

Calculation method for social security contributions payable in 2018

When you work on a self-employed basis, you have a thousand things to think about, the first of which is, of course, the success of your project. This is why it is also important to keep an eye on the payment of your social security contributions. Paying the right contribution means that not only can you avoid significant adjustments, but you can also optimise your tax and social security burdens.

1 | Calculation principles

When self-employed workers start their activity, their social insurance fund collects **fixed, provisional** contributions for the first 12 to 15 civil quarters of activity.

As from the 4th full civil year of activity, the basis for the calculation of **provisional** contributions for a given year consists of the professional income earned as a self-employed worker during the 3rd year before this year.

Self-employed workers can decide to pay higher contributions in line with their income.

When the contributions are calculated on the basis of the income earned three years previously, self-employed workers can request a reduction in contributions provided that certain conditions are met.

When it is informed of the actual income for the year in question, the social insurance fund will recalculate the contributions and either collect supplements or reimburse amounts overpaid.

2 | Provisional contributions when starting activity

These amounts are collected during the first few years of activity and vary depending on the category of the contributor and the year of activity concerned.

Activity exercised before retirement age

When your self-employed activity is your **main** occupation, your contribution is calculated on a fixed annual income of **€ 13,550.50**.

The quarterly contribution amounts to **€ 722.59**.

For the first four quarters, starters for whom this is their main occupation can, under certain conditions, benefit from a reduction in their social security contributions.

If this is a **secondary** occupation, your contribution is calculated on a fixed annual income of **€ 1,499.14**.

The quarterly contribution amounts to **€ 79.94**.

As an **assisting spouse** subject to full status, your contribution is calculated on the basis of a fixed annual income of **€ 5,952.74**.

The quarterly contribution amounts to **€ 317.44**.

If you were born before 1 January 1956 and you have opted for the mini-status of assisting spouse, the minimum fixed contribution is **€ 27.84** per quarter on the basis of an income of **€ 13,550.50**.

Activity exercised after retirement age

The legal retirement age for self-employed workers is 65 years.

Your contribution is calculated on the basis of a fixed annual income of **€ 2,998.29**.

If you receive a pension, your quarterly contribution will amount to **€ 114.65**.

If you have reached retirement age but you do not receive a pension, your quarterly contribution will amount to **€ 159.88**.

Married person or widow/widower

If you estimate that your income will be less than € 1,499.14** or will lie between € 1,499.14** and € 7,098.31**, you can benefit provisionally and respectively either from an exemption or from a reduction in social security contribution payments.

** These reference amounts only apply for full civil years of activity. In the event of an incomplete year of activity, these amounts are recalculated pro rata the number of quarters of activity.

The amount of the reduced social security contribution will then be calculated on the basis of a fixed annual income of **€ 7,098.31** and will amount to **€ 378.52**.

3 | Provisional contributions from the 4th full year of activity

The basis for the provisional calculation of contributions for a given year consists of the professional income earned as a self-employed worker during the 3rd year before this year.

For example, the contributions due in 2018 are provisionally determined on the basis of the professional income earned in 2015.

This is the gross income less professional expenses.

4 | Increasing your contributions

If you think your income for the current year will be higher than that taken as a basis for the calculation of your provisional contributions, you can ask your social insurance fund to increase the amount of your social security contributions.

This is only possible if you are up to date with your payments.

Why contribute quickly on a presumed income?

- You reduce the risk of having to pay substantial additional contributions at a later date.
- You build up professional expenses directly in proportion to your income.

How do you determine the quarterly contribution that corresponds to the annual income you have estimated?

To obtain a more accurate estimate, you can either refer to the tables below or you have free access to our social security contributions calculation module via our website ucm.be.

Activity as a main occupation

Minimum fixed contribution:
€ 722.59 per quarter.

Contributions based on a presumed annual income*

Income	Quarterly contribution
From € 0 to € 13,550.50	€ 722.59
€ 15,000	€ 799.88
€ 20,000	€ 1,066.51
€ 25,000	€ 1,333.14
€ 30,000	€ 1,599.77
€ 35,000	€ 1,866.40
€ 40,000	€ 2,133.03
€ 45,000	€ 2,399.65
€ 50,000	€ 2,666.28
€ 55,000	€ 2,932.91
€ 60,000	€ 3,175.02
€ 65,000	€ 3,359.19
€ 70,000	€ 3,543.36
€ 75,000	€ 3,727.53
€ 80,000	€ 3,911.70
€ 86,230.52 or +	€ 4,141.19

Activity as a secondary occupation

Minimum fixed contribution:
€ 79.94 per quarter.

