



Caribisch Nederland  
Belastingdienst

Manual

**loonbelasting** en premies | 2011

# Loonbelasting en premies

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# Introduction

## **Who is this manual intended for?**

This manual is intended for anyone who has to deal with the deduction and payment of loonbelasting/premie volksverzekeringen, premies werknemersverzekeringen and premies Besluit Health insurance. Therefore this is a manual for you if you are an employer, but also, for example, if you work in salary administration.

You can also consult this manual on [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl)

## **Composition**

This manual consists of two parts, viz. a plan of steps (part 1) and a number of subjects (part 2).

**Part 1** contains general information, amongst other things, about employment, which data you have to administer and which data you need from your employee in order to deduct the correct amount. In addition, you will find information about the method of calculation, the payment of the demand and the information which you must give us and the employee.

**Part 2** contains specific information about different subjects, including employment, the definition of salary and the Expatriate Regulation.

# Part 1 Plan in steps

The following steps are covered in this section:

## Introduction

### Part 1 Plan in steps

- 1 Step 1 Determining whether there is employment
- 2 Step 2 The administration of information about an employee
- 3 Step 3 Creating a salary administration
- 4 Step 4 Determining what is included in the salary
- 5 Step 5 Calculating loonbelasting and werkgeverspremies
- 6 Step 6 Recording amounts in the salary record
- 7 Step 7 Presenting a salary slip to employees
- 8 Step 8 Indicating and paying loonbelasting and werkgeverspremies
- 9 Step 9 Providing an annual statement
- 10 Step 10 Providing information for inspection
- 11 Step 11 End of obligation to make deductions or of employment contract

## Summary

This first section explains, step by step, what you must do, if you have an obligation to deduct loonbelasting when you have employees in your employment.

First, you must determine whether there is employment. This is explained in Step 1. Then you will find information about the data which you must record about an employee in your administration. You also have to know what is meant by salary because this is what the loonbelasting, AOV/AWW (general widow's and orphan's premiums) are calculated on, as well as the premie health insurance payable by the employee, the premiums for werkgeversverzekeringen and premie health insurance which you have to pay.

In this Guide, loonheffing is interpreted as the joint sum of loonbelasting, AOV/AWW (general widow's and orphan's premiums) and the employee's proportion of the premie health insurance. The werkgeverspremies are interpreted as the premiums which you have to pay for ziekte-, ongevallen-, health insurance and cessantia.

*N.b.: From 1-1-2011, the Belastingdienst /Caribisch Nederlands will also levy and collect the premies werknemersverzekeringen and the premie health insurance which you have to pay.*

The loonbelasting is deducted from the salary. Below we explain how you must make a return and how you pay us the loonbelasting deducted by you and the werkgeverspremies which you owe. If you have made errors in your return, you must correct these. You present your employee with an annual statement.

Finally, this section contains information about matters which you must organize when the employment of an employee comes to an end.

## 1. Step 1 Determining whether there is employment

There are many types of employment relationships. The rules of loonbelasting apply for employment relationships which can be defined as employment. The loonbelasting/premies volksverzekeringen and the employee's part of the premie health insurance are levied under loonheffing. The premies ziekte-, ongevallenverzekering, cessantia and werkgeversdeel premie health insurance are levied under the werkgeverspremies. Therefore the first step to take is to determine whether there is employment (see paragraph 1.1).

If a person is not working for you as an entrepreneur and he is not in your employment either, you must inform us of payments made to him (see paragraph 1.2).

### 1.1 What is employment?

Employment is an employment relationship based on an agreement between an employer and an employee about the way in which the employee works for payment. This agreement is usually laid down in writing, but can also be concluded verbally or tacitly.

For there to be employment, it does not matter whether someone is in permanent employment or not. The scope of the work is not important either. For example, people employed on a temporary basis or holiday workers can also be in employment.

There may also be employment for all types of domestic activities. In that case, you must deduct and pay loonbelasting as a private client. In addition, you must also pay werkgeverspremies.

There may also be employment in the case of an administrative appointment or in the case of a legal obligation, such as military conscription in the past.

**There are different sorts of employment:**

- real employment (see paragraph 1.1.1)
- notional employment (see paragraph 1.1.2)
- former employment (see paragraph 1.1.3)

**1.1.1 Real employment**

**Real employment has the following characteristics:**

- The employee has undertaken the obligation to work for some time.
- The employer is obliged to pay the employee a salary for the work.
- There is a relationship based on authority between the employer and the employee.

There is a relationship based on authority if you have the right to give tasks and instructions for the work that has to be carried out. The employee must obey your instructions and tasks. In fact, you can also leave this right to another person, for example, the person for whom the employee is actually working (as in the case of secondment).

There may also be a relationship based on authority if you barely give any tasks or instructions. For example, this may be the case if the nature and scope of the work, and/or the specific capacities of the employee are not appropriate for giving tasks and/or instructions.

**No employment contract for werknemersverzekeringen**

The following employment relationships are not real employment contracts, but not notional employment contracts either for the werknemersverzekeringen:

- a former employee who receives salary from former employment,
- an employee who is not, as a rule, in the employment of an employer for twelve consecutive days, not including Sundays and days equivalent to this on the basis of the Arbeidswet 2000 BES (BES Factory Act), so-called temporary workers,
- the captain and crew members on maritime ships of Aruba, Curaçao, Sint Maarten or the public bodies, Bonaire, Sint Eustatius or Saba,

- a person who is employed by a statutory body and can make a claim to payments in the case of sickness on the basis of the regulations which apply to him in his legal position,
- a director of a body established on the one of the BES islands,
- a supervisor of a body established on the one of the BES islands.

**N.b:** *There are no age limits for the werknemersverzekeringen.*

*If a 62-year-old employee is currently in your employment, you must pay premiums on his salary.*

**1.1.2 Notional employment**

If there is no real employment, it is possible that for a number of groups of people, the employment relationship between the client and the person carrying out the work (and even assistants) can still be considered as employment. In that case this is so-called notional employment. This means that in general you must apply the same rules for the deductions on the salary as for real employment.

The following employment relationships are defined as notional employment for loonbelasting and werkgeverspremies:

- contractors for work and their assistants (see paragraph 12.1)
- certain sportsmen and women (see paragraph 12.9)
- certain artists (see paragraph 12.2)
- a person whose position is based on an appointment
- persons who only work on the basis of a commission (see paragraph 12.8)

**You can find more information on special employment relationships in chapter 12.**

In addition, the following working relationships are defined as notional employment for levying loonbelasting/premie volksverzekeringen and the bijdrage health insurance:

- the directors of legal persons (see paragraph 12.3)
- the supervisors of legal persons (see paragraph 12.4)
- children who are working for you (see paragraph 12.7)

**1.1.3 Former employment**

In addition to real or notional employment, there may also be former employment. In that case the employment may have come to an end but the ex-employee still receives income on the basis of the (former) employment for which he was employed earlier. Examples include a pensioen- or ontslaguitkering.

## 1.2 A statement of the sums paid out to a third party

It may occur that you pay someone who works for you and who is not in (notional) employment with you. In that case you must notify us of these payments, the so-called sums paid to a third party. This is also the case if you provide a third party with payment in kind.

You must inform us of the sums that are paid out to third parties before 1 February of the year following the year in which you paid the sums concerned. If you pay sums to third parties in 2011, you must inform us of those payments before 1 February 2012.

# 2. Step 2 The administration of information about an employee

**In the case of employment, you must organize the following matters:**

- You must receive the data for the loonbelasting and werkgeverspremies from the employee (see paragraph 2.1).

## 2.1 Data for loonbelasting and werkgeverspremies

A new employee must give you data for loonbelasting and werkgeverspremies after he has started working for you. He must do this before the first payment of salary, just as in the case of someone entitled to a pension. For this purpose, the employee uses the loonbelasting declaration prescribed by the Belastingdienst /Caribisch Nederland. This concerns the following data regarding your employee:

**This concerns the following data regarding your employee:**

- name and initials
- date of birth
- ID number (SEDULA) or CRIB number
- address
- place of residence
- country of residence and region if the employee does not live in the BES.

In addition, a new employee must indicate in the loonbelasting declaration whether he wishes you to apply the belastingvrije som and/or kindertoeslag and/or ouderentoeslag (see chapter 13).

The loonbelasting declaration must be dated and signed for this purpose. Your employee must use the Specimen loonbelasting declaration for this purpose. You can also download this specimen declaration from [twww.belastingdienst-cn.nl](http://twww.belastingdienst-cn.nl)

### 2.1.1 Compulsory Statement of data for loonbelasting and werkgeverspremies

You must receive the data for loonbelasting and werkgeverspremies before you make the first salary payment to the employee.

It is possible to deviate from the provision for foreign artists and foreign professional sports men and women who have a short-term agreement. A separate arrangement applies for them (also see paragraph 12.2 and 12.9).

### 2.1.2 Checking and administering data

When you receive the data for loonbelasting and werkgeverspremies from your employee, you must:

- establish whether your employee has provided the correct data
- record the data in the salary administration

**You will find more information about creating a salary administration in chapter 3.**

### 2.1.3 Keeping or sending the data for the loonbelasting and werkgeverspremies

You must keep the data for the loonbelasting and werkgeverspremies and the request concerning whether or not to apply the belastingvrije som and toeslagen in the salary administration for at least five whole calendar years after the end of the employment. You must send us the data for the loonbelasting and werknemerspremies when we ask for them (also see paragraph 3.4).

#### *Deduction of loonbelasting*

Your employee can ask the inspector for “relief in terms of a reduction of loonbelasting” if he would have to pay significantly more loonbelasting as a result of certain deductible items in the inkomstenbelasting than is due in the inkomstenbelasting. You must keep the original relief granted by the Inspector in your salary administration.

**N.b.:** *The relief granted in terms of a reduction in loonbelasting only results in a reduction of the pure salary for the loonbelasting. For the calculation of the werkgeverspremies that you owe, you must leave the relief out of consideration.*



#### 2.1.4 Obligation regarding identification in the workplace

Everyone who is in the workplace must be able to present a valid and original identity document at any time.

Employees from the Netherlands and the BES may use a driving licence for this purpose. You must inform your employees of this. In the case of an inspection, you must give your employees the opportunity to comply with their obligation to provide identification.

### 2.2 Anonymous rate

Your employee must give you the loonbelasting declaration before the first salary payment, dated and signed by him. If your employee does not comply with one of these obligations, you must apply the so-called anonymous rate.

If you have to apply the anonymous rate, you deduct 35.4% loonbelasting. You may not take into account the belastingvrije som or kindertoeslag or ouderentoeslag (also see paragraph 13.5).

### 2.3 Registering as an employer

When you employ an employee for the first time, you must register as an employer at your tax office. For this purpose, you must send your tax office the form **Aanmelding nieuwe werkgever**. You can download this form from [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl). After registering you will receive an information package. In addition, you will receive a CRIB number. You must always indicate this number on your correspondence to us.

#### *New CRIB number*

We issue new CRIB numbers as quickly as possible after receiving your application. However, we must have all the necessary data on time. In special cases, or if the data is incomplete, we will ask you for more information. This means that it may take longer to process.

**N.b.:** *It may be the case that you have registered as an employer, but that in fact no employee is yet working for you. In that case you are still obliged to register in time. This may be the case for a body in which the director/principal shareholder works without receiving a salary for this. In that case you must still report every quarter. If you no longer employ any personnel other than temporary personnel, you must notify us of this. In that case we will not send you any more returns. However, you are obliged to inform us as soon as you employ personnel again (also see chapter 11).*

## 3. Step 3 Creating a salary administration

In order to be able to give your employee the correct data for the loonbelasting and werkgeverspremies, you need all sorts of information (see paragraph 3.1). In addition, you are obliged to administer certain data about employees and payments of salary in an accessible way, so that we can check this data (see paragraph 3.2). Special administrative obligations apply for a number of regulations (see paragraph 3.3). Rules also apply to the periods that you must keep these, and we may carry out an inspection of your administration (see paragraph 3.4).

### 3.1 Information for the salary administration

**We ensure that you receive the required information in time. This includes:**

- the **Aangiftebiljet loonbelasting en premies**, which states when you have to make the return and when you have to make a payment,
- information on the loonbelasting, premies volksverzekeringen, premie health insurance and premies werknemersverzekeringen.

In order to receive this information on time, you must notify us as quickly as possible of any changes of address and changes in the legal form of your company.

The information in this manual can always be consulted on line at [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl).

**N.b.:** *Forms which show the year or period for which they are intended may only be used for that year or period. If you have lost the form, contact your Inspector to ask for a duplicate.*

#### *If you do not use a computerized salary administration*

If you do not use a computerized salary administration, you need tables to calculate the loonbelasting and werknemerspremies. You can download the tables from [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl). If you do not have a computer with an internet connection, contact your Inspector. He will send you the required tables in paper form.

