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## Target group reduction for the recruitment of the 1st employee ends 31/12/2020

The current target group reduction for employers hiring a first employee ends end of this year. This means that if the government does not adapt the current Royal Decree, as of 2021, this target group reduction will no longer be a possibility and will increase employers costs for hiring staff in Belgium.

If you are planning to hire your first employee, it can be interesting to hire the employee still in 2020. In this way you can still benefit from the target group reduction for the recruitment of the 1st employee for an indefinite period.

Please note that there is also the target group reduction for the 2nd until the 6th employee. This target group reduction, in its current form, runs for an indefinite period (this is until the government changes the rules).

Should you have any further questions concerning this target group reduction or in case you consider hiring a first employee in Belgium, please contact us.

## Consumption vouchers: extension of the regulation

Consumption vouchers granted by an employer to his employees, will under certain conditions, not qualify as salary for social security purposes. Consequently, no Belgian social security contributions (employer and employee) will be due on the value of these vouchers.

The conditions and the scope of these vouchers have been amended / extended following the law of July 30, 2020. We provide hereafter a brief summary of these changes:

1. Previously, these vouchers could only be used for catering, cultural and sports purposes. Recently, the scope of the vouchers was extended to small businesses where goods and services are offered and sold to the customer who is physically present at the business. Additionally, some other conditions still need to be met in this respect:

- The establishment must have been closed for at least 1 month due to COVID-19 measures.
- It must be a micro company in accordance with article 1:25 of the new Belgian companies and associations code.
- It is not required that the concerned retail stores / outlets have legal personality.

2. Prior to the law of July 30, 2020, consumption vouchers could only be delivered on paper. Recently, this has been amended whereby consumption vouchers can also be issued electronically taking certain conditions into account (i.e. the employee must be able to consult the balance and validity period of the vouchers, no user costs for the employee, ...).

3. A favorable tax regime for both the employee and the employer has been introduced through the law of July 30, 2020 for consumption vouchers provided that these vouchers are granted according to the rules stipulated for the exemption of Belgian social security purposes. If so, the vouchers are exempted from Belgian income tax in the hands of the employee and the voucher costs are tax deductible for corporate income tax purposes in the hands of the employer granting the vouchers.

## Temporary unemployment after 31 August 2020

As of 1 September 2020, the conditions for temporary unemployment due to the Corona virus will change.

**As of 1 September 2020 until 31 December 2020** there will be a difference between two groups of companies:

1. Companies with at least 20% temporary unemployment in the 2nd quarter of 2020 (according to the DmfA-declaration of the National Social Security System) can continue to use the simplified unemployment due to force majeure, on the condition that they submit an application;
2. Other companies have to transfer to the system of temporary unemployment for economic reasons, but with a simplified application system as well.

Companies that belong to the first group, e.g. companies that can continue to use the temporary unemployment scheme due to force majeure, must submit a prior application with a declaration about the interpretation of the criterium of the 20% temporary unemployment realised in the 2nd quarter.

The application must be done via the new form C106A-CORONA-HGO. The employer has to send this form by email to the competent NEO-office (National Employment Office) in function of the registered seat of the company.

The other group of companies, e.g. the companies that have to rely on the system of temporary unemployment for economic reasons, have to prove that there was a reduction in production or turnover during the quarter preceding the application. It must be a reduction of at least 10% compared to the same quarter in 2019. If the company does not meet these so-called 'preliminary' conditions, it may consider applying for recognition as a company in difficulty.

In this case the application must be done via the form "C106A-CORONA-overgangsstelsel". The employer must send this form by registered mail to the NEO-office competent for the registered seat of the company.

In order to benefit from this system of temporary unemployment for economic reasons, the company must be bound by a sectoral or company collective agreement. In the absence of such a collective agreement, a business plan must be drawn up. The modified business plan for this transitional regime has also been published on the website of the FPS Employment, Labour and Social Dialogue.