Contributions based on a presumed annual income*

Income	Quarterly contribution
From € 0 to € 1,499.14	€ 79.94
€ 2,000	€ 106.65
€ 3,000	€ 159.98
€ 4,000	€ 213.30
€ 5,000	€ 266.63
€ 6,000	€ 319.95
€ 7,000	€ 373.28
€ 8,000	€ 426.61
€ 9,000	€ 479.93
€ 10,000	€ 533.26
€ 12,000	€ 639.91

Above these amounts, the scale for self-employed workers for whom the activity is a main occupation will be applied.

(*) Gross income less professional expenses

5 | Reducing your contributions

When you have been exercising your activity for a certain period of time, the calculation is done on the basis of income in the 3rd year before the contribution year. In this case, the contributions may not correspond to the financial situation of the current year.

Since 1 January 2015, self-employed workers have been able, under certain conditions, to reduce the amount of their contributions. To do so, you have to:

- submit a substantiated request to your social insurance fund;
- prove that the income for the current year is lower than that of the 3rd year before this;
- prove that the income for the year is below the income ceilings set by law.

Contributor category	Income ceilings
Main occupation (before retirement age)	€ 13,550.50
	€ 17,072.56
	€ 21,510.08
	€ 27,101.00
	€ 38,326.61
Secondary occupation and equivalent (before retirement age)	€ 54,202.01
	€ 1,499.14
	€ 7,098.31
	€ 13,550.50
	€ 17,072.56
Assisting spouse (before retirement age)	€ 21,510.08
	€ 27,101.00
	€ 38,326.61
	€ 54,202.01
	€ 5,952.74
Activity exercised after 65 years	€ 13,550.50
	€ 17,072.56
	€ 21,510.08
	€ 27,101.00
	€ 38,326.61
In receipt of an early retirement pension	€ 54,202.01
	€ 2,998.29
	€ 7,098.31
	Amount of the authorised income limit
	€ 13,550.50

The amounts above are subject to publication in the *Moniteur belge* (Belgian official journal).

Self-employed workers will have to prove that the conditions are fulfilled by means of objective elements (fall in VAT receipts, reimbursement plan with the tax authorities, the ONSS (National Social Security Office), etc.).

When the social insurance fund grants a reduction in contributions, it calculates the new contribution on the basis of the ceiling which the self-employed worker has undertaken to observe.

6 | Adjusting contributions

Once the social insurance fund is informed of the actual professional income by the tax authorities, it recalculates the contributions due for each year of activity as a self-employed worker.

This may result in the collection of supplements or the reimbursement of amounts overpaid.

If the income does not concern a full year of activity, it has to be calculated on a pro rata basis (the income has to be converted on an annual basis).

N.B.: if the self-employed worker has been granted an exemption or a reduction in contributions and his actual income proves to be above the ceiling he has undertaken to observe, supplements will have to be applied.

How are contributions adjusted?

An example:

A self-employed worker starts his activity on 1 January 2018.

His first full year of activity will be 2018 and the period during which he will have to pay fixed, provisional contributions will end on 31 December 2020.

His provisional contributions for 2018 will be adjusted on the basis of his income in 2018. Those for 2019, on his income in 2019. Those for 2020, on his income in 2020.

In 2021 (4th full year of activity), he will pay provisional contributions on the basis of his income in the 3rd year before that, i.e. 2018.

These contributions will then be adjusted in line with the income earned in 2021.

Another example:

A self-employed worker starts his activity on 1 July 2018.

His first full year of activity will be 2019 and the 'start-up' period will end on 31 December 2021.

His provisional contributions for 2018 will be adjusted on the basis of his income in 2018. Those for 2019, on his income in 2019. Those for 2020, on his income in 2020, those for 2021 on the basis of the income in 2021.

In 2022 (4th full year of activity), he will pay provisional contributions on the basis of his income in the 3rd year before that, i.e. 2019. These contributions will then be adjusted in line with the income earned in 2022.

In this case, the year 2018 is not a full year of activity.

When the adjustment is made, the income will be calculated on a pro rata basis as if it had been earned over a full year.

The activity is exercised during the last two quarters of 2018. If income for 2018 is € 10,000, this income will be multiplied by two when the adjustment is calculated so as to establish an annual basis. The adjustment for these two quarters will be carried out on the basis of income of € 20,000.

An adjustment like this, based on income actually earned, may result in the collection of additional contributions which may sometimes be very substantial.

This is why it is important to pay contributions as quickly as possible on the basis of an income adapted to that which is really anticipated ('presumed income').

The contribution amounts given in this information sheet include our management costs of 4.05%.

Information sheet | Self-employed workers

This sheet is informative. It provides a brief overview of the rights and obligations of starters and self-employed workers.

Responsible publisher: Jean-Benoît Le Boulengé | Caisse d'assurances sociales de l'UCM
Non-profit association approved by the Royal Decree of 27 December 1967
Chaussée de Marche, 637 - 5100 Namur-Wierde
Tel.: 081/32.06.11 | Fax: 081/30.74.09 | e-mail: cas@ucm.be

FSMA 18700A

ucm.be

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