

# Allowances without social protection

## Manual

The schemes that we describe below do not provide social protection, but rather were created to cater to or respond to certain practices, for example at the request of the (non-profit) sector.

The possibilities are:

1. Payment of a flat-rate payment via the standard expense deduction scheme (KVR) – only to artists
2. Payment of a volunteer allowance
3. Occasional sociocultural work – “25-day rule“
4. Fee note for occasional artistic work
5. Copyrights and related rights
6. Other payments

## 1 Payment of flat-rate remuneration via the standard expense deduction scheme (KVR) – only to artists

Important! Be sure to check the [Juist is Juist KVR arrangement](#) before you consider working with it.

### What is it?

This arrangement is very similar to the volunteer allowance (see below) and aims to reimburse all costs that the artist would have incurred by paying a small amount. It is ‘flat-rate’ remuneration because it is not necessary to present actual supporting documents. Neither the client nor the artist must keep or provide supporting documents. In addition, because it is flat-rate remuneration, no additional costs can be refunded. The KVR assumes that all costs are covered by the KVR, including travel costs.

The amount of the KVR is also the amount that the artist receives, and is the amount for which the client must provide the necessary budgets. No additional deductions or contributions are due as long as you respect the limits (see below).

### For what work?

The KVR can be used for artistic activities or the production of artistic work, and applies to small-scale or occasional artistic work

## For whom?

The KVR can only be used for those who have an [‘artist card’](#), issued by the Artists Commission. The artist card is reserved for artists who occasionally engage in artistic activities.

Please note!

- ✓ Because you do not pay social security contributions (as long as you meet the conditions), the artist also does not build up social security protection. For example, the days paid through a KVR are not eligible to prove sufficient days for entitlement to unemployment benefits. On the other hand, the National Employment Office does request that the days on which someone was active with a KVR be indicated on the unemployment card. The artist will not receive a benefit on those days.
- ✓ As a client it is best to take out at least volunteer insurance or third-party liability insurance. You can extend the coverage to include, for example, accident costs and/or loss of wages.

## Conditions for working with a KVR

- ✓ There is a maximum amount of 132.13 euros (2021) per day and per client. As an artist, you can have several clients per day.
- ✓ The artist may receive a maximum of 2,642.53 euros (2021) per year via this scheme.
- ✓ The artist may be remunerated with a KVR for a maximum of 7 consecutive days with the same client and a maximum of 30 days per year.
- ✓ The client can be a natural or a legal person
- ✓ You cannot combine this payment with any other form of compensation for work or expense reimbursement, unless it concerns a clearly different task/position/assignment.
- ✓ The artist has been issued an artist card from the Artists Commission
- ✓ Before the artist starts, the paper work overview received together with his or her card must be completed, or the artist must enter his or her performance digitally at [artist@work](mailto:artist@work). The client must check whether this has been done.

As a client it is useful to keep a list of paid KVRs in the accounting and in case of audit. For this you can use [this model](#).

More info at [Artist@Work](mailto:Artist@Work).

The KVR tool scheme (which you can download separately with this [“Hiring culture workers” global tool](#) ) contains an overview of the most important aspects of working with a KVR.

## 2 Payment of a volunteer allowance

Voluntary work is in principle free of charge and is a free choice on the part of the volunteer.

- ✓ Just like the KVR (see above), the volunteer allowance aims to pay the volunteer a flat-rate amount (thus without having to prove costs or submit receipts).
- ✓ The volunteer allowance amounts to 35.41 euros per day and 1,416.16 euros per year (amounts for 2021).
- ✓ In contrast to the KVR, the volunteer can still receive a travel allowance for a maximum of 2,000 km per year. He or she must then present supporting documentation, and the compensation must remain within [the tax-free amounts](#).
- ✓ The amounts are tax-free and free of social security contributions.
- ✓ The client may only be a charity organisation (de facto or legal person).
- ✓ The client is obliged to take out volunteer's insurance with at least third-party liability coverage.
- ✓ The client is obliged to provide information to the volunteer: about its organisation, the volunteer duties, insurance, payment, confidentiality, etc. It is best to include this information in an agreement note. A model document is available at [www.vrijwilligersweb.be](http://www.vrijwilligersweb.be).
- ✓ If the volunteer receives an unemployment benefit or other replacement income, he or she must notify the unemployment office or the payment institution in advance and obtain approval.
- ✓ TIP: in order not to create confusion with other statuses, it is best to be clear on the concepts. Thus the volunteer does not receive "wages" but an expense reimbursement, does not sign an "employment contract" but a volunteer note, etc.

See also our tool [Volunteer work checklist](#).

## 3 Occasional sociocultural work – "25-day rule"

The 25-day rule exempts some employers from paying social security contributions for certain employees who are employed a maximum of 25 days a year under this rule.

### For whom ... specific employers

This rule may only be used by the employers listed in the legislation. This includes a number of government institutions (such as schools), as well as non-profit organisations and associations with a social objective "whose partners do not pursue pecuniary gain", or government recognised organisations that provide "sociocultural training". Whether this is

the case must be apparent from the charters or can be clarified by the Directorate General for Social Inspection.

