

Non-recurring result-based advantages

Did you ever think about granting a bonus to your employees? You can give them a non-recurring result-based bonus. This bonus is exempt up to a maximum amount of 2.722€ (for bonuses granted in 2014). Such a bonus can each year be paid tax free to the employees. For you as the employer the paid bonuses are deductible as professional expenditure. In other words: everyone wins.

What?

Non-recurring result-based advantages are linked with the collective result of the company, or of a certain group of employees. They can only be granted in case the group of employees attain a common goal together. Individual goals fall out of the system. It is neither applicable to goals for which it was clear from the beginning that they would be achieved.

The goals should have the following characteristics:

- observable;
- transparent;
- definable;
- measurable;
- verifiable.

These characteristics make it possible for the employee to know exactly what is expected from him (observable, transparent, definable) and for the employee and the employer whether the goals are actually achieved (measurable, verifiable). Based on objective criteria it should be examined whether the goals are achieved.

Goals can be very diverse: from obtaining a certain turnover or profit over the reduction of professional accidents and days of illness to simpler goals such as using less paper, etc.

A company can also put forward a number of smaller goals and link parts of the bonus to these.

For the employee: tax exempt

A non-recurring result-based advantage is tax exempt (maximum of 2.722€, increased with 13,07% solidarity contribution). Who works for several employers, can only obtain maximum 2.722€ tax free from all employers together.

Social security contributions are due neither, but only a special solidarity contribution of 13,07%.

For the employer: deductible

For the employer the distributed amounts are tax deductible professional expenditure.

The employer should however pay a special social security contribution of 33%.