



Newsletter

Federal government agreement: labor law highlights

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Introduction

About 236 days after the elections, the new Belgian federal government, also known as the Arizona government, presented its federal government agreement. The government is addressing significant challenges including high tax burdens, low employment rates, and demographic issues affecting pensions and healthcare.

It aims to implement necessary reforms for long-term financial sustainability without raising taxes. The focus is on activating the labor market, ensuring that working is more financially beneficial than not working, especially for low- to middle-income workers. It is the intention of the federal government to implement stricter measures against excessive social benefits for those able to work, while offering administrative simplifications to support businesses.

In this Newsletter, we take a closer look at the measures linked to employment. For the relevant tax measures, we refer to our [Tax Newsletter](#).



Modernization of labor law

The government agreement intends to modernize certain aspects of labor law with a focus on flexibility and employees' rights:

1. **Flexibility in working hours:** Employees will have more freedom to agree on working hours with their employer, with the introduction of flexible "accordion" work schedules, allowing for annualization of working time. This applies to both part-time and full-time work, with options for compensatory rest or payment.
2. **Changes to minimum work hours:** The requirement for a minimum weekly work duration (one-third of full-time hours) will be abolished, but restrictions on contracts with less than 3 hours of work will remain.
3. **Student work :** The maximum student work limit will be increased to 650 hours, with the minimum age for student work set at 15.
4. **Abolishment of the prohibition of night work:** the ban on night work and mandatory closing days will be lifted, also night shifts in the distribution and related sectors (like e-commerce) will start at midnight instead of 8 PM, without loss of income for workers currently working between 8 PM and midnight.
5. **Trial period for employment contracts:** after the abolishment of the trial period as from 2014, this will be reintroduced by December 2025, allowing either party to terminate the contract with one week's notice within the first 6 months.
6. **Overtime and voluntary hours:** A system for up to 360 voluntary overtime hours will be introduced, with tax reductions for employees and employers. In some sectors (like hospitality), the limit will be raised to 450 hours. No extra pay will be required for 240 of these voluntary hours. Employees who don't want to work extra hours won't face negative consequences.
7. **Severance pay and employment protections:** severance pay will be capped at 52 weeks for new hires, to balance social protection with a favorable investment climate. The number of protection payments available in case of dismissal will be limited.
8. **Flexi-jobs and sector-specific changes:** The maximum income for flexi-jobs will increase from €12,000 to €18,000, and the maximum hourly wage will rise from €17 to €21. Flexi-jobs will be expanded to all sectors with respect for protected professions (e.g., healthcare, education, childcare). The government will monitor the use of flexi-jobs to prevent abuse.
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10. **Severance pay and employment protections:** severance pay will be capped at 52 weeks for new hires, to balance social protection with a favorable investment climate. The number of protection payments available in case of dismissal will be limited.
11. **Evaluation of Part-Time Work:** Rules on involuntary part-time employment will be evaluated for stricter enforcement.



A photograph showing a person's hands using a white card payment terminal. The person is holding a card and inserting it into the terminal. The background is blurred, showing what appears to be a retail or service environment.

Purchasing power and competitiveness

Concerning the purchasing power and competitiveness, the government agreement also contains a number of measures:

1. The principle of **automatic wage indexation** will be maintained to ensure employees can preserve their standard of living, even when the prices of goods and services rise.

The **wage norm law** from 2017 will also be upheld to ensure the long-term competitiveness of businesses.

Social partners are asked to develop an opinion by December 31, 2026, on reforming the wage law and the automatic indexation system. This will take into account both the competitiveness of businesses and the purchasing power of workers. They are also tasked with investigating a new benchmark that includes a broader definition of labor costs and addresses historical disadvantages.

2. While awaiting a fundamental reform of wage indexation and the wage norm, **higher minimum wages will be introduced**. In line with the framework agreed upon by social partners on June 25, 2021, the GGMMI (the Guaranteed Minimum Gross Monthly Income) will be increased by 35 euros gross on April 1, 2026, with no additional cost to employers. A similar step will be taken in 2028. The goal is to keep the minimum wage among the highest in Europe.
3. Existing **collective bonus systems (CAO 90, profit-sharing, etc.) will be simplified** and the scope of application will be more harmonized.
4. The **flexible compensation system** (so called “cafeteria plans”) will be **legally framed**. The government aims to reduce the pressure on gross wages by limiting wage exchange to a maximum of 20% of the annual gross salary.
5. The legally allowed **maximum contribution for meal vouchers** will be increased by two installments of 2 EUR. **Other existing vouchers** (eco vouchers, culture vouchers, etc.) will be phased out to reduce the number of voucher types while maintaining purchasing power.

