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ACCOUNTANTS & BELASTINGADVISEURS

2026 Payroll Special

The 2026 Payroll Special is a handy reference work for you as an employer or HR professional.

It contains up-to-date figures and details of relevant legislation relating to areas such as payroll tax, the customary salary scheme, company cars, the work-related expenses scheme (WKR), employer subsidies, various employment-law matters and pensions At the end of this document you will find a number of tables setting out the figures and rates applicable for 2026.

Please note:
We are keen to ensure we provide up-to-date information. As we are writing, however, new measures may be announced by the government. The overview in this Special is based on the information available as at 5 p.m. on 12 January 2026.

This Payroll Special is divided into the following sections:

1 Rates for payroll tax, contributions and tax credits, and miscellaneous information

1.1 Changes to payroll tax rates

The rate applicable in the first tax band is being reduced slightly, but there will be a small rise in the rate in the second band.

Decrease in rate in first tax band
The rate applicable in the first tax band is being reduced from 35.82% to 35.75% from 1 January 2026. This first tax band applies to incomes up to € 38,883. The rate reduction and increase in the threshold will result in a maximum tax saving of € 35.

Increase in rate in second tax band
A rate of 37.56% will apply in the second band in 2026. This band will apply to incomes up to € 78,426. In spite of the slight rise in the rate, the increase in the threshold means that there will be a resulting maximum tax saving of € 162.

Top tax band to remain unchanged
The top tax band will remain at 49.50% in 2026.

1.2 What changes are being made to tax credits?

Tax credits have also been adjusted. What figures will apply in 2026?

General tax credit to rise again slightly, but also rate by which it is reduced for higher incomes
To ensure that taxpayers earning the statutory minimum wage are entitled to the maximum general tax credit, the point from which this tax credit is reduced for higher incomes has been linked to the level of the statutory minimum wage. In 2026 the point from which it tapers will be set at € 29,736 (2025: € 28,406). The rate of the reduction will be 6.398% in 2026 and therefore slightly higher than in 2025 (6.337%). At € 3,115, the maximum general tax credit in 2026 will again show a small rise (2025: € 3,068). From the threshold for the highest tax band (€ 78,426 in 2026) the general tax credit will be € 0.

Employed person's tax credit and point from which it is reduced for higher incomes to rise slightly, but rate of reduction to remain unchanged
In 2026 the maximum employed person's tax credit will increase slightly to € 5,685 (2025: € 5,599). The amount of the employed person's tax credit increases with earnings, up to a salary of € 45,592 (2025: € 43,071). For salaries from € 45,592 the employed person's tax credit will be reduced by 6.51% (the same percentage as in 2025 and 2024). From a salary of € 132,920 the employed person's tax credit is € 0.

Please note:
If you pay an incapacity for work benefit to an employee, you can currently deduct the employed person's tax credit from this, subject to certain conditions. If such a benefit is paid by the Employee Insurance Agency (UWV), the UWV cannot take this tax credit into account. At the end of 2024, the Supreme Court ruled that this difference in treatment contravened the prohibition of discrimination. It has therefore been announced that, from 2027, an employer will also no longer be permitted to apply the employed person's tax credit to the payment of an incapacity for work benefit.

Elderly person's tax credit to rise slightly
The maximum elderly person's tax credit will increase slightly in 2026 to € 2,067 (2025: € 2,035). The point from which it is reduced for higher incomes will also rise slightly to € 46,002 in 2026 (2025: € 45,308). As in 2025 and 2024, the rate by which it tapers from this point will be 15%. There will be no entitlement to the elderly person's tax credit from an income of € 59,782 (2025: € 58,875). The single elderly person's tax credit will amount to € 540 in 2026 (2025: € 531).

Please note:
In principle, the Social Insurance Bank (SVB) applies the single elderly person's tax credit. Since 2024, however, you have also been able to apply this tax credit as an employer, if your employee meets the conditions and asks you to do so in writing. He/she can do this, for example, using the Model Statement of data for payroll taxes. You must, however, make your employee aware that this tax credit may only be applied by one withholding entity and that he/she must ask the SVB to stop applying it.

1.3 Same differentiated Awf contribution, but higher maximum assessable salary

The differentiated contribution to the General Unemployment Fund (Awf) consists of a high and a low contribution. As an employer you can apply a low Awf contribution if a number of conditions are met. If you do not meet these conditions, you pay a high Awf contribution. The conditions relate to your employees' employment contracts and are intended to combat highly flexible contracts and protect permanent contracts.
In 2026 the Awf contribution will be the same as in 2025 for both contributions. The low Awf contribution will amount to 2.74% and the high Awf contribution will stand at 7.74%. The maximum assessable salary has increased sharply in recent years (from € 66,956 in 2023 to € 71,628 in 2024 and € 75,864 in 2025). In 2026 it will rise further to € 79,409. For employees with an assessable salary from € 75,864, as an employer you may therefore owe up to € 97 (for the low contribution) and € 274 (for the high contribution) more in Awf contributions per employee in 2026.

Adjustment to contribution due to exceeding contracted hours applicable since 2025
Since 2025 employers have had to apply the high Awf contribution with retroactive effect if an employee with an employment contract for an average of 30 hours or fewer per week has paid hours that exceed his/her contracted hours by more than 30%.

Please note:
In addition to the adjustment in cases where paid hours exceed contracted hours by more than 30%, the low Awf contribution must also be adjusted to the high Awf contribution if a new employee resigns or is dismissed within two months of his/her employment commencing. This adjustment is not dependent on the number of contracted hours and therefore applies to all contracts.

1.4 Higher contributions to Return to Work Fund in 2026

As an employer you pay social contributions to the Return to Work Fund (Whk) every year. The average contribution percentage for the Return to Work (Partially Disabled) Regulations (WGA) component is rising from 0.83% in 2025 to 0.96% in 2026. The average percentage for the Sickness Benefits Act flexible employment (ZW-flex) component is increasing from 0.50% in 2025 to 0.56% in 2026. This increase is mainly due to a rise in cases of long-term sickness amongst young people, including long COVID and mental health problems. As a result, more claims are being made under incapacity benefit schemes.

Please note:
The WGA contribution component applies to all employment relationships for which contributions to employee insurance schemes have to be paid. The ZW contribution component applies only to flexible and temporary employment relationships.

Average salary on which contributions are payable
How the differentiated Whk contribution is calculated depends on the size of your company. The category you fall into as an employer in 2026 is determined on the basis of your wage bill in 2024. The calculation is based on the average salary on which contributions are payable, which amounted to € 39,600 in 2025 and is increasing to € 43,300 in 2026.

Thresholds for small/medium-sized/large employers
In 2026 the threshold between small and medium-sized employers has been set at a wage bill not exceeding € 1,082,500 (2025: € 990,000). If you have a wage bill exceeding € 4,330,000, you will be regarded as a large employer in 2026 (2025: € 3,960,000).

Please note:
In 2026 it is the wage bill from two years earlier, i.e. 2024, that is relevant. If your wage bill in 2024 did not exceed € 1,082,500, you are considered a small employer.

Decision from Tax and Customs Administration
If you are a large or medium-sized employer, at the end of 2025 you will have received a decision from the Tax and Customs Administration on the level of the contribution. For large and medium-sized employers the level depends on the number of employees who have started receiving benefits under the ZW and WGA. It is a good idea to lodge a pro forma objection within six weeks of the date of the Whk decision, in anticipation of receiving the lists of employees who are newly receiving such benefits.
Small employers will have received a notification from the Tax and Customs Administration in December 2025. If you are a small employer, you pay a contribution that is dependent on the sector in which you operate. This contribution is a fixed percentage and it is not possible to object against it. However, you should always check that the sector applied still corresponds to your company's activities.

Please note:
Besides the contribution percentages for 2026, the increase in the maximum assessable salary may also affect the level of the contribution you have to pay. The maximum assessable salary will increase to € 79,409 in 2026 (2025: € 75,864). For employees with an assessable salary between € 75,864 and € 79,409 you may therefore owe a higher contribution as an employer, even if the contribution percentages have fallen compared with 2025.

Refund or additional assessment of differentiated Whk contribution
Have you paid too much or too little in Whk contributions in your payroll tax return? This may be because, as a start-up, you received the differentiated Whk contribution from the Tax and Customs Administration after 1 January or because the Tax and Customs Administration adjusted the contribution percentage following an objection against the Whk decision, for example. If so, you do not need to submit a correction for the differentiated Whk contribution and can instead use a form to request a refund or an additional assessment of the contribution.

1.5 Fall in contributions under Healthcare Insurance Act in 2026, higher assessable salary

In 2026 the contributions under the Healthcare Insurance Act (Zvw) are being reduced by 0.41 of a percentage point. This applies both to the contributions that employers pay for their employees (6.10% in 2026) and to those that self-employed persons and directors/major shareholders (DGAs) have to pay for themselves (4.85% in 2026).

Please note:
The lower percentages in 2026 are mainly the result of a one-off surplus in the Healthcare Insurance Fund. This has arisen as the amount of Zvw contributions collected in the past

was higher than expected. In 2026 this surplus will be paid back in the form of a reduction in the percentages.

The maximum assessable salary has increased sharply in recent years (from € 66,956 in 2023 to € 71,628 in 2024 and € 75,864 in 2025). In 2026 it will rise further to € 79,409. Thanks to the reduction in the percentages, however, the maximum Zvw contribution in 2026 will be lower than in 2025. The maximum contribution payable by an employer stood at € 4,938 (6.51% of € 75,864) in 2025, but this will fall to € 4,843 (6.10% of € 79,409) in 2026. The maximum contribution payable by persons subject to insurance who pay the contribution themselves came to € 3,990 (5.26% of € 75,864) in 2025. In 2026 this will decrease to € 3,851 (4.85% of € 79,409).

1.6 Aof contribution too high for years?

As an employer you pay an Invalidity Insurance Fund (Aof) contribution to the Tax and Customs Administration. The UWV funds a number of employee insurance schemes, such as incapacity for work (WAO) and sickness (ZW) benefits, out of this fund.

Contribution too high?
Rumours are circulating that employers have been paying too much in Aof contributions for some years now. The Invalidity Insurance Fund is supposed to be based on a pay-as-you-go system. This means that the level of the contribution depends on the expenditure that is expected to have to be made out of the fund. The fund should not therefore have any structural surpluses. However, it is estimated that at the end of 2025 the Invalidity Insurance Fund had assets of € 40 billion.

Initiative
An initiative has been launched with a view to claiming back the excess Aof contributions paid from the Tax and Customs Administration, by means of a class action. The parties behind the initiative claim that more than 20% of the Aof contributions paid were wrongfully charged.

Opposing views
Both the UWV and the Ministry of Social Affairs and Employment are arguing that the Aof contributions were not too high. *De Telegraaf* reports that the UWV is claiming that it was not a pay-as-you-go system and that the state had already switched over to a different system at the end of the 1990s. A professor of fiscal economics doubts that this is the case, according to *De Telegraaf*. *De Telegraaf* also reports that the Ministry of Social Affairs and Employment is asserting that the Invalidity Insurance Fund can also be used to fill other gaps. The contribution therefore also went up in 2025 to cover the scrapping of the proposed increase in VAT on cultural activities, for example.

What now?
The question now is whether it is a good idea to join this initiative. This is a matter that you will have to weigh up for yourself. If you are in any doubt, please contact our advisors, who will help you come to an informed decision.

Please note:
Please be aware that the parties behind the initiative are asking for a contribution from anyone wishing to join it. That means it is not without cost and there is, of course, no guarantee of success.

1.7 What salary is free of tax in the event of an employee's death?

In the event of an employee's death you are allowed to make a one-off payment. This is untaxed, provided that it does not exceed three times the employee's monthly salary.

Tip:
Such a tax-free payment may also be made to an employee in the event of the death of his/her partner, child or foster child.

What is the monthly salary?
The Tax and Customs Administration was asked to clarify what the monthly salary is for the purposes of this scheme in the following situation. An employer reduces an employee's salary to 70% of his gross monthly salary with effect from 1 August, as the employee has been sick for more than 52 weeks. On 15 August the employer promises all employees an increase in their gross monthly salary from 1 October. The employee dies on 20 August.

1/12 of the gross annual salary
The Tax and Customs Administration says that, in principle, the calculation of the monthly salary should be based on 1/12 of the employee's regular gross annual salary. This not only includes the salary already received, but also any salary yet to be paid out in a year. For this reason, both the reduction to 70% of the gross monthly salary and the promised increase in monthly salary from 1 October must be taken into account.

What else forms part of the annual salary?
When calculating the monthly salary you can also take into account the monthly holiday allowance accrued and other regular, guaranteed (special) remuneration, such as thirteenth-month pay. The addition to taxable income for private use of a company car can also be included.

Please note:
Profit-sharing bonuses and special forms of remuneration that are not guaranteed may not be taken into account.

Example
An employee's monthly salary up to the end of July amounts to € 4,000. From 1 August the employer restricts the payment of this salary to 70% (€ 2,800), as the employee has been sick for more than 52 weeks. On 15 August the employer promises all employees a 5% pay rise. The employee dies on 20 August.

In this case one twelfth of the annual salary amounts to € 3,535 (1/12 of 7 x € 4,000 + 2 * € 2,800 + 3 * € 2,940). As a result of the employee's death, the employer can therefore make a tax-free payment of no more than € 10,605 (3 x € 3,535).

Please note:
This is a simplified calculation and does not take into account 1/12 of the annual holiday allowance, 1/12 of any guaranteed thirteenth-month pay or any addition to taxable income for private use of a company car. In reality, the tax-free amount could therefore be higher.

1.8 Deduction of more payroll tax at employee's request

If an employee holds a number of jobs at the same time, for example, the total amount of payroll tax deducted for these jobs may be lower than the amount the employee owes on the basis of his/her income tax assessment. This is due to the different bands that apply in the area of payroll and income tax, meaning that from a certain level of income a higher rate is charged (progressive rate). The different employers do not take into account the salaries paid for the other jobs, but for purposes of the income tax assessment these salaries are added together.

To bring the payroll tax and income tax more into line, employees can ask their employer to deduct more payroll tax.

Please note:
The same situation can also arise if an employee has several pensions, if his/her salary has increased significantly from the previous year or if, in addition to receiving a pension, he/she also still works for an employer.

Only on request/with consent
Deducting more payroll tax than the calculation shown in the payroll tax tables is only permitted at the employee's request or with his/her consent.

Not compulsory
An employer is not obliged to comply with such a request from an employee. If an employer does not want to deduct more payroll tax and an employee nevertheless wants to avoid being confronted with an additional amount to be paid in his/her income tax assessment, the employee can always ask the Tax and Customs Administration him/herself to impose a provisional assessment.

1.9 Objection against tax interest

If you are charged tax interest in an assessment, it is possible to lodge an objection against this. Following a district court judgment at the end of 2024, in the first half of 2025 all objections against tax interest were designated as a 'mass objection'.

Tax interest contravenes principle of proportionality
On 7 November 2024 the Northern Netherlands District Court ruled that the tax interest charged by the Tax and Customs Administration on corporation tax assessments contravened the principle of proportionality.

Designation as a 'mass objection'
Following this judgment, a large number of objections against tax interest were submitted to the Tax and Customs Administration. Any objections lodged against tax interest charged from 1 October 2020 have therefore now been designated as a 'mass objection'. This means that the Tax and Customs Administration will not make a decision on the objections for the time being and will instead defer these decisions. Once the various questions relating to tax interest have been answered definitively by the courts, the Tax and Customs Administration will then issue one collective decision covering all objections.

How high is the interest allowed to be?
The case ruled on by the Northern Netherlands District Court has already been brought before the Supreme Court. In an opinion, the Supreme Court's advisor – the Advocate General (AG) – has stated that, in his view too, the interest rate applicable to corporation tax is non-binding and that the rules contravene the justification principle and the principle of proportionality.

In his opinion the AG also tells the Supreme Court that it would be of great public benefit if the Supreme Court were also to rule on how high the interest charged on corporation tax and other taxes should be.

The AG advises that a reasonable outcome would be to set the interest rate at the level of statutory non-commercial interest. This stood at 2% from 2015 to the end of 2022, 4% in the first half of 2023, 6% in the second half of 2023 and 7% in 2024. Since 1 January 2025 this interest has been charged at 6%.

Please note:
The Supreme Court will come to its own decision and is not obliged to follow the opinion of the AG. We will therefore have to wait and see whether the Supreme Court also takes the view that the interest rate is non-binding and whether it comments on the level at which such interest may be charged.

Lodge your objection on time!
Your objection will only be included in the 'mass objection' procedure if it is lodged on time. On time means within six weeks of the date of the assessment.

Please note:
If tax interest has been charged in your provisional assessment, you first need to submit a request for a revision of the provisional assessment. After the Tax and Customs Administration has rejected this request you can then object against this decision. It is now possible to submit a request for revision and lodge your objection against its rejection in a single letter. Make sure that you do this on time, as otherwise your objection will not be included in the 'mass objection' procedure.

Consultation
If the Tax and Customs Administration made a decision on your objection before 7 February 2025 (relating to corporation tax) or before 7 May 2025 (relating to taxes including income tax, VAT, payroll tax and dividend tax), your objection may not be included in the 'mass objection' procedure. The same applies to any objections concerning matters other than tax interest that you have included in your letter of objection. If you have any questions about the above or on other points, please contact our advisors. We will be happy to help.

Please note:
The tax interest charged on payroll tax amounts to 5% in 2026. That is 1.5 percentage points lower than in 2025, when it stood at 6.5%.

1.10 Simplification of hirer's liability

If a supplier of personnel fails to pay the payroll tax, social insurance contributions and VAT due for hiring out workers, the Tax and Customs Administration can hold the hirer or intermediate hirer liable. The hirer or intermediate hirer can mitigate this risk by paying a

portion of the supplier's, or intermediate hirer's, invoices into a G-account. Provided that the hirer or intermediate hirer meets the mandatory administrative requirements, they are indemnified up to the amount paid into the G-account.

From 2027 two presumptions will be introduced into law that will make it easier for the Tax and Customs Administration to hold a hirer and intermediate hirer liable. These presumptions relating to hirer's liability will enter into force at the same time as the Provision of Personnel Accreditation Act (*Wet toelating terbeschikkingstelling van arbeidskrachten*).

Presumption regarding level of liability debt
The Tax and Customs Administration will therefore be able to rely on the presumption that the liability debt amounts to 35% of the invoice amount. It will be able to hold the hirer and intermediate hirer liable for (together) a maximum of 35% of the invoice amount without conducting any further investigation into the actual level of the liability debt.

The hirer or intermediate hirer will, however, have the opportunity to provide rebuttal evidence relating to the actual level of this debt. Such evidence can be based on documents from the company's own accounting records, for example.

Tip:
The hirer or intermediate hirer can only be held liable if they have paid less than 35% of the invoice amount into the G-account. After all, they are indemnified up to the sum paid into the G-account.

Presumption relating to supplier
The second presumption being introduced is that a company entered in the public register as an accredited employment agency is a 'supplier' for hirer's liability purposes. This means that the Tax and Customs Administration does not have to investigate whether the relationship involved hiring in personnel or a contract for work, but can simply apply the hirer's liability.

It will also be possible to provide rebuttal evidence in relation to this presumption. In spite of the supplier being entered in the public register, the hirer or intermediate hirer can try to demonstrate that it was a case of a contract for work.

Please note:
The public register is part of the Provision of Personnel Accreditation Act, which will enter into force with effect from 1 January 2027. Once this Act has taken effect an accreditation system will apply within the temporary employment sector.

Policy-based indemnification
In addition to these two presumptions, a policy-based indemnification is being introduced for hirers who hire in workers from accredited suppliers or intermediate hirers. This is subject to the condition that the hirer pays 35% of the invoice amount into the G-account and meets the administrative obligations.

1.11 Online application for payment history declaration

If you hire out personnel yourself, the company to which you supply these workers may ask you for a payment history declaration. This document allows you to demonstrate that you are complying with your tax-return and payment obligations in the area of payroll tax and/or VAT. Such information is important for the hirer, intermediate hirer or contractor, as they can be

held liable if you fail to meet these obligations. There are two different forms. As a supplier you should use the form Verklaring betalingsgedrag inlenersaansprakelijkheid (uitlener) (Payment history declaration – hirer's liability (supplier)) and as a subcontractor the form Verklaring betalingsgedrag ketenaansprakelijkheid (onderaannemer) (Payment history declaration – vicarious tax liability (subcontractor)).

Please note:
There are also other situations in which you may be asked to demonstrate that you are complying with your tax-return and payment obligations, e.g. in the case of a tendering procedure or permit application. A different form is used in these cases: Verklaring betalingsgedrag nakoming fiscale verplichtingen (Payment history declaration – compliance with tax obligations).

You can apply for a payment history declaration using DigiD. The Tax and Customs Administration will aim to make a decision on your online application within a week. More time may be needed if lots of applications are received. The payment history declaration will be sent to the home or business address entered in the Tax and Customs Administration's records.

Unfortunately, it is not yet possible to apply using eHerkenning. You will therefore have to download the pdf from the Tax and Customs Administration's website and submit it in writing.

2 Customary salary and volunteer's allowance

2.1 Customary salary

In 2026 the standard amount under the customary salary scheme is € 2,000 higher than in 2025, amounting to € 58,000 per year. When the level of the customary salary is determined for a director/major shareholder and his/her co-working partner, the highest of the following amounts must be taken as a basis:

- the salary for the most comparable position;
- the highest salary received by the other employees of the company or affiliated companies (legal entities);
- € 58,000 (2025: € 56,000).

If the resulting salary is higher than that for the most comparable position, you can set your customary salary at the level of the latter. The discussion with the Tax and Customs Administration will mainly concern the question of whether the salary you have set is indeed that for the most comparable position.

Please note:
If other directors/major shareholders work for the company or affiliated companies, bear in mind that another of them may be regarded as the highest-earning employee.

