



EU Posted Worker Directive

A new EU Posted Worker Directive came into effect on **30th July 2020**. All EU countries had until that date to transpose this directive in their national law. Here is a brief overview of the Posted Workers Notification (A1/(E)101) in the Netherlands.

Important points to remember :

1. Check whether your employees meet the conditions for residence and have the professional qualifications in the Netherlands
2. Apply for work permits
3. Find accommodation for your posted workers
4. Apply for A1/(E)101 statements
5. Check whether your employees must take out healthcare insurance
6. Register with the Dutch Tax and Customs Administration
7. Apply for tax and social insurance numbers from the Dutch Tax and Customs Administration
8. Check whether a Collective Labour Agreement applies to your business

1

Check whether your employees meet the conditions for residence and have the professional qualifications in the Netherlands

Your posted worker may need a residence permit or a short-stay visum to reside in the Netherlands, if they are from a non-EU/EEA country. They must register for a Citizen service number (BSN) in the town where they reside during their time in the Netherlands if they remain for longer than 4 months.

Certain professions may only be practised in the Netherlands if your employees have the correct qualifications. They must have this certificate officially recognised by the competent authority in the country where they obtained it.

If your company is from the EEA or Switzerland and you post temporary workers to the Netherlands, you must notify the Dutch government.

2

Apply for work permits

You must apply for work permits for posted workers if they are from outside the EEA/Switzerland for a period shorter than three months. Employees from an international company who will be posted in the Netherlands for longer than three months require a residence permit for intra-corporate transferees. If the employee has already obtained this residence permit in another EU country, there is no need to request it again or apply for a work permit, but you do need to notify the Employee Insurance Agency (UWV) by filling in their 'Intra-corporate transfer' form.

Is your business based in the EU/EEA or Switzerland?

Then you do not need to apply for a work permit for them, but you do need to notify the Employment Insurance Agency by filling out their form 'Notification of cross-border services'.

3

Find accommodation for your posted workers

You have to find suitable accommodation for those employees who need a work permit. In doing so, you must comply with the rules of the municipality where your employees will be working.

4

Apply for A1/(E)101 statements

If you post employees in the Netherlands on a temporary basis, they can sometimes remain insured for social security purposes in the country where your business is based. For this purpose you will need to apply for an A1/(E)101 statement.

5

Check whether your employees must take out healthcare insurance

If your employees cannot obtain E101/A1 statements, they will be insured for social security purposes in the Netherlands and you must withhold the relevant contributions from their wages. **In that case, your employees will also be obliged to take out health care insurance in the Netherlands.**

6

Register with the Dutch Tax and Customs Administration

In most cases, you are obliged to pay payroll tax in the Netherlands for your employees. Sometimes you must also pay VAT. For this purpose you must register with the International Office of the Dutch Tax and Customs Administration.

7

Apply for tax and social insurance numbers from the Dutch Tax and Customs Administration

To be able to pay payroll tax, you will need each employee's citizen service number or tax and social insurance number. They have to collect this number personally – by appointment – from the Tax and Customs Administration.

If you do not pay your payroll tax, your customer will be held liable. To prevent liability for payroll tax and turnover tax, your customer may ask you to set up a blocked account (G account) with the Dutch Tax and Customs Administration.

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You are obliged to keep payroll records for the Dutch Tax and Customs Administration and to file payroll tax returns. Once you have registered with the Tax and Customs Administration, you will receive an invitation to file a tax return.

You may have to charge your customer turnover tax (VAT) for the services performed by your employees in the Netherlands. In that case, you have to file VAT returns in the Netherlands. However, sometimes the VAT levy is reverse-charged to your customer and you are not required to pay VAT

Check whether a Collective Labour Agreement applies to your business

Some sectors in the Netherlands have concluded a Collective Labour Agreement (CAO). If the CAO has been declared mandatory by the Ministry of Social Affairs and Employment, you as a foreign employer must observe a number of key provisions.

Everyone working in the Netherlands is entitled to the Dutch minimum wage and a holiday allowance. As a foreign employer, you also have to pay at least this Dutch minimum wage.

You must comply with the Dutch Working Hours Act with regard to your employees in the Netherlands. This Act states how many hours your employees may work on a daily and weekly basis. Your employees are also entitled to a minimum number of days' leave on full pay.

Sources:

<https://english.postedworkers.nl/online-notification-portal/>

<https://business.gov.nl/running-your-business/staff/checklists-for-hiring-staff/checklist-for-posting-employees-to-the-netherlands/>

<https://www.government.nl/topics/minimum-wage/amount-of-the-hourly-minimum-wage>

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