



Year-end pointers for employers

With the end of the calendar year approaching, it's time to take a moment to see which matters require your attention in 2025. What new obligations will apply next year? What points do you need to consider before the end of this year, and are there any steps you may want to postpone until 2026?

In our Year-End Pointers, we provide tips and pointers for 2025, and we discuss what to take into account in 2026.

In these Year-End Pointers you can read more about deadlines, new legislation & obligations, and other key points of attention for employers.

If you have any questions, please do not hesitate to contact us. Your [Baker Tilly advisor](#) would be happy to explain how you can improve your tax position.

Please note: the House of Representatives and the Senate still need to approve a number of proposals, and this process will take longer than usual this year. It is possible that certain measures will be implemented in a revised form, or not at all. Your advisor can tell you more about the process.

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General pointers for employers

Uncertainty for ZZP'ers continues

The position of self-employed individuals without staff (a so-called 'ZZP'ers') has been the centre of attention for some time now. A new legislative act was proposed, the Wet VBAR, to replace earlier rules and codify case law, but that proposal has not yet been approved. And even after the recent publication of a draft Decree on the matter, the future of ZZP'ers remains uncertain.

Although we had hoped for more clarity on Budget Day, none was offered. It appears increasingly unlikely that any new legislation for ZZP'ers will enter into force before 1 January 2026.

Enforcement of false self-employment

In recent years, an 'enforcement moratorium' on false self-employment was in place, which meant the rules were only enforced in exceptional situations. But since 1 January 2025 the Dutch Tax Authorities have started actively checking whether a ZZP'er should be considered an employee.



Pointer:

Make sure you are aware of the rules.
Take steps to detect and mitigate risks.

At the same time, new legislation regarding hiring self-employed individuals has yet to be introduced. For the time being, the parties involved will have to make do with the Wet DBA and all the uncertainty it brings.

Risks, additional assessments and penalties

If the Dutch Tax Authorities come to the conclusion that there is an employment contract instead of a contract for services, there is a risk that additional wage taxes and contributions are levied on the amounts paid to the ZZP'er, plus statutory interest and penalties. This creates a significant financial liability for the client/employer.

The additional levy is applied with retroactive effect to 1 January 2025. In cases of obvious false self-employment, retroactive taxation can also be imposed for periods prior to 1 January 2025. There is also an employment law risk, in that at some point (often in case of long-term illness or termination of the assignment by the client), the ZZP'er may claim that there is an employment contract, including sick pay, job protection, pensions, et cetera.



Pointer:

Make sure you recognise potential risks in time and, if necessary, take measures to mitigate them. The position of ZZP'ers remains a hot topic and the risks are significant, especially for clients.

Map out risks regarding the hiring of ZZP'ers. Our experts would be happy to help.



Get your administration in order

As soon as possible, make sure that the financial administration and the wage administration are in alignment. If it becomes clear that certain remunerations have for example been paid, but are not included in the wage administration, you can still pay the wage tax due. The wage administration for 2025 must be finalised before submitting the wage tax return for the last wage period of the year. Points of attention in this regard are:

- a copy of the identification document (ID) of each employee
- invoices for benefits in kind and other provisions
- declarations for costs which have been reimbursed

It is not permitted to ask temporary agency workers for a copy of their ID. Instead, ensure that you have documented matters such as the type and number of the ID as well as the date of expiration. You should also make sure that you have accurately documented the wages and holiday bonuses paid to temporary agency workers as well as the number of hours that they have worked.

Check sector allocation & tax return period 2026

You will receive a sector allocation (by means of the *'beschikking gedifferentieerde premie Whk'*) from the Dutch Tax Authorities at the end of the year. Check whether your sector allocation for 2025 is accurate and still matches your business activities.

Do you want to change your wage tax return period from 2025 onwards? If so, do this before 14 December 2024, using the form *'Wijzigingen aangiftetijdvak loonheffingen'*.



Pointer:

The SBI codes of many companies changed in 2025. The SBI code influences your sector allocation and the Whk premium, as well as collective labour arrangements and pension premiums. Check with the Chamber of Commerce whether your SBI code is still correct.

Don't forget the notice period for temporary contracts

Do you have any temporary employment contracts that end on 31 December 2025? If so, be sure to inform the employee on time whether or not you intend to prolong the contract. For contracts lasting longer than six months, a notice period of one month applies. If you do not give notice of whether or not you wish to prolong the contract on time, the employee can claim damages. Therefore, you should inform your employee before 1 December!