Please note:
Does the director/major shareholder and/or his/her co-working partner work part-time, and can you demonstrate sufficiently that the employment is carried out on a part-time basis? If so, you can apply the part-time percentage to the full-time salary for the most comparable position or the full-time salary of the highest-earning employee to determine the level of that salary. You must also demonstrate sufficiently that this part-time salary would also apply to the most comparable part-time position and/or the highest-earning part-time employee. This part-time percentage cannot be applied to the amount of € 58,000.

In some situations you can take an even lower salary as a basis. For example, under certain conditions, start-ups may apply a lower salary for a maximum of three years, if the company cannot afford the customary salary as a result of circumstances associated with starting the business. Under certain conditions, you may also take a lower salary as a basis if your company incurs a loss that is sufficiently large to put the continuity of the company at risk.

Tip:
Once the customary salary has been determined, in some cases your regular salary can be set at a lower level. This is because, besides this regular salary in cash, other salary components are also taken into account when assessing the customary nature of the salary. These include:

- the addition to taxable income for private use of a company car;
- other benefits in kind;
- allowances and benefits in kind under the work-related expenses scheme, if these can be personally attributed to the director/major shareholder.

Please note:
On 4 April 2025 the Supreme Court ruled that a final-levy component is also included in the definition of salary, even if it benefits from a specific exemption or falls within the fixed budget under the work-related expenses scheme. If the legislator has not included a separate definition of salary in the legislation for a particular scheme, the composition is considered to be the same as that defined by law, according to the Supreme Court. For the customary salary scheme, no separate legal definition of salary has been included. This means that all allowances and benefits in kind with specific exemptions and all allowances and benefits in kind that fall within the fixed budget are also counted when calculating the customary salary. In many cases this was already applied in practice for salary components that could be linked to an individual employee.

2.2 Untaxed volunteer's allowance of € 2,200 in 2026

In 2026 the maximum untaxed volunteer's allowance will be € 100 higher than in 2025, amounting to € 2,200 per year. The monthly allowance in 2026 will also be higher than in 2025 at a maximum of € 220 (2025: € 210).

Please note:
The volunteer's allowance must not exceed the maximum amounts and the volunteer must carry out the work in question for designated, non-commercial organisations and not as part of his/her profession. The Tax and Customs Administration assumes that the work is not carried out on a professional basis if the maximum hourly allowance in 2026 amounts to € 5.75 (2025: € 5.60). For volunteers under the age of 21 this maximum hourly allowance is € 3.40 in 2026 (2025: € 3.30).

3 Transport

3.1 Addition to taxable income for private use of company car

In 2026 there will be no changes to the addition to taxable income for new cars with CO_2 emissions of more than 0 grams per kilometre. As in previous years, this will remain at 22%.

The addition for new cars with CO_2 emissions of 0 grams (including fully electric cars) per kilometre was 17% in 2025, up to a list price of € 30,000, and 22% above this level. 2025 was supposed to be the last year in which a discount would apply to new cars with CO_2 emissions of 0 grams. At the last moment, however, a change to the law was passed, as a result of which in 2026 and 2027 a lower addition will continue to apply to new cars with no CO_2 emissions.

For a new fully electric car made available in 2026, this lower addition will amount to 18% on the first € 30,000 of the list price and 22% above this level. In 2027 it will rise to 20% on the first € 30,000 of the list price, with 22% applying to the excess amount. From 2028, the lower addition will be abolished for new cars with no CO_2 emissions made available in 2028.

Year	Discount	Addition to taxable income	Ceiling	Addition to taxable income above this
2026	4%	18%	€ 30,000	22%
2027	2%	20%	€ 30,000	22%
2028 onwards	0%	22%	N/A	N/A

Please note:
The addition is fixed for 60 months from the first month after that in which the car is first registered. After the 60-month period has ended an annual assessment will be performed to determine whether a discount applies to a fully electric car based on the legislation in force at that time. Cars with CO_2 emissions of 0 grams that come to the end of the 60-month period in 2026 will therefore be subject, on reaching that point, to an addition to taxable income of 18% on the first € 30,000 of the list price and of 22% above this amount. From 2027, an addition of 20% on the first € 30,000 of the list price and of 22% on the excess amount will apply to these cars. An addition of 22% will apply from 2028.

Exception for hydrogen- and solar-powered cars
The cap, which means the discounted addition percentage of 18% does not apply to the portion of the list price above € 30,000 (2026), will not apply to hydrogen- or solar-powered cars. For such cars this addition percentage of 18% will apply to the entire list price in 2026.

3.2 Age limit for young-timer scheme

From 1 January 2026 and 1 January 2027 the rules of the young-timer scheme are changing. Transitional arrangements will apply in 2026.

Young-timer scheme
Under the young-timer scheme, in 2025 a company car that first entered use fifteen years ago was subject to an addition to taxable income of 35% of the market value. If the car was younger, but entered use for the first time before 1 January 2017, the addition amounted to 25% of the original list price.

Increase in age
In 2026 the age limit under the young-timer scheme will increase to sixteen years and from 2027 to 25 years.

Transitional arrangements in 2026
This new age limit would mean that a car that reached the age of fifteen in 2025 would be faced with an addition of 25% of the original list price in part of 2026 (namely for the months up to the point when the car becomes sixteen years old).

Fortunately, transitional arrangements have been announced to deal with such situations. As a result, the 2025 young-timer scheme will continue to apply in 2026. This means that the addition for the whole of 2026 will be 35% of the vehicle's market value. This is subject to the following conditions:
- the car was already made available in 2025, and
- reached the age of fifteen or older in 2025, and
- is available to the same employee in 2026 as it was in 2025.

Please note:
It is possible to make a choice. If it would be more favourable to apply an addition of 25% of the list price instead of 35% of the market value, you can select this option.

In figures: a car dating from 2010
Imagine that you have a company car that first entered use on 30 September 2010. From October 2025, the addition for this car under the current young-timer scheme applicable up to 1 January 2026 is not 25% of the original list price, but 35% of the car's market value.

If the original list price was € 50,000 and the market value in October 2025 is € 8,000, the monthly addition from October 2025 would not be € 1,041.67 (1/12 of 25% of € 50,000), but € 233.33 (1/12 of 35% of € 8,000).

The increase in the age limit to sixteen years under the new scheme means that, from January to September 2026, the monthly addition would be € 1,041.67. Thanks to the transitional arrangements, however, an addition of € 233.33 can also be applied in these months (in the case of a market value of € 8,000). On the basis of the statutory provisions, from October to December 2026 you can continue to benefit from the young-timer scheme and apply a monthly addition of € 233.33 (assuming that the market value remains the same).

From January 2027 – as a result of the increase in the age limit to 25 – your monthly addition will be € 1,041.67 until your car reaches the age of 25.

3.3 From 2027: 12% pseudo final levy for company car with CO_2 emissions

From 2027, a pseudo final levy of 12% will apply in the area of payroll tax. An employer will owe this 12% levy if, from 2027:

- it makes a company car available to an employee,
- this car may also be used for private purposes, and
- the car has CO_2 emissions greater than zero.

Please note:
The 12% pseudo final levy is payable by the employer. It is an additional levy that the employer is not allowed to recover from the employee. The addition to taxable income for private use of the company car, which is borne by the employee, will also remain in place in 2027.

Exceptions
A number of exceptions apply. An employer does not owe the final levy if:

- the car has CO_2 emissions of zero – fully electric and hydrogen-powered cars therefore fall outside this levy;
- the company car is used solely for business purposes and not for private travel (in this case there is also no addition to taxable income for the company car).

Please note:
There is an exception for occasional private use in the event of unforeseeable and exceptional circumstances. The employer must, however, be able to demonstrate that such circumstances apply.

Commuting is private travel!
The exception that applies to cars not used for private travel comes with a catch. Whereas, for purposes of the addition to taxable income for a company car, commuting is regarded as business travel, for the pseudo final levy such commuting kilometres are considered to be private travel.

Please note:
The consequence of this is that, from 2027, an employer may owe the pseudo final levy even if the employee does not use the car for private purposes (or only up to a maximum of 500 kilometres) and therefore has no addition to his/her taxable income. If the employee uses this car for commuting, the employer will have to pay the pseudo final levy of 12%.

Car
The pseudo final levy applies to cars. These are vehicles with vehicle classification M1 in the civil vehicle registration system and vehicles that would be classified as such under the European Regulation.

Please note:
An M1 vehicle is a motor vehicle with four or more wheels that has been designed and constructed to carry persons and has a maximum of nine seats, including the driver's seat. Camper vans, people carriers for patient transport (equipped with a maximum of nine seats) and hearses also fall into this category.

Vans, trucks and tractors do not have an M1 classification and therefore fall outside the pseudo final levy.

Transitional arrangements up to 17 September 2030
Cars made available before 1 January 2027 will not be immediately subject to the pseudo final levy from that date. Transitional arrangements will apply to these cars up to 17 September 2030. Employers will only have to pay the pseudo final levy for such cars from that point on.

Please note:
The transitional arrangements are linked to the car. This means that, even if an employer makes the same car available to different employees before and after 1 January 2027, the transitional arrangements will continue to apply.

12% of the list price
The 12% pseudo final levy will be calculated on the list price of the car, including VAT and private vehicle and motorcycle tax (BPM). In contrast to the addition to taxable income for a company car, the employee's personal contribution is not taken into account when calculating the pseudo final levy. If the car is more than 25 years old, the 12% pseudo final levy is calculated on the market value of the vehicle.

Payment with payroll tax return
The pseudo final levy is charged each calendar month. However, the employer can choose to pay it in the second payroll tax return period of the following calendar year, at the latest.

Please note:
For 2027 an employer will therefore pay the pseudo final levy no later than in the second payroll tax return period of 2028.

There is no benefit in trying to save on the pseudo final levy by not making the car available for private use every day. Even if the car is made available for private purposes for just part of a month, this is considered to apply to the whole calendar month. The 12% pseudo final levy will therefore be applicable for the entire calendar month.

Also applicable to directors/major shareholders, but not to entrepreneurs subject to income tax
The pseudo final levy is a levy that applies to employers. This means that if a company makes a company car available to a director/major shareholder (DGA), it may also have to pay the levy.

A sole trader or partner in a general partnership will not be subject to the levy personally, but may have to pay it for his/her staff.

Get prepared
Although the measure will not take effect until 2027 and transitional arrangements will apply, it is a good idea to start preparing for its introduction. This applies in particular if you have entered into a lease with a five-year term or plan to do so in the future. That is because the transitional arrangements will run until 17 September 2030 and that is already less than five years away.

3.4 Final levy for vans used by different employees higher in 2026

If an employer has a van that is used by a number of different employees, the addition to taxable income for private use can be replaced with a flat payment by applying a final levy. In 2026 the amount of the final levy will be € 13 higher than in 2025, amounting to € 451 per year (2025: € 438).

Please note:
As a consequence of case-law dating from 2019 (ECLI:NL:GHDHA:2019:3152), in practice the Tax and Customs Administration only allows the final levy to be applied for a van used by different employees if it would be onerous to keep a journey log for the van. You should therefore bear in mind that, in situations in which the Tax and Customs Administration does not consider it onerous to keep a journey log, application of the final levy will not be accepted.

Tip:
The amount of € 451 applies only to a van that is used by a number of different employees. If a car is available to several employees for private use, you can base the addition to taxable income for each employee on the extent to which the employee has access to the car. If a car is equally available to two employees, for example, and they both also use it for private purposes, the addition for both employees will be 50% of the customary addition.

3.5 No addition to taxable income if company bicycle occasionally stored at home

If you make a bicycle available to an employee that he/she may use for private purposes, you have to apply an addition to his/her taxable income. If an employee is also allowed to use the bicycle for commuting, it will in any case be considered to have been made available for private use. An addition to taxable income of 7% of the recommended retail price of the bicycle applies per calendar year if the bicycle is used for private purposes.

You are required to deduct payroll tax/national insurance contributions from this addition. You also have to pay contributions on it to employee insurance schemes, as well as paying the employer levy under the Healthcare Insurance Act (Zvw) or deducting the Zvw contribution.

Tip:
You can also opt to allocate the addition to the fixed budget, provided that the standard-practice test is satisfied. If you ultimately exceed the fixed budget in a particular year, as an employer you will have to pay an 80% final levy on the excess amount. Take this into account when deciding whether or not to allocate the addition to the fixed budget.

From 1 January 2026, with retroactive effect from 1 January 2020, it is no longer necessary to apply an addition for bicycles that are not, or are only occasionally (no more than 10% of the time), stored at the employee's home/residential address. This applies to shared bicycles and 'hub bicycles' (public shared electric bicycles), for example, but also to other bicycles that are stored at the employee's home/residential address for no more than 10% of the time.

Please note:
If the bicycle is not at the employee's disposal during the period when it is located at his/her home/residential address, this is not regarded as storage of the bicycle. Such a situation arises, for example, if a shared bicycle has been returned in the app.

Tip:
The new rules apply with retroactive effect from 1 January 2020. If you have incorrectly applied an addition from that date, as of 1 January 2026 you will be able to claim back the tax that has been deducted. However, you must be able to demonstrate that the bicycle was not being stored at your home for more than 10% of the time. In addition, the bicycle must have been used only for your commute to and from work (or part of this trip) and must not have been used for private purposes.

3.6 Travel allowances to remain at 2025 level in 2026

The travel allowance for the costs of business travel using your own transport, including commuting, will be € 0.23/km in 2026 (same as in 2025). This applies to virtually all forms of transport and therefore also to kilometres travelled by bicycle or moped, for example.

3.7 Car parking during holiday taxed or untaxed?

Employers who have sufficient parking space close to their premises sometimes allow their employees to park their car there while they are on holiday, for example. Is the use of such parking space that is not actually on the company's site taxed or untaxed?

Public parking
In a knowledge group opinion the Tax and Customs Administration has focused on this situation in more detail with the help of a case study. Between an employer's offices and the parking spaces there is a public space. Third parties can also make use of the parking facilities, which cost € 16 per day.

No zero rating
The Tax and Customs Administration takes the view that, in such a situation, parking your own car at this facility while you are on holiday is taxable. Under a special scheme, parking facilities fall within the concept of the 'workplace'. This means that the zero rating applies.

However, in the opinion of the knowledge group, this zero rating is only applicable to facilities that the employer "considers necessary in the interests of the work process or business process or has to provide due to statutory obligations". It must also be a question of facilities that would not generally be regarded as part of a person's salary, even though there may be some private benefit. According to the knowledge group, this does not cover parking for a long period of time for purposes other than work, which means the zero rating does not apply.

Broader interpretation in 2025 Payroll Taxes Handbook
However, the 2025 Payroll Taxes Handbook (*Handboek Loonheffingen 2025*) employs a broader interpretation and states that the parking is untaxed if the employee could successfully hold the employer liable (for damage to the vehicle while it is at the facility). The Tax and Customs Administration takes the view that, on the basis of this interpretation, employers are entitled to rely on parking being untaxed in the circumstances outlined above. The handbook will, however, be adapted on this point.

Transitional arrangements
Due to the lack of clarity, the Tax and Customs Administration is applying a transition period for employers who made a parking facility close to the workplace available to their employees, on the basis of the text in the 2025 Payroll Taxes Handbook, before the Tax and Customs Administration adopted its current position, i.e. before 9 October 2025. Until the 2026 Payroll Taxes Handbook is published, parking a private vehicle during a holiday will remain untaxed in such cases.

Tip:
Make sure that you anticipate the introduction of this change if such circumstances apply to you. From the moment the 2026 Payroll Taxes Handbook is published your employee will have to pay tax on the benefit. You can, of course, also gross up this benefit or allocate it to the work-related expenses scheme, if it satisfies the standard-practice criterion.

3.8 From 2027: no WPM reporting for companies with up to 250 employees

It is likely that, from 2027, companies with up to 250 employees will be exempt from the obligation to report on the business travel and commuting journeys of their employees.

Work-related personal mobility (WPM) reporting obligation
Since 1 July 2024 employers with 100 or more staff have been required to report on the business travel and commuting journeys of their employees. This obligation forms part of the Ministry of Infrastructure and Water Management's Environment and Planning Act and is known as the 'Work-related personal mobility (WPM) reporting obligation'.

What information?
Companies that fall under this reporting obligation have to collect a whole host of data. This includes, for example, the total number of kilometres that their employees have travelled for business and commuting purposes and the annual total of kilometres travelled, broken down by mode of transport and fuel type.

Please note:
The data for 2025 must be submitted by 30 June 2026 at the latest.

Exception for employers with up to 250 employees
The administrative systems of many SMEs are not set up to cope with this reporting obligation. On 15 April 2025 the Dutch Lower House therefore passed a motion to abolish WPM reporting for companies with up to 250 employees. A letter to Parliament of 20 November 2025 also announced the intention to exempt companies with up to 250 staff from the obligation.

Legislation is being prepared to this effect. The aim is for the exemption to be introduced from 1 January 2027. If this legislation is adopted in time, from that date the reporting obligation will only apply to companies with 250 employees or more.

Restrained enforcement up to 2027?
The plan does not mean that WPM reporting has already been abolished for companies with up to 250 employees. Companies with 100 or more staff are therefore still required to fulfil the reporting obligations. The State Secretary is, however, consulting with the Association of Netherlands Municipalities (VNG) on the question of enforcement up to 1 January 2027. He

is keen for municipalities and environmental agencies to exercise their enforcement powers with restraint over the period leading up to that date.

Tip:
For more information about the reporting obligation please visit RVO.nl.

4 Work-related expenses scheme

The work-related expenses scheme allows employers to grant their employees all kinds of allowances and benefits in kind free of tax. If the employer remains within the 'fixed budget' in a particular year, the employer also pays no tax. If this fixed budget is exceeded, the employer has to pay 80% tax via the final levy. The standard-practice test has to be taken into account.

4.1 No change to fixed budget under work-related expenses scheme in 2026

Under the work-related expenses scheme you, as an employer, can grant your employees various allowances and benefits in kind free of tax. One well-known example is the Christmas hamper. If the allowances granted remain within the fixed budget, the employer also does not have to pay any tax on them. In 2026 the fixed budget under the work-related expenses scheme will be the same as in 2025, amounting to 2% of the wage bill, up to an amount of € 400,000. If the wage bill is above this level, the fixed budget on the excess amount will be 1.18%.

In 2026 the maximum fixed budget will therefore be 2% x € 400,000 = € 8,000, plus 1.18% on the excess amount of the wage bill. From 1 January 2027 the maximum fixed budget will be 2.16% of the wage bill, up to an amount of € 400,000, and 1.18% on the excess amount.

Please note:
If you apply the group scheme, the fixed budget for 2026 is set at 2% on the first € 400,000 of the group's total wage bill and at 1.18% on the excess amount. The fixed budget of each part of the group cannot be taken as a basis. The group scheme is therefore only advantageous if not every company within the group is using the whole of its fixed budget. After all, the unused portion can then be used by another group company.

Tip:
You can decide annually whether or not to apply the group scheme. Check first whether the group scheme would be beneficial for you. For 2025 you need to make a decision by no later than the second return period of 2026. For 2026 you do not have to do this until the beginning of 2027.

4.2 Standard-practice test for fixed budget

In principle, all the allowances and benefits in kind that you provide to your employees can be allocated to the fixed budget. The employee will then pay no payroll tax on them. You will only pay a final levy of 80% if the total amount of the allowances and benefits in kind allocated exceeds your fixed budget.

Certain benefits not eligible for fixed budget
You cannot allocate everything to the fixed budget. There are certain benefits that your employee has to pay tax on. This applies, for example, to a company car or to the interest benefit (compared to the market rate) resulting from a loan to an employee for the purchase of his/her own home if the interest on the loan is deductible for income tax purposes.

Zero rating or specific exemption for certain benefits
Certain allowances and benefits in kind benefit from a specific exemption or zero rating. They do not lead to any reduction in your fixed budget.

Standard-practice test
You are only allowed to allocate benefits to your fixed budget if they satisfy the standard-practice test. The Tax and Customs Administration has clarified this test in the Payroll Taxes Handbook.

You satisfy the standard-practice test if the allowances and benefits in kind do not deviate by more than 30% from what is customary in comparable circumstances. The Tax and Customs Administration has clarified a number of points that should always be considered:
- the type of allowances and benefits in kind, and their value;
- the level of the allowances and benefits in kind;
- who receives the allowances and benefits in kind;
- whether achieving a beneficial tax rate is a decisive factor in designating an allowance or benefit in kind as salary for final levy purposes.

Please note:
If you do not satisfy the standard-practice test, the portion of the allowance or benefit in kind that does not deviate by more than 30% from customary practice can still be allocated to the fixed budget. However, the amount above this 30% threshold must then be taxed as part of the employee's individual salary.

4.3 Efficiency threshold of € 2,400 for the standard-practice test

Assessing whether something meets the standard-practice requirement is not always easy. To avoid having to discuss every euro with the Tax and Customs Administration, you can take advantage of the efficiency margin of € 2,400. Up to a maximum amount of € 2,400 per employee per year the Tax and Customs Administration will in all reasonableness consider allowances and benefits in kind to be in line with customary practice. 'In all reasonableness' is relevant, for example, to cases involving the statutory minimum wage (the employee's wage may not be lower than the statutory minimum wage) or a trainee.

The Tax and Customs Administration has provided more detailed explanations on how the efficiency threshold is applied in practice.

Safe haven
Up to a total amount of € 2,400 per employee per year the Tax and Customs Administration always considers the allocation of allowances and benefits in kind to be in line with customary practice. Up to this threshold you benefit from a 'safe haven' and the Tax and Customs Administration will not take any action.

The type of expense or remuneration component concerned is irrelevant here. A bonus or end-of-year bonus, for example, up to an amount of € 2,400 can therefore also be designated as salary for final levy purposes within this 'safe haven'.