To conclude, companies that wish to continue using the temporary unemployment system after 31 August 2020 will have to verify which conditions the company meets and submit the necessary documents for this purpose. In case you want to apply for temporary unemployment due to force majeure, you will have to take into account that the application can take 2 weeks. We recommend companies that want to rely on the system as of September 1st, to apply as soon as possible.

Please note that companies can also rely on temporary unemployment due to force majeure for medical reasons in case of employees who must remain in **quarantine**. However, employees who left to a destination that was marked red at the moment of departure, cannot rely on temporary unemployment benefits. The NEO considers that these employees did not behave like a reasonably cautious person.

If you have any questions concerning this subject, please do not hesitate to contact us.

## Days of temporary unemployment assimilated with working days for the vacation rights


The social partners came to the agreement to assimilate the temporary unemployment days with working days for the vacation rights. This means that the employees who were temporary unemployed this year, in 2021 will be entitled to the full vacation rights and thus also the full vacation pay.

Originally the days of temporary unemployment were only assimilated until the end of June 2020. The agreement within the National Labour Court now extended this assimilation until the end of the year. It is now up to the government to take the necessary steps in order to execute the agreement. At the moment these measures are thus not yet applicable.

## Conversion of eco vouchers of 2021 before October 31, 2020

The collective labour agreement concerning eco vouchers for employees falling under Joint Labour Committee 200, has been concluded for an indefinite period. Consequently, as an employer, in principle you will have to grant eco vouchers to your employees again in (June) 2021!

However, it is also possible to reward your employees by granting another equivalent benefit instead of eco vouchers. Another equivalent benefit can be e.g. the implementation of meal vouchers or increasing the nominal value of the current meal vouchers, implementation of a collective medical expense/hospitalization insurance, ...



The implementation process depends on the presence or absence of a trade union delegation within your company. Employers who want to convert their eco vouchers of 2021 into another equivalent have time until October 31, 2020!

Please contact us, in case you would like our advice or assistance relating to this conversion.

## Transfer of vacation days

The Belgian labour legislation stipulates that all (legal) vacation days of 2020 must be taken before the end of 2020.

Hereafter, we summarize the rules regarding the mandatory taking of the vacation days:

1. Employees are in principle not allowed to transfer vacation days that have not been taken in the present calendar year, to the next calendar year. In principle, all legal vacation days have to be taken in the present calendar year (i.e. prior to December 31, 2020).
2. In case the employees were unable to take their vacation days in the calendar year (for instance because of sickness), the employees lose definitely the right to take these vacation days, but they do not lose the right to the payment of their holiday pay.
3. Employees are obligated to take the vacation days they are entitled to. The fact that employees do not ask for their vacation days does not affect the obligation for the employer to grant these days.

We would like to inform you that the above rules also apply to the taking of overtime days (if applicable), as well as the taking of the recuperation days of legal holidays.

Inform your employees in time!

## Replacement days for public holidays

As 2020 is gradually coming to an end, we remind you of the rules applicable to replacement days for public holidays.

As a general rule, private sector workers cannot be required to work on statutory public holidays, but they nevertheless remain entitled to receive their normal pay for those days. There are ten public holidays, and their dates plus the dates of the replacement days awarded for them must be set out in the employment regulation.

If a public holiday coincides with an official non-working day (e.g. a Saturday or a Sunday), employees are entitled to a replacement day off. Therefore, in 2021, employees will be entitled to take a replacement day for Labour day (Saturday, May 1st), Assumption (Sunday, August 15th) and Christmas (Saturday, December 25th).

If there is no agreement on company level about the replacement date, this public holiday will automatically be replaced by the first normal working day worked by the business after the public holiday. If the company wants to set another replacement date, the decision must be taken on company level and needs to be displayed on the company premises, before December 15, 2020. A copy of the notice must be annexed to the employment regulations and must be sent to the Social Legislation Inspectorate.

Thanks for informing us on the replacement dates for 2021.