Keep track of which temporary contracts which will expire in the course of 2026 and take note of the deadlines for the notice periods.



Create a transition compensation provision

Do you anticipate having to lay off an employee, for example due to poor performance, a restructuring or a reorganisation? In the event that you would be required to pay transition compensation, it may under certain circumstances be possible to form a provision for this. In this regard, it is important that the expenditures are the

result of facts and circumstances from before the balance date (and which can also be allocated to that period), and that there is a reasonable amount of certainty that you will have to pay transition compensation in the future. Make sure that you document the substantiation for this properly, having consulted your advisor at Baker Tilly.

Put deadlines for grant applications in your 2026 calendar

In 2026, there are various subsidy opportunities with regard to staff and taxes that can help businesses reduce costs and stimulate growth. This includes subsidies for hiring staff from specific target groups, such as young people or the long-term unemployed. There are also tax benefits, such as tax credits for investments in sustainable technologies and training. It is important to keep well-informed about the specific conditions and deadlines of these schemes to use the available support optimally. Add the 2026 deadlines to your calendar now.

Comply with the Waadi and note the new Wtta rules

If you post staff, you must adhere to the [Waadi rules](#). If you hire workers, you also have certain obligations. Make sure you are aware of the rules. Our experts would be happy to explain, and we can assist you in obtaining the relevant NEN certification if required.

As of 2027, new legislation is likely to take effect: the [Posted Workers Supervision Act \(Wtta\)](#). This moves us from a registration system to an admission system. Our experts explain what the Wtta entails, how to prepare your business for it, and why international companies, too, must pay close attention to the new rules.

International employership

Withholding obligation within a group

Are you part of a group with group entities abroad? Under certain conditions you can transfer the wage tax withholding obligation to the Dutch part of the group. In this way you can prevent a foreign member of the group from being confronted with a Dutch withholding obligation and the administrative obligations that come with it. For this, you should normally submit a request to the Dutch Tax Authorities before 1 January 2026.

Request an A1 declaration & extend work permits

If you have employees who work in the Netherlands but live across the border (within the European Union), it is important to determine their position for social security purposes. You can obtain certainty on this point with a so-called A1 declaration, which is generally valid for a period of 12 months. Assess whether any existing A1 declarations will expire and, if needed, request a new declaration so that you are certain of whether or not the employee is covered by social security in the Netherlands, in 2026.

As of 1 July 2023, a number of European member states (including the Netherlands) concluded a Framework Agreement on Social Security, in order to address the increasing demand for hybrid working for frontier workers. The framework allows frontier workers to remain covered by the social security of their country of work, for instance the Netherlands, under certain conditions. Check whether any employees meet these conditions and request an A1 declaration if needed.

In addition to this, assess whether you employ any workers who have either a [work permit](#) or a [combined](#)

[permit for residence and work](#). These permits are only valid for a limited period of time, so it may be necessary to request an extension.



Pointer:

Would you like to know more about international employership and [Global Mobility](#)? Our experts would be happy to tell you more.

Expat scheme and extraterritorial costs

If you recruit staff from abroad, it may be possible to apply for the 30%-ruling for certain employees with specific expertise which is scarce on the Dutch labour market. Under this scheme, you can pay out 30% of the gross wages tax free, in order to cover extraterritorial costs. Alternatively, you can reimburse the actual extra-territorial costs (instead of the lump sum of 30%). This choice needs to be made in the first wage tax return period of the relevant calendar year.

Please note: As of 1 January 2027, the 30%-ruling is to become a 27%-ruling. The maximum tax-free reimbursement is 27% of the taxable wages for the full duration of the ruling (with the cap at the WNT norm mentioned below). The minimum wage requirements will be increased as well. Transitional law applies: employees with a 30%-ruling applied prior to 2024 maintain their eligibility for a 30% tax-free reimbursement for the duration of the ruling. The applicable minimum wage amounts will not be increased for employees with a 30%-ruling applied prior to 2025 (other than the normal annual indexation).



Pointer:

Since 1 January 2024, the 30%-scheme is capped at the so-called 'Balkenende norm' or WNT norm. Transitional law applies for employees who made use of the 30%-scheme in the last wage period of 2022, until 1 January 2026.

