

GMS Flash Alert

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Belgium – COVID-19: Arrangements for Taxing Cross-Border Workers Further Extended

The Belgian tax authorities have announced that mutual agreements with France, Luxemburg, Germany and the Netherlands have been extended until 30 September 2021, as the COVID 19 pandemic continues to impact public health.¹ The intention of the agreements is to provide clarity on the income tax situation of individuals working in one country while residing in another country and who are forced to work from home during the COVID-19 pandemic.

WHY THIS MATTERS

These mutual agreements aim to avoid the negative tax consequences for cross-border workers at risk of having their employment income become fully taxable in their states of residence. They have been extended several times and currently run through 30 June 2021.²

Companies should carefully consider the situation of individuals working in more than one country or individuals who regularly worked from home or in third countries prior to the COVID-19 pandemic.

Social Security

Belgium had previously extended until 30 June 2021, its policy of disregarding situations in which cross-border workers and multi-state workers increased the amount of time they work in their home country due to COVID-19 for social security purposes. (See [GMS Flash Alert 2020-480](#), 4 December 2020.)

The Belgian social security authorities confirmed that the neutralisation of the period of teleworking because of the pandemic is extended until 31 December 2021. However, this might be subject to change in view of the restrictions relating to the pandemic; it is required that the individual resumes the normal working pattern after this period of adjustment to normal rules due to the pandemic no longer applies.

FOOTNOTES:

1 The announcement can be found (in Dutch, French and German) at: [MyMinfin \(fgov.be\)](https://myminfin.fgov.be) .

2 The agreements had been extended several times to 30 June 2021. (For prior coverage, see the following issues of *GMS Flash Alert*: [2021-107](#) (8 April 2021), [2021-083](#) (15 March 2021), [2020-302](#) (7 July 2020), [2020-247](#) (22 May 2020), and [2020-230](#) (13 May 2020).

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