university of groningen / university services / hr & health

Expat scheme

Expat scheme information leaflet

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This leaflet contains information on the expat scheme. You can read about what the scheme entails, who can apply for the scheme, which conditions need to be met, and how it works in practice.

Should you have any remaining questions, you will find the contact details at the bottom of the leaflet.

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What does the expat scheme entail?

In brief, the scheme ensures that a portion of your salary will not be subject to tax. This tax benefit can be used to cover the initial expenses of working and living in the Netherlands. These are known as ‘extraterritorial costs’.

Extraterritorial costs

Examples of extraterritorial costs include:

- Extra cost of living due to higher price levels in the country of employment than in the country of origin, such as higher expenses for meals, gas, water, and electricity.
- Costs incurred when applying for or converting official personal documents, such as residence permits, visas, and driving licenses.
- Costs of medical examinations and vaccinations required for your stay in the country of employment.
- Double accommodation costs if you continue to live in the country of origin, e.g. hotel expenses.
- The cost of storing property that will not be moved to the country of employment, travel costs to the country of origin, for example for visiting family or family reunification— including travel costs for family visits and weekend visits.

These costs will not be reimbursed by your employer. The University policy for the Dutch language course differs in some aspects.

Who can apply for the expat scheme?

The expat scheme is intended for staff members who have been recruited from abroad to come and work in the Netherlands.

The expat scheme may also apply to University staff who are temporarily posted abroad. In that case, you can contact the Team Expat Scheme of the HR Services department, as you are required to meet a number of conditions. For example, the staff member needs to be posted abroad by the employer for a minimum of 45 days per year for teaching or research. Postings lasting under 15 days are not included.

However, as soon as the staff member meets the 45-days condition, the employer can also include all postings of at least ten days to calculate the number of days when the expat scheme applies.

The staff member is expected to teach or conduct research abroad.
It is not possible to compensate extraterritorial costs in addition to applying the expat scheme.
During your posting abroad, you cannot participate in other fiscal schemes. The Tax and Customs Administration does not issue statements for seconded staff members.

Conditions for the expat scheme

You must satisfy the following conditions to be eligible for the expat scheme:

- You have been recruited from abroad to come and work in the Netherlands.
- You signed your employment contract or accepted the terms of employment while you were living abroad.
- You have an employment contract.
- You have specific expertise that is unavailable or in short supply on the Dutch labour market. This is not assessed separately for academic staff and no salary criterion applies to these staff members. A salary criterion does apply to non-academic staff (OBP).
- You have lived more than 150 kilometres from the Dutch border for at least 16 of the 24 months prior to your employment in the Netherlands.
- You are liable to pay tax in the Netherlands.
- You cannot have any extraterritorial costs reimbursed when the expat scheme is applied.
- You cannot participate in any other fiscal schemes.

If you meet the conditions of the expat scheme, you can submit an application.

Additional conditions apply to staff members who change their Dutch employer and who participated in the expat scheme with their previous employer, or who are employed by a Dutch employer again after staying abroad for a maximum of 16 months. If you want more information on these specific situations, you can contact the Team Expat Scheme of the HR Services (HRS) department (hrs@rug.nl).

Duration

The expat scheme statement has a maximum duration of five years. The duration is shortened with earlier periods of staying or working in the Netherlands, unless these periods ended more than 25 years ago. The start and end dates of the expat scheme are mentioned in the statement issued by the Tax and Customs Administration.

Applying the expat scheme

Applying the scheme on the taxable salary

Step 1: Your taxable salary forms the basis for the calculation.

Step 2: When the expat scheme is applied, you do not pay taxes over 30% of your taxable salary. You do have to pay taxes over the remaining 70% of your taxable salary. Lowering your taxable salary results in a financial benefit for you.

As from 1 January 2027, the maximum tax-free percentage will change from 30% to 27%. In addition, increased salary criteria will apply to non-academic staff as from 1 January 2027.

Calculation examples

The amounts mentioned in this leaflet are estimates, from which no rights can be derived. You can find the financial benefit of the expat scheme in the fourth column. In the last column, you can find the option to continue accruing pension benefits based on your original salary.

