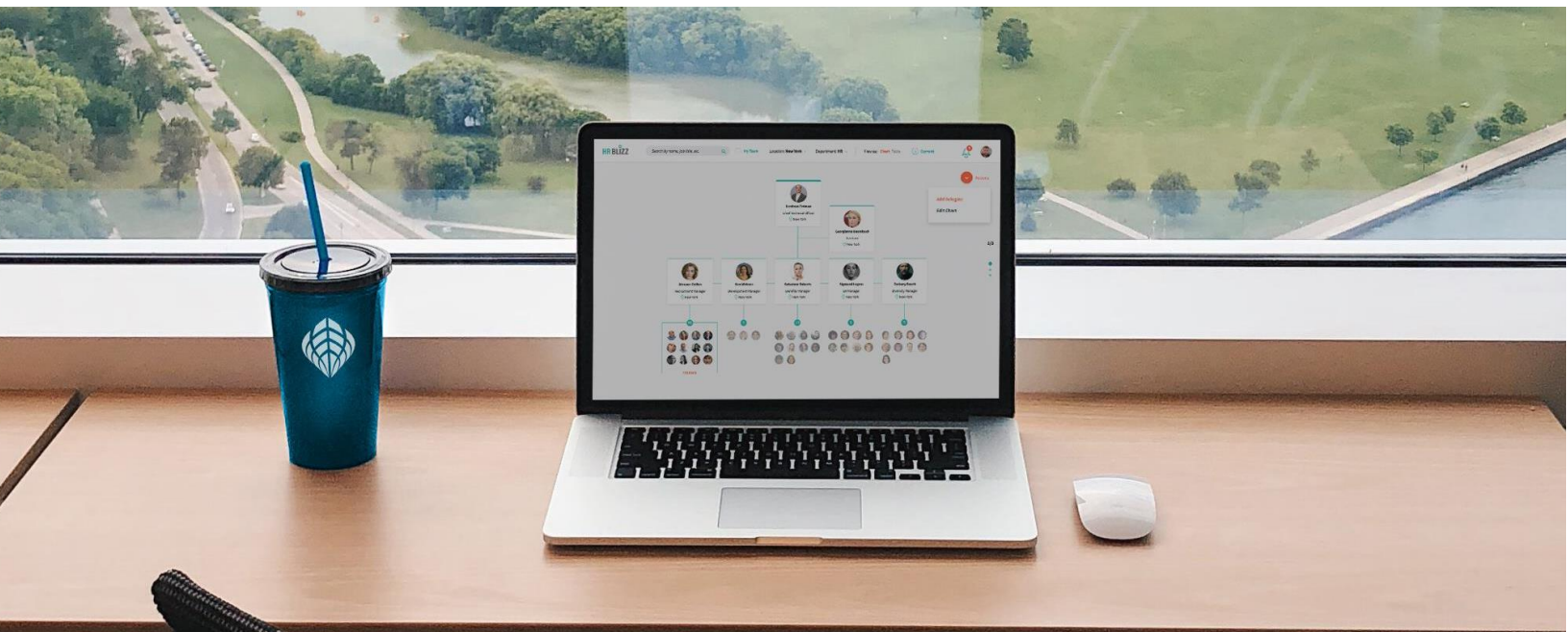




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

Netherlands 2024 Statutory Amendments



NETHERLANDS



14 December 2023

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MERCANS

We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



PEO/GEO Services – Easily hire, deploy and manage your workforce abroad

A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesaar™ and our hiring experts help to screen, select, attract the right candidates for your organization and populate your pipeline of prequalified talents.



BPO Services – Reclaim the focus on your core activities to expand your business

Concentrate on the essentials: outsource non-primary activities and your front- and back-office functions to Mercans. Save the time, money, and energy needed to refine the value chain engagement of your customers and suppliers and increase revenue.



HR Management SaaS – Access customizable cloud-based online platforms

Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesaar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



Local Statutory Compliance – Forget the hassle of setting up branches abroad

Mercans seasoned HR advisory team are compliance experts specialized in local cultures, business protocols, and tax and legal specificities. They are committed to ensure quick go-to-market abroad and achieve a compliant global expansion, risk-free from A to Z.