## 3.2 Administrative obligations

You must create a salary statement for every employee. The data which is important for the loonbelasting and the werkgeverspremies is recorded in the salary statement (also see chapter 3). You can download a specimen salary statement from [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl)

### Computerized salary administration

In a computerized salary administration there are two possibilities for the salary statements:

- You record all the data which is relevant and ensure that this data is available for inspection at all times in the form of a complete salary statement.
- You draw up a so-called basic card for every employee. On this basic card you record the data which is requested at the head of the specimen salary statement. You must keep the salary specifications of the other data which is requested on the specimen salary statement with the basic card, such as the sums of the salary and the deductions. However, you must also indicate the cumulative sums on the salary specifications or corresponding lists.

In addition, it is recommended that all the calculations which reveal the connection between the returns and the bookkeeping are kept with the salary administration.

## 3.3 Special administrative obligations

It is recommended that the following data is kept with the salary administration:

- exempted reimbursements, payments and provisions (see paragraph 3.3.1)
- relief and declarations (see paragraph 3.3.2)

### 3.3.1 Exempted reimbursements, payments and provisions

Some reimbursements, payments and provisions do not count as salary under certain conditions (also see chapter 4). For the salary administration, it is best if you administer the data for these reimbursements and payments per employee. This concerns the following aspects which do not count as salary:

- permanent reimbursements of costs (see paragraph 4.4)
- reimbursements and provisions which are related to transport costs by car (see paragraph 4.4)
- payments and provisions for a study or training for a profession (see paragraph 4.4)
- one-off payments and provisions upon the death of the employee (see paragraph 4.5)
- loans issued to personnel (see paragraph 14.10)

- costs incurred by the employer in connection with medical treatment and nursing and to contribute to sickness costs (see paragraph 14.16)
- payments and provisions to reimburse damages suffered by an employee as the result of loss of personal goods (see paragraph 4.5)

### 3.3.2 Relief and declarations

If you have received a declaration or relief issued by us from your employee, you should keep this in the salary administration. At the end of the employment you return the original to the employee and keep a copy of the declaration or relief.

## 3.4 Period for keeping documents and inspection

There is a fiscal obligation to keep the basic data for seven years.

**This concerns the following data:**

- the ledger
- the debtor and creditor administration
- the purchase and sale administration
- the stock administration
- the salary administration

Loonbelasting declarations must be kept for at least ten full calendar years after the end of the employment. This period also applies for expiry periods which have been replaced.

When the inspection is carried out, a connection is sought between the returns, the annual income statements and the administration. In order to speed up the inspection, it is advisable to keep the calculations which you made when you drew up the returns and the annual income statements (also see chapter 10).

In the case of an inspection, you are obliged to provide us with all the data and information which could be relevant in the context of the inspection. You must make the administration available for inspection and permit us to make copies of it.

**N.b.:** *If the legal provisions are infringed, this may result in sanctions.*

## 4. Step 4 Determining what counts as salary

You must calculate the loonbelasting and werkgeverspremies on the salary. For this reason it is important to determine exactly what counts as salary. In short, the salary is everything which an employee receives on the basis of his employment.

**In order to determine whether a particular reward counts as salary, the following aspects should be taken into account:**

- It is not relevant whether the employee has a right to the salary. Therefore a bonus given on a voluntary basis counts as salary just as much as a share of the profit to which the employee has a right in pursuance of the working conditions.
- It is not relevant whether the employee has done any work for the salary. Salary for hours of absenteeism also counts.
- It is not relevant whether the employee receives the salary in monetary or any other form. Payments in kind and claims may also count as salary.
- It is not relevant from whom the employee receives the salary. Payments from a fund related to the employment can also count as salary, for example a study fund linked to the company. Tips can also count as salary (see paragraph 4.2.3).

The starting point is that the salary for the loonbelasting also applies for the werknemersverzekeringen (see paragraph 4.1).

### *Types of salary*

The following forms of salary exist:

- salary in money (see paragraph 4.2)
- salary in kind (see paragraph 4.3)
- (voluntary) reimbursements and provisions (see paragraph 4.4)
- payments for special events (see paragraph 4.5)
- claims and payments on the basis of claims (see paragraph 4.6)

### 4.1 Uniform definition of salary for loonbelasting and werkgeverspremies

There is a uniform definition of salaries for loonbelasting and werkgeverspremies.

**N.b.:** When an employee is not insured for the werknemersverzekeringen, as in the case of:

- salary from former employment
- directors and supervisors
- employees in public law employment,

You do not calculate any premiums for werknemersverzekeringen on the salary earned by him.

#### 4.1.1 Salary from present or former employment

Salary from present employment is salary which the employee receives for the work which he does. For example, the periodic salary, holiday pay, the holiday allowance, the thirteenth month payment, bonuses and profit-sharing bonuses.

*N.b.:* It is not always relevant when the salary is paid. For example, holiday pay that is paid after the end of the employment counts as salary from present employment.

Salary from former employment usually concerns employment that has already come to an end. It is not a direct payment for the work itself, but something that the employee receives because he worked in the past. Examples of salary from former employment include pension payments.

### 4.2 Salary in money

The most important type of salary is “salary in money”: the salary, commission, premium, danger money, overtime pay, bonus, profit-sharing bonus and everything which is paid out in money to an employee by whatever name on the basis of his employment. **This means that the following payments also count as salary:**

- payments on the basis of a net salary agreement (see paragraph 4.2.1)
- payments paid for sickness, accidents and severance pay (which continue to be paid to an employee) (see paragraph 4.2.2)
- tips and other salary from third parties (see paragraph 4.2.3)

#### 4.2.1 Net salary agreement

An employer who has a net salary agreement with his employee actually takes charge of the loonbelasting at his expense. If the loonbelasting is paid at your expense, your employee benefits from this. This benefit counts as salary, on which you then again have to pay loonbelasting and werkgeverspremies. If you also want to pay this higher sum of loonbelasting, this sum again is a salary on which loonbelasting and werkgeverspremies have to be paid, etc. (grossing up). This means that net salary agreements result in complicated calculations (also see paragraph 5.7).

#### 4.2.2 (Continuing to make) payments for Ziekte-, Ongevallen- or Cessantiauitkering

(Continuing to make) payments for Ziekte-, Ongevallen or Cessantia verzekering to an employee counts as salary for the employee. You must deduct loonbelasting on these payments and you must pay werkgeverspremies.

#### 4.2.3 Tips and other salary from third parties

You must deduct loonbelasting and werkgeverspremies on tips and other salary from third parties up to the amount that is paid by you or as a result of your intervention. Tips and comparable sums from third parties which employees receive directly from the client and which are distributed without your intervention do count as salary for inkomstenbelasting. The employee should indicate these himself in his tax return. Payments by funds, such as study funds, linked to the employer count as salary from third parties.

### 4.3 Salary in kind

Salary in kind is salary that is not paid in money. It is a benefit arising from the employment and is therefore taxed for loonbelasting and werkgeverspremies. The elements of a salary that are paid in kind are also referred to as provisions.

You calculate the loonbelasting and werkgeverspremies on the market value of the provision. As a rule, that is the market value at the time at which this element of salary is provided. If your employee uses the provision to carry out his employment properly, you can also determine the value on the basis of the value of the savings made. This is the sum that people who are comparable to the employee would normally spend on the provision. In general the savings value is lower than the market value of the provision.

Special valuation regulations and set norms apply for the amounts of certain provisions. Some provisions are (partly) untaxed. (Also see paragraph 4.4 and chapter 14).

If you deduct a sum from the employee's salary for the provision, the value to be taxed or the amount of the norm is reduced by the contribution from the employee.

### 4.4 (Voluntary) reimbursements and provisions

**Voluntary reimbursements and provisions apply if one of the following requirements is met:**

- The reimbursements and provisions are in order to meet the costs, expenses and depreciations required to carry out the employment properly.
- In other words, this involves a reimbursement of professional costs.

#### *Professional costs*

Professional costs are costs which an employee incurs in order to be able to earn his salary. The main rule is that the reimbursement of professional costs is not part of the salary if two conditions are met:

- The reimbursement is for costs which the employee incurs in order to earn his salary.
- The costs can reasonably be considered necessary to carry out the employment properly (also see chapter 14).

#### *Reimbursement of fixed costs*

Employees who often incur the same sorts of costs can be given a fixed reimbursement of costs. The fixed reimbursement of costs must be determined separately from the salary and be specified prior to the payment in terms of:

- the nature of the costs
- the presumed size of the costs

In order to determine whether this reimbursement may be provided untaxed, the nature and scope must be related to the real costs actually incurred by the employee. You must prove that the reimbursement was justifiably left untaxed by you. You will have complied with this burden of proof if you carry out a random examination of the actual costs incurred every three years. For this purpose the employee must record the costs which are actually incurred for a consecutive period of at least three months. **For this you must have:**

- the statements of expenses and
- the methods of payment.

#### *Average reimbursement of fixed costs*

If you pay a reimbursement to a group of employees for whom it can be reasonably assumed that they will incur the same costs, a simpler regulation applies. In that case, you can relate the reimbursement to the average costs incurred by the group of employees concerned.

**N.b.:** You can request the inspector for an opinion about the reimbursements you have made. He will form an opinion about the reimbursement on the basis of the examination you have carried out and give his approval for this.

#### *Taxed or (partly) exempt*

For reimbursements and provisions you must make a distinction between reimbursements and provisions which:

- form part of the salary
- are entirely exempt
- are partly exempt or exempt under certain conditions

An exemption applies for reimbursements and provisions together. Therefore you must add up reimbursements and provisions of the same sort in order to assess whether the total is wholly or partly exempt. Contributions from the employee to voluntary provisions are not deducted from his salary. This also applies for the total or partial repayment of a voluntary reimbursement. If a reimbursement or provision is not totally voluntary, there is often a sum which serves as a norm that should be counted as salary. The non-voluntary part of the reimbursement or provision is then taxed. If you ask the employee for a contribution in that case, this own contribution is deducted from the sum (which serves as the norm) which must be counted as salary.

#### *Artists and professional sportsmen and women*

Reimbursements of costs which are paid to foreign artists and foreign professional sportsmen and women who have a short-term contract or perform for a short while or practise sports for a short while can be reduced with the deductible expenses which they reasonable had to incur themselves. The same restrictions on deductions apply for this group of employees.

## 4.5 Payments in the case of special events

**The following payments in the case of special events do not count as salary under certain conditions:**

- One-off payments and provisions upon the employee's death remain untaxed up to a sum of three times the monthly salary.
- Reimbursements for damages or loss of personal property which occurred in connection with the employment are untaxed.

## 4.6 Claims and payments on the basis of claims

So-called claims also count as salary. A claim is a right to receive one or more payments or provisions after a certain period or under a particular condition. A claim is usually part of the salary, but can also be wholly or partly exempt. In that case, the payment or provision which arises from the claim is usually totally or partly taxed. Sometimes both the claim and the payment are taxed (also see paragraph 14.1).

# 5. Step 5 Calculating loonheffing and werkgeverspremies

You must deduct loonbelasting and premies werknemersverzekeringen and pay the employer's part of the health insurance for employees who are insured for werknemersverzekeringen and health insurance. Chapter 1 shows who is and who is not insured under these insurances. Chapter 4 shows the salary on which you must pay premiums.

**This chapter contains information on the following subjects:**

- the loonheffing (see paragraph 5.1)
- werknemersverzekeringen and health insurance (see paragraph 5.2)
- premiums for werknemersverzekeringen and health insurance (see paragraph 5.3)
- calculating the loonheffing and werkgeverspremies (see paragraph 1.1)
- special rewards (see paragraph 5.6)
- net salary agreement (see paragraph 5.7)
- time of deduction, main rule (see paragraph 5.8)
- special times that these are received (see paragraph 5.9)

## 5.1 Loonheffing

As indicated in chapter 1, loonheffing includes the AOV/AWW loonbelasting premium and the premie health insurance owed by the employee. The employee must pay this tax. You serve only as the party that is obliged to deduct it. Therefore the loonbelasting must be deducted from the employee's salary. This is not the case when you have a "net salary" agreement with the employee. This situation is described below in paragraph 5.7.

The basis of calculating the loonbelasting to be deducted is the total salary for the whole year. As virtually no employee is paid just once a year but is generally paid monthly, weekly or fortnightly, the Belastingdienst has drawn up salary and premium tables which take this into account. Depending on the question of whether the employee is viewed as a national taxpayer for inkomstenbelasting, his pure salary period, the basis for calculating the werkgeverspremies and loonbelasting are determined as follows.

**N.b.:** For the calculation of the werkgeverspremies you have to pay you may not take into account the relief issued by the inspector for a reduction in loonbelasting.

Present employment		Former employment
BES employee	Non-BES employee	BES employee
+ Salary in money	+ Salary in money	+ Salary in money
+ Tips <sup>1</sup>	+ Tips	
+ Salary in kind	+ Salary in kind	+ Salary in kind
Salary period	Salary period	Salary period
- Compulsory contributions by employee to pension or pension fund		(- Compulsory contributions by employee to pension or pension fund) <sup>2</sup>
- Fixed deduction	- Fixed deduction	
- Deduction of savings and provident fund		(- Deduction of savings and provident fund)
		- ZOG premiums
Basis for the calculation of werkgeverspremies	Basis for the calculation of werkgeverspremies	
- Inspector's relief	- Inspector's relief	- Inspector's relief
Basis for the calculation of loonbelasting (table)	Basis for the calculation of loonbelasting (table)	Basis for the calculation of loonbelasting (table)

<sup>1)</sup> These are tips which are distributed by you and of which you know the amount.

