tax/national insurance contributions	
	From more than	Up to and including	Younger than the state pension age	State pension age and older, born in 1946 or later
1	€ 0	€ 38,441	35,82%	17,92%
2a	€ 38,441	€ 76,817	37,48%	37,48%
3	€ 76.817	–	49,50%	49,50%

Disk	For wages per year		Wage tax/national insurance contributions
	From more than	Up to and including	State pension age and older, born in 1945 or earlier
1	€ 0	€ 40.502	17,92%
2b	€ 40.502	€ 76.817	37,48%
3	€ 76.817	–	49,50%

The rate of the brackets is composed as follows:

Disk	Heffingscomponent	Younger than the state pension age	State pension age and older
1	AOW premium	17,90%	–
	Anw premium	0,10%	0,10%
	Wlz premium	9,65%	9,65%
	Payroll tax	8,17%	8,17%
	Total bracket 1	35,82%	17,92%
2a and 2b	Payroll tax	37,48%	37,48%
3	Payroll tax	49,50%	49,50%

Table 2a/2b Tax credits for wage tax/national insurance contributions

All amounts in this table are on an annual basis

Tax credit	Younger than the state pension age		State pension age or older		Detail
	Amount	Percentage	Amount	Percentage	
General tax credit	€ 3.068	–	€ 1.536	–	For wages up to € 28,406
Phasing out general tax credit Maximum phasing out	– € 3.068	6,337% –	– € 1.536	3,170% –	For wages from € 28,406 But not more than € 76,817 Reached at € 76,817
Labor tax credit					
1st accrual percentage	–	8,053%	–	4,029%	For wages from current employment up to € 12,169
1st superstructure maximum	€ 980	–	€ 491	–	
2nd accrual percentage	–	30,030%	–	15,023%	For wages from current employment from € 12,169 to € 26,288
2nd superstructure maximum	€ 4.240	–	€ 2.121	–	
3rd accrual percentage	–	2,258%	–	1,130%	For wages from current employment from € 26,288 Reached at € 43,071
3rd build-up maximum	€ 379	–	€ 190	–	
Total labor tax credit maximum	€ 5.599	–	€ 2.802	–	
Phasing out labor tax credit	–	6,510%	–	3,257%	For wages from current employment from € 43,071 Reached at € 129,078
Maximum reduction	€ 5.599	–	€ 2.802	–	
Young disabled discount	€ 909	–	€ 456	–	
Elderly tax credit	–	–	€ 2.035	–	For wages up to € 45,308
Phasing out elderly tax credit Maximum reduction	– –	– –	– € 2.035	15,000% –	For wages from € 45,308 Reached at € 58,875
Single elderly person's tax credit	–	–	€ 531	–	

Table 3 Table for artists and foreign professional athletes

For a	Percentage
Artist living in the Netherlands	35,82%
Artist living abroad	20,00%
Foreign group and foreign professional athletes from a non-treaty country	20,00%

Table 4 Table for contractors of work, home workers, sex workers and similar

	Younger than the state pension age		State pension age and older	
Payroll tax credit applicable	No	Yes	No	Yes
Percentage	35,00%	6,00%	17,00%	0,00%

Table 5.1 Final levy – Employee is liable to pay tax and social security contributions

Employee lives in the Netherlands, Belgium, Suriname or Aruba

With an annual wage of up to	Younger than the state pension age		State pension age or older born in 1946 or later		State pension age or older born in 1945 or earlier	
	Payroll tax credit applicable		Payroll tax credit applicable		Payroll tax credit applicable	
	No	Yes	No	Yes	No	And
<i>Tabeltarief</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 8.566	55,80%	0,00%	21,80%	0,00%	21,80%	0,00%
€ 38.442	55,80%	55,80%	21,80%	21,80%	Na	Na
€ 40.503	Na	Na	Na	Na	21,80%	21,80%
€ 76.818	59,90%	59,90%	59,90%	59,90%	59,90%	59,90%
higher	98,00%	98,00%	98,00%	98,00%	98,00%	98,00%
<i>Single rate</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 8.566	35,82%	0,00%	17,92%	0,00%	17,92%	0,00%
€ 38.442	35,82%	35,82%	17,92%	17,92%	Na	Na
€ 40.503	Na	Na	Na	Na	17,92%	17,92%
€ 76.818	37,48%	37,48%	37,48%	37,48%	37,48%	37,48%
higher	49,50%	49,50%	49,50%	49,50%	49,50%	49,50%

Table 5.2 Final levy – Employee is only liable to pay social security contributions

Employee lives in the Netherlands, Belgium, Suriname or Aruba

With an annual wage of up to	Younger than the state pension age		State pension age or older born in 1946 or later		State pension age or older born in 1945 or earlier	
	Payroll tax credit applicable		Payroll tax credit applicable		Payroll tax credit applicable	
	No	And	No	And	No	And
<i>Tabeltarief</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 8.566	38,20%	0,00%	10,80%	0,00%	10,80%	0,00%
€ 38.442	38,20%	38,20%	10,80%	10,80%	Na	Na
€ 40.503	Na	Na	Na	Na	10,80%	10,80%
€ 76.818	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
higher	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
<i>Single rate</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 8.566	27,65%	0,00%	9,75%	0,00%	9,75%	0,00%
€ 38.442	27,65%	27,65%	9,75%	9,75%	Na	Na
€ 40.503	Na	Na	Na	Na	9,75%	9,75%
€ 76.818	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
higher	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Table 5.3 Final levy – Employee is only liable to tax

Employee lives in the Netherlands, Belgium, Suriname or Aruba

With an annual wage of up to	Younger than the state pension age		State pension age or older born in 1946 or later		State pension age or older born in 1945 or earlier	
	Payroll tax credit applicable		Payroll tax credit applicable		Payroll tax credit applicable	
	No	And	No	And	No	And
<i>Tabeltarief</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 8.566	8,80%	0,00%	8,80%	0,00%	8,80%	0,00%
€ 38.442	8,80%	8,80%	8,80%	8,80%	Na	Na
€ 40.503	Na	Na	Na	Na	8,80%	8,80%
€ 76.818	59,90%	59,90%	59,90%	59,90%	59,90%	59,90%
higher	98,00%	98,00%	98,00%	98,00%	98,00%	98,00%
<i>Single rate</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 8.566	8,17%	0,00%	8,17%	0,00%	8,17%	0,00%
€ 38.442	8,17%	8,17%	8,17%	8,17%	Na	Na
€ 40.503	Na	Na	Na	Na	8,17%	8,17%
€ 76.818	37,48%	37,48%	37,48%	37,48%	37,48%	37,48%
higher	49,50%	49,50%	49,50%	49,50%	49,50%	49,50%

Table 5.4 Final levy – If there is an obligation to pay national insurance contributions with deduction of Zvw contribution

For living in all countries, for all ages

With an annual wage of up to	Payroll tax credit applicable	
	No	And
€ 8.566	60,70%	0,00%
€ 38.442	60,70%	60,70%
€ 75.865	65,40%	65,40%
€ 76.818	59,90%	59,90%
higher	98,00%	98,00%

Table 5.5 Final levy – When applying the anonymous rate

For all forms of tax liability, for living in all countries, for all ages

Rate type	Percentage
Tabeltarief	108,30%
Single rate	52,00%

Table 5.6 Final levy – For work contractors, home workers, sex workers and similar

For all forms of tax liability, for living in all countries

Rate type	Younger than the state pension age		State pension age and older	
	Payroll tax credit applicable		Payroll tax credit applicable	
	No	Yes	No	Yes
Tabeltarief	53,80%	6,30%	20,40%	0,00%
Single rate	35,00%	6,00%	17,00%	0,00%

Table 6.1 Final levy – Employee is liable to pay tax and social security contributions

The employee lives in a circle of countries or a third country, *other* than in the Netherlands, Belgium, Suriname or Aruba

With an annual wage of up to	Younger than the state pension age		State pension age or older born in 1946 or later		State pension age or older born in 1945 or earlier	
	Payroll tax credit applicable		Payroll tax credit applicable		Payroll tax credit applicable	
	No	Yes	No	Yes	No	Yes
<i>Tabeltarief</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 4.666	Na	Na	21,80%	0,00%	21,80%	0,00%
€ 6.614	55,80%	0,00%	Na	Na	Na	Na
€ 38.442	55,80%	55,80%	21,80%	21,80%	Na	Na
€ 40.503	Na	Na	Na	Na	21,80%	21,80%
€ 76.818	59,90%	59,90%	59,90%	59,90%	59,90%	59,90%
higher	98,00%	98,00%	98,00%	98,00%	98,00%	98,00%
<i>Single rate</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 4.666	Na	Na	17,92%	0,00%	17,92%	0,00%
€ 6.614	35,82%	0,00%	0,00%	Na	Na	Na
€ 38.442	35,82%	35,82%	17,92%	17,92%	Na	Na
€ 40.503	Na	Na	Na	Na	17,92%	17,92%
€ 76.818	37,48%	37,48%	37,48%	37,48%	37,48%	37,48%
higher	49,50%	49,50%	49,50%	49,50%	49,50%	49,50%

Table 6.2 Final levy – Employee is only liable to pay contributions

The employee lives in a circle of countries or a third country, *other* than in the Netherlands, Belgium, Suriname or Aruba

With an annual wage of up to	Younger than the state pension age		State pension age or older born in 1946 or later		State pension age or older born in 1945 or earlier	
	Payroll tax credit applicable		Payroll tax credit applicable		Payroll tax credit applicable	
	No	And	No	And	No	And
<i>Tabeltarief</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 4.666	Na	Na	10,80%	0,00%	10,80%	0,00%
€ 6.614	38,20%	0,00%	Na	Na	Na	Na
€ 38.442	38,20%	38,20%	10,80%	10,80%	Na	Na
€ 40.503	Na	Na	Na	Na	10,80%	10,80%
€ 76.818	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
higher	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
<i>Single rate</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 4.666	Na	Na	9,75%	0,00%	9,75%	0,00%
€ 6.614	27,65%	0,00%	Na	Na	Na	Na
€ 38.442	27,65%	27,65%	9,75%	9,75%	Na	Na
€ 40.503	Na	Na	Na	Na	9,75%	9,75%
€ 76.818	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%
higher	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%

Table 6.3 Final levy – Employee is only liable to tax

The employee lives in a circle of countries or a third country, *other* than in the Netherlands, Belgium, Suriname or Aruba

With an annual wage of up to	Younger than the state pension age		State pension age or older born in 1946 or later		State pension age or older born in 1945 or earlier	
	Payroll tax credit applicable		Payroll tax credit applicable		Payroll tax credit applicable	
	No	Yes	No	Yes	No	Yes
<i>Tabeltarief</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 4.666	Na	Na	8,80%	0,00%	8,80%	0,00%
€ 6.614	8,80%	0,00%	Na	Na	Na	Na
€ 38.442	8,80%	8,80%	8,80%	8,80%	Na	Na
€ 40.503	Na	Na	Na	Na	8,80%	8,80%
€ 76.818	59,90%	59,90%	59,90%	59,90%	59,90%	59,90%
higher	98,00%	98,00%	98,00%	98,00%	98,00%	98,00%
<i>Single rate</i>	<i>'N/A' means that the relevant bracket does not apply for that age group</i>					
€ 4.666	Na	Na	8,17%	0,00%	8,17%	0,00%
€ 6.614	8,17%	0,00%	Na	Na	Na	Na
€ 38.442	8,17%	8,17%	8,17%	8,17%	Na	Na
€ 40.503	Na	Na	Na	Na	8,17%	8,17%
€ 76.818	37,48%	37,48%	37,48%	37,48%	37,48%	37,48%
higher	49,50%	49,50%	49,50%	49,50%	49,50%	49,50%

Table 6.4 Final levy – If there is an obligation to pay national insurance contributions with deduction of Zvw contribution

(Similar to Table 5.4) For living in all countries, for all ages

With an annual wage of up to	Payroll tax credit applicable	
	No	And
€ 8.566	60,70%	0,00%
€ 38.442	60,70%	60,70%
€ 75.865	65,40%	65,40%
€ 76.818	59,90%	59,90%
higher	98,00%	98,00%

Table 6.5 Final levy – When applying the anonymous rate

For all forms of tax liability, for living in all countries, for all ages

Rate type	Percentage
Tabeltarief	108,30%
Single rate	52,00%

Table 6.6 Final levy – For contractors of work, home workers, sex workers and similar

For all forms of tax liability, for living in all countries

Rate type	Younger than the state pension age		State pension age and older	
	Payroll tax credit applicable		Payroll tax credit applicable	
	No	And	No	And
Tabeltarief	53,80%	6,30%	20,40%	0,00%
Single rate	35,00%	6,00%	17,00%	0,00%

Table 7 Remittance reduction for research and development (R&D)

	Bracket amount R&D wages	Percentage
The remittance reduction amounts to the 1st bracket	up to and including € 380,000	36%
For starters, the (increased) remittance reduction in the 1st bracket is	up to and including € 380,000	50%
The remittance reduction on the excess amounts to the 2nd bracket	more than € 380,000	16%

Table 8 Minimum hourly wage as of 1 January 2025

The minimum hourly wage will be adjusted as of 1 January and 1 July. For the most up-to-date figures, visit rijksoverheid.nl

Age	Percentage	Per hour
21 years and older	100,0%	€ 14,06
20 years	80,0%	€ 11,25
19 years	60,0%	€ 8,44
18 years	50,0%	€ 7,03
17 years	39,5%	€ 5,55
16 years	34,5%	€ 4,85
15 years	30,0%	€ 4,22
20 years of BBL	61,5%	€ 8,65
19 years BBL	52,5%	€ 7,38
18 years bbl	45,5%	€ 6,40
17 years of BBL	39,5%	€ 5,55 equal to non BBL
16 years bbl	34,5%	€ 4,85 equal to non BBL
15 years of BBL	30,0%	€ 4,22 equal to non BBL

Table 9 Employee insurance premiums

Type of premium	Percentage
AWf low premium	2,74%
Premium AWf high	7,74%
Differentiated premium Whk	See communication or decision
Differentiated premium Aof low	6,28%
Differentiated premium Aof high	7,64%
Storage of thermal energy storage	0,50%
UFO premium	0,68%
Size of the employer: depending on your premium wage bill in 2023	
Average employee premium wage	€ 39.600
Small employer: up to 25x average premium wage ≤	€ 990.000
Medium-sized employer: up to 100x average premium wage ≤	€ 3.960.000
Large employer: more than 100x average premium salary	€ 3.960.000

Table 10 Sectoral premiums for the differentiated Whk premium (for small employers)

Sectorcode	Sector	WGA	ZW-flex	Total
1	Agricultural business	0,63%	0,36%	0,99%
2	Tobacco processing industry	0,98%	0,41%	1,39%
3	Construction company	0,72%	0,32%	1,04%
4	Dredging company	0,79%	0,18%	0,97%
5	Houten emballage industrie, houtwaren en borstelindustrie	0,90%	0,48%	1,38%
6	Timmer Industry	0,47%	0,39%	0,86%
7	Furniture and organ building industry	0,85%	0,47%	1,32%
8	Wholesale of wood, sawmills, planing mills and wood-making industry	0,63%	0,55%	1,18%
9	Printing industry	1,04%	0,51%	1,55%
10	Metal industry	0,88%	0,47%	1,35%
11	Electrotechnical industry	0,61%	0,27%	0,88%
12	Metal and technical industries	0,76%	0,41%	1,17%
13	Bakeries	1,22%	0,76%	1,98%
14	Sugar processing industry	1,64%	0,69%	2,33%
15	Butcher companies	1,06%	0,77%	1,83%
16	Butchers other	1,59%	0,54%	2,13%
17	Retail and crafts	0,98%	0,70%	1,68%
18	Cleaning	2,75%	1,15%	3,90%
19	Chain store	0,97%	0,40%	1,37%
20	Port companies	0,64%	0,61%	1,25%
21	Port classifiers	1,86%	0,54%	2,40%
22	Inland waterway transport	0,69%	0,49%	1,18%
23	Fishery	0,78%	0,31%	1,09%
24	Merchant navy	0,56%	0,34%	0,90%
25	Travel KLM	0,81%	0,68%	1,49%
26	Transport NS	0,81%	0,68%	1,49%
27	Postal transport	1,12%	0,82%	1,94%
28	Taxi transport	2,46%	1,39%	3,85%
29	Public transport	0,86%	0,63%	1,49%
30	Private bus transport	0,94%	0,37%	1,31%
31	Other passenger transport by land and air	0,43%	0,54%	0,97%
32	Other land and air freight transport	0,78%	0,69%	1,47%
33	Catering in general	0,75%	0,66%	1,41%
34	Horeca catering	1,62%	1,28%	2,90%
35	Health, mental and social interests	0,94%	0,72%	1,66%
38	Banks	0,72%	0,36%	1,08%
39	Insurance	0,27%	0,24%	0,51%

