

MEMENTO

OF THE EMPLOYER 08



TOPIC

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THE REFORM OF THE SYSTEM OF PENSIONS FOR SALARIED WORKERS

Faced with the increase in life span and the increase in the number of pensioners, the Belgian Government has resolved to take various measures aimed at maintaining workers in employment for longer periods of time in order to safeguard the viability of the current pensions system in the medium and long terms.

The Act of 10 August 2015 (Belgian Official Gazette of 21.08.2015, Ed. 2) endorsed the raising of the statutory retirement age as well as the gradual increase of the conditions for access to early retirement and the survivor's pension.

This is an overview of the reform of pensions in its proper context.

01

INTRODUCTION

Upon reaching a certain age, a salaried worker may, depending on the duration of their past professional activity, be entitled to a monthly social benefit called a "pension".

The pension is in fact differed income constituted by the proceeds of the social security contributions paid throughout the professional career.

Depending on the type of profession exercised, there are 3 different pension systems:

- the salaried workers system;
- the self-employed workers system;
- the public authorities system.

Each of these systems has specific provisions on the age for access, conditions of award, pension amounts, etc.

In this Memento, we will be limiting our analysis to the general principle of the **salaried workers system**.



02

BENEFICIARIES OF THE PENSION (SALARIED WORKERS SYSTEM)

The system of pensions for salaried workers applies, generally, to any individual, regardless of nationality, who, either in Belgium, or abroad for an employer established in Belgium, worked as a salaried worker, i.e. in the bonds of an employment contract (e.g. manual worker, non-manual worker), provided that social security contributions were paid for the pension system.

The individuals having the following occupations are also considered to be salaried workers, even if their pensions are subject to special conditions:

- contractual employees of the public sector;
- professional journalists;
- the aircrew of civil aviation;
- members of the teaching profession attached to a private educational institution;
- the persons who exercise the profession of artist in Belgium, as part of the performance of a contract;
- mine workers and sailors of the merchant navy.

03

CONDITIONS OF AWARD

Workers must meet certain conditions in order to receive a pension: they must meet a condition relating to age, end their professional activities and comply, in principle, with an obligation of residence in Belgium.

1. RETIREMENT AGE

A. STATUTORY RETIREMENT AGE

Currently, the pension may begin on the first day of the month following that during which the worker made the request for said pension and at the earliest, in principle, on the first day of the month following that during which the worker reached the **age of 65**.

EXAMPLE

A worker born on 19 April 1953 will reach the age of 65 in 2018 and may retire on 1 May 2018.

The age of 65 is, in fact, the statutory retirement age for men and for women.

The worker may, nevertheless, under certain conditions, anticipate their retirement (by taking early retirement; see below), or even delay retirement beyond the age of 65; reaching the age of 65 in no way means that the worker is required to end their professional activity at such time.

That being said, and in order to safeguard the viability of the pensions system and its funding in the medium and long terms, the Act of 10 August 2015 (Belgian Official Gazette of 21.08.2015, Ed. 2) officially raised the statutory retirement age in the private sector to:

- **66 years** for pensions effectively beginning for the first time at the earliest on 1 February 2025 and at the latest on 1 January 2030 ;
- **67 years** for pensions effectively beginning for the first time on 1 February 2030.



Table on the statutory retirement age

For a date of the beginning of the pension	Statutory retirement age
For the first time, at the latest on 01.01.2025	65 years
For the first time, at the earliest on 01.02.2025 and at the latest on 01.01.2030	66 years
For the first time, at the earliest on 01.02.2030	67 years

IN PRACTICE

Given the information in the above table, the situation can be summarized as follows: workers born on or before 31 December 1959 can access the statutory retirement age at the age of 65. However, the statutory retirement age shall be set at the age of 66 for workers born between 1 January 1960 and 31 December 1964, and at the age of 67 for those born on 1 January 1965 at the earliest.

retirement, i.e. the possibility of retiring before the statutory retirement age.