### For whom ... specific employees

The 25-day rule may only be applied for the following positions: monitor, leader, animator, administrator, caretaker and security guard.

### Requirements

- ✓ The employment must be notified in advance to the Directorate General for Social Inspection. The employee may be employed under this status for a maximum of 25 days per year ...  
TIP: Include this in the contract and ask the employee to notify the employer of the number of days he or she previously worked for other employers.
- ✓ The work takes place outside normal working hours or during the employee's school holidays.
- ✓ The employer draws up an employment contract, must comply with legislation regarding working hours and CLA minimum wages, and issues wage documents.
- ✓ The employer is exempt from paying social security contributions.
- ✓ The employee does enjoy limited social protection (minimum wages + work-related accident insurance), but does not enjoy health insurance, family benefits, unemployment benefits and annual holidays.

The occasional sociocultural work scheme tool (which you can download separately with this ["Hiring culture workers" global tool](#) ) contains an overview of the most important aspects of working with 25-day rule.

## 4 "Fee note" for occasional artistic work

The (tax) legislator also has a system for compensation that is paid to someone as a result of 'occasional' or 'one-off', 'incidental' work.

Requirements:

- ✓ It must concern occasional, one-off work: In order to be considered as occasional, the work must clearly fall outside the regular work, position, job, etc. For example: someone contributes to a publication and receives payment for this, but he/she holds a clearly different position in his or her daily job. The 'one-off' must be taken literally. As soon as there is a suspicion of any regularity (even if it is an annual activity or a low amount), a different status needs to be applied. For example, the court has ruled in the past that someone who wrote a small annual article for a publication should

have worked under self-employed status and wrongly paid no social security contributions.

- ✓ An amount paid on the basis of this scheme will not be taken into account by the National Employment Office for the accrual of unemployment benefit rights. Those who are unemployed must obtain prior permission from their unemployment office and must indicate the day worked on their inspection card.
- ✓ These one-off amounts must be declared to the tax authorities (there is a special section in the tax return under 'miscellaneous income') and are taxed at 33%. Proven costs may first be deducted.
- ✓ Under this scheme, no provision is made with regard to social security. However, if the tax authorities are of the opinion that this does not concern a one-off activity and must be reapportioned and recalculated, for example in function of self-employed status, the social security office will also be notified. They will then send a contribution regularisation form.

The Fee Note tool scheme (which you can download separately with this [“Hiring culture workers” global tool](#)) contains an overview of the most important aspects of working with a fee note.

## 5 Copyrights and related rights

Be sure to also check our agreement on [intellectual property rights](#)!

Copyrights or related rights can also be agreed and paid in addition to an employment contract or contract for services, if the rights are licensed or transferred. Think of a music recording for which the artist not only receives a performance fee, but for which the collected copyrights on the use and/or sale are also transferred to him.

Watch out for combining copyrights and related rights with an employment contract! The court has ruled that a payment for rights to an employee on the basis of an employment contract can be considered as the “quid pro quo for a transfer of rights with regard to work to be performed under the employment contract”. Therefore, this remuneration had to be regarded as ordinary wages with the normal deductions. This was the case in particular for a musician who relinquished his related rights through his employment contract and received compensation for it.

In the other cases, no social security contributions are due.

For tax purposes, copyrights are regarded as ‘income from moveable property’ and taxed at a favourable rate.

The rightholder pays only 15% taxes up to an amount of 62,090 euros (in 2021) on an annual basis. The client pays the 15% to the tax authorities. More info [here](#).

The Copyright and related rights tool scheme (which you can download separately with this [“Hiring culture workers” global tool](#) ) contains an overview of the most important aspects of working with copyrights and related rights.

## 6 Other payments

For the sake of completeness, we list a number of other forms of payment or compensation that we see emerging in the sector, but that should be viewed entirely ‘on their own’ and separate from remuneration for work:

- ✓ The rental of instruments or equipment: the tax authorities regard this as income from moveable property on the part of the borrower, and on which he owes withholding tax of 25% after deduction of costs. As a client, it is best to put this in writing.
- ✓ Providing a room, breakfast,... for foreign artists. Here, specific rules may apply in the context of the Flemish tourism decree, the Brussels ordinance on tourism accommodations, rental legislation, ... Here, too, it is best for the client to stipulate on paper what the agreements are, what everyone’s responsibilities are, how payments are arranged,... . See also the [residency checklist](#) tool for additional info.
- ✓ Make available a working budget. Sometimes an organisation wants to release a budget and make it available to an artist to create an artwork or production, to make a set or costume design,... In principle, this is only possible within the framework of the previously mentioned hiring models. To avoid misunderstandings, it is good to also record these kinds of agreements on paper. With regard to third parties (e.g. the artist and unemployment benefits), this contract can then be shown if questions arise about the nature of the payment.