



Global Employer Services

Individual tax

Employee warrants: the Ruling Commission's new position

Many employers grant warrants or stock options on an equity based *bevek/sicav* to their employees. Most banks offering these products have a ruling that confirms these warrants or options as being within the scope of the option law (i.e. that they are only taxed upon grant and exempt from social security contributions).

One of the conditions is that the warrants or options are not 'disproportionate' to salary.

To date, it was generally accepted that this condition is fulfilled if the grant did not exceed the beneficiary's total annual salary.

However, very recently in a concrete case, the Ruling Commission decided to interpret 'disproportionate' as not exceeding 20% of total salary (including 13th month, vacation pay and variable).

The concrete impact on pending and future plans is being examined.

Deloitte recommends for employers granting warrants or options to their employees or directors to assess the potential impact brought by this new position.

Contacts

If you have any questions concerning the items in this alert, please contact your usual tax consultant at our Deloitte office in Belgium or:

- Sofie Van Breedam, svanbreedam@deloitte.com, + 32 2 600 67 93
- Nico Vanthuyne, nvanthuyne@deloitte.com, + 32 9 393 75 24
- Nicolaas Vermandel, nvermandel@deloitte.com, + 32 2 800 70 77

For general inquiries, please contact:
bedeloittetax@deloitte.com, + 32 2 600 60 00

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