What counts towards the € 2,400 threshold?
If there is no doubt that the allocation of an allowance or benefit in kind satisfies the standard-practice test, it does not count towards the € 2,400 threshold.

This applies, for example, in the case of an allowance that benefits from a specific exemption, such as a travel allowance for commuting of up to € 0.23 per kilometre. However, there are also other allowances and benefits in kind (without specific exemptions) that satisfy the standard-practice test without any doubt, for example because it has been agreed in advance with the Tax and Customs Administration that they are in line with customary practice.

Example
An employer grants an employee a travel allowance for commuting of € 1,500 (at the rate of the specific exemption: a maximum of € 0.23 per kilometre). The Tax and Customs Administration has also confirmed to the employer that the allocation of the employer's bicycle scheme is in line with customary practice, at an amount of € 2,000 per bicycle. In the year in question the employer does not grant any other allowances or benefits in kind. In December the employer wants to designate an end-of-year bonus of € 2,400 as salary for final levy purposes. The employer therefore does not exceed the € 2,400 threshold, as the travel allowance and the bicycle do not count towards this limit.

Assessment if € 2,400 threshold is exceeded
If the employer designates more than € 2,400 per employee per year as salary for final levy purposes, up to an amount of € 2,400 it is possible to rely on the efficiency threshold. Above this amount, however, the Tax and Customs Administration may assess whether the benefits are in line with customary practice.

Example
An employer grants a bonus of € 4,000 and wants to allocate this to the fixed budget under the work-related expenses scheme as salary for final levy purposes. In this example the employer does not grant any other allowances or benefits in kind. This means that the employer can benefit from the efficiency threshold for an amount of € 2,400, but that the customary nature of the remaining amount of € 1,600 may be open to debate. Bear in mind that the Tax and Customs Administration will not generally consider this sum of € 1,600 to be in line with customary practice.

4.4 Designate components of fixed budget on time

In April 2024 the Supreme Court clarified how an employer can designate an allowance or benefit in kind as salary for final levy purposes under the fixed budget. If it is not designated on time it will be deemed part of the employee's individual taxable salary.

If that is not the employer's intention, it is worth bearing in mind the following rules, amongst others, relating to such designations:
- In principle, there are no formal requirements relating to how an employer can make a designation. This can be done, for example, by means of a notification sent from the employer to the employee or by means of inclusion in the employer's accounting records.
- The employer must, however, be able to demonstrate that such a designation has taken place.

- The designation must be made by the point at which the employee receives the allowance at the latest. This will generally be the moment when the allowance is paid.

A discussion may arise with the Tax and Customs Administration regarding whether a particular allowance can be designated as salary for final levy purposes under the fixed budget. This is due to the standard-practice test that applies here. In the event of such a discussion arising, it is important that the allowance is designated on time as salary for final levy purposes under the fixed budget. According to the Supreme Court, if the employer fails to do this, or does so late, this cannot be corrected later. The Supreme Court has, however, ruled that it is also possible to settle the allowance individually with the employee at the same time as designating it as salary for final levy purposes. In this way the employer can wait for the (judicial) outcome of the discussion with the Tax and Customs Administration.

4.5 Employers who are not withholding entities and tax-free allowances

In principle, employers who grant allowances or benefits in kind to their employees free of tax have to designate these allowances and benefits in advance. This obligation does not apply, however, to employers who are not withholding entities, e.g. foreign employers.

Specific exemptions and work-related expenses scheme
If an employer wants to grant allowances or benefits in kind free of tax, it can do so if they benefit from specific exemptions or if the employer makes use of the fixed budget under the work-related expenses scheme. In both cases the employer must designate these allowances and benefits as salary for final levy purposes by the time they are granted at the latest.

Tip:
With regard to specific exemptions, the Tax and Customs Administration assumes that the allowances and benefits have been designated if they are not taxed as part of an employee's individual salary.

Employer who is not a Dutch withholding entity
The Supreme Court has ruled that an employer who is not a Dutch withholding entity can also apply the exemptions, even if the allowances and benefits concerned have not been designated as salary for final levy purposes. In the Supreme Court's view, employees whose employer is not a Dutch withholding entity should not end up in a worse position than colleagues who are employed by such an entity.

Pilot's expense allowance
One of the Supreme Court's judgments on this topic concerned a pilot who had foreign income. He wanted to designate a portion of this income as an untaxed expense allowance. The inspector did not agree with this, partly because the employer had not designated the expense allowances as such. However, the Supreme Court took the view that this requirement does not apply to employers who are not Dutch withholding entities.

Limitation of expense allowance
In this case the untaxed expense allowance was, however, limited to an amount that the inspector had previously approved. This had been presented to the Court of Appeal in The Hague as a compromise and therefore could not be reconsidered at a later point.

4.6 Increase in homeworking allowance and other standard amounts

Subject to certain conditions, you can pay your employees an untaxed allowance for the additional costs associated with working from home. In 2026 this untaxed allowance amounts to € 2.45 per day (2025: € 2.40 per day).

The standard amount set for the value of meals in company canteens (or similar areas) or at staff parties in the workplace is also rising in 2026. In 2025 this was € 3.95 per meal and in 2026 amounts to € 4.05 per meal.

Tip:
The standard amount less any contribution made by your employee is regarded as salary that your employee has received. However, you can also opt to designate it as salary for final levy purposes under the fixed budget.

Under certain conditions, accommodation provided at the workplace may be zero rated. If this is the case, the provision of energy, water and cleaning is also zero rated. The zero rating is subject to the following conditions:

- The employee does not live in the workplace and has his/her home elsewhere.
- The employee reasonably requires the accommodation in the workplace to perform his/her job properly. Examples include a supervisor in a surrogate-family home who works sleepover shifts or a fireman who sleeps at the fire station.

If this zero rating does not apply and the accommodation in question is not a dwelling provided so that an employee can perform his/her work properly (*dienstwoning*), you can take a standard amount into account for the value of the accommodation in the workplace This standard amount for accommodation and lodging has increased from € 6.80 per day in 2025 to € 7.00 per day in 2026. Energy, water and cleaning are included in this standard amount.

If the accommodation is a *dienstwoning* (this is only the case if the dwelling is required to allow the employee to perform his/her job properly and the employee cannot reasonably waive use thereof), the market rental value is regarded as salary for the employee. However, this is capped at 18% of the employee's annual salary (for a 36-hour working week). Bear in mind that if the employee works fewer than 36 hours per week, his/her salary will need to be recalculated. If he/she works more than 36 hours per week, however, the salary may not be recalculated on the basis of 36 hours.

4.7 Untaxed allowances for temporary accommodation costs in 2026

Under certain conditions, costs that employees incur during business trips – temporary accommodation costs – may be reimbursed to employees free of tax. To determine the level of these amounts, you can possibly follow the amounts that civil servants receive free of tax for a business trip.

The reimbursement of accommodation costs may only benefit from a specific exemption – and therefore be paid free of tax – in the case of a temporary stay. Your employee must be regarded as a so-called itinerant employee. This is the case if he/she constantly travels to different workplaces or generally travels to the same workplace once a week and does so on a maximum of 20 days.

Please note:
What if an employee travels to the same workplace on more than 20 days, but with interruptions, with the result that it is not a consecutive period? In the event of a one-off interruption, the reference period over which the 20 days are calculated continues to run as normal. A different situation applies if there are longer interruptions. In this case a new reference period is started for purposes of counting the 20-day maximum. You can contact us to assess whether a new reference period should begin following an interruption.

Besides itinerant employees, you can also reimburse the temporary accommodation costs – while benefiting from the specific exemption – to an employee who does not (or not yet) live close to his/her place of work for business reasons. This may apply in the case of temporary projects or if the employee is still in his/her trial period, for example.

For purposes of reimbursing the temporary accommodation costs it is permitted to follow the untaxed allowances for accommodation costs that civil servants can receive for a business trip. You may do so for employees who, from a cost perspective, are in similar circumstances to civil servants on a business trip. You are also required to allocate the same allowances as provided for under the collective labour agreement for central government ('cao Rijk') and also apply the same conditions. You must therefore bear in mind the minimum duration of the stay and the level of the allowances referred to in the 'cao Rijk', for example.

Please note:
The rules were tightened up in 2024. Previously, it was sufficient for the conditions to be similar. If you already had an allowance scheme in place before 2024, it was possible to continue applying it in 2024. Since 2025, however, you have had to comply with the new conditions.

The allowances and specific exemptions for civil servants on domestic business trips are currently as follows:

Accommodation costs	**Allowance under 10.2 'cao Rijk'**	**Specific exemption**
Petty expenses (daytime)	€ 7.35	€ 6.27
Petty expenses (evening)	€ 21.92	€ 12.54
Accommodation	€ 164.52	€ 150.55
Breakfast	€ 16.07	€ 14.87
Lunch	€ 22.19	€ 12.51
Evening meal	€ 33.57	€ 31.40

The allowance under 10.2 'cao Rijk' relates to the allowances from 1 January 2026. The portion benefiting from a specific exemption is published by the Tax and Customs Administration in the Payroll Taxes Handbook. The amounts included in the table above to which a specific exemption applies have been derived from the 2025 Payroll Taxes Handbook. At the time of releasing this Payroll Special the 2026 Payroll Taxes Handbook had not yet been published.

Please note:
Besides following these allowances, you also have to apply the same conditions. These conditions can be found in section 10.2 of the 'cao Rijk'.

They state, amongst other things, that a civil servant who claims the costs of a business trip does not have to enclose proof of payment for the above expenses. You can therefore reimburse these costs to your employee without an invoice or proof of payment having to be presented. It must, of course, be demonstrated that the employee actually travelled and stayed overnight for work purposes.

Please note:
You therefore need to follow the amounts set out in the 'cao Rijk'. If the allowance under this collective labour agreement is higher than the specific exemption, the surplus is regarded as individual salary of the employee. You can also opt to allocate it to the fixed budget. If the fixed budget is exceeded in a particular year, you owe a final levy of 80% on the surplus amount.

The conditions and amounts included in the 'cao Rijk' must also be followed for foreign business trips (see section 10.3 of the 'cao Rijk'). The calculation of the amounts for foreign business trips depends on the temporary accommodation. An overview can be found in appendix 6 to the 'cao Rijk'.

4.8 Payroll tax owed in the case of outplacement?

An outplacement process supports an employee with the transition from his/her current job to a different job. You can agree with your employee that you will cover the costs of the outplacement process. Whether payroll tax is owed and, if so, when depends on the facts and circumstances.

Outplacement during employment
If the employee undertakes the outplacement process while still in employment with you, you can take advantage of a specific exemption. You will then not have to pay any payroll tax on it and will also not need to use any of your fixed budget.

Please note:
The above only applies if the costs of outplacement satisfy the standard-practice test applicable under the work-related expenses scheme.

Outplacement after employment
If you pay for the outplacement process for your employee after he/she has left your employment, the Tax and Customs Administration says that you cannot apply the specific exemption. In this case the outplacement process constitutes salary from previous employment, which is not covered by the specific exemption.

Outplacement in the case of a settlement agreement
Questions have been put to the Tax and Customs Administration regarding two situations in which an employer and employee reached a settlement agreement to terminate the employment relationship:

- In one situation it was agreed that the employee was entitled to an outplacement process after leaving the company, this outplacement process also did not begin until after he had left and the invoices were not settled until after the end of employment.
- In the other situation the agreement was that the employee was entitled to an outplacement process if he had not found new work within three months of the employment relationship ending.

The Tax and Customs Administration responded that in both situations the moment when the employee could benefit from the outplacement process was after the end of employment, as the employee was only entitled to the outplacement process after leaving the company. In such a situation the outplacement process constitutes salary from previous employment and the specific exemption cannot be applied.

Can other agreements be made?
In the situations described above the employers not only have to cover the cost of the outplacement, but also the payroll tax due on it. If they had known this in advance, they would possibly have made different agreements with the employee.

For example, they may have started the outplacement process during employment (in this case all invoices must also have been paid during employment) or they may have agreed that the employer would reimburse an amount for outplacement, with any payroll tax being payable by the employee.

4.9 'Cafeteria scheme' can be cost-neutral

By means of a 'cafeteria scheme' you can allow employees to exchange gross salary for an allowance for specific purposes set out in the scheme. If a specific exemption from payroll tax applies to such a purpose, the gross salary can be paid out net, as the allowance benefiting from a specific exemption has taken its place. Your employee may use the whole of the exchanged amount for the purpose in question.

If there is no specific exemption, you can designate the allowance as salary for final levy purposes under the fixed budget, provided that this satisfies the standard-practice criterion. In this case too the gross salary can be paid out net. As an employer, however, you may then come up against a tax liability. This is the case if the total allowances and benefits in kind that you allocate to the fixed budget in a particular year exceed the amount of your fixed budget. You are then required to pay a final levy of 80% on the surplus amount.

In principle, the Tax and Customs Administration will not approve an exchange under a cafeteria scheme if the exchange results in a transaction with foreseeable adverse consequences for the employee. In April 2024, however, the Tax and Customs Administration confirmed that, when exchanging gross salary under a cafeteria scheme, it is permitted to take into account any final levy that the employer would have to pay as a consequence of exceeding the fixed budget. You can therefore agree with your employee that you will exchange a lower amount so that the exchange is also cost-neutral for you as an employer.

Example
In a case presented to the Tax and Customs Administration an employee with a gross monthly salary of € 3,000 wanted to spend € 600 under the cafeteria scheme on leasing solar panels. The employer had calculated that the employee would have to surrender an amount of € 740 of gross salary for this to be cost-neutral for the employer. By surrendering € 740 of gross salary and receiving a net allowance of € 600 in exchange for this, the employee ended up with € 171 more net than would have been the case without the exchange.

The Tax and Customs Administration had no problem with this exchange, in which the employer was actually compensated to ensure the process remained cost-neutral for it.

Please note:
The question put to the Tax and Customs Administration related mainly to whether, in this situation, there would be a transaction with foreseeable adverse consequences for the employee. Within the context of an exchange, the question can also always arise as to whether the ‘standard-practice criterion’, which an allocation to the fixed budget must meet, has been satisfied. In the example above there was no dispute about this, as in total the employer designated no more than € 2,400 per employee as salary for final levy purposes under the fixed budget.

5 Subsidies and allowances

5.1 Practical learning subsidy scheme

The practical learning subsidy scheme is an allowance for the costs that employers incur for paying the salary of or supporting an apprentice, student, PhD candidate or technological designer in training (TOIO). This scheme aims to develop well-trained personnel who are better prepared for the labour market.

The practical learning subsidy scheme is available for pre-vocational secondary education (VMBO), senior secondary vocational education (MBO), higher professional education (HBO), PhD candidates and TOIOs, practical training and special secondary education (VSO). Different conditions apply to each educational category. It is important that you comply with these conditions and the relevant administrative requirements. The conditions that apply to the various educational categories can be found here.

The practical learning subsidy scheme mainly targets:
- vulnerable groups on the labour market who have difficulty accessing employment;
- students following a course of study in sectors with a shortage of qualified staff;
- scientific personnel who are vital to the Dutch knowledge economy.

If you qualify for the practical learning subsidy scheme, the amount of the subsidy is a maximum of € 2,700 for each apprenticeship or work placement provided. Bear in mind that the amount may be lower. That is because the definitive subsidy depends on the number of applications approved.

In 2023 the practical learning subsidy scheme was extended until the end of the 2027/2028 academic year. In 2026 it is possible to submit applications for the 2025/2026 academic year from Tuesday 2 June 2026 to 5 p.m. on Thursday 17 September 2026.

Tip:
For practical training placements of MBO students following a course that contributes to the climate and energy transition, an additional subsidy of up to € 500 per placement is available for the 2025/2026 academic year. The courses eligible for this subsidy are set out in Annex 4 to the practical learning subsidy scheme. This subsidy can be applied for as part of the regular application process under the practical learning subsidy scheme.

5.2 Practical learning subsidy scheme for third learning pathway

In 2026 it will probably again be possible to submit applications under the practical learning subsidy scheme for the third learning pathway. The application period for 2026 is not yet known. In 2025 applications were open from 9 a.m. on Monday 3 November 2025 to 5 p.m. on Friday 28 November 2025.

Subsidy conditions
To qualify for the subsidy, an approved work placement company must provide a placement for an MBO student in the third learning pathway (‘other education’ (OVO) or ‘other part-time training’ (ODT)). The student must be a jobseeker or be carrying out paid work and must be

entered in the Register of Participants in Education (ROD) of the Education Executive Agency (DUO) during the application period.

Please note:
Students who are eligible for support with finding work on the basis of the Participation Act (*Participatiewet*) are also regarded as jobseekers.

Training
The training that the student follows must be geared towards achieving a full diploma, a certificate or practical training certification. The training course must be included in the Central Register of Vocational Training Courses (Crebo). In addition, the student must have started the training on or after 1 August 2023.

Level of subsidy
The subsidy amounts to a maximum of € 2,700 per placement. If the applications exceed the available budget, the budget will be divided amongst the applications. As a result, the subsidy may be lower than € 2,700 per placement. The available budget for 2026 is not yet known.

The approved work placement company must apply for the subsidy within a year of the placement ending. The subsidy will be provided over a maximum period of 52 consecutive weeks, of which a maximum of 40 will qualify for the subsidy.

Please note:
This subsidy is not intended for MBO students following the school-based learning pathway (BOL) and work-based learning pathway (BBL). For such students the employer may, however, qualify for the practical learning subsidy scheme for senior secondary vocational education (MBO).

More information about the subsidy and the conditions can be found on the website RVO.nl.

5.3 Subsidy for group assistants in childcare organisations

In 2026 childcare organisations can again apply for a subsidy for a practical training placement to support the development of group assistants. The application period will run from 9 a.m. on 2 November 2026 to 5 p.m. on 27 November 2026. In 2026 the available budget amounts to € 1,775,000. This subsidy is a contribution towards the payroll costs for group assistants and can be applied for at RVO.nl. The aim is for the subsidy to allow more group assistants to be hired and to enable them to progress within the childcare sector.

Please note:
In the new 2025 Childcare Collective Labour Agreement (*cao Kinderopvang 2025*) a group assistant (*groepshulp*) is now referred to as a group support worker (*groepsondersteuner*). The change of name does not affect the subsidy that you can apply for. You can therefore claim the subsidy for a group support worker.

The maximum subsidy is € 10,056 per year per group assistant and depends on the number of contracted hours that the group assistant works per week. In the 2025 application period it was possible for an organisation to apply for a subsidy for up to ten group assistants, and this is also the case in 2026. In the 2024 application period the limit was a maximum of two group assistants.

The subsidy is subject to a number of conditions. For example, a group assistant must have an employment contract with a term of at least twelve months and a start date of 1 August 2023 or later. The group assistant must also participate in training comprising a combination of work and a senior secondary vocational education course (MBO work-based learning pathway (BBL) or MBO third learning pathway (OVO/ODT) level 1 or 2). This training must have started between 1 August 2023 and 31 October 2026. A further requirement is that the childcare organisation has previously received a subsidy for the group assistant via the practical learning subsidy scheme or the practical learning subsidy scheme for the third learning pathway.

Please note:
If you have applied for a subsidy for a group assistant under the practical learning subsidy scheme or the practical learning subsidy scheme for the third learning pathway, always also apply for the subsidy for group assistants in the childcare sector. If you wait until a decision has been made on your application under one of these practical learning subsidy schemes, it will probably be too late to apply for the subsidy for group assistants in the childcare sector as well.

5.4 Tax scheme for share options at start-ups and scale-ups

There are plans to introduce a tax scheme to improve access to talented workers for start-ups and scale-ups. The intention is that this new share option scheme will promote employee participation, helping start-ups develop more successfully into scale-ups.

Tax reduction for share options
The proposal is to introduce a reduction in payroll tax on income from share options for employees of start-ups and scale-ups. This will be achieved by limiting the taxable basis for income from share options to 65%, meaning that tax is levied on a lower level of income. The aim is to bring the effective rate broadly into line with that at which share options are taxed in box 2.

Moment when share options taxed to be pushed back
It is also being proposed that the moment when tax is levied should be pushed back to the point when the shares – acquired after exercising the share options – are sold. This will ensure that no tax has to be paid before funds become available.

Please note:
If an employee leaves the company, this will not have any adverse consequences for him/her. In this case too tax will only be levied when the shares are sold.

Definition of start-up and scale-up
Partly with the new box 3 system in mind (introduction planned from 2028), a definition of a start-up or scale-up has been included in the law:
1. The company is innovative and has scalable business activities;
2. The company can demonstrate, by means of a growth plan, the steps that need to be taken to realise these scalable activities and achieve growth;
3. The company is run as a private limited company (BV), public limited company (NV) or a comparable European legal form;
4. The company has not been granted a moratorium, is not bankrupt and has adequate solvency and liquidity (for an innovative company with scalable business activities).

Decision
The Netherlands Enterprise Agency (RVO) will be responsible for determining whether a company meets the definition of a start-up or scale-up and will issue a decision on this. The intention is that this decision will be valid for eight years. It will then be possible to extend it by five years at a time if the conditions are still met.

Please note:
If the decision expires and the share options have not yet been exercised or the shares have not yet been sold, the employee retains the benefit of the scheme for the period during which the decision was valid. If an employee sells the shares after ten years and the decision was valid for eight of them, the reduction in the taxable basis to 65% is applied to 80% (8/10) of the total taxable income.

Effective from 2027?
The aim is to introduce the scheme with effect from 2027. A legislative proposal is being drafted. Following an online consultation, which will probably be held in January 2026, this will be brought before the Lower House in the first quarter of 2026.

Please note:
The scheme will apply with retroactive effect from 17 April 2025. This is the date on which the scheme was announced in the 2025 Spring Memorandum. Its retroactive application means that the new scheme will apply to all share options granted by start-ups and scale-ups since 17 April 2025. One condition is that these share options have not yet been subject to payroll tax.

