

## Tax - Payroll Guide - Free shares / RSU

<b>Belgium</b>	
<b>Tax points</b>	<p><b>Grant:</b> No income tax. No social security.</p> <p><b>Vesting:</b> Income tax and social security.</p> <p><b>Transfer to participant:</b> No income tax. No social security.</p> <p><b>Sale by participant:</b> 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>
<b>Income tax (maximum rate)</b>	54.5% (2025). Any change in tax rates usually takes effect from 1 January.
<b>Income tax rates</b>	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%.
<b>Employer income tax withholding</b>	Yes
<b>Employer social security withholding</b>	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.
<b>Employee social security</b>	<p><b>Employee social security (max rate):</b> 13.07%</p> <p><b>Employee social security (cap):</b> no cap. There is also a special social security contribution which is capped at EUR731.28 per year for a family.</p>
<b>Employer social security</b>	<p><b>Employer social security (max rate):</b> ordinary employer social security tax rates for the profit sector currently amount to 25% of total income. This percentage may be increased by additional special contributions. Reductions of employer social security taxes are available, such as the contribution on extra-legal pensions, contributions to the Business Closure Fund (FSO) and the solidarity contribution (CO2 contribution) for the use of a company car. As a result, the actual average percentage stands at around 27.5%. The applicable percentage may be reduced for some categories of employees.</p> <p><b>Employer social security (cap):</b> no cap.</p>

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<b>Tax reporting - Individual</b>	<p>Yes, all Belgian residents are required to file an annual personal income tax return. 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. Individuals must also report any foreign accounts.</p> <p><b>Report name:</b></p> <ul style="list-style-type: none"> <li>• <b>Annual tax return.</b> The form can be filed by post or online through the <a href="#">Tax-on-web portal</a>.</li> <li>• <b>SETT return.</b> 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).</li> </ul> <p><b>Tax period:</b></p> <ul style="list-style-type: none"> <li>• <b>Annual tax return:</b> the tax year is a calendar year.</li> <li>• <b>SETT return:</b> the month in which the taxable moment occurred.</li> </ul> <p><b>Reporting deadline:</b></p> <ul style="list-style-type: none"> <li>• <b>Annual tax return:</b> 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.</li> <li>• <b>SETT return:</b> 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.</li> </ul> <p><b>Payment of tax:</b> as above.</p>
<b>Tax reporting - Employing company</b>	<p>Yes, a Belgian subsidiary of a foreign-based group entity that grants equity-based incentives or other benefits-in-kind to employees of the Belgian subsidiary, is required to withhold Belgian salary tax on such benefits and also to fulfil reporting obligations and draw up fiscal slips.</p> <p><b>Report name:</b> salary statement (fiche 281.10 for employees and fiche 281.20 for company directors) in respect of the calendar tax year. A withholding return is filed monthly (or quarterly for smaller companies) on form 274. Social security is reported on the DMFA-declaration. All reporting is carried out electronically.</p> <ul style="list-style-type: none"> <li>• Salary statements: <b>Belcotax-on-web</b> (<a href="#">here</a>)</li> <li>• Withholding return: <b>Finprof</b> (<a href="#">here</a>)</li> </ul>

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	<ul style="list-style-type: none"><li>• DMFA-declaration: <b>DmfA</b> (<a href="#">here</a>)</li></ul> <p><b>Reporting deadline:</b> the annual salary statement must be filed before March. A copy of the form must also be given to employees to complete their tax return. Withholding returns must be filed by the 15th day of the month following the taxable event (or, in the case of quarterly reporting, on the 15th day of the month following the closure of every quarter). Social security reports are filed quarterly no later than the last day of the quarter (30 April, 31 July, 31 October and 31 January).</p> <p><b>Payment of tax:</b> payment of withholding tax and social security is generally made monthly or quarterly (at the same time that the monthly or quarterly report is filed).</p>
<b>Malus and clawback - Tax points</b>	The existence of a malus or clawback clause does not affect the tax point for the individual.