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Mercans at a Glance

160+

Countries

20

Years of Success

+1k

Payroll and HR Specialists

22k+

Clients Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

95k+

Largest Single Country Payroll

25M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certificate





Netherlands – 2024 regulation updates

On 19 September 2023, the Dutch Ministry of Finance submitted the 2024 Dutch Budget (Belastingplan 2024) to Parliament. If approved, the below amendments will be implemented effective 1 January 2024:

1. The rate for tax-free travel allowance is currently EUR 0.21 per kilometer. It has been proposed to increase the rate to EUR 0.23 per kilometer. Furthermore, no tax will be payable if an employer provides an employee with a public transport card that they use exclusively for business travel.
2. The rate for tax-free work from home allowance is currently EUR 2.15 per day. It has been proposed to increase the rate to EUR 2.35 per day.
3. The 30% ruling, which allows employers to exempt from tax a portion of the wages paid to employees recruited from abroad, may be amended. In addition to the restriction placed by the *Balkenende standard*, where the 30% ruling may be limited to an annual salary maximum as per the WNT standard, the 2024 budget proposes to abolish the ruling effective 2024. Further, recommendation has been made to gradually decrease the exemption on existing 30% schemes as illustrated below:
 1. 30% in the first 20 months
 2. 20% in the subsequent 20 months
 3. 10% in the final 20 months

4. The rates for wage tax may be amended as per below:

| Annual income from | Annual income to | No AOW | Born before 1946 | Born after 1946 |
|--------------------|------------------|--------|------------------|-----------------|
| 0.00 | 38,110.00 | 36.97% | 19.07% | 19.07% |
| 38,110.00 | 40,038.00 | 36.97% | 19.07% | 36.97% |
| 40,038.00 | 75,549.00 | 36.97% | 36.97% | 36.97% |
| 75,549.00 | Above | 49.50% | 49.50% | 49.50% |

5. The rates for general tax credit may be amended as per below:

| General tax credit | No AOW | AOW age |
|--------------------|-----------|-----------|
| Basic credit | €3 362.00 | €1 735.00 |



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| | | |
|-------------------------------------|------------|------------|
| Maximum calculation base | €24 812.00 | €24 812.00 |
| Deduction for each € 1 over maximum | 6.630% | 3.420% |
| Reduction complete at | €75 518.00 | €75 518.00 |

6. The rates for labour wage tax credit may be amended as per below:

| No AOW | | | |
|--------------|-------------|---------|------------|
| Bracket from | Bracket to | Rate | Tax Credit |
| 0.00 | €11 490.00 | 8.425% | €968.00 |
| €11 490.00 | €24 820.00 | 31.433% | €4 190.00 |
| €24 820.00 | €39 957.00 | 2.471% | €374.00 |
| €39 957.00 | €124 934.00 | -6.510% | -€5 532.00 |

| AOW age | | | |
|--------------|-------------|---------|------------|
| Bracket from | Bracket to | Rate | Tax Credit |
| 0.00 | €11 490.00 | 8.425% | €968.00 |
| €11 490.00 | €24 820.00 | 31.433% | €4 190.00 |
| €24 820.00 | €39 957.00 | 2.471% | €374.00 |
| €39 957.00 | €124 934.00 | -3.358% | -2 854.00 |

7. The government adjusts the amount of the minimum wage twice a year – on 1 January and 1 July. As of 2024, there will no longer be a monthly, weekly or daily minimum wage. The proposed January 2024 changes are as follows:

| Age | Hourly Minimum Wage |
|-------------------|---------------------|
| 21 year and older | €13.27 |
| 20 year | €10.62 |
| 19 year | €7.96 |
| 18 year | €6.64 |
| 17 year | €5.24 |
| 16 year | €4.58 |
| 15 year | €3.98 |

8. The Social security rates may be amended as shown in the table affixed below:

| Social Security | 2023 | 2024 |
|---|-------|-------|
| General unemployment insurance (AWF) High | 7.64% | 7.64% |



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| | | |
|--|-------|-------|
| General unemployment insurance (AWF) Low | 2.64% | 2.64% |
| Occupational disability insurance (Aof) High | 7.11% | 7.54% |
| Occupational disability insurance (Aof) Low | 5.82% | 6.18% |
| Childcare allowance contribution | 0.50% | 0.50% |
| Government unemployment insurance (Ufo - paid by government employers in place of AWF) | 0.68% | 0.68% |
| Healthcare Insurance - General | 6.68% | 6.57% |
| Healthcare Insurance - Pensioners, self-employed individuals, and entrepreneurs | 5.43% | 5.32% |
| Work Cost Ruling Scheme(WKR) – Up to EUR 400 000 | 3.00% | 1.92% |
| Work Cost Ruling Scheme(WKR) – Above EUR 400 000 | 1.18% | 1.18% |

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.



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They already trust Mercans





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What Makes Mercans your HR and Payroll Partner of Choice?

We Simplify Employment Tasks Worldwide

Everywhere for Everyone

We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

Local Presence. Regional Strategy. Global Success

Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

A Revolutionary Service Delivery System

Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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