

## When must Belgian company directors pay social security ?

Taking on a director position in a Belgian company comes with **important legal considerations**, particularly regarding **remuneration and social security**. Board members typically receive **compensation** for their directorship, but Belgian companies can also opt to appoint them **without remuneration**. A common reason for this is to avoid subjecting directors to **multiple social security classifications** or to **avoid triggering** Belgian social security in general.

In most cases, Belgian company directors are considered **self-employed**, unless they can prove that they work as an **employee** under the authority of an employer. If you are considering a directorship, it is crucial for social security purposes to assess whether you will be considered a **self-employed professional** or if your role qualifies for **employee status**. If you are **already employed** by a company, whether in Belgium or abroad, you normally pay social security contributions as an employee. If you are appointed as a director of a Belgian company, it may be advisable **to take on this mandate unpaid** to avoid also being required to contribute as a **self-employed**. This prevents double contributions. The **burden of proof** of not being remunerated lies with the director, as they are **legally presumed** to be self-employed.

The *National Social Security Office* in Belgium takes a **strict stance** and requires that the **unpaid nature** of a directorship be demonstrated both **legally and factually**. Even if the company's bylaws **explicitly state** that the directorship is **unpaid**, the authorities require **concrete evidence** that this status is not only declared on paper but is also **followed in practice**.

If the bylaws **specify** that a directorship is **unpaid** unless decided otherwise by the general meeting (GM), the directorship is **considered paid** unless the GM explicitly confirms its unpaid nature. The obligation to pay social security contributions remains in effect until the quarter in which the GM **formally confirms** that the mandate is unpaid. Even if **no salary** is paid, but the director receives certain **benefits in kind** like a company car or housing at the company's expense, it will trigger a social security liability.

If the bylaws **do not clearly specify** whether a directorship is paid or unpaid, the *Belgian Code of Companies and Associations* states that a directorship is **presumed to be paid** unless the **bylaws or the GM decide otherwise** at the time of appointment. Directorships are therefore assumed to be paid unless proven otherwise. This legal presumption does **not** exist for the **non-profit sector**, as it remains more common for directorships to be unpaid.

If you do **not** reside in Belgium and you plan to take on a **paid director role** in a Belgian company, you could also potentially **avoid** Belgian social security contributions under Regulation (EC) nr. 883/04 (within the EU) or a **bilateral agreement** that may exist with your country of residency (outside the EU).

TAXPATRIA® can advise you on the **tax and social security implications** of your Belgian directorship and any **related formalities**.