



BRIDGE

LEGAL & FINANCE

Employment updates 2026





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Minimum wage increase

Effective January 1, 2026, the statutory minimum hourly wage for employees aged 21 and over has increased from € 14,40 to € 14,71. Benefits linked to the minimum wage, such as AOW, WIA, and WW, have increased accordingly. The minimum wage is indexed twice per year. Employers must ensure no employee falls below the new rate. This may also affect employees who currently earn slightly above the minimum but regularly work overtime, as their effective hourly wage could fall below the threshold.

Maximum daily wage

The maximum daily wage, determined by the Dutch Employee Insurance Agency (UWV), is used to calculate government benefits and also serves as the statutory maximum for continued salary payment during sickness. This amount has increased to € 304,25 as of January 1, 2026.

The 2026 maximum tax free travel allowance is € 0,23 per kilometer

The maximum tax free travel allowance remains € 0,23 for 2026. An employer may choose if, and the maximum amount, they will reimburse their employee's travel expenses as this reimbursement is not mandatory. However, an employer **must** apply the increase under the following circumstances:

- If a collective labor agreement containing travel allowance stipulations is applicable
- The employment agreement between the employer and employees states that the employer will contribute the maximum tax-free allowed travel allowance.

This targeted exemption applies to business travel as well as private travel, as long as the employee also uses the public transport card or subscription for business travel. Business travel also includes commuting. The condition that the public transport must be in the Netherlands is also removed (in 2024 was only in the NL), which means that subscriptions or discount cards for foreign public transport are also tax exempt as of 2026.

Max tax-free work-from-home allowance is € 2,45 per day

The tax free work-from-home allowance is € 2,45 per day in 2026. It is up to the employer to decide if, and the maximum amount of work-from-home allowance, they will provide to the employee. However, an employer must apply the increase if the employment agreement between the employer and employees states that the employer will contribute the maximum tax-free allowed work-from-home allowance.

Discretionary scope work related expense scheme increased to 2,00% over the initial € 400.000

The discretionary scope of the work related expense scheme has increased to 2,00% on the initial € 400.000 of the taxable annual collective wages (this will be 2,16% in 2027). The percentage remains 1,18% for taxable annual collective wages of more than € 400.000.

Changes to the 30% ruling

- Please find below the new 2026 30% ruling thresholds published by the Dutch tax authorities (in principle, including 8% holiday allowance):
 - The (taxable) salary threshold for an employee must exceed € 48.013 on an annual basis (2025: € 46.660)
 - The salary threshold for an employee with a qualifying master's degree and is also younger than 30 years of age must exceed € 36.497 (2025: € 35.468) on an annual basis.
- The employer has the choice to either reimburse the actual extraterritorial costs (ET costs) under submission of documents supporting the claim (receipts) OR apply the 30% ruling benefit to the employee's salary. The following conditions apply for new 30% ruling applications (or a change of employer):
 - The 30% ruling will have retroactive effect, up to and including the start date of the employment, if
 - the 30% ruling application is submitted **within** 4 months of the start of (new) employment. The employer (in agreement with the employee) can choose to either apply the 30% ruling benefit or to reimburse the actual extraterritorial costs per pay period within these initial 4 months. The choice between the application of the 30% ruling benefit and the



reimbursement of the extraterritorial costs must be made in the 5th month and will apply for the rest of the year until the following decision moment at the beginning of the following year.

- The 30% ruling will not have retroactive effect if the 30% ruling application is submitted **after** 4 months of the start of (new) employment. An employer may only reimburse the actual extraterritorial costs untaxed until the commencement date of the ordinance. The choice for the rest of the calendar year is made from the date of the ordinance. The choice is then made per calendar year from that point forward.

As of 2026, the maximum wage over which the 30% may be calculated is capped at € 262.000 per year.

A point of attention: As of 2026, the transitional arrangements for the maximum salary cap have ended. This means that employees earning more than the maximum salary cap can no longer apply the 30% ruling to the portion exceeding this cap. For 2026, the maximum tax-free allowance is € 78,600.

Changes 30% ruling as of January 2027

Starting in 2027, the percentage will be reduced to 27%. This Scheme applies for employees that become eligible for the 30% facility after 1 January 2024.

Employees for whom the 30% ruling was applied in December 2023 will not be subject to the cuts. However, if they change employers and do not consecutively, without interruption, start working for the new employer, they will lose the transitional right and the new measure will also apply to them from the moment of the interruption.

