

Is your 30% ruling ending?

Many expats wonder what the consequences are when their 30% ruling ends. We have briefly explained the consequences of your 30% ruling ending and give some tips to ease the transition.

1. Application period

The duration of said period starts on the first day of employment and ends on:

- On the last day of the wage period following the wage period in which the employment ended; or
- On the date mentioned in the decree that was received from the Dutch Tax Authorities.

What to do with payments received after this application period, but which relate to the period of application? This is often the case with bonuses, vacation pay and commissions. Can the 30%-ruling be applied? The answer is no! The 30% ruling only applies to wages that were actually received during the decreed period.

Tip! If you know upfront that you might be entitled to a bonus/commission, etc. that will be paid out after your 30% ruling ends, it is advisable to reach out to your employer to check whether it is possible to receive the amount within the 30% period.

If your 30% ruling ends due to the fact that your employment ends, you receive one wage period (month or 4-weeks) "extra". This extra wage period is meant for back-payments. It does not apply to, for example, severance payments, as these qualify as wages from former employment.

2. Reimbursement of actual extra-territorial (ET) costs after the 30% ruling ends?

During the application period of the 30% ruling, either the fixed 30% can be reimbursed or the actual ET- costs incurred can be reimbursed. Once the 30%-ruling ends, it is no longer possible to reimburse ET-costs tax free.

3. Partial non-tax residency

As a 30% ruling holder, you have the option treated as a partial non-resident for Dutch tax purposes. This means that for income derived from substantial interest ([box 2 income](#)) and savings and investments ([box 3 income](#)), you will be treated as a non-resident taxpayer. Only your Dutch source income, like dividends from a Dutch company or Dutch real estate, is taxable and not your worldwide income (real estate in home country and liquidities).

After your 30%-ruling ends, you will have to include foreign assets in your income tax return which may be taxable.

Tip! Ask your tax advisor about the possibilities on how to handle this and maybe to restructure.

4. Financial drawback

Losing your 30% ruling benefit normally mean less net pay. For example:

	30-RULING	NO RULING
GROSS SALARY	€5.000	€5.000
TAXES	€949,58	€1.689,83
NET SALARY	€4.050,42	€3.310,17

The difference is €8.883 per year (€740,25 per month)!

Contact details

If you're in doubt on how this affects you, feel free to reach out.

For further information, please contact:

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