5.5 Expansion of R&D tax credit

The R&D tax credit (WBSO) for employers was expanded with effect from 1 January 2025. It is being expanded again in 2026: the first band of the WBSO is being indexed by 2.9% on a one-off basis this year and now applies up to a figure of € 391,020.

The WBSO allows employers to benefit from a tax concession for the payroll costs they incur in connection with research and development. If you are entitled to the WBSO, you offset the contribution allocated to you against the payroll tax you owe. The level of the contribution depends on your research and development costs.

Please note:
The Lower House has asked the government to come up with a solution to a problem with the WBSO: start-ups and scale-ups are often unable to take full advantage of the WBSO, as their wage bill is too low when they are starting out. A carry-forward option is being proposed by the Lower House to resolve this issue.

The increase in the first band means the following now applies:

Rate/threshold	2025	2026
Rate in 1st band	36%	36%
Rate in 1st band for start-ups	50%	50%
Threshold in 1st band	€ 380,000	€ 391,200
Rate in 2nd band	16%	16%

Please note:
The Lower House has also asked the Ministry of Economic Affairs and Climate Policy and the Ministry of Finance to present a proposal on the systematic indexation of the threshold in the 2027 Tax Plan.

5.6 SLIM subsidy scheme in 2026

The SLIM scheme (Learning and Development at SMEs Incentive Scheme) can help you keep your staff motivated and well qualified. A SLIM subsidy can be obtained for the following:

a. performing a company scan, resulting in a training or development plan focused on identifying training requirements from the company's perspective;
b. obtaining career or development advice for the company's employees or, in the case of an alliance, employees of other SMEs;
c. supporting and guiding the development or introduction of a 'learning and development' method.

This subsidy has been extended up to and including 2029 and in 2026 there will be two separate schemes: one for individual SMEs and one for alliances of SMEs.

SLIM for individual SMEs
This scheme is open to both small and medium-sized companies. Since 2025 the subsidy percentage has been 60% for all companies. A maximum subsidy of € 25,000 can be applied for per application. In the case of agricultural businesses a maximum of € 20,000 applies.

For SLIM subsidies up to € 25,000, a request for determination of the subsidy does not have to be submitted retrospectively. This subsidy will be determined automatically. There is also no obligation to draw up an evaluation report or keep records in such cases.

A payment of 50% of the subsidy amount is made in advance.

In 2026 there are again likely to be two application periods for the SLIM scheme for SMEs. These are not yet known, but will probably be in March 2026 and September 2026. The budgets for 2026 have also not yet been announced. In 2025 a budget of € 12.5 million was available for SMEs in both the first and second application periods.

SLIM scheme for alliances
An alliance must consist of at least two SMEs. The subsidy percentage amounts to 60% of the eligible costs. A maximum subsidy of € 500,000 can be applied for per application (maximum of € 200,000 per partner in the alliance). The maximum is € 20,000 for agricultural businesses, € 30,000 for fishing companies and € 100,000 for road transport companies. The eligible costs must amount to at least € 210,000.

Alliances can receive an advance payment of 25% of the subsidy amount granted. If the initiative lasts for more than twelve months, a further advance payment of 50% of the subsidy amount can be requested, provided that at least 50% of the project costs are incurred in the first twelve months.

A fixed payment of € 3,000 will be provided for the preparation of an audit report by an auditor, which is compulsory for subsidies of € 125,000 or more.

In 2026 there is again likely to be just one application period for alliances. This application period is not yet known, but will probably be in June 2026. The budget for 2026 has also not yet been announced. A budget of € 20 million was available for alliances in 2025.

5.7 SLIM training subsidy

In 2026 employers can again apply for the SLIM training subsidy. This new subsidy, the purpose of which is to provide new and existing employees with training to enable them to carry out roles in sectors crucial for society, was first made available in 2025. The Minister of Social Affairs and Employment has made a budget of € 73.8 million available for the period from 2025 to the end of 2027.

Sector crucial for society
The subsidy is intended to promote recruitment into, and advancement to new roles within, sectors that are crucial for society and in this way reduce staff shortages. The sectors in question are:

- the green sector
- ICT
- childcare
- education
- cleaning
- engineering, construction and energy
- transport and logistics
- healthcare and wellbeing

Who is the subsidy for?
Employers who offer practical training, i.e. a combination of working and learning, to new or existing employees can apply for the subsidy. Registered childminding agencies can also apply for the subsidy for new or existing childminders who are registered with them.

Please note:
Groups made up of at least one R&D fund and/or one or more employer organisations and one or more employee organisations will probably also be able to apply for the subsidy in 2026. The application period is not yet known.

Development Pathways
To qualify for the subsidy, the training must be part of a role or specialism included in one of the Development Pathways. These have been published at Rijksoverheid.nl.

Other conditions
Other conditions also apply. For example, the training may not have been purchased or have started before 28 February 2025 and must commence within thirteen weeks of the subsidy being applied for. Furthermore, no costs may be charged to the person receiving the training.

Level of subsidy
The level of the subsidy can be found in the Development Pathways published at Rijksoverheid.nl. It depends on the Dutch Qualifications Framework (NLQF) level. For level 1, 2 or 3 the subsidy amounts to 90% of the training costs, while for level 4 it is 40%.

The eligible costs are the costs indicated on the provider's invoice, provided that these are tuition, course, lecture or examination fees. The cost of compulsory literature specified by the trainer is also eligible, provided that it is directly necessary to allow the participant to follow and complete the training.

Applications
In 2026 applications can be made via the subsidy portal Uitvoering Van Beleid. As in 2025, there will probably be two application periods. These periods have not yet been announced.

Tip:
More information about the subsidy, the conditions and the subsidy application can be found on the website Uitvoering Van Beleid of the Ministry of Social Affairs and Employment.

5.8 Salary Costs (Incentive Allowances) Act

The Salary Costs (Incentive Allowances) Act (Wtl) is intended to encourage employers to take on and retain people in a vulnerable position on the labour market. Since 2025 the Wtl has included just a single instrument: the wage expense allowance (LKV). In 2026, under certain conditions, you may again be entitled to this wage expense allowance for certain groups of employees who have more difficulty finding work.

Abolition of LKV for older employees
For employment relationships that commenced on or after 1 January 2024 the LKV for older employees has been abolished with effect from 1 January 2026. The 2025 LKV will, however, be paid out in 2026 in these cases.

For employment relationships that commenced before 1 January 2024 the LKV for older employees of € 3.05 per paid hour, with a maximum of € 6,000 per calendar year, will be retained until the end of the maximum period of three years. An entitlement to this LKV may therefore still exist in 2026. Any payment will be made in 2027.

LKV for employees with an occupational disability
In the case of older employees, you should therefore check whether, in 2026, you may be entitled to the LKV for employees with an occupational disability. This LKV is not being abolished and amounts to € 3.05 per paid hour for up to three years, with a maximum of € 6,000 per year. If you are able to claim the LKV for employees with an occupational disability, you will therefore not be affected by the abolition of the LKV for older employees. For the redeployment of an employee with an occupational disability, the LKV amounts to € 3.05 per paid hour for no more than one year, with a maximum of € 6,000 per year.

LKV for target group with a job arrangement
The LKV for persons within the target group of the job arrangement (*banenafspraak*) and for persons with an interrupted education (*scholingsbelemmerden*) is changing with effect from 2026. The changes are as follows:

- For the LKV for persons within the target group of the job arrangement you will no longer need a target group declaration from 2026. However, you must check whether the

employee concerned is included in the UWV's target group register. This applies specifically to this particular LKV. A target group declaration will still be required for the LKV for employees with an occupational disability.

- From 2026, the LKV for employees within the target group of the job arrangement will no longer be limited to a three-year period and will instead become a permanent allowance. With effect from 2026, you will be entitled to this LKV for as long as the employee is employed by you and entered in the target group register.
- The following have been added to the target group of the job arrangement:
  - young persons with permanent incapacity for work who are receiving benefits under the Invalidity Insurance (Young Disabled Persons) Act (Wajong) and are employed by a regular employer, and
  - persons who are receiving benefits under the Full Invalidity Benefit Regulations (IVA) and for whom the employer is receiving wage dispensation.

Persons with an interrupted education and employees who have been assessed as eligible for sheltered employment have been removed from the target group of the job arrangement. From 2026 these target groups will no longer be entitled to an LKV. However, in the following situation you can still receive the LKV for persons within the target group of the job arrangement for the remainder of a maximum period of three years that started before the end of 2025:

- the employment relationship commenced before 2026, and
- you hold a valid target group declaration confirming that the employee falls under the job arrangement and is a person with an interrupted education (and you retain this declaration with your records).

A type of bonus scheme will be introduced from a date yet to be determined. Under this scheme, if an additional levy is imposed on employers due to insufficient numbers of people being hired from the target group of the job arrangement, the amounts of this LKV will be increased substantially for any such jobs created, meaning that the employer will still be able to benefit.

LKV amounts for 2026
How much wage expense allowance you receive depends on the number of paid hours and the type of wage expense allowance. The amounts for 2026, which will be paid out in 2027, are as follows:

Wage expense allowance	Amount per paid hour	Maximum amount per year	Maximum no. of years
Older employee hired before 2024	€ 3.05	€ 6,000	3
Employee with an occupational disability	€ 3.05	€ 6,000	3
Target group of job arrangement	€ 1.01	€ 2,000	No maximum
Redeployment of employee with an occupational disability	€ 3.05	€ 6,000	1

Right to LKV upon transfer of an undertaking
In the event of a transfer of an undertaking, the employees are also transferred to a new employer. The Tax and Customs Administration previously assumed that the right to an LKV never transfers to the new employer in such a situation. On 24 May 2024, however, the Supreme Court ruled that a wage expense allowance (LKV) does not lapse upon the transfer of an undertaking.

If an undertaking has been transferred in your situation, then the right to an LKV is retained, provided that the conditions for application of the LKV are met. To be entitled to the LKV in 2026, you must check the box for the LKV in your 2026 payroll tax return.

Please note:
The Supreme Court's ruling possibly also applies to takeovers of contracts where a new employer continues the employment contract unchanged.

5.9 Relaxation of conditions for wage dispensation

From 1 March 2026 the conditions that apply to wage dispensation will change. As a result, an employer will be able to apply for wage dispensation at an earlier stage for an employee who is receiving a Wajong or IVA benefit.

From 1 March 2026 an employer will be able to apply for wage dispensation for an employee if:
- the employee is receiving a Wajong or IVA benefit, and
- due to sickness or a disability, the work that the employee can perform is at least 5% less than that performed by other employees in the same role for a period of at least three months.

Until 1 March 2026 employers can only apply for wage dispensation if the employee's work capacity is at least 25% below that of a colleague for a minimum of six months.

Please note:
In the situation up to 1 March 2026 the wage dispensation has a maximum term of five years. From 1 March 2026 it is limited to a maximum of two years.

Wage dispensation is an instrument through which the UWV temporarily covers part of the employer's wage costs. Relaxing the conditions will make it easier for people receiving a Wajong or IVA benefit to enter and remain in employment.

5.10 Participation Act wage cost subsidy scheme

Under certain conditions, you can receive a wage cost subsidy for employees with an occupational disability who are unable to earn the statutory minimum wage through full-time work. This subsidy makes up the difference between the wage value of an employee and the minimum wage. The maximum subsidy is 70% of the reference monthly wage. You can also receive an allowance for employer's contributions amounting to 25% of the wage bill on which a wage cost subsidy is provided.

You must submit the application for the wage cost subsidy to the local authority in the municipality where the employee is registered. The local authority must issue a decision on

the application within five weeks of the wage value being determined (or of a decision that an assessment of the wage value is not required).

Please note:
In principle, applications must be submitted before employment commences or within one month of this point. You can also apply for the wage cost subsidy for specific target groups within six months of employment commencing. This applies in the case of, amongst others, persons leaving special secondary education and persons who have followed practical training or the upper secondary vocational education (MBO) entry course, as well as persons for whom the local authority has responsibility for reintegration.

5.11 Inclusive technology scheme for SMEs

In 2026 employers in the SME sector who employ up to 50 staff and have an annual turnover not exceeding € 50 million will again be able to apply for a subsidy for inclusive technology. This is technology that helps employees with an occupational disability to carry out their work.

Which technologies are eligible?
A list has been published of technologies that are eligible for the subsidy. Examples include text-to-speech glasses or a collaborative robot.

Tip:
Employers can also receive a subsidy for advisory and implementation services relating to the use of this technology, up to an amount of € 1 000.

Level of subsidy
The subsidy amounts to a maximum of 50% of the eligible costs, up to a limit of € 25,000 per application. The minimum subsidy is € 2,500. In 2026 a budget of € 1,000,000 has been made available.

Application period
In 2026 subsidy applications can be submitted from 9 a.m. on 5 January 2026 to 5 p.m. on 29 May 2026. Applications will be processed in the order in which they are received.

Activity plan
The application must include an activity plan explaining the activities to which the application relates and the intended goal. It must also be clear whether the application relates to a person who is already employed or someone who is yet to be hired. In addition, information must be provided on how the subsidised technology will compensate for the occupational disability.

5.12 Other schemes

In addition to the subsidies and allowances described above, there are also other schemes, such as:
- an allowance to create an adapted workplace for an employee with an illness or disability;
- an allowance to provide a job coach to support an employee with an illness or disability;
- the possibility of hiring an employee with a no-risk policy;

- the possibility of taking on an employee for two months on a trial basis via a trial placement.

6 International

6.1 Changes to expat scheme

The expat scheme (previously known as the 30% scheme) is a tax facility under which, in 2026, subject to strict conditions, up to 30% of the salary may be paid free of tax to employees recruited from abroad. Such employees are often faced with additional costs: so-called extraterritorial costs. From 2027 the rate will be lowered to 27% and the salary standards will be increased.

WNT standard as a maximum
Since 2024 the expat scheme has been subject to a maximum salary, in the form of the so-called WNT (Standardisation of Top Incomes Act) standard. This maximum means that, in 2026, the expat scheme can 'only' be applied to a salary up to a maximum of € 262,000. In 2026 you can therefore pay a maximum of € 78,600 (30% of € 262,000) net under the expat scheme.

Please note:
If you were already applying the expat scheme for an employee before 2023, you did not have to take the WNT standard into account during the period up to the end of 2025. You will, however, also need to do so for such employees from 2026.

Rate of 30% retained in 2026, but falling to 27% from 2027
In 2026 a rate of 30% will continue to apply to all expat schemes. This will fall to 27% from 2027, however.

Tip:
If you were already applying the 30% scheme for an employee before 2024, you can continue to apply the 30% rate for the whole of the 60-month period, including from 2027.

Salary standard to rise from 2027
The application of the expat scheme is subject to a number of conditions. One is that the employee has specific expertise that is scarce or not available at all on the Dutch labour market. An employee is considered to meet this specific expertise requirement if his/her pay is above a set salary standard.

For 2026 the salary standard will amount to € 48,013 (2025: € 46,660). In the case of incoming employees who are under the age of 30 and have obtained a master's degree the salary standard will be € 36,497 in 2026 (2025: € 35,468). Both amounts will rise from 2027, to € 50,436 and € 38,338 respectively. This is based on the amounts that applied in 2024 (subject to further indexation in 2025, 2026 and 2027).

Tip:
This increased salary will not apply to persons who were already applying the expat scheme before 2024.

No salary standard applies to employees who work at a research institute in scientific research or education or employees who are doctors in training to become a specialist (AIOSs).

Please note:
The various transitional arrangements described above will remain applicable if the employee switches to another employer, provided that the expat scheme continues to apply. This is the case if the new employer and the employee jointly make a request to this effect within four months of the employment commencing and the period between the end of the employment with the old employer and the conclusion of the employment contract with the new employer does not exceed three months.

Choice between expat scheme and actual costs (ETK scheme)
Each year you can choose between applying the expat scheme and reimbursing the actual extraterritorial costs (also referred to as the ETK scheme). You make this choice in the first pay period of the calendar year and it then applies for the whole of that calendar year.

Tip:
If you opt to reimburse the actual costs and therefore do not wish to make use of the expat scheme, the WNT standard does not apply.

From 2026 certain costs can no longer be reimbursed free of tax under the ETK scheme. These are:
- Extra living costs resulting from prices in the Netherlands being higher than in the employee's country of origin. These also include costs of gas, water, lighting and other utilities.
- Extra private call charges for calls to the country of origin.

Decision required
If you want to take advantage of the expat scheme, you need to apply to the Tax and Customs Administration for a decision for the employee in question. In this decision you will find information including the maximum period for which you can apply the expat scheme. If you want to apply the scheme from the employee's first working day, make sure that the Tax and Customs Administration receives the application for permission to apply it within four months of the first working day. The Tax and Customs Administration has a special form for submitting this application.

Please note:
Besides obtaining the decision, you are also obliged to make written agreements on the application of the expat scheme with your employee, in his/her employment contract or an addendum to it.

Partial foreign tax liability
Employees who take advantage of the expat scheme did not have to pay any tax on foreign capital income in box 2 and box 3 up to the end of 2024. This is also referred to as the partial foreign tax liability. Since 2025 this facility has been withdrawn. This does not apply to situations in which the 30% scheme was already being applied before 2024. In such situations the facility will remain in effect until the end of 2026.

Please note:
Since 2025, for employees whose partial foreign tax liability expired in 2025, it has no longer been possible to make use of the option of aligning the payroll tax/national insurance contributions that you have to deduct with the income tax and any national insurance contributions that your employee is required to pay.

6.2 30% scheme for posted workers to become 27% scheme

In addition to the expat scheme for employees recruited from abroad, under certain conditions you can also apply a scheme for certain workers who are posted abroad temporarily. Changes are also being made to this scheme.

Extraterritorial costs or 30% scheme
If you temporarily post workers abroad, you can reimburse them for the additional accommodation costs they incur outside the Netherlands. Under certain conditions, the reimbursement of these costs (also known as extraterritorial costs) benefits from a specific exemption. That means you do not have to use up any of your fixed budget under the work-related expenses scheme.

For certain workers who are posted abroad temporarily you can also choose to apply the 30% scheme. You can then pay the worker up to 30% of his/her salary, including the allowance, while benefiting from the specific exemption and without the need for evidence.

Please note:
Eligible workers are workers posted to, amongst other places, countries in Africa, Asia, Latin America and some Eastern European countries (including Poland, Romania, Bulgaria and Czechia), as well as workers posted to another country to practise science or provide education.

Conditions of 30% scheme
One of the conditions of this 30% scheme is that the worker is abroad for at least 45 days in a 12-month period. Postings that are shorter than 15 days are not counted in the calculation of these 45 days.

Please note:
If the worker meets the 45-day requirement, postings of at least 10 days are included in the calculation of the number of days to which the 30% scheme can be applied.

Please note:
In contrast to the expat scheme for incoming workers, no decision by the Tax and Customs Administration is required to apply the 30% scheme for posted workers.

27% from 2027
From 2027 the 30% scheme for posted workers will change. You will then only be able to pay posted workers 27% instead of 30% of their salary (including the allowance) free of tax under the specific exemption.

There will be no transitional arrangements. Consequently, from 2027 the rate of 27% instead of 30% will also apply to workers who were already posted before 2027.

6.3 Joint declaration for transfer of payroll tax withholding obligation

If an employee of a foreign group entity comes to work in the Netherlands, the foreign group entity, as the formal employer, may be liable for deducting payroll tax in the Netherlands. Upon request, this obligation to deduct and pay over payroll tax can be transferred to a Dutch group entity.

To take advantage of this transfer scheme, a joint request must be made by the Dutch and foreign group entities. This request must include the name and address details of both the Dutch and foreign group entities, as well as their payroll tax numbers (if the latter has one). It must also state the desired date on which the decision on the transfer scheme should take effect.

Please note:
You can request a general decision, but also a decision that applies to one or more specific employees. In the latter case you must also include the name and address details and citizen service number (BSN) of the employee(s) concerned in the request.

The October 2025 version of the Payroll Taxes Handbook includes the new condition that a jointly signed declaration must be enclosed with the joint request. In this declaration both the Dutch and the foreign group entities must agree to the transfer of the withholding obligation.

The Dutch group entity must also declare that it will comply with all obligations associated with the transfer scheme in full and without reservation. Lastly, the foreign group entity must declare that it will supply all the information required to determine the salary of the employee(s) concerned that is taxable in the Netherlands.

Tip:
It is possible to submit a request for several foreign group entities at the same time.

6.4 Social insurance obligation for cross-border teleworkers

Employees who live in another EU country and work for an employer based in the Netherlands can apply to the Social Insurance Bank (SVB) to be granted exceptional status for social insurance purposes if they are teleworking. Under certain conditions, they are then socially insured in the Netherlands instead of their country of residence.

Social insurance in country of employment
For social insurance purposes the general rule is that an employee is covered by social insurance in his/her country of employment. In principle, less than 25% of the employee's working hours may be worked in his/her country of residence. If this limit is exceeded, the employee is socially insured in his/her country of residence.

Framework Agreement
For cross-border workers who telework for between 25% and 50% of their working hours, EU countries have made agreements and set them out in a Framework Agreement. A teleworker is therefore able to remain insured in his/her country of employment in exceptional cases. Certain conditions apply to qualify for this exception. One of them is that teleworkers must spend less than 50% of their working hours working in their country of residence, or, in other words, must spend at least 50% of their working hours working in the Netherlands.

Applications
Cross-border workers who telework and want to benefit from this exceptional status can request a digital application form from the SVB. They can also do so via their employer. This status can be granted with retroactive effect of up to three months.

6.5 Agreements on cross-border homeworking

Netherlands-Belgium
Since 8 December 2023 agreements have been in place with Belgium on the taxation resulting from cross-border homeworking. These agreements relate to the determination of a permanent establishment.

