

Tax - Employee Notes



Belgium	Incentive Plan/LTIP
<p>When will I be taxed in relation to my plan benefits?</p>	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax and social security.</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: No tax on gain. No social security.</p> <p>Employees may be required to pay stock exchange transaction tax (SETT) on the sale/acquisition of shares.</p>
<p>What is the maximum rate of income tax payable in relation to my plan benefits?</p>	<p>54.5% (2026). Any change in tax rates usually takes effect from 1 January.</p>
<p>Income tax rates</p>	<p>Progressive rates apply with a maximum tax rate of 50%. Communal taxes of up to 9% are added to the income tax due, resulting in a maximum effective top rate of 54.5%.</p>
<p>Will my employer withhold income tax in relation to my plan benefits?</p>	<p>Yes</p>
<p>Are my plan benefits subject to social security contributions?</p>	<p>Yes, if a non-Belgian company grants awards to employees of an affiliated Belgian company, the Belgian social security administration upholds that every type of remuneration is subject to Belgian social security contributions, simply "by virtue of their employment", without any intervention by the Belgian company in the granting of the remuneration. Although the position taken by the social security administration is subject to ongoing debate, and has been rejected by the Belgian courts, it should be taken into account as the inspectors will, in all likelihood, apply such rule during audits.</p>
<p>Employee social security</p>	<p>Employee social security (max rate): 13.07%</p> <p>Employee social security (cap): no cap. There is also a special social security contribution which is capped at EUR731.28 per year for a family. Changes to the special social security contribution regime are envisaged (new or amended legislation has not been adopted yet).</p>

<p>What is the maximum rate of capital gains tax?</p>	<p>Capital Gains tax: currently, no capital gains tax provided the sale falls within the scope of the normal management of the individual's private estate. This depends on the facts of the case but the sale of shares acquired via an employee incentive plan is typically considered to fall within the scope of the normal management of a private estate.</p> <p>Changes to the capital gains tax regime have been proposed for capital gains realised as of 1 January 2026. The draft law introduces a capital gains tax for Belgian individuals at a tax rate of 10%. An exemption of the first tranche of EUR10,000 per year is applicable. The first unused EUR1,000 of the exemption may be carried forward to the next assessment year (one year). The accumulated carried forward exemption can be used with the annual exemption of EUR 10,000 but cannot exceed EUR 5,000, resulting in a maximum exemption of EUR 15,000 in a certain year. Historic gains per 31 December 2025 would be exempt.</p> <p>The new regime would only apply when a capital gain arises from the transfer of financial assets for consideration outside the scope of the professional activity.</p> <p>Capital gains on certain financial assets (including shares) will be subject to a withholding tax mechanism, with no further obligation to declare these gains in the personal income tax return. Where no Belgian (financial) intermediary is involved, or in case the individual opts out on the withholding tax mechanism, taxpayers are required to report the capital gains in their tax return in any event.</p> <p>Note that in case of a redemption of own shares by the company, the individual might realise a dividend according to Belgian tax law instead of a capital gain (taxable at 30%).</p> <p>No capital gains tax would be due on capital gains realized on shares granted within the scope of application of the Law of 26 March 1999 (the 'Option Law'), if the shares are immediately sold following the exercise of the options. Consequently, the tax on capital gains would only apply to any further increase in value occurring after the options have been exercised.</p> <p>Belgian Stock Exchange Transaction Tax (SETT) of 0.35% applies on the sale or purchase of existing shares through a professional intermediary (broker). SETT is capped at EUR1,600 per transaction per party.</p>
<p>What is the maximum tax rate payable on dividends?</p>	<p>30%</p>

<p>Do I have to report any income in relation to the plan to my local tax authority?</p>	<p>Yes, all Belgian residents are required to file an annual personal income tax return.</p> <p>Under the draft law on capital gains tax, any capital gains on shares will be subject to a withholding tax mechanism, with no further obligation on the individual to declare these gains in their personal income tax return. Where no Belgian (financial) intermediary is involved, or if the individual opts out on the withholding tax mechanism or if the individual is eligible for an exemption (the first tranche of EUR10,000 or an elevated exemption), the individual is required to declare the capital gains in their tax return.</p> <p>If the employee is responsible for withholding and paying SETT on the sale or purchase of shares, they will be required to file a separate return. The individual employee will only be required to file such SETT return on the transactions that are entered into or executed in their name and on their behalf by a professional intermediary established abroad, unless the individual employee can demonstrate that the SETT has already been paid.</p> <p>Individuals must also report any foreign accounts.</p> <p>Report name:</p> <ul style="list-style-type: none"> • Annual tax return. The form can be filed by post or online through the Tax-on-web portal. • SETT return. The form can be filed by post (Inningscentrum Diverse Taksen, Koning Albert II-laan 33 bus 431,1030 Brussel) or by email (CPIC.TAXDIV@minfin.fed.be). <p>Tax period:</p> <ul style="list-style-type: none"> • Annual tax return: the tax year is a calendar year. • SETT return: the month in which the taxable moment occurred. <p>Reporting deadline:</p> <ul style="list-style-type: none"> • Annual tax return: generally filed by 30 June of the year following the tax year, although the actual date will be on the tax return. An extension is usually available if filing online. An assessment notice is sent by the tax authorities within six months of the following year and any tax due must be paid within two months after receipt of this notice. • SETT return: the deadline for filing and payment in relation to SETT by an individual is the last working day of the second month following the month in which the taxable moment occurred. <p>Payment of tax: as above.</p>
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This summary assumes that you only pay tax in one place. Different rules may apply if you pay tax in different places.

This summary is only a guide. It is limited to a general description of national tax laws and does not address various issues which may impact the tax result, including: local, city, regional, state or other provincial taxes; retention and holding periods; restrictions on the shares; clawback terms and periods; and your own individual circumstances. We do not guarantee any particular tax result. Therefore, we recommend that you consult your own tax advisor regularly to determine your tax position.

The information provided is understood to be correct as of 9 February 2026. Changes in legislation or practice after this date may affect the tax treatment.

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