Until 1 December 2012, the conditions relating to age and years of service (to be justified) were respectively set at 60 and 35 years.

As part of an initial reform (initiated by the Di Rupo Government), a gradual raising of the conditions relating to age and years of service was set for the period between 2013 and 2016, with exceptions provided, however, for very long careers.

The Act of 10 August 2015 once again strengthens the conditions relating to age and years of service to be justified beyond 2016.

B. IN THE EVENT OF EARLY RETIREMENT

Notwithstanding the general rule mentioned above, salaried workers are nevertheless granted, under certain conditions, the possibility of taking early

The situation will therefore be as follows for the coming years: *see the table below*.

Summary table on the conditions required for early retirement

For early retirement taking effect	Minimum age	Condition on years of service	Exemptions provided for a long career
In 2012	60 years	35 years	-
In 2013 (from 01.01 to 01.12)	60,5 years	38 years	60 years if 40 years' service
In 2014 (from 01.01 to 01.12)	61 years	39 years	60 years if 40 years' service
In 2015 (from 01.01 to 01.12)	61,5 years	40 years	60 years if 42 years' service
In 2016 (from 01.01 to 01.12)	62 years	40 years	60 years if 42 years' service 61 years if 41 years' service
In 2017 (from 01.01 to 01.12)	62,5 years	41 years	60 years if 43 years' service 61 years if 42 years' service
In 2018 (from 01.01 to 01.12)	63 years	41 years	60 years if 43 years' service 61 years if 42 years' service
In 2019 (from 01.01.2019)	63 years	42 years	60 years if 44 years' service 61 years if 43 years' service



! NOTE

Early retired persons do not have the opportunity to take early retirement; their pension entitlement shall only take effect from the 1st day of the month following that during which they reach the normal retirement age (currently 65 years of age).

The increase in the conditions relating to age and professional career for taking early retirement (see above) are however accompanied by certain **transitional measures**:

- for pensions taking effect on 1 January;
- for workers born before 1 January 1958;
- for workers already under notice and for those who are engaged in an early leaving process for the purpose of taking early retirement.

➔ **For pensions taking effect in the month of January**

For pensions taking effect in the month of January, the conditions relating to age and years of service in force in the month of December of the year preceding that in which the pension takes effect shall apply (if this was not the case, the persons would be subject to the stricter conditions in force from 1 January of the year during which their pension took effect). Consequently, and in light of this transitional measure, the conditions for access to early retirement are set as mentioned in *the table below*.

➔ **For workers born before 1 January 1958**

The person who will reach the age of at least 59 years in 2016 (therefore, those born before 1 January 1958) may take their early retirement under the conditions relating to age and years of

service to which they would have been entitled if the conditions had not been increased from 1 January 2017 by the Act of 10 August 2015, each increased by one year (i.e. both the condition relating to age and the condition relating to years of service). This means that the worker should, from 2017, reach the minimum age of 63 years, justify 41 years' service (or in the case of long careers: 61 years and 43 years' service or 62 years and 42 years' service).

➔ **For workers already engaged in a contract termination process**

Two transitional measures were adopted for persons already in a situation of contract termination with notice or the payment of a severance payment and for persons engaged in a process of early retirement having entered into an individual agreement of termination by mutual agreement with their employer.

Process of termination with notice or pay in lieu of notice

Workers who were dismissed, who resigned or who entered into an agreement terminating the employment contract subject to, for each case, the performance of a notice period or the payment of pay in lieu of notice, may benefit from the 2016 condition for early retirement (62 years if 40 years' service, 60 years if 42 years' service, 61 years if 41 years' service), if the following conditions are met:

- the notice period (or the period covered by the pay in lieu of notice) began before 9 October 2014 and ends after 31 December 2016 ;
- the conditions relating to age and years of service are met at the end date of the notice period or of the period covered by the pay in lieu of notice.

