



Global Employer Services

Social security

Belgian Supreme Court confirms the broad definition of salary

In its 7 March 2018 ruling, the Brussels Labour Court claimed social security contributions on benefits awarded directly to employees of a third party. As these benefits were to be considered as reward for work completed under an employment contract, social security contributions are due, even without any employer intervention, or any cost at charge of the employer.

In their ruling of 20 May 2019 (published very recently), the Belgian Supreme Court rejected the appeal and confirmed the Belgian social security authorities' position (covered by the [Social security alert of 11 September 2018](#)).

Impact

In addition to affecting commission payments on any sales transactions by third party employees, this decision will also have a major impact on the social security landscape for all equity incentives provided by foreign parent companies to their Belgian based employees. By confirming the Labour Court's view that benefits granted to third party employees are subject to social security contributions, due to the fact that these are considered as reward for work completed under their employment contract with said third party, it seems inevitable that grants by parent companies are also affected by the ruling.

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:

- Anke Elsen, aelsen@deloitte.com, + 32 2 301 87 82
- Wendy Van Hullebusch, wvanhullebusch@deloitte.com, + 32 2 800 28 25
- Nicolaas Vermandel, nvermandel@deloitte.com, + 32 2 800 70 77

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

Be sure to visit us at our website:
<http://www.deloitte.com/be/tax>

Deloitte Academy

Tax Tools and Publications



Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/about for a more detailed description of DTTL and its member firms.

Deloitte provides audit, tax and legal, consulting, and financial advisory services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte has in the region of 225,000 professionals, all committed to becoming the standard of excellence.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte Network") is, by means of this communication, rendering professional advice or services. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2019. For information, contact Deloitte Belgium.

[Subscribe](#) | [Unsubscribe](#)