



## Global Employer Services

### Individual tax

## Benefits in kind for mobile devices: administrative guidance on lump sum valuation rules

The administrative circular letter of 24 May 2018 (2018/C/63) provides additional guidance regarding the determination of benefits in kind (BIK(s)) for mobile devices and internet/phone subscriptions made available by employers to their employees for private use ([Dutch](#) | [French](#)).

This tax alert focuses on the administrative guidelines. More background information can be found in the [Individual tax alert of 30 October 2017](#).

Since the income tax and social security legislations are aligned on the topic, it can reasonably be expected that the guidance also applies for social security purposes ([instructions](#) from social security authorities; Royal Decree ([Dutch](#) | [French](#)) dated 7 February 2018 and published in the Belgian Official Journal of 27 February 2018).

### Split billing

A parliamentary question was raised regarding the BIK determination for mobile phones when split billing is involved ([Dutch](#) | [French](#)). The circular letter clarifies that situation, indicating that there is **no BIK linked to mobile phone private use** to be considered, provided that:

- An **effective split billing** is in place, i.e. the provider invoices the costs of the phone and internet subscription's private use directly to the employee (not via the employer)
- A **full split billing** is in place, i.e. for both phone and internet subscription (if both are made available by the employer)
- The split billing **threshold** (i.e. part corresponding to professional use and covered by the employer) must be determined based on serious norms and criterion (aligned with reality)

If those conditions are not met, a **BIK should be considered** for the mobile phone device and/or the phone with internet subscription. In such a case, the **private use costs** directly invoiced to the employee can be considered as a personal contribution to be offset from the lump sum BIK.

## Occasional private use during office hours

It was previously tolerated that an employee's occasional private use of a device while at the office did not trigger any taxable BIK.

Due to trends such as teleworking, the tax authorities now also deem that no taxable BIK occurs if the employee **occasionally** uses employer provided devices for **private purposes during office hours** performed remotely at home.

## Personal contribution

If an employee pays a personal contribution for the mobile phone device and/or the phone with internet subscription, this **contribution can be offset from the respective lump sum taxable BIK**.

The personal contribution can only be deducted from the BIK of the item for which the contribution is made. This means that if the personal contribution for the mobile phone exceeds its lump sum valuation (i.e. EUR 36/year), the surplus cannot be deducted from the BIK taxable base for the phone and/or internet subscription (i.e. EUR 48/year and EUR 60/year).

However, if the employer requests a **global personal contribution**, including the mobile phone and/or the phone with internet subscription, the personal contribution can be offset from the BIKs' total lump sum valuation (i.e. EUR 144/year).

## Available during part of the year

The lump sum valuations are determined for the entire taxable period, meaning that if the mobile phone and/or phone with internet subscription are only made available during a limited portion of the taxable period, the lump sum valuation must be **prorated**. The total number of **calendar days** during which the device was made available must be taken into account, less the last day on which the device and subscriptions' availability ends.

## Phone subscription with multiple SIM cards

If an employer provides a phone subscription with **multiple SIM cards**, each with their own phone number, **multiple BIKs** have to be taken into account.

## Entry into force

These guidelines applies for BIKs granted as of 1 January 2018.

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### Contacts

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