



Employment tax
with a personal fit



Newsletter

December 2013

30% ruling

Please note that employees who have a 30% ruling in the year 2013 should at least receive a taxable wage of EUR 35,770 (year 2013) on a yearly basis in the payroll administration. For the calculation of this minimum salary it is allowed that holiday pay and a 13th month salary is taken into account. If this minimum salary requirement is not met, then the employee in principle loses his 30% ruling. The Dutch tax authorities approve that such minimum salary reporting error with respect to the year 2012 (minimum salary for the year 2012 was EUR 35,000) can be corrected ultimately on January 1, 2014. Should you have these cases we recommend that you correct the payroll before Year End. Please note, if in case an employee only receives 70% of his salary due to illness or disease, the aforementioned minimum salary level requirement should be met.

Immigration

The revised Aliens Employment Act (*Wet arbeid vreemdelingen*) will come into force on 1 January 2014. Alongside the announced changes (see our newsletter of June 2013), the following amendments are announced.

Attending business meetings and undergoing training in the Netherlands

- The maximum term for attending business meetings is extended to 13 consecutive weeks within a timeframe of 52 weeks. Also, no work permit is required for foreign nationals undergoing training in the establishment of an international company in the Netherlands, on condition that the training is limited to observation, becoming familiar with the corporate culture and receiving instructions in a classroom, or if the training takes the form of another clear instruction process under leadership of a trainer. Training also includes the attending of meetings to promote the corporate culture. Training is permitted for a maximum term of 12 consecutive weeks within a timeframe of 36 weeks.

Salary criteria for the knowledge migrant scheme

- The knowledge migrant scheme will as regards the salary criteria continue with a monthly norm, instead of the current annual salary. Purpose of this change is to realise a more uniform payment of salary to knowledge migrants. This will increase certainty that the knowledge migrant actually receives the salary. Payment of the salary must in the future take the form of a transfer to a bank account held in the name of the knowledge migrant.

The following gross monthly wages apply from 1 January 2014:

- Knowledge migrants aged 30 and older: EUR 4,048 excluding 8% holiday allowance or EUR 4,371.84 including 8% holiday allowance.
- Knowledge migrants younger than 30: EUR 2,968 excluding 8% holiday allowance or EUR 3,205.44 including 8% holiday allowance.
- Students graduated in the Netherlands: EUR 2,127 excluding 8% holiday allowance or EUR 2,297.16 including 8% holiday allowance.
- Blue cardholders EUR 4,743 excluding 8% holiday allowance or 5,122.44 including 8% holiday allowance.

Besides wages, expense allowances will also be included if they are guaranteed and take the form of regular monthly payments.

Also, the governmental fees for knowledge migrant applications will as of 1 January 2014 be raised to EUR 861 (EUR 380 for an extension).

Other developments concerning Immigration

- It has since 1 October 2013 become easier for wealthy foreign nationals to acquire a temporary residence permit. When they invest a capital of at least EUR 1,250,000 in Dutch business they can acquire a normal residence permit for 1 year. The source of the capital will be tested in order to prevent abuse of the scheme. In case of an extension, a test is again carried out whether the conditions of the scheme are still met. The purpose is to give an impulse to the Dutch economy.
 - The maximum permitted short-term stay in the Schengen area is calculated differently from 18 October 2013. Calculation is no longer based on months (maximum 3 months in a period of 6 months) but on days instead, whereby 180 preceding days are taken into account. This means that the foreign national may not on any day – taking the 180 preceding days into account – have been in the Schengen area for longer than 90 days.
 - It has been agreed with the embassies that they will on issue of the provisional residence permit (mvv) to knowledge migrants and scientific researchers include on the provisional residence permit sticker the employment endorsement that they are allowed to work in the Netherlands. Knowledge migrants and scientific researchers can as a result immediately start working upon entering the Netherlands, also when their residence permit card has not yet been issued. Family members of knowledge migrants and scientific researchers will not receive an employment endorsement on their provisional residence permit sticker.
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Registration Non-residents (RNI)

Non-residents are persons who do not live in the Netherlands but do have a relationship with the Dutch government. The RNI will become part of the Basic Personal Records. The Basic Personal Records Act comes into force on 6 January 2014. This act serves as the new basis for the registration of personal data and replaces the Municipal Database Personal Records Act. The Basic Personal Records Act makes it possible to register persons not staying or staying for a short period (< 4 months) in the Netherlands. Introduction of the Basic Personal Records Act means the end of the social security number (sofinummer). Everyone registered in the municipal personal records register (*GBA*) or in the RNI is awarded a BSN (personal identification number). Non-residents will be able to register at 18 RNI offices, located in the following cities: Alkmaar, Almelo, Amsterdam, Breda, Doetinchem, Eindhoven, Goes, Groningen/Eemshaven, Heerlen, Leeuwarden, Leiden, Nijmegen, Rotterdam, Terneuzen, The Hague, Utrecht, Venlo, Zwolle.

RVU (early retirement schemes) - operational margin for the voluntary phase prior to social plan

As you may know an individual termination settlement with an employee can be classified as a so-called early retirement scheme (RVU), as a result of which the employer is confronted with a 52% additional taxation. This can also occur with regard to employees who voluntarily opt for dismissal in case of a planned reorganization. In such cases, the Dutch tax authorities qualified such dismissals as an RVU. The Dutch State Secretary of Finance however recently indicated that an operational margin of 10% is allowed in cases of a reorganisation, as a result of which an employer is not directly confronted with the 52% taxation when a limited number of older employees opt for a voluntary dismissal. This is however only accepted, when the social plan itself meets the required objective dismissal criteria.

Questions?

Should you have any questions, please do not hesitate to contact .

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