



Global Employer Services Immigration and Social Security

Key immigration and social security topics for 2018

A new year always brings along a number of legislative changes or developments. What follows is a high-level overview of several major changes and points of attention for 2018 in Belgium.

Thresholds work permits

As of 1 January 2018, work permits for foreign nationals will be issued for:

- Highly qualified employees if their annual gross salary exceeds EUR 40,972
- Executive employees if their annual gross salary exceeds EUR 68,356
- European Blue Card holders if their annual gross salary exceeds EUR 52,978

Implementation of Single Permit Directive

At the end of 2017, the Federal and Regional authorities concluded a cooperation agreement that implements the Single Permit Directive. This modifies the existing immigration process significantly. The changes should come into effect during the summer of 2018. Through his/her employer, the employee will submit an application with the Regional work permit authorities, providing all documentary evidence supporting his/her right to work (previously called work permit

documents) and supporting his/her right to reside (previously called visa and residence permit documents).

The Regional authority decides on the right to work and transfers the file to the Immigration Office, which decides on the right to reside. If both decisions are positive, the Immigration Office notifies the employee and the employer. The employee can then request a visa, which will be immediately issued by the Consulate. Upon arrival in Belgium, the employee will then request his/her Single permit (a plastic card) at the local town hall.

Reduction of contribution rates for self-employed persons

Following the tax shift measures taken in 2016, the gradual decrease of contribution rates for self-employed persons will also continue in 2018:

- In 2017, the contribution rate on professional income amounting up to EUR 57,415.67 was decreased to 21%
- As of 2018, the contribution rate on professional income amounting to EUR 58,513.59 (2018 amount) will be set at 20.5%. The remaining contribution rates for the highest income bracket (between EUR 58,513.59 and EUR 86,230.52) does not change (14.16%).

Decrease of minimum social security contributions for starters in main occupation

In July 2017, the Belgian Federal Government presented the Summer Agreement, which included important tax, economic and social measures. One of these measures is the reduction of the legal minimum contributions for starting self-employed persons in a main occupation.

The social security contributions of self-employed persons in a main occupation are calculated on their net taxable income, for which a minimum of EUR 13,550.50 is taken into account. Even if the self-employed person has a net taxable income below this threshold, a minimum social security contribution (of EUR 714) has to be paid, calculated on a net taxable income of EUR 13,550.50 (2018 amounts).

This principle as such remains applicable. However, for starting self-employed persons, the minimum thresholds used for calculating the minimum contributions payable during the first year of activity (i.e. during the first four quarters) would decrease with effect as of 1 April 2018 to EUR 6,866.25. In practice, this means that the quarterly minimum contribution would equal EUR 363 and thus would be significantly lower compared to current practice.

The lower threshold and related contributions will not be applied automatically. In order to benefit from this new measure, the starting self-employed person should explicitly request the lower threshold's application.

It should be noted that the above is laid down in a proposed law, which still needs to be approved by the Parliament and as such remains subject to changes.

Incapacity allowances for self-employed persons as of third week of incapacity

In case of sickness, self-employed persons were previously entitled to incapacity allowances only as of the second month of incapacity, the first month not being covered. As of 2018, the uncovered period will be reduced to two weeks.

Consequently, self-employed persons will be entitled to incapacity allowances only as of the third week of incapacity.

Deloitte Belgium's immigration and social security services team is readily available to provide more detailed information.

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