

Crowe Foederer HR Services

Important information regarding your payroll 2024 / 2025

Dear client,

With this letter we would like to draw your attention to a number of matters relevant to our continued cooperation in 2025 and the year-end process of 2024.

First of all, we would like to thank you for your cooperation over the past year. A year in which once again much has changed in field of the HR and payroll: new legislation creates more complexity in payroll administration, the digitisation of HR processes continues at a rapid pace, with AI and robotisation now also making its appearance. In addition, smart links with payroll software are increasingly emerging and data-driven payroll and HR insights are also becoming more important for companies.

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Salary December 2024

Due to the December 2024 bank Holidays, there may be a change in the regular salary processing calendar. To ensure timely processing of the salary run for the month of December 2024, we ask you to pass on any changes in a timely fashion. If you have already made your own agreement on this with your Payroll consultant, please respect this agreement. In all other cases, please submit the mutations for this period no later than December 6th 2024. If this is not feasible for you, please contact your Payroll consultant as soon as possible.

Start-up payroll 2025

You will soon receive the decision Werkhervattingskas 2025 and the corresponding specification from the tax authorities. We need this decision to start up your payroll administration with the correct information. In addition, we will check any imputed benefits in consultation. Should your decision show an increased contribution rate, we will contact you. This also applies to changes in your pension and/or other insurance policies. These changes are designed to ensure that your payroll records remain current and accurate. So always forward them to your Payroll consultant.

Extra work

The adjustments to home working allowances, travel allowances, pension schemes and minimum hourly wages, may in individual cases lead to excessive extra work. If this is the case in your situation, we will inform you in advance.

Salary changes and mutations January 2025

The start of a new year often brings additional challenges for payroll processing. During the transition to a new year, there may be some delays in processing salaries mainly due to entering and checking new contribution rates and year-end closing. We kindly ask you to submit any changes as early as possible for January 2025 as well.

Settlement Work-related costs scheme (WKR) 2024

No later than in the February 2025 wage tax return, if there is an excess of the free margin in the work-related costs scheme for the past year, we must declare the final levy due. If you have an excess, please notify us in good time. Do you need support in processing the content of the work-related costs scheme? If so, please let us know. We have specialists in our team who will be happy to help you with your questions.



Important changes 2025

Statutory minimum hourly wage

Per January 1st 2025, the current statutory minimum wage per period will be replaced by a statutory minimum hourly wage of €14.06. Every employee will receive at least the statutory minimum hourly wage per hour worked. The indexation of the minimum wage is based on the 2024 hourly wage of a 36-hour working week as a starting point. This hourly wage will increase by 2.78% in 2025.

For employees receiving a fixed monthly wage, the monthly wage will NOT increase by 2.78%. This is because since 2024 the minimum hourly wage has been calculated. This is converted via workable days per year into a new monthly amount. The table below shows the differences:

	Hourly wage	Number of workable days per year	Full-time Monthly Wage (40 hours)	Full-time Monthly Wage (38 hours)	Full-time Monthly Wage (36 hours)
2024-7-1	€ 13,68	262	€ 2.389,44	€ 2.269,97	€ 2.150,50
2025-1-1	€ 14,06	261	€ 2.446,44	€ 2.324,12	€ 2.201,80

Home working allowance

The untaxed allowance for working from home will increase in 2025, probably to €2.40 per home working day. This is a targeted exemption within the work-related costs scheme.

You are not obliged to implement this increase automatically, unless stated otherwise in the collective labor agreement and/or in the individual employment contract.



New pension law 2024

The Future Pensions Act brings important changes to the Dutch pension system, which will now become more personal and transparent. All pension schemes in the Netherlands, both mandatory and voluntary, must be adapted to this law by January 1st 2028 at the latest.

Main changes:

1. Fixed contribution rate: Pension accrual is based on investments, with a fixed contribution of up to 30% of pensionable earnings. Existing commitments may possibly be maintained through transitional law.
2. Survivor's pension: This will be a percentage of the salary, with a maximum of 50% for a partner's pension and 20% for an orphan's pension, without transitional law.

It is advisable to consider now whether a switch to a new pension scheme makes sense, especially if the current contract is about to expire. For questions or advice, please contact the pensions team at pensioen@crowefoederer.nl.