Changes to extraterritorial costs and expat schemes

A number of transitional rules surrounding the 30% ruling for expats will come to an end on 1 January 2026. These transitional rules are part of a previous scaling-down. Points of attention include:

- The transitional rules for the capping of the 30% ruling at the WNT norm will come to an end on 1 January 2026. This means that 30%-ers who earn more than the WNT norm can no longer make full use of the 30 ruling.
- On 31 December 2026, the transitional phase will end for the final remaining cases that could continue opting for treatment as partially non-resident taxpayer. This means that in principle, they will face full taxation of their worldwide Box 2 and Box 3 income, unless prevention of double taxation is offered.



Pointer:

If needed, discuss with individual employees whether the end of these transitional rules will have consequences for their remuneration or tax position.

Keep an eye on proposed changes for COLA expenses

Expats and foreign workers temporarily in the Netherlands, who do not apply the 30%-ruling, may be paid a tax-free reimbursement of certain extra-territorial

expenses. The commonly used 'cost of living allowance' (often referred to as 'COLA'), a reimbursement for the increased cost of living in the Netherlands compared to the employee's country of origin, may be reimbursed free of wage tax. It has been proposed that these expenses, along with certain telephone expenses, may no longer be reimbursed tax-free.

Employers & Mobility

Beware of private-use kilometres of a company car

If a company car, which has been provided to an employee, is also used for private purposes, an additional taxable benefit may apply ('*bijtelling*'). In 2025, this was 22% of the list price of the car. Under certain conditions, the additional taxable benefit for electric cars may be lower: cars with no CO₂-emissions are subject to a taxable benefit at a rate of 17% on the first EUR 30,000 of the list price. If an employee has less than 500 private-use kilometres and provides you with a copy of the '*Verklaring geen privegebruik auto*' ('Declaration of no private use of car') from the Dutch Tax Authorities, no additional taxable benefit applies. Check whether your employee also meets the conditions in 2025.

Please note: the employee must demonstrate that there are fewer than 500 private-use kilometres in a particular year, for example by means of mileage records. If the employee cannot demonstrate this, if challenged, or if the employee exceeds the 500-kilometre threshold, there will be an additional taxable benefit over the whole calendar year. Are you not in possession of a Declaration of no private use of car? In order to avoid the additional taxable benefit, you as the employer must be able to show that

the distance driven by the employee for private purposes does not exceed the maximum amount of 500 kilometres per year.



Pointer:

Bring the importance of documenting private-use kilometres and the 500-kilometre limit, to the attention of your employees. If the limit is exceeded in the last week of the year, this will have significant financial consequences for the employee!

Please note: the lower rate for the additional taxable benefit will end for new electric vehicles in 2026. Our [Employment Advisory](#) experts can tell you more about the applicable transitional regulations.

Note change to final levy on delivery vehicle as of 2025

A taxable benefit is also deemed present in the case of a delivery vehicle that can be used privately, unless the vehicle is demonstrably not used for more than 500 private kilometres on an annual basis. This is difficult to prove in practice for delivery vehicles continuously used on an alternating basis. In that situation, the employer used to be able to apply a final levy of EUR 300 per delivery vehicle per year, instead of applying an additional taxable benefit. This levy does not have to be recovered from employees and is incurred by the employer.

This amount remained the same for many years and was not indexed annually. But the final levy amount was corrected with current inflation as of 1 January 2025, to EUR 438. As of 1 January 2026, this amount will be indexed annually.



Ensure that fines are dealt with on time

If an employee has incurred traffic fines with a company car, it may be the case that you pay the fine upfront and then recover the costs from your employee later. If so, make sure that you recover these costs in 2025. If you pay a fine and do not recover it from the employee, the amount of the fine may constitute wages. This means that you could risk an additional wage tax assessment. Additionally, make sure that this option is explicitly documented in the labour agreement or a company car arrangement. Certain steps may be required in order to offset fines against an employee's wages.

Terminating a lease agreement

Will an employee with a leased company car be leaving your company next year? It may be worth terminating the lease agreement with the leasing company before 1 January 2026. If the employer pays the termination fine and recovers it from the employee, the employee can deduct the amount from the additional taxable benefit, in the form of an own contribution (*'eigen bijdrage'*). Note that this must be explicitly agreed upon with the employee beforehand.

