

BELGIUM

As per 1 January 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Personal Income Tax Rates – Employment Income	Progressive tax rate: 0% – 50% (+ communal taxes). There are some tax free personal allowances available for Belgian residents and some non-residents.
Tax period	Calendar year
Tax residency / Domicile according to domestic law	<p>Belgian internal tax law provides two criteria whereby a person could be considered to be a Belgian tax resident, for example individuals who have established their domicile or the seat of their fortune in Belgium. The place of residence is normally governed by a number of factual criteria and is generally defined as the place where an individual has its permanent home.</p> <p>An individual is considered a resident of Belgium if the main home or centre of economic interests is in Belgium. An individual is presumed to be a resident of Belgium when registered in the civil register (rebuttable presumption). Married persons are deemed to be residents of Belgium if their household is established in Belgium (irrefutable presumption).</p>
Tax registration	A registration is required in order to receive a Belgian tax number ('repertorium nummer/numéro répertoire') for income tax filing purposes.
Employment income definition	Any remuneration and benefit in cash or in kind received by an employee for services rendered under an employment agreement (e.g. benefits in kind, cost of living allowances, home leave reimbursements, housing allowances, company car, etc.).
Examples of tax exemption	<p>Amongst others reimbursements of properly documented business expenses (including business trip expenses, per diems, etc.) are not taxable.</p> <p>Also certain tax free allowances and travel exclusion in view of the special tax status for foreign executives are not taxable.</p>
Specific expatriate concession	<p>Belgium offers a very favourable tax regime for expatriates coming to Belgium. Under this special tax status, non-Belgian executives and employees who 'temporarily' carry out work in Belgium qualify for special tax benefits.</p> <p>Qualifying individuals are treated as non-residents for Belgian tax purposes and are liable to Belgian income tax only on their Belgian-sourced income (i.e. earned income, Belgian investment income and income from real estate located in Belgium). All non-Belgian sourced income is not considered as taxable income in Belgium. In order to benefit from this special tax status, a special application should be made and sent to the Belgian tax authorities within six months following the month after the month of arrival in Belgium, and should be approved by the tax authorities.</p> <p>This special tax status essentially provides two main benefits that are relevant for calculating taxable income:</p> <ol style="list-style-type: none">1. There is a number of tax free allowances deemed to cover the reasonable additional expenses associated with being employed in Belgium. This allowance is tax-exempt in Belgium up to an annual limit of € 11.250 (or € 29.750 in the case of eligible employees working at control and coordination offices, research centres and scientific laboratories).2. Individuals qualifying for the special tax status are only taxed on the part of their income and remuneration for activities actually carried out in Belgium. The part of their worldwide income that corresponds with the days worked outside Belgium is totally exempt from Belgian income tax (i.e. through the application of a foreign travel exclusion).
	The income of a board member will be taxed in the same way as regular employees.

Income of board members	However, there are some slight differences with respect to the lump sum deduction of costs (if applicable) and the applicable social security contributions.
Tax returns	Each taxable person has to file a personal income return (July 11, 2019 via Tax on Web for residents). Depending on the residency status and a possible proxy for a chartered tax advisor different deadlines could be applicable (October 24, 2019 for residents, December 5, 2019 for non residents). In general, the return must be filed electronically by October of the year following the income year for residents and November of the year following the income year for non-residents.
Tax payments	The employer has the obligation to withhold the Belgian wage tax on the salary of the employee via the Belgian payroll or wage withholding tax returns (on a monthly or quarterly basis). Please note that an exemption could be possible if all conditions are fulfilled. The withheld wage tax will be settled with the Belgian income tax due on the basis of the annual personal income tax return.

TAX TREATIES

Employment income / income from board members

Art 15/16 Model OECD Tax treaties
However certain treaties between Belgium and other countries could differ from the OECD Tax treaties (e.g. France).

INTERNATIONAL SOCIAL SECURITY

Cross border employments

EU Regulation No 883/2004 and EU regulation No. 1408 / 71 and several social security treaties

Exception under Art 16 of Reg. 883/2004

Generally applicable.

and Art 17 of Reg. 1408/71

Social Security Cost as % from gross salary and absolute amounts

In Belgium the social security contributions to be paid are different between employees and self-employed persons:

*) Employees:
The employer's social security contributions differ for blue collar workers and white collar workers. The contributions are calculated based on gross wages (for blue collar workers it's calculated on 108% of their gross wage and for white collar workers on 100%).
Employer contributions equal approximately:
– +/- 40% of the gross salary (x 1,08) for blue-collar (manual) workers. Please note that the effective percentage differs on the applicable joint labour committee;
– +/- 28% of the gross salary of white-collar (professional and administrative) workers. Companies with fewer than 20 employees pay slightly less. The social security contributions are due on the gross salary (without limit).
Certain salary elements are subject to a special contribution (e.g. the CO2 solidarity contribution for the private use of a company car or the contribution of 8,86% due on the employer's group insurance contribution).
The employee social security contributions, based on employee's salary, amount to 13,07%.
Each employee or worker is also liable to pay a special social security contribution on a monthly basis, which is capped.
*) Self-employed:
The social security contributions for self-employed are capped in Belgium to +/- € 16.000 per year (including administrative cost).
0% on income lower than € 13.550,50

20,50% on income between € 13.550,50 – € 58.513,59 (including on first € 13.550,50) and 14,16% on income between € 58.513,60 – € 86.230,52.
Both social security contributions are tax deductible.

IMMIGRATION

Work permit	<p>Swiss, EU and EEA nationals do not need a work permit to work in Belgium. Nationals of another countries need a work permit in order to perform (employment) activities in Belgium.</p> <p>As from January 1, 2019 a combine permit (work and residence), called the Single Permit, has been introduced.</p> <p>Depending on specific conditions, exemptions exist.</p>
Visa	<p>Swiss, EU and EEA nationals do not need a visa to enter into Belgium.</p> <p>Non EU, EEA nationals need a visa. However, there are some exemptions in this respect.</p>
Residency permits / registration certificate	<p>Individuals that would like to remain in Belgium after a three-month period must apply for a permanent residence permit and register with the local commune. An exception exists for hotel staying.</p> <p>Individuals who obtained a work permit, should apply for a residence permit at the moment they arrive in Belgium or they receive their definite work permit.</p> <p>As from January 1, 2019 a combine permit (work and residence), called the Single Permit, has been introduced.</p>
Driving license	<p>Driving licences issued in other EU, EEA countries are recognized in Belgium. The driver may exchange his license to grant Belgium driving license (although it is not obligatory).</p> <p>Driving licences issued in the other country are accepted for certain countries. Under certain conditions, driver have to exchange their driving licence.</p>
STOCK OPTION PLAN	<p>A distinction has to be made between stock options which are falling in the scope of the application of the Law of March 26, 1999 and other stock options:</p> <ul style="list-style-type: none"> – Falling in the scope of the application of the Law of March 26, 1999: Taxed at the moment of granting of the equity and subject to a beneficiary tax regime and exempted from social security contributions. – Not falling in the scope of the application of the Law of March 26, 1999: Taxed at the moment of vesting of the equity and subject to a normal tax regime (similar to salary).

ARTICLE 15 OF THE OECD MODEL

183 days	<p>In principle, the days of physical presence will be accounted per calendar year, tax year of 12 month period.</p> <p>However some double tax treaties between Belgium and some countries use another way of calculating the 183 days.</p>
Notion of employer	Economic employer.
Existence of a permanent establishment	The definition of an permanent establishment is determined in the tax treaty itself.

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