Pension waivers

If your employee has signed a waiver for participation in the pension scheme in the past, please bear in mind that this must be renewed annually? Do you inform us in time, if an employee still wants to participate (again) in the pension scheme? Then we will process this in time in the 2025 payroll administration.

DGA (Director Major Shareholder) customary pay

The pay of a DGA must comply with a minimum annual taxable salary. For 2025 this amount has not yet been communicated, but will be increased by the expected inflation and wage increase (2024: €56,000).

If the current DGA salary meets the 2024 customary wage, but falls below the 2025 customary wage, we will automatically adjust it for you to the new minimum (2025) amount. If you wish to make other arrangements in this respect, please discuss this with your accountant.

Change final levy on delivery vans

When two or more employees continuously and alternately use an employer's delivery van for private purposes, it may be difficult to allocate the benefit of the private use to one specific employee. In such cases, the choice may be made to designate this addition as final levy. This offers a practical solution to reduce the administrative burden. The fixed amount for this final levy will be increased to € 438 (2024: € 300) per van per year and will also be indexed annually as from 2026.

Change definition 'van'

The definition of a van will also be significantly simplified by aligning it for tax purposes with the vehicle categories, such as passenger car or delivery van, used by the RDW in the vehicle registration register. By scrapping the additional tax requirements for motor vehicles, the administrative and implementation burden will be reduced.

Free margin working costs scheme

In 2025, the free margin will change a little bit. The free margin of the work-related costs scheme is determined as follows:

- 2% over the first € 400,000
- above this amount, 1.18% applies

Last year reduction in taxable addition for electric cars

For fully electric cars that will be admitted for the first time in 2025, a reduced taxation rate of 17% applies this year up to a maximum list value of € 30,000. Above that amount, a 22% taxation rate will apply.

The taxation percentage as determined upon initial admission will continue to apply for a maximum period of 60 months after 2024.

Abolition of (youth) low income benefit

The regular low income benefit (LIV) will be abolished as of January 1st 2025. As of January 1st 2026, the wage cost benefit (LKV) for older employees will be abolished.

Amendments 30%-ruling

As of January 1st 2027, the maximum tax-free allowance will most likely be reduced to a flat rate of 27%. In addition to this, the regular salary threshold will be raised to € 50.436 and for young Master's degree holders under the age of 30, to € 38.338 per year. These thresholds will be indexed annually according to the table correction factor. Although the 30%-ruling was revised last year by a parliamentary amendment to adopt a 30-20-10%-ruling, the 2025 Tax Plan proposes a reversion of the degression in percentage. This implies that the phase-out scheme, in which the 30% ruling applies for the first 20 months, then 20% for the next 20 months and 10% for the last 20 months, is likely to be withdrawn. The fixed tax-free allowance of 30% will remain in place for 2025 and 2026.

For employees who received a 30% allowance before 2024 transitional law applies, allowing them to retain a maximum of 30% allowance provided they meet the 'old' indexed salary criteria.

For employees applying the 30% ruling for the first time in 2024 the 'old' indexed salary criteria will remain in effect for the duration of the ruling. However, the reduction of the maximum tax-free allowance from 30% to 27% effective from January 1st 2027 will still apply to these employees. Over the coming weeks, it will become clear whether the 2025 Tax Plan is approved or rejected by the Dutch Parliament.

(Extra) hours at minimum hourly wage

If your employee earns the minimum hourly wage and you want to wage (all) these December hours at the 2024 minimum hourly wage?

We must then actually wage the hours with an extra run in December 2024. Please let us know no later than December 13th so that we can agree on this together. If we do not hear anything from you, we will assume that you want to pay the hours at the hourly rate of 2025 and we will continue with the completion of the year 2024 after the regular payroll of December 2024.

Crowe Foederer Immigration Service

Crowe Foederer also has an Immigration Service as of today. Should you wish to bring an employee from outside the EU to the Netherlands, or possibly his/her family, please contact us. We can inform you about the possibilities of accommodation, required paperwork and all kinds of other related matters.

Finally

This end-of-year letter is also confirmation that we will extend our cooperation with you in 2025 on the basis of the existing agreements. The (pay slip) rates will be indexed by 3.8% for 2025, unless you have already made other arrangements with Crowe Foederer.

Should you have any further questions, please contact your regular contact person.

For now, Crowe HR Services wishes you a healthy and successful 2025.

With kind regards,

Team Crowe Foederer HR Services