



i-paye



**Guide to Contracting in
Belgium**



COUNTRY HIGHLIGHTS (2018)

Belgium – Individual

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| Currency | Euro (€) |
| Tax Year | Starts 1 January Ends 31 December |
| Tax Rates | Personal Tax Credit €7,430.00 First 12,990€ rate 25% Next 10,000€ rate 40% Next 17,370€ rate 45% Balance rate 50% |
| Local Surcharge | Resident pay a local surcharge between 0 and 9% of Tax Due, which increases the top rate of tax to 54.5%. Non Residents pay a fixed local surcharge of 7%, which increases the top rate of tax to 53.5% |
| Social Security | Employers rate 10.75% Employees rate 38.% (Blue Collar) 32% (White Collar) |

Tax Residency

An individual becomes Tax Resident in Belgium if:

- They have their domicile in Belgium during the tax year; or
- The individual has his or her seat of wealth in Belgium.

An individual who is Tax Resident is taxable on Worldwide Income except if exempt under a double taxation treaty.

An individual who is not Tax Resident is taxable in Belgium on Income earned or generated in Belgium.

Social Security

Social Security is payable in Belgium unless the individual is paying Social Security in the country in which their employer is based and they are habitually resident. A certificate of continuing liability to Social Security is required to exempt the individual from Belgium Social Security.

Right to Work

EU and EEA Nationals have an unfettered right to work in Belgium without the need to hold a VISA or Work Permit.

Other Nationals, generally, need to have the relevant approval to work prior to their arrival in Belgium with application undertaken in their home country.

I-PAYE Service

I-PAYE is registered as an employer in Belgium and all individuals are engaged on contracts of employment.

All income is reported to the Belgium Tax Authorities, with deduction for expenses allowed under Belgium Law. Any expenses that are reimbursed that are not allowed or are above published rates will be subject to Belgium Taxation and Social Security at the appropriate rates.

I-PAYE will provide UK Nationals that habitually reside in the UK. I-PAYE will not normally seek to employ Belgium or other European Nationals on assignments based in Belgium.

As an employee of I-PAYE then you simply would register as working in Belgium and the rest is down to us.

Frequently Asked Questions

Q. I currently work on a project in the United Kingdom through a PSC and have an assignment in Belgium, is it true that I can operate the same model in Belgium?

A. Under Belgium Domestic Law a UK PSC may be considered as having a Permanent Establishment in Belgium which means that all income derived by the business will be subject to Belgium Taxation. No matter the taxation position of the company any employment income paid in respect of duties performed in Belgium will be subject to Belgium Taxation and Social Security from day 1.

In addition any dividends payable to shareholders will be subject to Belgium Dividend Taxation either at resident or non-resident rates.

Q. What happens if I choose to ignore the rules?

A. Belgium as with all European Countries may seek to apply the Mutual Assistance Recovery Directive (MARD) to request the UK and other Tax Authorities to collect any unpaid moneys due.

From 1 October 2017 new legislation has been enacted in the United Kingdom that means that any entity engaging in or with business that evades taxation in a Foreign Country will be subject to an unlimited fine. Failing to report income to the Belgium Authorities is Tax Evasion, not avoidance, and under Belgium Law would generally lead to a criminal conviction.

Q. I want to do it correctly where should I seek advice?

A. Unfortunately, the Belgium Tax Office only provide advice in Belgium and many of the general advice given on other websites is out of date. Specialist advice should be sought before going on assignment.

More information is available from I-PAYE on 0151 449 3500



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