Newsletter

Act containing various provisions

DECEMBER 2025

TABLE OF CONTENTS

Dear reader,

At the end of December 2025 eek, the draft Act containing various provisions was approved by Parliament. While it still needs to be published in the Belgian Official Gazette, a final text has now been adopted. Together with the Programme Act of 18 July 2025, this constitutes the second major legislative instrument giving effect to the Government Agreement.

In this newsletter, we outline the impact of the Act containing various provisions on the HR landscape

Enjoy the read!

Ius Laboris Belgium Global HR Lawyers
Claeys & Engels

1 Labour market and employment law

1.1 Increase in student work allowance and reduction in age limit

The coalition agreement provided for an increase in the credit limit for student work from 650 hours and lowered the age for student work to 15.

The increase in the credit to 650 hours was already decided earlier this year. On the basis of the Law containing various provisions, the age for student work will also be adjusted from 1 January 2026.

Minors who are still subject to full-time compulsory education may perform light work from the age of 15. What is meant by light work will be clarified in a royal decree.

During the school period, working hours are limited to a maximum of 2 hours on school days and a maximum of 8 hours per day on non-school days. In total, no more than 12 hours per week may be worked during the school period. During a period of at least one week without school activities, 8 hours per day and 40 hours per week may be worked.

If the minor concerned is employed by several employers, the hours worked must be added together. They are not allowed to work overtime, nor to work between 8 p.m. and 6 a.m., or on Sundays or public holidays. In addition to Sunday rest, they are entitled to an additional day of rest on Saturday or Monday.

The minor concerned may not work for more than 4.5 hours without a break. If a working day lasts longer than 4.5 hours, they are entitled to a half-hour break. As soon as the working day lasts longer than 6 hours, they are entitled to a total of one hour's break (with at least one half-hour break). The time between consecutive work performances must be at least 14 hours.

1.2 Abolition of the starter job obligation

The Act containing various provisions will abolish the starter job obligation from 1 January 2026. Under this obligation, employers with a certain number of employees were required to employ a legally specified number of young people.

2 Pensions

Under the Easter Agreement, the government agreed on an initial package of pension measures. As explained in our newsletter of 4 August 2025, a first (limited) part of these measures was implemented through the Programme Act of 18 July 2025. The remaining pension reforms stemming from the Easter Agreement are now being introduced via the Act containing various provisions. As regards the pension measures announced under the Summer Agreement of 21 July 2025, the Arizona pension act(s) are still pending and are expected to be adopted towards the end of the year.

The Act containing various provisions includes the following pension measures.

2.1 Abolition of the current pension bonus

With effect from 1 January 2026, the current pension bonus, introduced by the previous De Croo government (the so-called “Lalieux” pension bonus), will be abolished under the pension schemes for employees, self-employed persons and civil servants.

The abolition of this pension bonus will take place with due regard for vested rights of those who have already accrued a pension bonus. Persons who had already started accruing the “Lalieux” pension bonus may continue to accrue bonus days under the current regime until 31 December 2025. However, persons who have accrued a “Lalieux” pension bonus will no longer be able to have that bonus paid out in the form of a monthly annuity. That option is repealed with retroactive effect, and the “Lalieux” pension bonus will in all cases be paid out as a one-off capital amount.

In its coalition agreement, the Arizona government also announced that the current pension bonus will be replaced as from 1 January 2026 by a new pension bonus subject to new conditions. The introduction of this new pension bonus is not included in the Act containing various provisions.

It is expected that this new pension bonus will be enacted before the end of this year, together with the other announced pension reforms (including the new rules governing early statutory retirement, with revised calculation rules for career years for the purpose of access to early statutory retirement (cf. the replacement of the 104-day rule by the 156-day rule) and the pension malus, etc.).

2.2 Supplementary pensions: increase of the Wijninckx Contribution

Employers are required to pay a special social security contribution of 8.86% on the employer contributions paid to finance the pension/survivors’ benefits component of a supplementary pension plan. The Wijninckx contribution is an additional special social security contribution of (currently) 3%, which is payable by the employer where an employee’s supplementary pension exceeds a certain annual threshold. Sigedis calculates the Wijninckx contribution and notifies the employer of the amount due.

