



The costs
of the first
appointment

Optimise your wage costs!

Managing a company is always a perilous balancing act. However, if you use the target group reduction for your first appointment, you will benefit from a NSSO reduction on the base NSSO employer contributions. Hiring a first employee is a good example of this.

Nevertheless, by becoming a boss, you are adding a variable to your equation – the good old wage costs. **This variable will obviously have to be considered to maintain your company's financial stability.**

How do you determine the salary of your future worker? What total cost will it represent for you? And, above all, how can you reduce these costs as much as possible without risking loss of commitment? These are all questions that you must be able to answer before even starting your recruitment process.

There is nothing obvious about this area, however, because wage costs are far from being limited to the mere salary. Other elements, such as holiday pay or insurance are also to be considered. On the other hand, there are many options available to help you optimise these wage costs. In this mini-guide, we review the various parameters to help you make the best decisions. Enjoy your reading!



What is the wage cost and how do you calculate it?

What is the National Social Security Office (NSSO) and what are your obligations as an employer?

How do you calculate gross pay?

To what support measures are you entitled?

How do you reduce wage costs?

First appointment: How do you calculate the wage costs?

When you recruit your first employee, your company will have to set aside a budget. So, remember to calculate the wage cost of your first employee accurately. It is not always straightforward, but crucial. We will explain how it is done. This should prevent unpleasant surprises at the end of the journey.





What are the wage costs?

The wage costs are what a worker actually costs to the company. It comprises the gross salary, which includes the net salary as well as all the compulsory deductions (social security contributions, employers' contributions and retention tax) and other legal obligations (insurance, etc.).

How to calculate the wage costs?

Before taking on your first employee, it is essential to know how much this will cost you. To get a fairly precise idea, the net salary he or she will receive will correspond to the gross salary paid by the company, after deduction of the:

1. Compulsory contributions

The company is responsible for these deductions and payments to the NSSO. These are social security contributions. The contributions payable by the worker are 13.07% of gross pay. The employer's contribution amounts to 25% of the gross amount.

2. Retention tax

This is also deducted by the employer. It is based on scales calculated according to the worker's salary and family situation (single, married, with or without children).

3. Legal obligations

The cost of insurance, accident prevention at work, social secretariat, etc. still need to be added.

For example, [Securex's gross/net calculator](#) shows that a single employee will earn a net salary of € 2,157.51 per month for a gross salary subject to social security of €3,150.

To go even further in the calculation of wage costs, Securex has also developed [an intelligent calculator](#) that, by entering some information about your staff, enables you to obtain a cost estimate, as well as an estimate of the savings you can make thanks to the tax shift measures. This is very useful before signing up your first recruit.





What do the wage costs depend on?

Wage costs vary according to several parameters:

1. **The status of the employee (salaried or self-employed)**
2. **Age and experience**
3. **Function or hierarchical level**
4. **The business sector**
5. **The number of hours worked (full-time or part-time)**

How to optimise wage costs

There are solutions to reduce wage costs without reducing the net salary - and even to allow it to be increased.

1. Employment aids

For example, recruitment allowances or reductions in social security contributions enable to significantly reduce the level of gross pay payable by the employer. These systems are either regional or federal; your social secretariat will help you to find your way around these mechanisms and benefit from them.

2. Fringe benefits

These do not provide additional remuneration in the strict sense of the term but are benefits that will boost the employee's purchasing power. The main fringe benefits are: meal vouchers, group insurance, hospital insurance, company cars, mobile phone subscriptions, etc.

If you need help and advice when recruiting your first employee, the Securex Social Secretariat is ready to guide and assist you throughout the process.





How to set a gross salary

Every job deserves a salary, the question is how much. Here are the various elements to consider when negotiating the level of pay with your new recruit.





Calculating wage costs is an essential step when hiring your first employee. It is largely on this that the balance of your accounts, and therefore the health of your company, will depend. Determining the gross salary of your new recruit should therefore not be taken lightly.

But what is meant by gross salary? In Belgium, it means much more than just payment for working hours. It also includes all the extras, such as fringe benefits, overtime, holiday pay and bonuses.

A legal minimum to be observed

Whatever the profile of your future employee, their salary should at least equal the legal minimum set out in the collective labour agreement for your sector. If there is no such agreement, you will be obliged to observe the guaranteed minimum monthly income.

