

THE OECD TAX-BENEFIT DATABASE

Description of policy rules for
the Netherlands 2024



THE OECD TAX-BENEFIT DATABASE FOR THE NETHERLANDS

Description of policy rules for 2024

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Preface

This report provides a detailed description of the tax and benefit rules in the Netherlands as they apply to working-age individuals and their dependent children. It also includes output from the [OECD Tax-Benefit model \(TaxBEN\)](#), which puts all these complex legal rules into a unified methodological framework that enables international comparisons of how tax liabilities and benefit entitlements affect the net disposable income of families in different labour market circumstances, .e.g. in employment versus unemployment. .

The **main body** of the report describes the rules that are relevant for the family and labour market characteristics that are within the scope of the **TaxBEN** model (see below for the methodology and user guide). The **annex** provides information on other cash benefits and taxes on employment income that are relevant for other groups of the working-age population, but are outside the scope of the **TaxBEN** model.

TaxBEN is essentially a large cross-country calculator of tax liabilities and benefit entitlements for a broad set of *hypothetical* families (“vignettes”), e.g. a married couple of 40-years-old adults with two children aged 4 and 6 (click [here](#) for a quick overview of the **TaxBEN** model). **TaxBEN** incorporates rules on the main taxes on employment income, social contributions paid by employees and employers, as well as the main cash and near-cash benefit programmes, including unemployment benefits, family and childcare benefits, guaranteed minimum-income benefits, cash housing benefits, and employment-conditional benefits. Disability benefits, maternity and parental leaves benefits are included in the model for a sub-set of countries and years. The main policy instruments that are currently not included in the **TaxBEN** model are taxes on wealth (e.g. taxes on immovable and unmovable properties), indirect taxes (e.g. VAT), early-retirement benefits, short-time work compensation schemes, sickness benefits, and in-kind benefits (e.g. subsidised transport and free health care).

Useful online resources for the OECD tax-benefit model (TaxBEN)



[TaxBEN web calculator](#)



[Methodology and user guide](#)



[OECD tax-benefit data portal](#)



[Network of national experts](#)


Guidelines for updating this report (for national experts)



[General guidelines](#)

Detailed [guidelines for updating Section 5](#) “Net costs for Early Childhood Education and Care”

Reading notes and further details on the content of this report

- **Reference date** for the policy rules described in this report: **January 1, 2024**.
- The symbol  in the text provides a link to the glossary of technical terms.
- Section titles provide the names of taxes and benefits as they are known in the country: first, direct translation into English, then (in brackets) the name in the national language.
- **TaxBEN** variables are indicated in the text using the format **[variable name]**.

The OECD tax-benefit model for the Netherlands: Policy rules in 2024

1. Reference wages

Average wage **[AW]**: The OECD tax-benefit model uses Secretariat estimates of the average full-time wage (available [here](#)).¹ If Secretariat estimates are not available yet, the model uses wage projections obtained by applying forecasted wage growth² to the latest available wage estimate.

The gross minimum hourly wage in January 2024 is EUR 13.27. The annual minimum wage is computed by multiplying the minimum hourly wage by 36 hours and by 52 weeks, and adding the 8% holiday bonus i.e. $13.27 * 36 * 52 * 1.08 = \text{EUR } 26,828$.


The gross minimum wage is indexed automatically every 6 months (on 1 January and 1 July) with the average contractual wage development.

2. Unemployment benefits

The unemployment benefit system in the Netherlands is contribution-based, providing a short-term and medium-term benefit (based on the *Werkloosheidswet*, *WW*). A supplement based on the Supplementary Benefits Act (*Toeslagenwet*, *TW*) is possible if the benefit is below the minimum income. Both are described together in Section 2.1. Elderly unemployed can receive an additional benefit after exhaustion of regular unemployment insurance benefits (*Inkomensvoorziening Oudere Werklozen*, *IOW*), which is described in Section 2.2.

2.1. Unemployment insurance (*Werkloosheidswet* and *Toeslagenwet*)

Variable names: **[UB; UI_p; UI_s; TW_p; TW_s]**

This is an unemployment insurance benefit. It is contributory, partly means-tested and taxable. 

2.1.1. Eligibility conditions

The **regular unemployment benefit** (*Werkloosheidswet*, *WW*) includes two types of benefits:

1. the short term earnings related benefit (3 months)
2. the earnings related benefit (4 months up to 24 months).


Contribution/employment history: Insurance is compulsory for employees.

¹ Average Wages are estimated by the Centre for Tax Policy and Administration at the OECD. For more information on methodology see the latest Taxing Wages publication.

² Wage growth projections are based on [OECD Economic Outlook](#) and [EU economic forecasts](#) (for non-OECD countries).

1. *Short-term earnings-related benefit*: worked 26 weeks in the last 36 weeks immediately preceding unemployment.

2. *Earnings-related benefit*: worked 26 weeks in the last 36 weeks immediately preceding unemployment, plus worked during four of the last five years. Additional years of work affect the duration of the benefit, as described in Section 2.1.3.

Behavioural requirements and related eligibility conditions:  TaxBEN assumes that the following (not limitative) compulsory conditions are satisfied when simulating unemployment benefits.³

- to be involuntary unemployed⁴,
- loss of at least 5 or half of the working hours per week,
- timely registration with the Institute for Employee Benefit Schemes (UWV).
- to be capable for work,
- to be available for work,
- below the legal retirement age (67 years in 2024),
- seeking employment,
- residence in the Netherlands,
- application for benefit on the first day of unemployment.

2.1.2. *Benefit amount*

In the first two months, recipients receive 75% of the gross wage most recently earned, thereafter 70%, up to a maximum daily wage of EUR 274,44 (5 days per week).

Supplementary Benefits Act (*Toeslagenwet, TW*)

The TW provides assistance to people who get a benefit from one of the employee insurance schemes (such as the IOW, WW, WAO/WIA (disability benefit), or ZW (sickness benefit) schemes if their income (plus that of their partner) falls below the minimum guaranteed income. Supplementary benefit equals the difference between the applicable minimum guaranteed income level and the total income of the beneficiary and his or her partner.

³ Details on behavioural requirements and sanction provisions for unemployment benefits are reported at <https://www.oecd.org/social/strictness-benefit-eligibility.htm>

⁴ In general, someone is considered voluntarily unemployed if they resigned, were fired for gross misconduct, or they rejected an offer for another job that was appropriate to their level and/or skill.

Minimum guaranteed incomes, 2024

Family situation	Per cent of minimum wage
Single person	70% ⁵
Married persons and couples living together	100%

The term “income” covers all work-related earnings, including most social security benefits, of claimants and their partner. Any property such as a private home, or capital such as savings, is disregarded.

For two years at most, part of the work-related income (up to a maximum of 15% of the minimum wage) is disregarded. The maximum period of two years does not account for persons older than 57.5 years.

Supplementary benefit will never be more than the difference between the daily earnings or the basis on which the benefit has been calculated and the benefit to recompense for loss of income.

There is no entitlement to supplementary benefits:

- For unmarried persons under 21 living with their parents.
- For persons living with a partner (either married or not) born after 31 December 1971 who do not have any children under 12 living at home.

2.1.3. Benefit duration

The duration of the earnings-related benefit varies with the employment record. In this table it is assumed that the person has been working full time from 18 years of age onwards. The maximum duration in January 2024 was 24 months, and the minimum duration was 3 months. The duration of benefit is equal to 1 month per year of employment. After 10 employment years, the unemployment benefit is prolonged with 0.5 months per extra year⁶. The benefits are paid monthly.

Duration of the benefit on January 1st 2024

Employment (years)	Duration
1	3 months
2	3 months
3	3 months

⁵ Single TW recipients who share accommodation with someone aged 27 or over have a minimum guaranteed income of 50% of the minimum wage. TaxBEN assumes that single adults live alone, and so this provision is not included in the model.

⁶ A year is counted when the person has worked 52 days a year before 2013 or 208 hours a year as from 2013. Calendar years during which the person cared for children under age 5 count for 50% of this requirement. From 2007 onwards years spent on intensive care for ill or handicapped people also count for 50% of labour years. In the TaxBEN model, a year is counted if the person worked at least two months.

4	4 months
5	5 months
...	...
10	10 months
11 and higher	plus 0.5 months per extra year of employment, to a maximum of 24 months

2.1.4. Means test

See Sections 2.1.2 and 2.1.7.

2.1.5. Tax treatment

The unemployment insurance benefit is taxable.

2.1.6. Interactions with other components of the tax-benefit system

No information.

2.1.7. Combining benefit receipt and employment/starting a new job

Gross benefit is reduced by 70 per cent of any earnings received from a new job. The benefit is further limited such that the sum of earnings and the unemployment benefit do not exceed the previous wage.

Unemployment benefits are not paid if earnings from the new job exceed 87.5 per cent of the most recent monthly salary before the unemployment period.

2.1.8. Indexation

There is no automatic indexation. Twice a year, on 1 January and 1 July, indexation can take place, for example when the minimum wage is indexed. The maximum amount of the benefits WW and TW are related to the minimum wage.