## 13th month salary or year-end premium

Depending on the applicable joint labour committee, employees could be entitled to a 13th month payment (payable in December for JLC 200). The conditions for this payment have been stipulated in the collective labour agreement.

The 13th month payment is subject to Belgian social security contributions and Belgian wage withholding taxes. The wage withholding taxes are calculated based on brackets applicable to exceptional remuneration. Depending on the joint labour committee, specific conditions could be foreseen. For e.g. JLC 200 the payment of the 13th month depends on the seniority within the company.

Your payroll consultant at Mazars is aware of these rules and will apply this – for our existing payroll clients - in your December payroll. If you require further information, please contact us.

## COVID-19 measures for foreign employees/self-employed persons

Whenever a company temporarily relies on an employee or a self-employed person who lives outside of Belgium, to perform activities in the company in Belgium, the company is obliged to hold an updated register as from the start of the work.

Further, the company is also responsible to verify whether the employee or the self-employed person filled in the Passenger Locator Form. Without proof that the employee filled in this form, the company is unable to let the employee or self-employed person start working.

These rules apply for employers or users within the construction, cleaning, agriculture, horticulture or meat processing sectors.

If you want more information concerning these measures or you have any questions, please contact us.

## Extension fiscal agreements on home working days for frontier workers

At the start of the Corona crisis, Belgium reached agreements with all its neighbouring countries on the fiscal situation of frontier workers who, because of the Corona measures, are forced to work from home or are unable to work. These agreements with France, the Netherlands, Germany and Luxembourg are now extended until 31 December 2020.

This means, among other things, that the home working days of frontier workers may be treated as days worked in the country where they would normally have worked, provided that these home working days are taxed in the other country. Workers who have to work from home because of the Corona measures taken by Belgium or the neighbouring country can therefore continue to be taxed in the State where they exercised their normal professional activity before the Corona pandemic erupted.

## Immigration news: reopening borders for non-EU workers with single permit

On August 20, 2020, the Belgian Immigration Service has decided to reopen the Belgian borders for non-EU citizens. Employees holding a single permit can from now on apply again for a Visa D via their local embassy. As a result, these permit holders are again able to travel to Belgium to start their employment.

All the Belgian embassies were recently informed about this by the Belgian Immigration Service. Non-EU employees can therefore travel to Belgium again after they have received their Visa D.

Of course, the general rules applicable to all foreigners travelling to Belgium must also be followed. These people will therefore have to complete the Passenger Locator Form (PLC), have themselves tested and undergo a mandatory quarantine.




## Flash inspections:

- The social inspection announced flash inspections in November in the meat industry. If you are confronted with a social inspection and would like our assistance, please do not hesitate to contact us.
- In the fight against the COVID-19 virus, additional flash inspections will be organised for 1 month as of 31 August 2020 in the construction, cleaning, agriculture, horticulture and meat sectors. This one-month period may be extended.




Flash inspections are announced inspections and are mainly of an informative and preventive nature. Please note that this does not mean that the inspectorates will not act and verbalise when they detect serious infringements. The following website contains checklists which can help you prepare for a flash inspection: <https://www.siod.belgie.be/fr/check-lists-controle>.

## Don't miss the other deadlines !





-  Wage withholding tax
-  Belgian social security contributions
-  Actions




### October 2020

-  15 Wage withholding tax September 2020
-  31 Social security contributions balance Q3/2020 (July - September)
-  31 Conversion of eco vouchers of 2021




### November 2020

-  5 Belgian social security contributions 1st advance of Q4/2020
-  15 Wage withholding tax October 2020

### December 2020

-  5 Belgian social security contributions 2nd advance of Q4/2020
-  15 Wage withholding tax November 2020
-  15 Company decision on replacement days for public holidays

### January 2021

-  5 Belgian social security contributions 3rd advance of Q4/2020
-  15 Wage withholding tax December 2020
-  31 Belgian social security contributions balance of Q4/2020 (October - December)

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