The rate of the Wijninckx contribution will be increased to 12.5%. The new contribution rate of 12.5% will be payable as from contribution year 2026. The increase of the Wijninckx contribution to 6%, which had been introduced by the previous De Croo government and was due to enter into force as from 1 January 2028, is repealed.

2.3 Supplementary pensions: reform of the solidarity contribution

The solidarity contribution is a contribution that must be withheld by the pension institution on supplementary pensions paid out in the form of a lump sum. Under the current legislation, the pension institution applies a withholding tax ranging from 0% to 2%, depending on the nature and the amount of the supplementary pension capital.

By way of a government amendment, the following changes to the solidarity contribution have been introduced through the Act containing various provisions:

- As from 1 January 2026, the pension institution will, in all cases, be required to withhold a solidarity contribution of 2% on supplementary pensions paid out in the form of a lump sum. Where it subsequently appears, upon payment of the statutory pension, that no solidarity contribution or a lower solidarity contribution is ultimately due, the amount over-withheld will be refunded to the individual concerned by the Federal Pensions Service.

- As from 1 July 2027, an additional solidarity contribution of 2% will apply to high supplementary pension capitals. This increase from 2% to 4% will apply solely to the portion of the supplementary pensions exceeding the threshold of EUR 150,000, and only to payments due as from 1 July 2027. All lump sums (including the initial vesting capitals of supplementary pensions) will be aggregated for this purpose. Where the individual concerned is affiliated to multiple pension plans, the additional levy of 2% will be allocated pro rata across the different parts of the supplementary pension that contributed to the excess. Sigedis will calculate the solidarity contribution due and, where applicable, inform the pension institution(s) concerned of the additional percentage to be withheld. Provision is also made for a refund of this additional solidarity contribution of 2% by the Federal Pensions Service where it subsequently appears that the total monthly gross amount of the statutory and supplementary pensions of the individual concerned does not exceed a certain (indexed) threshold (EUR 3,225.74 for a single person and EUR 3,729.34 for a person with dependants).

2.4 Accountability contribution of local authorities

A number of measures further reform the accountability contribution of local authorities.

3 (Para)taxation

In its agreement of 31 January 2025, the Arizona Government set out a number of structural reforms, notably in the field of (para)fiscal policy.

Following the Easter Agreement, the Government reiterated its intention to swiftly implement concrete measures in this area.

Accordingly, the Programme Act of 18 July 2025 introduced a series of measures, including, inter alia, the capping of employers' social security contributions above a certain threshold (EUR 85,000 gross per quarter), the harmonisation of the liquidation reserve and the VVPRbis regime, the introduction of a presumption of good faith in favour of the taxpayer, the reintroduction of a tax regularisation mechanism, the taxation of carried interest for investment fund managers, and the introduction of an exit tax on the emigration of companies from Belgium. These measures were discussed in our newsletter of 4 August 2025.

The present newsletter focuses on the measures recently introduced by the Act containing various provisions.

Further measures are expected in the near future. These include, in particular, the reform of the favourable tax regime applicable to copyright income, the taxation of capital gains, an increase in the withholding tax on VVPRbis dividends from 15% to 18% (with a corresponding increase also envisaged for the liquidation reserve), and the introduction of a levy payable by employers granting excessive benefits in kind. We will, of course, keep you informed as developments arise.

Compensation & Benefits

3.1 Special tax regime for incoming taxpayers and incoming researchers

In order to attract foreign talent to work in Belgium, the special tax regime for incoming taxpayers and incoming researchers allows employers to grant a lump-sum allowance of up to 30% of the remuneration of the incoming taxpayer or researcher, treated as expenses borne by the employer and exempt from Belgian income tax and social security contributions (with the exemption capped at EUR 90,000 per year). Access to this regime is, moreover, subject to the incoming taxpayer receiving a minimum annual gross remuneration of EUR 75,000.

The regime has now been made more favourable:

- The exempt lump-sum allowance may amount to up to 35% (instead of 30%);
- The annual exemption cap of EUR 90,000 has been abolished;
- The minimum remuneration threshold of EUR 75,000 has been reduced to EUR 70,000.