Please note 1: the additional taxable benefit cannot be a negative amount.

Please note 2: new measures to encourage emissions-free fleets have been proposed. Under this legislation, non-zero-emission cars made available to employees will face a final levy (at the expense of the employer) of 12% of the list price (or market value, in the case of cars older than 25 years). If approved, this legislation will enter into force as of 1 January 2027. Transitional law applies for most cars made available before that time, expected to end on 17 September 2030.



Pointer:

If you currently offer lease contracts longer than 4 years, discuss with your Baker Tilly advisor whether you need to prepare for the new final levy. It may, for example, be wise not to enter into any agreements for non-zero emission vehicles with a running time beyond 17 September 2030.

Work-related personal-mobility scheme: reporting and administrative obligations as of 1 July 2024

Under the 'Normative Regulation Work-Related Personal-Mobility' (*'Normerende Regeling Werkgebonden Personenmobiliteit'*), employers with 100 or more employees are required to report annually on their employees' CO₂-emissions from commuting and business travel. The reporting obligation and the administrative entered into force on 1 July 2024. The next reporting deadline is 30 June 2026, for the reporting period 1 July 2024 1 January 2025 - 31 December 2025.

Please note: measures have been announced to relax the reporting obligations. If they are approved, the reporting threshold will increase from 100 or more to 250 or more employees.

Consider offering company bikes as a mobility solution

More and more businesses offer company bikes or lease bikes to their employees. If a bicycle is made available to an employee, the benefit from private use is set at just 7% of the consumer price. The owner of the bike may be the employer, but businesses increasingly use leased bikes. In the case of a leased bike, a lease company owns the bike. This company also takes care of matters such as insurance and maintenance. The employer pays the company a leasing fee and makes the bike available to the employee.



Pointer:

On Budget Day, a clarification of the rules was announced. If the proposal is approved, shared bicycles used for business purposes will no longer lead to an additional taxable benefit.



Read more tips for PIT entrepreneurs in our [Year-end Pointers for Entrepreneurs and Director-Major Shareholders](#).

Pay attention to public transport travel allowances

In the past, different rules applied for the untaxed reimbursement, issue or provision of a public transport pass or off-peak fare ticket. Since 2024, it does not matter how the employer offers the public transport pass or the off-peak fare ticket to the employee. Whether providing, reimbursing or made available, the public transport pass or off-peak fare ticket is tax-free, provided it is (at least partially) used for business purposes (including commuting). If you want to adjust your current travel allowances, bear in mind the necessary frameworks, decision making and records.

Pointer: Last year it was clarified which forms of 'providing, reimbursing or making available' are covered by the targeted exemption. Additionally, the exemption is no longer limited to Dutch public transport.

Labour Costs Arrangement (WKR)

Check and use the remaining discretionary margin

For certain reimbursements and provisions in kind to employees, specific exemptions apply for wage tax purposes. If no exemption applies, a reimbursement or provision in kind can be included in the discretionary margin ('vrije ruimte') of the 'Labour Costs Arrangement' ('werkkostenregeling' or 'WKR'). Within the discretionary margin, you can offer your employees reimbursements and provisions in kind, free of tax. Have you not used up all of your discretionary margin? Perhaps you could use it to surprise your employees with an extra special Christmas gift, or to pay out the usual bonus (tax free) as a net amount under the discretionary margin. Take careful note of the conditions which apply in this respect.



Pointer 1: Are you organising a Christmas party? If this party is held at the workplace, this will not reduce the discretionary margin. However, if the Christmas party is expanded to include a meal, a lump sum amount of EUR 3.95 per meal (2025) must be taken into account for the WKR.

Pointer 2: Check whether it is advantageous to apply the group arrangement.

Pointer 3: Will you be organising a New Years party in 2026? By doing this at the workplace rather than an external venue, you can prevent that a large part of the discretionary margin for 2026 is immediately used up.



Pointer:

Do you not yet provide a working-from-home reimbursement? If so, you could consider whether you want to start doing so. Please ensure correct documentation and administration.



Read more about our Year-end pointers for private individuals, entrepreneurs, director-major shareholders and businesses [here](#).

