July 2026

Regulatory update

Contents

Employment, HR & Payroll

Minimum wage increase

Effective 1 July 2026, the statutory minimum hourly wage for employees aged 21 and over increased from €14.71 to €14.99. Benefits linked to the minimum wage, including AOW, WIA and WW benefits, have increased accordingly. The minimum wage is indexed twice per year.

Employers must ensure that no employee is paid below the new statutory minimum hourly wage. This review should include employees who currently earn slightly above the minimum wage but regularly work overtime, as their effective hourly wage may fall below the statutory threshold.

Key takeaway: Employers should review payroll calculations to ensure that all employees continue to meet the updated minimum wage requirements, including where overtime affects the effective hourly rate.

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.

As of 1 July 2026, the maximum daily wage increased to €309.91.

2026 maximum tax-free travel allowance

The maximum tax-free travel allowance in the Netherlands increased from €0.23 to €0.25 per kilometer, with retroactive effect from 1 January 2026. The adjustment was announced by the Dutch Ministry of Finance in May 2026.

The increase was introduced to support households and businesses in response to rising fuel costs and ongoing disruptions in energy markets.

For employers, the impact depends on the current travel allowance policy applied:

- Where the travel allowance is linked to the maximum tax-free allowance, a retroactive correction from 1 January 2026 is required.
- Where a fixed allowance is applied (for example €0.23 per kilometer), no adjustment is mandatory. However, employers may consider increasing the allowance and determining the appropriate effective date for their organization.

This change does not generally create an obligation for employers to increase their travel allowance. Rather, it increases the maximum amount that can be reimbursed tax-free if an employer chooses to provide such reimbursement.

Key takeaway: Employers should review their travel allowance policies to determine whether a retroactive adjustment is required or whether an increase should be considered.

Transitional allowance following long-term sickness (104 weeks)

When an employer terminates an employment contract, a transitional allowance is generally due, equal to one-third of a gross monthly salary per full year of employment. This also applies where an employment contract is terminated after 104 weeks of sickness.

Currently, employers may recover (part of) the transitional allowance paid in these situations through the UWV. However, this compensation scheme is expected to be abolished as of 1 January 2027 if the proposed legislation is adopted.

Under the latest legislative proposal, the abolition would apply to all employers, without distinction between small and large employers. As a result, employers would bear the full cost of the transitional allowance, in addition to the obligation to continue salary payments during the 104 weeks of sickness.

The proposal also includes transitional provisions. If adopted, cases where the obligation to continue salary payments ended before 1 January 2027 will remain subject to the current regime. In those situations, employers will still be able to claim compensation from the UWV after 1 January 2027.

False self-employment: enforcement resumed

As highlighted in previous updates, while strict enforcement had previously been postponed, the legal framework governing false self-employment has remained unchanged.

Enforcement has now resumed and will follow a phased approach throughout 2026 (the "soft landing" period). During this period, no administrative (default) fines will generally be imposed. However, fines may still apply in cases involving intentional misconduct or gross negligence. The Dutch Tax Administration may also conduct company visits and impose retroactive tax assessments where a working relationship is reclassified as employment.

Full enforcement, including the application of all penalties, is expected from 1 January 2027. Companies should continue to assess contractor arrangements carefully and make adjustments where necessary. Further legislation clarifying the distinction between employees and self-employed workers is currently being developed, although it is not expected in the short term.

Key takeaway: Businesses engaging self-employed contractors should continue reviewing their working arrangements to mitigate the risk of reclassification and future enforcement.

EU Pay Transparency Directive

The implementation deadline for the EU Pay Transparency Directive passed on 7 June 2026. However, Dutch implementation has been delayed and is currently expected to take effect on 1 January 2027.

Despite this delay, the expected direction remains unchanged. The Directive introduces obligations relating to salary transparency during recruitment, employees' access to pay information and gender pay gap reporting.

Employers should continue preparing for these upcoming obligations by reviewing salary structures and identifying potential gender pay gaps. It is also advisable to consider the role of employee representation, as implementation will require the involvement of the works council.

Key takeaway: Although the Dutch implementation has been postponed, employers should continue preparing to meet the forthcoming transparency requirements.