<sup>2)</sup> It is not possible for an employee who is retired to still participate in a pension and/or savings fund.

#### The term BES employee

The BES Wet inkomstenbelasting provides that only national taxpayers have the right to a belastingvrije som and toeslagen. A BES employee is an employee who lives in the BES as indicated by the circumstances.

#### Non-BES employee

A non-BES employee is an employee who does not live in the BES islands and therefore is not viewed as a national taxpayer for inkomstenbelasting.

Under certain conditions a non-BES employee can be designated as a BES employee, following a written request (see paragraph 13.4).

The sums that are due must be determined on the basis of the tables or with the use of your software program. Calculation rules have been made available for software developers. Also see [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl)

In the tables there are different columns which take into account the right to a belastingvrije som or allowance(s). The belastingvrije som and toeslagen are dealt with in chapter 13. In addition to the loonbelasting that is due, you can also use the tables to determine the werkgeverspremies that are due.

The loonbelasting amounts to 30.4% of the basis. The rate amounts to 35.4 if the employee has not given you any data or has given you data which is clearly incorrect. This employee does not have a right to a belastingvrije som or allowance(s).

## 5.2 Werknemersverzekeringen and health insurance

Werknemersverzekeringen insure employees against loss of income if they are unable to work as a result of sickness or accident or if they have been dismissed.

Zorgverzekering gives the insured parties a right to claim certain medical treatment. **The BES islands have the following werknemersverzekeringen:**

- Wet Ziekteverzekering BES (ZV)
- Wet Ongevallenverzekering BES (OV)
- Cessantiawet BES (CES)

In addition, the BES islands have the:

- Besluit health insurance BES

## 5.3 Premiums for the werknemersverzekeringen and health insurance

The premiums for werknemersverzekeringen consist exclusively of an employer's part. This is a premium which you must pay as an employer. Health insurance also encompasses an employee's part. The part that is owed by the employee is contained in the loonbelasting. In addition, zorgverzekering has an employer's part. You must pay this as an employer.

As an employer, you pay us the premiums due from you.

**The percentages you owe for 2011 can be found in the summary shown below**

- |                                      |       |
|--------------------------------------|-------|
| • Wet Ziekteverzekering BES (ZV)     | 1,6%  |
| • Wet Ongevallenverzekering BES (OV) | 0,5%  |
| • Cessantiawet BES (CES)             | 0,2%  |
| • Besluit health insurance BES       | 16,1% |

These insurances do not have a basic exemption and there is no maximum basis or premium income. You can pay the werkgeverspremies that are due, on the basis of the loonbelasting tables.

## 5.4 Salary period

To calculate the loonbelasting and werkgeverspremies that are due, tables have been developed which correspond to the pay received by the employee for a particular salary period.

The salary period refers to the period for which the salary is received. The decisive factor is the period for which the salary is deemed to have been received on the basis of the employment agreement. The salary period is relevant to determine which period table should be used. For an employee in full-time employment the salary period usually corresponds to the period for which the salary is paid. For example, if it is agreed that the employee receives his salary monthly, the salary period is one month. For an employee who is not in full-time employment the salary period depends on the agreement concluded between the employee and the employer responsible for paying the loonbelasting.

#### Example

An employer who is obliged to pay loonbelasting needs a temporary worker to help him in his business for three half-days per week. Depending on what they agree regarding the salary, the salary period is:

- a month: if a salary of USD 600 has been agreed per month
- a fortnight: if a salary of USD 300 has been agreed per fortnight
- a week: if a salary of USD 150 has been agreed per week
- a day: if a salary of USD 50 has been agreed per day.

If the employee agrees a salary of USD 50 per day with the employer responsible for deducting loonbelasting, and this is paid once a month, the salary period remains one day.

**N.b.:** If an employee enters or leaves your employment during the course of the salary period, you will often have to use another table. In that case you choose the table which corresponds best to the pay that was received.

**Example**

An employee enters your employment on the fifteenth of the month. You have agreed a monthly salary of USD 2,500 with him. For the first month he receives only half of this. In that case the salary period is a fortnight. Therefore you must apply the fortnightly table to the payment of this salary.

## 5.5 Calculating loonbelasting and werkgeverspremies

The calculation of the loonbelasting and werkgeverspremies that are due will now be explained on the basis of a number of examples. You calculate the premies werkgeversverzekeringen on the salary, using the salary before loonbelasting as a starting point.

**N.b.:** To calculate the premiums that are due, you cannot take into account the relief on loonbelasting issued by the inspector. If you agree a net salary with an employee, you must carry out a calculation of the net salary to the gross salary.

**Example 1:**

You employ an employee who earns USD 1,200 every month. You have concluded a gross salary agreement with him. The employee has a right to the general belastingvrije som. **The werkgeverspremies that are due are calculated as follows:**

Column 2	Salary in money	+	1200,00
Column 3	Werkgeversbijdrage vf/sf and interest	+	0
Column 4	Salary in kind	+	
Column 5	Tips	+	
Column 6	Total of columns 2 to 5	=	1200,00
Column 7	Fixed acquisition costs	-/-	23,33
Column 8	Employee's contribution to pension premiums	-/-	
Column 9	Fixed deduction vf/sf funds	-/-	0,00
Column 10	Basis for premiums for werknemersverzekeringen and werkgeverspremie health insurance (columns 6-7-8-9)	=	1176,67
Column 13	Tax relief from inspector	-/-	0,00
Column 14	Basis for calculation of loonbelasting (columns 10-13)	=	1176,67

In the monthly table you find the sum that is closest to the basis that you calculated. In this case that is USD 1,176. You can then find the premium sums next to it. (See the section with monthly table 2011).

Basis	None	General	With 1 child	With 2 or more children	Ouderen-toeslag	Health insurance	ZV/OV/CES (sickness insurance, accident insurance, severance pay)
1176,00	357,50	110,50	78,83	47,17	5,07	189,33	27,04



In this case the werkgeverspremies amount to USD 189.33 for health insurance and USD 27.04 for ZV/OV/CES (sickness insurance, accident insurance, severance pay).

In this case the basis for the werkgeverspremies and the loonbelasting are the same. The loonbelasting to be deducted amounts to USD 110.50.

**Example 2:**

The employee in the previous example received loonbelasting relief from the inspector. This amounts to USD 2,400 per year. This relief does not have any effect on the basis of the werkgeverspremies payable by you. It is only the basis of the contributions due that changes and, therefore, the loonbelasting to be deducted by you.

Column 10	Basis of premiums for werknemersverzekeringen and werkgeverspremie health insurance (columns 6-7-8-9)		1176,67
Column 13	Tax relief from inspector	-/-	200,00
Column 14	Basis for calculation of loonbelasting (columns 10-13)	=	976,67

Basis	None	General	With 1 child	With 2 or more children	Ouderentoeslag	Health insurance	ZV/OV/CES (sickness insurance, accident insurance, severance pay)
972,00	295,48	48,48	16,82	0,00	5,07	156,49	22,35

In this case the werkgeverspremies still amount to USD 189.33 for health insurance and USD 27.04 for ZV/OV/CES (sickness insurance, accident insurance, severance pay), but the loonbelasting amounts to USD 48.48.

*Annual salary for the tables for special rewards*

The salary that must be taken into account to arrive at an annual salary for the tables for special rewards is the salary shown in column 10 of the salary statement (see paragraph 6.2.10).

## 5.6 Special rewards

*One-off rewards*

In principle you should use the table for special rewards for one-off rewards or rewards which are only awarded once a year, such as bonuses, profit-sharing bonuses or holiday pay.

*Overtime pay*

You can use the table for special rewards for overtime pay.

*Preferential rule*

You can opt to add a special reward to the regular salary period. This is only possible in the salary period in which you pay the special reward, and if this results for the employee in a lower deduction than if you use the table for special rewards.

**There are three possible situations:**

- The employee has received a salary from you for the whole of the preceding calendar year. In that case you use the salary which the employee received that year as a starting point.
- The employee only received a salary from you for part of the preceding year. In that case, the sum in relation to an annual salary is used as the starting point. This is proportional to the time of employment. For example, if the employee entered your employment on 15 November, and his cumulative salary (column 10) is USD 3,000 on 31 December, the sum in relation to the annual salary is (USD 3,000: 1.5 x 12 =) 24,000.
- In the previous calendar year the employee did not receive any salary from you. In that case, you use the sum of the salary that the employee will receive from you in the current year in relation to the annual salary as the starting point. The annual salary must be

determined as though the employee received a salary from you for the whole of the current year. You must take all the salary payments into account, i.e., also, for example, incidental payments or possible salary increases that have been introduced.

*Authorisation of lower percentage*

At your employee's request, we can give an authorisation to tax the elements of the salary which fall under the table for special rewards at a lower rate than indicated in the table. A request can be submitted if the normal application of the table for special rewards would lead to the deduction of a sum that is at least 10% higher (with a minimum of USD 558) than the inkomstenbelasting/premies volksverzekeringen which the employee would presumably have to pay. The employee can ask the competent inspector to set a lower percentage than indicated by the table for special rewards. Then the inspector authorises the employer. The authorisation only applies for the year indicated in the authorisation. After receiving the authorisation, you indicate the percentage that you must apply in the salary statement.

Table for special rewards 2011	Annual salary lower than:	Tax amounts to:	Annual salary higher than or equal to:	Tax amounts to:
<b>No belastingvrije som</b>	-	30.40%	-	30.40%
<b>Belastingvrije som:</b>				
- general	10,000	0	10,000	30.40%
- with one child	11,300	0	11,300	30.40%
- with two or more children	12,600	0	12,600	30.40%
<b>belastingvrije som with allowance:</b>				
- general	10,200	0	10,200	30.40%
- with one child	11,500	0	11,500	30.40%
- with two or more children	12,800	0	12,800	30.40%

**Example**

An employee who earns USD 850 per month does not have to pay any loonbelasting if he has the right to a belastingvrije som. If this employee receives an extra reward of USD 850 in one month, loonbelasting would be due without a table for special rewards. In fact, the tax would then be calculated in the monthly table on an annual salary of 12 times USD 1,700 rather than 13 times USD 850. With the application of the table for special rewards, no loonbelasting is due in this case, even with the special reward.

## 5.7 Net salary agreement

You have agreed with your employee that he will receive a net salary of USD 250 every week. The employee has a right to the general belastingvrije som. In addition, he has a right to kindertoeslag for one child.

The benefit for the employee because his loonbelasting is at your expense amounts to a salary from employment for the employee for which you must then pay loonbelasting. For the calculation of the loonbelasting, you must therefore increase his salary by the difference calculated by you. You do this up to the level where the net sum agreed by you has been reached. **This results in the table below**

Salary	Table of loonbelasting due	Net	Difference
250	9,64	240,36	9,36
259,36	12,59	246,77	2,95
262,59	13,86	248,73	1,27
263,86	13,86	250	0

This recalculation is known as “grossing up”.

**N.b.:** The table only shows the results of the calculations. You calculate the sums just as you would carry out a normal calculation.

**N.b.:** Both the basis for the loonbelasting and the basis for the werkgeverspremies change!

## 5.8 Time of deduction, main rule

In order to make an aangifte loonheffing en premies, the time at which the salary is received is a determining factor.

**Your employee receives the salary at the moment at which it is:**

- paid, settled or made available
- starts to bear interest
- can be claimed and collected

The time at which one of the three above-mentioned situations first arises is decisive for the time at which the deduction is made. At the time that the salary is received you calculate the loonbelasting and the werkgeverspremies. You use the loonbelasting tables which apply at the time of the deduction and you process the salary, the loonbelasting and the werkgeverspremies in the period for the return at that time.

### *Later payments (delayed payment of salary)*

If you pay a salary with a delay, as in the case of a later payment in connection with a new collective employment agreement, a pension which is awarded at a later date or an individual salary increase, you must include that salary in the return at the moment that your employee receives the salary, in accordance with the main rule.

## 5.9 Special times for receiving a salary

### *Notional salary*

The notional salary of a shareholder with a significant interest is deemed to have been received at the latest at the end of the calendar year or at the time of the termination of the employment in the course of the year.

### *Salary at an unusual time*

If you agree with your employee that he will receive his salary entirely or partly at an unusual time, the time at which the salary would normally be paid still applies as the moment at which he receives it.

### *Advances*

In the case of an advance on the salary, you must deduct the loonbelasting and calculate the werkgeverspremies at the time at which you pay out the advance to the employee. Therefore the main rule applies for advances.

# 6. Step 6 Recording sums in the salary statement

You must complete a salary statement for every employee.