Sectorcode	Sector	WGA	ZW-flex	Total
40	Publisher	0,85%	0,43%	1,28%
41	Wholesale I	0,65%	0,40%	1,05%
42	Wholesale II	0,74%	0,52%	1,26%
43	Business Services I	0,67%	0,36%	1,03%
44	Business Services II	0,42%	0,39%	0,81%
45	Business Services III	0,56%	0,45%	1,01%
46	Dairy industry	1,43%	0,81%	2,24%
47	Textile industry	0,99%	0,38%	1,37%
48	Stone, cement, glass and ceramic industry	1,31%	0,55%	1,86%
49	Chemical industry	1,24%	0,62%	1,86%
50	Food industry	1,11%	0,60%	1,71%
51	Algemene industrie	1,07%	0,62%	1,69%
52	Temporary employment agencies	2,68%	3,23%	5,91%
53	Security companies	1,29%	1,18%	2,47%
54	Cultural institutions	0,68%	0,50%	1,18%
55	Other branches of business and occupation	0,98%	0,63%	1,61%
56	Painting company	1,04%	0,43%	1,47%
57	Plastering company	1,11%	0,46%	1,57%
58	Roofing company	1,27%	0,61%	1,88%
59	Mortar company	0,99%	0,85%	1,84%
60	Stonemason's company	1,11%	0,46%	1,57%
61	Government, education and science	0,88%	0,20%	1,08%
62	Government, state, police and judiciary	1,04%	0,16%	1,20%
63	Government, defense	0,88%	0,19%	1,07%
64	Government, provinces, municipalities and water boards	0,98%	0,26%	1,24%
65	Government, public utilities	0,85%	0,18%	1,03%
66	Government, other institutions	0,82%	0,17%	0,99%
67	Work and (re)integration	2,81%	0,94%	3,75%
68	Rail construction	0,97%	0,33%	1,30%
69	Telecommunications	0,74%	0,59%	1,33%
in 64 and 66	Replacement premium for WSW employees	0,83%	0,50%	1,33%

Table 11 Wage periods maximum premium wage and maximum contribution wage

Wage period maximums are the same for employee insurance schemes and the Health Insurance Act

Day	Week	4 weeks	Month	Quarter	Year
€ 291.78	€ 1,458.92	€ 5,835.69	€ 6,322.00	€ 18,966.00	€ 75,864.00

Table 12 Other standard amounts and percentages

Subject	Amount	Percentage
Health Insurance Act • employer's levy Zvw • withholding of Zvw contribution • seafarers (including share-fishermen)		6.51% 5.26% 0.00%
Minimum amount of customary salary for shareholders with a substantial interest	€ 56.000,00	
General addition percentage for private use of cars in 2025, see paragraph 23.3.3 • date of 1st admission on or after 1 January 2017 • date of 1st admission before 1 January 2017 • cars older than 15 years		22% 25% 35%
For cars without CO2 emissions, with the date of 1st admission on or after 1 January 2017 : reduction in 2025 on the general addition percentage up to the amount of the CAP, see paragraph 23.3.4 • date of 1st admission 2025 to the CAP • date of 1st admission 2024 and 2023 to the CAP • date of 1st admission 2022 to the CAP • date of 1st admission 2021 to the CAP • date of 1st admission 2020, after the expiry of the 60-month period to the CAP • date of 1st admission 2020, within the 60-month period to the CAP • date of 1st admission to the CAP 2019, 2018 and 2017 The CAP does not apply to hydrogen and solar cell cars: you calculate the discount over the entire basis	€ 30,000.00 € 30,000.00 € 35,000.00 € 40,000.00 € 30,000.00 € 45,000.00 € 30,000.00	5% 6% 6% 10% 5% 14% 5%
For cars without CO2 emissions, with the date of 1st admission before 1 January 2017 : discount in 2025 on the general addition percentage up to the amount of the CAP, depending on the date of 1st registration, see paragraph 23.3.4 • date of 1st registration 2025 to the CAP • date of 1st registration 2024 and 2023 to the CAP • date of 1st registration 2022 to the CAP • date of 1st registration 2021 to the CAP • date of 1st registration 2020, after the end of the 60-month period until the CAP • date of 1st registration 2020, within the 60-month period until the CAP • date of 1st registration before 2020 to the CAP The CAP does not apply to hydrogen and solar cell cars: you calculate the discount over the entire basis	€ 30,000.00 € 30,000.00 € 35,000.00 € 40,000.00 € 30,000.00 € 45,000.00 € 30,000.00	5% 6% 6% 10% 5% 14% 5%
Possible addition percentages in 2025 for private use of a car after application of the discount		8%, 11%, 12%, 15%, 16%, 17%, 19%, 20%
Final levy for continuous alternating use of delivery vans (per year)	€ 438.00	
Final levy on benefits in kind to non-employees • Maximum value • value more than	€ 136.00 € 136.00	45.00% 75.00%
Pseudo final levy for severance payments higher than	€ 680.000,00	75,00%
Pseudo final levy at RVU (for threshold exemption, see table 14)		52,00%
Lump sum payments of annuities taxed, if surrender is more than	€ 5,429.00	52,00%
Maximum pensionable salary Anonymous Rate Franchise	€ 137,800.00 € 18,475.00	52,00%
Authorisation to lower percentage of the special remuneration table if the deviation from income tax to be paid is at least	€ 227	10,00%
Income limit for payroll tax for 30% ruling • salary employee with specific expertise • salary of an employee with specific expertise who is not yet 30 years old	€ 46,660.00 € 35,468.00	

Subject	Amount	Percentage
Capping 30% ruling Top Income Standards Act (WNT standard)	€ 246.000,00	
Volunteer scheme (no pay), see paragraph 18.20		
• standard amount per year	€ 2,100.00	
• standard amount per month	€ 210.00	
• standard amount per hour for 21 years and older	€ 5.60	
• standard amount per hour for people under the age of 21	€ 3.30	
Value of the free provision of the health insurance scheme, see para. 21.1.1. Maximum	€ 27.00	
Value of meals Addition per breakfast/lunch/dinner	€ 3.95	
Value of housing and accommodation Addition per day	€ 6.80	
Artist scheme: drinks during working hours, tax-free allowance per day	€ 0.55	
Artist scheme: maximum amount of small fee scheme	€ 163.00	

Table 13 Standard amounts and percentages of the work-related costs scheme

Subject	Amount	Percentage
Free allowance per kilometre Specific exemption, see paragraph 23.1.1	€ 0.23	
Free allowance for working from home Specific exemption, see paragraph 23.1.2	€ 2.40	
Removal allowance Specific exemption, see paragraph 22.2.7	€ 7,750.00	
Products own company Specific exemption, see paragraph 4.5	€ 500.00	20,00%
Expat scheme Specific exemption, see section 19.4		30,00%
Final levy for the work-related costs scheme for the discretionary margin: percentage of the total wage wage tax/national insurance		80%
• up to and including a total taxable salary of € 400,000		2.00%
• over the excess		1.18%

Table 14 RVU threshold exemption

	Year	Amount
RVU threshold exemption, monthly amount, max. 36 months	2021	€ 1,847
<i>In 2025, you will also calculate the amount of 2025 for benefit periods before 2025. In the following years, you recalculate the threshold exemption amount for those years after the amount has been indexed.</i>	2022	€ 1,874
	2023	€ 2.037
	2024	€ 2.182
	2025	€ 2.273

Table 15 Wage cost benefits

Wage cost advantage	Amount per paid hour	Maximum amount per year	Maximum number of years that you can apply for the LKV for the same employee
Older employee:			
• employment started before 1 January 2024	€ 3,05 €	€ 6.000	3
• employment started in 2024	1,35 €	€ 2.600	2
• employment started in 2025	1,35	€ 2.600	1
Disabled employee	€ 3.05	€ 6,000	3
Target group job agreement and those with educational obstacles	€ 1.01	€ 2,000	3
Redeploying a disabled employee	€ 3.05	€ 6,000	1

Appendix 2: Examples of RVU threshold exemption

In the examples below, we explain the operation of the RVU threshold exemption in more detail. The threshold exemption per month is:

- 2021 2021 € 1,847 € 1,874 € 2,037 € 2,182
- 2022
- 2023
- 2024

In the last example, we work out the indexation of the threshold amount with partly fictitious amounts.

Situation 1: One-off RVU payment within the 36-month period

Jackie will reach her state pension age on 18 June 2024. She will receive a one-off RVU benefit from her employer on 1 July 2021. The period between receiving the RVU benefit and reaching the state pension age is 35 months and 17 days. This period may be rounded up to whole months, so that 36 months are taken into account for the threshold exemption.

The exemption amounts to € 66,492 (36 months times € 1,847).

Please note

If the one-off RVU benefit is paid by the employer before 18 June 2021, no threshold exemption applies, because the benefit is received more than 36 months before reaching the state pension age.

Situation 2 One-off RVU payment above the exemption amount

Ridgeciano will reach his state pension age on 1 January 2024. On 1 January 2022, the employer will pay a one-off RVU benefit to its employee in the amount of € 57,600. The period between the payment of the RVU benefit by the employer and the employee reaching the state pension age is 24 months.

The exemption amounts to € 44,976 (24 months times € 1,874). The employer owes RVU levy on an amount of € 12,624 (the RVU benefit of € 57,600 minus the threshold exemption of € 44,976).

Situation 3: Periodic RVU payment within the 36-month period

Jens will reach his state pension age on 5 December 2024. From 1 January 2024, the employer will pay a monthly RVU benefit amounting to € 1,500, with the last RVU benefit taking place on December 1, 2024. The period between paying the first RVU benefit and reaching the state pension age is 11 months and 4 days. This period is rounded up to whole months, so that 12 months are taken into account for the threshold exemption.

The exemption amounts to € 26,184 (12 months times € 2,182). For each payment of the RVU benefit, it is checked (cumulatively over the elapsed part of the 36 months¹) whether the threshold exemption is exceeded. Because the monthly RVU benefit of € 1,500 is lower than the threshold exemption of € 2,182 per month, the periodic RVU benefits fall under the threshold exemption and the employer does not owe an RVU levy.

¹ For each payment, you look at how much has already been paid out within the period of 36 months before the state pension age to calculate the amount of the exemption.

Situation 4 Periodic RVU payments outside the 36-month period

Leroy will reach his state pension age on 1 January 2025. From 1 January 2021, the employer will pay a monthly RVU benefit amounting to € 1,847 per month, with the last RVU benefit taking place on 1 December 2024. The period between paying the first RVU benefit and reaching the state pension age is 48 months.

RVU levy is due on the benefits in the period from 1 January 2021 to 1 December 2021, because these benefits are paid more than 36 months before the state pension age. The threshold exemption will apply from 1 January 2022. The period between paying the first RVU benefit within the 36-month period (the RVU benefit paid on 1 January 2022) and reaching the state pension age is 36 months.

The exemption therefore amounts to € 67,464 (36 months times € 1,874). For each payment of the RVU benefit, it is assessed (cumulatively over the elapsed part of the 36-month period) whether the threshold exemption is exceeded. Because the monthly RVU benefit is lower than the threshold exemption of € 1,874 per month, the employer will not owe an RVU levy on the periodic RVU benefits paid from 1 January 2022.

Situation 5 Periodic RVU payment above the exemption amount

Shanice will reach her state pension age on 1 December 2023. From 1 July 2023, the employer will pay a monthly RVU benefit amounting to € 2,500 per month, with the last RVU benefit taking place on 1 November 2023. The period between paying the first RVU benefit and reaching the state pension age is 5 months.

The exemption amounts to € 10,185 (5 months times € 2,037). For each payment of the RVU benefit, it is assessed (cumulatively over the elapsed part of the 36-month period) whether the threshold exemption is exceeded. The first four RVU benefits (1 July, 1 August, 1 September and 1 October) totalling € 10,000 do not exceed the threshold exemption of € 10,185.

When the RVU benefit is paid on 1 November, the amount of the threshold exemption is exceeded by € 2,315 (5 times the monthly payment of € 2,500 (€ 12,500) – /– threshold exemption of € 10,185).

The employer owes RVU levy on an amount of € 2,315 in November.

Situation 6 RVU benefit with extension in 2026, 2027 and 2028

Lieke will reach her state pension age on 31 December 2028. Her employer grants her an early retirement scheme in writing on 31 December 2025, consisting of 36 monthly instalments amounting to € 1,847 per month that will be paid from January 2026. The period between paying the first RVU benefit and reaching the state pension age is 36 months. The exemption amounts to 36 months times the amount of the threshold exemption that applies in 2026.

From January 2026, the employer will start paying the instalments to Lieke, and will end paying in December 2028. Insofar as the benefits do not exceed the exemption amount, no RVU levy is due.

Please note

It is also possible to make a one-off payment or to pay it out in a shorter period than 36 months, for example from 1 January 2027 to 31 December 2028. The exemption is then reduced accordingly. There is no entitlement to an exemption if the state pension age is after 31 December 2028. In addition, the scheme must be granted to the employee in writing by 31 December 2025 at the latest.

Example of the elaboration of the RVU threshold exemption after indexation

In addition to the above examples, in this example we give an elaboration of how the calculation of the threshold exemption works after indexation of the monthly amount.

In this example, we assume the following (partly fictitious) amounts for the threshold exemption per month for the year 2023: € 2,037; 2024 € 2,182; 2025 € 2,273 and 2026 € 2,400.

An employee will reach the state pension age on 16 March 2026. From 1 November 2023, the employer will pay its employee a monthly RVU benefit amounting to € 3,000 per month, with the last RVU benefit taking place on 1 March 2026. The period between paying the first RVU benefit and reaching the state pension age is 28 months and 15 days. This period is rounded up to whole months, so that 29 months are taken into account for the threshold exemption.

For the benefits in the year 2023, the threshold exemption is € 59,073 (29 months times € 2,037). With each payment of the RVU benefit, the employer checks (cumulatively over the elapsed part of the 36-month period) whether the threshold exemption is exceeded. In the year 2023, the benefits total € 6,000 (2 times the monthly payment of € 3,000). In the year 2023, the threshold exemption will not be exceeded.

For the benefits in the year 2024, the threshold exemption is € 63,278 (29 months times € 2,182). The benefits in the years 2023 and 2024 total € 42,000 (14 times the monthly payment of € 3,000). The threshold exemption is not exceeded.

For the benefits in the year 2025, the threshold exemption amounts to € 65,917 (29 months times € 2,273). The benefits in the years 2023, 2024 and 2025 total € 78,000 (26 times the monthly payment of € 3,000). The first 7 payments in the year 2025 totalling € 63,000 do not exceed the threshold exemption of € 65,917.

When the RVU benefit is paid on 1 August 2025, the amount of the threshold exemption will be exceeded by € 83 (22 times the monthly payment of € 3,000 (€ 66,000) -/- threshold exemption of € 65,917). The employer owes RVU levy on an amount of € 83 in August. The employer owes RVU levy on the full monthly benefit of the RVU benefits for September, October, November and December because the threshold exemption amount was already reached in August. In the year 2025, the employer will therefore owe RVU levy on an amount of € 12,083 (€ 78,000 -/- € 65,917).

For the benefits in the year 2026, the threshold exemption is € 69,600 (29 months times € 2,400). The benefits in the years 2023, 2024, 2025 and 2026 total € 87,000 (29 times the monthly payment of € 3,000).

In the year 2026, the employer will owe RVU levy on an amount of € 5,317 (€ 87,000 threshold exemption of € 69,600 already levied in 2025 on € 12,083). The employer does not owe an RVU levy in January 2026 because this benefit does not exceed the threshold exemption of € 69,600 plus what has already been levied in 2025. On the February 2026 benefit, the employer owes an RVU levy on an amount of € 2,317 (€ 84,000 -/- threshold exemption of € 69,600 -/- already levied in 2025 on € 12,083). For the March 2026 benefit, the employer owes RVU levy on the full amount.

For more information about severance payments and when an RVU is involved, see paragraph 21.3.