ABU CLA: equivalent employment conditions

Since 1 January 2026, the revised ABU collective labor agreement has required that agency workers receive employment conditions that are equivalent in overall value to those of comparable employees. The transitional arrangements have now largely ended.

Companies engaging agency workers should verify with their providers that the principle of "equivalent remuneration" is correctly implemented in practice, as deviations may give rise to claims and compliance risks.

Flexible work reform

Further legislative proposals aimed at reforming the Dutch labor market remain under development. These include proposed restrictions on flexible work arrangements and measures to further clarify the legal position of self-employed workers.

Although these proposals are not expected to enter into force during 2026, they may have a significant impact on employers in the coming years. We will continue to monitor these developments and keep you informed.

Pension transition

The transition to the new Dutch pension system under the Future Pensions Act is ongoing. All pension schemes must be transitioned to the new system by 1 January 2028.

Under the new system, pension accrual will be based on contributions, with the final pension outcome depending on investment results.

Existing pension entitlements may be converted into the new system ("invaren"), depending on the choices made at scheme level. Employers should monitor developments within their pension scheme and ensure the timely involvement of the works council where changes to the pension agreement are required.

WTTA implementation

Following the adoption of the Wet toelating terbeschikkingstelling arbeidskrachten (WTTA) in November 2025, preparations for its implementation are now underway. As outlined in our January 2026 newsletter, the WTTA introduces a mandatory admission and licensing framework for companies supplying personnel, including payrolling companies, Employer of Record (EoR) providers, detachers, temporary labor agencies and other intermediaries. The legislation aims to strengthen the protection of labor migrants and promote fair working conditions.

From 1 January 2027, the WTTA will enter into force and labor providers will be able to formally apply for admission under the new framework. Admission applications must be submitted no later than 1 July 2027. Providers that wish to rely on the transitional regime can register between 1 November 2026 and 1 January 2027.

From 1 January 2028, the Dutch Labor Inspectorate will begin active enforcement. Labor providers operating without valid admission, as well as hiring companies engaging non-admitted providers, may face enforcement measures and penalties.

Companies should therefore begin preparing for these new requirements. This includes reviewing existing structures, identifying intermediaries within the supply chain and assessing whether labor providers will be able to meet the WTTA admission requirements in time.

Key takeaway: Companies supplying or engaging external personnel should review their labor supply chain and ensure that relevant providers are prepared for the WTTA admission requirements and application deadlines.

Immigration & Global mobility

Extension of the search period following unemployment

A significant change has been introduced following the revision of European Directive 2011/98/EU (2024/1233), which entered into force on 22 May 2026.

Holders of certain residence permits, including Highly Skilled Migrant (HSM) and EU Blue Card permits, who have held their permit for at least two years and subsequently become unemployed, are now permitted up to six months to secure new employment, compared to the previous three-month search period.

This extended search period also applies to permit holders who have been victims of labor exploitation.

Please note that the permitted search period will never exceed the remaining validity of the residence permit.

Sick leave and IND compliance for sponsored employees

The Immigration and Naturalization Service (IND) has recently reiterated its strict approach to compliance with salary requirements and information obligations for recognized sponsors.

The IND has confirmed that recognized sponsors must monitor the impact of sick leave on compliance for Highly Skilled Migrants (HSM), ICT permit holders and EU Blue Card employees.

During sick leave, employees are generally entitled to continued salary payment (at least 70% under Dutch law). Where salary is reduced during this period, employers should assess whether the applicable IND salary threshold continues to be met throughout the employment relationship.

The IND also takes the position that any salary adjustment resulting from sick leave triggers the sponsor's information obligation, even where all residence permit conditions continue to be satisfied.

Key points to consider:

- The IND salary threshold must be met at all times, including during sick leave.
- Reduced salary may create compliance risks, particularly in cases of long-term illness.
- Salary changes resulting from sick leave must be reported to the IND, regardless of whether the applicable salary threshold continues to be met.
- Notifications must include the adjusted salary and be submitted within four weeks of the change.

Employers should assess the impact of sick leave on salary levels and ensure that any required IND notifications are submitted within the applicable deadline to maintain compliance.