Early retirement taking effect in:	Minimum age	Condition on years of service	Exemptions provided for a long career
January 2016	61,5 years	40 years	60 years if 41 years' service
January 2017	62 years	40 years	60 years if 42 years' service 61 years if 41 years' service
January 2018	62,5 years	41 years	60 years if 43 years' service 61 years if 42 years' service
January 2019	63 years	41 years	60 years if 43 years' service 61 years if 42 years' service



When submitting their application for early retirement, the workers must provide the NPO, to support their application, depending on the case:

- a copy of the notification of the leave which mentions the start and the duration of the notice period or the period covered by the pay in lieu of notice;
- a copy of the agreement ending the employment contract and which mentions the start and the duration of the notice period or the period covered by the pay in lieu of notice.

Early retirement process with individual agreement of termination by mutual agreement

Workers having entered into an individual agreement ending the employment contract by mutual agreement with their employer may benefit from the 2016 conditions for early retirement (62 years if 40 years' service, 60 years if 42 years' service, 61 years if 41 years' service) if the following conditions are met:

- the agreement is made in writing;
- the agreement was entered into before 9 October 2014; this condition shall be deemed to have been met if the worker is listed on a list of names attached to a CLA filed before 9 October 2014 or to a CLA filed before 1 January 2015;
- the agreement was entered into outside the unemployment scheme with company supplement;
- the agreement was entered into within the framework of works rules (communicated before 9 October 2014), or a collective bargaining agreement (filed before 9 October 2014) or a pension regulation (in force before 9 October 2014) ;
- the aforementioned instruments (Works Rules, CLA or pension regulation) provide for an early retirement process in order to be able to take early retirement;

- at the end of the employment contract, the worker meets the aforementioned conditions relating to age and years of service.

Upon submitting their application for early retirement to the NPO, the workers must provide the following document to the NPO to support their application:

- a copy of the individual agreement in writing;
- a copy of the works rules, a copy of the collective labour agreement, a copy of the pensions regulation or the reference to the statutory and regulatory provisions.

C. IN THE CASE OF A SURVIVOR'S PENSION

Upon the death of a worker, the surviving spouse (whether male or female) shall be entitled to a survivor's pension relating to the activity that the deceased spouse exercised as a salaried worker. Only widowers and widows married for a year or less (except 3 exceptions) shall be entitled to the survivor's pension.

Up until the end of 2014, the widower or widow was entitled to a survivor's pension from the age of 45. The minimum age of 45 is however progressively increased to the age of 50 in the event of the death of the spouse from 1 January 2015.

See the table below.

! NOTE

The condition relating to age required for the surviving spouse to be able to receive the survivor's pension must be met on the date of the death of the spouse.

Summary table on the minimum age to obtain a survivor's pension

Death of the spouse	Minimum age
At the latest on 31.12.2015	45 years
Between 01.01.2016 and 31.12.2016	45 years and 6 months
Between 01.01.2017 and 31.12.2017	46 years
Between 01.01.2018 and 31.12.2018	46 years and 6 months
Between 01.01.2019 and 31.12.2019	47 years
Between 01.01.2020 and 31.12.2020	47 years and 6 months
Between 01.01.2021 and 31.12.2021	48 years
Between 01.01.2022 and 31.12.2022	48 years and 6 months
Between 01.01.2023 and 31.12.2023	49 years
Between 01.01.2024 and 31.12.2024	49 years and 6 months
Between 01.01.2025 and 31.12.2025	50 years



The Act of 10 August 2015 also continues the reform of the survivor's pension which was started on 1 January 2015 and provides, from 2026, for a new increase of the age limit by one year per year in order to finally reach 55 years in 2030.

See the table below.

2. WITHDRAWAL FROM EMPLOYMENT

The worker who wishes to receive a pension must, in principle, put an end to their professional activities. The pensioner shall, however, retain the possibility of pursuing an activity and combine their pension with professional earnings, subject to certain conditions and limitations.