Appendix 3: Explanation of the assessment of employment relationships Decision and assessment framework

Previously, from 2018 to 2024, this appendix contained the 'Assessment of the relationship of authority' containing the full text as previously presented to the House of Representatives (Parliamentary Papers II 2018/19, 31311, no. 212 via note 7) and again as an appendix to the Letter to Parliament of 16 December 2022. In response to the so-called Deliveroo judgment (see below), we have replaced this appendix with the so-called 'Decision and Assessment Framework'.

1 Introduction

Employment under private law

In this appendix you will find:

- in Chapter 2: the legal decision-making framework that applies to private-law employment¹
- in chapter 3: the assessment framework following the Deliveroo judgment to determine whether to work as an employee or as a self-employed person Together, this is the decision-making and assessment framework. This framework is based on legal principles and case law, as we first published on 1 November 2024 on belastingdienst.nl. This framework may change due to changes in the law or case law. That is why we adjust this decision and assessment framework if necessary.

Please note

The content of the text in this appendix is the same as our publication on belastingdienst.nl of 11, 2024. Check belastingdienst.nl for the most up-to-date version.

Fictitious employment

In addition to the private-law employment relationship (the so-called 'real' employment relationship), wage tax legislation and employee insurance schemes also provide for fictitious employment relationships. Although there is no private-law employment relationship, the client must still withhold and pay payroll taxes on the fees and benefits in kind to the contractor. For most fictitious employment, the contractor is insured for employee insurance and can then claim benefits in the event of illness, disability and unemployment. More information about the fictitious employment relationships can be found in chapter 18.

2 Statutory decision framework for employment contract (private-law employment)

For payroll tax purposes, it is first of all important whether there is a private-law employment relationship. The answer to that question depends on whether there is an employment contract between 2 parties within the meaning of Article 7:610, paragraph 1 of the Dutch Civil Code.²

Employment contract

The employment contract from the Civil Code is a special agreement that regulates the relationship between employee and employer. This statutory regulation is of a 'mandatory nature'. This means that these are statutory provisions from which the parties may not deviate. So does it follow from the decision-making and assessment framework that there is an employment contract? In that case, the parties may not determine separately or in mutual consultation that this is not the case after all.

¹ See Article 2(1) of the Wage Tax Act, Article 3(1) of the Unemployment Insurance Act, Article 3(1) of the Sickness Benefits Act, Article 8(1) of the Work and Income (Capacity for Work) Act

² Parliamentary Papers II, 1962-1963, 5380, no. 23, p. 3 and Supreme Court 25 March 2011, ECLI:NL:HR:2011:BP3887 (Golden Cage)

Important criteria for employment contract: authority, labour and salary

The employment contract is the agreement whereby one party, the employee, undertakes to work for the other party, the employer, for a certain period of time, in exchange for wages. On the basis of this definition, the employee works for the employer. We also call this the relationship of authority.

There can be a relationship of authority if the employer can give the employee directions and instructions for the performance of the agreed work that the employee must follow (material authority). The employer does not actually have to give the directions and instructions. The fact that the employer has the opportunity to give them is enough.

There may also be a relationship of authority if the employee must comply with the rules that apply within the employer's organisation (formal authority).

In addition to the relationship of authority, there are 2 other important criteria:

- The employee has committed himself to perform the work.
- The employer has committed itself to rewarding the work.

But to determine whether there is an employment contract, more is needed than just determining authority, labor and wages. We will discuss this below.

Supreme Court ruling: holistic assessment of employment contract

When determining whether there is an employment contract, all facts and circumstances are important. These facts and circumstances must be viewed in relation to each other. In this respect, not 1 single fact or 1 single circumstance is decisive: everything must be assessed in relation to each other. We also call this the holistic test.

According to the Supreme Court, there are 2 phases in assessing whether there is an employment contract:³

- the explanation phase: What working agreements have the parties made and how have they implemented them?
- the qualification phase: Do the work agreements and their implementation meet the requirements of an employment contract?

Explanation phase: What working agreements have the parties made and how have they implemented them?

This concerns the answer to the questions of what rights and obligations the parties have agreed upon and how they implement them in practice. This is the explanation phase. The Haviltex standard applies to the interpretation of the rights and obligations.⁴ This means that when interpreting an agreement, the literal wording should not only be considered. Just as important is the meaning that the parties gave to the text and what the parties could expect from each other. It may also be important to which social group the parties belong and how much legal knowledge can be expected of them.

Qualification phase: Do the work agreements and their implementation meet the requirements of an employment contract?

Has it been established which rights and obligations the parties have agreed upon and how they have been implemented in practice? Then the next question is whether the work agreements and their implementation meet the requirements of an employment contract. This is the qualification phase. In this phase, the parties' intention with the work agreements does not play a role.⁵ The actual implementation is decisive in determining whether there is an employment contract. If the actual performance deviates from what the parties have agreed, the performance is therefore decisive for the qualification of the agreement.

3 Supreme Court 6 November 2020, ECLI:NL:HR:2020:1746 (X v Municipality of Amsterdam) and Supreme Court 24 March 2023, ECLI:NL:HR:2023:443 (Deliveroo).

4 Supreme Court 13 March 1981, ECLI:NL:HR:1981:AG4158 (Haviltex).

5 Supreme Court 6 November 2020, ECLI:NL:HR:2020:1746 (X v Municipality of Amsterdam).

Deliveroo-arrest⁶

In the Deliveroo judgment, the Supreme Court ruled that the following 9 facts and circumstances (points of view) may be important in the holistic test:

- 1 the nature and duration of the work
- 2 the way in which the work and working hours are determined
- 3 the extent to which the work and the contractor are part of the client's organisation
- 4 whether or not there is an obligation to perform the work in person
- 5 The way in which agreements were reached
- 6 The way in which the reward is determined and paid
- 7 The level of the reward
- 8 the extent to which the contractor runs commercial risk in the assignment
- 9 the extent to which the contractor behaves or can behave as an entrepreneur, for example: what does the contractor do to get assignments and a good name, how does the Tax and Customs Administration treat the contractor, what is the number of clients and how long does the contractor usually work for a client?

How much weight a working agreement (contractual clause) weighs within the holistic test depends on what that clause means for the contractor. Does the client impose a contractual clause that does not mean much to the contractor in practice? In that case, that clause does not or hardly weigh in the assessment of whether or not there is an employment contract.

All facts and circumstances in their mutual connection are therefore important. That is why we look at all relevant facts and circumstances when assessing whether or not there is an employment contract. Some facts and circumstances point more to an employment contract, i.e. to working as an employee, others more to working as a self-employed person.⁷ You can read more about this in Chapter 3. By weighing all facts and circumstances in relation to each other, we arrive at a judgment. We indicate why we come to that judgment.

Web module Assessment of Employment Relationship

If you, as a client, would like to get an indication of whether the contractor is employed or not, please complete the Web module Assessment of Employment Relationship. The web module incorporates the points of view from the Deliveroo judgment.⁸

3 Assessment framework Deliveroo judgment on salaried employment or self-employed person

In this chapter you can read more about when the 9 points of view of the assessment framework point to an employment contract, i.e. working as an employee, or working as a self-employed person. The points of view must be considered in conjunction with each other. They are not exhaustive, and the importance of a viewpoint can vary from situation to situation.

⁶ Supreme Court 24 March 2023, ECLI:NL:HR:2023:443 (Deliveroo).

⁷ In this decision-making and assessment framework, we use the term self-employed person as the counterpart of the employee. A self-employed person therefore does not work as an employee. For income tax purposes, it is still important to know which category the self-employed person falls under: self-employed person or beneficiary. This decision and assessment framework does not provide an answer to this. For example, the self-employed person can get an indication of that category (belastingdienst.nl/ondernemerscheck) via the entrepreneur check.

⁸ <https://ondernemersplein.kvk.nl/webmodule-beoordeling-arbeidsrelatie>

3.1 Nature and duration of the work

The nature of the work is about what kind of work the contractor does. For example, it is important whether the contractor has an obligation to perform to the best of its ability or an obligation to achieve a result. An obligation to perform indicates an employment contract, an obligation to achieve a result does not.

If the work is simple in nature, this may indicate an employment contract. In addition, the nature of the work may mean that few or no directions are needed. For example, if the work is very simple (wrapping cake or picking strawberries) or if the contractor is very competent (an experienced lawyer). If few or no instructions are actually given in those situations, then that does not have much meaning, because the nature of the work entails this.

In general, the longer the duration of the employment relationship, the more it indicates an employment contract.

3.2 Way in which the work and working hours are determined

It is important here to what extent the contractor can also determine the working method, the working hours and the location of the work. The more free the contractor is in this, the sooner there is a question of working as a self-employed person. Does the nature of the work mean that the contractor has to work at a certain location or at a certain time? Then that does not automatically indicate an employment contract. For example, when working on a construction site. The location is then fixed. And if the construction site is no longer accessible from a certain time for safety reasons, the working hours are not completely free to determine. In such a case, this point says less about whether or not an employment contract is available.

3.3 Extent to which the work and the contractor are part of the client's organisation (embedding)

This includes the question of the extent to which the relationship between the client and the contractor is comparable to personnel employed by the client. If a contractor works in an organisation for a long time, the employment relationship may be comparable to that of the staff. This may then indicate an employment contract.

The answer to these questions is also important:

- Does the contractor work at the client's location?
- Does the contractor have to adhere to the working hours that apply to the client?
- Does the contractor make use of facilities made available by the client?
- Does the contractor participate in personnel activities, such as company outings, team meetings and assessments?

The more the contractor is embedded in the client's organisation, the more this indicates an employment contract.

In addition, an employment contract may be more likely to exist if the work forms an essential part of the client's business operations. It is then important to determine what the client's business activities are and what the role of the contractor is in this. Is the work an essential part of the client's business operations or does it have a structural character? According to case law, there is usually an employment contract.

3.4 Whether or not there is an obligation to perform the work in person

If the contractor performs the work personally and is not allowed to be replaced without the client's permission, this is more likely to indicate an employment contract. But even if the contractor is allowed to be replaced, there may be an employment contract. This also applies to the freedom to accept or not to accept an assignment.

Before the Deliveroo judgment, it was sometimes thought that there could be no question of an employment contract if the contractor could be replaced freely. In the Deliveroo judgment, the Supreme Court gave a different opinion on this.

3.5 How agreements were reached

It is important to determine who drew up the agreement. Little to no room for negotiation of the contractor indicates an employment contract. A lot of room for negotiation points to working as a self-employed person.

3.6 Method of determining and paying the reward

A self-employed person will usually determine the rates himself. Or the rate is the result of a negotiation. Employees usually have less room for negotiation about salary, especially if a collective bargaining agreement applies. Then the collective labor agreement determines the salary scale.

If the contractor sends invoices himself and makes sure that they are paid (on time), this indicates more of working as a self-employed person. If the client automatically pays the remuneration to the contractor or if the client takes care of the invoices for the contractor, this may indicate the client's power to determine and therefore a form of authority. This indicates an employment contract.

3.7 Amount of the reward

To what extent is the remuneration of the contractor higher than that of salaried staff? If the remuneration of the contractor is comparable to the remuneration of the salaried staff, this indicates an employment contract. The higher the remuneration of the contractor compared to the remuneration of comparable salaried staff, the more it indicates working as a self-employed person.

3.8 Extent to which the contractor runs commercial risk in the assignment

This includes the distribution of risks between the contractor and the client, for example in the event of damage (to third parties), illness and accidents. And also about the extent to which the contractor is responsible for the quality of the result. For example, should the contractor improve the result in his own time and at his own expense if it is below par? If the risk lies with the contractor, this indicates working as a self-employed person. If the risk lies with the client, this indicates an employment contract.

3.9 Extent to which the Contractor behaves or can behave as an entrepreneur

In this respect, it is important to what extent the contractor behaves or can behave as an entrepreneur in similar assignments for other clients. Does the contractor behave like an entrepreneur? Then this indicates working as a self-employed person. Consider, for example, the name recognition of the contractor, the efforts to get new assignments, the number of assignments from other clients, the duration of these assignments and their own company clothing. It is also important here how much influence the client has on the number of assignments that the contractor may take on from other clients. Think of a non-competition and non-solicitation clause.

Appendix 4: Salary split and deduction of wage tax/national insurance contributions

International, general in brief

Sections 19.1 and 20.1 provide a general explanation of taxation and social security in cross-border employment. Among other things, you can read that if an employee lives in one country and works in another, there are often international rules that allocate the levying of income and wage tax and national and employee insurance contributions to one of the two countries. For example, the employee may be subject to social security contributions in the Netherlands, but may not be liable to tax - or only for part of the income.

Because the deduction of wage tax/national insurance contributions (LB/PH) is a withholding tax, the final calculation of the levy of income tax and national insurance contributions (IB/PH) in international situations by the Netherlands usually only takes place when the employee's income tax return/PH is filed. Sometimes there is no settlement via the income tax return. The withheld LB/PH then acts as a final levy, no IB/PH assessment needs to follow. This is the case, for example, if there is an exemption for filing an income tax return, see paragraph 19.6.

According to Dutch (national) law, you must do the deduction of LB/PH (see paragraph 9.3) on the basis of wage tax tables. For the deduction in international situations, you use the so-called conversion tables (for conversion situations AG to FL, in which 1 or more of the tax components (LB/premium AOW/Anw/Wlz) have already been eliminated, see section 9.3.8). In the case of the reductions AG, EK and FL, there is a maximum of the deduction of national insurance contributions (also in the case of a salary split).

Please note

The procedure in this appendix does not automatically apply to directors and supervisory directors, benefit and pension recipients, artists and professional athletes, trainees, professors and other lecturers, persons in public-law employment, employees in international transport and air traffic and employees who are posted by or on behalf of the Dutch state. If you have any questions about this, please consult your own advisor. You can also contact us: the Tax Hotline: 0800 0543 or from abroad +31 555 385 385 or your own contact person.

Salarysplit

In the case of a salary split in the context of the Dutch levies, we assume that your employee lives or works in the Netherlands. He has 1 employment or other legal relationship. He fulfills that employment in 2 (or more) different countries. International law often applies. You can think of tax treaties, social security treaties or the European Social Security Regulation. If your employee lives in the Netherlands, the starting point is that he is liable for tax and social security contributions in the Netherlands for his worldwide income. If your employee does not live in the Netherlands, but is subject to social security contributions in the Netherlands, he is liable to pay contributions for his worldwide income. If your employee does not live in the Netherlands but is subject to tax in the Netherlands, he is only liable for his income taxed in the Netherlands.

1 Article 8 of the Wfsv provides that the premium income in the Netherlands of a contributor is the taxable income of Chapter 3 of the Income Tax Act.

Withholding of payroll tax

In the case of a salary split, we assume, on the basis of the applicable tax treaty, that the levying of (wage) tax on part of your employee's salary is due to the Netherlands and part to another (working) country. International law takes precedence over national law. The Netherlands must then grant an exemption from *tax* insofar as the Netherlands is not allowed to levy tax on the salary on the basis of the tax treaty.

Please note

You may apply this exemption when withholding *wage tax* (but you are not obliged to do so). If you apply the exemption, you must do so as prescribed by the treaty, within the Dutch tax system. The goal is that 'the right amount' is levied.

Deduction of national and employee insurance contributions

For *social security* (national and employee insurance), you **must** apply the SV Convention or the European Regulation (see also Chapter 20). If necessary, with the help of a certificate of coverage, or an A1 certificate from the SVB.

For the *contribution obligation* (of both national and employee insurances), you and/or your employee are (almost) always obliged to pay contributions in one country. If that is in the Netherlands, you calculate the premiums over the total salary, i.e. over both the Dutch and the foreign part. It may be that your employee is not only liable to pay social security contributions in the Netherlands but also in one or more other countries. However, this can only occur if the employee lives outside the EU/EEA/Switzerland. If that is the case, you must (also) calculate Dutch premiums.

We would like to emphasise that the information in this appendix only relates to the way in which the correct amount of payroll taxes can be calculated in the event of a salary split. This information does not relate to the assessment of which (part of the) salary is or is not taxed in the Netherlands, nor to the assessment of whether or not your employee is socially insured/liable to pay social security contributions in the Netherlands. We assume that the outcome of these assessments is known (see chapters 19 and 20).

Processing in the Dutch payroll tax return

If you choose to apply an exemption from the tax treaty, you must use the Dutch levy system. But the wage tax tables do not directly provide a solution for the deduction in salary split situations. You can use the following methods. These methods approximate the correct amount due, but a settlement may follow via the income tax return.