The salary statement shows the data which is relevant for loonbelasting. Appendix 2 of this manual contains a specimen salary statement. **The specimen salary statement consists of two parts:**

- one part with the sections of the salary statement  
In these sections you provide the personal data of the employee, your own data, data for the application of the table and the CRIB number (see paragraph 8.1).
- one part with the columns of the salary statement  
In these columns you indicate the salary amounts, deducted items, deductions, the salary to be paid, etc. (see paragraph 8.2)

## 6.1 Sections of the salary statement

### The salary statement has the following sections:

- salary statement number and calendar year;
- employee;
- party making the compulsory deduction/employer
- data for the application of the table
- data for the werknemersverzekeringen and health insurance
- special rewards
- relief for reduction of loonbelasting
- salary in kind

#### *Section: salary statement number and calendar year:*

In this section you complete the salary statement number and the calendar year.

#### *Section: employee*

In this section you fill in the personal data of the employee which he presented to you before the first working day. For further information about presenting this data see paragraph 2.1.

#### *Section: party making the compulsory deduction/employer*

In this section you fill in your name and address data as well as the complete CRIB number.

#### *Section: data for the application of the table*

In this section you indicate whether you must apply the belastingvrije som and allowance(s) for the employee and from what date this applies. Amendments to the application of the belastingvrije som and toeslagen must also be included in this section.

#### *Section: data for the werknemersverzekeringen and health insurance*

In this section you indicate whether the employee is insured for the werknemersverzekeringen and/or the health insurance.

#### *Section: special rewards*

In this section you indicate the pure salary for the whole of the previous year or the derived full salary for the whole year. You also record the rate for special rewards here.

#### *Section: relief for reduction of loonbelasting*

In this section you indicate the starting date of the relief, the amount of the relief determined by the inspector, the date from which you can take the relief into account and the sum which you can take into account per salary period.

#### *Section: salary in kind*

In this section you indicate the rewards regularly provided in kind and the valuation adopted by you. In addition, you indicate whether a car was made available to the employee, the new value including the general expenditure tax and import duties, the contribution from the employee for private use owed to you by the employee, and the benefit to be taken into account per salary period.

## 6.2 Columns of the salary statement

### The salary document has the following column:

- column 1: salary period
- column 2: salary in money
- column 3: Werkgeversbijdrage to savings and provident fund and interest on savings and provident fund
- column 4: salary in kind
- column 5: tips
- column 6: total of column 2 to column 5
- column 7: deduction of acquisition costs
- column 8: employee's contribution to pension premiums
- column 9: fixed deduction for savings and provident fund
- column 10: basis of premiums for werknemersverzekeringen and werkgeverspremies for health insurance
- column 11: premiums due for werknemersverzekeringen
- column 12: werkgeverspremies due for health insurance
- column 13: inspector's relief
- column 14: basis of calculation of loonbelasting
- column 15: loonbelasting according to the table
- column 16: employee's contribution to savings and provident fund
- column 17: untaxed reimbursements
- column 18: salary to be paid

#### 6.2.1 Column : salary period

Fill in the salary period in this column. The salary period is the period in which the employee receives salary. For example, this could be a day, a week or a month. The salary period determines which period table (the monthly table, the weekly table, etc.) you must use for the calculation of the loonbelasting for the salary period (also see paragraph 5.4).

### 6.2.2 Column 2: salary in money

In this column fill in the salary in money. This is the salary on which loonbelasting must be levied. **The following types of salary should be recorded in column 3:**

- salary in money from present employment, such as salary, wages, commission, premiums (allowances, etc.), holiday money paid out, danger money, overtime pay, bonuses and profit-sharing bonuses, as well as sickness benefit payments paid out with your intervention. It also includes pensions, allowances in lieu of pension, etc. If you agree a particular net salary with an employee, you still fill in a gross salary in column 3 (also see paragraph 5.7).
- reimbursements of costs insofar as these have not been made exempt
- the payments for ziekteverzekering, ongevallenverzekering and cessantia which you have made.

### 6.2.3 Column 3: werkgeversbijdrage to savings and provident fund and interest on savings and provident fund

In this column fill in the contribution you have made to the savings and provident fund. In addition, you should also fill in the interest added to the balance of the fund here.

### 6.2.4 Column 4: salary in kind

In this column fill in the salary in kind on which you owe werkgeverspremies and for which you must deduct the loonbelasting. This concerns salary in kind and claims (also see paragraph 4.3). The value of these provisions is determined on the basis of norms for common types of rewards. This value can be amended annually.

Claims concern the taxed value of a claim: the total value with a deduction of the possible werkgeversbijdrage (also see paragraph 14.1).

*N.b.: The addition for the private use of a car should also be recorded in column 4.*

### 6.2.5 Column 5: tips

In this column fill in the amount of tips.

#### Tips

Only tips which are paid as a result of your intervention.

### 6.2.6 Column 6: total from columns 2-5

In this column fill in the total of columns 3-5.

### 6.2.7 Column 7: deduction for acquisition costs

In this column fill in the fixed deduction for acquisition costs which applies for the period. This deduction of USD 280 can only be applied if there is a salary from present employment. For this deduction it does not matter whether the employee does or does not live on the BES islands.

### 6.2.8 Column 8: employee's contribution to pension premiums

In this column fill in the compulsory contribution to be deducted from the employee's salary on the basis of a pension scheme.

### 6.2.9 Column 9: fixed deduction for a savings and provident fund

In this column fill in the fixed deduction for savings and provident funds (see chapter 15).

### 6.2.10 Column 10: basis of premiums for employer's insurance and werkgevers-premie health insurance

In this column fill in the balance of columns 6, 7, 8 and 9.

### 6.2.11 Column 11: premiums due for werknemersverzekeringen

In this column fill in the sum of the premiums payable by you for werknemersverzekeringen.

### 6.2.12 Column 12: werkgeverspremie due for health insurance

In this column fill in the sum of the werkgeverspremie payable by you for health insurance.

### 6.2.13 Column 13: inspector's relief

In this column fill in the sum of the relief which you can take into account per period to calculate the loonbelasting that is due.

### 6.2.14 Column 14: basis of the calculation of loonbelasting

In this column fill in the salary on which you must deduct loonbelasting. This is the balance of column 10 and 13. The sum which you fill in in column 14 is the sum on the basis of which you determine the loonbelasting due in the table.

### 6.2.15 Column 15: loonbelasting according to the table

In this column fill in the sum that you have deducted for loonbelasting (also see paragraph 5.7, net salary).

#### **6.2.16 Column 16: employee's contribution for savings and provident fund**

In this column fill in the employee's contribution for the savings and provident fund that has been deducted.

#### **6.2.17 Column 17: untaxed reimbursements**

In this column fill in the sum of untaxed reimbursements. This is the total of columns 3, 9 and 13, with the deduction of columns 7, 11, 15 and 16.

#### **6.2.18 Column 18: salary to be paid**

In this column fill in the sum of the salary to be paid. This is the total of column 2, 5 and 17, with the deduction of columns 8, 15 and 16.

## 7. Step 7 Providing employees with a salary slip

You are obliged to provide the employee with a written statement (salary slip) of:

- the first payment of salary after he entered into employment
- every payment of salary which deviates from the previous salary payment.

You can use your own forms for this purpose. These must include a number of data.

*Compulsory data on the salary slip*

**You are obliged to give at least the following data on the salary slip:**

- the gross salary in money
- the composition of the salary, for example, the basic salary, the guarantee salary, performance reward, commissions, overtime pay, allowances, premiums, bonuses
- the amounts which have been deducted from the salary, such as loonbelasting/premie volksverzekeringen, premie health insurance and attachment of salary
- the agreed-upon period of employment
- the period for which the salary is calculated
- the legal minimum salary which applies for the employee for the period for which the salary is calculated
- your name and the employee's name

In addition to the compulsory data shown on the salary slip, it is also advisable to indicate:

- whether you apply the belastingvrije som and allowance(s)
- the salary period
- the taxable salary

## 8. Step 8 Indicating and paying loonbelasting and werkgeverspremies

If you are obliged to deduct them, you must make a tax return for loonbelasting en premies. You must make the return in time and pay the loonbelasting and werkgeverspremies on time. The period for making the return for the loonbelasting and werkgeverspremies which you must indicate and pay is a calendar quarter. The sum shown on the return is paid on time if we have received it within fifteen days after the end of the calendar quarter. The periods and dates on which you must have made and paid the return are shown in the table below.

Year 2011			Return and payment at the latest by:
Period for return	start	end	
first quarter	1-1-2011	31-3-2011	15-4-2011
second quarter	1-4-2011	30-6-2011	15-7-2011
third quarter	1-7-2011	30-9-2011	15-10-2011
fourth quarter	1-10-2011	31-12-2011	15-1-2012

**N.b.:** In a few cases the period for return deviates from the calendar quarter. In which case a return period of one month or six months applies. If this applies to you, you will be informed by the inspector.

### The aangifte loonbelasting en premies contains the following sections::

- basis for the premium for werknemersverzekeringen and werkegeverspremie health insurance
- basis for loonbelasting en premies AOV/AWW and werknemerspremie health insurance
- premies for werknemersverzekeringen
- werkgeverspremie health insurance
- loonbelasting en premies AOV/AWW and werknemerspremie health insurance

### This chapter contains information on the following subjects:

- making a return and paying loonbelasting and werkgeverspremies (paragraph 8.1)
- payment on time (paragraph 8.2)
- payment reference (paragraph 8.3)
- nihil return and zero return (paragraph 8.4)
- incorrect or incomplete return or payment (paragraph 8.5)
- no payment, partial payment, or late payment (paragraph 8.5.1)
- no payment, partial payment, or late payment because of incorrect information (paragraph 8.5.2)
- no return or late return (paragraph 8.5.3)
- combination of default with regard to return and payment (paragraph 8.5.4)
- exceptional case (paragraph 8.5.5)
- fine for violation (paragraph 8.6)
- voluntary improvement (paragraph 8.7)
- registering as a taxpayer too late (paragraph 8.8)
- objection (paragraph 8.9)

## 8.1 Making a return and paying loonbelasting and werkgeverspremies

### Return

When you make a return you receive a letter with information from us before the start of the calendar year. This letter with information indicates for which periods in the following year you must make a return (see paragraph 10.1.3) and shows the latest dates for making a return and payment (see table). If you have registered as an employer in the course of the year, you will receive the letter with information after registering.

### Notification for making loonbelasting return and payment

You will receive a return at the end of every period for returns. The return shows the period for returns and the payment reference. When you make your payment, always indicate the payment reference shown on the return. The latest dates for making the return and payment for that period are also shown on the return.

## 8.2 Payment on time

The date for the return is the day on which the B/CN received the return. For payments at the tax office the date of payment is the day on which the payment was made. Both the return and the payment must be available within 15 days after the end of the period for the return. For

payments by bank, the date of payment is the day on which the amount was credited to the bank account number of the B/CN. Always include the payment reference shown on the return with your payment.

**For payments by bank or giro you can use the following bank or giro accounts:**

MCB: 40.291.708

RBTT: 18.087.299

BDC: 30.638.801

GIRO: 21.00.000

ORCO: 76.010.0

Windward Islands Bank (Saba): 81.050.000

Windward Islands Bank (St. Eustatius): 82.05.000

## 8.3 Payment reference

If you do not give a payment reference or give an incorrect payment reference, it is possible that we will not be able to process your payment or process it on time. In that case you may receive a demand for later payment. The payment reference is different for every return and demand for later payment. For that reason, make sure that you always indicate the payment reference with the return or demand for later payment which you pay. You will find the payment reference on the returns. If you have forgotten the payment reference, please contact B/CN.

**N.b.:** *Your payment of the return into our account must be credited to the B/CN account within 15 days after the end after the period of the return. Take this into account, for example, if the latest payment date is in the weekend or on a generally recognised holiday. The periods within which the return and the payment must be made are not extended in those cases.*

*In the case of payment to the bank, the time of payment is often one or more days later than the time at which the sum is debited from your account.*

## 8.4 Nihil return and zero return

If you do not have to indicate any loonbelasting and/or werkgeverspremies for a particular period, you must still send the return in time. In that case you must make a so-called nihil return or zero return. If you send a nihil return or zero return it is important to indicate "nihil" or "zero" in the appropriate sections and sign the return. If the required data is missing, you will be asked to provide this.

## 8.5 Incorrect or incomplete return or payment

If you are too late making a return or making a payment, this usually counts as default and we will send you notification of default or impose a fine. If necessary, you will receive a demand for later payment. **The following situations are possible:**

- You made no payment, partial payment, or late payment (payment default)
- You made no payment, partial payment, or late payment because of incorrect information (payment default)
- You make no return or sent it too late (return default)
- There is a combined default with regard to sending a return and making payment
- It is an exceptional case

### 8.5.1 You make no payment, partial payment, or late payment

You did indicate the tax to be paid on your return, but the payment was not made on time. In that case a fine of 5% is imposed for the default (with a minimum of \$100) for the tax which was not paid, only partly paid, or not paid within the period. This applies if the payment was not credited, or partly not credited to the bank account number of B/CN by the latest payment date.

