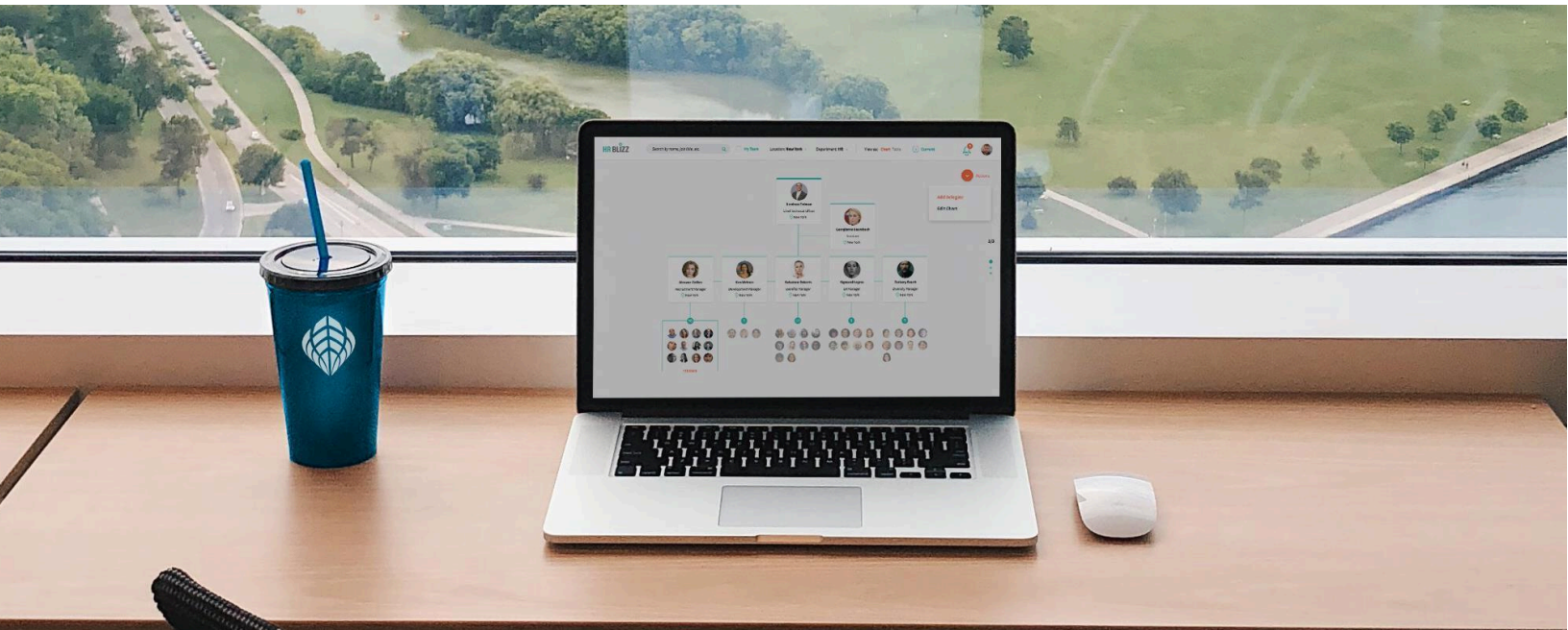




Simplifying Employment
Tasks Worldwide

Statutory Change Alert

Netherlands – Changes to Social Security Rates, Minimum
Wage, Income Tax Rates and Credits – 1 January 2025



NETHERLANDS



Jan 14, 2025

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Changes to Social Security Rates, Minimum Wage, Income Tax Rates and Credits

On Tuesday 17 December 2024, the Dutch Parliament voted in favour of the Tax Plan 2025 and the other bills presented on Budget Day. The Tax Plan and other bills propose the following changes, effective 1 January 2025:

Changes to Minimum Wage and Social Security

The government adjusts the amount of the minimum wage twice a year – on 1 January and 1 July. From 2024, the minimum wage is an hourly wage and no longer a monthly, weekly or daily minimum wage. The minimum wage for 2025 is as follows:

Age	Hourly Minimum Wage (€)
21 years and older	14.06
20 years	11.25
19 years	8.44
18 years	7.03
17 years	5.55
16 years	4.85
15 years	4.22

The maximum annual salary basis cap for employer contributions is amended from €71,826.00 to €75,864.00.



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The Social Security rates have been amended as per the following table:

Social Security	2024	2025
General Unemployment Insurance (AWF) High	7.64%	7.74%
General Unemployment Insurance (AWF) Low	2.64%	2.74%
Occupational Disability Insurance (Aof) High	7.54%	7.64%
Occupational Disability Insurance (Aof) Low	6.18%	6.28%
Healthcare Insurance (ZVW) - Employer	6.57%	6.51%
Healthcare Insurance (ZVW) - Employee	5.32%	5.26%
Work Cost Ruling Scheme (WKR) – Up to EUR 400 000	1.92%	2%
Work Cost Ruling Scheme (WKR) – Above EUR 400 000	1.18%	1.18%

ZW-Flex (Werkhervattingskas)(Whk) has retroactively changed the indexed rates:

The wage limit will be indexed retroactively by 6.60 percent as of January 1, 2024, based on the average contract wage development of companies over 2024 as included in the Macro Economic Outlook 2025 of the CPB.

Changes to Income Tax Rates and Tax Credits

The rates for wage tax are amended as below:

No AOW and AOW born before 1946

Income From (€)	Income To (€)	No AOW	AOW Born After 1946
0	38,441	35.82%	17.92%
38,441	76,817	37.48%	37.48%
76,817	Above	49.50%	49.50%

AOW born before 1946

Income From (€)	Income To (€)	AOW Born Before 1946
0	40,502	17.92%
40,502	76,817	37.48%
76,817	Above	49.50%

The rates for general tax credit are amended as below:



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General Tax Credit	No AOW	AOW
Basic credit	€3,068	€1,536
Maximum calculation base	€28,406	€28,406
Deduction for each €1 over maximum	6.337%	3.170%
Reduction complete at	€76,817	€76,817

The rates for labour wage tax credit are amended as below:

Income From (€)	Income To (€)	No AOW	No AOW Tax Credit (€)	AOW Rate	AOW Tax Credit (€)
0	12,169	8.053%	980	4.029%	491
12,169	26,288	30.030%	4,240	15.023%	2,121
26,288	43,071	2.258%	379	1.130%	190
43,071	129,078	(6.510%)	5,599	(3.257%)	2,802

The rates for elderly wage tax credit are amended as below:

Elderly Wage Tax Credit	
Base Credit	€2,035
Maximum calculation base	€45,308
Deduction for each €1 over maximum	15%
Reduction complete at	€58,875

Single elderly wage tax credit is € 531.

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



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