2.2. Older workers unemployment assistance (*Inkomensvoorziening Oudere Werklozen*)

Variable names: [\[UB; UA_p; UA_s\]](#)


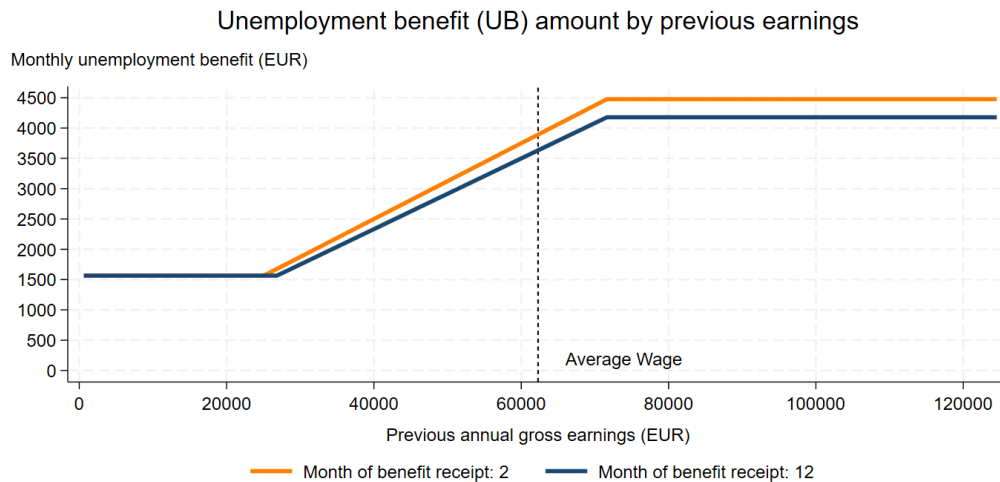
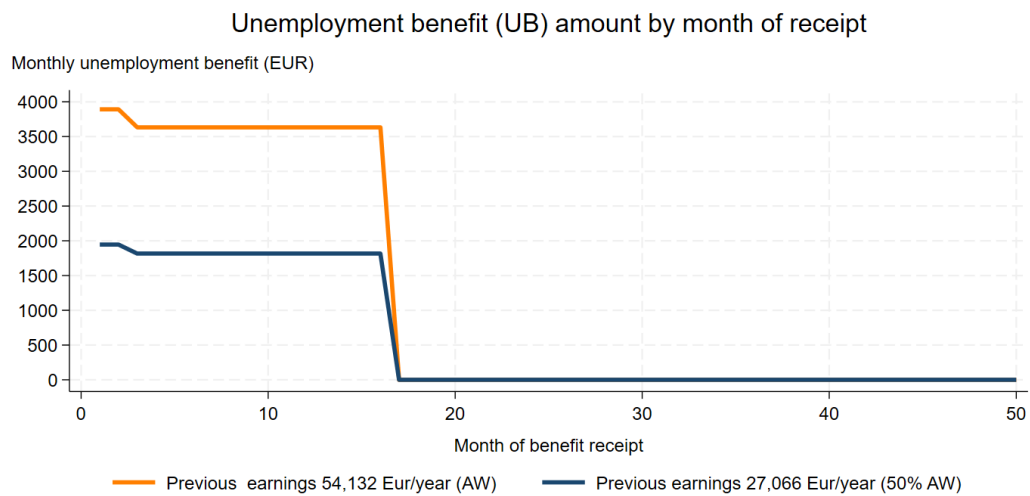
Income provision for older unemployed (*Inkomensvoorziening Oudere Werklozen, IOW*) are in place on 1 January 2024. For beneficiaries aged 60 and 4 months or over, and having first began receiving unemployment benefit between 30th September 2006 and 1 January 2024, the IOW (70% of minimum wage) is paid until the legal retirement age (67 years in 2024) after exhaustion of regular unemployment insurance benefits. Cumulation with other income or benefits is not possible. The benefit is reduced by 100% of other earnings such as wages from labour, pension and other benefits. 

Figure 1 – Unemployment benefit by previous gross earnings

Note: 40-year old single person without children. Long and continuous employment record (22 years) assumed.

Source: [OECD tax-benefit model, 2024](#).

Figure 2 – Unemployment benefit by month of benefit receipt

Note: 40-year old single person without children. Long and continuous employment record (22 years, or 264 months) assumed.

Source: [OECD tax-benefit model, 2024](#).

3. Social assistance and housing benefits

In the Netherlands, a social assistance benefit is provided under the Participation Act (*Participatiewet*), described in Section 3.1. There is also a housing benefit (*Huurtoeslag*), described in Section 3.2.

3.1. Social assistance (*Participatiewet*)

Variable name: **[SA]**

This non-contributory benefit is means-tested and taxable.

The Dutch Participation Act guarantees a minimum income to any Dutch inhabitant who does not have sufficient means of existence. Beneficiaries are mainly persons who are no longer entitled to benefits under the social insurance schemes such as unemployment insurance benefits and disability benefits and persons without a work record.

3.1.1. Eligibility conditions

Conditions for receipt of social assistance are in general:

- Persons legally residing in the Netherlands with inadequate financial resources to meet their essential living costs.
- Social assistance is a supplementary allowance that can be used for topping up for instance low unemployment benefits or low earnings.
- Obligation of job-search and work-availability.⁷

3.1.2. Benefit amount

General social assistance payments are all in payments which are intended to cover normal essential costs of living, including the costs for food, housing, heating, furniture and recreation. They are paid monthly.

The Dutch national government specifies minimum basic benefit payment rates based on age, family composition and the number of persons sharing the same dwelling, the so-called ‘cost sharing standard’ according to which the rate of social assistance is lowered with every additional co-resident. Starting at 50% per person of the subsistence minimum when two people share a house, the amount per person is subsequently lowered with every added resident. The minimum is 30% per person. Students and youth under the age of 27 are excluded from the cost-sharing standard of their housemates (although couples are considered a joint household, and each receive 50% of the subsistence minimum).⁸ The TaxBEN model assumes single, lone parent or couple households, and so the cost-sharing standard is not applied.

⁷ This extends also to the spouse or cohabiting partner of the benefit claimant. Claimant and spouse have a shared responsibility for their means of existence. When spouse or partner does not comply with the obligations the municipality may reduce or stop the allowance. Lone parents must start looking for work if their youngest child is 5 years or older. If the child is 5 years old or younger the lone parent may request dispensation from the obligation to look for work. The parent is however obliged to attend training courses.

⁸ For example, a couple under the age of 27 is considered a joint household and they each receive 50% of the subsistence minimum. If another person aged under 27 moves into the same residence, they have no effect on the benefit amount: Each member of the couple receives 50% of the subsistence minimum, and the third resident receives 70%. If the three residents are aged over 27, then the cost-sharing model applies and they each receive 43.33% of the subsistence minimum.

General social assistance rates (Participatiewet) in 2024 (January 1st)

Family situation	Proportion of the subsistence minimum	Gross yearly benefit incl. Holiday allowance	Corresponding net yearly benefit	
			Excluded	Included
Couples (with or without children)	100%	24,250	20,908	22,008
Single or lone parent, 21 or older	70%	19,108	14,636	15,406

Note: Benefits are calculated separately for each person. The couple amount is the combined amount received by both members of the couple. TaxBEN assumes single, lone parent or couple households, i.e. the 'cost sharing standard' is not applied in the model.

Cost sharing standard rates (Participatiewet) in 2024 (January 1st)

Number of persons > 27 years sharing a dwelling	Proportion of the subsistence minimum	Total rate if everyone in the household receives social assistance	Gross yearly benefit Including holiday pay	Net per person yearly benefit Excluding holiday pay	Net yearly benefit Including holiday pay per person
1	70%	70%	19,108	14,636	15,406
2	50%	100%	12,125	10,454	11,004
3	43,33%	130%	9,797	9,060	9,537
4	40%	160%	8,803	8,363	8,803
5	38%	190%	8,363	7,945	8,363

Note: TaxBEN assumes single, lone parent or couple households, i.e. the 'cost sharing standard' is not applied in the model.

Young people until 27 years of age are deemed to be in work or education. Furthermore, until the age of 21 parents are supposed to provide financial support to their children. Therefore, municipalities are only obliged to provide benefits to applicants in this age group in exceptional circumstances. There is a waiting period of 4 weeks (not modelled in TaxBEN) in which the claimant younger than 27 years of age is required to look for work and education and in which the claimant is not yet entitled to social benefits. The benefit claim is refused if there are opportunities in the regular education system (Student Finance Act) for the claimant.

General social assistance rates (Participatiewet) for young persons in 2024 (January 1st)

Family situation	Gross yearly benefit Including holiday pay	Net yearly benefit Excluding holiday pay	Net yearly benefit Including holiday pay
Single < 21 years with children	3,803	3,613	3,803

One is >21 years and one is <21, with children	19,808	18,249	19,209
Both <21 years old, with children	12,008	11,408	12,008
Single <21 years, no children	3,803	3,613	3,803
Both <21 no children	7,607	7,227	7,607
One>21 one<21, no children	14,808	14,068	14,808

Note: TaxBEN assumes the same age for partners living in a couple household. Other circumstances are presented in grey in the table.

3.1.3. Benefit duration

As long as there is a need. Once benefits have expired, one can re-apply when the need, occurs again.

3.1.4. Means test

Income test

No income disregards; one-to-one income-test using the household net income. Family benefits and individual housing benefits are excluded from the income-test.⁹

Asset test

The asset test is applied by the municipality, and determines eligibility for social assistance.