A permanent establishment may apply if a company has access to a space abroad and this is permanently equipped with sufficient facilities – such as personnel and equipment – to allow it to function as an independent business.

Homeworking by a Belgian employee could lead to the creation of a permanent establishment in Belgium for his/her Dutch employer. In the same way, a permanent establishment could be created in the Netherlands for a Belgian employer as a consequence of a Dutch employee working from home. This is not always desirable. For example, if there is a permanent establishment, a corporation tax liability arises in the employee's country of residence in relation to the profits generated from this permanent establishment. If a permanent establishment exists, an employer is also required to deduct payroll tax in the homeworking employee's country of residence.

An agreement between the Netherlands and Belgium published on 8 December 2023 therefore sets out various factors that can be used to assess whether or not a permanent establishment applies.

In addition to these different factors, the following practical guidelines are also provided:
- A permanent establishment does not apply if the employee works from home for 50% or less of his/her working hours over the course of a year.
- A permanent establishment may apply if the employee works from home for more than 50% of his/her working hours over the course of a year. Whether a permanent establishment is deemed to exist in this case depends on the factors set out in the agreement.

This means that the agreements relating to social security and taxation have been brought into line for employees who live in Belgium and work in the Netherlands, and vice versa.

Netherlands-Germany
The Netherlands and Germany agreed on amendments to their tax treaty on 14 April 2025. These amendments took effect on 1 January 2026. As of that date, the tax treaty includes the provision that a German resident who is working for an employer based in the Netherlands can work from home for a maximum of 34 days in a calendar year with the Netherlands retaining full taxing rights. Conversely, Germany will retain full taxing rights in a situation where a Dutch resident working for an employer based in Germany works from home for no more than 34 days per calendar year.

Please note:
The Netherlands and Germany have agreed that a homeworking day will be deemed to apply if an employee spends more than 30 minutes per day working from home.

Please note:
If the German resident or Dutch resident spends more than 34 days per calendar year working from home, it is not possible to take advantage of the change. On 14 April 2025,

however, the Netherlands and Germany signed a declaration of intent with a view to achieving a more comprehensive solution for teleworking cross-border workers.

Future homeworking threshold
It is possible that, when future changes are made to tax treaties, a so-called homeworking threshold will be introduced. This should prevent situations in which two countries can each levy tax on a portion of a person's income from employment. In anticipation of these possible changes to tax treaties, provisions have already been included in the Income Tax Act that will allow tax to be levied in the Netherlands if the Netherlands has been designated as the country of employment.

6.6 Ukrainian employees on the payroll

Many employers have taken on Ukrainian employees. Below we set out the most important aspects to be taken into account for this target group.

General
When recruiting foreign workers, employers need to comply with certain laws and regulations. Under the Temporary Protection Directive, Ukrainian refugees are able to stay in the European Union until at least 4 March 2027 without having to apply for asylum. The website of the Immigration and Naturalisation Service (IND) indicates precisely to whom the Temporary Protection Directive applies.

If a Ukrainian is registered with the municipality, the IND will provide proof of residence. This takes the form of a sticker in the person's passport, a separate piece of paper or a separate pass (O-document). If there is no end date on this proof of residence, it is valid until at least 4 March 2027. If the sticker or pass has a validity date that runs until 4 March 2023, 4 March 2024 or 4 March 2025, the Ukrainian national will have received an extension letter from the IND, which means that the sticker or pass will remain valid until 4 March 2026. In January or February 2026 he/she will receive another extension letter confirming that the sticker or pass will continue to be valid up to 4 March 2027.

Valid proof of residence, allowing the Ukrainian national to demonstrate that he/she has permission to be in the Netherlands, is required to be able to work.

Work permit
As an employer, you do not need to apply for a work permit for Ukrainians. Certain conditions apply, however:
- The employee has an employment contract.
- The employee has a citizen service number (BSN).
- The employee has a valid passport, identity card or travel document. The employer must check the authenticity and validity of this document at edisontd.nl.
- The employee has Ukrainian nationality and is able to present the sticker or pass (O-document), together with the extension letter.
- Employers must register the new employee with the UWV online no later than two working days before his/her first day of work, using the employee hiring notification form (*'Melden tewerkstelling werknemer'*). When registering an employee you must provide information on his/her activities, working hours and place of work.

Please note:
If the period for which you hire a Ukrainian employee is extended or shortened, and/or if he/she takes on a different role, you must inform the UWV of this change online using the *'Melden tewerkstelling werknemer'* notification form.

Please note:
Failure to register or register on time constitutes a breach of the Foreign Nationals (Employment) Act.

For non-Ukrainian nationals who were residing in Ukraine with a temporary residence permit, the temporary protection ended on 4 March 2024. In anticipation of a ruling by the Court of Justice of the EU and the Council of State, their entitlement to temporary protection was extended, but this ended on 4 September 2025. More information about the consequences of this can be found on the website of the IND (Immigration and Naturalisation Service).

Please note:
Has the employee already been residing in the Netherlands for at least six months and do you have the full address where your employee is living in the Netherlands? If so, for payroll tax you can assume that this address is the place of residence for tax purposes and that the Netherlands is the country of residence for tax purposes. You can apply the payroll tax table for a Dutch resident. The situation may be different when it comes to the Ukrainian's income tax return, as the place of residence for tax purposes has to be determined and this can differ from the address where he/she is living.

Expat scheme?
If you recruit a Ukrainian from outside the Netherlands, you may be entitled to apply the expat scheme. Various court judgments have been published on applying the expat scheme in the case of Ukrainian employees. Whether the expat scheme can be applied depends on the specific facts and circumstances; the question of whether or not the Ukrainian was already living or working in the Netherlands at the time the employment contract was entered into is important here.

6.7 Work permit for asylum seekers

An asylum seeker for whom you have received a work permit (TWV) is allowed to work for you. There is no limit on the number of weeks per year that the asylum seeker may work. However, asylum seekers can only start work if the processing of their asylum application has been in progress for at least six months.

The rules on asylum seekers' entitlement to work are set to change. At present, asylum seekers who are going through the asylum process are allowed to work after six months, but soon (from 12 June 2026) they will be able to do so after only three months following the start of their asylum procedure. This will only apply to asylum seekers who have a good chance of being allowed to remain in the Netherlands.

The changes to these rules have been prompted by the EU Pact on Migration and Asylum, which will enter into force on 12 June 2026. From that point on, there will be a common European asylum system.
The Pact consists of Regulations and a Directive that are designed to reduce the influx of asylum seekers into the Netherlands and the EU.

At the same time, the so-called 24-week requirement will be officially removed from the rules. Asylum seekers were previously only allowed to work for 24 weeks in every 52-week period. Following a court judgment in November 2023, in which it was ruled that the '24-week requirement' was no longer applicable, the UWV also stopped applying it.

To allow the rules outlined above to be introduced, changes have to be made to the Decree implementing the Foreign Nationals (Employment) Act 2022 (*Besluit uitvoering Wet arbeid vreemdelingen 2022*) and the Regulation implementing the Foreign Nationals (Employment) Act 2022 (*Regeling uitvoering Wet arbeid vreemdelingen 2022*). An online consultation on these proposed changes was launched on 3 November 2025 and ran until 30 November 2025.

Please note:
You do not need to apply for a work permit for status holders (asylum seekers with a residence permit). The same applies to asylum seekers who will be performing voluntary work. However, in this case the employer has to apply for a declaration from the UWV confirming that the voluntary work meets certain conditions.

The work permit of an asylum seeker is valid for the duration of the Foreign National Identity Document (W-document). The permit application should be submitted to the UWV.

If you have any questions about work permits or foreign employees, the National Labour Migration Advice Centre (*Landelijk Steunpunt Arbeidsmigratie* (LSA)) can offer you support. The LSA can support employers from the beginning of the process of looking for new employees.

6.8 Employer Support Subsidy for the Employment of Status Holders (SOWIS)

In 2026 employers who have taken on status holders who have been in their employment for less than six months will probably be able to apply again for the Employer Support Subsidy for the Employment of Status Holders (*Subsidie Ondersteuning Werkgevers Inzet Statushouders* – SOWIS). The application period will be announced no later than three months before applications open. The status holders must have an employment contract for at least twenty hours per week and with a term of at least twelve months. Employers can apply for the SOWIS for activities that aim to help status holders learn the specialist language used in the workplace and teach them about the organisational culture.

Tip:
The Ministry of Social Affairs and Employment has developed an activity plan template and a guide on supporting status holders in the workplace.

Employers can receive a subsidy for a maximum of four status holders. The SOWIS amounts to € 8,000 for the first status holder, € 6,000 for the second and € 5,000 each for the third and fourth.

Please note:
Once the application period has opened, it will be possible to apply for the SOWIS here. Make sure you apply for the subsidy promptly. A total amount of € 9,500,000 has been made available for 2024, 2025 and 2026. For 2024 the available budget was € 2,500,000 and a sum of € 3,000,000 was made available in 2025.

6.9 Online notification of hiring of employees from outside EU

Employers do not have to apply for a work permit for certain employees from outside the EU. However, they do have to provide notification of their employment. Since 12 March 2025 it has only been possible to do this online for the following employees:

- employees with an 'intra-corporate transferee' (ICT) work permit (ind.nl) who work for the employer for a maximum of 90 days in a 180-day period;
- Ukrainian employees who fall under the Temporary Protection Directive;
- employees who are architecture students from outside the European Economic Area (EEA), who are studying at an architectural academy and who have to acquire work experience as part of their training.

Please note:
Notifications of employment for these employees that are sent by post will no longer be processed by the UWV from 12 March 2025.

It is not yet possible to submit an online notification of employment for workers hired under the International Trade Regulation (*Regeling internationaal handelsverkeer*). This means that a paper form must continue to be used for this purpose.

6.10 Costs of applying for combined residence and work permit partly regarded as salary

A person from outside the EU, EEA or Switzerland who wants to stay in the Netherlands for more than three months and wants to work for you is allowed to do so – provided that he/she meets the relevant conditions – after being granted a combined residence and work permit (GVVA), also known as a single permit. In such a case the residence permit and work permit can be applied for and issued together.

Although both the employer and employee can apply for the GVVA, it is generally the employer who does so.

Please note:
Managers, specialists and trainees who are not EU, EEA or Swiss nationals and are being transferred within a group to a Dutch branch can apply for an intra-corporate transferee (ICT) permit. This is a special form of GVVA. The information provided below about the GVVA therefore also applies to the ICT.

Costs of permit
When applying for the permit you incur costs (man-hours and advisory costs). Fees are also payable in connection with the GVVA application. Officially, these are owed by the employee, but they are generally charged to you as the employer.

Part salary, part not salary
The Tax and Customs Administration has taken the view that the costs you incur as an employer for the GVVA application are business expenses. Some of these business expenses constitute a benefit for the employee, i.e. those that relate to the residence permit. This benefit must be treated as part of the employee's salary, on the basis of the fair value. If

the application is submitted by your advisor, the benefit corresponds to the invoice value, insofar as this relates to the residence permit.

Certain costs are not salary
When applying for the GVVA you are always required to supply certain information and documents. This is the case regardless of whether the permit is applied for by you or the employee. These costs therefore do not constitute salary for your employee. The same applies to costs related to the work permit.

Costs of residence permit are salary
Costs relating to the residence permit are considered to be salary, however. The fees associated with a GVVA relate entirely to the residence permit and are therefore regarded as salary for your employee in their entirety.

Specific exemption
The costs that are regarded as salary can, however, also fall under the specific exemption that applies to additional costs incurred in connection with a temporary stay outside the employee's country of origin as part of the employment relationship (extraterritorial costs). In such a case these costs therefore do not form part of your employee's taxable salary and are exempt from tax.

Please note:
You cannot take advantage of this exemption if you are already applying the 30% scheme for your employee. However, you can allocate the costs to your fixed budget as salary for final levy purposes. In such a case they are also not considered to be part of your employee's individual taxable salary and he/she pays no payroll tax on them. You will only pay a final levy if you exceed the fixed budget in a particular year.

Any questions?
The system described above is not straightforward. You will also come up against the same problem in relation to the highly skilled migrants scheme. If you have any questions about the GVVA, ICT or the highly skilled migrants scheme, please therefore always get in touch with one of our advisors.

7 Employment law and social security law – miscellaneous

7.1 Increase in statutory minimum hourly wage

The statutory minimum wage is indexed twice a year: on 1 January and 1 July. From 1 January 2026 the statutory gross minimum hourly wage for employees aged 21 or above is increasing to € 14.71 (compared to € 14.06 on 1 January 2025 and € 14.40 on 1 July 2025).

Practical
- The minimum wage per period (week, four weeks or month) can be calculated by multiplying the number of hours worked in that period by the statutory minimum hourly wage.
- For employees between the ages of 15 and 20 minimum youth hourly wages apply, which have been derived from the statutory minimum hourly wage.
- The statutory minimum hourly wage that applies, in view of the employee's age, must be indicated on the payslip, along with the period to which the payslip relates.
- The gross amounts of the minimum hourly wage applicable from 1 January 2026 and 1 July 2026 for all age groups and for people following the work-based learning pathway (BBL) can be found at the end of this document.

Please note:
The minimum youth wage (for young people aged 16 to 20) is set to increase from 1 January 2027. In an online consultation, ending on 14 January 2026, it has been proposed that the rate for a 20 year old should be increased from 80% to 87.5%, for a 19 year old from 60% to 75%, for an 18 year old from 50% to 62.5%, for a 17 year old from 39.5% to 50% and for a 16 year old from 34.5% to 40% of the statutory minimum wage applicable to employees aged 21 and above. For a 15 year old the rate will remain at 30%. The online consultation also includes a proposal to abolish the lower rates for workers following the work-based learning pathway (BBL) with effect from 1 January 2027. From that date on, the wage of a BBL student would then be the same as the regular minimum youth wage.

7.2 Possibility of deducting accommodation costs from minimum wage will not yet be phased out

In 2026 employers will again be able to deduct up to 25% from an employee's statutory minimum wage for the costs of providing the employee with accommodation. The plan to reduce this rate by 5% per year from 2026 and eventually ban such deductions from 2030 has been put on hold for the time being.

At the end of 2025 the government concluded that phasing out the deduction would actually have more downsides than upsides for a migrant worker. The current scheme makes it easier for employers and migrant workers to arrange accommodation. If the scheme is abolished, the government would lose its oversight over the quality of the accommodation provided. For this reason, the government has decided not to implement the planned phase-out of the deduction for the time being.

Various motions have been passed in the Lower House that are encouraging the government to come up with a proposal as quickly as possible to abolish the deduction of accommodation

costs from the minimum wage in a carefully considered way, alongside the introduction of the Migrant Worker (Tenant Protection) Act (*Wet huurdersbescherming van arbeidsmigranten*).

7.3 Transition payment

An employee is entitled to a transition payment if he/she is made redundant at the employer's initiative. The level of the transition payment depends on the employee's salary and the number of years of service. In 2026 the maximum transition payment is € 102,000 (2025: € 98,000), or a year's salary if higher.

Tip:
As an employer, you may be able to obtain compensation from the UWV for the transition payment. You will find the conditions for compensation of the transition payment in the event of long-term incapacity for work here and the conditions for compensation of the transition payment in the event of discontinuation of a business here.

Please note:
On 5 December 2025 the legislative proposal 'Restriction of transition payment compensation scheme to small employers in cases of redundancy due to long-term incapacity for work' was submitted to the Lower House. Under this proposal the compensation for the transition payment in cases of redundancy due to long-term incapacity for work will be restricted to small employers from 1 July 2026. The proposal defines a small employer as one whose wage bill is up to 25 times the average salary on which contributions are payable per employee per calendar year. The wage bill for national insurance purposes from two years ago (t-2) is referred to for this purpose. In 2026 an employer is therefore regarded as small if the total wage bill on which contributions were payable for 2024 was no higher than € 1,082,500.

7.4 Measures relating to incapacity for work benefit

The UWV is facing backlogs when it comes to assessing applications for incapacity for work benefit (WIA applications). These backlogs are expected to increase further. To limit them as much as possible, a number of measures have been introduced.

Simplified assessment for people over 60
To address the problem of a shortage of insurers' medical advisors, a simplified assessment was previously introduced (in October 2022) for employees who are 60 or over at the end of the regular 104-week waiting period. This ran until the end of 2024, but was reintroduced from September 2025.

This simplified assessment means that – if the employer and employee agree to it – a sick employee over the age of 60 will be granted a benefit based on 80%-100% incapacity at the end of the waiting period, until he/she reaches state-pension age. For purposes of this simplified assessment, the employer and employee only visit the occupational health and safety expert. An insurer's medical advisor is not involved.

The intention is that this simplified assessment scheme will run for two years and will therefore end on 31 August 2027. Simplifying the assessment process will free up capacity amongst insurers' medical advisors, allowing the UWV to use them to perform other assessments.

Please note:
This benefit, paid under the Return to Work (Partially Disabled) Regulations (WGA), will be funded from the basic contribution under the Invalidity Insurance Act (WAO)/Work and Income (Capacity for Work) Act (WIA), which is paid into the Invalidity Insurance Fund (Aof). It will therefore not be borne by individual employers.

Practical assessment
Under the rules that applied up to 1 July 2024, employees who still had income from employment were subject to both a practical and a theoretical assessment (an estimate of what the employee could still earn in theory). Whether or not incapacity for work benefit was granted was then determined on the basis of the assessment that resulted in the lowest level of incapacity for work.

The 'practical assessment' measure means that the theoretical estimate is dispensed with, in cases where a practical assessment is possible. This is expected to allow around 2,000 to 3,000 additional incapacity for work claims to be assessed each year. The measure took effect on 1 July 2024 and will run until at least 1 July 2027. However, the plan is that it will continue after that date.

Please note:
The 'practical assessment' approach applies to all WIA assessments relating to a date or a period that falls on or after 1 July 2024. It therefore applies to an assessment of an incapacity for work benefit claim, a reassessment of such a claim, an assessment of the reinstatement of an incapacity for work benefit entitlement that has ended and an assessment of whether such an entitlement has arisen after the end of the waiting period.

Temporary extension of decision-making period for WIA assessments
With effect from 1 January 2026 the UWV is temporarily extending the decision-making period for WIA assessments from eight to sixteen weeks.

Policy on waiving WIA advance payments to become permanent
In October 2025 the legislative proposal 'assessment of re-integration efforts and WIA advance payment scheme' was put out to an online consultation. In this legislative proposal the existing policy on the waiving of WIA advance payments is made permanent. This means that people who receive an advance payment in anticipation of their WIA assessment will have the certainty of knowing that they will not have to pay back this advance if it subsequently becomes clear that they are not entitled to a benefit.

Please note:
If, following the WIA assessment, it emerges that there was an entitlement to a benefit under the Return to Work (Partially Disabled) Regulations (WGA) or Unemployment Insurance Act (WW) during the advance payment period, the advance can, however, be offset against these benefits.

Medical opinion of company doctor decisive for assessment of reintegration efforts
The legislative proposal put out to an online consultation also includes the proposal to make the medical opinion of the company doctor decisive when assessing whether sufficient efforts have been made to reintegrate the employee.

Before the end of the period during which the employer has to continue salary payments (in principle 104 weeks) – known as the waiting period – the UWV determines whether the employer has done enough to try to reintegrate the employee who has been affected by long-term incapacity for work. This assessment is known as the *poortwachterstoets* or *RIV-toets*. If the UWV's opinion is that too little has been done to reintegrate the employee, the UWV can impose a penalty, which extends the obligation to continue paying the employee's salary by 52 weeks as standard. If the employer takes steps to address the shortcomings identified in the area of reintegration, it can ask for the duration of the penalty to be reduced. At present, such a penalty can also be imposed when there is a difference of opinion between the company doctor and the insurer's medical advisor regarding the employee's employability, even though the employer relied on the company doctor's opinion in good faith. To remove this uncertainty, it is being proposed that the company doctor's opinion should be decisive with regard to the assessment of reintegration efforts.

Interdepartmental Policy Study (IBO) on the WIA
The Interdepartmental Policy Study on the WIA also notes that the incapacity for work system is in gridlock and that changes are urgently needed. The report '*Werk aan de WIA – naar een stelsel dat weer werkt*' ('Working on the WIA – getting back to a system that works'), which was presented to the Lower House on 12 December 2025, makes the following recommendations, amongst others:

- socio-medical assessments should no longer be performed solely by insurers' medical advisors,
- strict conditions should apply to requests for reassessment,
- benefits under the Full Invalidity Benefit Regulations (IVA) should be abolished for new cases, and
- there should be a focus on prevention and activation, for example by stepping up the monitoring of and increasing support for reintegration under the WIA.

7.5 Legislative proposal to increase security for flexiworkers

On 19 May 2025 the legislative proposal '*Meer zekerheid voor flexwerkers*' ('More security for flexiworkers') was submitted to the Lower House. Its aim is to offer greater security to workers who are employed under a temporary employment contract or on-call contract, for example. The plan is to introduce the new law on 1 January 2027.

This is the first major legislative proposal from the labour market package to be brought before the Lower House. What are its key components?

Same employment conditions
Temporary workers will be legally entitled to at least the same employment conditions as regular employees of the company that hires them.

The first phase of temporary employment (phase A for ABU employment agencies and phase 1/2 for NBBU employment agencies) will be shortened: from a maximum of eighteen to a maximum of twelve months. During this first phase a temporary worker has little security. Shortening this phase will allow this target group to benefit from greater security and put a stop to the exploitation of migrant workers, for example.

Please note:
An exception will apply to social development companies. These companies must be able to continue paying workers with an occupational disability on the basis of their own collective labour agreement, even if they are loaned out to other companies.

Permanent employment offered sooner
The intention is for workers to be offered permanent employment sooner, after their temporary contract has ended. At the moment, after three temporary contracts a period of more than six months must pass before a worker is offered a new temporary contract. This six-month period is being extended to five years to combat so-called revolving-door arrangements. Only a limited number of exceptions may be included in a collective labour agreement.