The gross salary for exactly the same position can still vary depending on the employee's seniority. It is therefore up to you to see whether you can afford to hire a specialist who is



A few tips to limit your wage costs

Don't hesitate to sell yourself during your job interviews. Salary remains an essential component for most job seekers, but they are increasingly preferring other factors such as flexibility or access to certain fringe benefits.

Some of these benefits entitle you and your employee to exemptions from taxes and social security contributions. The result is a higher net salary for your employee and optimisation of your wage costs. This is the case, for example, with meal vouchers, eco vouchers, salary bonuses and the reimbursement of commuting expenses. It's worth doing the calculations - we can help you with this.

already fully functional, or whether, on the other hand, and for the sake of certainty, you prefer mentoring and in-house training to keep costs down.

The law of supply and demand

In any case, a basic benchmark is necessary to give you an idea. The gross pay of your new recruit will have to reflect the market average if you want to attract talent - or even exceed it, given the current shortages in many sectors.

In fact, some candidates are now in a position of strength during job interviews. It's all a matter of negotiation to do better than the competition. But don't panic if you have limited resources. A lower gross salary can often be compensated for by other perks.



What is the purpose of the contributions levied by the NSSO?

Hiring your first employee implies obligations for the employer. One of them is to declare the employee to the NSSO and to manage collection of the social security contributions. Here's how it works

Every employer has obligations in terms of managing employee recruitment and the human resources policy. One of the most important is the NSSO.

What is the NSSO?

The NSSO is the National Social Security Office. This administration is responsible for collecting social, employer and special contributions to sustain the unemployment benefit system, pensions and sickness/disability insurance (to pay for health care). The NSSO therefore plays a key role in the functioning of the system of collective self-help on which Belgium social security is based.

Want to know more?

[Watch the NSSO instruction video.](#)





The employer's obligations

As an employer recruiting your first employee, you have three obligations towards the NSSO:

1. Register as an employer

Whether you are an individual or a legal entity, before hiring your first employee, you must make yourself known to the NSSO as an “employer”, and they will assign you a NSSO number. The registration procedure to obtain this is completed online directly via the [wide](#) application. This procedure can be handled by your social secretariat.

2. Declare your employee

Every employee with an employment contract must be registered with the NSSO by their employer by means of a [Dimona declaration](#). This declaration must be submitted electronically before the employee's first actual day of work. Again, this procedure is managed automatically by your social secretariat.

Keep in mind that all workers should be registered. This is also the case for student job seekers and apprentices.

3. Declare benefits and wages

Once both the employer and the employee are registered with the NSSO, you must declare the employee's benefits and wages to the administration on a quarterly basis. This multifunctional declaration (DmfA) is used to determine the level of the social security contributions to be paid by the employer and the employee.

4. Collect social security contributions

The employer is responsible for deducting both the employer's and the employee's social security contributions from the gross salary. The employer pays social security contributions to the NSSO quarterly for ordinary contributions and once a year for special contributions such as holiday pay.





How are the levies calculated?

There are two main types of contribution:

1. Ordinary contributions

In the private sector, the employee's personal contributions equal 13.07% of gross pay. The employer contributions are 25% of gross pay. Gross pay is defined as the monthly pay the employee receives, but also includes end-of-year bonuses, overtime and benefits in kind (car, mobile phone, etc.).

2. Special contributions

There are many special contributions payable by either the employer, the employee or both. Among the main special contributions are the double holiday pay levy, the special social security contribution, and the solidarity contribution linked to the use of a company car, etc.

Your Securex social secretariat is once again your preferred partner for advice and assistance in managing all these deductions and calculating them, because we take NSSO obligations seriously. Late or non-payment of contributions is subject to financial penalties that can be very significant.

The National Social Security Office is responsible for collecting social, employer and special contributions to supply the unemployment benefit system, pensions and sickness/disability insurance.



The help and/or benefits available for recruitment

There are numerous aid and allowance schemes available to companies when they recruit their first employee, and these are particularly useful nowadays. Here is a little glossary to help you find your way through this jungle of recruitment incentives.

It's not always easy to find your way around the recruitment aid sector in Belgium. These matters depend on several levels of authority and vary according to whether your company is located in the Flemish, Walloon or Brussels Region, as the benefits are not always the same. When the provisions are federal, they benefit everyone in the same way. Here's how it works.



1

The measures relating to the first employment

The target group reduction for a first appointment, which was formerly included in the tax shift measures, still applies. This measure aims at stimulating growth and at encouraging companies to hire new employees.