All assets which claimants possess or can reasonably possess, minus debts, are considered when applying the assets test. Possessions in kind that are usual or necessary for the circumstances in which the claimant lives are excluded. A car may be excluded when it is required by the household (that is, it would be replaced if it was sold), but only up to a certain value. The value is set by the municipality, and is often between EUR 1,500 and EUR 4,500. The own dwelling is disregarded only up to a certain maximum EUR 63,900. If the value of the house minus the mortgage exceeds this maximum, the recipient can get social assistance as a loan.¹⁰

⁹ Two remarks: 1.) The exception to the rule of the one-to-one income test is for social assistance recipients who start working. The municipality can decide that a social assistance recipient is allowed to keep a certain amount of earnings from work: during 6 month 25% of the earnings up to a maximum of EUR 264 per month. It is up to the municipality to decide this and to decide the level of disregard. After six month the general rule of one-to-one income testing is resumed. Given the discretion of the municipality, this is not modelled in TaxBEN.

2.) All income is taken into account. However for claimants aged 27 or older 25% of income from work can be left untouched during the first 6 months of entitlement. Additionally lone parents aged 27 or older can earn up another 12.5% during a period of 30 months. It is up to the municipality to decide this and to decide the level of disregard. Therefore, this is not modelled in TaxBEN.

¹⁰ As per Article 34 of the *Participatiewet Act*: https://wetten.overheid.nl/BWBR0015703/2023-01-01/#Hoofdstuk3_Paragraaf3.4_Artikel34

If savings and assets are worth over EUR 7,575 (EUR 15,150 for couples and lone parents), there is no entitlement to social assistance.

OECD note: The asset test is not applied in the TaxBEN model.

3.1.5. Tax treatment

The level of general assistance is defined on its net value; a net income level is guaranteed. The income taxes on the social assistance benefit are not paid by the recipient, who thus receives a net benefit, but are transferred to the tax inspector by the municipality that is administering the benefit.

3.1.6. Interaction with other components of the tax-benefit system

Social assistance can be used as unemployment benefit top-up or as low income top-up.

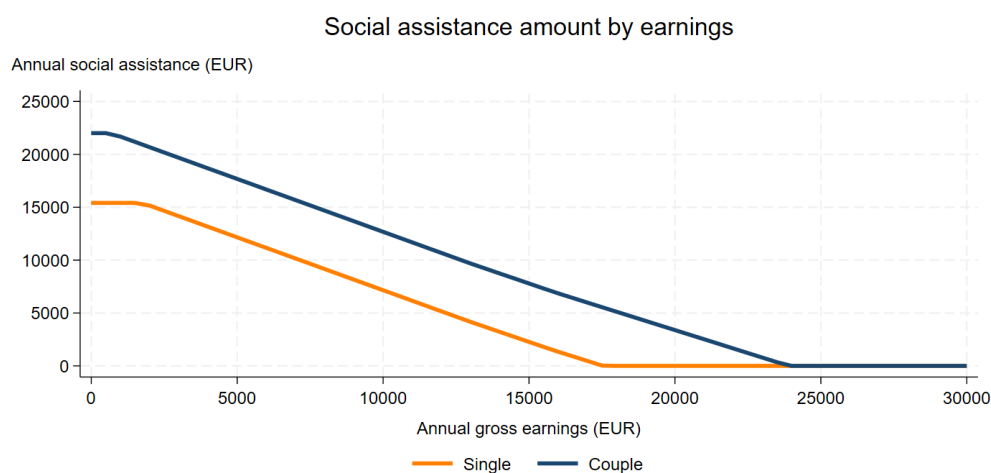
3.1.7. Combining benefit receipt and employment/starting a new job

See Section 3.1.4.

3.1.8. Indexation

Changes in social assistance benefit amounts are linked to the statutory minimum wage. Indexation therefore occurs every six months, in line with the minimum wage (see Section 1). Asset test limits are indexed annually based on the CPI.

Figure 3 – Social Assistance by Gross Earnings



Note: All adults are 40 years old.

Source: [OECD tax-benefit model, 2024](#).

3.2. Housing benefit (*Huurtoeslag*)

Variable name: **[HB]**

This is a non-contributory benefit, means-tested and not taxable.

Housing benefit is based on rent levels restricted by minima and maxima and taxable family income. Housing benefits must be applied for separately from social assistance. They are also separately paid and calculated from social assistance benefits. However, the social assistance income level is generally that low that all benefit recipients should be entitled to housing benefits as well, if they apply for it. Housing benefits will be

calculated from the social assistance benefit or the gross unemployment benefit as reference for the income.

3.2.1. Eligibility conditions

No specific conditions apart from means-test and rent limits; see Section 3.2.2.

3.2.2. Benefit amount

Housing benefit is based on current rent levels, household composition and taxable income. It is paid monthly. The underlying principle is that every household always pays part of the rent itself. This part is referred to as the “*standard rent*” (*basishuur*). In 2024 the monthly *standard rent* for people with a minimum income is EUR 188,37 (households with two or more people older than the age of retirement), EUR 190,18 (a person older than the age of retirement living alone) and EUR 192,00 (households only containing people under the age of retirement). These values include a discount of EUR 34.67 to compensate the purchasing power of households with lower incomes. The table below shows accordant yearly minimum incomes. The *standard rent* is determined based on the household’s taxable income so that the *standard rent* increases as the household’s income increases (see step 4: determine the standard rent). The age of retirement is settled at the age of 67 years in 2024.

The amount of housing benefit gradually diminishes as the *standard rent* (the amount of rent households have to pay themselves) increases with their income up until the point where the *standard rent* equals or exceeds the actual rent after which a household is no longer eligible for housing benefit. The following paragraphs present additional rules and exception in addition to the above-sketched principle.

Yearly minimum income in housing subsidy calculations (EUR)

	2019	2020	2021	2022	2023	2024
Single household < age of retirement	16,300	16,650	16.950	17,350	19,375	20,700
More persons household < age of retirement	21,100	21,575	22.000	22,500	25,225	26,975
Single household > age of retirement	17,875	18,350	18.775	19,075	20,500	22,025
More persons household > age of retirement	23,900	24,475	25.025	25,450	27,275	29,325

The process for awarding housing benefits 2024 – 6 Steps

Step 1: Determines the kind of household

The *standard rent* (*basishuur*) is the amount of rent a household has to pay themselves; it depends on the size of the household, the age of the inhabitants and the taxable household income. The following kinds of households are defined (based on the household composition and age on 1 January):

- Single person household (single and younger than the age of retirement);
- More person household (min 2 persons; all persons younger than the age of retirement)
- Single person household (single older than the age of retirement)

- More person household (min 2 persons; at least one person older than the age of retirement).

The composition of the household and the age of the inhabitants is of importance for the *standard rent* (*basishuur*) and the *capping limit* (*aftoppingsgrens*; the level at which no subsidy or only 40% of the subsidy is awarded) and the maximum means level (*vermogensgrens*).

Step 2: Determines the *capping limit* (*aftoppingsgrens*)

The *capping limit* for a full benefit is the rent above which level in principle no subsidy is paid. On 1 January 2024, for a one- or two-person household the maximum rent level is EUR 650,43, for a household with 3 or more persons it is EUR 697,07.

If the rent exceeds the *capping limit*, only 40% of the rent subsidy is paid for the exceeding amount, but only if the household considered is a single person household, a household with at least one person above the retirement age or a handicapped person in adjusted accommodation. On 1 January 2024, monthly house rents up to EUR 879,66 qualify for housing benefits. To ensure comparability across countries, TaxBEN assumes that rents above the eligibility limit are capped at the maximum.¹¹

Note that the maximum rent level for a person younger than 23 years is EUR 454,47 on 1 January 2024.

Step 3: Determines the *calculated income*

As the actual yearly household income level is unknown until the end of the year, the rent subsidy is determined using a specific *calculated income* (*rekeninkomen*). This is the total taxable income of the persons belonging to the household in the current year (2024) including:

Taxable income:

- income from work and accommodation
- rent from capital income
- interests

Afterwards, the (estimated) taxable income is compared to the actual taxable income. The difference in actual and estimated income may lead to an adjustment of the rent subsidy which will be settled with the receiver.

Step 4: determine the *standard rent*

All income of the household is summarized. For children up to 23 years an amount of EUR 5,970 is excluded from the calculations. The *standard rent* is calculated with the following formula:

$$\text{Standard rent} = a \cdot Y \cdot Y + b \cdot Y$$

In which $Y = \text{calculated income}$ (*rekeninkomen*), and a and b are specific parameters depending on the different household types:

1 January 2024	a	b
Single household < retirement age	0.000000413370	0.002393492603

¹¹ For details on the assumptions applied on housing benefits, see Section 3.5.4 of the TaxBEN methodology, available at: <http://www.oecd.org/social/benefits-and-wages/OECD-TaxBEN-methodology-and-manual.pdf>

2 or more person household < retirement age	0.000000244490	0.001807837711
Single household > retirement age	0.000000559775	-0.002120192534
2 or more person household > retirement age	0.000000363503	-0.003053924481

Step 5: Determine the *calculated rent* (*rekenhuur*)

The *calculated rent* forms the basis for the rent subsidy. It consists of the net rent including a few service components such as cleaning service. Households are eligible for housing benefit if the *calculated rent* does not exceed EUR 879,66 per month (as of 1 January 2024) and if the *standard rent* is lower than the *calculated rent*.

Step 6: Calculate the amounts to be subsidized at 100%, 65%, and 40%

Three levels of benefit are paid in the case when the *calculated rent* exceeds the *standard rent*:

- The difference between the *standard rent* and the “*quality allowance limit*” (EUR 454,47 in 2024) is paid completely (=100%).
- The amount by which the *calculated rent* exceeds the “*quality allowance limit*” is subsidized at 65%. The idea behind this is that people should pay a contribution if they rent a more expensive (and therefore better quality) home.
- The amount by which the *calculated rent* exceeds the “*capping limit*” (see Step 2) is only eligible for benefit in the case of people older than the retirement age, people living alone and the handicapped. In these cases, 40% of the amount that exceeds the cap is subsidized.

