

Value-Sharing Premium

What is the value-sharing premium scheme?

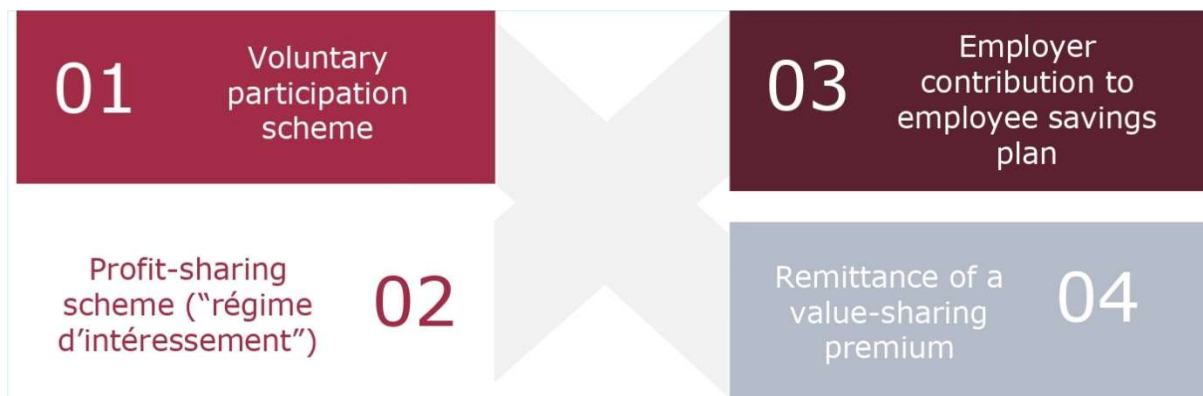
From 2025 onwards, **employers of 11 to 49 employees** must implement a scheme, known as the “Value Sharing Premium” (VSP), when they have made a net profit of at least 1% of turnover over three consecutive years.

A trial phase will be rolled out to cover the period from November 2023 through to November 2028. Annual reports will be transmitted to the social agencies, and the government will subsequently present a report to Parliament assessing the results of the trial. The report will be submitted no later than 6 months before the end of the timespan.

The company must endow itself with at least one legal value-sharing scheme if it meets the following criteria:

- ☑ An average headcount ranging between 11 to 49 employees
- ☑ Not being under the obligation of having to set up an incentive scheme
- ☑ Not being covered by voluntary participation or profit-sharing agreements, company savings scheme or value-sharing premium scheme in relation to the financial year under review
- ☑ Having attained a net taxable profit of at least 1% of sales over each of the last three financial years

Companies meeting the criteria are under the obligation to set up one of the following value-sharing schemes:



Amount and beneficiaries:

The scheme **does not necessarily have to generate a positive bonus**. Due to their random nature, voluntary participation and profit-sharing schemes cannot surmise future results. Moreover, employer contribution to an employee's savings plan or value-sharing premium require no minimum amount.

Companies can pay out **up to 2 VSP per calendar year** (no higher than 3000€ or 6000€ to benefit from tax or social exemptions), within the limit of one VSP per quarter.

If the company decides to pay a VSP, it can be granted to solely those employees earning less than three times the monthly minimum wage. However, if the company chooses another scheme, they are by nature collective (voluntary participation scheme, profit-sharing scheme ("régime d'intéressement"), employer contribution to an employee's savings plan).

The four schemes are subject to different tax and social regimes.

We naturally remain at your disposal to assist you in apprehending the subject.

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