



Fiscal policy Belgium

**A fiscally and socially
beneficial employee or
business gift in 2024.**

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1. Employee gift

An increasing number of private and public organisations are taking **initiatives** to make themselves **more attractive** as employers. Individual recognition plays a major role in this. **Employee gifts** also offer an ideal opportunity to **optimise** your employees' salaries.

This white paper gives you a clear overview of the options and outlines the legal conditions for each one.

Legal conditions

Gifts can be given on several occasions that are fiscally and socially beneficial for you as an employer as well as for your employee. Gifts are tax-free (for both the employer and employee) up to a certain amount.



1.

Saint Nicholas
Christmas
Year end
Birthday

On these occasions, you can give gifts of **up to €40 inc. VAT per year and per employee** (a total of €40, not €40 per occasion).

This amount is **100% deductible** for the employer and completely exempt for the employee, both from taxes and social security contributions (exception: social security contributions do apply to birthday gifts). The amount of €40 may also be increased by another **€40 per dependent child**.

In addition, the VAT can be reclaimed if the value of the gifts is less than €50 exc. VAT.

Please note: for the gifts to be deductible, all employees must receive them.

2.

Marriage
Legal cohabitation

If one of your employees gets married or starts legally cohabiting, you can give them a gift of **up to €245 inc. VAT**. This amount is **tax-free** for both the employer and employee.

Please note: the VAT on marriage and legal cohabitation gifts cannot be reclaimed.

3.

Seniority

There are **two moments** in an employee's career when you can give them a tax-deductible seniority bonus:

- At **25 years of service** (maximum 1 x the employee's gross monthly salary inc. VAT, or maximum 1 x the average gross monthly salary incl. VAT in the company)
- At **35 years of service** (maximum 2 x the employee's gross monthly salary inc. VAT, or maximum 2 x the average gross monthly salary inc. VAT in the company)

Please note: the seniority bonus is exempt from social security contributions but is not a deductible cost for the employer. In addition, the VAT on these gifts cannot be reclaimed.

5.

Birth & special occasions

You can also give gifts on other special occasions, like the company's anniversary or the birth of an employee's child. The **value** of this gift should be **'low'** (maximum €50 inc. VAT).

This amount is exempt for the employee but not for the employer. If the purchase value of the gift is **less than €50**, the **VAT** can be **reclaimed** in full.

6.

Official honourable award

An official honourable award isn't something that happens every day. It refers to an honourable award given to one of your **employees by an external party**.

- Examples include: a medal of honour or knighthood, a decoration, a laureate of labour...

A gift for an official honourable award may not exceed €120 inc. VAT.

4.

Pension Early retirement

When an employee retires, you can give them a gift of up to **€40 inc. VAT per full year of service**. However, the total amount given needs to be at least €120 inc. VAT and no more than €1,000 inc. VAT. Retirement gifts are **exempt from social security contributions up to €1,000 inc. VAT**. For taxes, there is no cap here, as long as you don't go above €40 inc. VAT per year of service. In addition, the VAT on these gifts cannot be reclaimed.



Summary

Gifts can be given on several occasions that are fiscally and socially beneficial for you as an employer as well as for your employee.

Legal framework

Gift occasion	Fiscal policy for the employer	Fiscal policy for the employee
Saint Nicholas, Christmas & Year end	100% deductible up to €40 per employee per year <i>Extra: €40 per dependent child</i>	100% up to €40 per year <i>Extra: €40 per dependent child</i>
Birthday (or patron saint)	100% deductible up to €40 per employee per year <i>Tax deductible – Not exempt from social security contributions</i>	100% up to €40 per year <i>Tax deductible Not exempt from social security contributions</i>
Marriage or legal cohabitation	100% deductible up to €245 per employee per year	100% up to €245 per year
25 years of seniority	Up to max. 1 x gross monthly salary <i>Not tax deductible – Exempt from social security contributions</i>	100% up to max. 1 x gross monthly salary
35 years of seniority	Up to max. 2 x gross monthly salary <i>Not tax deductible – Exempt from social security contributions</i>	100% up to max. 2 x gross monthly salary
Pension and early retirement	100% up to €40 per year of service <i>Min. €120 Max. €1000</i>	100% up to €40 per year of service <i>Min. €120 Max. €1000</i>
Birth and special occasions	- <i>Not tax deductible</i>	100% up to €50 per year
Official honourable award	100% deductible up to €120 per employee per year	100% up to €120 per year

Please note: all amounts are including VAT

Example

An employee is going to start **legally cohabiting** in 2024 and has **two dependent children**.

The employer has decided to give them gift vouchers for the following occasions in 2023: Saint Nicholas, Year End, marriage/legal cohabitation and Christmas.

The maximum amount the employer can give to remain exempt:

- **€245** for legal cohabitation
- **€40 + €80** (2 x €40 for dependent children) = €120 in total for Saint Nicholas, Year End and Christmas.

Total: €365 in gifts in 2024, deductible for the employer and exempt for the employee.

2. Business gift

Both existing and potential business partners deserve the **same level of attention and appreciation** you give to your employees. But sometimes words aren't enough to express how important they are to you. That's what makes a business gift the perfect solution. But remember that there are so many different types of gifts. So think carefully about the **message** you want to send, then choose the most **appropriate gift**.



If you play it smart, there are also **tax benefits** to be had. Because under certain conditions, business gifts are **tax deductible**, plus you can also reclaim the **VAT**.