The 2026 salary thresholds for highly skilled migrants, Intra-Corporate Transferees (ICT) and Blue Card holders

- Highly skilled migrant/ICT aged 30 and older: € 5.942
- Highly skilled migrant/ICT younger than 30: € 4.357
- Highly skilled migrant based on the reduced salary criterion: € 3.122
- European Blue Card Holder: € 5.942
- European Blue Card Holder on the reduced salary criterion: € 4.754

These are the minimum gross salaries per month **excluding** 8% holiday allowance. The salaries for highly skilled migrants, IT professionals and Blue Card holders must always be in line with the market.

The above salary requirements apply to applications received by the IND on or after January 1, 2026.

The 2026 salary threshold for director-major-shareholders (DGA)

In 2026, the DGA salary threshold increased from € 56.000 to € 58.000.

IND government fees 2026

- Highly Skilled Migrant: € 423
- Children: € 85
- Family members:
 - Spouse/unmarried partner: € 254
 - Children: € 85
- Recognition as sponsor (company):
 - Regular application: € 5.080
 - Reduced fee for small businesses (max. 50 employees worldwide): € 2.539

New administration requirements for (recognized) sponsors

Starting 1 January 2026, in addition to keeping copies of payslips, (recognized) sponsors must also maintain evidence that highly skilled migrants and EU Blue Card holders have actually received their salary. Sponsors must provide proof that salaries are paid monthly by the (recognized) sponsor and are transferred to the employee's personal bank account. Therefore, business bank statements showing payments to the employee's account should be retained in each personnel file (together with the payslips).



IND notification of salary changes during statutory leave

The IND has confirmed that recognized sponsors must notify the IND of any salary change resulting from statutory leave taken by a sponsored permit holder (HSM/ICT/EU Blue card), even when the employee continues to meet all permit conditions, including the necessary salary threshold.

Key points:

- A notification is required for any salary change linked to statutory leave, irrespective of whether the salary is above or below the permit threshold.
- The exact adjusted salary must be included in the notification.
- Notifications must be submitted within four weeks as of the effective date of the change.

New WTTA licensing rules – the provision of personnel admission act

In November 2025, the Dutch Parliament (Eerste Kamer) approved the Wet Toelating Terbeschikkingstelling Arbeidskrachten (WTTA) – the Provision of Personnel Admission Act. This law introduces a mandatory admission and licensing system for payrolling companies and for the companies that outsource temporary workers, including payrolling, EoR providers, and SNA-registered agencies. The goal is better protection for labor migrants and fair employment conditions.

What this means:

- Labor providers must register with the NAU and obtain a license.
- Hiring companies may only work with licensed agencies from 2027.
- Enforcement starts in 2028, with penalties for non-compliance.

What is happening in 2026:

- Nov 2026 – Jan 2027: Transitional period to apply for NAU registration and licenses.
- Companies should start preparing now to ensure compliance in 2027.

Crackdown on false self-employment

While Dutch tax authorities have announced a postponement in the strict enforcement of rules against “bogus” self-employment, the underlying legal obligations remain unchanged. Companies may still face significant risks if contractors or freelancers are effectively working as employees. It remains essential to proactively review contractor arrangements and ensure genuine independent status - or adjust the working relationship - to avoid requalification.

EU Pay Transparency Directive

EU Member States, including the Netherlands, must implement the EU Pay Transparency Directive by June 7, 2026, although Dutch implementation is expected to be delayed until January 1, 2027. The Directive aims to reduce the EU’s persistent gender pay gap - currently around 13% - by strengthening pay transparency and enforcement.

The Directive introduces several significant obligations. During recruitment, employers must disclose the starting salary or salary range before the first interview and may no longer ask candidates about salary history. Employees will obtain the right to request information on average pay levels for comparable roles, broken down by gender, as well as the objective, gender-neutral criteria that determine pay and progression.

Larger organizations will also face reporting duties. Employers with 250 or more employees must report annually; those with 100 to 249 employees every three years. If an unjustified gender pay gap of more than 5% is found, employers must carry out a joint pay assessment with employee representatives.

Enforcement will be strengthened through a shift of the burden of proof to employers, full compensation rights for employees and the introduction of sanctions, including fines.

Although these rules will not apply immediately, employers are strongly advised to start preparing: reviewing salary structures, identifying any gender pay gaps and involving the works council where required. Early preparation will help limit legal risks and avoid last-minute implementation issues.



New requirements under temporary workers CLA (ABU)

As of January 1, 2026, the new collective labor agreement for temporary agencies, the ABU CLA, grants temporary agency workers employment terms equivalent to those of your own employees in similar positions. If your company hires staff through agencies, coordinate with the agency to ensure equivalent pay and benefits. A transition period applies until July 1, 2026 for certain existing temporary workers.