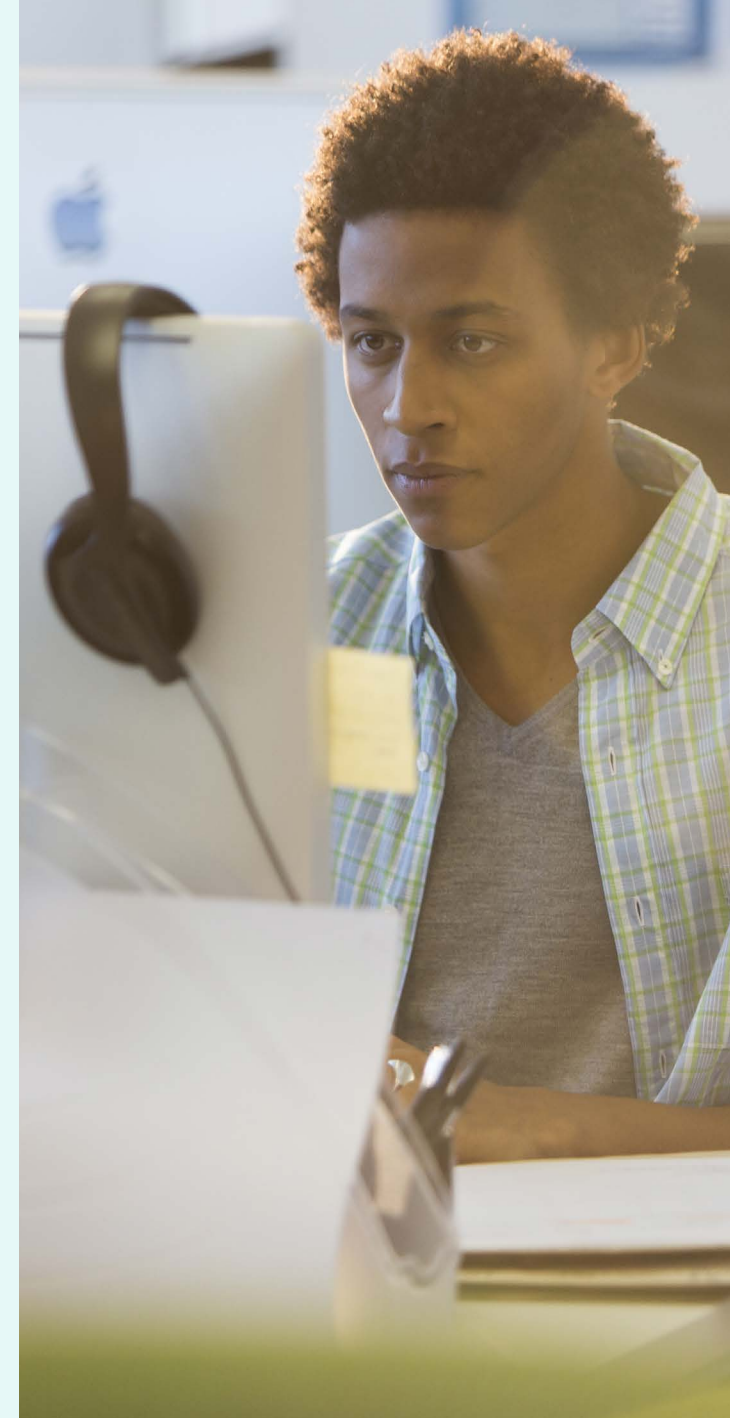
Our Employment Advisory experts would be happy to explain how to make optimal use of the discretionary margin in the WKR.

Contact our advisors [here](#)

Make agreements on working from home

Employers can grant employees a tax-free reimbursement for working from home, to a maximum of EUR 2.40 (2025) per day worked from home. If there is a structural pattern of working from home, a fixed reimbursement could also be agreed upon.

Please note: if a tax-free reimbursement for working from home is paid for a particular day, it is not possible to also pay a tax-free reimbursement of the costs of commuting from home to work on that day.





This overview was written with due care and attention, based on the legislative proceedings until 1 October 2025. This overview is intended to be general in nature and should not be construed as specific advice or a comprehensive overview of all changes. A number of topics, pointers, measures, and legislative proposals were not included in this overview. Please note: several measures have not yet been finalised. It is possible that they may be changed during the legislative process. Discuss what the consequences of the proposed changes are for your situation with your advisor.