### 8.5.2 You make no payment, partial payment, or late payment because of incorrect information

In this case, a fine of 15% is imposed for the default (with a minimum of \$200) for the tax that was not paid, only partly paid, or not paid within the period. This applies if not enough tax was shown on the return and the tax was therefore not paid, only partially paid, or not paid in time. For example, this includes incorrect returns and figures which have proved to be incorrect.

#### **Example:**

*The return for loonbelasting en premies for the second quarter of 2011 with a due sum of USD 5,000 must be paid by 15 July 2011 at the latest. The return is submitted on 15 July 2011, but the payment is made on 25 July 2011. The tax that was due was therefore not paid within the period. For the sum of the fine for the default, a later demand is then imposed of 5% of USD 5,000 = USD 250.*

*The return for loonbelasting en premies for the second quarter of 2011 with a due sum of USD 5,000 must be paid by 15 July 2011 at the latest. The return and payment are made on 15 July 2011. This is within the period. An examination by the inspector shows that an incorrect return was submitted, so that not enough payment was made. The loonbelasting en premies due for the second quarter of 2011 amount to USD 7,000. A later demand for loonbelasting en premies is now imposed for the difference of USD 2,000, as well as a fine for the default of 15% of USD 2,000 = USD 300.*



### 8.5.3 You do not make a return or make it too late

If you pay the return too late, or we do not receive it at all, a fine can be imposed for default. The first time that the return is not paid or is paid too late, you do not (yet) receive a fine for default. However, you do receive notification of default. After this, every time you do not submit the return or submit it too late within 24 months after the previous default, a fine of USD 100 will be imposed for the default..

### 8.5.4 Combination of default for returns and payment

If both the return is made too late and the tax due is paid too late, a default is recorded for both the return and the payment. The return for later payment then includes a fine for the default (in respect of the return) (from the second default in respect of a return), but also a fine for the default (in respect of payment) (if a payment must be made for the return).

### 8.5.5 There is an exceptional case

In an exceptional case it is possible to deviate from the standard percentages and amounts. For example, if you are systematically in default a higher fine may be imposed for the default. There is a maximum for these fines. For the failure to make a return, for making a partial return or for failing to make the return within the period (default in respect of return) the fine amounts to a maximum of USD 1,400. For the failure to make a payment, for making a partial payment or for failing to make the payment within the period (default in respect of payment) the fine amounts to a maximum of USD 5,600.

**N.b.:** In the case of default in respect of payment, there is a minimum fine for the default of \$100 if the payment is not paid, partly not paid or not paid **within the period**.

If the tax is not paid, partly not paid or not paid within the period because **the return was for too little** there is a maximum fine for the default of USD 200.

The fine for not making a return, or making it too late, amounts to USD 100 for every time that you do not submit the return or submit it too late in the 24 months after the previous default.

In an exceptional case the inspector can impose a higher fine.

The fine for a default in respect of payment amounts to a maximum of USD 5,600. The fine for a default in respect of a return amounts to a maximum of USD 1,400.

In order to make a return in time there is a leniency period of seven calendar days after the last date for the return. If we receive your return and/or the payment within this period, you will not receive a fine for default in respect of the return and/or payment.

## 8.6 Fine for an offence

The Belastingdienst can also impose a fine for an offence, instead of a fine for a default. This must involve gross negligence, conditional intent or fraud. When we want to impose a fine for an offence, we will first inform you of this, stating the reasons. You will then have an opportunity to respond to this notification before the additional demand for payment is imposed.

## 8.7 Voluntary improvement

If you correct an error you have made on your own initiative, a fine for default of 5% or of 10% of the basis of the fine will be imposed, rather than a fine for an offence in the case of gross negligence or (conditional) intent. In the case of serious and relatively large-scale fraud or recidivism (a repeat of a former default and/or offence), a fine for default will be imposed of 15% of the basis of the fine, rather than a fine for an offence.

**N.b.:** If you correct an error you have made on your own initiative, and there is no question of gross negligence (conditional) intent, serious and relatively large-scale fraud or recidivism, the additional demand will be imposed without a fine.

There is no question of errors being corrected on your own initiative if you were instructed to carry out an examination of the books or if there is an ongoing branch or fraud investigation, or this has been announced and there is reason to suspect that the results of this investigation could affect you.

## 8.8 Registering too late as a taxpayer

If you did not register as a taxpayer or registered too late, we usually send a letter with the return, so that you can still make the return. Because you have not previously registered as a taxpayer, you will now pay the ABB too late. We can impose a fine for this.

## 8.9 Objection

You may have made the return too large. Or you may have calculated, made a return and made payment of the loonbelasting en premies in accordance with the applicable regulations while you did not agree with those regulations. In that case you can object to the amount that you paid for two months after making the payment. We will then decide on the objection in a judgement. You can lodge an appeal with the court against this decision.

## 9. Step 9 Providing an annual income statement

You are obliged to provide the employee with an annual income statement even if the employee does not ask for this himself. The annual income statement must show all the data which is relevant for levying inkomstenbelasting/premies volksverzekeringen and the premie health insurance payable by the employee (hereinafter “loonbelasting”)(see paragraph 9.1).

The annual income statement can be made in any form. You use the specimen provided by the Belastingdienst/CN. You can download a specimen annual income statement for 2011 from [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl)

### 9.1 2011 Annual statement 2011

**The 2011 annual statement must in all cases contain the following data for the employee:**

- total sum of salary in money, werkgeversbijdrage vf/sf and interest, salary in kind, tips
- employee's contribution to pension premiums
- basis for loonbelasting and health insurance (employee's contribution)
- loonbelasting deducted
- employee's contribution to sf/vf fund
- untaxed reimbursements
- inspector's relief
- availability of private car and new value of that car

**In addition, whether you have applied:**

- the belastingvrije som
  - kindertoeslag(en) and/or ouderentoeslag.
- and whether the employee is insured for werknemers-verzekeringen and/or health insurance.

## 10. Providing information for inspection

**An inspection visit can be:**

- to examine whether the company's bookkeeping is in order by carrying out an examination of the books (see paragraph 10.1)
- to collect information about the state of affairs in the company, on the basis of a so-called visual observation in situ (see paragraph 10.2)

You are obliged to cooperate with an inspection (see paragraph 10.3). There is an obligation to keep the basic data for a period of seven years (see paragraph 10.4).

### 10.1 Examination of the books

We usually announce an examination of the books well in advance. The examination of the books is a control of the administration. This can be an examination for a particular period or an inspection of certain parts of the bookkeeping. We write a report of every examination of the books. You are automatically sent a copy of this.

### 10.2 Visual inspection in situ

When we carry out a visual inspection in situ, this is to obtain an insight into the everyday course of events in the company. For example, we may examine whether the administration is kept up to date and how many personnel there are. For the first visual inspection in situ, you will be informed in advance of the period when the visit will take place.

If there is anything that is not in order we can point this out to you straightaway. We keep the data we have collected. These may be discussed again on a following occasion.

We write a report of every visual inspection in situ. You are automatically sent a copy of the public part of that report.

## 10.3 Cooperating with the inspection

You are obliged to cooperate with an inspection. **This entails the following obligations:**

- You must give the inspectors access to the buildings where your company is established.
- You must provide all the information and data which could be relevant in the context of the inspection.
- You must make the administration available for inspection and allow us to make copies of it. This also applies for belastingen, premies and premies for health insurance of a party other than yourself.
- You must make the structure and operation of your administration available for inspection, so that the inspection can take place within a reasonable period.

In inspections, a link is made between the tax returns, the annual income statements and the administration. In order to ensure that these inspections are carried out successfully, it is advisable to keep the calculations which were drawn up when the returns and annual income statements were made.

If your administration is computerized, you can also save time during an inspection by using the Audit file of your bookkeeping package. Most packages include this possibility. With the Audit file you can quickly store the most important data needed for the inspection in a file.

## 10.4 Period for keeping documents

There is an obligation to keep the so-called basic data for a period of seven years. **This concerns the following data:**

- the ledger
- the debtor and creditor administration
- the purchase and sale administration
- the stock administration
- the salary administration

In addition, you must keep the following data:

- the loonbelasting declarations

You must keep this data up for at least ten years after the calendar year when the employment came to an end, or in which the loonbelasting declaration was replaced by another one.

**N.b.:** *If you stop your enterprise or are no longer obliged to make deductions for loonbelasting, you must continue to keep the data.*

You can make written agreements with us about the data, which is included in the basic data, and about the period that other data must be kept. If (part of) your administration is computerised, you must keep this administration in accordance with the legal regulations.

## 10.5 Liability

If you did not pay loonbelasting or paid too little, you may receive a demand for additional payment for the sums that are payable. Sometimes we can also demand these sums from other parties. In that case we make other parties liable for the sums you have to pay. **The parties who can be held liable are:**

- contracts of personnel (see paragraph 10.6)
- directors of a company or corporation which does not have legal nature or a corporation and managers of legal persons established on the BES (see paragraph 10.7)
- contractors in a chain (see paragraph 10.8)
- the employee (see paragraph 10.9)

**The following persons can be held liable for parties obliged to make loonbelasting deductions who are not established on the BES islands.**

- the manager of the permanent establishment on the BES islands;
- his permanent representative living or established on the BES islands; or
- the person who manages the activities carried out on the BES islands;
- the employee.

**N.b.:** *The liability of the contractor and the party contracting in employees currently only applies in the construction sector.*

*The sectors which form an exception can be found on*

**[www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl)**

The person who has been made liable can object to this. He can also object to the size of the sum for which he has been made liable. However, he cannot object to the size of the demand. If we hold you liable, you can object to the liability and to the size of the sum for which we are holding you liable in a single notice of objection. We must have received your objection within six weeks after you were held liable. We will then reconsider the liability and inform you of our decision.

## 10.6 Contracting in personnel

If you contract in personnel, a temporary employment agency worker for example, the employment between the employee and his contractor (the employment agency) continues to exist, even though the employee is working under your management or supervision. The contractor has to calculate and pay loonbelasting and werkgeverspremies on the salary which the employee receives for the activities he carries out. If the contractor does not do this, you are severally liable for these amounts. If we hold you liable, we do so with a decision against which you can appeal.

As the party contracting in personnel, you can indemnify yourself against this liability by making use of a g-account (see paragraph 10.10).

There is a legal presumption that every payment of tax during the period that the work is carried out relates to that work. This shows that for the employees involved in that particular work, tax has been paid. Obviously the question remains whether the sum that was paid was sufficient.

## 10.7 Directors of companies, corporations, foundations and foreign legal persons

A director is liable for the payment of a number of belastingen and premies if he is the director of one of the following legal bodies:

- a company (private company or limited company)
- a corporation which must make a corporation tax return
- a foundation which must make a corporation tax return
- a foreign legal person which must make a corporation tax return in the Netherlands

The most important belastingen and premies for which a director can be held liable are:

- loonbelasting
- werkgeverspremies

## 10.8 Contractors in a chain

If you are a contractor in a chain (main contractor, subcontractor, sub subcontractor) and you contract work out to a subcontractor, we can hold you liable for the payment of the loonbelasting of your subcontractor or his subcontractor.

This is so-called chain liability. You can indemnify yourself against that liability as a contractor by using a g-account

(see paragraph 10.10). There is a legal presumption that every payment of tax during the period that the work is carried out relates to that work. This shows that for the employees involved in that particular work, tax has been paid. Obviously the question remains whether the sum that was paid was sufficient..

### 10.8.1 Notification to the inspector

The contractor is not severally liable either if he sends a copy of the contractual agreement to the inspector within a week of its being signed. **The agreement must contain the following data:**

- place and date of the work
- estimated sum of the contract
- estimated salary sum
- CRIB number of the subcontractor

## 10.9 Employee

**We can hold the employee liable for the loonbelasting if:**

- the sums have wrongly not been deducted
- the employer is not established on the BES islands
- the employer is not established on the BES islands and the employee wishes to leave the BES islands

If amounts have wrongly not been deducted for loonbelasting, we do not hold the employee liable if he has informed us of your negligence in time.

## 10.10 "G" account

The law gives the contractor and the party contracting in the personnel the possibility of preventing them from being held liable for failing to pay loonbelasting and werkgeverspremies, viz. by making use of a so-called G account. In that case he must, on the basis of a written agreement, pay that proportion of the contractual sum into the G account which corresponds to the loonbelasting and werkgeverspremies due on the sum of the salary. This is the part for which he could otherwise be held liable. The G account can only be used by the subcontractor/party contracting in personnel to pay tax and premiums. In that case there is a legal presumption that every payment of tax and premiums during the period that the work is carried out relates to that work. This shows that for the employees involved in that particular work, tax has been paid. This is independent of the question whether the sum that was paid was sufficient. The contractor remains liable for any remaining difference. Payments made by a subcontractor during that period into accounts of his subcontractors are also presumed to relate to that work.

# 11. End of the obligation to make deductions or the end of the employment

At the end of the obligation to make deductions (see paragraph 11.1) and at the end of the employment of an employee (see paragraph 11.2), you have various notification obligations.

