

EXPATRIATES

Belgium

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

An individual is considered a resident in Belgium if his/her main home or center of economic interests is located in Belgium. Individuals who are registered at a Belgian commune are considered Belgian residents (refutable presumption). An irrefutable presumption exists for married persons if their household is established in Belgium.

When a Belgian resident leaves Belgium, a “special” tax return needs to be filed within 3 months following the departure date from Belgium.

Three types of non-resident taxpayers exist each with their own entitlements to personal tax reductions.

As of income year 2014, the Belgian Federal State has transferred certain parts of its power of taxation to the different Regions (Flanders, Walloon Region and Brussels) which results in a different tax treatment depending on the region the taxpayer is linked to.

BREAKING RESIDENCY - EXIT PROCEDURES

When a Belgian resident decides to permanently leave Belgium, he should deregister him/herself at the local commune.

If applicable, an A1 document or Certificate of Coverage should be applied for when the assignee remains subject to the Belgian social security scheme.

An European Health Insurance Card (former E111 form) should be applied for at the sickness fund of the assignee’s home country to be able to receive medical care abroad and get a (partly) refund of the medical costs depending on the health charges.

INCOME TAX RATES

Actual tax brackets (EUR)	Historical tax brackets* (EUR)	Tax rates (%)
0 - 13.250	0 - 8.120	25
13.250 - 23.390	8.120 - 13.940	40
23.390 - 40.480	13.940 - 24.800	45
over 40.480	over 24.800	50

* Not adjusted for cost of living index

Progressive income tax rates up to 50% apply. On top, communal taxes (7% for non-residents) are due.

Belgium has a favorable taxation regime for some benefits in kind (e.g. free housing, company car, qualifying stock options, utilities, ...).

If conditions are fulfilled, the Belgian tax law offers tax deductions for mortgage and investment interest paid, as well as for charitable donations to Belgian recognized charities.

As of assessment year 2018 (2017 income year), the tax advantages granted by the federal government are to be prorated in case the income period does not match with the full calendar year. As a result, a person who moves to Belgium and establishes residency on September 1st will only be entitled to 4/12 of the maximum exempt income amounts (e.g. for children at charge), deductions (e.g. lumpsum professional expenses) and tax reductions (e.g. for contributions to a pension saving plan).

Belgium can tax income earned while the employee was still a resident in Belgium even if his earned income is paid at a later date, i.e., stock options, variable pay, ...

When a Belgian non resident receives income from Belgian source, a non resident income tax return may need to be filed.

SOCIAL SECURITY RATES

All employees (subject to Belgian social security contributions) are subject to a special social security contribution of maximum 731.28 EUR per year.

Employees who are still subject to Belgian social security while abroad will pay a contribution of 13.07% on the uncapped wages. Employers' contributions amount to approximately 29% of the uncapped salary, but some reductions may apply.

Employees working in countries with which Belgium has not signed a totalization agreement for social security, can voluntarily affiliate with the Special Social Security Service (DIRISS / ORPSS) (formerly OSSOM / DOSZ / OSSO).

For further information and to register for future updates contact expat@bdo.global

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