The professional activity exercised by the pensioner may not, in principle, result in a revenue cap being exceeded. Such revenue cap will vary according to the year in which the professional activity was exercised, the nature of the activity exercised (salaried activity or self-employed activity), the nature of the pension (pension or survivor's pension), the age of the beneficiary, the date of effect of the pension and, finally, whether they still have one or more dependent children.

As regards 2015, the annual limit of permitted income is between € 7,793 gross and € 22,680 gross. Exceeding the limit shall result in a reduction of the pension for the calendar year concerned, which reduction shall be proportional to the percentage by which the limit was exceeded.

Finally, it must be noted that from 2015, there will be no limit on the income of pensioners having reached

the statutory retirement age (currently the age of 65) or who can prove, while being a pensioner, a professional career of at least 45 years.

We will examine the provisions on authorized work by pensioners in a future Memento, as soon as the income limits have been set for 2016.

3. RESIDENCE REQUIREMENT

The right to receive a pension is, in principle, linked to a requirement of residence in Belgium. The residence requirement, however, does not apply for Belgian nationals, stateless persons, recognized refugees and the members of international organizations accredited by the Minister of Foreign Affairs. That being said, foreign workers may be equated with Belgian nationals by a convention, a regulation or an international agreement. In such a case, their pension may be paid anywhere in the world. This is the case for:

- citizens of the European Economic Area (i.e. the 28 Member States of the European Union, as well as Norway, Iceland and Liechtenstein);
- citizens of a State with which Belgium has entered into a bilateral social security agreement on pensions in particular (e.g. Algeria, Morocco, Tunisia, United States, Philippines, etc.).

Citizens of a country with which Belgium has not entered into a bilateral agreement, however, may only be paid their pension in Belgium, requiring them to reside in Belgium if they wish to receive their pension!

Death of the spouse	Minimum age
Between 01.01.2026 and 31.12.2026	51 years
Between 01.01.2027 and 31.12.2027	52 years
Between 01.01.2028 and 31.12.2028	53 years
Between 01.01.2029 and 31.12.2029	54 years
Between 01.01.2030 and 31.12.2030	55 years



AMOUNT OF THE PENSION

The amount of the pension depends on three parameters: duration of the career, the wages received during the career, and the person's family situation.

1. THE PROFESSIONAL CAREER

"Professional career" means all the periods that may be taken into consideration for granting the pension. These include:

- the periods of employment as a salaried worker;
- the periods equated with periods of employment as a salaried worker;
- the equivalent periods subject to the voluntary payment of contributions.

A. PERIODS OF ACTUAL EMPLOYMENT

All of the years during which the worker exercised an activity as a salaried worker are, in principle, taken into account.

Since 2015, the year during which the pension took effect is also taken into account in the calculation of the pension, in particular the months of actual employment (or equivalent months).

In other words, for persons whose pension will take effect from 1 January 2015, the months or quarters of the year in which the pension takes effect will also be taken into consideration for the calculation of the career (which was not the case before).

It must also be noted that the career will no longer be calculated in years (a full career being 45 years) but rather in full-time equivalent days, i.e. 14,040 days (i.e. 45 years x 312 days).

This results in it being possible to have a career exceeding 45 years without exceeding the maximum number of full-time equivalent days. If this number of days is exceeded, the less favourable days will be excluded in due proportion.

B. EQUIVALENT PERIODS

For the calculation of the professional career, certain periods of inactivity will be taken into account, even if said periods did not give rise to the payment of social security contributions. For these periods, the calculation of the amount of the pension shall be based on fictitious wages.

By way of example, the following equivalent periods can be mentioned:

- periods of involuntary unemployment having given rise to the payment of unemployment benefits;
- periods of incapacity for work and maternity protection which have given rise to the granting of an AMI payment;
- periods of career interruption, time credit and career reduction, subject to certain specific conditions;
- the periods of employment of the unemployed.