Social fraud prevention



The government will intensify the fight against social fraud and social dumping. A snip of the most important measures:

1. The government will focus on clear regulations, transparency, automatic information flow, and **comprehensive cooperation among all involved administrations** at all policy levels.
2. To strengthen the fight against social fraud and social dumping, **penalties will be increased**. In case of a violation of the Social Penal Code with an aggravating factor, the criminal (or administrative) fine must not be lower than 50% of the prescribed maximum amount. Considering recent price developments, fine amounts will be increased.
3. In case of social fraud, the **right to future social security contributions (RSZ) discounts will be lost** for a certain number of quarters. Employers involved in social dumping and not contributing to the system will not enjoy the same benefits as employers who follow the rules.
4. **Increased inspections** in the following sectors: construction, logistics, electrical sector and metal construction, maintenance sector etc.



Administrative simplification

Various measures aim to reduce administrative burdens, simplify processes, and make it easier for entrepreneurs and businesses to operate. The most important simplifications are the following:

1. **Federal Learning Account:** After the postponement, the federal learning account will be abolished and a less administratively burdensome system will be explored.
2. **Part-time work administration:** Administrative obligations for employers concerning part-time work will be simplified without reducing the protection of involuntary part-time employees.
3. **Specific agreements can be revoked instead of biannual renewals:** The requirement for biannual renewals of specific agreements (e.g., for a four-day workweek, voluntary overtime) will be replaced or supplemented with the possibility of a permanent agreement with a six-month right to revoke.



Healthy work-life balance

The agreement discusses various measures to improve work-life balance and extend working careers, focusing on flexibility and support for employees. Following key points can be highlighted:

1. **Family and parental support:** The introduction of a "family credit" to simplify and harmonize leave rights, ensuring equal access for employees, self-employed persons and civil servants. This includes leave for both parents, grandparents, or the sole parent in case of single-parent families. Every child receives a "leave backpack" with integrated rights.

Furthermore, also career breaks and time credits across sectors, expanding parental leave to foster care parents, and removing restrictions on combining maternity leave with local political mandates or volunteering are foreseen.

2. **Work flexibility and teleworking:** Encouraging teleworking, digital nomadism and cross-border employment, alongside efforts to integrate work during public transport commutes (e.g., trains with better facilities like Wi-Fi and charging points).
3. **Unemployment benefits in case of voluntary leave:** Employees with at least 10 years of work history can voluntarily leave their jobs and receive unemployment benefits for up to 6 months, extendable if they undergo training for in-demand jobs.
4. **Training and development:** Retaining individual training rights while ensuring flexibility, especially for employees who need it most, and reducing administrative burdens. Informal training in small businesses will also count.
5. **Support for older employees:** Older employees can work part-time (e.g., 50% or 80%) starting at age 55, with increasing career requirements over time (e.g., 35 years by 2030).
6. **Early retirement and employment transitions:** Tightening access to early retirement systems (such as former bridge pensions) and monitoring medical retirement to encourage reemployment.



Sickness and reintegration

The government agreement aims to improve reintegration processes for long-term sick employees, ensure fairness in the system and reduce absenteeism while balancing the needs of both employers and employees.

For Employers:

1. Employers are encouraged to establish an active absenteeism policy, focusing on preventing long-term sickness and maintaining regular contact with sick employees.
2. Employers are responsible for reintegrating long-term sick employees aged from 18 to 54. For companies that are not SMEs, **a contribution of 30% of the sickness benefit (from RIZIV) shall have to be paid by the employer during the first two months of sickness.** This replaces current penalties for businesses with high rates of long-term absenteeism.
3. Reintegration paths will consider job opportunities with other employers and involve closer collaboration between regional mediation services, prevention services, and healthcare providers. A shared disability file will be implemented for better coordination.
4. Reintegration policies will focus on internal mobility within the company first, with external mobility as a secondary option. If reintegration fails and the employee is deemed permanently unfit, the company can fill the position without additional costs after 6 months of continuous sickness.
5. A new, easier process will be introduced for reintegration plans starting from the first day of sickness, with the employee's consent.

For Employees:

1. To combat absenteeism, employees will only be allowed to take up to **two sick days per year without a medical certificate, instead of the actual three days.**
2. Long-term sick employees will have their eligibility for sickness benefits regularly reassessed. If they are no longer employed, they must register with regional employment services (e.g., Forem, VDAB).
3. Employees who do not cooperate in reintegration programs (either through the employer or the health insurance) will face sanctions, including a 10% reduction in benefits for not fulfilling administrative obligations or missing medical appointments.
4. Recurring sickness absences will not entitle employees to a new 30-day guaranteed sick pay unless they have returned to work for 8 weeks between incidents.
5. Rules for combining a partial sickness benefit with partial work income will be relaxed to make returning to work more attractive for long-term sick employees. Administrative barriers for partial work resumption will be reduced.
6. To facilitate reintegration, either the treating doctor or the occupational doctor's approval will suffice for the employee to return to work. Employers will promptly inform the health insurance adviser of any partial resumption, ensuring the benefits are correctly calculated.



End note

It is the goal of the federal government to shape and implement these measures over the coming months and years. We will ensure to keep you informed with timely updates as soon as these measures become more concrete and if and when the measures will take effect.

Contacts



Kim Matthys
Director
kim.matthys@forvismazars.com

Stefanie Devestel
Manager
stefanie.devestel@forvismazars.com

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