



The flat-rate costs are borne by the employer

When an employee or manager incurs expenses payable by the employer or company, the employee or manager in question will not be taxed when these expenses are reimbursed. The actual costs incurred can be reimbursed based on supporting documents. Another way of reimbursing out-of-pocket expenses is on a flat-rate basis.

What?

In terms of tax, a distinction can be made between flat rates determined by the Tax Authorities, based on “serious standards” and flat rates based on other criteria.

For a number of out-of-pocket expenses, the Tax Authorities provide for a flat-rate assessment (“serious standard”). Specifically this concerns reimbursements for business trips in Belgium, foreign business trips and the mileage allowance for business travel when an employee uses his/her own car or motorcycle, moped or bicycle. If the limits of these flat rates are complied with, they are not regarded as a wage.

The employer can also reimburse other expenditure on a flat-rate basis; for example, out-of-pocket expenses for working at home, parking charges and representation expenses. The flat-rate assessment of these costs is largely a question of fact. The amount depends on the role of the individual in question and the level of accountability associated with the role. Various rulings can provide an indication of the acceptable reimbursed costs, however, these are not binding. To obtain certainty about the flat rate reimbursements applied, a prior agreement can always be requested from the Tax Authorities (ruling).

Social and tax benefits?

If the reimbursed costs qualify as costs to be borne by the employer, the reimbursement is not considered to be a wage for taxation purposes and is therefore not taxable. If the cost itself gives the employer a right of deduction, then the right of deduction will be applied. Please note, in practice the Tax Authorities use certain guidelines/thresholds that it finds acceptable. Social legislation also provides for certain exemptions. In this case too, the Belgian National Social Security Office (RSZ) uses certain guidelines/thresholds that it accepts.

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