



Global Employer Services Social security

Hiring a first employee: exemption from employer social security contributions

When companies hire a first employee, they are often lost in the existing procedures and consequently miss certain opportunities.

For example, recent studies undertaken by the Federal Planning Bureau have shown that 30% of employers did not file a request for the employer social contributions exemption offered by the government for first hires.

This alert aims to remind companies in Belgium of this exemption's availability for first employee hires.

No employer contributions for the first hire

In January 2016, the Belgian government launched an incentive to stimulate employment. Every employer hiring a first employee, during the period running from 1 January 2016 to 31 December 2020, is entitled to an exemption from the main employer social security contributions linked to first employments.

This benefit is not related to a person or a function. Therefore, if the collaboration with the first employee is terminated, this

zero contribution advantage will be transferred to another individual.

In order to benefit from this exemption, the new employer will have to fulfill the following conditions:

- The employer should never have been previously subject to Belgian social security, or should not have employed individuals during the four quarters preceding the first employment
- The employment contract should be concluded for at least a part-time function, or an effective occupation of 27.5% minimum
- The new hire cannot replace an employee who was employed within the same technical business unit

This employer contributions exemption is not applied by default. The National Social Security Office (ONSS/RSZ) will verify the above listed conditions' fulfilment, and the employer will have to indicate a specific code within the DMFA declaration. If no reference to this specific code is indicated, no exemption will be applied.

Employer oversight of this available advantage seems to stem from lack of information.

Alerted by this issue, the federal government decided to undertake a communication campaign to raise awareness with potential future employers and other stakeholders (payroll agency, notary etc.).

How can Deloitte help?

This exemption is a real incentive for employers, both Belgian and foreign. Deloitte's immigration and social security team can help make sure that employers do not miss out on this opportunity, through a screening to ascertain whether or not a company is entitled to this benefit. In addition, work forces can also be screened to detect other possible social security advantages (e.g. for older employees).

Contacts

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