

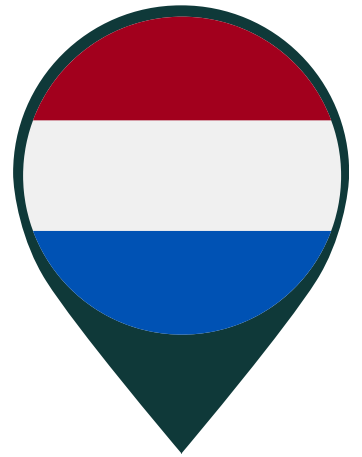
The Netherlands



Hire international talent in **The Netherlands**



EMERALDTECHNOLOGY



Employment details in The Netherlands

To start growing your team in The Netherlands, you must establish a local entity, including an account with a local bank, a local office and an address registered as a subsidiary. This allows you to manage payroll, tax, benefits and compliance for your employees, but can take several months.

Emerald Technology can hire and payroll your workers, quickly and compliantly with their ready to go entity. So, no more worrying about compliantly managing your international payroll. We handle everything in over 150 countries.

Make growing your team simple with Emerald as a global partner.



Currency
Euro (EUR)



Employer Costs
Estimated of 35%
employee's salary



Onboarding
48 hours with Emerald
Technology



Payroll Cycle
Monthly



Employer Costs

Social security contributions in the Netherlands are deducted from an employee's salary before payment by the employer. Both the employee and employer have mandatory contributions. These include insurances such as health, unemployment and disability.

Employer contribution rates can change and there are some differences depending on the industry. Contributions for the employer are capped at €4975.50 per year for insurances and healthcare based on an employee's qualified earnings. However, this again can vary. At present this stands at 9.8% for insurances and 6.75% for healthcare. This does not include other contributions such as pension, social funds and training. It can be estimated at 35% of an employee's salary.

Currently the social security contributions for EU residents permanently working in the Netherlands are set at 27.65%.

Benefits

Mandatory

Employers are required to offer the following benefits to all full-time employees.

- Social Security
- Pension
- Unemployment Insurance
- Public Health Care

Employment

Contract

An employment contract (arbeidscontract) is an arrangement between an employee and employer, this contains working arrangements.

An employer must provide an employee with a contract that contains details of their employment such as:

- Start Date and Place of Work,
- Days of Work and Working Hours
- Job Title and Job Description
- Terms of Employment
- Pay and pay periods
- Holidays
- Termination Conditions and Notice Periods



Employment

Probation Period

The duration of a probation period depends on the duration of the employment contract. However, it may never exceed a 2 month period. Contracts with a duration from six months to two years can include a probation period of a maximum of one month. If a contract is less than 6 months, a probation period is void.

Emerald Technology can create a compliant contract in the Netherlands in 24 hours.



Insurance

Healthcare

Every person who lives or works in the Netherlands must take out standard health insurance. New residents to the country need to sign up for a health insurance within four months of registering at the city hall or receiving the residence permit. There are two channels: an employer contribution paid through a payslip at a capped percentage of an employee's gross salary, and a contribution paid by the employee to an insurance company where cover is taken. Every person must subscribe to the government's basic insurance at a minimum.

Social Security

There are two types of social security in the Netherlands, both of which are mandatory for employees. The first is Employee Insurance (werknemersverzekeringen) which provides employment related benefits such as unemployment, illness and incapacity for work. The second is National Insurance (volksverzekeringen), which covers social benefits.

Leave Policy

Maternity Leave

Expectant mothers in the Netherlands are entitled to 16 weeks of maternity leave (zwangerschapsverlof). This must be taken at least 4 weeks and up to 6 weeks before the birth with the remaining being taken after the birth. The employer will claim the maternity leave on behalf of the employee from the Government's Employee Insurance Agency (Uitvoeringsinstituut Werknemersverzekeringen – UWV). This benefit will match the mother's salary. Please note there is a maximum daily amount that is updated yearly. If the normal salary exceeds this daily allowance, then the employer may make up the difference, but this is not mandatory.