C. EQUIVALENT PERIODS WITH PAYMENT OF CONTRIBUTIONS

Certain periods of inactivity may also be taken into consideration for the calculation of the career, provided however that they were subject to the voluntary payment of contributions by the persons concerned.

These periods include, among others:

- the periods devoted to child-rearing;
- periods of study.

2. THE WAGES

For each "year of service", the pension will be calculated on the basis of the wages actually received (and possibly capped) or on the basis of fictitious or fixed sum wages.

The wages will then be "re-evaluated", i.e. they will be adapted to changes in the consumer price index and partially linked to changes in overall welfare.

3. THE FAMILY SITUATION

Considering the two parameters mentioned above, the pension is calculated either at the household rate or the single rate, depending on the situation in which the beneficiary finds themselves at the time of the granting of said pension.

For each year of the career, the annual pension is equal to a fraction of the wages multiplied by 75 % (= pension at the household rate) or 60 % (= pension at the single rate).



The pension at household rate is granted to married persons (male or female) whose spouse has ceased all professional activity (except that exercised within the authorized limitations) and who has neither a pension or survivor's pension, nor compensation for illness, disability, involuntary unemployment or an interruption allowance. If the spouse has one of these benefits, they may, in principle, give it up.

A single person's pension (60 %) will, however, be granted to beneficiaries who are not entitled to a household pension. These include single beneficiaries

and those whose spouse receives income incompatible with the household pension.

! NOTE

Specific provisions also govern the entitlements to the survivor's pension, as well as entitlements to the pension for divorced spouses or spouses living apart or judicially separated.

05

APPLICATION FOR AND PAYMENT OF THE PENSION

1. SUBMISSION OF AN APPLICATION

The investigation of the entitlement to the pension is subject to the submission of an application. No application needs to be submitted, it seems, if retirement is taken at the statutory age (currently the age of 65). The processing of the application and the calculation of the pension are carried out automatically.

If the worker nevertheless wishes to retire before their 65th birthday (assuming early retirement), they may submit their application at the earliest one year and at the latest one month before the desired date of taking effect (while meeting the requisite conditions relating to age and years of service).

For persons residing in Belgium, the pension application can be submitted either through the website www.demandepension.be, or through the borough council of the place of actual residence, or finally directly to the National Pensions Office, at the Tour du midi or in a regional office.

For persons residing in a member country of the E.E.A. (European Economic Area, i.e. the 28 Member States of the European Union + Norway, Iceland and Liechtenstein) or in Switzerland, the application may, in principle, be submitted to the competent body of the country of residence; the latter body shall then

transfer the application to the National Pensions Office.

If the pensioner resides in a country with which Belgium has entered into a bilateral social security agreement, their application will have to be submitted to the competent body of the country of residence which will then transfer the application to the NPO.

In all other case, the pension application will have to be sent by recorded delivery to the National Pensions Office at the following address: Office national des pensions, Bureau des conventions internationales (BCI), Tour du midi, 1060 Brussels.

2. PAYMENT

The pensions and survivor's pensions of salaried workers may be paid anywhere in the world to Belgians, stateless persons and UN refugees, as well as to citizens of countries having entered into a social security treaty or convention with Belgium.

The aforementioned pensions may only be paid to nationals of other countries if they reside in Belgium.

Francis Verbrugge, Senior Legal Counsel



SOCIAL NEWS

WAGE THRESHOLDS WITH REGARD TO EMPLOYMENT CONTRACTS FOR 2016

On 1 January 2016, the annual wage thresholds* for the application of certain provisions of the Employment Contract Act of 3.7.1978 will be subject to adaptation following the annual indexation.

