



Newsletter

March 2013

We are giving you a brief overview of the latest developments in this newsletter.

Option arrangement for expense allowance rules extended by one year

The current option arrangement for the expense allowance rules will continue for one more year. This means that employers will still have the choice in 2014 between the 'old regime' and applying the new expense allowance rules to the awarded employee benefits.

The government is doing this to give more time for making sure that the expense allowance rules fit in with the situation in practice:

- A new 'necessity criterion' is being considered, which would replace the workplace criterion that was introduced.
 - Solutions are being sought for various administrative problems: some examples are the settlement methods used for the 80% final levy and the lack of an option to use the available 1.5% margin at the corporate level.
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Crisis levy extended by one year

If an employee's wages exceeded €150,000 in 2012, the employer is liable for a crisis levy of 16% on the excess in March 2013.

As part of the extra savings announced recently, this *one-off* crisis levy will be repeated *once only*, which means employers may have to pay the crisis levy in 2014 as well.

Life-course savings scheme

A resolution with questions and answers was published recently by the State Secretary of Finance about the life-course savings scheme (see the appendix). This resolves practical issues that had arisen with the new transitional arrangement for the life-course savings scheme.

Furthermore, the Ministry of Finance promised last week that money taken out of the life-course savings scheme would not be included in the base amount for the calculation of the crisis levy (see above).

Reorganisation and Early Retirement Scheme

The Tax and Customs Administration recently published its position on reorganisations and the qualification as an Early Retirement Scheme.

If a company wishes to implement a reorganisation in which on the one hand employees are able to apply voluntarily for a discharge while on the other hand the plan contains a so-called "place-making scheme", the tax authority has insufficient information beforehand to issue an Early Retirement Scheme decision for the social plan as a whole. The tax authority will have to assess each individual case to see whether or not it qualifies as an Early Retirement Scheme.

Modern Migration Policy Act

The Modern Migration Policy Act comes into effect on 1 June 2013. A key benefit of this act is that the application procedure for entering the Netherlands and the application procedure for being allowed to work and stay for a longer period in the Netherlands have been merged to create a single procedure. This will make the procedures faster and more efficient. The new act will also make it easier to switch employer without having to obtain a new permit.

The Immigration and Naturalisation Service (IND) will be responsible for implementing the Modern Migration Policy Act and supervising its enforcement. The IND can impose administrative penalties, for example if employers do not keep to the rules.

Questions ?

Should you have any questions, please do not hesitate to call us or send us an email.

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