

Gifts and (gift) vouchers to offer your employees for the upcoming holiday season

RSM BELGIUM INFORMS YOU

In case you were wondering, as an employer, what gifts you could offer your employees in Belgium for the upcoming holiday season and under which conditions, you will find a brief overview of the possibilities in this Tax Insight.

In general, gifts in kind or gift vouchers are considered as a social benefit in case they are offered on the occasion of a certain event or milestone, which is not directly linked to the professional activity (such as Saint Nicholas, Christmas or a special anniversary of the company), and on the condition that the gifts are of a limited value. From a social security perspective, it is not determined what 'limited value' exactly means. The Belgian tax authorities apply a maximum amount of 50 euros in this respect. Hence, in case the occasional gift is not directly related to the professional activity and is worth less than 50 euros (and is also considered as of a limited value), it can be granted to the employees free of social security contributions and taxes. Please note however that these costs are not tax deductible for the employer.

GIFTS OR GIFT VOUCHERS FROM SAINT NICHOLAS OR SANTA CLAUS

Next to the general rule as outlined above, the employer could choose to offer gifts in kind or gift vouchers to his employees specifically on the occasion of Saint Nicholas, Christmas or New Year's. When gifts or gift vouchers are granted on the occasion of one of these events, their value may not exceed a total of 40 euros per year and per employee. In this case, the gifts or vouchers can be granted free of social security contributions and taxes. Moreover, these costs are tax deductible for the employer granting them.


As far as the NSSO is concerned, it is possible to grant an additional amount of 40 euros per year per dependent child of an employee. If the gifts or vouchers are granted on the occasion of Saint Nicholas or another occasion which pursues the same social objective, the additional amount of 40 euros per year per dependent child will also be accepted by the tax authorities. In case the gifts or vouchers exceed these amounts, social security contributions are due on the total value. In addition, these gifts or gift vouchers will constitute a taxable benefit for the employee. Moreover, these costs can no longer be deducted for tax purposes by the employer.

Finally, we would like to inform you that the Belgian National Labour Council has again requested a 6-month extension for gift vouchers that expire between November 1st, 2020 and March 31st, 2021. It is now up to the Belgian federal government to decide.

SPORT/CULTURE VOUCHERS

On top of the gifts or gift vouchers from Saint Nicholas or Santa Claus, the employer could grant sports/culture vouchers to its employees. Sport/culture vouchers must be granted through a collective labour agreement or in a written (addendum to the) individual labour agreement. Sport/culture vouchers can be granted to all employees or to certain categories of employees when the distinction is being made based on objective criteria only.

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The vouchers should be issued in the employee's name, they cannot be exchanged for cash, nor partially, nor fully, they cannot be used to replace or convert salary or any other existing benefits and they must be reported correctly on the appropriate payroll documents.

The total amount of the sport/culture vouchers may not exceed 100 euros per year per employee. These vouchers are always valid for 15 months, concretely from July 1st of the current year until September 30th of the following year. We would also like to point out that the Belgian National Labour Council has requested that the validity of sports/culture vouchers granted in 2019, which were initially valid until September 30th, 2020, is extended once again until September 30th, 2021. This expiration date would then correspond with the expiration date of sports/culture vouchers granted in 2020. It is now up to the Belgian federal government to deal with this question. In any case, the period of validity of the sports/culture vouchers granted in 2019 has already been extended by the Belgian Government until December 31st, 2020.

Sports/culture vouchers can be used for cultural activities organized by cultural operators which are recognized, approved or subsidized by the competent authorities or for sports activities/organizations for which there is an official federation, recognized or subsidized by the competent authorities. If the sport/culture vouchers meet all of the above mentioned conditions, they are considered a social benefit and no social security contributions, nor taxes shall be due. Please note however that these costs are not tax deductible for the employer.

CONSUMPTION VOUCHERS – CORONA MEASURE


In view of the Covid-19 pandemic, a consumption voucher has been created to support the catering, cultural, sports and retail sector which have been facing a long period of lockdown. Consumption vouchers can be given by employers to employees free of social security contributions and taxes. The consumption vouchers must be granted through a collective labour agreement which is concluded at sector or company level. If concluding such an agreement is not possible for some reason, it can also be included in a written individual employment agreement. In this case, the amount of the consumption vouchers may not exceed the highest amount granted through a collective labour agreement applicable within the same company. These vouchers can be granted to all employees or to certain categories of employees when the distinction is being made based on objective criteria only. The consumption vouchers must be delivered in the employee's name of the employee, they cannot be exchanged for cash, nor partially, nor fully, they cannot be used to replace or convert salary or any other existing benefits and they must be reported correctly on the appropriate payroll documents.

Consumption vouchers can be granted either in paper or electronically. The total amount of consumption vouchers granted by the employer may not exceed 300 euros per employee. The consumption vouchers can be spent:

- In catering establishments (e.g. hotels, restaurants, café),
- In retail shops which have been closed for more than one month, which in the simultaneous physical presence of the consumer in the establishment offers goods or services and which meet the conditions of a micro-company (e.g. a small bookshop, a beauty salon),
- With a recognized or subsidized cultural association,
- With a sports association for which there is a federation, at community or national level.

Consumption vouchers can still be granted up until December 31st, 2020 (which would make it a perfect gift for the upcoming holiday season) and are valid until June 7th, 2021, which is exactly one year after the end of the first lockdown. Please be informed that the Belgian National Labour Council has asked for an extension of consumption vouchers until December 31st, 2021, as many shops, businesses and events had to close down again. It is now up to the Belgian federal government to decide. In case all conditions are met, the consumption vouchers are fully tax deductible for the employer.

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Please note that RSM Belgium can assist you with the necessary formalities for granting the vouchers mentioned in this Tax Insight, if desired.

If you would like to receive additional information on this matter, the Payroll & HR team of RSM Belgium is at your disposal (interpay@rsmbelgium.be).

RSM InterPay

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