The essence of the calculation of the levy in a salary split is:

- your employee is - as a starting point - taxed in the Netherlands for his worldwide income or subject to social security contributions
- your employee will receive an exemption from wage tax in the Netherlands for the foreign part of his salary. That exemption is calculated using the proportionality method, the deduction method or the imputation method

In the **proportionality method**, the Netherlands retains the right to progression in the rate with regard to residents, so that the part not taxed in the Netherlands also determines the rate of the part taxed in the Netherlands. The part that is not taxed in the Netherlands also counts towards the (increase and) reduction of the tax credits. You declare the total salary as wages, i.e. including the wages on which the Netherlands has no right to tax (see section 11.2.9).

With the **deduction method**, which often applies to non-residents, you deduct the part of the salary that is not taxed in the Netherlands from the tax base to calculate the LB. However, you always declare the total salary as wages in the payroll tax return, i.e. including the wages on which the Netherlands has no right to tax (see section 11.2.9). If no treaty applies, you may also apply the deduction method for withholding wage tax if your employee lives in the Netherlands and falls within the scope of Article 30 of the Double Taxation Decree 2001.

The **settlement method** occurs among athletes, artists, directors and supervisory directors, among others. In practice, this method can be very difficult to apply when withholding payroll tax, because you must then have knowledge of the amount of the foreign tax. If you do not have that knowledge, you must withhold according to the normal Dutch wage tax rules. Your employee can then effect the settlement of the foreign tax via his income tax return. In the remainder of this appendix, we will not consider the imputation method.

In the case of employees living in the Netherlands, the proportionality method applies in the vast majority of international situations. Nevertheless, you need to determine the correct method. You can find that method in the applicable tax treaty.

A tool for this can be found at belastingdienst.nl residents in the contracting states. There you can find at the end of each treaty which method applies. If no tax treaty applies, you apply the deduction method on the basis of Article 30 of the Double Taxation Prevention Decree 2001.

In the vast majority of situations, the deduction method applies to employees who do not live in the Netherlands. Nevertheless, you must determine the correct method.

Please note

If you choose not to take tax treaties into account, you must withhold regularly. If you do choose to apply double taxation avoidance, you must do so according to the correct method. Suppose the deduction method applies to your employee. If your payroll only supports the proportionality method, you may be able to use a manual calculation to determine the correct amount of deduction based on the deduction method. You must record this manual calculation in the payroll administration.

The following are 4 methods that apply within the system of payroll taxes (i.e. with the help of payroll tax tables): 1a. the proportionality method for payroll tax liability and social security contributions obligation 1b. the proportionality method in the case of wage tax liability without a contribution obligation 2a. the deduction method for wage tax liability and social security contributions obligation 2b. The deduction method for payroll tax liability without a contribution obligation

If you use one of these methods – depending on the treaty – that is 'good'. In exceptional cases, these methods do not fit in well with the intended (treaty) result. You can then choose not to apply the tax treaty or ensure that you calculate the correct amount in accordance with the treaty. You can consult with the Tax and Customs Administration in advance for this.

Method 1a: Proportionality method in the event of a liability to wage tax and a contribution obligation:

Step 1

Determine whether the employee is liable to pay social security contributions in the Netherlands. By 'PH' we mean the national insurance premium. If so, proceed to step 2. If not, go to method 1b.

Step 2

- Use the wage tax table to determine the (fictitious) deduction of LB/PH from the total wage (TOT) without taking into account the payroll tax credit, as if all wages in the Netherlands were taxed with LB and PH.
- Determine the table code associated with this table. This code is needed when filling in the payroll tax return.

Step 3

Use the wage tax table to determine the (fictitious) deduction of only PH from the total wage (TOT) without taking into account the payroll tax credit. This is (approximately) the amount that must be withheld from PH. The premium has a maximum per period table.

Step 4

Subtract the amount you calculated in step 3 from the amount in step 2. This is (approximately) the amount of LB to which you apply the proportionality factor in step 5.

Step 5

Determine the proportionality factor. This is the ratio between the part of the salary that is taxed in the Netherlands (NL) and the total salary (TOT), so including that part of the salary that is taxed abroad (BTL): NL/TOT . You base this on the salary in column 14 of the wage statement (wage LB/PH).

Step 6

To the amount of LB from step 4, you apply the proportionality factor NL/TOT from step 5.

Step 7

Apply the payroll tax credit. If the employee is subject to tax and social security contributions, you apply the tax and social security contributions part of the payroll tax credit. For taxation, you only apply the payroll tax credit that applies to the employee's country of residence. For the premium levy, you apply all payroll tax credits. The payroll tax credit can be calculated by taking the difference between the deduction without payroll tax credit and the deduction with payroll tax credit associated with the relevant table wage.

Please note

The calculation of the payroll tax credit is based on the total salary (TOT).

Step 8

The actual amount of LB/PH to be withheld is the sum of the amount of step 3 (PH) and the amount of step 6 (LB) minus the amount of step 7 (payroll tax credit).

Please note

In the payroll tax return, you must always enter the *total* amount of salary ($TOT = NL + BTL$). See section [11.2.9](#).

Please note

The above system also applies to remuneration to which the table for special remuneration applies. In that case, you must base the calculation on the sum of the percentage of the deduction and the settlement percentage (see section [9.3.6](#)).

Method 1b: Proportionality method in the case of wage tax liability without a contribution obligation:**Step 1**

Determine whether the employee is liable to pay contributions in the Netherlands or not. If not, proceed to step 2. If so, go to method 1a.

Step 2

- Use the wage tax table to determine the (fictitious) deduction of LB from the total wage (TOT) without taking into account the payroll tax credit, as if all wages in the Netherlands were taxed with LB.
- Determine the table code associated with this table. This code is needed when filling in the payroll tax return.

Step 3

Determine the proportionality factor. This is the ratio between the part of the salary that is taxed in the Netherlands (NL) and the total salary (TOT), including that part of the salary that is taxed abroad (BTL).
Ubase this on the salary in column 14 of the wage statement (wage LB/PH).

Step 4

To the amount of step 2, apply the proportionality factor of step 3.

Step 5

Apply the tax part of the payroll tax credit, which applies to the employee's country of residence. The payroll tax credit can be calculated by taking the difference between the deduction without payroll tax credit and the deduction with payroll tax credit associated with the relevant table wage.

Please note

The calculation of the payroll tax credit is based on the total salary (TOT).

Step 6

The actual amount of LB/PH to be withheld is the sum of the amount of step 4 minus the amount of step 5.

Please note

In the payroll tax return, you must always enter the *total* amount of salary (TOT = NL + BTL). See section 11.2.9.

Please note

The above system also applies to remuneration to which the table for special remuneration applies. In that case, you must base the calculation on the sum of the percentage of the deduction and the settlement percentage (see section 9.3.6).

Method 2a: Deduction method for wage tax liability and social security contributions:

Step 1

Determine whether the employee is liable to pay contributions in the Netherlands or not. By 'PH' we mean the national insurance premium. If so, proceed to step 2.

If not, go to method 2b.

Step 2

- Use the wage tax table, column 'with payroll tax credit', which applies to the country of residence of the employee with *only a contribution obligation*, to determine the deduction of PH from the total salary (TOT).
- Determine the table code associated with this table. This code is needed when filling in the payroll tax return.

Step 3

Use the wage tax table, column 'without payroll tax credit', which applies to the country of residence of the employee with *only tax liability*, to *determine* the deduction of LB on the part of the salary that is taxed in the Netherlands (NL).

Step 4

Apply the tax part of the payroll tax credit, which applies to the employee's country of residence. The payroll tax credit can be calculated by taking the difference between the deduction without payroll tax credit and the deduction with payroll tax credit associated with the relevant table wage.

Please note

The calculation of the payroll tax credit is based on the total salary (TOT).

Step 5

The actual amount of LB/PH to be withheld is the sum of the result of step 2, step 3 and step 4.

Step 6

Determine the amount of the total salary (TOT), being the Dutch (NL) + the foreign (BTL) part.

Please note

In the payroll tax return, you must always enter the *total* amount of salary (TOT = NL + BTL) as a Wage LB/PH return. See section 11.2.9.

Method 2b: Deduction method for wage tax liability without obligation to pay contributions

Step 1

Determine whether the employee is liable to pay contributions in the Netherlands or not. If not, proceed to step 2. If so, go to method 2a.

Step 2

- Use the wage tax table, column 'without payroll tax credit', which applies to the country of residence of the employee with *only tax liability, to determine* the deduction of LB on the part of the salary that is taxed in the Netherlands (NL). This is the actual amount of LB to be withheld.
- Determine the table code associated with this table. This code is needed when filling in the payroll tax return.

Step 3

Apply the tax part of the payroll tax credit, which applies to the employee's country of residence. The payroll tax credit can be calculated by taking the difference between the deduction without payroll tax credit and the deduction with payroll tax credit associated with the relevant table wage.

Please note

The calculation of the payroll tax credit is based on the total salary (TOT).

Step 4

The actual amount of LB to be withheld is the sum of the result of step 2 and step 3.

Step 5

Determine the amount of the total salary (TOT), being the Dutch (NL) + the foreign (BTL) part.

Please note

In the payroll tax return, you must always enter the *total* amount of salary (TOT = NL + BTL) for the deduction method such as wage LB/PH. See section 11.2.9.

Processing in the payroll tax return

In all practices, you have identified the following:

- 3 amounts of salary: Total (TOT), NL part and BTL part
- the deduction LB (after application of the proportionality or deduction method)

And with 1a and 2a as well

- the deduction PH on the total salary (NL part and BTL part)

You process the *total* salary and the *total* deduction (preferably) in 1 income ratio. We have previously allowed you to split the total salary into 2 income ratios. However, processing in 2 income ratios appears to cause many problems for processing at the Tax and Customs Administration and UWV. In the Income Ratio Decree, the processing of one legal relationship in 2 income ratios is therefore no longer permitted. This Decree has not yet entered into force. Until then, the use of 2 income ratios is still allowed. That is why we have described both options below.

U process the salary in the payroll tax return as follows:

In 1 income ratio

Not insured in the Netherlands?

- you give N/N/N as insurance indications.
- the SV wage is € 0.
- you always give the total amount (TOT) as wage LB/PH.

Are you insured in the Netherlands?

- you state the correct insurance indications on 'J'.
- As a Wage SV, you always state the total amount (TOT).
- you always state the total amount (TOT) as wage LB/PH.

In both cases:

- You enter the LB table code that you defined in step 2. The table code indicates the conversion situation you have taken into account. This is important for the correct deduction, but also very important for the processing of the employee's income tax return.
- you specify the LB/PH of step 8 (1a), 6 (1b) (proportionality method) respectively steps 5 (2a) and 4 (2b) (deduction method)

In 2 income ratios

Because you can still choose to process the salary split in 2 income ratios, we also indicate how you can do that.

U have split the salary into a NL and a BTL part.

Please note

U specify:

- As insurance indications, you enter *the same indications in both* income ratios .
- as code LB table, enter *the same code in both* income ratios (the code of step 2).

In the income ratio with the NL part, you enter the NL wage and specify the corresponding payroll tax (LB/PH).

In the income ratio with the BTL part, you enter the BTL wage and declare the corresponding premiums, without wage tax.

You allocate the amount of calculated wage tax entirely to the income ratio with the NL part.

You allocate the calculated PH proportionally - based on the ratio between NL and BTL wages - to the income ratios with NL and BTL part.

Annex 5: Brexit

1 Introduction

The United Kingdom (hereinafter: UK) left the European Union on 31 January 2020. This has consequences for payroll tax, income tax and the social security position of employees working in the EU member states and the UK. Here we explain what the changes are for you as an employer and your employees.

In doing so, we make a distinction between situations that fall under the Withdrawal Agreement (pre-existing situations as at 31 December 2020) or under the Trade and Cooperation Agreement (LRU – new situations as of 1 January 2021).

2 Payroll tax

2.1 Withdrawal Agreement

If your employee is working between the EU and the UK on 31 December 2020 and continues this work with you from 1 January 2021, this employee falls within the scope of the Withdrawal Agreement.

Your employee will continue to be entitled to a number of schemes and benefits, including:

- the tax part of the employed person's tax credit and income-dependent combination tax credit;
- if the employee meets the conditions, he is a qualifying non-resident taxpayer as a resident of the UK.

If your employee is covered by the Withdrawal Agreement, this will not affect:

- the wage tax tables The wage tax tables for employees who are residents of a country in the country continue to apply;
- the remittance reduction for research and development (R&D);
- the percentage of 40% for the maritime shipping remittance reduction;
- the student and pupil scheme;
- already designated UK pension schemes;
- the wage cost benefit (LKV): if an employee receives a comparable British benefit, which is mentioned in the Wage Allowances Act (WtI), the employer can receive an LKV for this employee. The employee in question must have a target group statement.

Please note

In order to be covered by the Withdrawal Agreement, the right to free movement of persons in the 31 December 2020. The Withdrawal Agreement does not cover persons who are 31 December 2020. As of 1 January 2021, they fall within the scope of the HSO.

The cross-border worker document is issued by the IND if the free movement of persons on the basis of the 31 December 2020 applies to an employee. More information can be found on the website of the [IND for working in the Netherlands](#) or the [competent authority in the UK](#).

2.2 EU-UK Trade and Cooperation Agreement (HSA)

If an employee is not (or no longer) covered by the Withdrawal Agreement, or an employee is on or after 1 January 2021, the LRU applies.

This means the following for your employee:

- your employee is no longer entitled to the tax part of the employment tax credit and the income-dependent combination tax credit;
- the employee is not a qualifying foreign taxpayer.

This will change for you if your UK employee is covered by the LRU:

- the wage tax tables for employees who are residents of a third country must be applied to this worker;
- as an employer, you are no longer entitled to an R&D remittance reduction;
- The remittance reduction for maritime shipping will be lower. This will now be 10%;
- your employee can no longer make use of the student and pupil scheme;
- you are no longer entitled to an LKV.

The consequences for pension schemes from the UK are now known. The Tax and Customs Administration takes the line that EU law will no longer apply to the UK as of 1 January 2021. This means that in the case of the designation of pension schemes from the UK, Annex II or III of the Decree on International Aspects of Pensions and Annuities, 9 October 2015, Government Gazette 2015, 36798 applies. For existing instructions, the withdrawal agreement can be invoked in most situations. This means that the designation will continue to take place on the basis of Annex I of the said decision. For all existing designations (made for the tax years prior to 2021), the Withdrawal Agreement is deemed to apply.

3 Social security

Now that the United Kingdom (hereinafter: UK) has left the EU, 2 agreements have been made on social security, on the one hand the Withdrawal Agreement and on the other hand the Trade and Cooperation Agreement (HSA). We will explain the distinction below.

3.1 Withdrawal Agreement

Where is the employee socially insured?

Is your employee working in the EU and/or the UK on 31 December 2020 and will continue to do so? Then the social security position of this employee is still determined on the basis of the EU regulations.

Who is covered by the Withdrawal Agreement?

Was your employee working in the UK on 31 December 2020 and is still doing so? Or do you employ an employee from the UK who was working in the Netherlands on 31 December 2020 and is he still doing so? Then these employees fall within the scope of the Withdrawal Agreement.

The Withdrawal Agreement distinguishes between different groups (see below with examples). After 31 December 2020, an employee can switch (several times) between the different groups and continue to fall within the scope of the Withdrawal Agreement. It is important that there is an uninterrupted situation, in which an interruption of up to 1 month has no consequences.