On-call contract to become permanent basic contract
If the government gets its way, on-call contracts will become permanent basic contracts. These will include a minimum number of hours that a person will be scheduled to work as standard. If they end up working consistently more hours than this, after a year the employer must offer to adjust the number of hours. In this way, workers will always know what their minimum earnings will be and where they stand.

School pupils and students can continue to work on the basis of an on-call contract, provided that it is a part-time job for a maximum of sixteen hours a week and they are under 18 years of age or registered with an educational institution. For other workers flexibility can be achieved through their basic contract or by agreeing on standard annual hours, for example. Under the basic contract a person's working hours can be increased to up to 130% of the standard hours. This means that if a contract for ten hours is agreed, the worker may be scheduled for a maximum of thirteen hours.

Please note:
This legislative proposal is yet to be approved by the Lower and Upper House.

7.6 Accreditation system for employment agencies

From 1 January 2028 suppliers of personnel (i.e. employment agencies and other companies that hire out staff) will only be able to engage in this activity if they hold accreditation (a permit).

Accreditation system
The Provision of Personnel Accreditation Act (Wtta) was passed by the Upper House on 11 November 2025. It introduces an accreditation system for parties that hire out personnel (suppliers). Both the Act and the accreditation system will enter into force on 1 January 2027. Companies that want to continue hiring out staff will need to register with the Dutch Temporary Employment Authority (*Nederlandse Autoriteit Uitleenmarkt* – NAU) before that date.

The Netherlands Labour Authority will start enforcing the rules on 1 January 2028. From that date, suppliers who are operating on the labour market without accreditation will receive a fine. This fine will also apply to companies (hirers) that use non-accredited employment agencies. From 1 January 2028 suppliers will only be permitted to make workers available if they hold the necessary accreditation.

Who are regarded as suppliers?
The legislation focuses on parties that make workers – including freelancers – available to third parties (as referred to in the Placement of Personnel by Intermediaries Act (WAADI)). Suppliers are considered to include:
- Employment agencies
- Secondment companies
- Suppliers of freelancers

Tip:
The supply of personnel on a non-profit basis or the supply and hiring of workers within a group will not fall under the accreditation system.

Exemption
Companies that make workers available on a very limited basis can apply for an exemption, subject to the following conditions:
- the income from supplying personnel amounts to less than 10% of the total annual income, and;
- this income does not exceed € 5 million per year.

Registration procedure
Companies that want to continue supplying personnel will need to apply for accreditation between 1 May 2027 and 30 June 2027. The process of assessing companies will start from 1 July 2027.

Please note:
Companies that want to continue supplying personnel are advised to register with the NAU by 1 January 2027. They will then be able to carry on with this activity until the NAU has made a decision on their accreditation. You can find out more about this at toelatinguitleenmarkt.nl.

Conditions
To obtain accreditation, suppliers will have to meet a number of conditions. They must have an up-to-date declaration of good conduct (VOG), demonstrate that they comply with relevant legislation (such as the statutory minimum wage) and pay a deposit of € 100,000 (for start-ups a deposit of € 50,000 applies initially, followed by a further € 50,000 after six months). Companies that adhere to the rules will have their deposit refunded after four years.

Implementation
The legislation will be implemented by the NAU, which will decide on the accreditation of suppliers. The NAU will also gather signals from the market and advise on potential improvements. In addition, it will designate the inspection bodies that will monitor whether suppliers are complying with all the laws and regulations. The NAU will start carrying out its initial activities, such as designating inspection bodies and opening the registration point for suppliers, in 2026.

From 1 January 2027 companies that want to carry on supplying personnel will have to register with the NAU. The first company assessments will start from July 2027. If the company already holds an SNA quality mark (NEN 4400), it can take advantage of transitional arrangements, for which it will be possible to register between 1 November and 31 December 2026.

Companies must apply for an SNA quality mark (NEN 4400) as soon as possible. This will be required to access the accreditation system. At the initiative of the trade associations ABU, NBBU and Bovib, on 1 January 2026 two modules were added to the SNA quality mark for the freelancer market, namely for two different kinds of intermediation service: situations in which the intermediary is not a party to the contract ('*bemiddeling*') and those in which it concludes a contract with both the freelancer and the client ('*tussenkomst*'). The purpose of these additions is to boost professionalism in the sector, help prevent bogus self-employment and increase confidence in the freelancer market. Intermediaries can schedule an inspection from 1 January 2026 and have until 1 July 2026 to organise their processes to ensure they retain their SNA quality mark.

Please note:
The NAU will also keep a public register of all accredited companies. From 1 January 2028, companies that use temporary workers will only be allowed to do so via accredited suppliers.

Enforcement
The Netherlands Labour Authority will start enforcing the rules on 1 January 2028. From that date, suppliers who are operating on the labour market without accreditation will receive a fine. The workforce of the Netherlands Labour Authority has been expanded by 135 FTEs to increase the chances of catching parties who are breaching the rules. Helpdesks have also been opened in various locations to help migrant workers who have questions or are experiencing problems. Further helpdesks will be added over the coming period.

Please note:
The fine referred to above will also apply to hirers of personnel who use non-accredited employment agencies.

7.7 More possibilities for suspending a company's activities in the event of abuses of migrant workers

Research has made clear that the existing possibility in law of suspending a company's activities in the event of serious risk also provides a legal basis for doing so in cases where serious labour abuses are identified. The Netherlands Labour Authority therefore has more possibilities for suspending a company's activities if it identifies serious abuses involving migrant workers. Higher fines can also be imposed.

Serious abuses
Serious abuses include situations in which an employee is faced with a combination of poor working conditions. Examples may be receiving a very low wage, having to sleep in the workplace, having to work very long hours, residing or working in the Netherlands illegally, having bank cards and travel documents confiscated, a lack of clarity about who the manager is, failure to keep records or the keeping of inadequate records, and exposure to physical violence or harassment.

Suspension of activities in the event of serious abuses
The inspectors from the Netherlands Labour Authority have been given guidance to help them determine which (combination of) serious circumstances could give them cause to suspend a company's activities. Once there is no longer any serious risk (the serious abuses have been rectified), the suspension will be lifted.

Confiscation of travel documents
If travel documents/bank cards are confiscated illegally, the employer may be in breach of the Working Conditions Act (*Arbeidsomstandighedenwet*), due to failure to comply with its obligation to draw up a policy and take measures to prevent or reduce the psychosocial workload of employees and occupational risks. In such a case the Netherlands Labour Authority can issue a warning, followed by a fine in the event of repeat offences.

Confiscating travel documents and/or bank cards makes the employee more dependent on the employer and increases the risk of labour abuses. In such situations, employees' freedom is often also restricted and they suffer from stress. Under the Working Conditions Act employers are obliged to ensure that such a psychosocial workload is prevented. If, on establishing that personal documents have been confiscated, other serious abuses are also identified, a serious risk may apply in accordance with the Working Conditions Act. In such cases disciplinary action in the form of a suspension of activities may be justified.

Higher fines
For breaches of the Foreign Nationals (Employment) Act (*Wet arbeid vreemdelingen*) identified since 1 February 2025, the Netherlands Labour Authority has been able to impose higher fines on employers who are employing foreign nationals without the necessary permits. Since 1 February 2025 the standard fine for illegal employment has been € 6,000 for legal entities in cases of 'ordinary culpability'. In the event of intent or gross negligence or a more serious breach the fine can be increased to a maximum of € 11,250.

7.8 Implementation of Pay Transparency Directive postponed until 2027

The European Council adopted the EU Pay Transparency Directive on 24 April 2023. This Directive aims to combat wage discrimination and help close the gender pay gap in the EU. The deadline for its transposition into Dutch legislation is 7 June 2026. It is being proposed that this deadline be pushed back to 1 January 2027.

Directive
The Directive follows on from the Diversity Quota and Targets Act (*Wet ingroei-quotum en streefcijfers*). This Act – in force since 2022 – aims to improve the ratio between men and women at board and senior management levels. Since 2023 large companies have been reporting on their male/female ratio at these levels, their targets and their associated action plans on the Social and Economic Council's Diversity Portal.

Requirements under the Directive
Companies in the EU will in future have to publish pay information and take action if the difference in pay between men and women is greater than 5%. Employees and their representatives will also be able to request information about their pay level and that of employees performing the same (or equivalent) work. Furthermore, before the employment relationship commences, the employer will have to inform the future employee of the salary that he/she will be paid (or the salary scale to which he/she will be assigned). Employers will also be banned from asking job applicants questions about their previous salaries. Employers with 100 or more staff will have to report on pay differences within their organisations. Much of the information concerned will be published.

Postponement
From 26 March 2025 to 7 May 2025 an online consultation was held on a legislative proposal relating to the implementation of the Directive. It became clear that the deadline of 7 June

2026 was not feasible. The Lower and Upper House will debate the legislative proposal in 2026. The date on which it will enter into force has been pushed back to 1 January 2027.

More time
For organisations with 150 or more employees, this means that they will be required to report for the first time on the 2027 calendar year, instead of 2026. The date from which employers with 100-150 staff will have to report their information will be implemented in accordance with the Directive. As a result of the postponement, employers will have more time to organise their systems to take these obligations into account.

7.9 Better protection of employees in the event of bankruptcy

The legislative proposal on the Transfer of Undertakings in Bankruptcy Act (*Wet overgang van onderneming in faillissement* – Wovof) has been submitted to the Council of State for an opinion. The aim of this legislative proposal is to protect employees when a bankrupt company is restarted.

Protection of employees
The legislative proposal includes an obligation to retain most of the employees when restarting a company. This puts employees in a better position and creates an additional barrier to prevent abuse of the bankruptcy procedure. Restarting a company cannot be used as a reason for failing to offer employees an employment contract. Entrepreneurs who take over a company (acquirers) are currently free to choose who they want to retain and who they do not.

Objective criteria
The legislative proposal also sets out objective criteria for determining whether fewer employees may be retained. This is only possible for commercial reasons, such as a reduction in the number of customers, the relocation of the business or the automation of activities. The selection process will therefore be comparable with that employed in the case of redundancies for commercial reasons outside of bankruptcy.

Employment conditions
Acquirers can currently decide for themselves what employment conditions they will offer to the employees concerned. The legislative proposal also includes a change with regard to this point. The participation bodies, such as the works council, employee representative body or employee meeting, will be allowed to issue an opinion on the proposed transfer of the business.

Assessment by judge
If the legislative proposal is adopted without amendments, the delegated judge involved in the bankruptcy proceedings will determine whether the selection has been made objectively and transparently. Employees will therefore benefit from protection comparable with that enjoyed outside of bankruptcy.

Please note:
The rules will not apply to small businesses with fewer than twenty employees, unless the acquirer of the business chooses to apply them.

Non-competition clause will lapse as standard
If the legislative proposal is passed, a non-competition clause will lapse automatically at the end of employment if an employee is not offered an employment contract before this point. This will make it easier for employees who are deemed surplus to requirements and not offered an employment contract to find other work as quickly as possible. At present, a contractually agreed non-competition clause does not lapse in the event of bankruptcy.

7.10 Case-law – miscellaneous

Supreme Court: thirteen years of temporary employment too long
On 21 November 2025 the Supreme Court ruled that in accordance with European law temporary work must actually be of a temporary nature. Whether it is a question of one continuous assignment or a number of consecutive assignments is irrelevant. The rules are deemed to have been abused if the temporary worker has been working for a company for such a long period that the work can no longer reasonably be regarded as temporary. A different conclusion is only reached if the company can provide an objective explanation for the situation. According to the Supreme Court, a company's general need to have access to flexible workers does not adequately explain why a temporary worker has been engaged for an unbroken period of thirteen years. A consequence of the above may be that an employment contract is deemed to exist with the temporary worker. The Supreme Court has instructed a court of appeal to examine and assess this in more detail in this particular case.

Right to variable salary component retained during holiday
On 21 November 2025 the Supreme Court ruled that employees may not be financially disadvantaged by taking holiday. Otherwise, they would be encouraged to carry on working instead of taking a rest. This would be in conflict with European law, which focuses on employees being allowed periods of actual rest and recovery. The physiotherapists in the case in question were therefore also entitled to receive the variable portion of their salary, which was sales-dependent, while they were on holiday. During their holiday the employer was not allowed to limit their pay to their basic salary. It is therefore important to be aware of this when making agreements on variable remuneration components, such as a sales-dependent salary, commission or structural overtime. There is a good chance that these remuneration components will also have to be paid while your employees are on holiday.

What is an on-call worker's entitlement to hours after twelve months?
On-call workers can rely on a legal presumption relating to the number of hours they have worked. They can refer to the average number of hours worked over a three-month period. In addition, after twelve months, an employer is obliged – in the thirteenth month (the so-called *vastklikmoment*) – to offer an on-call worker a fixed number of hours (the offer of hours), based on the average number of hours worked over that twelve-month period. On 28 November 2025 the Supreme Court ruled that an on-call worker can always rely on the legal presumption, even if he/she has repeatedly rejected the offer of hours at various points when the offer had to be made. Such rejection of the offer therefore does not stop the employee making a claim for pay on the basis of the legal presumption.

Please note:
An employer can rebut an employee's reliance on the legal presumption by arguing that the period in question was not representative. This may apply, for example, in a situation in which the amount of work carried out over the previous three months was out of the ordinary, due to the fact that it was a peak period, the employee was providing sickness cover, etc.

Tip:
It is important to keep making an offer of hours and to make a written record of the fact that the on-call worker has rejected it.

Instant dismissal: two cases
When is instant dismissal permitted? We look at two cases below. On 25 September 2025 Rotterdam District Court ruled that an employee (manager) who used inflammatory language in a WhatsApp message to all employees had rightly been dismissed with immediate effect. The WhatsApp message had been kept secret from the owner of the business and contained concrete plans to put the owner under pressure and force him out.

On 8 August 2025 Zeeland-West-Brabant District Court ruled that the instant dismissal of an employee who had disappeared was unjustified. The employee had a temporary contract, but during the term of this contract stated that he no longer wished to work for the employer. He then disappeared completely and failed to respond to any messages or written warnings. The employer subsequently stopped paying his salary and, three days later, dismissed the employee with immediate effect on account of refusal to work. The court ruled that there was no urgent reason to dismiss the employee with immediate effect. After all, the employer could have continued to withhold the employee's salary and applied to the subdistrict court for termination of the contract.

Declaring an employment contract void if an employee breaches a disclosure obligation
An employer can declare an employment contract void in a legally valid manner and without the intervention of a court in the event of an error. This is the case if an employee fails to disclose information about his/her state of health when entering into the employment contract. The employee must, however, have known at that point that his/her state of health was such that it would constitute a significant obstacle to his/her performance of the agreed activities for a sustained period of time.

On 17 September 2025 the Central Netherlands District Court ruled that, when signing an addendum to her employment contract that increased her working hours, an employee should have realised that her psychological vulnerability was a relevant factor with regard to whether she was capable of working more hours on a permanent basis. After signing the addendum, but before the increase in hours took effect, the employee had reported sick due to anxiety and panic attacks. The employer then declared the addendum void, invoking error, and cancelled the increase in the employee's hours. According to the court, this did not contravene the dismissal system. By failing to report her psychological vulnerability, the employee had breached the disclosure obligation.

Dismissal not legally valid due to unclear trial period
A legally valid trial period is only possible if an employment contract has been agreed for a term of more than six months. On 23 May 2025 the Central Netherlands District Court ruled that a healthcare institution had dismissed an employee in a manner that was not legally valid, as the agreed trial period was void. This was because the employment contract did not state clearly whether it had been agreed for a term of six months or a term of six months and two days. According to the court, this lack of clarity was at the employer's risk and expense. The agreed trial period was void and the employer had therefore dismissed the employee in a seriously culpable manner. The court awarded the employee compensation of € 17,000. This was roughly equal to the amount that she would otherwise have received in salary up to the regular end date of her employment contract.

Right to 100% of salary during maternity leave?
By law, when taking maternity leave (leave under the Work and Care Act (Wazo), or Wazo leave), an employee is entitled to a Wazo benefit of up to 100% of the maximum daily wage. With effect from 1 January 2026 this maximum daily wage amounts to € 304.25. An employee who took her Wazo leave during a period of suspension believed that she was entitled to 100% of her salary (which was higher than the maximum daily wage). In a judgment delivered on 12 August 2025, Rotterdam District Court disagreed with this position. According to the court, during a period of Wazo leave an employee is entitled only to a Wazo benefit and not to the payment of salary. The fact that the employee was also suspended during the Wazo period was irrelevant.

Please note:
It is important to check whether any collective labour agreement that may apply provides for the continued payment of 100% of an employee's salary during a period of Wazo leave. If it does, this changes the assessment.

Accrual of holiday entitlements continues during dormant employment relationships
On 12 August 2025 Gelderland District Court ruled that the provision of Dutch law stating that the accrual of holiday entitlements is linked to the entitlement to salary is in contravention of European law. According to the court, sick employees who remain in employment after the end of the two-year period during which continued payment of salary is required (so-called dormant employment relationships) therefore also accrue holiday entitlements in the years following the first two years of sickness.

In response to Parliamentary questions, the minister has stated that Dutch law is not in contravention of European law and the legislation will not be amended.

Right to bonus after end of employment
On 7 May 2025 the Central Netherlands District Court ruled that an employee was entitled to a bonus, despite the fact that she was no longer in employment at the time of the payout. In this case the employee had given notice on 29 May 2024 to terminate her employment contract with effect from 1 July 2024. The employee believed that she was also entitled to a bonus that was paid out in August 2024 to all employees who were still in employment at that time. In the employer's view, the employee was not entitled to this bonus. The court decided in the employee's favour, as the conditions that applied to the bonus were not sufficiently clear.

Tip:
Make sure you provide clear information to your staff about any conditions that apply to the award of a bonus. You could include this information clearly in your staff regulations, for example, and refer your staff to these on a regular basis.

8 Self-employed persons

8.1 Current legislation and case-law on employment relationships

It is important for employers, or contracting organisations, to check whether a person is working for them in a genuinely self-employed capacity or whether it is a case of bogus self-employment. If a self-employed person subsequently proves to have been working as an employee, this can end up costing the contracting organisation a significant amount.

Employee as defined by law
For a person to be considered an employee, the law (Article 7:610 of the Civil Code) requires that:
- the employer has authority to issue directions and instructions (relationship of authority);
- the work is carried out personally;
- the employer pays a wage by way of consideration for the work performed.

Case-law: Deliveroo
In the Deliveroo judgment the Supreme Court clarified that, to determine whether there is a relationship of authority, the court can also consider whether the work carried out is 'organisationally embedded' in the organisation and thus forms part of the employer's normal business. However, this is only one of the circumstances to be taken into account. It is necessary to consider all the circumstances of the case holistically. Relevant factors here may include:
- the nature and duration of the work;
- how the work and the working hours are determined;
- the extent to which the work and the person carrying it out are embedded in the organisation and operations of the party for whom the work is being performed;
- whether or not there is an obligation for the work to be carried out personally;
- how the contract governing the relationship between the parties was concluded;
- how the remuneration is determined and how it is paid;
- the level of this remuneration;
- the question of whether the person performing the work bears any commercial risk;
- the question of whether the person performing the work acts (or is able to act) as an entrepreneur on the market (external entrepreneurship).

Case-law: Uber
The Supreme Court did not rank the various factors in the Deliveroo judgment outlined above. In the Uber case the Supreme Court has now answered questions that the Amsterdam Court of Appeal had referred for a preliminary ruling concerning the factor of entrepreneurship. In response to these questions, the Supreme Court has ruled that no single aspect is decisive. This means, for example, that if a person is free to replace him/herself with another person, which is an indicator of self-employment, an employment contract may still be deemed to apply on account of all the other aspects.

In the Uber case the Supreme Court has also answered that in practice this can mean that the same work for the same client is not regarded as an employment contract for someone exhibiting 'entrepreneurial behaviour', but is for someone who does not exhibit such behaviour.

According to the Supreme Court, the concept of 'entrepreneurship' relates to the worker's general (entrepreneurial) situation. It is therefore not limited to the specific circumstances of an assignment, but can also relate to circumstances that apply outside of the specific relationship between the worker and his/her client.

Case-law: Helpling
In the Helpling case cleaners were able to register for cleaning work via the Helpling website. They could specify themselves the hourly rate at which they wanted to work. Via the platform, Helpling then showed households who were looking for a cleaner which cleaners were available. The household submitted a booking request and, once this had been accepted by the cleaner, the booking was confirmed. Helpling handled the payments made to cleaners via a special payment service and charged a commission ranging from 23% to 32%. Various general terms and conditions, drawn up by Helpling, applied to, and had to be accepted by, both households and cleaners.

The Supreme Court ruled that a temporary employment contract existed between Helpling and the cleaners. The advocate-general had concluded that there was a regular employment contract between Helpling and the cleaners, as private households could not act as hirers. The Supreme Court disagreed with this. There is nothing in the legislative history or the system enshrined in law to suggest that a temporary worker can only be made available within the framework of the profession or business of the hirer. The criteria that apply to a temporary employment contract were also met, i.e. the households, as the hiring party, were able to exercise supervision and direction, while Helpling had the formal relationship of authority and managed the payments. This last point also means that a regular employment contract did not apply between the cleaners and households.

8.2 Legislative proposal on clarifying assessment of employment relationships and legal presumption (Vbar)

On 7 July 2025 the legislative proposal relating to the Assessment of Employment Relationships and Legal Presumption (Clarification) Act (*Wet verduidelijking beoordeling arbeidsrelaties en rechtsvermoeden* – Vbar) was submitted to the Lower House. It clarifies the criteria used to determine when a person is an employee and when they are working in a self-employed capacity.