Monthly house rents up to EUR 879,66 qualify for housing benefits as of 1 January 2024.

3.2.3. *Benefit duration*

As long as eligibility conditions are fulfilled.

3.2.4. *Means test*

Income is assessed in the calculation of the housing benefit (see Step 3 and Step 4 in Section 3.2.2).

3.2.5. *Tax treatment*

The benefit is not taxable.

3.2.6. *Interaction with other components of the tax-benefit system*

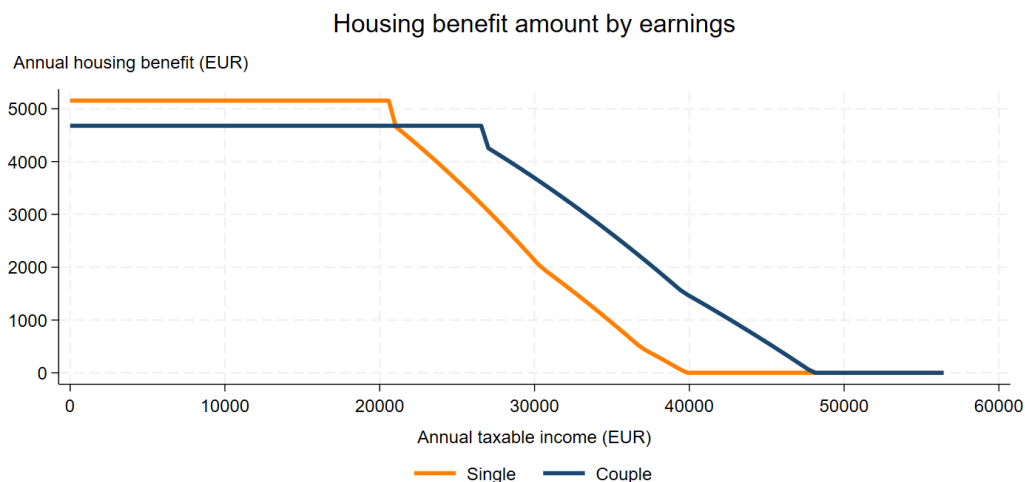
No information.

3.2.7. *Combining benefit receipt and employment/starting a new job*

See Section 3.2.4.

3.2.8. *Indexation*

No information

Figure 4 – Housing Benefit by Taxable Income

Note: Households with persons younger than the retirement age. Figures for households without children. In this simulation, the assumed housing cost is EUR 750 per month (13.74% of the average wage). This differs from the standard TaxBEN assumption (where housing costs are assumed to be 20% of the average wage).

Source: [OECD tax-benefit model, 2024](#).

4. Family benefits

In the Netherlands, there exists one universal child benefit under the General Child Benefit Act (*Algemene Kinderbijslagwet, AKW*), and one targeted additional child benefit (under the *Wet op het kindgebonden budget, WKB*). Both are described in Section 4.1.

4.1. Child benefits (*Algemene Kinderbijslagwet and Wet op het kindgebonden budget*)

Variable names: **[FB; CB; ADD_FB]**

AKW is a non-contributory benefit, not means-tested and not taxable. *WKB* is non-contributory, means-tested and not taxable.

4.1.1. Eligibility conditions

The General Child Benefit Act (*AKW*) offers people living and/or working in the Netherlands a financial allowance (child benefit) for the costs of care and maintenance of children up to the age of 18. The amount of the child benefit depends on the number of children and their age.¹²

To receive the additional child benefit (*WKB*), a means-test has to be passed (see Section 4.1.2.).

¹² Double amounts can be paid if the child is not living at home because of study or disability if the conditions of the General Child Benefit Act are met, or if the parent(s) provide home care for their severely disabled child (aged 3 to 18) in need of extensive care. A single parent or single earner providing such home care can receive an extra amount. This is not modelled in TaxBEN.

4.1.2. Benefit amount

Child benefit **AKW** is paid per quarter:

On January 1st 2024:

- Aged 0-5 EUR 279,49
- Aged 6-11 EUR 339,38
- Aged 12-17 EUR 399,27

The additional child benefit **WKB** is paid monthly. Parents who receive child benefits for children up to the age of 18 can qualify for **WKB** if their income and their capital do not exceed a certain ceiling. The **WKB**-amount depends on the income of the parent(s), the number of children and the age of the children. For children between 12 and 18 and for lone parents there is an extra allowance.

The benefit has a maximum value per year.

The maximum annual amounts of the allowance per child are (2024):

- 1st child: EUR 2436,00
- 2nd and subsequent children: EUR 2436,00

The maximum annual amounts of the extra allowance are:

- 12-15 years: EUR 694
- 16-17 years: EUR 924

Single parents receive an additional amount up to a maximum of EUR 3,480 per year (in 2024).

The benefit is withdrawn at a rate of 6.75% when the family's yearly taxable income exceeds EUR 26,819 for single parents or EUR 35,849 for couple parents (an additional EUR 9,030) in 2024.

4.1.3. Benefit duration

As long as the eligibility conditions hold.

4.1.4. Means test

For **WKB** only, see Section 4.1.2.

4.1.5. Tax treatment

AKW and **WKB** are not taxable.

4.1.6. Interaction with other components of the tax-benefit system

None.

4.1.7. Combining benefit receipt and employment/starting a new job

See Section 4.1.2

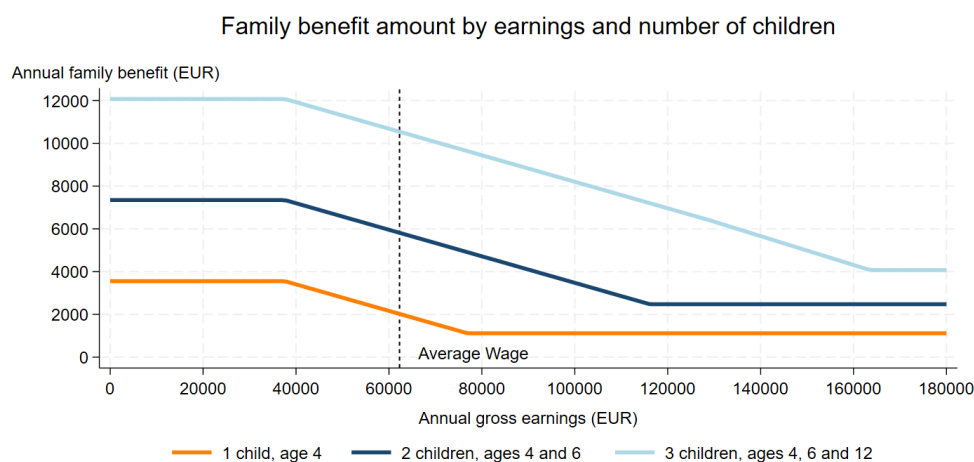
4.1.8. Indexation

Every six months the child benefit (AKW) amounts can be adjusted to the price developments.

The amounts of additional child benefit (WKB) including additional amounts for children aged 12-17 and single parents are amended on 1 January each year to reflect the price developments. The income threshold at which the benefit is withdrawn is related to the minimum wage (see Section 1) plus an additional amount for couple families, which is also amended on 1 January to reflect price developments.

In 2024 the amounts of WKB were increased in addition to the usual amendment. The adjustment is partially structural and partially temporary. The temporary increase will be phased out gradually between 2024 and 2028¹³.

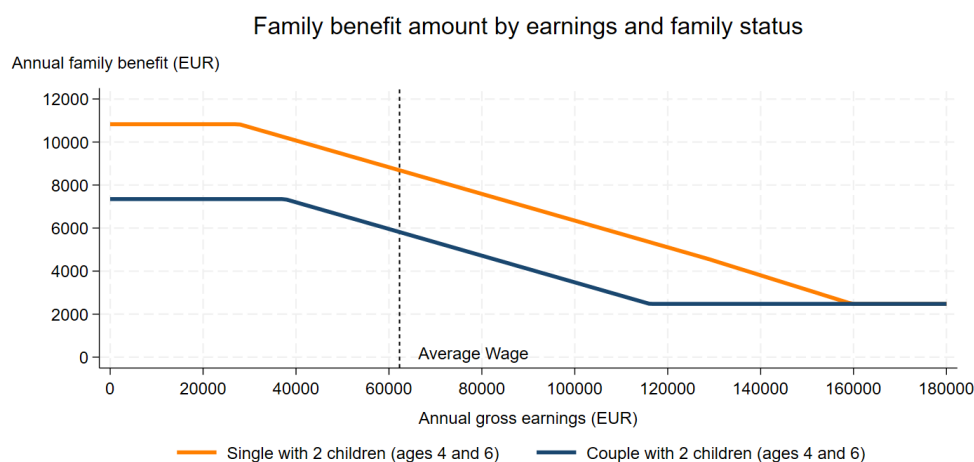
Figure 5 – Family Benefit by Earnings and number of children



Note: For a two-parent, one-earner household. Adults are 40 years old.

Source: [OECD tax-benefit model, 2024](#).

¹³ See Section 2.1: [26-Wijziging-van-de-Wet-op-het-kindgebonden-budget-tot-intensivering-van-het-kindgebonden-budget.pdf \(rijksfinancien.nl\)](#)

Figure 6 – Family Benefit by Earnings and family status

Note: Adults are 40 years old. In the couple household, only one adult has earnings.