## 11.1 End of obligation to make deductions

**Your obligation to make deductions comes to an end when you comply with both of the following conditions:**

- you no longer employ any personnel
- you no longer pay any salaries

You must notify us of this within one month. If you temporarily do not employ any personnel, for example, for a few months, you do not have to notify this. However, you must continue to make a (nihil) return.

At the end of the obligation to make deductions in 2011, you still have the following obligations:

- within fifteen days, you must pay the loonbelasting and werkgeverspremies for the return which are payable for the part of the period that has passed,
- if you receive another return after the end of the obligation to make deductions, you must submit a (nihil) return for every period for which you receive a return. In this way you will avoid demands for additional payments.

## 11.2 End of the employment

Employment comes to an end, for example, on the dismissal or death of an employee. You must always indicate the date of the end of the employment with the employee's data in the return for loonbelasting and premies of the period concerned (also see chapter 8). If your obligation to make deductions also ends at the end of the employment, you must notify us of this within one month.

**You must keep the following data for your employee:**

- the loonbelasting declaration
- all the relief issued by the inspector

You must keep the loonbelasting declarations for at least ten years after the end of the calendar year in which the employment ended, or in which the loonbelasting declaration was replaced by another. In addition, you must take into account the general obligation to keep documents for seven years (see paragraph 10.4).

## Part 2 Subjects

**This section covers the following subjects:**

- 12 Special working relationships
- 13 Belastingvrije som and toeslagen
- 14 Special types of salary
- 15 Savings and provident funds
- 16 Expatriate regulation

## Summary

Part 2 contains additional information to the plan of steps in part 1. This additional information is divided into subjects.

Amongst other things, you will find information about the employment for special working relationships. The subject "Belastingvrije som and toeslagen" looks at the composition of the belastingvrije som and toeslagen.

The subject "Special types of salary" explains whether certain components of the salary belong to the salary or are exempt from the loonbelasting and werkgeverspremies. The subject "Savings and provident funds" describes which conditions a fund must comply with. In addition, the subject "Expatriate regulation" is dealt with in a separate chapter.

# 12. Special working relationships

**This chapter deals with the following special working relationships:**

- contractors of work and their assistants (paragraph 12.1)
- artists (paragraph 12.2)
- director of a body established on the BES islands (paragraph 12.3)
- supervisors of a body established on one of the BES islands (paragraph 12.4)
- captain and crew members on maritime ships (paragraph 12.5)
- temporary workers (paragraph 12.6)
- children working for you (paragraph 12.7)
- workers working on commission (paragraph 12.8)
- sportsmen and women (paragraph 12.9)

## 12.1 Contractors of work and their assistants

Contractors of work and their assistants are in your notional employment if they carry out work themselves and agree with you to carry out work of a material nature for a particular price. This notional EC also concerns a contractor and his assistants who carry out services which do not fall under the civil law agreement for contractual work. For example, this also includes maintenance work, typing work and its ramifications.

**This notional employment does not apply in the following situations:**

- the work is carried out in the personal or domestic sphere of the client
- the work has been accepted by a self-employed entrepreneur
- the agreement was concluded with the State, Bonaire, Sint Eustatius or Saba
- the activities take place in a sector for which adopting a contractual working regulation is excluded. These sectors are included in [www.belastingdienst-cn.nl](http://www.belastingdienst-cn.nl).

### 12.1.1 The distribution of salary between a contractor of work and his assistants

If a contractor has assistants, you are obliged to also deduct loonbelasting on the salary which the contractor pays his assistants. For this reason, the contractor must inform you how much salary each assistant receives. For this purpose, he must present you with a declaration signed by him and by his assistants.

If the contractor does not submit a declaration to you, you must consider the whole salary as the contractor's salary, to calculate all the loonbelasting.

You must also calculate and pay werkgeverspremies on the salary.

## 12.2 Artists

The working relationship with a national artist is assessed on the basis of the rules which apply for real employment. A national artist is an artist who lives in the BES islands.

**Real employment has the following characteristics:**

- the employee has undertaken the obligation to work for a particular period
- the employer is obliged to pay the employee a salary for his work
- there is a relationship based on authority between the employee and employer

If these characteristics are not complied with, the artist is not in your employment and you do not have to deduct and pay any loonbelasting or pay any werkgeverspremies.

If the artist does not live in the BES islands and is not in real employment, he is in your notional employment. In that case you must pay 10% loonbelasting and 2.3% premies for werknemersverzekeringen on the salary earned by the artist. A foreign artist who is in your notional employment contract is not insured for health insurance.

## 12.3 Director of a body established in the BES islands

People who work as a director for a body established in one of the BES islands are in your notional employment. This includes directors or limited or private companies, but also foundations, private fund foundations, partnerships, cooperatives or mutual companies.

### **Shareholder with a significant interest:**

The customary salary regulation applies for people who work and have a significant interest. In some cases a notional salary also applies for them.

#### **12.3.1 Shareholder with a significant interest Someone is a shareholder with a significant interest, either with or without his wife, if:**

- he was a direct or indirect shareholder for at least 5% of the subscribed capital in a company of which the capital is wholly or partly divided in shares;
- has rights to directly or indirectly acquire shares up to at least 5% of the subscribed share capital;
- has proof of profits which relate to at least 5% of the annual profit of a company or at least 5% of what is paid out upon liquidation.

The customary salary regulation applies for a shareholder with a significant interest.

#### **12.3.2 Customary salary regulation The customary salary regulation means that:**

- The shareholder with a significant interest is deemed to receive a salary which is customary for the level and duration of his work.
- This salary is at least USD 20,000

#### *Customary salary USD 20,000 or lower*

If you can demonstrate that a lower salary is customary, the salary is set at that lower salary. The shareholder with a significant interest can also demonstrate this himself. In that case you must make a comparison with similar forms of employment in which a significant interest does not play a role.

#### *Customary salary higher than USD 20,000*

If a higher salary is customary for this similar type of employment, the salary is set at the highest of the following amounts:

- 70% of the highest customary salary, but at least USD 20,000.
- The salary of your employee who earns most, or of an employee of a company affiliated to you who earns most.

However, if you (or the shareholder with a significant interest) can demonstrate that this sum should still be lower, you may set the salary at this lower sum.

#### *Customary salary in the year of establishment and the three following calendar years*

In the year of establishment and the three following years, you may set the customary salary at the sum of the commercial profit at the employee's request. The customary salary cannot be lower than zero. As the commercial profit is only determined at the end of the calendar year, you may use the estimated commercial profit as a starting point.

If the commercial profit differs from the estimate at the end of the calendar year, this difference must be corrected. The inspector can carry out such a correction on a customary salary which in retrospect proved to be too low, both through the loonbelasting and through inkomstenbelasting, opting for the most practical possibility.

**N.b.:** Salary that is actually received continues to be taxed once it is included in the loonbelasting.

#### **12.3.3 Notional salary**

The regulation on customary salary determines the size of the salary that is deemed to be received by the employees referred to above. If you have paid out a salary, but less than the customary salary, you must process the difference as salary in your administration and calculate loonbelasting on this. This difference is the so-called notional salary: you did not actually pay it.

If you have not paid any salary at all, you must process the customary salary entirely as a notional salary for an employee who has a significant interest as a shareholder.

#### **12.3.4 Moment at which the notional salary is received**

The notional salary, the difference between the customary salary and the actual salary received, is received at the end of the calendar year or the end of the employment if this ends during the course of the calendar year.

#### **12.3.5 Director and werkgeverspremies**

A director is in the notional employment of his company for loonbelasting. A director is not insured for the werknemersverzekeringen and therefore you do not have to pay any premiums for werknemersverzekeringen on his salary. If the director lives in the BES, you must pay the werkgeversbijdrage of the premie health insurance.

## 12.4 Supervisors

Supervisors, such as the members of the supervisory board, supervise the management of a company. Supervisors are in notional employment for loonbelasting. The customary rules for loonbelasting apply to them. Supervisors are not insured for the werknemersverzekeringen. If the supervisor lives in the BES, you must pay the werkgeversbijdrage to the premie health insurance.

## 12.5 Captain and crew members on maritime ships

The captain and crew members on maritime ships in Aruba, Curacao, Sint Maarten, or the public bodies, Bonaire, Sint Eustatius or Saba are not insured for werknemersverzekeringen.

## 12.6 Temporary workers

A temporary worker is someone who is available to carry out work, often on demand. A temporary worker is often paid on the basis of the hours he has worked. The employment relationship with a temporary worker can be based on different types of agreements. The employment relationship of a temporary worker usually counts as real employment (see paragraph 1.1.1).

**N.b.:** *If you have any doubts about whether you have to pay loonbelasting on the salary of a temporary worker, you can contact the Belastingdienst/Caribisch Nederland.*

A temporary worker is not insured for werkgeverspremies if he does not as a rule work in your employment for twelve consecutive days. Sundays and days equivalent to this on the basis of the 2000 BES Factory Act do not count for the calculation of the number of days.

## 12.7 Children working for you

A child working in the company of his parent(s) may be in real employment (see paragraph 1.1.1). This is the case if the child that is working for you works under the same working conditions as other employees. In that case he is also insured for the werkgeverspremies. In that case, the normal rules for loonbelasting apply.

Notional employment applies for a child working for his parent(s) if the child is at least 15 years old and the family relationship between the parent and child is dominant in the employment relationship. In other words, the working

conditions are not the same as those of the other employees. **In that case the following applies:**

- The parents are obliged to deduct loonbelasting.
- The parents must comply with all the related administrative obligations.
- The child who is working is not insured for the werknemersverzekeringen.

The notional employment does not apply if the company is also managed on behalf of the child.

## 12.8 Employees working on commission

An employment relationship with a person who works for you purely on the basis of commission is characterised as notional employment. This employment relationship has the characteristics of employment, but because of the lack of a relationship based on authority, there is no “real” employment. This notional aspect does not apply if the work is also rewarded in another way in addition to the commission.

The notional aspect does not apply either for people either who receive a commission as a self-employed entrepreneur or professional, such as a supervisor or agent.

## 12.9 Sportsmen and women

An employment relationship with a national professional sportsman or woman is assessed on the basis of the rules which apply for real employment. A national professional sportsman or woman is a sportsman or woman who lives in the BES islands.

**Real employment has the following characteristics:**

- the employee has undertaken the obligation to work for some time
- the employer is obliged to pay the employee a salary for the work
- there is a relationship based on authority between the employee and the employer.

If these characteristics are not met, the professional sportsman or woman is not employed by you and you do not have to deduct and pay any loonbelasting or pay any werkgeverspremies.

If the professional sportsman or woman does not live in the BES islands and is not in real employment, he is in your notional employment. You must pay loonbelasting en premies for werknemersverzekeringen on the salary received by the professional sportsman or woman. A foreign professional sportsman or woman who is in your notional employment is not insured for health insurance.



## 13. Belastingvrije som and toeslagen

Loonbelasting is due if the employee's salary exceeds the belastingvrije som and toeslagen which apply for him.

**The following belastingvrije som and toeslagen apply:**

- general belastingvrije som of USD 9,750 (see paragraph 13.1)
- kindertoeslag of USD 1,250 (see paragraph 13.2)
- ouderentoeslag of USD 200 (see paragraph 13.3)

**N.b.:** *if your employee is in the employment of several employers, it is advisable for his belastingvrije som and toeslagen to be taken into account by only one of his employers. It is best for him to do so with the employer where he earns the highest salary.*

### 13.1 Belastingvrije som

An employee has the right to the belastingvrije som if he is national taxpayer for inkomstenbelasting. A national taxpayer is an employee who lives in the BES islands. Whether someone lives in the BES islands is determined from case to case. The belastingvrije som amounts to USD 9,750.

### 13.2 Kindertoeslag

A national taxpayer who is an employee has the right to kindertoeslag if the child is part of his household on 1 January and that child has not yet reached the age of 18 at that time. The kindertoeslag amounts to USD 1,250 per child per year, but no more than USD 2,500. Therefore an employee has a right to kindertoeslag for a maximum of two children.

There are two important exceptions to this.

**The employee does not have any right to kindertoeslag if:**

- the personal income of his wife is higher than his own personal income, or
- the personal income of the employee is equal to the personal income of his wife and the employee is younger than his wife.

### 13.3 Ouderentoeslag

A national taxpayer who is an employee has the right to ouderentoeslag if he has reached the age on the basis of which he would be eligible for benefit in pursuance of the Wet algemene ouderdomsverzekering BES on 1 January. At the moment this applies at the age of 60. The ouderentoeslag amounts to USD 200.

### 13.4 An employee who is not a national taxpayer

In general, an employee who is not a national taxpayer does not have a right to a belastingvrije som and toeslagen. The belastingvrije som and toeslagen are granted to the inhabitants of their country of residence because it takes into account the personal circumstances of its inhabitants. This is customary at international level.

In certain cases it is possible that the belastingvrije som and toeslagen may still be taken into account for an employee who is not a national taxpayer. For inkomstenbelasting this is the case if the employee has earned his whole income or virtually his whole income in the BES. This is known as the 90% rule.