Employers hiring staff can enjoy a reduction of the base NSSO employer contributions, for an unlimited period of time. The amount of the NSSO reduction is limited, as from the Q1 of 2024, to 3,100 euro per quarter. This reduction applies to the employers already taking advantage of the measure before 2024 as well as to those who will benefit from them as from 2024. As an employer, you pay about 25% of base NSSO employer contributions on your employee's gross pay. Based on this percentage, you will nevertheless have to pay NSSO contributions for the first employee as soon as his gross monthly pay exceeds 4,100 euro.



2

Employment benefits

In terms of regional aid, there is a type of support that is particularly useful for companies recruiting employees from the target groups (young, old or long-term employees). These are systems such as [Activa \(Brussels\)](#), [Impulsion \(Wallonia\)](#) and the [aanwervingsincentive](#) (Flanders), the principle of which is to pay the employee a work benefit. This is deducted from the net salary of the employee, who will receive the same amount, but the employer will have to pay less. The duration and amounts of the benefit vary from region to region and may be increased for certain categories of workers.

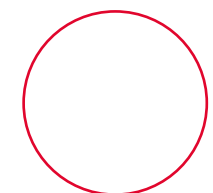
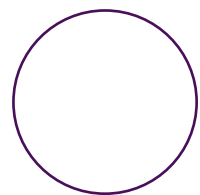


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Allowances and subsidies

In addition to tax exemptions and employment benefits, there is also a whole system of allowances and incentives for recruiting employers. To benefit from these, all you need to do is to recruit a member of staff from the target groups defined by the regions. In general, we are talking about young, older, long-term, disabled, etc. unemployed people. You also find training allowances for less qualified workers. In short, there is a whole range of measures designed to make recruitment easier for you.

Need help to guide you through the intricacies of recruitment support? [Securex](#) is at your disposal to answer all your questions and help you make the right choices by taking the appropriate steps.



10 benefits that reduce wage costs

What if you can reward your employee and at the same time reduce your wage costs? This is possible thanks to the numerous tax- and social contribution-free fringe benefits.

Would you like to reward an employee, but you cannot afford to increase their salary? Have you thought about fringe benefits? Increasingly popular in Belgium, they allow you to attract and retain talent while reducing your wage costs. Here are ten to choose from.



1

Meal vouchers

More than 7 out of 10 Belgians enjoy them. And with good reason: they are exempt from social security contributions and deductible at up to 1 euro per cheque, so they are half as costly to you as an equivalent pay rise. And your employees boost their purchasing power by more than 40%.

2

Eco vouchers

Also exempt from social security contributions, these vouchers encourage your employee to opt for environmentally-friendly products and services. Your image as a sustainable employer will consequently be enhanced.

3

Hospital insurance

Offered by most large companies, hospital insurance remains the exception among SMEs. However, formats adapted to very small companies do exist. This benefit is totally exempt from social security contributions and is a good way to find staff.

4

Group insurance

Here again, this is a benefit mainly offered by large companies. However, be aware that the premiums you pay to contribute to your employees' supplementary pension are deductible as an operating cost. And capital taxation proves advantageous in the long run.

5

The company car

For a long time, the company car has been one of the most popular benefits. Please note: the tax regulations changed in 2023, with lots of tax implications. In general, tax benefits for new company cars that are not carbon-neutral are gradually being phased out, to eliminate them from the fleet by 2026.

6

The company bike

As a result of traffic jams, cycling is gaining in popularity. It is therefore in your best interest to offer this option to your employee. If the bike is used for commuting to and from work, the savings for you are considerable:

- No taxes or social security contributions
- Bicycle allowance 100% deductible as an expense
- Bicycle equipment and maintenance costs 100% deductible

7

Social benefit

A Christmas gift for your employees' children, a gift voucher... A few small courtesies will help ensure that your employees feel appreciated. At the same time, provided they meet certain conditions, these gifts are exempt from social contributions and taxes. A gift for you and your team.

8

Salary bonus

You can use a salary bonus to reward employees for collective achievements, such as reaching a specific goal in a particular department. To a certain amount, this is handled positively from a social and fiscal standpoint. This salary bonus is covered in CLA 90.

9

Warrants

These options on shares in listed companies are 100% tax-deductible and exempt from social security contributions. The employee can cash them in as soon as he or she receives them, thus limiting stock market risk. The employee will just pay the retention tax.

10

Birth and marriage allowances

These small but appreciated one-off benefits are not subject to social security contributions, up to a limit of € 50 per birth and € 200 per marriage.



How can we help you?

Do you want to find out more about our products and services? Or do you have a specific question?



Contact us via e-mail