Source: [OECD tax-benefit model, 2024](#).

5. Net costs of Early Childhood Education and Care

The **reference date** for the policy rules described in this section is **January 1, 2024**.

Since 2005, the *Childcare Act* means that childcare organisations, as private institutions, are subject to market forces. Childcare facilities compete in terms of price and quality, since parents will be able to opt for a different care establishment if the price is too high or if they want a higher quality of care. This law applies to day care centres (0-4 years), day care outside school hours (4-12 years) and family day care (0-12). Primary education starts at 4 years and is mandatory at age 5.

In 2021, childcare allowance was paid for more than 1 million children. The number of children with childcare allowance has been increasing since 2015, but the growth has levelled off in recent years. After-school care received almost 536 thousand children in 2021, day care 541 thousand.¹⁴

The Childcare Act provides that parents, employers and government collectively bear the costs of childcare. An obligatory employer's contribution was introduced in 2007. Since 2006, the costs for parents have been reduced by increasing the subsidy from the government. On a macro-level, parents (all together) pay 29% of the costs, the government and employers about 71% in 2021.

Through the Tax Department parents receive the subsidy that the government contributes to childcare themselves, this includes also the employer's contribution. The amount parents receive depends on their income, their hours of childcare use, the maximum hourly rate, and the actual hourly rate.

¹⁴ Source: [Ruim 1 miljoen kinderen met kinderopvangtoeslag \(cbs.nl\)](#)

5.1. Gross childcare fees

Variable names: [\[NLcc_cost\]](#)

There are legal maximum hourly rates that are eligible for a subsidy which are indexed each year¹⁵. In the case where parents pay a higher price for childcare, the difference between this maximum rate and the higher rate is not eligible for a subsidy. The legal maximum rates for the three different types of childcare provided are:

Maximum subsidised fee per hour in EUR	2020	2021	2022	2023	2024
Daycare	8.17	8.46	8.50	9,12	10,25
After-school care	7.02	7.27	7.31	7,85	9,12
Childminder (homecare)	6.27	6.49	6.52	6,85	7,53

* Only daycare is considered in the TaxBEN model

The average gross rate parents pay (before the subsidy) for the three different types of childcare provided are:

Average gross costs per hour in EUR	2020 ¹	2021 ¹	2022 ¹	2023 ²	2024 ²
Daycare ³	8.28	8.61	8.86	9,43	10,00
After-school care	7.51	7.74	7.95	8,39	8,89
Childminder (homecare)	6.25	6.45	6.62	6,92	7,34

1 These values are taken from the Dutch Government Budget (*Artikel 7 Kinderopvang*) of the second year following the one indicated (e.g. 2022 costs are from the 2024 Budget). Data are based on the statements of applicants known at that time, however may still change as a result of the final determination of income and use.

2 These values are taken from the most recent [Dutch Government Budget \(2024\), 3.7 Artikel 7 Kinderopvang](#). Data are estimates and are subject to change.

3 Only daycare is considered in the TaxBEN model.

5.1.1. Discounts for part-time usage

Childcare (hourly) fees and childcare allowance apply independently of the amount of childcare used, i.e. they are also applicable in case of part-time usage (see Section 5.3).

5.2. Fee discounts and free provision

None.

5.3. Childcare benefits for formal centre-based care (*Kinderopvangtoeslag*)

Variable names: [\[cc_benefit\]](#)

Parents pay the costs for childcare themselves, and receive a subsidy from the government (the 'childcare allowance'). The childcare allowance is calculated as a percentage of the total costs of the childcare and varies with the income of the parents: the lower the income, the higher the benefit. In 2024, at an annual income up to and including EUR 22 346, the benefit starts with a contribution of 96.0% of the costs for the first child, decreasing in 43 steps to 33.3% at an income of more than EUR 138 890. For further children, the contribution begins at a rate of 96.0% and declines in 53 steps

¹⁵ The adjustment is based on the development of the wage rate for companies and the consumer price index, as described in Article 5 of the [Childcare Allowance Decree](#).

to 67.1% for further children at an income of EUR 218 105 or more. The detailed values for all steps are outlined in Annex I.

5.3.1. Eligibility

Parents have to meet the following conditions in order to be eligible for childcare benefits:

- Working parents, including single working parents;
- Parents in a reintegration course to work;
- Parents who follow recognized education;
- Immigrants taking part in an integration course.

Childcare Allowance is payable for a maximum of 230 hours per child per calendar month. Unused hours can be accumulated and used within the year.

From 2023, all parents receive the Childcare Allowance for up to 230 hours per child per calendar month, regardless of the number of hours of employment per month. Parents must still meet the eligibility conditions outlined at the beginning of this section. Recipients of unemployment benefits and social assistance are generally participating in a recognised pathway to work (*traject naar werk*) and are eligible for the Childcare Allowance. This is the situation assumed in the TaxBEN model.

5.3.2. Benefit amount

See above.

5.3.3. Benefit duration

As long as eligibility criteria are fulfilled.

5.3.4. Means test

Benefit amount dependent on household income, see above.

5.3.5. Tax treatment

The childcare benefit is not taxable.

5.3.6. Interaction with other benefits

No information.

5.3.7. Combining benefit receipt and employment/starting a new job

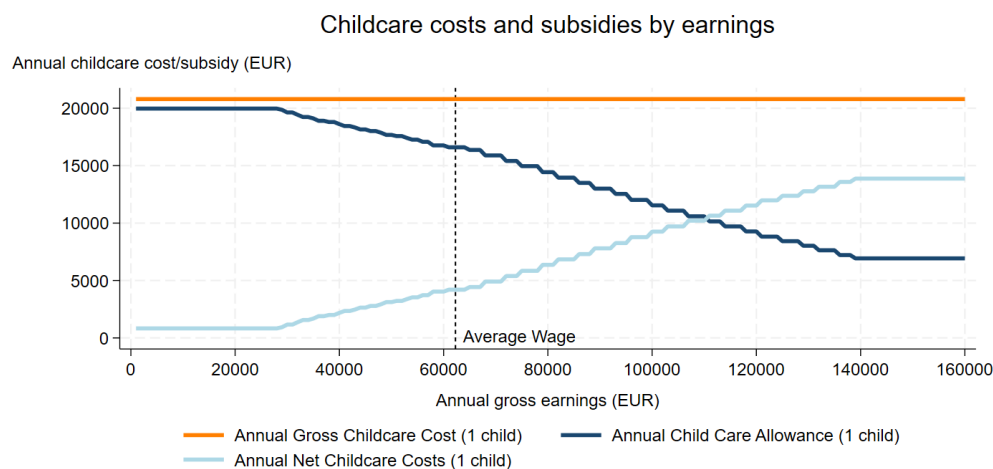
See above.

5.4. Childcare allowance for children not using child care centres

Childcare allowance can also be received if the child is taken care of by a private childminder (gross fees are provided in Section 5.1). This is not considered in TaxBEN.

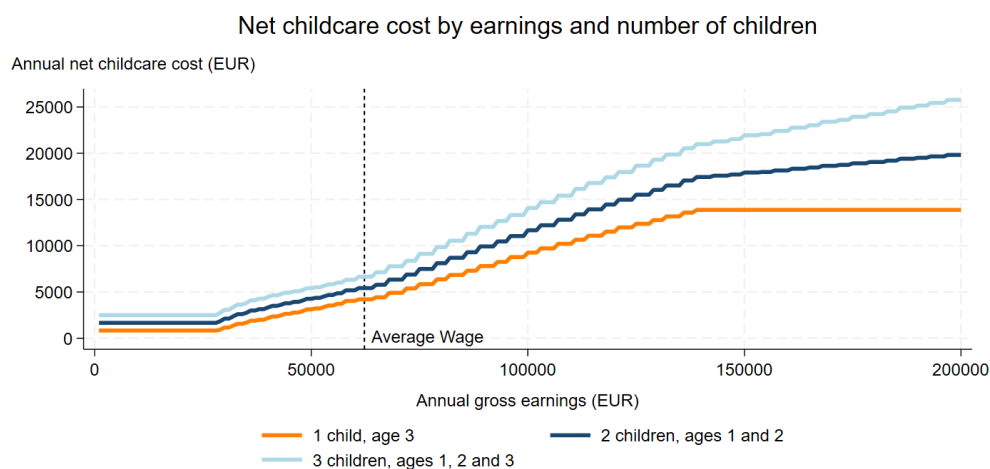
5.5. Tax concessions for childcare expenditures

None.

Figure 7 – Child Care Costs and Subsidies by Gross Earnings

Note: Figures for 40-year old lone parent with 3-year old child, working full time. Childcare is assumed to be used 40 hours per week for 52 weeks per year. Childcare costs are as per the fees for Daycare presented in Section 5.1.

Source: [OECD tax-benefit model, 2024](#).

Figure 8 – Net CC Cost by number of children

Note: Figures for 40-year old lone parent with 3-year old child, working full time. Childcare is assumed to be used 40 hours per week for 52 weeks per year. Childcare costs are as per the fees for Daycare presented in Section 5.1.

Source: [OECD tax-benefit model, 2024](#).

6. Employment-conditional benefits

Variable names: `[IW; IW_p; IW_s]`

There are no specific employment-conditional benefits in the Netherlands. However, the Work credit and the Income dependent combination credit are dependent on work, of which the latter is currently classified as an in-work benefit **IW** in TaxBEN. For further details, see Section 8.1.