For loonbelasting it is possible to take into account the 90% rule if it can be assumed that the employee will earn his whole income, or virtually his whole income, in the BES in the calendar year. The employee must submit a written request to the Belastingdienst for this. It is only when the Belastingdienst has issued a decision to the employee showing that the employee is deemed to be a national taxpayer for the purposes of loonbelasting, and the employee has presented this decision to you, that you can take this into account to calculate the loonbelasting. An appeal can be lodged against this decision. You must keep the original decision in your salary administration.

**N.b.:** *It is self-evident in that case that there must be compliance with the other requirements contained in paragraph 2.1, amongst others.*

### 13.5 “Anonymous employee”

An anonymous employee is an employee who has not provided you with his name, address or place of residence. In addition, an employee who has provided you with this data, but with regard to which you know – or could reasonably be deemed to know – that this data is not correct, is characterised as an “anonymous employee”. For an anonymous employee you cannot take the belastingvrije som and toeslagen into account. In addition, it is not the rate of 30.4% shown in the loonbelasting tables that is deducted, but you should deduct 35.4%.

# 14. Special types of salary

## This chapter deals with the following subjects:

- 14.1 Claims
- 14.2 Car expenses
- 14.3 Courses, professional literature, etc.
- 14.4 Accommodation and living expenses
- 14.5 Costs of servants, electricity and water
- 14.6 Costs which can never be reimbursed untaxed
- 14.7 Pension scheme
- 14.8 Private company car
- 14.9 Personal care
- 14.10 Interest-free or low interest loan
- 14.11 Telephone costs and internet connections
- 14.12 Meals
- 14.13 Work clothes
- 14.14 Housing
- 14.15 Travel from home to work
- 14.16 Regulations for sickness costs
- 14.17 Ziekteverzekering, Ongevallen en Cessantieverzekering BES

## 14.1 Claims

The main rule is that both the claim and the payments based on the claim are taxed. A claim is salary which is not obtained in money, and is in principle valued at the monetary value minus the employee's contribution. This means that the value of a claim should be set at the sum which is paid to a third party (fund, insurance company). If you do not make any payments to a third party because you are managing the claim yourself, you must estimate the sum that you would have to pay to a third party to cover the claim.

With regard to claims, this primarily concerns cases in which you make a provision for your employee, in addition to the salary in money, in pursuance of which he or his descendants acquire a right/rights to one or more payments at a future time – which may or may not be under certain conditions – in general, related to the end of the employment or upon the employee's death. In addition, a more or less independent right to payments obtained on the basis of employment, which the employee can claim independently of you, also applies as a claim.

### This covers claims to:

- payments in the case of death resulting from an accident;
- reimbursement of sickness costs for the employee's family members;

- a periodic payment in the case of disability;
- payments from life insurances.

Therefore there must be a right to payment. It is not sufficient for an employee to hope or expect that he will receive payments in the future. Therefore the claim must be enforceable in law. Natural obligations do not result in claims. The rights can arise from the employment agreement or the collective employment agreement. Rights awarded instead of the normal reward are not claims. For example, a newly established limited company and its director could agree that the director will earn a salary of USD 3,000 per month. However, the salary will only be paid when the limited company starts to make a profit. Instead of the ordinary salary, the director is granted a (conditional) right to salary. This right is not a claim.

The right to periodic salary increases, the right to continued payment of salary during a period of leave, and the right to the reimbursement of costs are not claims, because these rights to payments form a whole together with the salary and money.

**N.b.:** An employee who contributes more than the value of the claim cannot deduct the excess.

## 14.2 Car expenses

If your employee uses his own car for business trips, you may reimburse the costs incurred. You can reimburse the costs untaxed up to a sum of USD 0.20 per kilometre.

**N.b.:** The kilometres between home and work are not business kilometres and can therefore never be reimbursed untaxed. Travelling from home to work refers to the employee's trip between his home and the address where your company is established, or from which you run your business.

## 14.3 Courses, professional literature, etc.

### Reimbursements for the following costs are exempt, insofar as these are professional costs:

- the costs of excursions and study trips, including travel and accommodation expenses
- study costs incurred by the employee to keep up to date or to refresh old knowledge
- the costs of courses, conferences, seminars, symposia
- the costs of professional literature, including professional literature provided electronically

## 14.4 Accommodation and living expenses

This valuation regulation concerns employees who live-in, such as servants, people on work experience placements, etc. The value of the benefit is set at a minimum of USD 167 per month.

## 14.5 Costs of servants, electricity and water

If an employee receives a reimbursement from you for the costs of a servant, electricity and/or water, or these costs are at your expense, the reimbursement or the paid costs must be counted as the employee's salary. In the case of reimbursement, this involves salary in money. If you cover the costs at your own expense, this amounts to salary in kind.

## 14.6 Costs which can never be reimbursed untaxed

You can never reimburse your employee for the following costs untaxed. **These are the costs of:**

- presents and business gifts;
- fines imposed by a criminal court which is competent in the BES islands, and sums of money paid to the State, Bonaire, Sint Eustatius or Saba to prevent prosecution in the BES islands or to meet a condition related to a decision to grant pardon, as well as fines and increased fines imposed by a government institution in pursuance of the law, or of provisions based on the law;
- offences for which an employee has been convicted in an irrevocable decision by a criminal court which is competent in the BES islands, including crimes involved in determining the extent of the punishment imposed, with regard to which the Public Prosecutions Department has declared that it shall not prosecute;
- offences for which the employee has complied with the conditions imposed in order to avoid prosecution in the BES islands. You cannot reimburse your employee for presents and business gifts untaxed;
- bribes.

## 14.7 Pension scheme

A pension is a periodic payment which depends on the employee's life. A pension scheme can be either individual or collective. A claim on the basis of a pure pension scheme is untaxed. The *verplichte pensioenpremies* (employee's contribution) are deductible (column 8 of the salary statement). The *verplichte pensioenpremies* (*werkgeversbijdrage*) do not fall under the salary.

The pension payments are taxed. **A pension scheme is a pure pension scheme if:**

- an employee is granted a right to a pension;
- the aim of the scheme is to provide care for the (ex-) employee in the case of invalidity or old age, and care for his (ex-)wife and his (foster) children who have not yet reached the age of 27 and are not married or have not been married;
- a pension including the AOV payment is a maximum of 70% of the last salary earned by the employee;
- the insurer includes the pension obligation in his national business assets.

If the scheme complies with all these conditions, it is defined as a pure pension scheme. Otherwise it is a scheme based on claims. It is not possible to include the pension scheme in the *loonbelasting* if the conditions are not met. It is either a pension scheme (claim untaxed, payment taxed) or a claims scheme (claim taxed, payment taxed).

## 14.8 Company car

If you provide your employee with a car, and the employee also uses this car for private purposes – including driving from home to work – you must count 15% of the original new value of the car, including general expenditure tax as salary.

**N.b.:** *With regard to cars which were registered in the register of registration numbers before the entry into effect of the *Belastingwet BES*, the *algemene bestedingsbelasting* also includes *omzetbelasting* and *invoerheffingen*.*

**N.b.:** *Travel from home to work refers to travelling to and from the home address and the place of work.*

In the case that the employee takes the car home at your request, for example, to prevent theft or destruction, it is also a case of making the car available and there will have to be a tax addition.

If the employee receives the car in the course of the year, the addition must be calculated in proportion to the time

involved. For example, if the tax addition for the private use of the car is USD 2,400 for the whole year, but the employee may only use the car for private purposes for three months in that year, the private use is then 3/12 of USD 2,400, i.e., USD 800.

If the employee has to pay you a reimbursement for the use of the vehicle, the reimbursement that is paid is deducted from the above-mentioned addition of 15%. Only the costs which the employee has paid you directly can be deducted from the addition. If the employee pays more than the above-mentioned addition of 15%, the benefit is set at zero. Anything above this **cannot** be deducted as professional costs for inkomstenbelasting.

Suppose an employee spends a considerable time abroad for work. The employee gives you the car keys, the car papers and the car. During this period the car is not available to him. This means that this period does not count for calculating the addition.

If the employee is travelling abroad and he does not give you the car keys, the car papers and the car, the car continues to be available to him and the addition should also take place for this period. If you make the car available to another employee during this period, the addition for this part of the year applies for that other employee.

## 14.9 Personal care

The reimbursements for the costs of personal care always count as salary. This also applies, for example, if the employee has a contractual obligation to go to the hairdresser every month because his position has a representative function.

## 14.10 Interest-free or low interest loan

If you give an employee a loan under favourable conditions (interest-free or low interest), the employee is taxed on the benefit which arises from the employment. The Belastingdienst/CN adopts the view that an interest of at least six per cent applies for a business loan. This means that if you provide the employee with a loan at six per cent interest, this does not count as a salary in kind. In the case that the interest is lower than six per cent, the difference is viewed as salary in kind.

## 14.11 Telephone costs

If you make a telephone connection available for an employee in his home, and you pay for all the telephone costs, you must add at least USD 268 per year to the employee's salary for the value of private use. If you only

reimburse the business conversations which the employee makes via a private connection, this can be done untaxed. In principle, the employee must declare these costs to you.

## 14.12 Meals

The value of meals **regularly** provided to an employee is valued at **at least** the sums indicated below:

Breakfast	USD 1.40
Sandwiches	USD 1.40
Cooked meal	USD 2.80

If the contribution from the employee is higher than the sums indicated above, the value is set at zero. This valuation also applies if you provide employees with meals in connection with working overtime.

### Example

*You give your employees a cooked meal every day. Each time they are provided with a meal you must add USD 2.80 to their salary. If you charge them more than USD 2.80 for this, you do not have to add anything as salary.*

## 14.13 Work clothes

Reimbursements for work clothes and the provision of work clothes and reimbursements for washing those work clothes are untaxed. **Work clothes are:**

- clothes, including shoes, which must be worn during the period of employment or for certain periods and which are exclusively – or virtually exclusively – suitable for this, such as uniforms and overalls
- clothes which are marked with one or more clearly visible logos associated with the employer (or his business organisation) (for example, a business logo), with a total surface area of at least 70 cm<sup>2</sup>
- clothes, including shoes, with regard to which the use during the course of the employment or during certain periods of this is such that private use is subsequently entirely or almost entirely impossible.

This condition applies per item of clothing.

Determining the surface area is based on an imaginary square or rectangle around the extreme ends of the logo. You can provide or reimburse the employee with work shoes, such as safety shoes, untaxed. A reimbursement or providing for the cleaning of clothes is only untaxed if the clothes concerned are work clothes.

Clothing can be deemed to be a uniform if a (particular) category of employees wear the same clothes which are also associated with the business or profession outside the working environment. For example, the clothes of military personnel and stewardesses are seen as a uniform, but this does not apply for the black trousers and blue blazers of chauffeurs. Whether clothes count as a uniform, and what constitutes a uniform, depends on the facts and circumstances of the case. You can consult us about this. If an item of clothing is part of a uniform which is used during the course of employment, that item of clothing counts as work clothes. In that case it is not relevant whether an individual part of a uniform cannot be identified as such, or could be worn outside the hours of employment.

## 14.14 Housing

In the event that you provide your employee with a home free of charge, the rental value of the home is viewed as the employee's salary. For the application of this regulation, the rental value of a home which is made available as the main place of residence, is set at 8% of 60% of the value of the home in the economic market. In this context, the value in the economic market is seen as the market value.

**N.b.:** A contribution to rental costs is taxed as salary in money.

If an employee demonstrates to the Inspector that the sum of his savings is significantly lower than the prescribed rental value, the Inspector can determine the value at the sum of the savings, by applying relief. As the employer with an obligation to make deductions for loonbelasting, you may only take into account this lower sum from the time that you have received the relief from the employee. In practice, this means that you may only apply this lower value for salary periods which have not yet passed.

In the case that the higher rental value was counted as salary for the salary periods that have passed, you may take this into account, as the employer with an obligation to make deductions, to determine the addition for the remaining salary period. The sums already taken into account as salary may be deducted from the rental value determined by the Inspector.

The Inspector shall only provide this relief in the case of a normal agreement for the rewards for employment, and the value of the benefit as described above amounts to more than 20% of the gross family income. In the cases that the value of the benefit amounts to more than 20% of the gross family income, and making a more expensive home available was clearly part of the employment agreement, the Inspector shall not issue relief.

### **Example**

Your company owns a director's home with a market value of USD 140,000. The economic rental value of the house then amounts to 8% of 60% of USD 140,000. This is USD 6,720 per year.

You make this home available to the caretaker, as the current director has indicated that he does not want to live next to the company. The caretaker earns a salary of USD 14,000 per year. In normal circumstances this employee would not spend more than 20% of his income on renting a home. Following a request to the Inspector for relief, the rental value of the home will be set as USD 2,800 per year for this employee. If two months have already passed in which you counted USD 560 per month as his salary, you can take into account USD 2,800 minus USD 1,120 for the remaining ten months, which amounts to USD 168 per month (the difference divided by 10).

