



## What is your net income when working in Belgium ?

If you have been offered an **employment contract** in Belgium, or plan to move and look for an **employment opportunity** here, you will obviously be wondering how much of your gross salary **you will be able to take home** at the end of the month. Belgium is not really famous for being a tax-friendly country for those earning a salary or receiving professional income in general.

Your **monthly take-home pay** is what remains of your gross salary after payroll taxes, benefits, and social security contributions are deducted. First, it should be mentioned there is an **important difference** between your **monthly take-home pay** and your **total annual net income**, as several deductions and allowances can only be claimed through your annual tax filing.

An employee's gross salary is subject to **two main deductions**, namely a **13.07% social security contribution** and a **payroll tax**, whose withholding rate depends on the gross salary level and your family situation. Social contributions cover unemployment benefits, invalidity, child allowances, state pension, etc. The employer is also required to **make a 25% social security contribution**, but this is paid on top of the gross salary and does not concern the employee.

The payroll tax withheld at source is a **prepayment of income tax due** for a given tax year, which will be considered afterwards when you submit your annual tax filing. Any **amount overpaid** will be **refunded** to you or it is also possible you need to make an **additional tax payment**.

Every taxpayer is entitled to a **personal allowance** on which you are not required to pay any taxes. For income year 2021 (tax year 2022), this amounts to **€9,050 per taxpayer**, but can be increased if you have dependent children, etc. If you work as an employee, you will also be entitled to a **lump-sum business expense deduction** that amounts to 30% of your taxable salary, with a maximum of **€4,920 per taxpayer** (tax year 2022).

Any amount left after that is then subject to the **standard income tax rates**. Here are the tax bands for income year 2021 (tax year 2022):

above	up to	tax rate	tax due
€0	€13,540	25%	€3,385
€13,541	€23,900	40%	€4,143.6
€23,901	€41,360	45%	€7,856.55
€41,361	...	50%	...

Evidently, **other allowances, deductions and other sources of income** will also need to be considered in order to determine your **total annual Belgian tax liability**.

TAXPATRIA® can provide you with a **gross-to-net tax simulation** and further advise you on your future **Belgian employment and tax situation**.