Legal provisions employment contracts	Annual wage thresholds* in force in:	
	2015	2016
Non-competition clause <ul style="list-style-type: none"> clause prohibited if wages are equal to: € 33.203 and – clause authorised for positions laid down in the CBA (collective bargaining agreement), if wages are: between + € 33.203 and € 66.406 clause authorised except for positions prohibited by CBA, if wages are equal to: + € 66.406 	<ul style="list-style-type: none"> € 33.203 and – between + € 33.203 and € 66.406 + € 66.406 	<ul style="list-style-type: none"> € 33.221 and – between + € 33.221 and € 66.441 + € 66.441
Arbitration clause <ul style="list-style-type: none"> clause prohibited if wages are equal to: € 66.406 and – clause authorised if wages are equal to: + € 66.406 	<ul style="list-style-type: none"> € 66.406 and – + € 66.406 	<ul style="list-style-type: none"> € 66.441 and – + € 66.441
Education clause <ul style="list-style-type: none"> clause prohibited if wages are equal to: € 33.203 and - clause authorised if wages are equal to: + € 33.203 	<ul style="list-style-type: none"> € 33.203 and - + € 33.203 	<ul style="list-style-type: none"> € 33.221 and - + € 33.221

* Annual wage is understood to mean the monthly gross wages, recalculated over a year (= monthly gross wage x 12). To this are added the double holiday pay, the end-of-year bonus and all the benefits that are obtained under the contract. The amounts paid during the 12 last months preceding the point in time to determine the wage threshold must be taken into account if wages are variable.

Catherine Legardien, Legal Counsel



SOCIAL NEWS

TAX SHIFT: INCREASE IN PURCHASING POWER – FLAT RATE PROFESSIONAL EXPENSES

The charges levied on labour in Belgium are high, not only for employers but for employees as well. The government has therefore committed itself to adopting measures to increase the net income of employees and, in this way, enhance their purchasing power. The first step was increasing flat rate professional expenses for employees in 2015 and 2016. The government is now proposing to take a further step to reduce charges.

The government will therefore once again increase flat rate professional expenses for employees in 2016 and 2018.

By way of reminder, professional expenses are expenses that employees can deduct from the personal income tax levied on their taxable income.

They are expenses that have been incurred in order to earn or maintain professional income.

Deduction of these expenses can be done on the basis of actual expenses incurred or based on a flat rate fixed by the tax authorities.

The majority of employees opt for the flat rate deduction, which is the rate that the government has committed to increasing.

This means that the income band for which professional expenses were set at 30% will be widened for employee remuneration that is paid or awarded as from 1 January 2016 onwards.

Similarly, there will be only one percentage, i.e. 30%, to be used to calculate professional expenses for employee remuneration that is paid or awarded as from 1 January 2018 onwards.

These changes will be reflected in the PAYE tax scales.

This measure is still in the draft phase and as such could still be modified.

Isabelle Caluwaerts, Legal Counsel



SOCIAL NEWS

TAX SHIFT: INCREASE IN PURCHASING POWER – RATE OF TAX

The charges levied on labour in Belgium are high, not only for employers but for employees as well. The government has therefore committed itself to adopting measures to increase the net income of employees and, in this way, enhance their purchasing power by adjusting, among other things, the rates of tax on earned income.

In this way, the government is proposing to integrate the 30% tax band into the 25% band in two stages (for the 2016 and 2018 income years) and to also

widen the 40% tax band by increasing the lower limit for application of the 45% tax rate.

These changes, which will result in a reduction in the tax burden, will be reflected in the PAYE tax scale.

This measure is still in the draft phase and as such could still be modified.

Isabelle Caluwaerts, Legal Counsel



SOCIAL NEWS

TAX SHIFT: REDUCTION OF THE “NOMINAL” CONTRIBUTION RATE IN THE PRIVATE SECTOR

The tax shift accord is intended within a short period to reduce the “nominal” rate of employer contributions to 25%.

At present, the standard contribution figure (basic contribution plus wage moderation) is set at 32.4%. As a result of applying the structural reduction, the actual contribution is a bit lower, but the impact of the reduction is not transparent, and is unpredictable.