You can also make this home available to an employee with a salary of USD 33,500. This employee is married and his wife earns a salary of USD 27,900 per year. The Inspector will reject a request to set the rental value at a lower rate, as the rental value is not more than 20% of the gross family income.

### **Example**

A villa with a swimming pool valued at USD 365,000 is purchased for a director/main shareholder. The house is made available free of charge. The director has a salary of USD 20,000 per year. The Inspector will reject a request to set the rental value at a lower rate, as providing the house is clearly part of the director's working conditions.

## 14.15 Travel from home to work

You cannot provide an untaxed reimbursement for travel from home to work. Travel from home to work refers to the employee's journey between his home and the address where your company is established or from where you run your business.

## 14.16 Regulations for sickness costs

The premiums which you must pay as an employer for your employees who are insured on the basis of the Besluit Health insurance BES do not count as taxed salary for the employee. This also applies for the costs incurred by you in connection with the employee's medical treatment and nursing. If the employee is not insured on the basis of the Besluit Health insurance BES, and you reimburse his costs of an insurance for sickness costs, this reimbursement does not count as salary. The claims which the employee can make on this basis do not count as salary either.

## 14.17 Ziekteverzekering, Ongevallen en Cessantieverzekering BES

The insurances referred to in the heading of this paragraph provide a payment in the case of sickness, an accident or the end of the employment in certain cases. These claims to payments which actually replace income are exempt. The payments from these insurances must therefore entirely be counted as salary.

## 15. Savings and provident funds

Savings and provident funds were created to provide for the employee in his old age. In contrast with a pension fund, where there is no direct relationship between the payments made by the employee and the sum of the payments made in the end, the payments from the savings and provident fund are equal to the contributions made by you and your employee, with the addition of the interest paid on this. The contribution to the fund is obligatory if the employee is obliged to contribute either to get the job concerned or to keep the job concerned. The deduction amounts to 5% of the employee's salary for the whole year, i.e., including the compulsory werkgeversbijdrage, and amounts to a maximum of USD 470 per year.

**For a fund to be designated as a savings and provident fund, the fund must comply with a number of conditions.**

1. For a fund to be designated as a savings and provident fund, the fund must comply with a number of conditions.
2. In the case that a blocked account is used, the following conditions must be met:
  - a. the employer obliged to make the deductions is obliged to calculate and pay the tax due by the employee for the period when interest was added;
  - b. the employer obliged to make the deductions is only competent to cooperate on deblocking the account, even if the employment has already come to an end:
    1. in the four cases referred to below, or
    2. insofar as the sum to be withdrawn is to be used as referred to under 5 and 6 below, and also
    3. to settle the loonbelasting due by the employee on the return.
3. In the case that a separate legal person is used, the following conditions must be met:
  - a. the legal person must be solely involved with the savings and provident fund;
  - b. the management of the fund must be composed in such a way and have such powers that the independence of the management is guaranteed;
  - c. at most 10% of the investments of the fund may be made in the company of the employer obliged to make the deductions;

- d. the articles of association of the fund must at least contain rules with regard to:
1. the use;
  2. the management;
  3. who can participate;
  4. the investment of money;
  5. the claims of the participants;
  6. the method of appointing members of the management;
  7. the amendment of the articles of association and regulations;
  8. the liquidation.
- e. The fund must in any case be open to every employee who is in permanent employment for at least six consecutive months. Ex-employees can leave their balance which was built up during their employment.
- f. Before payment is made, the savings and provident fund informs the employer obliged to make the deductions about the return received, in order to enable him to calculate and pay the loonbelasting payable by the employee, and if necessary deduct it from the payment from the savings and provident fund.
4. The withdrawal of invested money is permitted only:
- a. at the time of retirement or upon reaching the age of 60;
  - b. upon the employee's death;
  - c. if the employee emigrates;
  - d. in connection with the purchase of an own home which is available to the participant as his main place of residence.
5. At the end of the employment the invested monies may be paid directly into a savings and provident fund of a new employer of the participant without any fiscal consequences.
6. The invested monies may at any time, and without any fiscal consequences, be paid to an insurance company established in the BES islands for the purchase of annuity insurance, of which the instalments:
- a. are paid exclusively to the participant, or to his wife after his death;
  - b. start upon the death of the participant, and then pass to his own child, stepchild, foster child or grandchild and end only either upon the death of the beneficiary, or at the latest when the beneficiary reaches the age of 21.
7. The right to the employee's balance in the savings or provident fund may not be ceded, pledged, or be sold or encumbered in any other way.
8. If the above-mentioned conditions are infringed with regard to a participant in the fund, the fund is no longer designated as a savings or provident fund.

**N.b.:** The interest which is credited to the employee must be included in the employee's salary (column 3).

## 16. Expatriate regulation

Employees who are employed by an employer who is obliged to deduct loonbelasting on the BES islands and who are not or are barely available on the employment market, can be designated as expatriates.

**In this respect the employee must comply with the following cumulative demands:**

- Immediately preceding his employment in the public bodies of Bonaire, Sint Eustatius or Saba, the employee has not lived in any of the three above-mentioned public bodies for a consecutive period of at least five years;
- The employee has specific expertise at a scientific or HBO level (higher vocational education), and at the least:
- the salary of the employee amounts to at least USD 83,500 per year
- the employee's expertise is not available or is only available to a limited extent on the local employment market.

### 16.1.1 Conditions for being designated as an expatriate

In order to be eligible for this status, the employer and the employee must jointly submit a written request to the Inspector. This request must be submitted within three months after the start of the expatriate's employment in the public bodies of Bonaire, Sint Eustatius or Saba. **This request must contain the following data about the employee:**

- a. his curriculum vitae;
- b. copies of relevant certificates, lists of marks and references;
- c. copies of the work permit and the residence permit;
- d. a copy of the employment agreement; and
- e. a summary of the reimbursements and payments in kind that were granted.

### 16.1.2 Duration of the regulation

In principle the regulation applies for a period of five years. The regulation is shortened to one year if no work permit, and/or residence permit can be submitted with the request. If this is remedied before the end of the year and these documents are submitted, the period is extended to five years.

### 16.1.3 Extension

If the employer demonstrates in a written request before the expiry of the final date of the decision that it is necessary, as a result of the continuing lack of specific expertise on the employment market, for the employment of the expatriate to be extended, the Inspector can extend the period on a one-off basis by a maximum of five years. The employer's request must also be signed by the employee.

### 16.1.4 Starting date of the regulation

If the request is made in time, i.e., within three months after the start of the activity, the regulation applies from the first day of the employment. If the request is made later than three months, the regulation can only enter into effect from the first day of the month following the month in which the request was made.

### 16.1.5 Change of employer

If the expatriate changes his employer, the new employer can also apply the regulation under the following conditions. **The conditions are:**

- the new employer submits a written request to the Inspector within three months after the end of the previous employment
- he indicates that the regulation applied to the employee
- he indicates who was the employee's previous employer

The duration of the new decision then amounts to a maximum of the remaining duration of the previous employer's decision.

## 16.2 Untaxed reimbursements and provisions

The employer may reimburse or provide the following reimbursements and provisions untaxed, which the expatriate benefitted from in connection with his employment:

- rewards in kind, insofar as they do not jointly amount to more than USD 8,380 per calendar year;
- reimbursements of costs incurred to visit schools in the public bodies, Bonaire, Sint Eustatius or Saba, as well as equivalent educational establishments outside these three bodies. In this respect, there is a maximum of USD 13,967 that can be untaxed per calendar year per child;
- reimbursements for the travelling expenses related to sending and repatriating the employee and his family, up to a maximum of USD 2,235 for a single person, USD 4,470 for a couple, and USD 6,704 for a couple with children;

- reimbursements for the hotel costs for a maximum of two months after the employee's arrival in the public bodies, Bonaire, Sint Eustatius or Saba, with a maximum reimbursement of USD 5,587 for a single employee, USD 8,380 for a couple without children, and USD 11,732 for a couple with children;
- reimbursements for the furnishing costs for settling in the public bodies, Bonaire, Sint Eustatius or Saba, up to a maximum of two months' salary, with the maximum reimbursement amounting to USD 6,704;
- reimbursements for renting a vehicle upon the employee's arrival in the public bodies, Bonaire, Sint Eustatius or Saba, for a maximum of two months, while the reimbursements do not amount to more than USD 1,509 per month.

## 16.3 Net salary agreement

If an employer takes on the tax payable by an employee at his expense, this is a benefit for the employee and this benefit counts as salary (see paragraph 5.7). However, if an expatriate has agreed a net salary in writing with his employer, this benefit does not count as salary for him.

## 16.4 Transition right

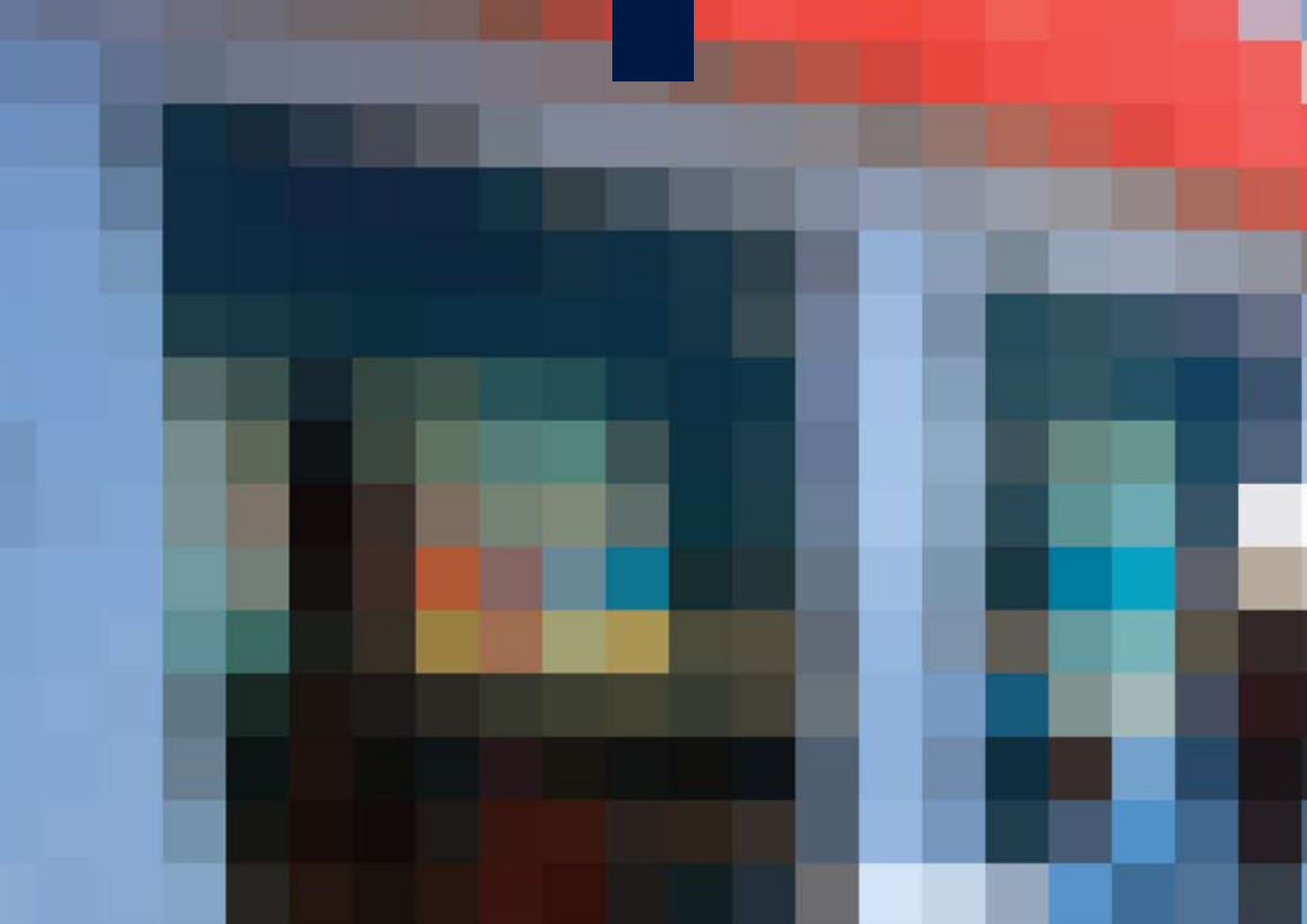
The Netherlands Antilles no longer exists as a country since 1 October 2010. A decision issued by the then Inspector before 1 October 2010 continues to be valid if it was issued on the basis of the 1998 Expatriate Decision, or the Sint Eustatius Expatriate Decision. However, in that case, the period of five years is shortened by the time that has already passed between the starting date and 1 October 2010.

## 16.5 Penal provisions

If you do not observe the obligations or conditions contained in the Expatriate Regulation, or do not wholly observe them, this is a criminal act. In that case, punishment is a fine of the second category. In addition, the Expatriate Regulation is deemed never to have applied. This can result in significant additional demands for loonbelasting and werkgeverspremies.







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