Elements for assessing employee status
The legislative proposal adds to the existing definition of an employment contract. At present, an employment contract applies if a worker personally carries out work for an employer who is able to issue directions and instructions (relationship of authority) and the worker receives a wage for this. The legislative proposal expands on this by specifying that work is being carried out for an employer if:

- the work is performed under the direction of the employer, as regards the content or organisation of the work, and
- the worker does not perform the work at his/her own risk and expense, or does so to a minor extent but this is outweighed by the direction he/she receives as regards the content or organisation of the work.

'WZ' assessment

The Explanatory Memorandum to the Vbar legislative proposal introduces the 'WZ' assessment, a new assessment framework for employment relationships. The 'WZ' assessment clarifies the authority criterion that applies to employment relationships and is made up of two elements:

1. Employee (W = *werknemer* (employee)): this element focuses on indicators of employee status, such as the employer being able to give direction as regards the content and organisation of the work. The organisation's 'core activity' has been removed as an element to allow a balanced assessment of whether employee status or self-employment applies.
2. Self-employed person (Z = *zelfstandige* (self-employed person)): this element focuses on characteristics of self-employed entrepreneurship, such as personally bearing the risk and responsibility for the performance of the work.

W = indicaties die wijzen op werken als werknemer	W = indicators of employee status
Z = indicaties die wijzen op werken als zelfstandige	Z = indicators of self-employed status
Is er sprake van hoofdelement werknemer?	Do main indicators of employee status apply?
Ja, kijk naar aanwezigheid hoofdelement zelfstandige	Yes, check whether main indicators of self-employed status are present
Nee, er is geen of geringe sprake van element werknemer	No, indicators of employee status do not apply or only to limited extent
W weegt zwaarder dan Z	W outweighs Z
Z weegt zwaarder dan W	Z outweighs W
Ja! Gezagsverhouding aanwezig	Yes! Relationship of authority exists
Geen gezagsverhouding	No relationship of authority

Legal presumption of employee status

Self-employed persons who earn less than € 36 per hour will be able to claim that they are employees and demand the associated rights, such as continued salary payment in the event of sickness, holiday entitlements and protection from dismissal. If a self-employed person relies on this legal presumption, the burden of proof shifts to the employer, who has to demonstrate that an employment contract does not apply. It is therefore a rebuttable presumption. The hourly rate will be adjusted annually in line with the increase in the minimum wage and rounded to whole euros.

Please note:
The Act is intended to be introduced on 1 July 2026. However, it still has to be passed by the Lower and Upper House. This legislative proposal is crucial for the Dutch Recovery and Resilience Plan (RRP), which is linked to a total amount of approximately € 5.4 billion in EU support. Failure to pass the Vbar on time could lead to the loss of around € 600 million in European funding.

8.3 Private member's bill on Self-Employed Persons Act

A new private member's bill relating to the position of self-employed persons was put out to an online consultation from 26 May to 23 June 2025. It aims to put an end to the confusion and anxiety surrounding the status of self-employed persons. The new Act should also be better aligned with the modern labour market – whether or not you want to work in a self-employed capacity – by providing clarity about the status of these workers: are they self-employed or employees?

Self-employment assessment and working relationship assessment
The private member's bill proposes a clear legal assessment framework for determining when a person can work in a self-employed capacity. There will be two assessments that a self-employed person must satisfy to be able to do so: the self-employment assessment and the working relationship assessment. This will create clarity, ensuring that parties do not find themselves facing additional tax assessments or fines later.

Conditions of self-employment assessment
The conditions of the self-employment assessment are as follows:
- The person is working at his/her own expense and risk.
- The worker keeps proper records.
- The worker acts as an independent entrepreneur on the market.
- The worker has taken appropriate steps to cover the risk of incapacity (self-employed persons can do so as they see fit).
- The worker is setting aside a sufficient proportion of his/her income for retirement. Self-employed persons can do this in a manner of their choosing.

Conditions of working relationship assessment
The conditions of the working relationship assessment are as follows:
- There is freedom in how the work can be organised.
- There is freedom in how the working hours can be organised.
- There is no hierarchical control.
- The parties intend for work to be carried out on a basis other than an employment contract.

Legal presumption at sectoral level
The private member's bill also includes the possibility of introducing a legal presumption at sectoral level for sectors in which there is an increased risk of bogus self-employment.

Please note:
The actual circumstances are also relevant, of course.

Assessment committee
The private member's bill provides for the creation of a separate assessment committee that can assess working relationships as and when necessary, in order to create clarity for the market. These assessments will be public and binding for enforcement bodies, such as the Tax and Customs Administration.

Legal presumption based on hourly rate
The private member's bill also proposes introducing a legal presumption of employee status based on an hourly rate, which will actually create an earnings floor on the market for self-employed persons, as also included in the draft Vbar legislation.

Please note:
The private member's bill is yet to be debated by the Lower House.

8.4 Partial extension of soft landing in 2026 for enforcement of law relating to bogus self-employment

The soft landing that has applied to the enforcement of the law on bogus self-employment is being partially extended in 2026. After deciding not to act on a number of previous motions that Parliament had passed on this topic, on 19 December 2025 the government partly changed tack.

Moratorium on enforcement in 2024
A moratorium on enforcement still applied in 2024. This meant that, if an employment relationship was deemed to apply, in 2024 the Tax and Customs Administration only imposed correction obligations, additional assessments and possible fines in the event of malicious intent. In all other cases the Tax and Customs Administration merely issued an instruction, which the employer had to comply with.

Enforcement in 2025
With effect from 1 January 2025 the moratorium on enforcement in relation to employment relationships was lifted entirely. This meant that from 1 January 2025 the Tax and Customs Administration started taking full enforcement action again if a working relationship had been incorrectly classified.

In principle, it started in 2025 by making company visits during which discussions were held with the contracting organisation on the hiring of self-employed persons and external personnel. Where necessary, the contracting organisation was made aware of the need to pay attention to the classification of employment relationships and the possible risks of bogus self-employment. In this way the contracting organisation was warned about the risks. The Tax and Customs Administration could also choose to carry out an audit, if, for example, it considered there to be significant risks or if the contracting organisation was working or continuing to work with bogus self-employed workers.

Following such an audit the Tax and Customs Administration was able in all cases to impose correction obligations and additional assessments. It could only impose corrections with retroactive effect from 1 January 2025, unless it was a question of malicious intent.

For the 2025 calendar year no default or negligence penalties were imposed on employers or workers if they could demonstrate that they were taking steps to prevent bogus self-employment. This meant that there was a soft landing. A transitional period of one year

applied during which the Tax and Customs Administration focused in particular on whether organisations had made serious efforts to combat bogus self-employment.

The Tax and Customs Administration had published an explanation in which it described how employment relationships would be assessed. The Handhavingsplan arbeidsrelaties 2025 (2025 employment relationships enforcement plan) described the enforcement action that the Tax and Customs Administration would take in 2025.

Please note:
Since 6 September 2024 the Tax and Customs Administration has no longer been approving any new model agreements. However, all current approved model agreements have been automatically extended until the end of 2029. The Tax and Customs Administration may nevertheless withdraw a model agreement if it no longer complies with the legislation and case-law or if it emerges that the conditions of the model agreement are not being or cannot be followed.

Enforcement from 2026
The moratorium on enforcement in relation to employment relationships and the soft landing were due to be withdrawn entirely with effect from 1 January 2026. However, at the end of 2025 the government decided to partially extend the soft landing. It considered a full extension to be undesirable.

The partial extension means that in 2026 the Tax and Customs Administration will, in principle, again start with a company visit instead of immediately proceeding to a tax audit. The entrepreneur will generally then be given the opportunity to improve its operations.

Please note:
Starting with a company visit does not prevent the Tax and Customs Administration from subsequently launching a tax audit. This possibility was open to the Tax and Customs Administration in 2025 and that will remain the case in 2026.

As in 2025, it will also be able to impose additional assessments in 2026. The Tax and Customs Administration will therefore be able to act in cases of (obvious) bogus self-employment. In 2025 no negligence penalties could be imposed, but this will now be possible from 2026 onwards. The extension of the soft landing therefore does not apply to negligence penalties.

A negligence penalty can be imposed by the Tax and Customs Administration in cases of (conditional) intent or gross negligence. The government considers it undesirable for (conditional) intent and gross negligence to remain unpunished for any longer and therefore does not want the soft landing to be extended in this particular area.

Please note:
In 2026 the Tax and Customs Administration can again choose whether to conduct a tax audit in relation to a calendar year or a recent tax return period.

The extension of the soft landing does apply to default penalties. This means that the Tax and Customs Administration will not impose any default penalties in 2026.

Please note:
The soft landing will only be extended in 2026. From 2027 the Tax and Customs Administration will therefore no longer start with a company visit and will also impose default penalties.

The Handhavingsplan arbeidsrelaties 2026 (2026 employment relationships enforcement plan) describes the enforcement action that the Tax and Customs Administration will take in 2026.

Preliminary consultation
The Tax and Customs Administration has published the form Verzoek vooroverleg beoordeling arbeidsrelatie (Request for preliminary consultation on assessment of employment relationship). You can use this form if you want the Tax and Customs Administration to assess an employment relationship.
Also use the Checklist vooroverleg beoordeling arbeidsrelatie (Preliminary consultation on assessment of employment relationship checklist). This checklist tells you the minimum information that you need to include in your request.

Risk for contracting organisation/employer
If it subsequently becomes apparent, when an employment relationship is reclassified, that an employment contract applies, the contracting organisation runs the risk of having to pay (backdated) payroll tax, leave, holiday allowance, contributions to employee insurance schemes and the employer's portion of the pension contribution. From 2026 it will also be possible for a penalty to be imposed earlier in the event of malicious intent.

8.5 Compulsory invalidity insurance for self-employed persons

The legislative proposal on the Basic Invalidity Insurance for Self-Employed Persons Act (*Wet basisverzekering arbeidsongeschiktheid zelfstandigen* – Baz) has been submitted to the Council of State for an opinion.

Reason for Baz
The reason for this legislative proposal is that around 75% of self-employed people currently have no invalidity insurance. Generally, that is because they consider the cost to be too high, but some self-employed people are unable to obtain insurance due to their age or state of health. One of the aims of the Baz is to give self-employed people greater certainty with regard to their income.

Baz
Under the proposed Baz legislation every self-employed person will be obliged to take out invalidity insurance up to state-pension age. They will be able to do so by participating in the Baz insurance scheme, but it will also be possible to take out private insurance, subject to certain conditions.

The legislative proposal submitted to the Council of State contains changes compared to a previous proposal.

Lower contribution
The contribution has been lowered from 6.5% to 5.4% of the self-employed person's profits, up to an expected maximum of € 171 gross per month.

Please note:
Self-employed persons who also have employed work already have invalidity insurance. If they are already entitled to a benefit at the level of the minimum wage under the Work and Income (Capacity for Work) Act (WIA), they will not have to pay a Baz premium.

Longer waiting period
The waiting period that applies before a self-employed person receives an invalidity insurance (AOV) benefit has been extended to two years. This is comparable with the waiting period for a sick employee to receive a benefit under the WIA.

Next steps
It is now a question of waiting for the Council of State's opinion. The legislative proposal will then have to be presented to the Lower House and both the Lower and Upper House will have to approve it. It is therefore not yet certain whether compulsory invalidity insurance for self-employed persons will be introduced and, if so, from what date. The UWV has already indicated that it will not be able to implement this insurance scheme before 2030.

8.6 Voluntary pension fund membership for self-employed persons

Self-employed persons may be able to join a pension fund on a voluntary basis. This is one of the agreements included in the new Future of Pensions Act (Wtp).

Pension Agreement
The Future of Pensions Act sets out the agreements contained in the Pension Agreement. When this Act entered into force on 1 July 2023 it also became possible for self-employed persons to join a pension fund on a voluntary basis.

Pension fund conditions
It must, however, be a pension fund in the sector in which the self-employed person is working. The pension fund must also offer the option of voluntary membership. You should therefore enquire with the pension fund as to whether this option is available.

Please note:
Before 1 July 2023, it was already possible, under certain conditions, for employees who were leaving a company to voluntarily join the pension fund of their former employer. This possibility remains available.

Deduction for income tax purposes
Self-employed persons who take advantage of this option can deduct the contributions paid to the pension fund in their income tax return.

Please note:
It is worth bearing in mind that this is an experiment. If the experiment is discontinued or is not converted into a definitive scheme, the self-employed person can leave the money in the pension fund or withdraw it and deposit it with a bank or insurer.

Compulsory pension scheme
For certain professional groups and sectors there is an obligation for entrepreneurs to participate in the pension scheme. This has been the case for some time and is not therefore a result of the entry into force of the Wtp.

The obligation applies to entrepreneurs with a painting and decorating business, plastering business, glazing business, finishing business, natural stone business or terrazzo or flooring business. It also covers entrepreneurs who practise the profession of pharmacist, physiotherapist, general practitioner, midwife, medical specialist, vet, civil-law notary or junior civil-law notary, or pilot or boatman at the Port of Rotterdam.

8.7 Declare payments to natural persons to Tax and Customs Administration

Withholding entities must declare amounts paid to natural persons in 2025 to the Tax and Customs Administration before 1 February 2026. This does not apply if these natural persons are employed by the withholding entity or issue an invoice including VAT to it.

Statement of amounts paid to third parties (UBD statement)
This obligation is referred to as the statement of amounts paid to third parties (*Opgaaf Uitbetaling bedragen aan derden* (UBD statement)). It means that all withholding entities (i.e. legal entities/persons with a payroll tax number) and certain collective management societies must declare amounts that they have paid to third parties to the Tax and Customs Administration on their own initiative. In other words, they will not receive a request to provide this information.

Please note:
The obligation also applies if you no longer have any employees, but still have a payroll tax number.

Exceptions
The UBD statement for payments made to natural persons only applies if the payment in question relates to work and services they have performed. Certain exceptions apply:
- Payments you make to a natural person who is employed by you do not have to be declared.
- This also applies to payments you make to a natural person who falls under the tax exemption for volunteers (*vrijwilligersregeling*) (this means, amongst other things, that the payment was no more than € 210 per month and € 2,100 per year in 2025).
- If the natural person issues an invoice including VAT to you for the work, no UBD statement is required for this.

UBD statement required in the event of VAT exemption, VAT reverse charging and small business scheme (KOR)
An entrepreneur – a natural person – who carries out VAT-exempt work for you is not exempted from the UBD statement. Although this entrepreneur may issue an invoice, no VAT is included on it. The same goes for a natural person who applies the small businesses scheme (KOR) or reverse-charges the VAT to you. You also have to submit a UBD statement for payments made to these natural persons.

What do you declare?
You submit the UBD statement digitally. You must include the following:
- name, address, citizen service number (BSN) and date of birth of the natural person;
- the amounts paid in 2025, including any expense allowances paid to the natural person;
- the date on which you made the payment.

Tip:
If you made multiple payments to the same natural person in 2025, you may also add these payments together. You should then provide the date of the last payment in 2025 as the payment date.

Please note:
You have to declare not only payments in cash, but also payments in kind.

Deadline of 31 January 2026
The 2025 UBD statement must be submitted by no later than 31 January 2026. If you are not a withholding entity for payroll tax purposes or a collective management society, you only have to do this if the Tax and Customs Administration specifically requests it.

Please note:
If you pay a natural person at the beginning of 2026 for work and services performed in 2025, this payment should be included in the 2026 UBD statement, which must be submitted by 31 January 2027.

9 Pensions

9.1 Future of Pensions Act

The Future of Pensions Act entered into force on 1 July 2023, but a transitional regime applies to existing pension schemes up to 2028. The main changes compared to the current pension system are as follows:

1. All pension schemes will become defined contribution schemes, with a flat-rate contribution
   (= the same contribution for every employee, regardless of age) not exceeding 30%. Schemes must switch over to the new rules by 2028, but can do so earlier.
2. Existing defined contribution schemes with a rising scale may be retained for all employees who are already in employment on the date of the transition (no later than 1 January 2028). New employees will, however, be assigned a flat-rate contribution from that date.
3. Employees who may be disadvantaged by these changes must be appropriately compensated. Generally speaking, this relates to the group in the 45-68 age bracket. What exactly is considered appropriate has not been specified and will therefore have to be negotiated on an employer-by-employer basis. The compensation may take the form of additional pension contributions (for this purpose the flat rate will be set at 33% until 2037) or an addition to the employee's salary. In the event of additional pension contributions being paid, these will also apply to new employees during the compensation period.
4. There will be two types of pension scheme: parties can choose between the 'solidarity contribution scheme' (SPR) and the 'flexible contribution scheme' (FPR). The former offers, amongst other things, a hedge return for pensioners and can have a buffer of up to 15% of the pension assets to offset potential falls in payable and not yet payable pensions.
5. Accrued (average- or final-salary) pensions with an insurer can remain as they are. Until 2028 existing average-salary schemes can switch over to a rising defined contribution scale (which may then be continued for existing employees).
6. The partner pension is being standardised, can amount to a maximum of 50% of the salary and is always insured until the employee retires.
7. Annuity premium tax relief will also increase to 30% (previously 13.3%) and the terminable annuity will be retained.
8. Payment of a pension can now only commence from ten years before the state-pension date. There is no longer any need to submit a declaration that you are retiring. At present, you have a completely free choice of the pension start date, but if this is more than five years before the state-pension date, a declaration confirming that you are stopping work is required.
9. Lastly, social partners can continue discussions to agree on a scheme for arduous professions. The current right to early retirement without penalty (from three years before the state-pension date) expired from 2025, but has now been definitively extended. The early retirement exemption has been increased by € 300 per month for genuinely arduous professions. Further details will be worked out for each collective labour agreement/sector.

It goes without saying that the whole pension transition needs to be properly documented in the form of a transition plan (in which all choices and consequences are explained) and a communication plan. These will have to be approved by both internal and external supervisory bodies. The individual right of objection laid down in Article 85 of the Pensions Act has been temporarily rendered inoperative.

At present, an individual employee is entitled to lodge an objection in the event of a collective value transfer. To ensure that everyone switches over to the new system, it has been decided that objections will not be possible. Only in cases where the employer does not convert the scheme to the new system or makes use of the transitional regime is there no formal requirement for a transition plan. This does not alter the fact that all changes must be properly documented and discussed with the works council and employees.

Please note:
As at 1 January 2026, more than half of pension schemes have switched over to the new system. The extension of the transition period to 1 January 2028 means that the remaining pension schemes have two years to make the switch. At the end of 2025 the various transition dates were transferred from the Future of Pensions Act to an order in council. This will allow the government to intervene more quickly if a further extension of the transition period proves necessary.

9.2 Flat-rate contribution

New employees
From 2028 new employees will therefore all receive the same contribution, regardless of age. They will also all have the same partner pension, which will be a fixed percentage of their salary. This contribution is allowed to differ from that of an existing employee of a similar age, as this is deemed to be objectively justified discrimination. After all, a person is either already employed at the beginning of 2028 or not yet employed.

Nevertheless, this may give rise to resentment, especially if a new employee receives a higher contribution than an existing employee who has worked for the company for a number of years. The same may apply in cases where an older new employee receives less than an existing employee of a similar age, even though the latter has been employed for longer.

Please note:
An exception applies to employees who take advantage of the transitional regime. These are employees who currently have a rising defined contribution scale and are employed as at the end of 2027. They are even allowed to exceed the maximum contribution of 30%.

What is a ‘good contribution’?
The first question that arises is what is a ‘good contribution’?. This will depend on the personal contribution made by an employee. After all, if the employer pays 15% without a personal contribution, that is ‘better’ than 18% with a personal contribution of 1/3, i.e. 6%.

- For pension funds the average contribution is often around 25%, but this includes the partner pension contribution, the contribution exemption in the event of incapacity for work and costs.

- For employers who are not tied to an industry pension scheme the average contribution is around 18% to 20%, with the employer also bearing the cost of risk premiums on top of this.
- In advisory sectors, such as consultancy, IT and accountancy, the contribution is frequently lower still, at around 10% to 12%. This is therefore a relatively low level. After all, with a contribution of 15% a net return of 4% has to be achieved to roughly end up at an average-salary pension. This does not yet take into account any adjustment for inflation.

The level of the pension contribution is, of course, a choice and often also involves an 'exchange' between salary and pension. However, a contribution of at least 15% to 18%, with a personal contribution of 1/3, is the minimum required for a reasonable pension, especially if you also want to be competitive as an employer.

Can existing employees opt for the new flat-rate contribution?
Formally speaking, they are not entitled to this, but it may be an option. Especially in cases where the existing scheme does not involve a personal contribution but the new one does, it may be an attractive option for both the employee and employer that allows 'more' pension to be accrued.

Clearly, at some point or other, the difference in pension contributions is likely to lead to discussions in the workplace – it is with good reason that pensions are also referred to as deferred salary. The legal justification for allowing such differences is sound, but will not always be acceptable. There may be a need for harmonisation in the future, especially if mergers or acquisitions follow that result in even greater differences in pension contributions.

9.3 The partner pension under the Wtp

One of the principles on which the Wtp is based is ensuring that all workers benefit from an adequate pension. This also includes the partner pension, which has been simplified under the Wtp.

Who receives a partner pension?
Under the Wtp, anyone who has a partner is entitled to a partner pension. This therefore applies not only to married couples and registered partners, but also to cohabiting partners. In the case of this last group, it is not necessary to have entered into a cohabitation contract; after death a cohabitation certificate can be used to demonstrate the surviving partner's status.

In practice, this means that a partner pension is insured for everyone, based on a 'marriage/cohabitation frequency'. This is easier than constantly keeping track of who has, does not have or no longer has a partner. An employee therefore also qualifies for a partner pension from the age of 18.

Please note:
There is no obligation to offer a partner pension.