Higher transition allowance cap

As of January 1, 2026, the statutory transition allowance (transitievergoeding) cap increased to € 102.000 per employee (up from € 98.000). If an employee's annual salary exceeds this amount, the cap equals one year's gross salary.

Proposed change to long-term sick leave transition allowance compensation

The Dutch government has proposed limiting UWV compensation for transition allowance payments after two years of sick leave to small employers only (fewer than 25 employees). This proposal is not yet law and still requires parliamentary approval. The intended effective date is July 1, 2026. If adopted, larger employers (25+ employees) would no longer be reimbursed. It may therefore be advisable to review ongoing long-term sick leave cases, as situations reaching the 104-week mark before July 1, 2026 would still fall under the current scheme.

End of older worker wage subsidy (LKV)

The wage cost benefit (LKV) for hiring older employees is being phased out. As of January 1, 2026, employers can no longer claim the subsidy for new hires aged 56 and over if employment started on or after January 1, 2024. Employees hired before that date may still qualify under transitional rules.

Early retirement scheme (RVU) eased

Effective January 1, 2026, the monthly tax-exempt threshold for early retirement packages under the RVU scheme increased to approximately € 2.573 (up from € 2.273). Employers may offer employees within 36 months of the state pension age an early retirement amount up to this limit per month without incurring the 52% penalty tax. This higher exemption makes early retirement more attractive for both employers and employees.

Tax implications travel reimbursements - Traveling inside of the Netherlands

When an employee travels within the Netherlands for business purposes, the employer is permitted to reimburse the travel costs. This applies only to business trips within the Netherlands that exceed 4 hours in duration and where the destination is located in a different location than the workplace. There are maximum amounts for tax-free reimbursement of travel expenses, outlined as follows:

- small expenses during daytime: € 7,35
- expenses during nighttime: € 21,92
- breakfast: € 16,07
- lunch: € 22,19
- diner: € 33,57
- accommodation: € 164,52

If the employer reimburses an amount exceeding these maximums, the excess will be subject to income tax.

Tax implications travel reimbursements - Traveling abroad

In principle, when an employee travels abroad for business purposes, expenses including tickets, accommodation, and meals can be reimbursed or paid on behalf of the employee, tax-free. It's important to note that in such cases, the employer is required to retain all receipts for a minimum of 7 years, we recommend 10, for documentation purposes.



Alternatively, employers can provide employees with an upfront "Per Diem allowance". This allowance is intended to cover travel expenses such as accommodation, food and beverage expenses, as well as additional expenses like phone costs and vaccinations.

To ascertain the eligibility for the per diem allowance, it is essential to establish whether the business travel occurs within or outside the Netherlands. The per diem allowance is exclusively applicable to travel outside of the Netherlands.

Per Diems

The maximums can be settled as follows, (based on the rate list per country and territory, the **link can be found at the bottom of the last page**):

- 12% for breakfast
- 20% for lunch
- 32% for diner

The employer is permitted to offer an additional allowance of 1.5% for each hour of business travel (or 36% for a 24-hour period). This allowance is designated for incidental expenses during the travel.

Additional expenses

Furthermore, employees have the option to receive an allowance for additional expenses incurred during business travel. These expenses may include international phone usage, vaccinations, educational seminars, representation costs, and conference registration fees.

Conditions for the Per Diem allowance

The following conditions apply for receiving this allowance

- The employee will have breakfast, lunch and dinner in an establishment that is meant for this purpose;
- The employee is eligible for reimbursement of accommodation costs up to the specified maximum amount listed in the rate list for your temporary residence. Failure to provide proof of these incurred costs will result in a reimbursement of € 11,34 per overnight stay, for a maximum of four nights per business trip. In cases where the supporting document submitted with your declaration for accommodation with breakfast does not provide a clear breakdown, reimbursement will be limited to the sum of the amounts applicable for accommodation and breakfast reimbursement.
- If the business travel takes longer than 60 days to the same place abroad than the allowance will be lowered to 50% from the 61st day;
- Please be aware that this allowance is also applicable for business travels to other parts of the Kingdom of the Netherlands as Aruba, Bonaire, Curacao, Saba, St. Eustatius and St. Martin;
- If the employee is a frequent business traveler, the employer can decide to apply a reduced accommodation allowance;
- If the employee receives any other allowance from a third party he is obligated to declare this. This allowance will be deducted from the allowance that the employee receives from his employer.

Excluded expenses

The Per Diem allowance is not applicable for the following expenses:

- Business travel lasting less than four hours;
- For travel within the Netherlands lasting less than four hours, connecting to a bus or airplane journey to a foreign country, excluding destinations in Europe.
- For airplane travel, excluding destinations in Europe.

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