Paternity Leave

Expectant fathers are entitled to five days of paternity leave (kraamverlof or vaderschapsverlof) paid in full by the employer when their partner has given birth. This leave must be taken within 4 weeks of the birth.

Sickness Leave

If an employee becomes ill, the employer is required to pay at least 70% of their normal salary for up to two years. The employer must actively stay in touch with the employee during a period of sick leave, directly or through the occupational health and safety service (arbodienst). Employers must consult with employees about returning to work in a process known as reintegration obligation.

Onboarding

Details

As the legal employer, Emerald Technology requires the following employee documents to ensure complete compliance:

- Passport
- Wage Tax
- Marital Status
- BSN Number

Emerald Technology can onboard employees in the Netherlands within 48 hours.



Resignation and Dismissal

Details

An employee may unilaterally terminate their employment by providing written notice to their employer. Notice periods do vary, typically this is one month. Notice periods will be stated in the contract of employment.

The Netherlands has very strict rules and regulations around termination, and not adhering to these can lead to excessive costs for the employer. During the probation period both employer and employee can terminate with immediate effect and without the need to specify a reason. After completing the probation period, an employee may only be terminated if permission is granted by the relevant authorities. Depending on the grounds of termination, the permission must be requested at the Dutch labour authority (“UWV”) or the County Court, prior to a termination.

If the authority rules that the employment contract can indeed be terminated, the employee is entitled to a severance pay, also known as transition fee. The employee can still appeal to the UWV’s or Court’s decision.

Statutory Time Off

Annual Leave

A full time employee is eligible to receive a minimum of 20 days of statutory paid annual leave. A holiday allowance of 8% of the gross salary is mandatorily granted to every employee on the Dutch payroll. Holiday allowance will be calculated and paid out based on the employment period from June 1st to May 31st.

Public Holidays

There are 10 public holidays in the Netherlands. There is no statutory obligation to give employees leave on public holidays.

- New Year's Day
- Good Friday
- Easter
- Easter Monday
- King's Day
- Ascension Day
- Whitsun
- Whit Monday
- Christmas Day
- 2nd Day of Chris

Work, Pay and Taxes

Minimum Wage

The minimum wage is reviewed twice per year by the Dutch Government in January and July. As of July 2023, the minimum wage per week for employees over 21 years old is € 460.40. The law does not lay down how many hours there are in a full working week but there are usually 36-40.

Working Time and Overtime

The standard Dutch working week is 38 hours per week. The majority of full time (voltijd) jobs in the Netherlands are between 36-40 hours a week, or seven to eight hours a day, five days a week. If an employee works less than 36 hours a week, but more than 12, they are considered as working part time (deeltijd).

In the Netherlands an employee can legally work a maximum of 12 hours per shift and a maximum of 60 hours per week. This limit is only for brief periods, for longer time frames the limit is lower. Unlike many other countries, regularly working long hours overtime is not so common.

Whether or not employees receive compensation for hours worked overtime depends on the terms in the contract of employment. Some companies will stipulate in the contract that (a certain amount of) overtime work comes with the job and is covered by the regular salary, while others may provide financial compensation or time in lieu for any extra hours worked. If an employee works more than 5.5 hours per day they are entitled to a break of at least 30 minutes.

Salary Payments

Salaries are typically paid on a monthly basis and at the end of the month in the Netherlands.

Bonus

Employers are not required to provide employees a bonus. Any bonuses offered are at the employer's discretion.

Income Tax

The Dutch tax year runs from January to December. The employer has a withholding obligation for taxes due on the employee's salary, known as wage tax or wage withholding tax (Loonbelasting). Below is a table of tax thresholds for employees.

Salary	Tax Percentage
Up to ISK 4,188,216	31.45%
The Next ISK 7,569,948	37.95%
Over ISK 11,758,159	46.25%

Discover how Emerald Technology can **grow** your international workforce **risk-free**.

Emerald is a global expansion partner, supporting B2B tech companies hire, onboard and payroll remotely across 150 countries. Handling local payroll, taxes, benefits and compliance in every region you want to expand your workforce.

Book a free consultation with our experts today, [click here](#).