7. Social security contributions and payroll taxes

7.1. Social security contributions

Variable names: [SC; F_SOCSEC_p; F_SOCSEC_s; CARE_ben; SSCR; SSCR_general_p; SSCR_general_s; SSCR_NTCP_p; SSCR_NTCP_s]

Ceilings for social security contributions: Employee and/or employer social security contributions are payable until a maximum of gross earnings of EUR 71.628 (in 2024) for Unemployment, Health and Invalidity insurance. Different ceilings apply to Old age pension, Widows and orphans pension and Exceptional medical expenses, as indicated.

Contributions payable by employees:

Unemployment: 0% of the gross earnings (this contribution is only for the general unemployment fund); employees do not have to pay an unemployment premium in order to reduce administration costs. Employers pay both an unemployment premium and a premium for invalidity for their employees (see below).

Health: Each adult in the Netherlands makes a payment for basic health insurance to a privately-managed health insurance company. The average payment in 2024 was EUR 1 752.¹⁶ Employees might obtain a compensation for this nominal contribution depending on their family situation, taxable income and level of financial assets through the ‘health care allowance’ (*zorgtoeslag*). Both this benefit and the basic health insurance premium are included in the non-tax compulsory payments (NTCP) calculations in TaxBEN.¹⁷ The care benefit is calculated as follows in 2024, based on the household’s combined taxable income (*toetsingsinkomen*):

Single parent households:

$1987 - 1,879\% * \text{threshold income} + 13.67\% * (\text{taxable income} - \text{threshold income})$

Married couples:

$2 * 1987 - 4,256\% * \text{threshold income} + 13.67\% * (\text{taxable income} - \text{threshold income})$

The ‘threshold income’ (*drempelinkomen*) is the minimum wage at January including the holiday allowance (EUR 26,819.42 per year). The health care allowance (*zorgtoeslag*) is calculated monthly.¹⁸

Old age (public – first pillar) pension: The age is adjusted such that elderly will receive Old age (state) pension at the age 67 years in 2024. The Old age premium percentage is 17,90 per cent of taxable income in the first tax bracket (i.e. up to gross earnings of EUR 38 098 in 2024, see Section 8.1.3). This scheme does not apply to individuals above the current pension age.

Old age (private – second pillar) pension: In the Netherlands, compulsory contributions under collective labour agreements or mandatory occupational pension

¹⁶<https://www.rijksoverheid.nl/onderwerpen/zorgverzekering/vraag-en-antwoord/premie-zorgverzekering#:~:text=De%20gemiddelde%20premie%20in%202023,%E2%82%AC%2013%2011%20per%20maand.>

¹⁷ NTCPs refer to compulsory payments made by employers or employees in connection with the employees’ labour activity that do not qualify as taxes and social security contributions. See [the “Associated paper: non-tax compulsory payments” to the latest OECD Taxing Wages report](#) for more details on NTCPs.

¹⁸ For further information, see the [Care Allowance Act](#).

schemes are paid by employees and employers to privately–managed pension funds.¹⁹ Capital is built up and invested to create an acceptable rate of return. The pension premiums vary between companies or sectors. On average employees working in the private sector pay a pension premium of 8.10.%²⁰ of gross earnings net of the pension franchise of EUR 17 545 in 2024, depending on the specific scheme. These pension premiums are considered as NTCPs in TaxBEN. The pension franchise is built into the pension scheme to prevent an employee whose wage is too low to obtain a second pillar pension (and so receives only the first pillar pension) from having to pay pension premiums in the second pillar. The employee does not have to pay personal income tax on the pension premiums but the pension payments will eventually be taxed when the employee retires. This exemption from personal income taxes is limited to gross earnings of EUR 128 810 in 2024. Pension premiums paid over gross earnings above this threshold are taxed. The premiums of the employee qualify as a standard tax relief.

Widows and orphans pension: 0.10 per cent of taxable income in the first and second tax bracket.

Exceptional medical expenses and disability (Long-term care act, *wet langdurige zorg*): 9.65% of taxable income in the first and second tax bracket.

Contributions payable by employers in 2024:

Unemployment²¹: The General Unemployment Fund (*Algemeen Werkloosheidsfonds*, AWf) finances the unemployment benefits of market employers. As a result of the Balanced Labour Market Act (*Wet arbeidsmarkt in balans*, Wab), there will be two premium rates within the AWf from 2020: a low rate for permanent employment and a high rate for flexible employment.

In 2024, the low rate is 2.64% and the high rate is 7.64%. The TaxBEN model uses the weighted average of the AWf employer contribution, 3.89%.

Invalidity: In 2024, a total of 9.15% of gross earnings, being the sum of:²²

- The Disability fund (*Arbeidsongeschiktheidsfonds*, Aof). The Aof premium has an average of 7.25 percent in 2024. From 2022, the Aof premium has two different rates: a rate for small employers (up to 25 times the average wage bill) and a rate for larger employers. In 2024, the low rate is 6,18% and the high rate is 7.49%. The TaxBEN model uses the weighted average of the Aof employer contributions, 7.25%.
- Childcare surcharge to the Aof premium (uniforme opslag kinderopvang, Ufo). The implementation costs of the unemployment benefit for government employers are paid from the government implementation fund (the benefits themselves are charged to the employer). In 2024, the rate is 0,68%.

¹⁹ Very small companies do not have pension arrangements for their employees. If a company offers a pension arrangement to one of its employees, it has to offer the same arrangement to all of its employees. Nearly all SME's (approximately 95 per cent) have pension arrangements for their employees.

²⁰ This is an estimated value. Final information regarding the pension premium contributions for employees and employers in Sectors B-N (ISIC Rev. 4), as a percentage of average earnings, becomes definitive only after three years.

²¹ Source: National budget, [Section 5.1 Social funds SZW](#).

²² Source: National budget, [Section 5.1 Social funds SZW](#).

- The Work resumption fund (Werkhervattingskas, Whk), from which benefits for the partially disabled and benefits under the Sickness Act are paid. In 2024, the rate is 1.22%.

Healthcare insurance premium (*Zorgverzekeringswet*): For medical care employers contribute 6.57% of gross earnings net of employees' NTCP pension premiums and unemployment social security contributions²³. Self-employed workers and retirees pay this premium themselves and contribute 5,32% (not modelled in TaxBEN). Prior to 2013, this payment was made by the employee and reimbursed by the employer. The expenditure of this fund mainly compensates private insurance companies for their (public) obligation to insure individuals with a high health risk.

Old age (private – second pillar) pension: On average employers in the private sector pay a pension premium of 12.16% of gross earnings of their employees exclusive of the pension-franchise of EUR 17 545 or 18 798 (depending on the specific scheme) in 2024. The compulsory pension premiums of employers to privately-managed funds are NTCPs.

7.2. Payroll taxes

None.

8. Taxes

8.1. Personal income tax

Variable name: `[IT; F_INCTAX_p; F_INCTAX_s]`

Husband and wife are taxed separately on their personal income, which includes, besides income from business, profession and employment, all pensions and social security benefits. Certain parts of income may be freely split between husband and wife, such as the net-income from owner-occupied housing and the income from savings and investments (not applicable in TaxBEN).

8.1.1. Tax allowances

Variable names: `[ALLOW; SS_UNEMP_p; SS_UNEMP_s]`

Related to wage earnings:

- Employees' social security contributions are partly deductible (see Section 7).²⁴

²³ Source: [Percentages income-related zvw contribution \(belastingdienst.nl\)](https://belastingdienst.nl)

²⁴ Other non-standard tax allowances not modelled in TaxBEN:

- Employee contributions to private (company provided) pension schemes.
- Fixed amounts for travel expenses with public transportation
- Related to owner occupied housing: Excess of mortgage interest over net imputed rent.
- Related to personal circumstances: Fiscal deduction of exceptional health expenses will be reduced to the specific costs as a result of the chronic illness. As specific costs are seen medical treatment (not paid for by insurance company), diet costs, special medicine described by a doctor, extra domestic care, special expenses for clothing and transportation costs. Visual tools and insurance premiums are not seen as specific costs and are therefore no longer deductible. As from 2014, expenses for wheelchairs, scooters for the disabled and home adjustments made because of a chronic illness are no longer deductible. All expenses except for medical treatment expenses may be increased by a factor. This factor is income and age dependent.

8.1.2. Tax base

Variable names: [\[TAX_INC; TAX_INC_p; TAX_INC_s\]](#)

There are three categories ('boxes') of taxable income:

- Taxable income from work and owner-occupied housing;
- Taxable income from a substantial interest in a limited liability company;
- Taxable income from savings and investments.

TaxBEN assumes the definition of taxable income from the first category, 'taxable income from work and owner-occupied housing', because of its relevance for the AW (while income from owner-occupied housing is assumed away).