General rule:

Gifts for business partners are:

- **50% tax deductible** as a business expense
- Up to an amount of **€250 per recipient/per year**

 <€50 → VAT 
→ VAT 100% deductible

 €50-250 → VAT 
→ VAT is not deductible
→ Gift 50% tax deductible

 > €250 → VAT 
→ VAT is not deductible
→ Gift not tax deductible without tax form

2.1 Income tax

You're allowed to exceed this amount, but if you do, you also need to complete **tax form 281.50** with the **name** of the recipient and the **value** of the gift.

- **Advantage:** if the person giving the business gifts completes a tax form, the deductibility increases to 100%.
- **Disadvantage:** if the tax form is completed, the recipient will be taxed on this via their income tax. The gift is therefore seen as a benefit in kind, and not really as a customer-friendly option.
- **Good to know:** if you give gifts to business partners during a business trip abroad, these business gifts are 100% deductible, regardless of in which country the gifts were purchased.

2.2 VAT

VAT deductibility depends on the purchase value of the gift:

- For gifts **under €50** (ex VAT), the VAT may be reclaimed in full. This amount is per gift, per recipient and per calendar year.
- For gifts with a purchase value between **€50 and €250** (ex VAT), the VAT is not deductible. But the gift is 50% tax deductible.
- For gifts **above €250**, the VAT is not deductible and the gift is not tax deductible without a tax form.

Please note:

VAT is not deductible if you give **more than 1 gift** to the same business partner **per year**. VAT on tobacco or spirits with an alcohol percentage of at least 22% is never deductible. But the VAT on beer, wine, port, cava and champagne is deductible.

3. Gifts



3.1 Physical gifts

Build **better relationships** with beautiful gifts for any occasion. Would your business partner/employee prefer fragrant flowers, delicious chocolate or a sharing basket? You know best what to choose.

Score some extra points by **personalising** your gift or its packaging. This way the lucky recipient will never forget who the gift was from. You can also add a message to thank, congratulate or give your employee or business partner a bit of a boost – turning it into **a unique gift**.



3.2 Gift cards

Trying to find a **personal gift** for everyone often seems like an impossible task. But it can be done. More and more companies are turning to **gift cards** that the employees or business partners can use to choose their own gift from a range of participating retailers. Gift cards also come with another benefit: they aren't subject to **VAT**. For this reason, and the fact that employees get to choose for themselves, gift cards are becoming more and more popular each year.

A lot of retailers offer gift cards. The downside is that gift cards often have a **limited validity** and, as the giver, you are again choosing the gift on behalf of the recipient. To avoid that, consider using providers like Sodexo, Edenred, Monizze and Kadonation.

These companies offer gift cards redeemable at a **range of affiliated partners** so that every employee or business partner has plenty of choice when it comes to spending their gift card. This way, the recipient can choose the gift they really want.

Survey

So what is the **ideal staff gift** then? That's what we asked 2,000 employees.

Keen to know the **results**?

[Discover them here.](#)

3.3 Kadonation Gifts

At Kadonation, we even take it a few steps further. Firstly, we offer a range of physical gifts: brownies, drinks, flowers, cake, gift baskets... There's something for everyone.



Secondly, we also have the **Kadonation Gift Card** that can be **combined** and **split**, and is redeemable at over 90 popular shops (such as Decathlon, Bol.com, AS Adventure, Coolblue, Zalando, ZEB, Torfs...) and charities.



The gift voucher can also be completely **customised** with the recipient's name, a **personal message** and your company **logo** or other **branding**. Our physical gifts can also be **personalised** with a logo and/or a personal message.

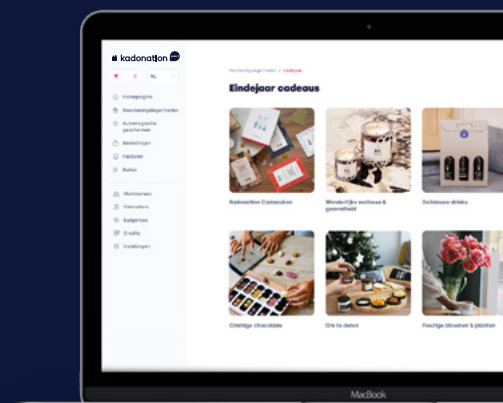
On top of that, we offer the ultimate choice concept: **Kadonation Smile**. The simplest way to give the freedom of choice. Together, we'll put together a range of gifts to match your budget. The recipient can then choose their dream gift on a gift website that is completely personalised with your logo, company colours and personal messages.

And of course, our gifts also meet all the conditions for you to get the most out of the **legal conditions** described in this white paper.

4. Kadonation Select

In addition to the Kadonation Gifts, we have also developed an **all-in-one gift platform** for people-focused companies: Kadonation Select.

With our **intuitive platform**, it takes you just minutes – not hours – to give hundreds of gifts. Boost your **sales & loyalty** by including everyone. Plus you can make life even easier by automating your gift and reward policies.



Discover Kadonation Select

Gifting at any scale, without the hassle.

One intuitive platform for all your corporate gifting,
with carefully curated, high-quality gifts.
Show your employees, customers and relations
recognition that hits the mark.

Discover **Kadonation Select**

If you have any questions after reading this white paper or would like to talk about the opportunities Kadonation can offer, please feel free to contact one of our members of staff. We're happy to help.

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