An amendment to the social security regulations will be required to align the amounts potentially exempt from Belgian social security contributions with the new tax exemptions. At this stage, it is not yet certain whether the Belgian social security authorities will follow the changes adopted for tax purposes.

This reform applies retroactively and covers remuneration paid or attributed as from 1 January 2025.

For individuals who commenced employment in Belgium between 1 January 2025 and the tenth day following the publication of the law in the Belgian Official Gazette, and whose remuneration did not meet the former threshold of EUR 75,000 but does meet the new threshold of EUR 70,000, an application for the regime may still be filed within a period of three months as from the tenth day following the publication of the law.

3.2 Flexi-job

A flexi-job is a specific form of employment that allows an employee to carry out an additional professional activity under favourable tax and social security conditions. Until recently, the annual tax-exempt ceiling amounted to EUR 12,000 and was not subject to indexation. This ceiling has now been increased to EUR 18,000 (for the 2025 income year) and will be indexed, thereby allowing for a higher tax exemption over time.

The main (para)fiscal features of the regime are as follows:

- an employer's social security contribution of 28%;
- no personal social security contributions;
- exemption from income tax up to the tax-exempt ceiling of EUR 18,000 (indexed), with any excess being subject to progressive taxation.

These changes apply retroactively as from the 2025 income year.

3.3 Meal vouchers

The maximum employer contribution is increased from EUR 6.91 to EUR 8.91. Combined with the minimum employee contribution of EUR 1.09 (which remains unchanged), the maximum value of a meal voucher is henceforth set at EUR 10, compared to EUR 8 at present.

The granting of such meal vouchers remains exempt from ordinary social security contributions and from income tax.

The tax-deductible portion of the employer contribution is increased from EUR 2 to EUR 4 where the employer contribution reaches the new maximum of EUR 8.91. Where the employer contribution is lower, the tax deduction remains limited to a maximum of EUR 2 per meal voucher.

This increase in the maximum employer contribution does not apply automatically: employers are not required to increase their contribution to EUR 8.91. In principle, an undertaking-level collective bargaining agreement or an addendum to the employment contract is required to implement such an increase.

These changes will enter into force as from 1 January 2026.

Taxation

3.4 Company car taxation

The tax and social "greening" of mobility, introduced in 2021, established a phased reform of the tax deductibility of car-related expenses. In summary, the following framework applies:

– Vehicles acquired before 1 July 2023: no change applies. Deductibility continues to be determined on the basis of a formula taking into account the vehicle's CO_2 emissions (120% − (0.5% × coefficient × CO_2 emissions in g/km)).

– Vehicles acquired between 1 July 2023 and 31 December 2025: a phase-out regime applies to vehicles with CO_2 emissions. Deductibility is subject to a degressive cap:
  - 75% for assessment year 2026 (income year 2025);
  - 50% for assessment year 2027 (income year 2026);
  - 25% for assessment year 2028 (income year 2027);
  - 0% as from assessment year 2029 (income year 2028).

  Electric vehicles remain 100% deductible.

– Vehicles acquired as from 1 January 2026: only zero-emission vehicles remain deductible. The applicable deduction percentage depends on the year of acquisition:
  - 100% for an electric vehicle acquired in 2026;
  - 95% for an electric vehicle acquired in 2027;
  - 90% for an electric vehicle acquired in 2028;
  - 82.5% for an electric vehicle acquired in 2029;
  - 75% for an electric vehicle acquired in 2030;
  - 67.5% for an electric vehicle acquired as from 2031.

In order to avoid an excessive restriction of the tax deductibility of hybrid vehicles (i.e. vehicles that are not fully electric), a specific regime has been introduced for the deductibility of car-related expenses in personal income tax, which does not apply to company cars.

Income year	CO_2 emissions	Year of acquisition	Deductibility limitation
2026 and 2027	Max. 50 g/km	Up to 31/12/2027	Standard deductibility formula with a cap of 100%
	Between 51 and 75 g/km	Up to 31/12/2027	Standard deductibility formula with a cap of 75%
As from 2028	Max. 50 g/km	Up to 31/12/2027	Standard deductibility formula with a cap of 95%
		As from 1/1/2028	65%
		As from 1/1/2029	57.5%
		As from 1/1/2030	0%
	Between 51 and 75 g/km	Up to 31/12/2027	Standard deductibility formula with a cap of 75%
		As from 1/1/2028	65%
		As from 1/1/2029	57.5%
		As from 1/1/2030	0%
Regarding fuel costs (excluding electricity), these remain deductible up to 50% for the 2026 and 2027 income years. As from 1 January 2028, fuel costs will no longer be deductible.			

