

## **Do you take full advantage of the 'WKR' (Work-related Costs Scheme)?**

As of January 2015 the WKR is mandatory for the Wage Tax. The WKR involves all employee benefits and compensations including expense allowances and benefits in kind. In short the ruling grants employers a tax free budget of 1,2% of the fiscal wage. The 1,2% is called your 'fiscal free space'. When you exceed the 1,2% you (the employer) pay 80% taxes over the amount that exceeds the 1,2%. In 2020 this fiscal free space will be raised to 1,7% over the first € 400,000. Above that amount, the percentage remains 1,2%.

As the year has almost passed, the deadline for optimizing your employees' benefits is almost there. Also the moment of calculating the Wage Tax you probably have to pay over the exceeded amount is almost there.

We advise you to update your records and calculate the amount you can still spend on untaxed benefits for your employees. Previously we have advised you how to register this amount. Please let us know before the end of January 2020 if you exceed the amount of 1,2%. We will calculate the amount in your Wage Tax Declaration of January 2020, as required by the Tax Authority. **As long as we haven't received anything from you regarding the Work-related Costs Scheme, we won't be able to lodge in your Wage Tax Declaration!** Please note that you are not allowed to correct anything regarding to the WKR after the end of this year, so if you would like to take full advantage of this ruling, you have to act now!

Within the WKR there are several options to benefit your employees without paying too much taxes. We would like to point out these advantages for your company! Please contact our payroll specialists Ron Visser and Nermin Korpos.