Scale + step	Gross salary	Net salary without expat scheme	Net salary + 30% + pension over original salary	Net salary + 30% + pension over lowered salary
PhD candidate-00	€ 3,059	€ 2,531	€ 2,809	€ 3,083

Scale 10 + step	Gross salary	Net salary without expat scheme	Net salary + 30% + pension over original salary	Net salary + 30% + pension over lowered salary
10-00	€ 3,546	€ 2,793	€ 3,193	€ 3,256
10-04	€ 4,241	€ 3,129	€ 3,648	€ 3,720

Scale 12 + step	Gross salary	Net salary without expat scheme	Net salary + 30% + pension over original salary	Net salary + 30% + pension over lowered salary
12-00	€ 5,705	€ 3,818	€ 4,626	€ 4,662
12-04	€ 6,349	€ 4,075	€ 4,961	€ 5,057

Pension contributions

When you choose to apply the expat scheme, it will cause a lowering of your taxable salary and, simultaneously, a lowering of your pension basis. This means that you will not accrue pension benefits over this portion of your salary. See calculation example ‘Net salary + 30% + pension over lowered salary’.

It is possible to accrue pension without lowering your pension basis. Your pension premiums will then be calculated and deducted before calculating your taxable salary. This way, you accrue more pension but benefit less from the 30% facility.
If you choose to accrue pension benefits over the lower salary, this will come into force on 1 January of the following calendar year. This is because the ABP annual income is set once a year in January, or on the date of entry into employment. Any changes that affect your pension after this time will come into force at the start of the following calendar year.

Unemployment benefits

By lowering your taxable salary, the social security benefits of the UWV will also be lowered, such as unemployment benefits (WW), Unemployment Regulation of the Dutch Universities (BWNU), and invalidity benefits (WIA/ABP Invalidity Pension (AAOP)).

This means that a future benefit may be lower than expected due to the expat scheme.

Fiscal regulations

When the expat scheme is applied, it is no longer possible to participate in the bicycle scheme and/or the fiscal travel allowance regulation. Tax exchange is limited to 30% and 27% as from 2027. By participating in the expat scheme no further fiscal conversion possibilities are allowed.

The reimbursement for commuting expenses (as described in Article 2 and Article 4 of the UG Travel allowance for commuting) remains possible alongside the expat scheme.

However, accommodation expenses cannot be reimbursed if the staff member participates in the expat scheme. Accommodation costs are included in extraterritorial expenses. No other extraterritorial expenses can be reimbursed on top of the expat scheme.

Application process

Application

To apply for the expat scheme, you fill in some questionnaires and submit the requested documents to the Team Expat Scheme of HRS within two weeks. This is important in order for your application to be submitted at the Tax and Customs Administration in time—within four months after starting your employment contract. You are responsible for the timely and correct submission of all the required information in support of your application. If the requested information is submitted to the Tax and Customs Administration too late or incorrectly, the start date of the expat scheme—when accepted—will be delayed.

The Team Expat Scheme of HR Services will send the application to the Tax and Customs Administration. The Tax and Customs Administration will then assess whether the expat scheme can be applied. When accepted, the Tax and Customs Administration will issue a statement giving permission to apply the expat scheme. The statement is sent to the Team Expat Scheme of HRS. The Team Expat Scheme will send the statement with the letter of approval to you As soon as the Team Expat Scheme has received the letter of approval signed by you, the expat scheme will be applied to the salary from the start date on the statement.

Application costs

Costs are charged for assessing the documents provided and submitting the application. The fee is €350 regardless of the result of the application. The application fee will be deducted from your salary. You cannot claim these costs from the University.

If it is a complicated application requiring the help of an external office, these extra costs will be charged to you. You will be informed about this in a timely manner and the external office is only engaged with your permission.

The employer cannot accept responsibility for any financial or other consequences, including a delay in the start date of the expat scheme. The employer will not compensate any financial loss caused by such delay.

Frequently Asked Questions

Do I qualify for the expat scheme?
It is difficult to decide beforehand if you qualify for the expat scheme. During the application procedure, it will become clear if the application can be continued. The final decision rests with the Tax and Customs Administration.

Which conditions apply to non-academic staff?
Additional salary and expertise conditions apply to non-academic staff (OBP). In addition to the general conditions, the prevailing salary criterion needs to continuously be met. The salary criteria are adjusted by the Tax and Customs Administration annually.
This means OBP staff members are not often eligible for the expat scheme.

How can I terminate the expat scheme?
According to Dutch tax legislation, staff members are allowed to change their tax-exempt allowances—including the expat scheme—at least once a year. Please note that unless you request otherwise, the expat scheme will automatically continue for the duration of the term as long as you meet the conditions.
If you no longer wish to use the expat scheme, you should inform the Team Expat Scheme of HRS about this before 1 November of the calendar year at the latest. The expat scheme will then be cancelled as from 1 January of the following calendar year.

Contact

For more information or questions on how to apply for the expat scheme or your situation, you can contact the Team Expat Scheme of HR Services through the contact form. You can read more information about the expat scheme on the website of the Tax and Customs Administration (in Dutch).

Disclaimer

Although the information provided here has been compiled with the utmost care, no legal rights may be derived from it.