Finally, a new Euro 6e-bis standard will enter into force for the determination of CO_2 emissions.

3.5 Abolition of certain preferential tax regimes

With a view to simplifying the tax system, a number of tax incentives are being abolished, including the following:

- **PC private plan**: the exemption applicable to the employer's contribution towards the purchase of a private PC is abolished (entry into force on 30 September 2025; applicable to employer contributions granted as from 1 October 2025).

- **Increased flat-rate allowance for long-distance commuting**: this regime is abolished (entry into force: assessment year 2026 – income year 2025).

- **Trainees**: the exemption applicable upon the recruitment of a trainee for whom the employer receives a "traineeship bonus" is abolished (entry into force: assessment year 2026 – income year 2025).

- **Additional staff in an SME**: the exemption will no longer apply as from assessment year 2026 (income year 2025).

- **Social liability under the single employment status**: the exemption may only be applied to compensations granted up to and including 30 September 2025, subject to a limitation of the exempt amount.
- Exemption of capital gains on business vehicles: the existing exemption is maintained only for capital gains realised no later than 31 August 2025.

- **Purchase of an electric vehicle**: the tax reduction for the purchase of an electric vehicle is abolished (entry into force: assessment year 2026 – income year 2025).

- Tax reduction and recognised development funds: the tax reduction for subscriptions to shares in recognised development funds is abolished (entry into force: assessment year 2026 – income year 2025).

- **Donations**: the tax reduction for charitable donations is reduced from 45% to 30% (entry into force: assessment year 2026 – income year 2025).

- **Domestic staff**: remuneration paid to domestic staff will no longer give rise to a tax reduction (entry into force: assessment year 2026 – income year 2025).

- **Adoption**: the tax reduction for expenses incurred in the context of an adoption procedure is abolished (entry into force: assessment year 2026 – income year 2025).

- **Legal expenses insurance**: the tax reduction is abolished (entry into force: assessment year 2026 – income year 2025).

- **Charging station**: the tax reduction for individuals installing a charging station is abolished (entry into force: assessment year 2026 – income year 2025).

3.6 Taxation of immovable property

The following tax incentives are abolished:

- The tax deduction for interest paid on loans relating to immovable property other than the taxpayer's own dwelling (including existing loans);

- The federal tax reduction for additional interest relating to a dwelling other than the taxpayer's own home (the former deduction for supplementary interest);

- The increased federal tax reduction under the housing savings scheme, applicable to mortgage loans concluded before 1 January 2005 and the related individual life insurance policies;

- The additional tax reduction granted in the case of joint taxation (for loans concluded before 1 January 1989);

- The abolition of the federal housing bonus (for a dwelling other than the taxpayer's own home);

- The tax incentive for "green" loans (for loans concluded between 1 January 2009 and 31 December 2011);

- The tax incentive for energy-efficient buildings.

These changes will enter into force as from assessment year 2026 (income year 2025).

3.6 Investment deduction

The investment deduction is a tax incentive designed to encourage Belgian companies to make productive investments. Under this regime, the taxable base may be reduced by applying an additional deduction percentage to the value of investments realised during the financial year.

The prohibition on combining this deduction with regional aid measures is abolished, as is the restriction on carrying forward unused deductions.

This change applies to fixed assets acquired or created as from 1 January 2025.

In addition, the favourable rate of 40% for thematic investments is extended to large enterprises, resulting in the full abolition of the reduced 30% rate. This amendment will apply as from assessment year 2027 (income year 2026).

3.6 Maintenance payments

Maintenance payments are currently deductible at a rate of 80% from the payer's total net income.

This 80% deductibility (as it exists today) will be gradually reduced as follows:

- 70% for maintenance payments paid or granted as from 1 January 2025;
- 60% for maintenance payments paid or granted as from 1 January 2026;
- 50% for maintenance payments paid or granted as from 1 January 2027.