Group	Example
1. EU nationals (including family members and survivors), who are subject to UK law on 31 December 2020	• A Dutch national, who lives and works in the UK for a UK employer. • A Dutch national, who moved to the UK after his retirement.
2. UK nationals (including family members and survivors), who are subject to the legislation of an EU Member State on 31 December 2020	• A Briton, who lives in the Netherlands and works for a Dutch employer. • A Briton, who came to live in the Netherlands after his retirement.
3. EU nationals (including family members and survivors), who live in the UK and are subject to the legislation of an EU Member State on 31 December 2020	• A Dutch national living in the UK, a • Has a Dutch employer and works entirely in the Netherlands. • A Dutch national who has been seconded to the UK from his Dutch employer and has remained socially insured in the Netherlands during his secondment.
4. UK nationals (including family members and survivors), who live in an EU Member State and are subject to UK law on 31 December 2020	• A Briton, who lives in the Netherlands, has a UK employer and works entirely in the UK. • A Briton, who lives in the Netherlands and starts his work as a pilot from London Heathrow Airport.
5. EU nationals (including family members and survivors), who were employed or self-employed in the UK on 31 December 2020 and who are subject to the legislation of an EU Member State under Title II of Regulation 883/2004	• A Dutch national who has been sent by his Dutch employer to the UK group and lives in the Netherlands. • A Dutch national, employed by a Dutch transport employer, performs his driver work in both the Netherlands and the UK.
6. UK nationals (including family members and survivors), who were employed or self-employed in the EU on 31 December 2020 and who are subject to UK law under Title II of Regulation 883/2004	• A British person who has been sent from his UK employer to the Dutch group unit and lives in the UK. • A British person, employed by a UK employer, performs his work in both the UK and the Netherlands.
7. Stateless persons and refugees (including family members and survivors), who live in an EU Member State or in the UK and who are in a situation as referred to in sections 1 to 6	
8. Third-country nationals (including family members and survivors) who are in a situation of 1 to 6, if they meet the conditions of EC Regulation 859/2003	
9. Nationals of Iceland, Liechtenstein, Norway and Switzerland (including family members and survivors), who are in a situation of 1 to 6	
10. Third-country nationals, who have a right of residence or right to work, who do not fall within groups 1 to 9	• For example: an American who lives in the Netherlands and works for a Dutch employer. He has a valid work and residence permit. He is then seconded to the UK for a period of 2 years.

Don't know which group an employee falls under? Then contact the Tax and Customs Administration or the SVB.

3.2 HSO

Who is covered by the HSO?

The HSO applies to (legally resident) employees who are not (or no longer) covered by the Withdrawal Agreement or who started working for you in the UK or an EU Member State on or after 1 January 2021. With each new hire, it is important to check whether the employee is covered by the Withdrawal Agreement or by the LRU.

Where is the employee socially insured?

In the LRU, agreements have been made about the coordination of social security between the UK and the EU member states.

On the basis of the general rule, an employee is only socially insured in one country, in principle the country of employment. There are a number of exceptions to this, including in the case of secondments and working in 2 or more Member States and the UK.

If you temporarily post an employee to the UK and he or she only works there, the employee will remain insured in the Netherlands. The duration of the posting may not exceed 24 months and the worker may not be sent to replace another posted worker.

Please note

It is not possible to extend postings after a period of 24 months.

If your employee works in several Member States and the UK, he is insured in the Netherlands if he works substantially in the Netherlands. In any case, there is a substantial part if he works for at least 25% of the contractual working hours in the Netherlands or earns 25% of his salary in the Netherlands. If the employee does not work a substantial part in his country of residence, he is socially insured in the country where the employer is established. Exceptions to this are possible, for example if the employee has 2 or more employers.

If you have any further questions about cross-border work, please contact the SVB for more information.

The diagram below includes a number of examples, in which we explain a number of possible situations:

Living in	Employer in	Work pattern	National insurance, employee insurance and Zvw
NL	NL	100% work in the UK For example: <i>an employee who performs his work exclusively in the UK</i>	Not insured in the Netherlands
NL	NL	Working in the UK and NL, of which at least 25% in the Netherlands For example: <i>a truck driver, working in the EU and the UK</i>	Insured in the Netherlands
NL	NL	Working in the UK and NL, of which less than 25% in the Netherlands For example: <i>a manager, working in the UK and the Netherlands</i>	Insured in the Netherlands
NL	NL	Secondment to the UK, working exclusively in the UK For example: <i>an employee is seconded to the UK group unit</i>	Insured in the Netherlands (maximum 2 years)
UK	UK	100% work in the Netherlands For example: <i>an employee who performs his work exclusively in the Netherlands</i>	Insured in the Netherlands
UK	UK	Working in the UK and the Netherlands, of which at least 25% in the UK For example: <i>a manager, who works in both the UK and the Netherlands</i>	Not insured in the Netherlands
UK	UK	Working in the UK and NL, of which less than 25% in the UK For example: <i>a truck driver, working in the EU and the UK</i>	Not insured in the Netherlands
UK	UK	Secondment to the Netherlands, working exclusively in the Netherlands For example: <i>an employee is seconded to the Dutch group unit</i>	Not insured in the Netherlands (maximum 2 years)

If you have a situation that does not fall under one of the examples, you can contact the SVB.

If you have wrongly (not) paid national and employee insurance contributions, correct your payroll tax return.

3.3 Practical examples

Example 1

An employee has been posted from the Netherlands to the UK from 1 July 2020. The expected duration of the assignment is 2 years (until 1 July 2022) and an A1 certificate has been issued, showing that the employee remains socially insured in the Netherlands. The employee's secondment is extended. For what period is it possible for the employee to remain socially insured in the Netherlands?

This employee is covered by the Withdrawal Agreement. The social security position of this employee is determined on the basis of EU regulations. This means that this employee can usually remain socially insured in the Netherlands for up to 5 years. In the event of an extension of the secondment, always contact the SVB.

Example 2

A truck driver brings goods from the Netherlands to the UK for his Dutch employer. He has been doing this since 2015. On the basis of which legislation will his social security position be determined from 2021?

This employee is covered by the Withdrawal Agreement. This means that the social security position of this employee is determined on the basis of the EU regulations. The truck driver is socially insured in the Netherlands. Contact the SVB if you work in multiple countries.

Example 3

A Dutch employee was posted from the Netherlands to the UK up to and including 31 January 2020. During this time, he remains socially insured in the Netherlands. On 1 February 2020, the employee returned to the Netherlands and started working in the Netherlands again.

As of March 1, 2022, he will be seconded back to the UK. What is the maximum period for which he can get a secondment certificate?

The social security position of the employee posted as of 1 March 2022 is determined on the basis of the HSO. The employee can remain socially insured in the Netherlands for a maximum of 24 months. In the event of a secondment, always contact the SVB.

Appendix 6: Time Savings Fund (TSF)

Introduction

In the construction sector, there is a time savings fund. The employer pays the cash equivalent of the time-proportional leave into the fund for participants in that fund after each payment of wages. The moment of the deposit is the moment of tax enjoyment. With each deposit, he deducts payroll taxes and applies the regular wage tax table. The employee can withdraw the deposited amounts for the following purposes:

- 8% holiday allowance
- the value of the holidays in excess of the statutory entitlement
- the value of the freely recordable scheduled days off
- the value of working days intended for short-term absence

There is unpaid leave if the employee takes days off. But as long as he does not take more than the number of days for which he accrues, these days are considered paid leave. This means that there is no question of breaking the wage period, see paragraph 9.3.4 under 'Exception 1: interrupted wage period or entry or exit of employment in the wage period'.

If an employee takes more days than he is entitled to, he really enjoys unpaid leave. In that case, however, there is a break in the wage period. See paragraph 5.1, under the heading 'VCR memorandum §8.9'.

Balance spaaruren

Part of the time savings fund is the 'balance of savings hours' scheme. This makes it possible for employers to deposit money for mandatory overtime and travel hours into the time savings fund as well. The balance of savings hours under this scheme is stated separately on the balance overview of employees. When taking days from the balance of savings hours, there is therefore a split wage period.

This arrangement is separate from the 18-day agreement in the context of the ADV days, as described below and in the 5 examples.

Freely recordable scheduled days off (ADV days)

The following applies to the freely withdrawable scheduled days off (ADV days).

Employment throughout the calendar year

Employees for whom the employer (in principle) pays the value of 18 ADV days into the time savings fund may not carry over the value of those hours to the next year in accordance with the conditions of the TSF. This means that the starting point is the employees who take 18 days within the calendar year. Any remaining unused ADV days will expire at the end of the year. Insofar as no more than 18 ADV days are taken, there is no question of breaking the wage period.

If the employee takes more than those 18 ADV days, the employer must consider this as a real unpaid day of leave, which breaks the wage period. See the examples below.

If the employee takes less than those 18 ADV days (in other words: he starts working on a day off), the employer must pay him that day, which leads to a higher wage and a higher number of remunerated hours. In practice, the employer must take the actual number of ADV days as a starting point. The collective labor agreement provides that a different number of ADV days applies to certain groups of employees. For part-timers, a pro-rata calculation of the number of ADV days applies.

The industry has agreed with us (in a covenant) that the employer must consider (unpaid) leave, insofar as it is more than 18 days, as a real unpaid day of leave. In that situation, the normal VCR rules (in the event of breaking the wage period) must be applied, as described in Chapters 5 and 6 of this handbook. In this way, the problem remains within the calendar year, so there will be no accumulation of unpaid leave.

If the employment relationship continues throughout the year, the employer does not treat the taking of a maximum of 18 ADV days as unpaid leave on the basis of this agreement, so that there is no question of breaking the wage period. The employer applies the regular tables, such as the monthly or four-week table. Insofar as an employee takes more days, there is a break in the wage period. In that case, the weekly and/or daily table must be applied for the part of the period in which work was done. In addition to the table application, this also affects the number of remunerated hours.

Termination of employment during calendar year

If the employment ends in the course of the calendar year, the right to a time-proportional number of ADV days (18 on an annual basis) must be accrued in that period.

The employer can apply two methods to process the unpaid leave:

- 1 He makes a final statement of ADV days at the end of the employment. He may then attribute too many unpaid leave days taken to the last wage period (and process them in the last tax return period).
- 2 He shall process the unpaid days of leave directly in the payroll tax return for the tax return period in which they were taken.

Depending on the choice, this leads to an adjusted table application and an adjustment of the number of remunerated hours of the tax return (method 1) or of the corrected tax returns (method 2).

Example 1

An employee is employed all year round with a four-week wage. He takes 18 days of ADV during the year. Because the employee does not take more than 18 ADV days (so in principle unpaid leave) per year, you do not take unpaid leave into account. There is no question of breaking the wage period. There are then no consequences for the table application. You must apply the four-week table in the usual way. The number of remunerated hours does not need to be adjusted.

Example 2

An employee has been employed for six months with a monthly salary, after which the employment ends. At the end of the employment, you determine how many ADV days the employee has taken. In this case, that is 9 days. Based on the time worked, the employee is also entitled to exactly

9 days ADV ($6/12 \times 18$ days). You do not take unpaid leave into account. There is no question of breaking the wage period. There are then no consequences for the table application. You must apply the month table in the usual way. The number of remunerated hours does not need to be adjusted.

Example 3

An employee has been employed for six months. He will terminate the employment as of 30 June. The employee takes 18 days of ADV in April. In July (after the end of the employment) you notice that the employee has taken 9 ADV days too many. Because the employee was proportionally entitled to only 9 days of ADV, you have to take into account 9 unpaid days of leave. You can do this at

2 ways to process in the wage period system, or in the payroll tax return:

- 1 The ADV days are recorded in April. You can send corrections for April where you still have to 9 days of unpaid leave in April. This means that there is a split wage period in April and that you must apply the week and/or daily table for April, depending on the days worked. This also affects the determination of the maximum premium and contribution wage for the progressive cumulative calculation (VCR). You must also adjust the number of remunerated hours of that correction period.
- 2 The covenant states that the employer may process the 9 days of unpaid leave in the payroll tax return for the last active tax return period (i.e. June). In June, you will still process 9 of the days worked as unpaid leave. Although in reality the employee may have worked the entire month of June, you will nevertheless consider 9 days as unpaid leave. As a result, there is a broken wage period in June and you must apply the week and/or daily table to the full wage for that month. This also affects the determination of the maximum premium and contribution wage for the progressive cumulative calculation (VCR). You take into account a lower number of remunerated hours for that tax return period.

Explanation

The above methods differ from each other as follows:

- In method 1, you have to look back in the leave administration. In the periods in which too many ADV days are taken, you must correct the situation. This creates a clean situation with regard to determining the number of remunerated hours in the reference period. Moreover, this method is in line with the prescribed system of declarations and corrections.
- In method 2, you process the excess ADV days in the last tax return period. This leads to an adjusted table application and to a lower number of remunerated hours in that tax return period.

Example 4

An employee has been employed for six months with a monthly salary. He will terminate the employment as of 30 June. The employee takes 18 days of ADV in February (6), March (6) and April (6). In July (after the end of the employment) you notice that the employee has taken 9 ADV days too many. The employee was proportionally entitled to only $6/12 \times 18 = 9$ ADV days. So there are 9 unpaid days of leave. You can process this in 2 ways in the wage period system, or in the payroll tax return:

- 1 The ADV days are recorded in February, March and April. You can then send corrections for February, March and April and still take into account 3 days of unpaid leave per reporting period, i.e. each time with a break in the wage period. This means that you apply the week and/or daily table over those months according to the days worked (3 days less per month). You must also adjust the number of remunerated hours for that correction period.
- 2 The covenant states that the employer may process the 9 days of unpaid leave in the payroll tax return for the last active tax return period (i.e. June). In June, the employer therefore processes 9 days worked as unpaid leave. Although in reality the employee may have worked the entire month of June, you still consider 9 days as unpaid leave. As a result, there is a broken wage period in June and you must apply the week and/or daily table to the full salary for that month. You take into account a lower number of remunerated hours for that tax return period.

Example 5 (part-timer)

An employee is employed with a monthly salary from January to August. He works part-time for 50%. The employee takes 10 days of ADV in February (4), March (4) and April (2). He terminates the employment as of 31 August. In September (after the end of the employment) you notice that the employee has taken 4 ADV days too many. The employee was relatively only entitled to 6 ADV days ($8/12 \times 18 \text{ days} \times 50\%$). You have to take into account 4 unpaid days of leave. You can process this in 2 ways in the wage period system, or in the payroll tax return:

- 1 The ADV days are recorded in February, March and April. You can then send corrections for February, March and April and still take into account a total of 4 days of unpaid leave in these months. This means that you must apply the week and/or daily table for February, March and April according to the days worked. You must also adjust the number of remunerated hours for that correction period.
- 2 The covenant states that the employer may process the 4 days of unpaid leave in the payroll tax return for the last active tax return period (i.e. August). So in August you process 4 days worked as unpaid leave. Although in reality the employee may have worked the entire month of August, you will nevertheless consider 4 days as unpaid leave. As a result, you must apply the week and/or daily table to the full salary for that month. You take into account a lower number of remunerated hours for that tax return period.

Annex 7: Payment of benefits under employee insurance and the WAZO: questions and answers

We published this appendix on 8 August 2024 as a separate downloadable document on our website.

An employee can receive a benefit directly from the UWV (direct benefit), through the employer (employer or agency payment) or from an employer who is self-insured. In addition, in certain situations, the employer has an obligation to continue to pay wages. In this appendix you will find questions and answers about the obligation to continue to pay wages, direct benefits, payments of benefits through the employer in the form of employer payments and agency payments or benefits from a self-insured person. Different rules sometimes apply to government employers. We have explicitly stated this in the answer.

For the processing of an employer's payment and salary in 1 or more income ratios, the questions and answers are based on the regulations that currently apply. So from before the introduction of the IKV decision, see section [3.4](#). The IKV decision will be introduced at a later date. If your software is set up in accordance with this decree, you may apply the rules of the IKV decree, even if they deviate from what you read in paragraph [3.4](#).

1 The income of an employee during illness, incapacity for work, temporary no or less work and leave in combination with a ZW , early IVA , WW or WAZO benefit

a. What wages must the employer continue to pay during illness and disability?

The employer's minimum obligation to continue to pay wages in the event of illness and incapacity for work is regulated in the Dutch Civil Code (BW). Under the Dutch Civil Code, the employer has an obligation to continue to pay wages and must continue to pay 70% of the wages determined by time for 104 weeks, unless the employment contract validly ends earlier. The employer's statutory obligation to continue to pay wages applies up to 70% of the maximum premium wage. If the wages that the employer continues to pay during the obligation to continue to pay wages are less than the minimum wage, the employer will supplement the wages for the first 52 weeks to at least the minimum wage applicable to the employee. If the employee has reached the state pension age or if the employee usually performs work on less than 4 days a week for the household of the natural person to whom the employment relationship exists, the period of continued payment of wages is capped at six weeks. The employer may apply a maximum of two waiting days. The employee is not entitled to continued payment of wages for these waiting days.

Derogation in favour of the employee

In a collective labor agreement, public law regulation or individual employment contract, the employer can deviate from the Civil Code in favor of the employee. For example, that the employer must continue to pay 100% of the wages determined by time during the first 52 weeks or that there is no or one waiting day.

b. What wages must the employer continue to pay during illness and disability if the employee receives a ZW benefit or early IVA benefit?

