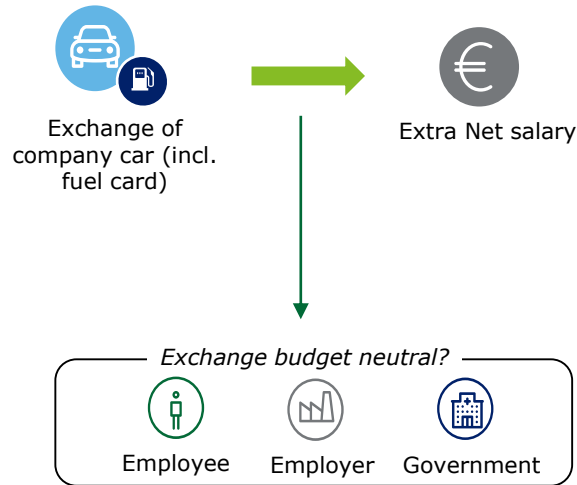




Mobility budget

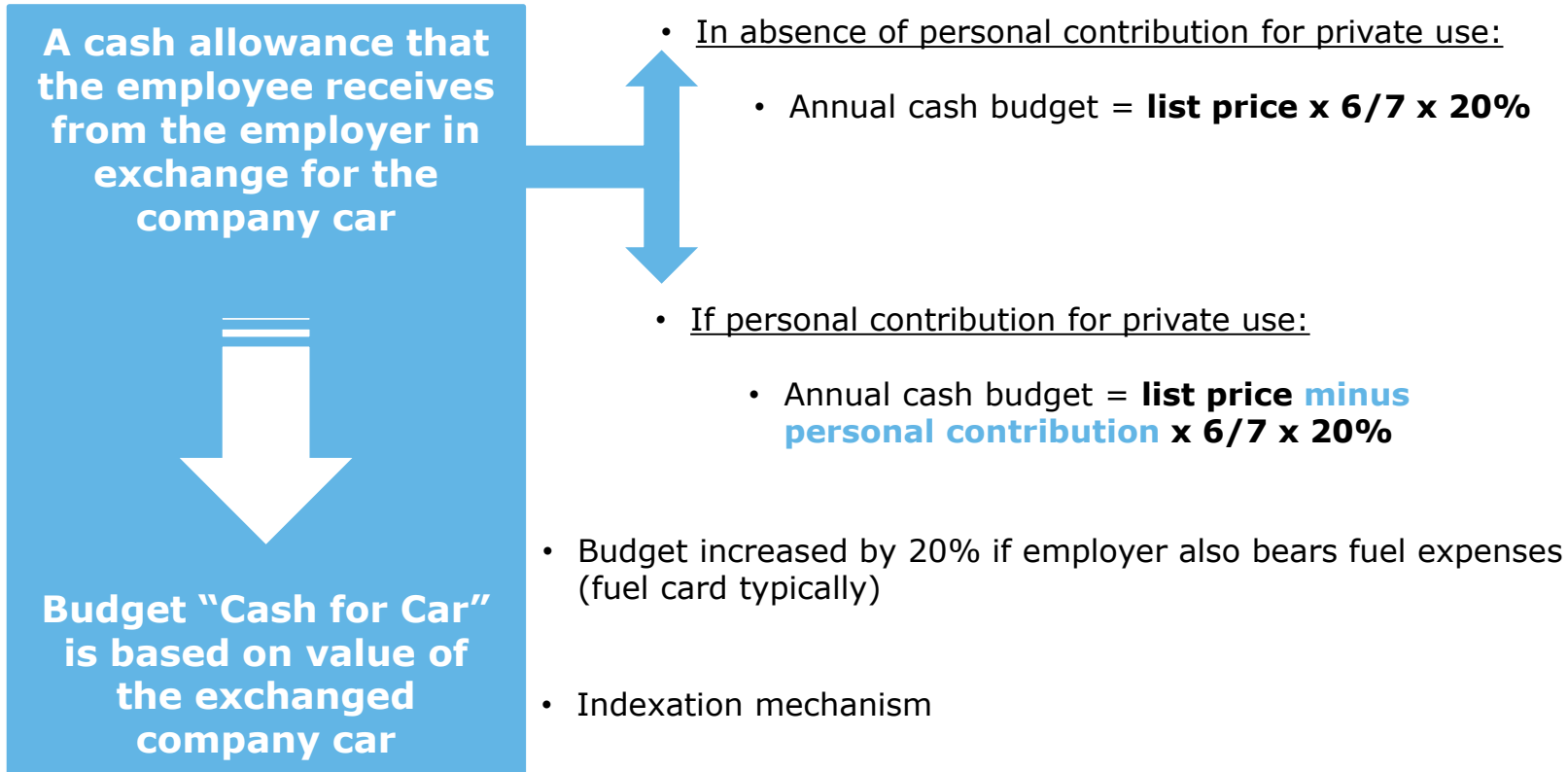
Status dd. 02 October 2017

For Whom? *(potentially subject to change – updated 02 October 2017)*



- As of 1/1/2018
- Free choice to apply incentive
- Only for employees, not for company directors ("*bedrijfsleiders/dirigeants d'entreprise*") (evaluation after 12 months)
- For the entire company or for a specific determined category of employees
- Employer must have had company car policy during (uninterrupted) 36-months period (exception for start-ups)
- Employee must have had company car during (uninterrupted) 12-months period the past 3 years and at least (uninterrupted) 3-months period before "cash for car" request
- Specific rules for employees that changed employer
 - available if already "cash for car" budget at previous employer;
 - if company car less than 12 months at previous employer, 12-months period can continue to be built up at new employer
- The request of an employee must be written.
- The request and the employer's justified decision form an agreement which is an integral part of the employment contract.

Which Budget? *(potentially subject to change – updated 02 October 2017)*



What is the applicable tax and social security regime? *(potentially subject to change – updated 02 October 2017)*

Income tax

Employee taxation

- Lump sum valorisation of the taxable amount
- Taxable amount = company car's BIK at the time of swap for cash = list price x 6/7ths x age correction upon swap x CO² coefficient upon swap
- The taxable amount cannot be lower than EUR 820/year
- As of the second year of the mobility budget: the correction coefficient will be increased by 6%
- The CO² coefficient will also evolve.

Employer taxation

- Same disallowed expense percentage as applicable to swapped car, i.e. depending on CO² emission rate
- Subsequent annual adjustment by 10% until deduction rate = 75%

Social security

Employee social security

- no employee social security contributions;

Employer social security

- Solidarity contribution (as with company car); 75% deductible.

Entry into force

- as of 1 January 2018