At the level of the beneficiary, the taxable portion of the maintenance payments will be adjusted accordingly. In practice, where the beneficiary is a child, the maintenance payments received are generally not subject to tax insofar as the amounts received do not exceed the tax-free threshold.

3.9 Income of dependants

The threshold for the net income that children (for example through student employment) may earn while remaining fiscally dependent on a parent is increased. One of the conditions for being regarded as a dependant for tax purposes is indeed that the child's own income does not exceed a certain amount.
Prior to the Act containing various provisions, the thresholds applicable for assessment year 2026 (income year 2025) were as follows:

- EUR 4,100 for children dependent on married or legally cohabiting parents;
- EUR 5,930 for children dependent on a single taxpayer;
- EUR 7,520 for a disabled child dependent on a single taxpayer.

These amounts are now replaced by a uniform threshold of EUR 12,000 (indexed amount for income year 2025), irrespective of the family situation of the dependant.

By contrast, individuals receiving a subsistence allowance are no longer eligible to be regarded as dependants for tax purposes.

Finally, study grants will henceforth be taken into account as income for the purposes of calculating the new threshold, whereas this was not the case previously.

These changes will enter into force as from assessment year 2026 (income year 2025).

3.10 Tax credit for equity financing

The tax credit for equity financing is a tax incentive aimed at self-employed individuals who choose to strengthen the equity base of their activity. In practical terms, it consists of a credit that reduces the amount of personal income tax effectively due, provided that the self-employed person increases their equity and finances investments using own funds.

The tax credit is calculated on the increase in equity compared to the highest equity amount recorded at the end of any of the three preceding taxable periods.

In order to provide additional support to self-employed persons, the legislator has doubled both the rate of the tax credit and the applicable ceiling:

- the tax credit rate is increased from 10% to 20% of the increase in equity;
- the maximum amount is increased from EUR 3,750 to EUR 7,500.

These changes will apply as from assessment year 2026 (income year 2025).

3.11 Amendments to the assessment and investigation periods of the tax autorities

3.11.1 Overview

The Act containing various provisions reduces the limitation period and the investigation period of the tax authorities in cases of fraud from ten to seven years, and shortens the period applicable to complex and semi-complex tax returns to four years.

The Belgian tax authorities are required to comply with specific time limits for the assessment of taxes and for carrying out investigations with taxpayers. These time limits vary depending on the nature of the tax situation and the type of return concerned.

The amendment of these time limits may require adjustments to GDPR compliance policies, in particular as regards the retention period for documents relating to payroll administration.

3.11.2 Tax fraud

Up to assessment year 2022, the investigation and assessment period in cases of tax fraud amounted to seven years. As from assessment year 2023, this period was extended to ten years, thereby aligning Belgium with the average applied in other European countries.

The Government has now decided to reverse this extension: the period is reduced again to seven years, including for VAT purposes. This implies that taxpayers are only required to retain their tax records for seven years, rather than ten.

In order for the tax authorities to rely on this extended seven-year period, they must first inform the taxpayer in writing, in a precise and substantiated manner, of the indications of tax fraud relied upon. In the absence of such prior notification, the assessment will be null and void.

This measure is introduced with retroactive effect as from assessment year 2023, meaning that the ten-year period introduced at that time will, in practice, not be applied.

As regards social security matters (NSSO), the ten-year limitation period in cases of fraudulent conduct or false or deliberately incomplete declarations remains unchanged.

3.11.4 Complex and semi-complex tax returns

For several years, the legislation has provided for an assessment period of six years for so-called “semi-complex” tax returns and ten years for “complex” tax returns. These specific time limits are now abolished.

The four-year period available to the tax authorities in cases of non-filing or late filing is maintained. This four-year period will henceforth apply to all returns classified as complex, including returns that were previously regarded as “semi-complex”. As a result, the concept of a “semi-complex” return is abolished. Certain exceptions nevertheless apply: the special four-year period for complex returns may not be used in relation to specific penalties and sanctions, nor in respect of:

- non-deductible car expenses;
- non-deductible reception expenses;
- business gifts;
- non-deductible restaurant expenses;
- non-specific professional clothing; and
- social benefits.