8.1.3. Income tax schedule

The 2024 tax schedule for income from work and owner-occupied housing is as follows²⁵:

Taxable Income (EUR)	Tax Rate (%)	Social security contributions	
		< 67 years	> 67 years
0– 38 098	9.32	27.65	9.75
38 098 – 75 518	36.97	-	-
75 518 and over	49.50	-	-

The contributions for the general social security schemes (for widows and orphans pensions, exceptional medical expenses, and old age income provision) are levied on income from work (and owner-occupied housing) in the first and second income tax bracket. These social security contributions are not deductible for income tax purposes. Individuals at or above the current pension age pay 9,75 per cent (for widows and orphans pensions, and exceptional medical expenses). Individuals younger than the current pension age pay 27,65 per cent, (for widows and orphans pensions, exceptional medical expenses, and old age income provision).²⁶

8.1.4. Tax credits

Variable names: [\[TAX_CREDIT; F_TAX_CRED_p; F_TAX_CRED_s\]](#)

The tax credits are deducted partly from the income tax liability and partly from the contributions that are made to the general social security schemes. For most families, the share of the credit attributed to tax is related to the ratio of the tax rate to the sum of the tax rate and the social security contributions rate in the first bracket of the tax schedule. In 2024, this ratio was 25.21% (= 9.32 % / (9.32 % + 27.65 %)), implying that

²⁵ Reference: [Overzicht tarieven en belastingschijven \(belastingdienst.nl\)](#)

²⁶ Earners may not have to pay a premium for all national insurance schemes. For example, earners older than the state pension age no longer have to pay a premium for the state pension (AOW).

25.21% of the (tax) credit is attributed to the personal income tax and the remaining 74.79% to social security contributions.

Division of credits for tax and social security contributions is essential in the OECD publications. In the Netherlands no division is made in the general tax scheme between tax and SSC.

Note that the table above shows the total amount of social security contributions net of the credits that are claimed.

- *General tax credit (Algemene heffingskorting)*²⁷: In 2024, the maximum for this credit is EUR 3 362 when no reduction is applicable and taxable income is below or equal to EUR 24 812. For incomes above this threshold, the general tax credit is fully phased out at a rate of 6,630% (per euro). So incomes above EUR 75 517 receive no general tax credit.
- *Work credit (Arbeidskorting)*²⁸: The amount of work credit depends on taxable income from work and is phased in on three trajectories; the first one runs from EUR 0 to EUR 11 490. On this first trajectory, work credit equals 8,425% of taxable income from work with a maximum of EU 968. On the second trajectory, which runs from EUR 11 491 to EUR 24 820, the work credit equals EUR 968 plus 31,433% of the part of income that is above EUR 11 490, with a maximum of EUR 5 158. On the third trajectory, which runs from EUR 24 821 to EUR 39 957, the work credit equals EUR 5 158 plus 2,471% of the part of income that is above EUR 24 821, with a maximum of EUR 5 532. So at an income of EUR 39 957, the maximum of EUR 5 532 is reached. Above this income of EUR 39 957, the work credit is fully phased out at a rate of 6,51% (per euro) so that incomes above EUR 124 935 receive no work credit.
- *Income-dependant combination credit (Inkomensafhankelijke combinatiekorting)*²⁹: A taxpayer who is either a single parent or the partner with the lowest labour income, who has children below the age of 12 and has his/her taxable income from work exceeding EUR 6 073, is entitled to an income dependent combination credit of 11.45% of taxable income above EUR 6 073. The maximum total combination credit is EUR 2 950 (reached at an income level of EUR 31 838).³⁰
- *Elderly tax credit (Heffingskortingen voor AOW-gerechtigden)*³¹: individuals above the pension age receive a tax credit of EUR 2 010 if their income is below EUR 44 770. This tax credit is gradually phased out to 0 at a rate of 15.0% for incomes above EUR 44 770. Individuals above the pension age who do not have a partner receive an additional tax credit of EUR 524 that is not income dependent. (Individuals above the retirement age are not modelled in TaxBEN).

²⁷ Source: [Wat is de algemene heffingskorting en hoeveel krijg ik? \(belastingdienst.nl\)](https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privelink/inkomsten/belasting/heffingskortingen_boxen_tarieven/heffingskortingen/arbeidskorting/)

²⁸

Source:

https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privelink/inkomsten/belasting/heffingskortingen_boxen_tarieven/heffingskortingen/arbeidskorting/

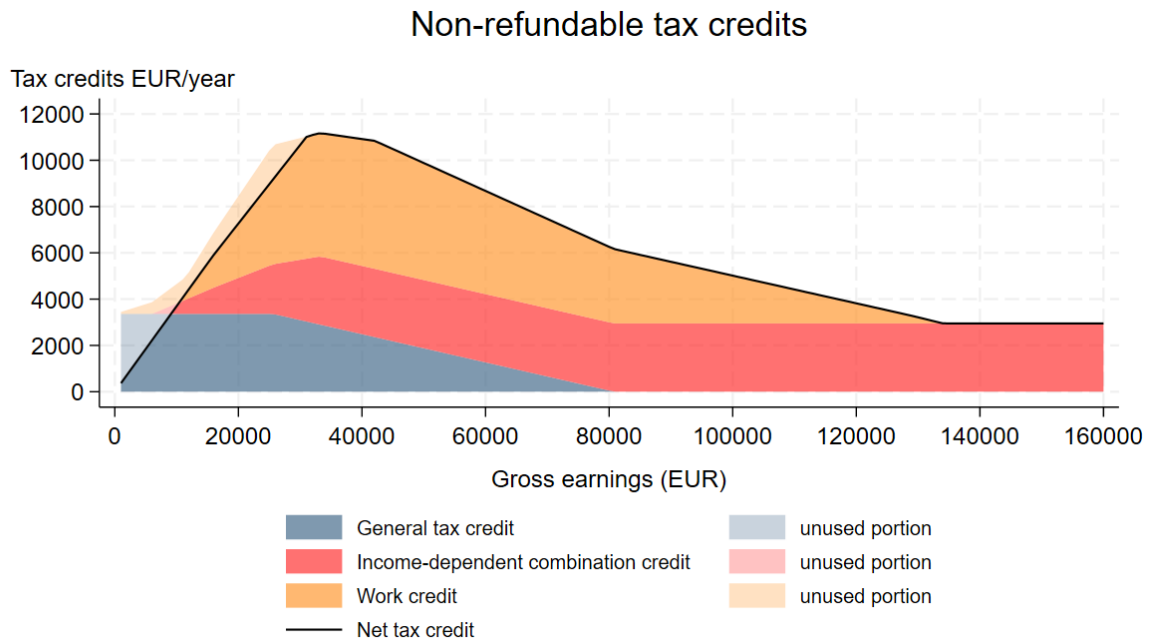
²⁹ Source: [Inkomensafhankelijke combinatiekorting \(belastingdienst.nl\)](https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privelink/inkomsten/belasting/heffingskortingen_boxen_tarieven/heffingskortingen/inkomensafhankelijkecombinatiekorting/)

³⁰ This credit is classified as an in-work benefit **TW** in TaxBEN. See also Section 6.

³¹ Source: [Heffingskortingen voor AOW-gerechtigden \(belastingdienst.nl\)](https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/belastingdienst/privelink/inkomsten/belasting/heffingskortingen_boxen_tarieven/heffingskortingen/arbeidskorting/)

The amount of the tax credit is limited to the amount of tax and premiums payable (non-refundable tax credit³²).

Figure 9 – Tax credits by earnings – single parent

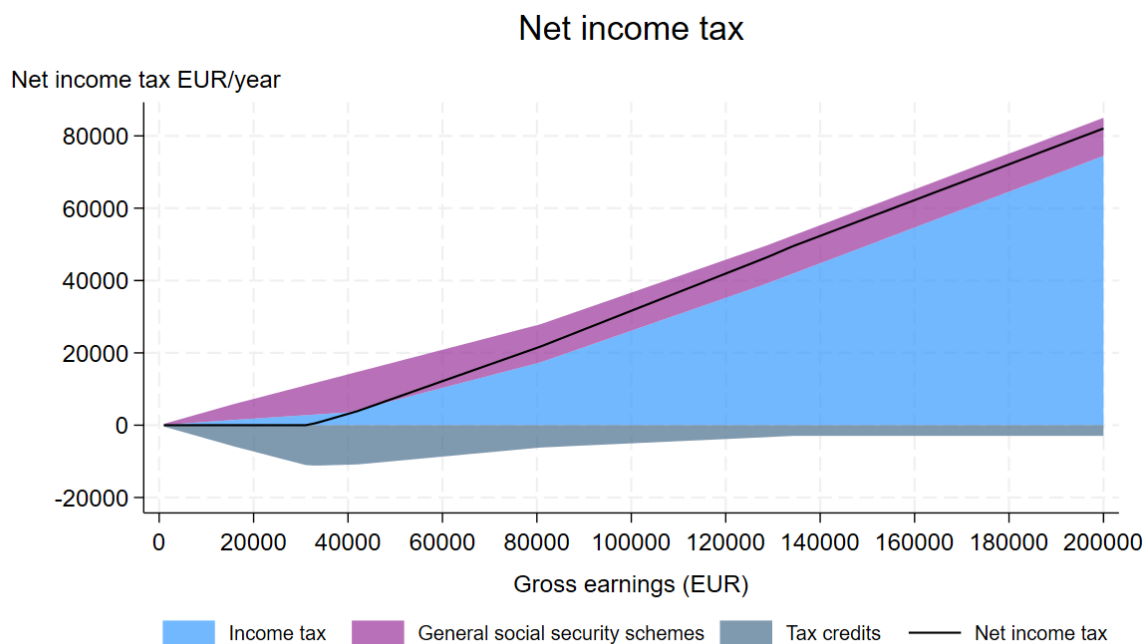


Note: Figures for 40-year old lone parent with two children aged 4 and 6, working full time. Note that in the TaxBEN model, the Income-dependent combination credit is considered an in-work benefit, while the remaining tax credits are apportioned between income tax and general social security contributions (first pillar public old age pensions, widows and orphans pensions, and exceptional medical expenses and invalidity pensions).

Source: [OECD tax-benefit model, 2024](#).