What is the permitted level of the partner pension?
The partner pension can be a maximum of 50% of the employee's salary. A level of 25% to 35% is customary in practice. If an (older) employee still has an entitlement to an already

accrued partner pension – whether or not this is from a previous employer and is no longer being paid into – this is in addition to the new partner pension. Even if you make use of the transitional regime after 2028 for existing employees with a (rising) defined contribution scale, the partner pension has to comply with the Wtp for everyone. It must be ensured that the new partner pension is comparable with the old one. An employee can choose to supplement it on a personal basis if necessary.

How is it insured?
All partner pensions are insured until the employee retires. The insurance cover lapses if the employee leaves the company; this therefore also applies to persons who become self-employed. However, the insurance is automatically maintained for persons who are 'in-between jobs' (period when they are receiving unemployment benefit) and can often be continued voluntarily afterwards. In this case the partner pension is funded from the person's old-age-pension savings pot. On the pension start date the individual has to choose again whether to 'purchase' a partner pension and, if so, how much.

Orphan pension
Lastly, under the Wtp, an orphan pension – if one is offered – must apply up to the age of 25. Another age limit is no longer permitted. Currently, such a pension can be paid out up to the age of 18 (or a maximum of 30). The orphan pension will amount to a maximum of 10% of the employee's salary for a half-orphan and 20% for a full orphan. This is also insured up to the point when the employee retires.

Please note:
The new partner pension is not complicated, but it is important that it is organised properly and communicated clearly.

9.4 Compensation if pension is lower due to Wtp

As, from 2028, the pension accrued may be lower than it would have been under the existing scheme, 'appropriate compensation' should be provided in such cases.

This is intended to make up for the lower level of pension accrued in the future. This mainly applies to industry pension funds, as they work with an average contribution. In such cases everyone pays the same, but as younger people have a longer investment horizon, they are actually subsidising older employees. The tipping point is at around 45 years of age.

People over 45 therefore need to be compensated on transition to the Wtp scheme. Such compensation will often be paid out of the pension-fund buffer. It will be paid – to active employees only – when the fund switches to the new scheme.

Please note:
Individuals who are no longer actively paying into a pension (so-called *slapers* (sleepers)) will therefore not be compensated. After all, they are no longer accruing a pension, which means they will not be disadvantaged by the transition to the Wtp scheme.

Employers who are not tied to an industry pension scheme will also have to compensate employees on switching to the Wtp scheme. If, however, they retain the current defined contribution scale for existing employees, there will naturally be no disadvantage and no compensation will need to be paid. New employees who join the company after 2028 will receive the new flat rate and will also not have to be compensated.

The compensation can be paid in three ways:
- In the form of extra pension for a maximum period of ten years;
- 3% on top of the maximum 30% contribution;
- In the form of extra salary.

If the compensation takes the form of pension, new employees must also receive it. In some situations the compensation may consist of a portion from the fund at the time of switching to the new scheme and a portion paid by the employer in the future.

A particularly important point is therefore whether the employee is in employment at the time the compensation is paid. If an employee is made redundant or resigns, or in the event of a reorganisation, careful consideration should be given to the compensation itself and the time when it is paid. If an employee leaves the company on 1 December and the fund switches over to the new scheme on 1 January of the following year, he/she receives nothing. If, however, the employee is not made redundant or does not resign until 1 February, compensation is paid.

Please note:
If you work with freelancers, it is also important to know whether or not their situation could be regarded as bogus self-employment.

Employers must therefore ensure they communicate clearly to avoid being held liable. Employees – and their advisors/trade unions – need to be aware of the agreements that have been made, taking the choices of the relevant pension fund into account. It is now known when most pension funds will be switching over to the new scheme and what the potential compensation will be.

Please note:
If this date is postponed, it is important to examine carefully what consequences this will have and who is responsible for them.

9.5 Consequences of failing to adapt pension schemes (on time)

If you fail to adapt your pension scheme (or fail to do so on time), as an employer you may be faced with a substantial payroll tax claim. What do you need to consider?

Partner pension
The partner pension must be adapted, even if you are taking advantage of the transitional regime for defined contribution schemes with a rising scale for existing employees.

Flat-rate contribution
For new employees you also need to know what the flat-rate contribution will be from 2028.

Higher contribution?
Existing employees must know whether they can switch over to the new scheme. For them it is important to know what a higher contribution will achieve in terms of their pension, even if it means having to pay an increased personal contribution too.

Works council or employee representative body

If you have a works council or employee representative body within your company, they must give their consent to or be involved in the changes. If you do not have either of these bodies, the changes should be discussed at the employee meeting. A pension scheme is there for your employees, after all, so they need to be involved in any matters concerning it.

Consequences for payroll tax
If the pension scheme does not comply with the new legislation from 2028, the entitlement will be subject to payroll tax, including revision interest. This could prove extremely expensive.

If a pension scheme no longer complies with tax legislation, the whole entitlement will be taxed at the progressive rate and a 'penalty' of 20% (revision interest) will have to be paid. That is because, considered retrospectively, entitlements have wrongly not been taxed as salary and/or contributions have wrongly been deducted. This can add up to as much as 69.5% of the current commercial value of the pension.

Please note:
This also applies to directors/major shareholders with a pension scheme that has not been properly adapted.

Don't delay
It will probably not come to this, but time is running out, not only because of the consultations that have to be held within companies, but also, in particular, because pension administrators need time to incorporate and communicate all the changes. This has to be done by 1 October 2027.

If, as an employer, you fail to communicate clearly and on time, you run the risk of being held liable. That means you may be faced with a possible payroll tax claim, but there is also a risk that an employee may die without having the cover that he/she and his/her partner wanted to have in place.

9.6 Pension advice to staff: is it subject to payroll tax?

Is payroll tax due on pension advice provided to your staff?

Mandatory support with choices: no payroll tax
To answer this question, it is first important to know what the pension advice involves. Does it take the form of mandatory support provided by pension administrators to employees, in accordance with the Future of Pensions Act (Wtp), to help them make choices within the pension scheme? If the pension advice is limited to this mandatory support with choices, it is not subject to payroll tax.

Personal pension advice: payroll tax owed
If the pension advice involves more personal background information – such as the employee's mortgage or income tax return – it is no longer limited to the mandatory support referred to above. In this case it is a question of personal pension advice. Such comprehensive advice is not mandatory under the Wtp.

The Tax and Customs Administration has indicated that the costs of personal pension advice represent taxable salary for the employee. In response to Parliamentary questions, the state

secretary has said that he endorses this position. He can also see no grounds for introducing a specific exemption for personal pension advice.

Please note:
An employer who offered employees a personal pension consultation (pensioen APK-gesprek) was also informed that this qualified as taxable personal pension advice, as it involved more than just the mandatory support with choices. In this case the consultation involved a voluntary personal (one-to-one) pension advice discussion, to help employees gain more control over their financial future.

Fixed budget
As an employer, you can choose to allocate such personal pension advice to the work-related expenses scheme. This means that, provided that you have sufficient scope left in your fixed budget, the employee will not have to pay any payroll tax on it. You will pay a final levy of 80% if the total amount of the allowances and benefits in kind allocated in a year exceeds the fixed budget.

9.7 No VAT on pension contributions for now

At the end of September 2025 the Arnhem-Leeuwarden Court of Appeal delivered two judgments on the subject of pension contributions and VAT. The final conclusion reached in these two judgments was that the administration of a pension scheme is not covered by a VAT exemption. Consequently, the pension fund concerned was entitled to deduct VAT, but VAT was also payable on the full pension contribution.

Please note:
The Amsterdam Court of Appeal had ruled otherwise in February 2023. In this judgment it ruled that the VAT exemption did apply.

As a result of the judgments by the Arnhem-Leeuwarden Court of Appeal, VAT would have to be charged on pension contributions. This would be extremely detrimental to companies that are not entitled to deduct VAT, such as those that only carry out VAT-exempt services. The VAT charged would push up costs for these companies.

An appeal against the judgment of the Amsterdam Court of Appeal has been lodged with the Supreme Court. In anticipation of the Supreme Court's ruling, the Tax and Customs Administration is working on the basis of the principle that pension administration is a VAT-exempt service. This means that pension funds do not have to charge VAT on pension contributions. For the time being, companies that are not entitled to deduct VAT will not, therefore, see their costs rise as a result of VAT being charged.

9.8 Withdrawal of 10% of pension as a lump sum to be possible at the earliest from 1 July 2026

The possibility for employees to withdraw 10% of their pension as a lump sum has been deferred again. This is now planned to take effect from 1 July 2026 at the earliest.

Conditions for payment
The legislative proposal on this matter states that you can withdraw a maximum of 10% of your pension as a lump sum on the date on which the pension becomes payable. There are no restrictions on how you may spend this amount.

However, you can also choose to receive this 10% of your pension at a later date. This is only possible if your pension start date lies in the month in which you reach state-pension age or is on the first day of the following month.

Deferred again
The option of withdrawing 10% of your pension as a lump sum was originally due to take effect on 1 January 2023. This date has already been put back several times and has now been deferred until 1 July 2026. The legislative proposal was passed by the Lower House on 8 October 2024 and is still awaiting the approval of the Upper House. The question is therefore whether the planned deadline of 1 July 2026 will be achieved for the introduction of the legislation.

Cannot be combined with option of high/low pension payments or bridging pension
Many pension schemes currently offer the option of receiving a higher pension initially and a lower pension later, or vice versa. In such cases the pension payments are not allowed to differ by more than 25%. A large number of pension schemes also offer the possibility of opting for a bridging pension, which is paid out until the state-pension date. This option cannot, however, be combined with the withdrawal of 10% of the pension as a lump sum on the pension date.

Tip:
Is your employee considering making use of the option of receiving 10% of his/her pension as a lump-sum pension payment in the future? If so, talk to one of our advisors to find out what the (tax) consequences might be in your employee's specific situation.

9.9 Exemption from pseudo final levy for early retirement scheme extended and increased

For the 2021-2025 period the rules of the early retirement scheme (RVU) were relaxed. Following an agreement reached in October 2024 and the announcement in the 2025 Spring Memorandum, this relaxation of the rules has been extended and the exemption has been increased with effect from 2026.

Pseudo final levy for early retirement scheme
If, as an employer, you make a payment to an older employee so that he/she can stop working earlier, you owe a pseudo final levy of 52% on the amount above the level of the exemption. This applies if the payment is made under an early retirement scheme (RVU). This is the case if the scheme is intended to bridge a period (of no more than three years) up to the point when payments begin under a pension scheme or the employee starts receiving the state pension. Payments that supplement a pension scheme are also regarded as payments under an early retirement scheme.

Please note:
The question of whether or not an RVU applies has been clarified in guides as well as by the courts. Please contact one of our advisors for help with your own situation.

Exemption from pseudo final levy for early retirement scheme
Since 1 January 2021 it has been possible to pay a sum to an employee in the three years before he/she reaches state-pension age without having to pay the pseudo final levy. The level of the exemption that applies to such payments is determined on an annual basis. If the payment under the early retirement scheme is higher than the exemption, a pseudo final levy of 52% is owed on the excess amount.

Extension of exemption
The social partners and the government have agreed to make the exemption permanent. This means that it will remain possible to make use of it at least until the end of 2028.

Please note:
The permanent scheme is specifically intended for employees who perform arduous work and cannot continue working up to state-pension age for health reasons. The government and social partners have made agreements on how (collective) early retirement schemes can be structured. Such schemes must always define the target group in a substantiated manner, for example.

Increase in exemption
With effect from 2026 the exemption has also been increased by € 300 gross per month. This figure of € 300 will be indexed annually based on the development of the minimum wage. In 2026 the exemption (after indexation) amounts to € 2,657 gross per month (2025: € 2,273).

Year	Exemption (gross per month)
2021	€ 1,847
2022	€ 1,874
2023	€ 2,037
2024	€ 2,182
2025	€ 2,273
2026	€ 2,657

Increase in pseudo final levy to a maximum of 65%
To cover the extension of and increase in the exemption, from 2026 the pseudo final levy will rise incrementally from 52% up to the end of 2025 to 57.7% in 2026, 64% in 2027 and 65% from 2028.

Publication date: 15 January 2026

10 Appendices to 2026 Payroll Special

Table 1 Tax bands for payroll tax/national insurance contributions

Band	For annual salary from indicated amount up to next band	Payroll tax/national insurance contributions
		Below state-pension age
1	€ 0	35.75%
2	€ 38,883	37.56%
2	€ 78,426	49.50%

Band	For annual salary from indicated amount up to next band	Payroll tax/national insurance contributions
		State-pension age and above, born in 1945 or earlier
1	€ 0	17.85%
2a	€ 41,123	37.56%
3	€ 78,426	49.50%

Band	For annual salary from indicated amount up to next band	Payroll tax/national insurance contributions
		State-pension age and above, born in 1946 or later
1	€ 0	17.85%
2b	€ 38,883	37.56%
3	€ 78,426	49.50%

The rate for the bands is made up of the following elements:

Band	Type of contribution	Below state-pension age	State-pension age and above
1	State pension (AOW)	17.90%	-
	Surviving Dependants Act (ANW)	0.10%	0.10%
	Long-Term Care Act (WLZ)	9.65%	9.65%
	Payroll tax	8.10%	8.10%
	Total for band 1	***35.75%***	***17.85%***
2a and 2b	Payroll tax	37.56%	37.56%
3	Payroll tax	49.50%	49.50%

Table 2a Tax credits for payroll tax/national insurance contributions

Tax credit	Below state-pension age		Details	
	Amount	Percentage		
General tax credit	€ 3,115		for salary up to	€ 29,736
Reduction in general tax credit for higher incomes		6.398%	for salary above but not exceeding	€ 29,736 € 78,426
Maximum reduction	€ 3,115		applies from	€ 78,426
Employed person's tax credit				
1st band percentage **maximum in 1st band**	- € 996	8.324% -	for salary from current employment up to	€ 11,965
2nd band percentage **maximum in 2nd band**	- € 4,304	31.009% -	for salary from current employment above up to	€ 11,965 € 25,845
3rd band percentage **maximum in 3rd band**	- € 385	1.950% -	for salary from current employment above	€ 25,845
Total maximum employed person's tax credit	€ 5,685	-	applies from	€ 45,592
Reduction in employed person's tax credit for higher incomes		6.510%	for salary from current employment above	€ 45,592
Maximum reduction	€ 5,685		applies from	€ 132,920
Young disabled person's tax credit	€ 923	-	-	

Table 2b Tax credits for payroll tax/national insurance contributions

Tax credit	State-pension age and above		Details	
	Amount	Percentage		
General tax credit	€ 1,556		for salary up to	€ 29,736
Reduction in general tax credit for higher incomes		3.195%	for salary above but not exceeding	€ 29,736 € 78,426
Maximum reduction	€ 1,556		applies from	€ 78,426
Employed person's tax credit				
1st band percentage **maximum in 1st band**	- € 498	4.156% -	for salary from current employment up to	€ 11,965
2nd band percentage **maximum in 2nd band**	- € 2,149	15.483% -	for salary from current employment above up to	 € 11,965 € 25,845
3rd band percentage **maximum in 3rd band**	- € 193	0.974% -	for salary from current employment above	 € 25,845
Total maximum employed person's tax credit	€ 2,840	-	applies from	€ 45,592
Reduction in employed person's tax credit for higher incomes		3.250%	for salary from current employment above	 € 45,592
Maximum reduction	€ 2,840		applies from	€ 132,920
Young disabled person's tax credit	€ 462	-	-	
Elderly person's tax	€ 2,067	-	for salary up to	€ 46,002
Reduction in elderly person's tax credit for higher incomes	-	15.00%	for salary above	€ 46,002
Maximum reduction	€ 2,067	-	applies from	€ 59,782
Single elderly person's tax credit	€ 540	-	-	

Table 3 **Minimum wage from 1 January 2026 (adjusted on 1 January and 1 July)**

Age	Percentage	Per hour (€)
21 and above	100.00%	€ 14.71
20	80.00%	€ 11.77
19	60.00%	€ 8.83
18	50.00%	€ 7.36
17	39.50%	€ 5.81
16	34.50%	€ 5.07
15	30.00%	€ 4.41

Table 4 **Minimum wage for persons following work-based learning pathway (BBL) from 1 January 2026 (adjusted on 1 January and 1 July)**

Age	Percentage	Per hour (€)
21 (BBL)	100%	€ 14.71
20 (BBL)	61.50%	€ 9.05
19 (BBL)	52.50%	€ 7.72
18 (BBL)	45.50%	€ 6.69
17 (BBL)	39.50%	€ 5.81
16 (BBL)	34.50%	€ 5.07
15 (BBL)	30.00%	€ 4.41

Table 5 Contributions for employee insurance schemes

Type of contribution	Amount/percentage for 2025	Amount/percentage for 2026
Low General Unemployment Fund (AWf) contribution	2.74%	2.74%
High General Unemployment Fund (AWf) contribution	7.74%	7.74%
Differentiated Return to Work Fund (Whk) contribution	See notification or decision	See notification or decision
Differentiated low Invalidity Insurance Fund (Aof) contribution	6.28%	6.27%
Differentiated high Invalidity Insurance Fund (Aof) contribution	7.64%	7.63%
Childcare Provisions Act (Wko) surcharge	0.50%	0.50%
Implementing Fund for the Government (Ufo) contribution	0.68%	0.68%
Size of the employer: for 2026 depends on your assessable wage bill in 2024		
Average assessable employee salary	€ 39,600	€ 43,300
Small employer: up to 25x average assessable salary	€ 990,000	€ 1,082,500
Medium-sized employer: up to 100x average assessable salary	€ 3,960,000	€ 4,330,000
Large employer: 100x average assessable salary or higher	€ 3,960,000	€ 4,330,000

Table 6 Amounts of maximum assessable salary per pay period for contributions to employee insurance schemes and income-dependent contributions under Healthcare Insurance Act (Zvw)

Year	Day	Week	4 weeks	Month	Quarter	Year
2025	€ 291.78	€ 1,458.92	€ 5,835.69	€ 6,322.00	€ 18,966.00	€ 75,864.00
2026	€ 305.41	€ 1,527.09	€ 6,108.38	€ 6,617.41	€ 19,852.25	€ 79,409.00

Table 7 Percentages for contributions under Healthcare Insurance Act (Zvw)

Healthcare Insurance Act	2025	2026
Employer levy under Zvw	6.51%	6.10%
Zvw contribution deducted by employer	5.26%	4.85%
Seafarers (including share fishermen)	0.00%	0.00%
Maximum assessable salary for Healthcare Insurance Act	€ 75,864	€ 79,409

Table 8 Research and development tax credit

	Band for R&D payroll costs	Percentage
In the 1st band the tax credit amounts to	up to € 391,020	36%
For start-ups the (increased) tax credit in the 1st band amounts to	up to € 391,020	50%
The tax credit on the excess amount in the 2nd band amounts to	more than € 391,020	16%

Table 9 Early retirement (RVU) exemption

	Year	Amount
Early retirement exemption, monthly amount, max. 36 months	2021	€ 1,847
From 2026 the indexation of the exemption no longer applies retroactively to payment periods before 2026.	2022	€ 1,874
	2023	€ 2,037
	2024	€ 2,182
	2025	€ 2,273
	2026	€ 2,657

Table 10 Tax exemption for volunteers

Tax exemption for volunteers (not salary)	2025	2026
Standard amount per year	€ 2,100	€ 2,200
Standard amount per month	€ 210	€ 220
Standard amount per hour for persons aged 21 and above	€ 5.60	€ 5.75
Standard amount per hour for persons under 21	€ 3.30	€ 3.40

Table 11 Addition to taxable income for company car

Year	Discount percentage	Addition after applying discount	CAP
2025	5%	17%	€ 30,000
2026	4%	18%	€ 30,000
2027	2%	20%	€ 30,000
2028	0%	22%	N/A

Table 12 Standard amounts and percentages for work-related expenses scheme

Subject		Amount/percentage for 2025	Amount/percentage for 2026
Tax-free allowance per kilometre	Specific exemption	€ 0.23	€ 0.23
Tax-free homeworking allowance	Specific exemption	€ 2.40	€ 2.45
Relocation allowance	Specific exemption	€ 7,750	€ 7,750
Products made by own company	Specific exemption	€ 500 / 20%	€ 500 / 20%
Value of meals	Addition to taxable income per meal	€ 3.95	€ 4.05
Value of accommodation/lodging	Addition to taxable income per day	€ 6.80	€ 7.00
Fixed budget: percentage of total assessable wage bill for payroll tax/national insurance contributions up to an annual wage bill of € 400,000 on the excess amount		2.00% 1.18%	2.00% 1.18%
Addition to taxable income under medical expenses scheme Maximum value of tax-free benefit in kind		€ 27	€ 27
Artist scheme: refreshments during working hours, untaxed allowance per day		€ 0.55	€ 0.55

Table 13 Income thresholds for expat scheme

Payroll tax income threshold for 30% scheme	2025	2026
Salary of employee with specific expertise	€ 46,660	€ 48,013
Salary of employee with specific expertise under the age of 30	€ 35,468	€ 36,497
Capping of salary at Standardisation of Top Incomes Act (WNT) standard	€ 246,000	€ 262,000

Table 14 Transition payment

Year	Amount
2025	€ 98,000
2026	€ 102,000

Table 15 Other standard amounts and percentages

Standard amount for	Amount/percentage for 2025	Amount/percentage for 2026
Minimum amount of customary salary for substantial shareholders	€ 56,000	€ 58,000
Pseudo final levies for severance payments higher than	€ 680,000	€ 700,000
Final levy for van constantly used by different employees (per year)	€ 438	€ 451
Pseudo final levy for early retirement scheme	52%	57.70%

Table 16 Wage expense allowances

Wage expense allowance	Amount per paid hour	Maximum amount per year	Maximum number of years
Older employee hired before 2024	€ 3.05	€ 6,000	3
Employee with an occupational disability	€ 3.05	€ 6,000	3
Target group of job arrangement	€ 1.01	€ 2,000	No maximum