By 1 January 2018, the government wants to reduce the initial basic percentage to 25%, so that the cost of employment is made more transparent.

WHICH EMPLOYERS?

The reduction in the contribution rates applies exclusively to employers belonging to **category 1 for structural reduction purposes**.

This corresponds roughly to the **profit sector**, i.e. all employers **except for** protected workshops (bespoke work firms in Flanders) and employers in these sectors:

- Educational and housing institutions and services (JC 319, all subsectors);
- Socio-cultural sector (JC 329, all subsectors);
- Healthcare institutions and services (JC 330, all subsectors except dental prostheses);
- Flemish welfare and health sector (JC 331);
- French and German-language healthcare sector (JC 332).

BASIC CONTRIBUTION BY THE EMPLOYER

The basic contribution finances the classic social security schemes. The rate for fully subjected employers drops gradually by 5%, as follows:

See Table 01 on the next page.

WAGE MODERATION CONTRIBUTION

The wage moderation contribution comes on top of the basic contribution for (nearly) all employees. The basic wage moderation percentage falls by around a quarter from 1 January 2018. That percentage is raised again by a factor representing the future basic contribution – we estimate this as accurately as feasible as follows: **See Table 02 on the next page.**

... PROVISIONAL END DATE 1 JANUARY 2018

On 1 January 2018, the sum of the basic contribution and wage moderation attains the government’s target objective: $19.88\% + 5.12\% = 25\%$.

IMPACT OF STRUCTURAL REDUCTION (CATEGORY 1)

The reduction in the nominal rate is partly financed by a restriction on the structural reduction.

In the first place, the unconditional lump-sum structural reduction is gradually done away with, as follows:

See Table 03 on the next page.



In the second place, there is the effect of the general repeal of the high-salary component, from 1 January 2018.

Ultimately, for this group of employers (category 1), there will remain an overall lower structural reduction, limited to employees with a "low" wage.

SOCIAL-PROFIT SECTORS

Social-profit employers (categories 2 and 3 in the structural reduction) qualify for subsidies via the Social Maribel.

There is also a tax shift for them, but not via a lower basic contribution.

The reduction in burden here will be the result of two specific measures:

- an additional budget for Social Maribel – details as yet unknown;
- increase in the value of the structural reduction in favour of low wages.

These measures are still in the draft phase and may yet undergo further amendment.

Els Poelman, Senior Legal Counsel

Table 01

current rate	new rate	from
24,92%	22,65%	01.04.2016
	19,88%	01.01.2018

Table 02

wage moderation contribution	current rate	new rate	from
basispercentage	5,67%	4,27%	01.01.2018
definitief percentage	7,48%	5,12% (raming)	

Table 03

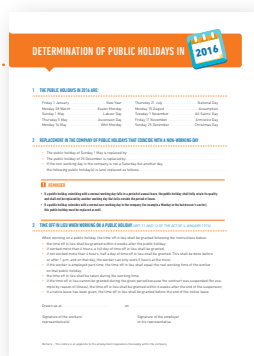
current quarterly lump sum	new quarterly lump sum	from
€ 462,00	438,00 €	01.04.2016
	0	01.01.2018



NOTIFICATION OF REPLACEMENT DAYS



Use this practical form to notify the public holidays and replacement days for 2016 in your company.*



HOW DO YOU PROCEED?

- 1 Determine the replacement days for the public holidays which are weekend days.
- 2 Enter the replacement days on the preprinted form.
- 3 Post the document on a visible location in your company before 15 December 2015.
- 4 If possible, also use other channels to inform your staff members of the replacement days.

*Notification must be done before 15 December 2015.



SOCIAL NEWS

TAX SHIFT: PURCHASING POWER – TAX-FREE INCOME ALLOWANCE

The charges levied on labour in Belgium are high, not only for employers but for employees as well. The government has therefore committed itself to adopting measures to increase the net income of employees and, in this way, enhance their purchasing power.