In the situation that the employee is entitled to a ZW benefit (for example in the event of illness as a result of pregnancy or childbirth or a no-risk policy) or an early IVA benefit during the period of the obligation to continue to pay wages, the following applies. Under the Dutch Civil Code, the obligation to continue to pay wages continues to apply (as described in part a), but the ZW benefit or the early IVA benefit is deducted from this obligation to continue to pay wages. In this situation, the employer must supplement the benefit to at least the percentage of the salary stated in the Civil Code. The employer then supplements the ZW benefit (which includes holiday allowance, see [question 8](#)) or the early IVA benefit up to 70% of the employee's salary for 104 weeks. The employer's statutory obligation to continue to pay wages, i.e. the obligation to supplement the ZW benefit or the early IVA benefit, applies up to 70% of the maximum premium wage. If the wages that the employer continues to pay during the obligation to continue to pay wages are less than the minimum wage, the employer will supplement the minimum wage applicable to the employee for the first 52 weeks. The employer does not have to supplement the ZW benefit or the early IVA benefit if there is a waiting day or waiting days.

Derogation in favour of the employee

A collective labour agreement, public law regulation or individual employment contract may deviate from the Civil Code in favour of the employee. For example, that the employer supplements the ZW benefit or early IVA benefit to 100% of the salary during the first 52 weeks or that there is no or one waiting day.

c. What wages must the employer continue to pay in the event of temporary absence of work or temporarily less work if the employee receives unemployment benefits?

In special situations, an employer may temporarily have no or less work. Think of frost, sleet, snow, excessive rain, fire or lightning strikes, as a result of which employees can no longer carry out their normal work in whole or in part.

Unworkable weather regulation

In the event of, for example, frost, sleet, snow or excessive rain, the collective labour agreement must include a regulation in which extraordinary natural circumstances and under which conditions the agreed work cannot be performed. If the employer meets these conditions and also meets the conditions of the Unworkable Weather Scheme, he is exempt from the statutory obligation to continue to pay wages. The employees are entitled to unemployment benefits for the hours when they cannot work.

Reduction of working hours scheme

In the event of a fire or lightning strike, for example, the employer can submit a request to the Ministry of Social Affairs and Employment to temporarily reduce the working hours of its employees: the exemption from the prohibition on short-time working. If the employer meets the conditions for a reduction in working hours, he will receive this exemption. With this exemption, the employer has no obligation to continue to pay wages for the hours when it is not possible to work. The employees are entitled to unemployment benefits for the hours when they cannot work.

Derogation in favour of the employee

A collective labour agreement, public law regulation or individual employment contract may deviate from the Civil Code in favour of the employee. For example, that the employer supplements the unemployment benefit up to 100% of the salary.

d. What income does the employee receive in the event of leave in combination with a WAZO benefit?

Under the Work and Care Act (WAZO), there are various types of leave, namely leave for which there may be an entitlement to a WAZO benefit, leave with retention of continued payment of wages by the employer (paid leave) or leave without retention of continued payment of wages by the employer (unpaid leave). In these questions and answers, we only discuss types of leave for which there may be an entitlement to a WAZO benefit.

Maternity leave

The employer has no statutory obligation to continue to pay wages during pregnancy and maternity leave. The employee is entitled to a WAZO benefit during pregnancy and maternity leave.

Derogation in favour of the employee

A collective labour agreement, public law regulation or individual employment contract may deviate from the Civil Code in favour of the employee. For example, that the employer supplements the WAZO benefit to 100% of the salary.

Additional birth leave and paid parental leave

The employer does not have a statutory obligation to continue to pay wages during the additional birth leave and paid parental leave. During the additional birth leave and paid parental leave, the employee is entitled to a WAZO benefit.

Derogation in favour of the employee

A collective labour agreement, public law regulation or individual employment contract may deviate from the Civil Code in favour of the employee. For example, that the employer supplements the WAZO benefit of paid parental leave up to 100% of the salary.

2 In what ways can an employee receive a benefit under the employee insurance schemes or the WAZO?

UWV pays the benefit directly to the employee

In the case of a direct benefit, the benefit recipient receives the benefit directly from the UWV. The UWV deducts the wage tax/national insurance contributions to be paid by the beneficiary from this benefit and pays the withheld wage tax/national insurance contributions to the Tax and Customs Administration, together with the employee insurance contributions to be paid by the UWV on the benefit (including the TES surcharge) and the employer's levy Zvw. See section 9.6.3. We will not discuss the direct payment any further here.

The employer who is a self-risk bearer ZW and/or WGA pays the benefit to the employee

The employer can choose to become a self-risk bearer ZW and/or WGA. If the self-insured person pays the ZW and/or WGA benefit to the employee himself, this is a payment of a benefit under the employee insurance schemes to the benefit recipient. The employer who is the self-insured person replaces the UWV for the payment of the benefit. The employee therefore receives the benefit directly from the employer. The self-insured person deducts the wage tax/national insurance contributions to be paid by the beneficiary from that benefit and pays the withheld wage tax/national insurance contributions to the Tax and Customs Administration, together with the employee insurance contributions to be paid by the self-insured person on the benefit, (including WKO surcharge) and the employer's levy Zvw (see [question 13](#)).

UWV pays the benefit to the employee through the employer

UWV can pay the benefit to the employee through the employer. Depending on the situation, the UWV does this in 1 of the 2 following ways, see also section 9.6.2:

- as an employer's payment UWV pays the employer the gross amount of the benefit and a reimbursement for the employee insurance premiums (including the ATES surcharge) and the employer's levy Zvw that the employer has to pay on the benefit (see [question 5](#)). The employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from this benefit and pays the withheld wage tax/national insurance contributions to the Tax and Customs Administration, together with the employee insurance contributions to be paid by the employer on the benefit (including the TES surcharge) and the employer's Zvw levy.
- as an agency payment UWV pays the employer the gross amount of the benefit and a compensation for the employer's Zvw levy that the employer must pay on the benefit (see [question 6](#)). The employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from this benefit and pays the withheld wage tax/national insurance contributions together with the employer's levy Zvw on the benefit to the Tax and Customs Administration. The UWV pays the employee insurance premiums (including the TES surcharge) on the benefit to the Tax and Customs Administration.

In the case of both employer payments and agency payments, the employer is obliged to continue to pay the benefit in full and as a benefit to the employee. This is because it concerns a benefit entitlement of the employee.

3 Is the employer obliged to cooperate with an employer payment or agency payment?

No. If the employee or the employer does not want an employer payment or agency payment, the UWV will pay the benefit directly to the employee (direct benefit). See [question 2](#) (part of the UWV pays the benefit directly to the employee).

4 Which benefits can the UWV pay to an employee through an employer or withholding agent?

All benefits from the UWV can be paid to an employee via the employer or withholding agent:

-
- WIA (WGA or IVA benefit)
- WAO
- WAZ
-
- WAZO
- Wajong
- IOW
- a supplement to a benefit referred to above under the Allowances Act

5 What does an employer payment consist of?

Employer

The employer's payment that the employer receives from the UWV consists of:

- the gross amount of the benefit (to be paid on to the employee)
- the gross amount of the holiday allowance (to be paid on to the employee) For ZW and WAZO benefits that are paid as an employer's payment, the UWV does not pay the holiday allowance separately. These benefits include holiday allowance;
- compensation for the low Aof premium, the high Aof premium (including WKO surcharge), the Whk premium applicable to the employer and the employer's Zvw levy that the employer must pay on the benefit and any holiday allowance.

Government employer

The employer payment that the government employer receives from the UWV consists of:

- the gross amount of the benefit (to be paid on to the public employee)
- the gross amount of the holiday allowance (to be paid on to the government employee) For ZW and WAZO benefits that are paid as an employer's payment, the UWV does not pay the holiday allowance separately. These benefits include holiday allowance.
- compensation for the high Aof premium (including ATES surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy that the government employer must pay on the benefit and any holiday allowance.

The employer and the government employer are obliged to pay the amount of the benefit and the holiday allowance in full and as a benefit to the employee and the government employee. This is because it concerns a benefit entitlement of the employee and the government employee.

The UWV determines the amount of the gross amount of the benefit and any holiday allowance on the basis of the daily wage and the period for which the benefit is paid.

See also [question 2](#) (part of the UWV pays the benefit to the employee through the employer).

6 What does an agency payment consist of?

The agency payment that the employer receives from the UWV consists of:

- the gross amount of the benefit (to be paid on to the beneficiary)
- the gross amount of the holiday allowance (to be paid on to the beneficiary) For ZW and WAZO benefits that are paid as an agency payment, the UWV does not pay the holiday allowance separately. These benefits include the holiday allowance;
- compensation for the employer's Zvw levy that the employer must pay on the benefit and any holiday allowance.

The employer is obliged to pay the amount of the benefit and the holiday allowance in full and as a benefit to the beneficiary. This is because it concerns a benefit entitlement of the benefit recipient.

The UWV determines the amount of the gross amount of the benefit and any holiday allowance on the basis of the daily wage and the period for which the benefit is paid.

Not the employer, but the UWV pays the employee insurance premiums to be paid on the benefit (including ATES surcharge) directly to the Tax and Customs Administration.

See also [question 2](#) (part of the UWV pays the benefit to the employee through the employer).

7 Which employee insurance premiums does UWV compensate for a Wajong benefit paid through an employer?

The Wajong benefit is a benefit that is not a social security wage. The employer does not pay employee insurance premiums on a Wajong benefit. UWV only compensates the employer's Zvw levy on the Wajong benefit.

8 Does UWV also pay holiday allowance on the benefit?

Yes, UWV pays holiday allowance on all benefits. In the case of a ZW or WAZO benefit, the holiday allowance is included in the (periodic) benefit. For the other benefits, the (periodic) payments do not include holiday allowance. In the case of an employer payment or agency payment, the UWV pays the holiday allowance separately (in May or when the benefit ends).

9 How should the employer process the employer's payment in the payroll tax return?

If the UWV pays the benefit to the employee as an employer's payment via the employer, the employer must continue to pay this benefit in full and as a benefit to the employee.

Employer

The employer pays the low AWf premium, the high Aof premium (including WKO surcharge), the Whk premium applicable to the employer and the employer's Zvw levy on the benefit and deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit. The employer includes the amount of the benefit in the payroll tax return in the AWf benefit, Aof benefit and the relevant sections for the Whk premium and the employer's Zvw levy.

Government employer

The government employer pays the high Aof premium (including WKO surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy (see [question 12](#)) on the continued payment of the benefit and deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit. The government employer includes the amount of the benefit in the payroll tax return in the Aof benefit section and the relevant sections for the Whk premium and the Zvw employer's levy.

10 In the case of an employer's payment, the employer pays the ZW or WAZO benefit to the employee immediately, but the employer decides to pay the holiday allowance at a later date. If the holiday allowance is paid at a later date, how should the holiday allowance be declared?

The employer must continue to pay the employee the ZW or WAZO benefit, including the holiday allowance, in full. If the employer continues to pay the benefit immediately and decides to pay the holiday allowance of the benefit at a later date, the employer will treat the benefit and the holiday allowance as follows:

Employer

The employer processes the amount of the ZW or WAZO benefit in the payroll tax return as a benefit in the AWf benefit and Aof benefit sections, applying the low AWf premium, the high Aof premium (including ATES surcharge), the Whk premium applicable to the employer and the employer's Zvw levy. The employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit and pays them to the Tax and Customs Administration, together with the employee insurance premiums and the employer's levy Zvw to be paid on the benefit.

If the employer pays the part of the holiday allowance that is included in the ZW or WAZO benefit at a later date, the employer will pay the low AWf premium, the high Aof premium (including ATES surcharge), the Whk premium applicable to the employer and the employer's Zvw levy on the holiday allowance of the benefit at that later date. In the payroll tax return for this holiday allowance, the employer uses the AWf benefit and Aof benefit headings. The employer deducts the wage tax/national insurance contributions owed by the beneficiary from the holiday allowance and pays it to the Tax and Customs Administration, together with the employee insurance contributions and the employer's levy Zvw to be paid on the holiday allowance.

Government employer

The government employer processes the amount of the ZW or WAZO benefit in the payroll tax return as a benefit under the heading Aof benefit and pays the high Aof premium (including ATES surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy on the amount of the benefit. The government employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit and pays it to the Tax and Customs Administration, together with the employee insurance premiums and the employer's levy Zvw to be paid on the benefit.

If the government employer pays the part of the holiday allowance that is included in the ZW or WAZO benefit at a later date, the government employer will pay the high Aof premium (including WKO surcharge), the Whk premium applicable to the government employer and the Zvw employer's levy on the holiday allowance at that later date. The government employer uses the Aof benefit section in the payroll tax return for the holiday allowance. The government employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from the holiday allowance and pays it to the Tax and Customs Administration, together with the employee insurance contributions and the employer's levy Zvw to be paid on the holiday allowance.

The later payment of the holiday allowance part is often not supported by the tax return software.

- 11 UWV pays a ZW or WAZO benefit every four weeks, but the employer pays the employees per month. Can the benefit amount per four weeks from UWV be converted into a benefit amount per month?**

Yes, this is allowed if the employer pays the total benefit amount in full and as a benefit to the employee.

- 12 What are the special rules for an employer's payment via a public employer?**

The government employer deducts from the salary the wage tax/national insurance contributions to be paid by the government employee. In addition, the government employer pays the Ufo premium, the Aof premium (including ATES surcharge), the Whk premium and the employer's Zvw levy on the regular salary of a government employee.

In the case of an employer's payment, the government employer deducts the wage tax/national insurance contributions to be paid by the government employee from the benefit. In addition, the government employer pays the high Aof premium (including WKO surcharge), the Whk premium and the employer's levy Zvw on the benefit. In the event of an employer's payment on the benefit, the government employer does not pay a Ufo premium or an AWf premium.

13 What rules apply to a WGA and/or ZW benefit from a self-insured person?

For a self-insured person, there are 2 possible situations:

- The self-insured person pays the WGA and/or ZW benefit himself.
- The UWV pays the WGA and/or ZW benefit and then recovers this benefit from the self-insured person.

Pay yourself

Employer

If the self-insured person pays the WGA and/or ZW benefit himself, this is a payment of a benefit under the employee insurance schemes to the beneficiary. The employer who is the self-insured person replaces the UWV for the payment of the benefit. All rules for withholding and paying wage tax/national insurance contributions, calculating and paying employee insurance premiums (including TES surcharge) and the employer's Zvw levy and filing payroll tax returns, as they apply to benefits in an employer's payment, also apply to self-risk bearer payments.

Government employer

There is a special feature for the government employer: the government employer who is self-insured and pays the WGA and/or ZW benefit himself, pays the low AWf premium on the benefit in addition to the high Aof premium (including ATES surcharge) and the Whk premium. In addition, the government employer pays the employer's Zvw levy on the benefit and the government employer must withhold the wage tax/national insurance contributions to be paid by the beneficiary and pay it to the Tax and Customs Administration together with the employee insurance contributions and the Zvw employer's levy. All rules for filing payroll tax returns also apply to a payment of a benefit by a self-insured person. The employer who pays the benefit himself as a self-insured person replaces the UWV. In that case, the payment of the benefit is not made in the capacity of a public employer. As a result, the government employer who is self-insured ZW and/or WGA must pay the low AWf premium on the WGA or ZW benefit. This is in contrast to the situation of an employer's payment; the government employer does not pay an AWf premium on the payment of an employer's payment.

Narrate

If the UWV pays the WGA and/or ZW benefit, the UWV has a right of recourse against the self-insured person. The UWV recovers the benefit, the employee insurance premiums paid by the UWV (including the TES surcharge) and the employer's levy Zvw from the self-insured person. The UWV declares the WGA and/or ZW benefit paid, deducts the wage tax/national insurance contributions to be paid by the beneficiary and pays them, together with the employee insurance contributions and employer's levy Zvw to be paid on the benefit, to the Tax and Customs Administration.

14 In the event of an employer's payment, may the employer continue to pay the wages in full instead of the benefit and process the benefit as income in the financial administration (i.e. not in the payroll administration)?

No. The employer must always pay the benefit it receives from the UWV in full and as a benefit to the employee. It is a benefit right of the employee. If the employer continues to pay the regular wages and processes them as regular wages in the payroll tax return and does not declare the benefit in the payroll tax return, the employer will file an incorrect tax return. As a result, the employer can pay too much or too little employee insurance premiums. In some cases, the benefit may be higher than the salary. If that is the case and the employer only continues to pay the regular salary, the employer is disadvantaging the employee.

15 Does the employer have to process the employer's payment in a separate income ratio?

That depends on the situation:

- If the benefit is wages from current employment, the employer can choose. He may process the benefit from the UWV in a separate income ratio, or in the same income ratio as that of the regular salary from current employment. In the latter case, the employer must pay the correct employee insurance premiums applicable to the benefit on the benefit.
- If the benefit is wages from previous employment, he must always process the benefit in a separate income ratio.