³² Prior to 2023, the secondary earner could receive a tax credit greater than their tax liability in limited circumstances depending on the primary earner's income.

Figure 10 – Income tax – single parent



Note: Figures for 40-year old lone parent with two children aged 4 and 6, working full time. General social security schemes include contributions to first pillar public old age pensions, widows and orphans pensions, and exceptional medical expenses and disability pensions. Tax credits include the General tax credit, the Income dependent combination credit and the Work credit (see Figure 9). Note that in the TaxBEN model, the Income-dependent combination credit is considered an in-work benefit, while the remaining tax credits are apportioned between income tax and general social security contributions. Tax credits do not reduce non-tax compulsory payments (second pillar private old age pensions, basic health insurance and the care benefit). As a result, non-tax compulsory payments are not shown in this chart.

Source: [OECD tax-benefit model, 2024](#).

9. Selected output from the OECD tax-benefit model (TaxBEN)

This section shows selected output of the TaxBEN model for the Netherlands in 2024 (see figure below). TaxBEN by default produces the following output: 1) net household incomes (**black line**) and 2) related income components (**coloured stacked areas**) for selected family and individual circumstances (users are free to select many of these circumstances). The model and the related web calculator is accessible from the [project website](#). The figure below shows output for a two-adult family with two children (adults are both 40 years old whereas children are 4 and 6 years old respectively) and four different scenarios:

By percentage of the average wage (**Panel A**);

By unemployment duration (in months) for a jobseeker claiming unemployment benefits (**Panel B**);

By previous gross earnings levels for a jobseeker claiming unemployment benefits (**Panel C**);

By previous employment record (in months), for a jobseeker claiming unemployment benefits (**Panel D**).

The stacked areas show the following household income components: **GROSS** = gross earnings; **UB** = unemployment benefits; **SA** = social assistance / guaranteed minimum

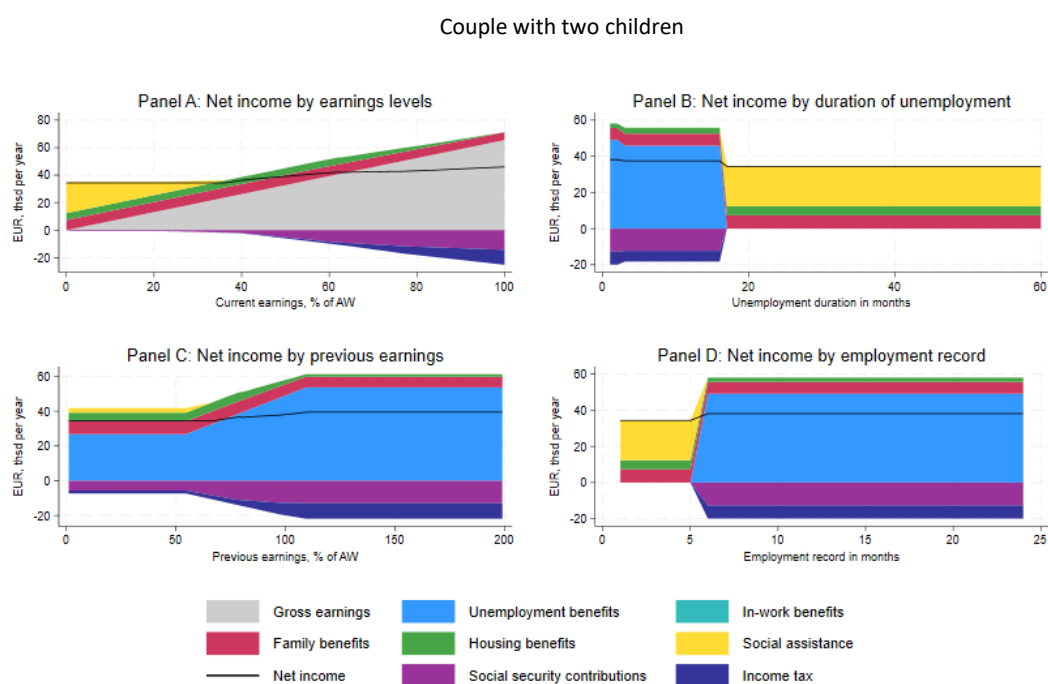
income benefits; **HB** = housing benefits; **FB** = family benefits; **IW** = in-work benefits; **SSC** = social security contributions; **IT** = income tax. Note that these components may be the result of the aggregation of more than one benefit/tax into a composite category. Please refer to the sections above for the benefits/taxes included in each category.

Social assistance and housing benefit supplements are assumed to be available in all the four scenarios provided that the necessary income and eligibility requirements are met. Where receipt of social assistance or other benefits is subject to activity tests (such as active job-search or being available for work), these requirements are assumed to be met.

Panel A assumes that one adult family member (the so-called ‘second adult’ using the TaxBEN terminology) is out of work and not eligible for unemployment benefits (e.g. because they have expired) whereas the other adult member (the so-called ‘first adult’) is employed full-time throughout the entire year at different earnings levels ranging between 0 and 200% of the average wage (AW). When earnings of the first adult are precisely 0% of the AW this person is assumed to be out of work without receiving unemployment benefits (again, e.g. because they have expired) but claiming social assistance or guaranteed minimum income benefits, as applicable.

Panels B to D assume that the second adult is out of work and not eligible to unemployment benefits whereas the first adult is also out of work and claiming unemployment benefits. In Panel B and C the first adult is assumed to have a ‘long’ employment record of 264 consecutive months before the job loss. The x-axis in Panel B measures the time of benefit receipt, starting from the first month. The x-axis in Panel C shows the amount of previous gross earnings (before any social contribution payments). Results in Panels C and D refer to the 2nd month of unemployment benefit receipt. In Panel B and D, previous earnings are assumed to be equal to the average wage.

Figure 12. Selected output from the OECD tax-benefit model



Note: the average wage used to produce the charts is EUR 65501.38.

Source: Calculations based on the [OECD tax-benefit model, 2024](#).

Annex I: Childcare allowance – income thresholds and rates

The table below provides detailed income thresholds and rates for childcare allowance in 2024 (*Kinderopvangtoeslag*, see Section 5.3).

Household income (from), in EUR	Household income (up to), in EUR	Childcare allowance 1 st child (Percentage of gross fee)	Childcare allowance as of 2 nd child (Percentage of gross fee)
0	22.346	96.00%	96.00%
22.347	23.834	96.00%	96.00%
23.835	25.320	96.00%	96.00%
25.321	26.810	96.00%	96.00%
26.811	28.297	96.00%	96.00%
28.298	29.786	95.50%	95.60%
29.787	31.273	94.40%	95.40%
31.274	32.757	93.40%	95.20%
32.758	34.357	92.50%	95.00%
34.358	35.955	91.90%	94.90%
35.956	37.557	90.90%	94.70%
37.558	39.155	90.40%	94.50%
39.156	40.759	89.50%	94.50%
40.760	42.359	88.70%	94.50%
42.360	43.997	88.10%	94.50%
43.998	45.637	87.30%	94.50%
45.638	47.278	86.60%	94.50%
47.279	48.918	85.90%	94.50%
48.919	50.562	85.00%	94.50%
50.563	52.201	84.50%	94.50%
52.202	53.841	83.70%	94.50%
53.842	55.482	83.00%	94.50%
55.483	57.275	82.10%	94.50%
57.276	60.791	80.60%	94.50%
60.791	64.305	79.80%	94.10%
64.306	67.821	78.70%	93.50%
67.822	71.339	76.40%	93.10%
71.340	74.853	74.10%	92.80%
74.854	78.371	71.90%	92.10%
78.372	81.886	69.40%	91.60%
81.887	85.402	67.10%	91.10%
85.403	88.919	64.90%	90.40%
88.920	92.433	62.50%	89.80%
92.434	95.954	60.30%	89.40%
95.955	99.469	57.80%	89.10%
99.470	102.983	55.50%	88.40%
102.984	106.499	53.30%	88.00%
106.500	110.084	50.90%	87.50%
110.085	113.686	48.80%	86.80%
113.687	117.286	46.70%	86.30%
117.287	120.887	44.60%	85.90%
120.888	124.485	42.40%	85.60%

124.486	128.088	40.50%	84.90%
128.089	131.690	38.60%	84.30%
131.691	135.292	36.70%	83.90%
135.293	138.889	34.70%	83.30%
138.890	142.489	33.30%	82.90%
142.490	146.092	33.30%	82.20%
146.093	149.691	33.30%	81.60%
149.692	153.292	33.30%	80.60%
153.293	156.891	33.30%	80.30%
156.892	160.494	33.30%	79.50%
160.495	164.098	33.30%	78.60%
164.099	167.696	33.30%	78.00%
167.696	171.297	33.30%	77.10%
171.297	174.895	33.30%	76.60%
174.896	178.498	33.30%	75.80%
178.499	182.100	33.30%	75.10%
182.101	185.701	33.30%	74.40%
185.702	189.301	33.30%	73.40%
189.302	192.898	33.30%	72.90%
192.899	196.502	33.30%	72.20%
196.503	200.101	33.30%	71.40%
200.102	203.703	33.30%	70.70%
203.704	207.304	33.30%	70.10%
207.305	210.903	33.30%	69.30%
210.904	214.505	33.30%	68.50%
214.506	218.104	33.30%	68.00%
218.105	and higher	33.30%	67.10%

Source: [Bedragen kinderopvangtoeslag 2024 | Kinderopvangtoeslag | Rijksoverheid.nl](#)