In this way, the government is proposing to increase the income limits for the application of the tax-free income allowance.

The tax-free income allowance is the portion of income not subject to tax.

The tax-free allowance for 2015 income and for a single taxpayer with no children amounts to 7,090 euros. This allowance is increased according to the number of dependent children and according to the taxpayer's tax situation.

This means that the income limit will be increased gradually.

This measure is still in the draft phase and as such could still be modified.

Isabelle Caluwaerts, Legal Counsel



WAGE ADJUSTMENTS

WAGE ADJUSTMENTS ON 1 NOVEMBER 2015

Index October 2015	▶ (base 2013) 101,50 ▶ (base 2004) 124,24
Health index	▶ (base 2013) 102,27 ▶ (base 2004) 123,51
Average over the past four months	▶ 100,66

Wage adjustments on 1 November 2015

107.00	Master-tailors, tailors and seamstresses Abolition of scales for young workers. From 1 January 2015.
136.00	Paper and paperboard converting No manufacture of paper tubes: Increase of the subsistence security allowance From 1 September 2015.
149.01	Electricians: installation and distribution Award of eco vouchers to a value of €250 for all full-time manual workers. Qualifying period from 01.10.2014 to 30.09.2015. Part-timers on a pro rata basis. Payment on 15.11.2015. A company CLA may concretize the purchasing power differently.
222.00	Non-manual workers of paper and paperboard converting Increase of the subsistence security allowance From 1 September 2015.
224.00	Non-manual workers of non-ferrous metals Not applicable for companies that have specified an equivalent benefit in a company CLA concluded before 15.09.2009, respectively 30.09.2011: award of eco vouchers to a value of €250 to all full-time non-manual workers. Qualifying period from 01.10.2014 to 30.09.2015. Part-timers on a pro rata basis. A company CLA, concluded prior to 30 June 2014, may concretize the purchasing power differently: - wage increase of €250 per year; - introduction or improvement of a hospitalization insurance worth €250 per year; - introduction or improvement of a supplementary pension plan worth €250 per year; - or a combination of these 3 options worth €250 per year. From 1 October 2015.
330.00	Health care facilities and services Private hospitals, home nursing care, old people's homes, nursing and care homes, psychiatric nursing homes, sheltered housing schemes, day care centres, rehabilitation centres, integrated home care services, Belgian Red Cross blood donation service, paediatric medical centres and health centres: annual award of the incentive bonus (in the last quarter). The amount for 2015 is €629.47.



Wage adjustments on 1 November 2015

332.00
(332.02)*

French- en German-speaking social assistance and health care sector
Only for institutions and services subsidized by the FCUD until 31 December 2014 and taken over and subsidized by the ONEm and only for workers with lower wage scales than these provided by the CLA of 17 December 2012 or scales that are not equivalent or considered as equivalent: award of compensation premium to all full-time workers. Part-timers on a pro rata basis. Amount for 2015: maximum €1,000 of the difference between the wages paid in 2015 (monthly wage, holiday pay, end-of-year bonus) and the (higher) wage scales provided by the CLA of 17 December 2012 including the end-of-year bonus. Payment not later than 31 December 2015, except if the amount is added to the amount of the end-of-year bonus 2015.
From 16 October 2015.

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Patrick Desmyter, Technical Expert

Rules regarding the adjustment of the wages

M&R = A: adjustment for all wages (scaled wages and wages actually paid).

M: adjustment of all wages with the difference between the new scaled wage and the previous scaled wage.

M* = S: adjustment of the scaled wages. No adjustment of the wages actually paid when paid more than the new scaled wage.

M(+ wage differential)&R= P: the adjustment is calculated on the scaled wage with differential 100. The other scaled wages are adjusted according to their wage differential. The adjustment also applies for the wages actually paid, without taking into account the wage differential.

R* = R: adjustment of the wages actually paid. The adjustment is applied to all wages, but the scale does not change.



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