Employer

When declaring wages and benefits in the same income ratio, the employer uses the headings for AWf (low or high) and Aof (low or high) for the regular wage. For the benefit, the employer uses the categories AWf benefit and Aof benefit. For the wages and benefits, the employer also uses the relevant headings for the Whk premium and the employer's levy Zvw.

Government employer

When declaring wages and benefits in the same income ratio, the government employer uses the headings for the UFO and Aof (low or high) for the regular wages to the government employee. For the benefit, the government employer only uses the Aof benefit section. For the wages and benefits, the government employer also uses the relevant headings for the Whk premium and the employer's levy Zvw.

16 The employer must continue to pay an employee 100% of his salary during paid parental leave (e.g. on the basis of a collective labour agreement). The employee is still employed by the employer. The WAZO benefit that is paid to the employee as an employer's payment is 70% of the daily wage. How does the supplementary salary qualify?

In this situation, an employer pays 2 amounts:

- a benefit and
- a supplement to the benefit

The employer must state the supplement in the payroll tax return in the section 'Supplement to employee insurance benefits'.

Example

An employee with a temporary contract has a salary of € 2,000. During his leave, the employee is entitled to a WAZO benefit based on 70% of his daily wage. The employer receives a WAZO benefit of € 1,400 for the employee from UWV. The difference of € 600 is the supplement. Both wage components are wage for employee insurance.

The employer processes this as follows:

- The total salary of € 2,000 is salary for employee insurance (SV wage).

Employer

- The employer processes € 1,400 in the payroll tax return as a benefit against the low AWf premium, the high Aof premium (including ATES surcharge) and the Whk premium applicable to the employer and uses the AWf benefit and Aof benefit headings.
- The employer processes € 600 in the payroll tax return as wages under the employment contract at the (regular) high AWf premium, the Aof premium (including ATES surcharge) that applies to the employer and the Whk premium applicable to the employer and also includes this amount in the section 'Provided supplement to employee insurance benefits'.

Government employer

- The government employer processes € 1,400 in the payroll tax return as a benefit against the high Aof premium (including ATES surcharge) and the Whk premium applicable to the government employer and uses the Aof benefit section.
- The government employer processes € 600 in the payroll tax return as wages against the regular Aof premium (including ATES surcharge), the Whk premium applicable to the employer and the Ufo premium.

On the total of € 2,000, the employer or the government employer withholds the wage tax/national insurance contributions to be paid by the (government) employee/benefit recipient and pays them to the Tax and Customs Administration together with the employee insurance contributions to be paid (including the WKO surcharge) and the employer's levy Zvw to be paid.

Please note

If the supplement to a benefit under the employee insurance schemes relates to a period in which the employee is out of employment (code type of income ratio is equal to 61), then the supplement is not a salary for the employee insurance schemes (SV wage). You do not declare the supplement as SV wage. Therefore, you do not fill in the section 'Provided supplement to employee insurance benefits'.

17 The employer is not obliged to continue to pay wages, but continues to pay wages voluntarily. What rules apply to this voluntarily paid salary?

For the purposes of levying wage tax/national insurance contributions, employee insurance premiums (including TES surcharge) and the employer's Zvw levy, voluntarily paid wages are treated in the same way as compulsory continued wages.

18 The employee is on WAZO leave, but the employer has not yet received an employer's payment from the UWV. As a result, the employee is left without income. What can the employer do?

As long as the UWV has not yet determined the benefit and paid it to the employer, the employer has the following options:

- 1 The employer shall pay the regular, periodic salary.
- 2 The employer pays an advance on the benefit, together with any supplement on the basis of the Civil Code, a collective labour agreement, public law scheme or an individual employment contract.
- 3 The employer does not pay anything.

Ad 1

The employer processes the salary as regular salary, i.e. with all levies to be paid on this regular salary. How the employer must correct this after receiving the employer's payment depends on whether the employer uses the wage-in or the excess-wage-system (see [question 19](#)).

Ad 2

The employer estimates the amount of the benefit as accurately as possible and processes the advance as a WAZO benefit with the levies to be paid on the WAZO benefit.

Employer

Regardless of whether the employer uses 1 or 2 income ratios, the employer states the amount of the advance in the payroll tax return in the AWf benefit and Aof benefit sections.

Government employer

Regardless of whether the government employer uses 1 or 2 income ratios, the government employer states the amount of the advance in the payroll tax return in the Aof benefit section.

19 The employer continues to pay the wages and receives the employer's payment from the UWV later than the time when the employer continues to pay the employee's wages. How does the employer process the employer payment paid later in the payroll administration?

The method of processing depends on whether the employer uses the wage-in or the excess-wage-system.

Wage insystematics

The employer's payment relates to a period in which the employer - pending the employer's payment by the UWV - has continued to pay the regular salary. With the wage insystem, the employer processes the employer's payment from the UWV in the payroll administration in the tax return period in which the payment of the benefit to the employee takes place. In that tax return period, the employer will therefore still take into account the amount of the benefit and any supplement and deduct the benefit from the regular salary. If the regular salary is lower than the amount of the benefit, the employer only pays the benefit. The employer does not submit a correction notice for the elapsed periods.

Example 1

The employee is on WAZO leave in the month of March. The employee is entitled to a supplement to the WAZO benefit up to the regular salary. The employer pays the regular salary of € 2,500 for March. In May, the employer receives the employer's payment from the UWV. This includes a benefit of € 1,500, which relates to the WAZO leave period of March.

The employer does the following in the month of May:

- The employer determines the amount of the benefit and the supplement (€ 1,500 in benefit and € 1,000 in supplement).
- In the payroll tax return for May, the employer processes an amount of € 1,500 in benefit and an amount of € 1,000 in addition to the benefit instead of the regular wage for May. The employer processes the supplement to the benefit in the section 'Supplement to employee insurance benefit provided'.

Employer

The employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit and calculates the low AWf premium to be paid on the benefit, the high Aof premium (including WKO surcharge), the Whk premium applicable to the employer and the employer's Zvw levy. The employer deducts the wage tax/national insurance contributions to be paid by the employee from the supplement and calculates the AWf premium to be paid on the supplement (high or low), the Aof premium (high or low), the Whk premium applicable to the employer and the employer's Zvw levy. In the payroll tax return, the employer uses the AWf benefit, Aof benefit and the relevant sections for the Whk premium and the Zvw employer's levy for the benefit. The employer pays the total amount of payroll taxes to the Tax and Customs Administration.

Government employer

The government employer deducts from the benefit the wage tax/national insurance contributions to be paid by the beneficiary and calculates the high Aof premium to be paid on the benefit (including ATES surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy. The government employer deducts the wage tax/national insurance contributions to be paid by the government employee from the supplement and calculates the Ufo premium to be paid on the supplement. the Aof premium (high or low), the Whk premium applicable to the employer and the employer's Zvw levy. In the payroll tax return, the government employer uses the Aof benefit section and the relevant sections for the Whk premium and the Zvw employer's levy for the benefit. The government employer pays the total amount of payroll taxes to the Tax and Customs Administration.

With this, the employer has still paid the benefit amount for March as a benefit. The employer does not send a correction notice for March.

Example 2

The employee is on WAZO leave in the month of March. The employer pays the regular salary of € 2,500 for March. In May, the employer receives the employer's payment from the UWV. This amounts to € 3,000 and relates to the WAZO leave period of March.

The employer does the following in the month of May:

- The employer determines the amount of the benefit (€ 3,000 in benefit).
- In the payroll tax return for May, the employer processes an amount of € 3,000 in benefit with the premiums due on the benefit instead of the regular salary for May.

Employer

The employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit and pays them to the Tax and Customs Administration together with the low AWf premium to be paid on the benefit, the high Aof premium (including WKO surcharge), the Whk premium applicable to the employer and the employer's Zvw levy. In the payroll tax return, the employer uses the AWf benefit, Aof benefit and the relevant sections for the Whk premium and the Zvw employer's levy for the benefit.

Government employer

The government employer deducts the wage tax/national insurance contributions to be paid by the beneficiary from the benefit and pays them to the Tax and Customs Administration together with the high Aof premium (including WKO surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy on the benefit. In the payroll tax return, the government employer uses the Aof benefit section and the relevant sections for the Whk premium and the Zvw employer's levy for the benefit.

With this, the employer has still paid the benefit amount for March as a benefit. The employer does not send a correction notice for March.

Example 3

The employee is on WAZO leave in the month of March. The employee is entitled to a supplement to the WAZO benefit up to the regular salary. The employer pays the regular salary of € 2,500 for March. In May, the employer receives the employer's payment from the UWV. This includes a benefit of € 1,500, which relates to the WAZO leave period of March. As a result of a wage increase, the regular salary will be € 3,000 as of May.

The employer does the following in the month of May:

- The employer determines the amount of the benefit (€ 1,500), the supplement (€ 1,000) and the salary (€ 500).
- In the payroll tax return for May, the employer processes an amount of € 1,500 in benefits, an amount of € 1,000 as a supplement in the section 'Supplement to employee insurance benefits' and an amount of € 500 in regular wages (due to the wage increase in the month of May).

Employer

The employer pays the low AWf premium, the high Aof premium (including the ATES surcharge), the Whk premium applicable to the employer and the employer's Zvw levy on the benefit, and uses the AWf benefit, Aof benefit and the relevant sections for the Whk premium and the Zvw employer's levy in the payroll tax return for the benefit. The employer pays the AWf premium (high or low) on the salary and the supplement. the Aof premium (high or low) (including ATES surcharge), the Whk premium applicable to the employer and the employer's Zvw levy. The employer deducts the wage tax/national insurance contributions to be paid by the employee/beneficiary and pays it to the Tax and Customs Administration together with the employee insurance premiums and the employer's levy Zvw on the benefit, supplement and salary.

Government employer

The government employer pays the high Aof premium (including WKO surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy on the benefit, and uses the Aof benefit section and the relevant sections for the Whk premium and Zvw employer's levy in the payroll tax return for the benefit. The government employer pays the Ufo premium on the wages and the supplement. the Aof premium (high or low) (including ATES surcharge), the Whk premium applicable to the government employer and the employer's Zvw levy. The government employer deducts the wage tax/national insurance contributions to be paid by the government employee/beneficiary and pays it to the Tax and Customs Administration together with the employee insurance contributions and the Zvw employer's levy on the benefit, the supplement and the salary.

With this, the employer has still paid the benefit amount for March as a benefit. The employer does not send a correction notice for March.

Wage oversystem

In the case of the wage overload system, the employer must allocate the benefit to the period for which the employee is entitled to benefits. To this end, the employer must send correction notices with which the employer:

- corrects the previously declared wages to the correct amounts of benefits, supplements and wages.
- where necessary, corrects the previously indicated employee insurance premiums to the correct employee insurance premiums.
- states the premiums and premiums in the correct sections in the payroll tax return.

Employer

The employer pays the low AWf premium, the high Aof premium (including ATES surcharge), the Whk premium applicable to the employer and the employer's Zvw levy on the benefit, and uses the AWf benefit, Aof benefit and the relevant sections for the Whk premium and the Zvw employer's levy in the payroll tax return for the benefit. The employer pays the AWf premium (high or low) on the salary and the supplement. the Aof premium (high or low) (including WKO surcharge), the Whk premium to be paid by the employer and the employer's Zvw levy. The employer deducts the wage tax/national insurance contributions to be paid by the employee/beneficiary on the benefit, supplement and wages and pays it to the Tax and Customs Administration together with the employee insurance contributions and the Zvw employer's levy on the benefit.

Government employer

The government employer pays the high Aof premium (including ATES surcharge), the Whk premium applicable to the government employer and the employer's levy Zvw on the benefit, and uses the Aof benefit section and the relevant sections for the Whk premium and the Zvw employer's levy in the payroll tax return for the benefit. The government employer pays the Ufo premium on the wages and the supplement. the Aof premium (high or low) (including ATES surcharge), the Whk premium applicable to the government employer and the employer's levy Zvw. The government employer deducts the wage tax/national insurance contributions to be paid by the government employee/beneficiary on the benefit, supplement and salary and pays it to the Tax and Customs Administration together with the employee insurance contributions and the Zvw employer's levy on the benefit, the salary and the supplement.

- fills in the section 'Supplement to employee insurance benefit'.
- applies the correct codes for the type of income ratio and the type of employment relationship.
- corrects the remunerated hours if necessary (see [question 20](#)).

Please note

In the case of the wage oversystem, the employer may only correct for tax return periods of the same calendar year. For tax return periods of the previous calendar year, the employer processes the employer's payment according to the wage insystematics (see the examples in the wage insystematics section).

What about the remunerated hours in the case of an employer's payment?

Remunerated hours are important, among other things, for the accrual of the employee's employment history for determining the entitlement, amount and duration of benefits.

For employer payments relating to the WAO, WIA and 'normal' unemployment benefits, the employer does not declare paid hours.

If ZW and WAZO benefits continue to be paid, they do not affect the employment history for the determination of the entitlement, amount and duration of a benefit. In that case, the employer therefore always states the number of remunerated hours that is customary for the employee. This also applies to 'special' unemployment benefits such as frost, unworkable weather and a reduction in working hours.

For more information on remunerated hours, see paragraph [29.9](#).

21 Must an employer combine a benefit paid by the UWV as an employer's payment or as an agency payment for the calculation of the wage tax/national insurance contributions to be paid with other wages paid by the employer to the employee?

Yes. To calculate the wage tax/national insurance contributions to be withheld, the employer must apply the wage tax table to the total salary, i.e. to the continued payment of benefits and the other salary paid by the employer. This also applies if the salary and the continued payment of benefits are not stated in the same IKV. See also section [9.6.1](#).

22 Is it true that the employer does not have to merge for the calculation of the wage tax/national insurance contributions to be deducted if the employee receives the benefit directly from the UWV (direct payment)?

No. Even in the case of a direct payment from the UWV to the employee, the employer must combine the direct payment with any salary from current employment that the employer pays the employee for the calculation of the wage tax/national insurance contributions to be withheld:

- The employer must take into account the direct payment by the UWV when calculating the wage tax/national insurance contributions. This means that the employer, if there is a different wage, must apply the wage tax table to the total of that wage and the direct payment by the UWV. The employer must deduct the deduction of wage tax/national insurance contributions made by the UWV from the amount found. The employer can find that amount in the UWV specification that the employer needs to determine the supplement. See section 9.6.3.
- When determining the annual wage for the special remuneration table, the employer must add the benefit from the UWV. See section 9.3.6.

23 Is a benefit from the UWV salary from current or former employment? Either the employer applies the white table or the green table to that benefit?

The employer applies the white table to wages from current employment and the green table to wages from previous employment. Whether there is salary from current or former employment depends on 2 factors:

- 1 The type of benefit
- 2 Whether the benefit is combined with wages on the basis of the employment contract to which the white table applies

Ad 1. The type of benefit

- WAZO benefits paid during the employment in which the WAZO leave is taken are treated in the same way as wages from current employment and therefore the employer applies the white table to them.
- ZW benefits are treated as wages from current employment if the employment of the employee, in which the ZW benefit arose, has not yet been terminated. The white table applies. The green table applies to ZW benefits that relate to a period after the employment has ended.
- WW, WAO, WIA and Wajong benefits are regarded as wages from previous employment. In principle, the green table applies, but see ad 2.

Ad 2. Whether the benefit is combined with wages on the basis of the employment contract to which the white table applies

If the employer - in addition to the continued payment of the benefit - pays other wages from current employment on the basis of the employment contract (for which the white table applies), such as a supplement to the benefit, the following applies:

- In the case of WAZO benefits, the total salary qualifies as salary from current employment and the employer applies the white table to that total salary insofar as the WAZO benefit is paid during the employment in which the WAZO leave is taken.
- In the case of WW, WAO, WIA and Wajong benefits, the employer applies the white table to the total of the wages and the benefit - despite the fact that the benefit is wages from previous employment.

Annex 10: Glossary

A Payroll tax return

The statement that you must provide us with the collective data and nominative data (the employee data). This data is important for the amount of payroll taxes to be paid and for the UWV, which must store the nominative data in the policy administration.

Declaration period

The period within which you must file a payroll tax return.

Reporting period

The period for which you must file a payroll tax return.

Absenteeism

U do not file a payroll tax return, or you do not file it incorrectly, incompletely or not on time.