What is the applicable tax and social security regime? *(potentially subject to change – updated 02 October 2017)*

Illustration

Assumptions

List Price Company Car: EUR 45 000

CO²: 150 gr

Diesel

Value BIK (List price x 6/7 x Coef CO² 11,80%) = EUR 4 551,43 / year = EUR 379,28 / month

Value Mobility Budget (List price x 6/7 x 20%) x 1,2 (increase for fuel card) = EUR 9 257,14 / year = EUR 771,43 / Month

Base gross salary: EUR 4 500

	With Company car	With Mobility Budget
Gross base salary	4 500,00	4 500,00
Company Car Benefit In Kind (BIK)	379,29	-
Deemed Benefit	-	379,29
Less Social Security contributions (on gross base salary)	- 588,15	- 588,15
Taxable	4 291,14	4 291,14
Personal Income Tax	- 1 555,37	- 1 555,37
Net of tax	2 735,77	2 735,77
Less BIK	- 379,29	-
Less Deemed benefit		- 379,29
Plus Mobility Allowance	-	771,43
Net spendable	2 356,91	3 127,91
Delta		771,43

What are the other consequences? *(potentially subject to change – updated 02 October 2017)*

For the employer

- End of the obligation to reimburse commuting costs with company car (as of the first day of the month in which the mobility budget is granted)

For the employee

- disappearance of the company car as of the first day of the month in which the mobility budget is granted;
- disappearance of the fuel card (if any);
- the mobility budget must be used for the commuting costs in case the commute is being done by car.

Practicalities in case of multiple company cars *(potentially subject to change – updated 02 October 2017)*

- If employee benefitted from multiple company cars during the last 12 months period :
 - Mobility budget will be calculated based on the company car he benefitted the longest during the last 12 months period
- If employee benefitted from multiple company cars simultaneously during the last 12 months period
 - The mobility budget will be based on the car which has been handed in
 - If employee hands both his/her company cars in, he/she will only be able to claim 1 mobility budget. He/she can then chose on which company car the mobility budget will be calculated.



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