Key takeaway: Employers sponsoring Highly Skilled Migrants and other qualifying employees should review their sick leave procedures to ensure ongoing compliance with IND salary requirements and notification obligations.

Expat scheme: changes to the 30% ruling

As previously communicated, the 30% ruling will be renamed the Expat Scheme with effect from 1 January 2027.

For employees who become eligible after 1 January 2024, the tax-free percentage will be reduced from 30% to 27%.

Employees already benefiting from the 30% ruling in December 2023 will retain their existing entitlement, unless they change employers without immediately and consecutively commencing employment with the new employer. Where there is an interruption between employments, the reduced percentage will apply from the moment of the interruption.

Entry/Exit System (EES)

The EU Entry/Exit System (EES) has been fully operational since 10 April 2026. The system replaces passport stamping with the digital registration of entry and exit data, including biometric information.

The EES applies to most non-EU nationals travelling to the European Union for short stays (up to 90 days within a 180-day period) who do not hold a residence permit or long-stay visa.

Upon first entry, travelers must register their data at the external border, which may result in longer waiting times during the initial registration process.

In the Netherlands, the system is operated by the Royal Netherlands Marechaussee. Self-service kiosks and eGates are available at Amsterdam Schiphol Airport to facilitate the registration process. Once registration has been completed, future border crossings are expected to become faster.

Exemptions apply, including for EU, EEA and Swiss nationals, residence permit holders and certain other categories, such as diplomats.

Tax & Customs

Global Minimum Tax (Pillar Two)

Groups with annual consolidated revenues of at least €750 million may be subject to the Global Minimum Tax (Pillar Two) rules.

In-scope groups are generally required to assess their effective tax rate on a jurisdiction-by-jurisdiction basis and determine whether any top-up tax is due in jurisdictions where the effective tax rate falls below 15%.

As part of these obligations, groups must file a GloBE Information Return (GIR) containing information on the group structure, constituent entities and Pillar Two calculations.

Since the calculations are based on the consolidated financial statements and accounting standards of the country in which the group's Ultimate Parent Entity (UPE) is established, the GIR is generally expected to be filed by the UPE.

Dutch constituent entities must either file the GIR themselves or submit a notification where the GIR is filed in another jurisdiction (other than the Netherlands).

For the first reporting year, the GIR (and the GIR notification) must be submitted within 18 months after the fiscal year-end. For example, where the fiscal year ended on 31 December 2024, the filing deadline was 30 June 2026. Companies with a different financial year-end should ensure that they meet the applicable reporting deadlines.

Where Dutch top-up tax is payable, a Top-up Tax Return must also be submitted.

The filing deadline for the first Top-up Tax Return is 20 months after the fiscal year-end. For example, where the fiscal year ended on 31 December 2024, the filing deadline is 31 August 2026.

The Dutch Tax Administration has made the filing portals available following completion of the technical implementation of the reporting system. Submissions can now be made through the designated channels.

Companies should review their group's Pillar Two position and applicable filing obligations well in advance of the relevant deadlines to ensure timely compliance.

Key takeaway: Groups that fall within the scope of Pillar Two should confirm their filing obligations and ensure that all applicable GIR notifications and, where applicable, Top-up Tax Returns are submitted within the relevant filing deadlines.

EU Customs Reform: temporary customs duty for low-value e-commerce imports

From 1 July 2026, the EU abolished the customs duty relief for low-value consignments (up to EUR 150) and introduced a temporary EUR 3 customs duty for eligible low-value e-commerce imports. The duty applies per relevant customs declaration item rather than per parcel and is expected to remain in force until 1 July 2028.

The reform has important implications for e-commerce businesses, online marketplaces, customs representatives and logistics providers.

Businesses should review their customs declaration processes, contractual arrangements, guarantee requirements and Product Identifier (PID) reporting obligations to ensure continued compliance with the updated EU customs framework.

Key takeaway: Businesses involved in e-commerce imports should review their customs processes and reporting obligations to ensure compliance with the updated EU customs framework.

Questions?

Our specialists are happy to discuss how these regulatory developments may affect your organization.

If you would like tailored advice or assistance with compliance, please contact our team.

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