



Global Employer Services Individual tax

Tax tolerance for cross-border workers further extended

Cross-border workers

Belgium has extended its mutual cross-border worker agreement with Luxembourg ([Dutch](#) | [French](#)), the Netherlands ([Dutch](#) | [French](#)), France ([Dutch](#) | [French](#)) and Germany ([Dutch](#) | [French](#)) until 31 December 2021.

Based on these mutual agreements, remuneration derived from “home working days” solely due to COVID-19 travel restrictions can be tax exempt in the country of residence, provided it is effectively taxed in the state where the cross-border worker would normally have exercised their professional duties had the travel restrictions not been in place.

Cross-border workers who want to make use of this measure are required to apply it consistently in both Contracting States and to keep the “required records” at the disposal of the competent tax authorities, e.g. a written confirmation from the employer indicating the proportion of home working days solely due to the measures related to the COVID-

19 pandemic.

The employer's "written confirmation" must only be transmitted upon explicit request of the competent tax authorities. It is however recommended to issue such written confirmations at the latest when the cross-border workers concerned are required to submit their personal income tax return

With the reopening of borders and the gradual return to offices, the question arises whether a remote working situation can still be considered as "solely due to the measures related to the COVID-19 pandemic". The position of the Belgian Government in this respect is that - though workers are allowed to return to the office - teleworking is still recommended in Belgium, which can be considered as a "measure related to the COVID-19 pandemic". Consequently, workers who telework as a result of the Government's recommendation should – a priori – be able to claim the application of the aforementioned mutual agreements.

Remote working facilitated for Belgium – Luxembourg cross-border workers

We also remind you that Belgium and Luxembourg have recently agreed to increase the "24-day rule" to 34 days as from 2022. We refer to our [previous alert for any further details in this respect](#).

Social security "no impact position" remains applicable until 31 December 2021

As mentioned in our [previous alert](#), the social security authorities of all European Economic Area member states and Switzerland have decided at European Union level to maintain "no impact" measures for social security purposes until 31 December 2021. Broadly, this involves continuing to apply the relevant national social security legislation applicable before the start of the pandemic regardless of the (temporary) change in travel pattern of cross-border workers due to the pandemic.

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