

Social Insurance Burden 2020

As of January 1, 2020

EMPLOYEE

National insurance tax

1st bracket	EUR	0 -	20.711
2nd bracket	EUR	20.712 -	34.712

	%	EUR
AOW	17,90%	6.213,45
ANW	0,10%	34,71
Wlz	9,65%	3.349,71
Total	27,65%	9.597 (Maximum) *

Social security taxes are levied together with the wage withholding tax in the first and second bracket.

Personal Income Taxes BOX I

			%	Maximum EUR	Cumulative EUR
1st bracket	0 -	20.711	Personal Income Tax	9,70%	2.008
				Social Security Taxes	27,65%
				<u>37,35%</u>	<u>7.734</u>
2nd bracket	20.712 -	34.712	Personal Income Tax	9,70%	1.358
				Social Security Taxes	27,65%
				<u>37,35%</u>	<u>5.229</u>
					<u>12.963 *</u>
3rd bracket	34.713 -	68.507	Personal Income Tax	37,35%	12.622
					<u>25.585</u>
4th bracket	68.508 -	>=	Personal Income Tax	49,50%	

	Maximum	IB	AOW	ANW	Wlz
Levy rebate ⁸	EUR 2.711	704	1.299	7	700
Labour rebate ²	EUR 3.819	992	1.830	10	987
Total	EUR 6.530	1.696	3.129	17	1.687

* difference due to rounddown in tax and social security rates when calculated separately.

EMPLOYEE

Employed persons insurances (employee's average contributions)

		EUR
WW - Awf	0,00	0,00
WW - Sector	n.a.	n.a.
WAO/WIA/WGA	n.a.	n.a.
Total		<u>0,00</u>
ZVW³		<u>1.421,00</u>

EMPLOYER (Average¹ Premiums)

Employed persons insurances (Employer's contribution)

				EUR	EUR
WW	- Awf (laag)	2,94%	*	57.232	1.682,62
	- Awf (hoog) ⁴	7,94%	*	57.232	4.544,22
WAO/WIA-Basis (Aof)⁵		7,27%	*	57.232	4.160,77
Whk-Differentiated⁶		1,28%	*	57.232	732,57
Total					<u>6.575,96</u>
ZVW⁷		6,70%	*	57.232	3.834,54
Total					<u>10.410,50</u>
					<u>13.272,10</u>

- ¹ Some social insurance rates may vary, depending on the line of industry of the employer.
- ² The labour rebate applies to those who derive income from labour (present employment or other activities) or business profits. For income above EUR 34,954 a discount of 6% is applicable. For income above EUR 98,604 no labour rebate is applicable.
- ³ This is the average nominal premium to be paid by the employee. The actual premium may differ depending on the insurance company and collective discount obtained. Additional premiums may apply for additional insurance. The insurance itself is mandatory, the employee may select the insurance company he prefers.
- ⁴ A higher contribution/rate is applicable for employees who have short-term contracts (one year or less). Other conditions also apply.
- ⁵ This is the basic contribution for WIA including the Child Care Surcharge.
- ⁶ This is the average contribution, the actual differentiated calculated contribution differs per employer.
- ⁷ This is the employer's contribution to the State Health Care Insurance.
- ⁸ For income above EUR 20,711 a discount of 5.147% is applicable. For income above EUR 68,507 no general levy rebate is applicable.
- * Please note that all amounts are based on an employee under the age of 65.

Explanation of abbreviations used:

<u>Dutch</u>		<u>English</u>
AOW	Algemene OuderdomsWet	General Old Age Pensions Act
ANW	Algemene NabestaandenWet	General Surviving relatives Act
Wlz	Wet langdurige zorg	Long Term Care Act
WW	WerkloosheidsWet	Unemployment Benefits Act
Awf	Algemeen Werkloosheidsfonds	General Unemployment fund
WW - Awf	Awf-premie	Contribution towards Awf (dependent on duration of employment contract)
WAO	Wet op de ArbeidsOngeschiktheidsverzekering	Disability Benefits Act
WGA	Regeling werkhervatting gedeeltelijk arbeidsgeschikten	Regulation Income Provision Partially Incapacitated
IVA	Regeling werkhervatting volledig arbeidsgeschikten	Regulation Income Provision Fully Incapacitated
ZVW	ZorgVerzekeringsWet	Health Care Insurance Act
Whk	Werkhervattingskas	Reintegration fund