Substantial interest

A person is a shareholder with a substantial interest if he, possibly with his tax partner:

- has 5% or more of the shares in a company;
- has rights to buy 5% or more shares in a company;
- has profit participation certificates to obtain 5% or more of the company's annual profit – or of a distribution in the event of liquidation;
- has 5% or more voting rights in the general meeting of a cooperative or association on a cooperative basis.

Liability

An obligation imposed by us on you to pay the payroll taxes of another employer who has not paid his debts.

Increase in cumulative premium earnings

See progressive cumulative arithmetic (VCR).

Remittance reduction

A discount on the wage tax/national insurance contributions and final levies to be paid.

Anonymous rate

The special rate that you must apply for the deduction of wage tax/national insurance contributions if you have not fulfilled a number of administrative obligations with regard to an employee's data.

State pension age

The age at which someone becomes entitled to an AOW benefit (also known as AOW entitlement age).

B Interest on tax

Interest on tax is:

- interest that we charge if you do not pay the payroll taxes, or do not pay them on time
- interest that we will reimburse in a number of cases if we repay payroll taxes to you

Tax treaty

Treaty between 2 countries, which regulates which country may levy tax on which income.

Decree

A written and reasoned decision by us, possibly in response to a request or objection.

Social security number

The number with which natural persons registered with a Dutch municipality are registered with the government.

Zvw contribution

The income-related contribution that is due for the Zvw. In some cases, you pay it as an employer or benefits agency (see Employer's levy Zvw), in other cases the employee or the beneficiary pays it by deducting it from the net salary (see Deduction of Zvw contribution). You pay the contribution to us with the payroll tax return.

Special remuneration

A reward that is usually awarded once or once a year. For example, bonus, holiday allowance and end-of-year bonus.

C Cafetariaregeling

Scheme whereby the employee can determine how to compose his salary.

Collective part of the payroll tax return

This contains the totals of the wages and payroll taxes to be paid of all employees plus the amounts of final levies and remittance reductions.

Group scheme

Scheme that allows you to calculate the discretionary scope and any final levy of the work-related costs scheme at group level. The scheme applies to all group members that form a group for the entire calendar year.

Correction

With a correction you can correct a previously sent payroll tax return.

D Share fisherman

A share-fisherman is someone whose reward is part of the proceeds of fishing. For the employment relationship of a share-fisherman, who is not insured for employee insurance on the basis of an employment contract, the notional employment relationship applies to the share-fisherman. You then use code 4 (Deelvisser) of the code nature of employment relationship.

Assign

The temporary lending of an employee to a third party.

Employment

An employment relationship between a withholding agent and an employee based on an employment contract according to the Civil Code or on the basis of an appointment. This is also called the 'real employment'. See also Fictitious employment.

Generally

In some situations this means 'more than 50%' and in other situations 'more than 70%'. There may also be a relationship with the expected work pattern or it may depend on other factors. If in doubt, explain the situation to us.

E First-day notification

Notification to us of a new employee's information. You only need to submit a first-day report if we instruct you to do so.

Final levy

Levy of wage tax/national insurance contributions on certain wage components of employees or non-employees, which is for the account of you (the withholding agent). You do not deduct the final levy from the employee's salary. The employee cannot offset the final levy in his income tax return.

There are different types of final levy wages. You declare the final levy in the collective part of the payroll tax return. You do not declare the final levy wages in the payroll tax return, but you do register them in your administration.

EU Regulation

A generally binding rule adopted by the European Union.

European Economic Area (EEA)

An agreement between the countries of the European Union (EU) and the European Free Trade Association (EFTA), with the exception of Switzerland. The EEA includes all countries of the European Union and Liechtenstein, Norway and Iceland.

European Union (EU)

An economic and political partnership of the countries that are members of the EU.

Extraterritorial employees

These are employees who:

- you have recruited from abroad or who have been sent from another country to work in the Netherlands;
- be sent abroad to work for you.

F Fictitious employment

An employment relationship that is not an employment relationship according to the Civil Code, but has been designated as an employment relationship by the legislator. See also Employment.

Tax number

The tax number is a number with which a non-natural person, for example a foundation, association, general partnership or private limited company, is registered with the Tax and Customs Administration and the Employee Insurance Agency (UWV). This number is also called the RSIN. See also RSIN.

Fiscaal partner

Your employee's tax partner is:

- the spouse or registered partner of your employee;
- the person with whom your employee is registered at the same address with the Personal Records Database (BRP) and meets additional conditions.

G Differentiated premium Whk

The Work Resumption Fund (Whk) premium that we determine individually for you, in addition to the differentiated Disability Fund (Aof) premium.

Conscientious objector

A withholding agent or employee who, on the basis of his beliefs, objects to any form of insurance, including national insurance, employee insurance and the Health Insurance Act, and has an accreditation from the SVB for this.

Moment of enjoyment

The time at which you pay, settle or make available the wages, or at which the wages become interest-bearing or payable and collectable.

Specific exemption

See Work-related costs scheme.

Green table

The table that you must use to calculate the wage tax/national insurance contributions on wages from previous employment and equivalent benefits. The difference with the white table is that no labor tax credit is included in the green table.

Base accretion method

See progressive cumulative arithmetic (VCR).

H Tax credit

Discount on the wage tax/national insurance contributions to be paid.

Conversion situations

There are employees who, under international law, do not have to pay tax and/or national insurance contributions in the Netherlands. These are employees in international situations who:

- only have to pay wage tax
- only have to pay national insurance contributions
- do not have to pay contributions for one or more national insurance schemes

You can take this into account. You can then use the special conversion tables. In a conversion table, 1 or more of the levies LB, AOW, Anw or Wlz contributions have been eliminated.

I Identification obligation

The legal obligation to establish someone's identity in certain situations. For example, you may need to establish an employee's identity before their first day of work, or on the first day of work if you hire your employee on this day.

Deduction of Zvw contribution

The income-related contribution that you deduct from the salary of the employee or benefit recipient and pay to us on the payroll tax return. The deduction applies if there is an exception as a result of which the employer's levy Zvw does not apply. See Employer's levy Zvw.

Withholding agent

An employer, benefits agency, pension fund, etc. that must withhold or pay payroll taxes on the salary, benefit, pension and the like.

Income-related Zvw contribution

The umbrella term for the employer's levy Zvw and the deduction of the Zvw contribution.

Earnings Period

The period within a tax return period in which a certain code or indication applies to an income ratio. Multiple income periods can occur within a tax return period.

Revenue ratio

The concept of 'income ratio' encompasses the different types of employment relationships and benefit relationships.

Login for entrepreneurs

On belastingdienst.nl, you can log in to your personal environment for various purposes, such as My Tax and Customs Administration, My Allowances and For Entrepreneurs. If you choose to log in For entrepreneurs, you will be taken to the portal via 'My Tax and Customs Administration Business' with which you can file online payroll tax returns and corrections from 2020 for a maximum of 10 employees. You can log in with your DigiD or with eHerkenning. On July 1, 2024, we closed the old portal to which you could log in with your username and password. This means that you will no longer be able to use this portal for the year 2019. Do you still want to file or correct your tax return for 2019? Then call the Tax Information Line 0800 - 0543. We will then help you further.

L Low-income benefit (LIV)

The low-income benefit (LIV) will be abolished as of 2025. The LIV was – under certain conditions – a contribution to the wage costs for employers with employees (of all ages) with a low income. The LIV for 2024 will be paid in 2025.

Benefit in kind

Wages in kind are the wages that the employer does not pay in cash. It is a benefit from the employment and must therefore be taxed for payroll taxes. The employer can provide or make available wages in kind to his employee. In the 1st case, the employee becomes the owner and in the 2nd case, the employer remains the owner.

Employee insurance wages

The salary of an employee that serves as the basis for calculating the employee insurance premiums. Also called the SV wage.

Payroll taxes

Payroll taxes are:

- wage tax/national insurance contributions
- employee insurance premiums
- income-related contribution under the Health Insurance Act (employer's levy Zvw and Zvw contribution)

Payroll tax credit

Discount on the wage tax/national insurance contributions to be withheld. There are 5 different payroll tax credits that – where applicable – together form the payroll tax credit:

- the general tax credit
 - the labor tax credit
 - the elderly tax credit
 - the single elderly person's tax credit
 - the young disabled person's tax credit
- The discounts, with the exception of the young disabled person's tax credit, have been incorporated in the green and white tables. You have to calculate the young disabled person's tax credit yourself.

Loonkostenvoordeel (LKV)

Employers can receive a contribution to wage costs for a certain period of time for employing certain employees, under certain conditions. The employer can indicate in the payroll tax returns which wage cost benefits he is eligible for for the employee:

- a wage cost benefit for older employees;
- b wage cost benefit for disabled employee;
- c wage cost benefit target group job agreement and training impediments;
- d wage cost benefit for redeploying a disabled employee.

This 'indication' can be equated with a request to grant the LKV. At the end of the year, the UWV calculates the entitlement to LKV on the basis of, among other things, the payroll tax return. The Tax and Customs Administration pays the LKV.

Wage statement

The (digital) document in which you record a number of prescribed data of your employee and in which the elements of the salary calculation from gross to net are listed.

Wage period

The period for which your employee receives wages. For example, a day, a week or a month.

Annuity payment

A periodic payment (e.g. monthly, quarterly or yearly) that someone receives after they have paid a premium for it. The benefits start during the lifetime of the insured person and stop at the latest upon the death of the insured.

M Maximum contribution wage

The maximum amount per year of salary on which you calculate the income-related Zvw contribution. This amount is adjusted annually.

Maximum premium wage

The maximum amount per year of salary on which you calculate the employee insurance premiums. This amount is adjusted annually. During the year, you take into account the cumulative amount of the period equivalents of this annual amount.

Cooperating child

A child who works in the business of his parent(s) and meets certain conditions, including:

- the child is not in real employment with the parent(s).
- the business is not (partly) run for the account of the child.

On request, a simplified arrangement applies to this child for determining the salary, calculating the payroll taxes and filing payroll tax returns.

Minimum wage

The minimum wage that you must pay to your employees under the Minimum Wage and Minimum Holiday Allowance Act.

N Supplementary assessment for payroll taxes

An assessment for payroll taxes not paid, paid too little or too late, possibly with a fine and/or tax interest.

Nationality

The nationality with which someone identifies with you. A person can have more than one nationality.

Net-Gross Calculation

Converting a net salary to a gross salary, which also calculates the amounts to be withheld from payroll tax and other deductions.

Net salary agreement

An agreement between the employer and the employee in which the employer pays the payroll taxes. This is always accompanied by a net-gross calculation.

Nominative part of the payroll tax return

The part of the payroll tax return that includes the data per employment or benefit relationship that UWV stores in the policy administration.

o Sales tax

Official name of VAT. The abbreviation VAT refers to the system of levy: levying of value added tax.

Option or stock option

A right to buy a share in a company at a predetermined price.

Opting-in

A scheme in which an employment relationship between a client and a contractor is considered a fictitious employment relationship by means of a joint declaration for wage tax/national insurance contributions. The contractor is sometimes referred to as a pseudo-employee. The scheme does not apply to employee insurance schemes.

P Employee number

The number under which a staff member is registered in your records.

Foster child

A child who is not his own child, but is raised and maintained as his own child.

Policy administration

The UWV database in which all employment and benefit relationships of the payroll tax return are stored.

Premium Private Supplement Unemployment Act and wage-related WGA

The premium that you and/or your employee pay for a private extension of the benefit under the Unemployment Act or the wage-related WGA benefit.

Premium salary

The premium wage is the wage for employee insurance (wage SV) whereby you take into account the maximum premium wage per employee per wage period.

R Reintegration

The process by which a sick employee returns to the labour process.

RSIN

RSIN stands for Legal Entities and Partnerships Information Number. So not for natural persons (who have a BSN). In the past, the Tax and Customs Administration issued a so-called tax number for these non-natural persons. These have been converted into an RSIN. Nowadays, the Chamber of Commerce issues the RSIN. You use this number to exchange data with (government) organisations, such as the Tax and Customs Administration.

S Sector classification

The division of companies into sectors based on their social function. Every withholding agent with insured staff is affiliated with a sector. We will inform you of this sector in a decision. The sector is important for the amount of the differentiated Whk premium.

Social security convention

Treaty between 2 countries in which it is regulated where someone is insured for social insurance.

Social Insurance Bank

Implementing agency that administers the national insurance schemes (AOW, Wlz, Anw) and the AKW, among other things.

Research and development

This means:

- development of technically new products, production processes or software
- technical scientific research
- an analysis of the technical feasibility of an own R&D project
- process-oriented technical research A company that carries out research and development work may be eligible for a subsidy through the Netherlands Enterprise Agency (RVO), which issues a decision for this purpose, after which it entitles you to an R&D remittance reduction, which you can deduct in the payroll tax return.

SV wage

See wages for employee insurances.

T Working from home allowance

In this handbook, the term 'homeworking allowance' refers to the allowance for additional costs of working from home for which a specific exemption applies. In common parlance, the term 'working from home allowance' is often used for this. The specific exemption for working from home is capped. You will find an explanation and examples of the specifically exempted homeworking allowance in section [22.1.12](#) Additional costs associated with working from home. In chapter 23, [section 23.1.2](#) Fixed allowance discusses the concurrence of an allowance for travel to a fixed place of work and an allowance for homeworking costs.

Period code

The code that indicates the period over which you file payroll tax returns.

Period wages

The salary that the employee receives over a certain period, for example a week or a month.

Period table

The table that you must apply to calculate the wage tax/national insurance contributions over the period wage.

U Employee Insurance Agency (UWV)

UWV takes care of the management of the policy administration and the administration of employee insurance schemes, such as the ZW, the WW, the WAO and the WIA. But also employee benefits such as the WAZO and the Wajong. In addition, UWV provides reintegration services.

V Holiday allowance

Holiday allowance (or holiday allowance) is the amount that an employer must pay its employee on top of the agreed wage under the Minimum Wage and Minimum Holiday Allowance Act. This can only be deviated from by collective labor agreement under certain conditions.

Holiday pay

Holiday pay is the regular salary that an employee receives during his leave. This concept is often confused with 'holiday allowance'.

Permanent establishment / representative

By a permanent establishment or permanent representative we mean a permanent place of business of a foreign company with the help of which the activities of a company are carried out in whole or in part. If a tax treaty applies, the definition of a permanent establishment as included in the tax treaty applies.

Misdemeanor fine

A fine that we can impose if you do not pay the payroll taxes or pay them too late or if you pay too little payroll taxes. There must be (conditional) intent or gross negligence.

Default penalty

A fine that we can impose if you do not comply with the declaration, payment or correction obligation or do not comply with it (on time) and there is no question of intent or gross negligence.

Progressive Cumulative Calculation (VCR)

The calculation system for calculating the employee insurance premiums due and the income-related Zvw contribution.

Free space

See Work-related costs scheme.

W Employer's levy Zvw

The income-related contribution that you (employer or benefits agency) owe for the Zvw. You calculate this on the salary of the employee or benefit recipient and pay it to us on a tax return. There may be an exception, which allows you to deduct the contribution from your salary, see Deduction of Zvw contribution.

Work-related costs scheme (WKR)

With this scheme, you do not tax wage components at the employee's expense. You apply a specific exemption or you use the so-called 'free space'. If the discretionary margin is exceeded, you pay a final levy. For more information, see chapters [10](#), [22](#) and [25](#).

Employee

Natural person who works for you in a real or fictitious employment relationship or receives wages from an existing or former employment of himself or another person, for example a benefit recipient.

White table

The table that you must use to calculate the wage tax/national insurance contributions on wages from current employment. The difference with the green table is that the white table also includes the labor tax credit.

Commuting

The journeys that an employee makes between his place of residence and a fixed place of work.

WSW employee

The Social Employment Act (WSW) is intended for people who are unable to work under normal conditions due to a physical, psychological or mental disability. There may be an employee with an employment contract within the meaning of Article 2 of the WSW. This employee is employed by the municipality or a joint arrangement.

In addition, on the basis of Article 7 of the WSW, the municipality can grant a subsidy to a regular employer who has an employment contract with an employee with a WSW indication.

For WSW employees, you pay a separate percentage of Whk premium. For some WSW employees, there is a right to wage cost benefit, for other WSW employees you are not. For more information about calculating employee insurance premiums for employment under the WSW, see sections [7.5](#), [7.6.5](#) and [7.8.1](#). For the wage cost benefits, see paragraph [27.1.1](#), and for the nature of the employment relationship code, see paragraph [29.13](#).

