

Hybrid working for employees: the tax implications in Belgium



With working from home the 'new normal' for many, employers need to be clear about the tax implications and consider tax-efficient benefits for the return to the workplace.

March 2021



The starting point



Managing the return to work



About Osborne Clarke and Contacts



1. The starting point: the reimbursement of a telework@home allowance of max. €129.48/month

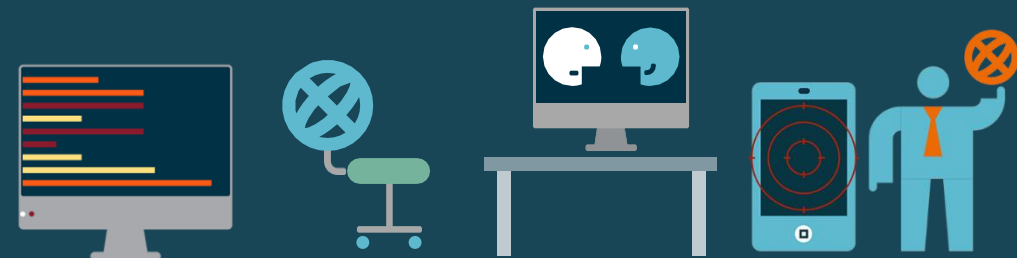
A **tax and social security exempted** telework@home allowance of up to max. **€129.48/month** (€144.31/month for Q2/2021) can be reimbursed by the employer to employees to cover home office expenses. This telework@home allowance covers costs related to the equipment and use of an *office space in the private premises of the employee, consumable IT materials (not the printer or the PC), small office supplies, utilities such as water, electricity and heating, maintenance, insurance and property tax*. This telework@home allowance can be **tax and social security exempted** for the employee provided that **teleworking** at home is carried out on a "**structural and regular**" way, which means at least **one day per week** on a monthly basis.

2. Additional tax and social security exempted lump sum reimbursements can be made by the employer

Some specific teleworking costs can be **reimbursed** by the employer in addition to the monthly lump allowance of €129.48/month to cover the cost of the **office furniture** and/or **IT materials**.

These **tax and social security exempted** lump sum reimbursements include:

- a) Use of private **internet connection** for professional purposes = **max. €20/ month**
- b) Use of a **private PC** for professional purposes = **max. €20/ month**
- c) When the PC is provided by the employer, the use of a personal second computer **screen** and/or a private **printer** and/or a private **scanner** = **max. €5/month** per item with an absolute maximum of €10/month for a period of max. 3 years



3. The employer can reimburse or provide specific office or IT materials used for telework



The Employee provides the equipment:

Tax free reimbursement possible.

In addition to the telework@home allowance, it is possible for the employer **to intervene financially** in the actual costs related to the employee's purchase of certain office furniture or IT materials. This reimbursement (in one time or in installments) is considered **tax and social security exempt** for the employee (if certain conditions are met).



Which furniture and IT materials can be reimbursed or provided by the employer with a tax/social exemption?

An office chair, a desk, shelving, a desk lamp, a second computer screen, a printer and/or a scanner, a keyboard, a mouse or trackpad and a phone headset.



The Employer provides the equipment:

not (always) a benefit in kind.

In addition to the telework@home allowance, it is possible for the employer **to provide** some office furniture and IT materials (which are necessary for the normal exercise of the professional activity at home and which are "reasonable") to the employee, **without generating any taxable benefit in kind for the employee.**



Managing the return to work

The shift to homeworking seems set to continue for the foreseeable future. However, employers will also be mindful of managing the return to work, either on a full or partial basis. What tax incentives are available to employers wishing to encourage a return to work?



Cycle to work

For the employee: an (electric) "company bike" provided by the employer which is used to commute to and from work (and for private purposes), does not give rise to any taxable benefit in kind. Additionally, the allowance of €0.24/km (for 2021) paid by the employer to commute to and from work with his own bike is also fully tax exempted.

For the employer: such bike related costs are fully tax deductible.

Ultra low emission vehicles

For the employee: the benefit in kind deriving from an a fully electric or a "real" plug-in hybrid company car will be fiscally attractive as it will only depend on the price of the car and will not be impacted negatively by the CO₂ emission (contrary to a car with a fuel or diesel engine).

For the employer: costs related to fully electric cars could be 100% tax deductible and costs related to "real" plug-in hybrids could be tax-deductible between 95% and 100%.

(Re)charging

For the employee: the use of a charging station provided by the employer (incl. the electricity) for company cars in the company or at home does not give rise to an additional benefit in kind than for the company car itself.

For the employer: Expenses related to the purchase, installation and maintenance of the recharging station as well as the cost of electricity to recharge the car could be tax-deductible.

Mobility Budget

For the employee: the choice of exchanging his company car for a mobility budget opens the door to three possibilities or "Pillars".

Pillar 1: the employee can opt for an environmentally friendly car and allocate the remaining budget to Pillars 2 and 3.

Pillar 2: the employee can select from a range of sustainable means of transport and finance housing costs.

Pillar 3: the employee can receive the remaining amount in cash.

For the employer: while Pillar 1 is subject to the same tax treatment as a classic company car, Pillars 2 and 3 are fully deductible.

Looking ahead

The future of work is bound to be "hybrid". A healthy mix of face-to-face interactions and digital activities. With decarbonisation high on the agenda, employers will also be keeping an eye on any measures introduced in relation to environmentally friendly ways of travelling.



About Osborne Clarke and Contacts

How we can help

At Osborne Clarke we have a dedicated team of incentives lawyers who advise on employee benefits and tax issues. They work closely with experts in other aspects of homeworking, such as our employment and health and safety teams.

We can help guide you through the tax rules and exemptions, to ensure that you comply with your obligations.

Stock Options Plans ("SOP") can also be used to incentivise, reward and retain your key employees as a favourable tax and social security regime exists in Belgium. We advise you on the full range of SOP, from the tailor made drafting of the plan to the effective implementation, which can offer significant tax advantages both for the employer and the employees (provided conditions are met).

Contacts

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