These amended time limits also apply retroactively as from 1 January 2023.

3.11.4 Overview

<table>
<tr><th>Type of situation / return</th><th>Time limit before the reform</th><th>Time limit after the reform</th></tr>
<tr><td>Tax fraud</td><td>10 years as from assessment year 2023</td><td>7 years (retroactive as from assessment year 2023)</td></tr>
<tr><td>Non-filing or late filing</td><td>4 years</td><td>4 years</td></tr>
<tr><td>Semi-complex return</td><td>6 years</td><td rowspan="2">4 years</td></tr>
<tr><td>Complex / quasi-complex return</td><td>10 years</td></tr>
<tr><td>Complex return involving cross-border transactions or structures</td><td>6 years (semi-complex) or 10 years (complex)</td><td></td></tr>
</table>

This shortening of the applicable time limits is favourable to taxpayers, as it:

- strengthens legal certainty by reducing the period during which the tax authorities may carry out audits or issue additional assessments; and

- simplifies the management and retention of supporting documentation, as the maximum retention period is reduced.

In addition to these general time limits, the tax authorities may, in specific situations, rely on an exceptional period to make adjustments. For instance, where an infringement relating to wage withholding tax is identified, the tax authorities have a period of 12 months to correct the five preceding years. Where an infringement is established on the basis of information received from abroad, the tax authorities have 24 months to correct the five preceding years.

3.12 Audit and control measures

The use of profiling and data-mining techniques by the tax authorities is being further strengthened. In addition, the tax authorities are granted easier access to information held in the Central Point of Contact (CPC). This integration allows profiling, data-mining and data-matching techniques to be deployed more efficiently in order to better target audits. The data will only be de-pseudonymised once a genuine risk of non-compliance has been identified.

The CPC, which maintains a register of financial accounts and contracts, is being further extended to cover:

- **Crypto-assets**: service providers will be required to report the opening, closure and balances of crypto-asset accounts. First reporting deadlines are set at 31 December 2025 and 30 June 2026. The regime will apply as from 1 December 2026.

- **Securities accounts**: officials responsible for the securities accounts tax (on accounts with a value exceeding EUR 1 million) will be granted direct access to the CPC, without the need for a prior indication of fraud. Entry into force: 1 December 2026.

This reform, which raises questions from a data protection and privacy perspective, forms part of the Government's broader intention to strengthen audit capabilities and to ensure a fairer tax system, in particular with regard to new asset classes and complex structures.

3.12 Freezing of the indexation of certain tax expenditures

There is a temporary freeze on certain tax amounts up to and including the 2030 assessment year. This concerns, inter alia, the following amounts:

- The exempt first tranche of income from savings accounts (EUR 1,020), dividends (EUR 833), and interest or dividends from companies with a social purpose (EUR 200);

- The amount of loans granted via a crowdfunding platform for which the interest is exempt (EUR 16,270);

- The tax basket applicable to the tax reduction for long-term savings (EUR 2,450);

- Tax reductions for the acquisition of shares or equity participations in the employer (EUR 820);

- The tax reduction for pension savings (EUR 1,020 and EUR 1,310), for which the freeze is deferred until assessment year 2027;

- The tax reduction for charitable donations (minimum EUR 40, maximum EUR 48,710).

A one-off freeze is also introduced for the exempt amount of allowances granted by the employer for home-to-work commuting ("other means of transport"). Finally, the maximum amount of the tax reduction for dependent children is permanently frozen at EUR 550 and will no longer be subject to indexation.

Brussels
Boulevard du Souverain 25
1170 Brussels
T 02 761 46 00

Liège
Parc d'affaires Zénobe Gramme
Square des Conduites d'Eau 7
Bat. H - 2nd floor
4020 Liège
T 04 229 80 11

Antwerp
City Link
Posthofbrug 12
2600 Antwerp
T 03 285 97 80

Ghent
Ferdinand Lousbergkaai 103
box 4-5
9000 Ghent
T 09 261 50 00

Kortrijk
Ring Bedrijvenpark
Brugsesteenweg 255
8500 Kortrijk
T 056 26 08 60

Hasselt
Corda Campus
Kempische Steenweg 309/0.04
3500 Hasselt
T 011 24 79 10

Partners with you.