

December 2025

Expatriate Ruling Year-End Compliance Checklist – 2025, 2026 & Planning for 2027

(formerly known as the 30% ruling)

As year-end approaches, HR and payroll teams should review the application of the Dutch expat ruling (formerly known as the 30% ruling). Updated 2026 salary thresholds and 2027 changes make compliance review essential.

1. Employment Contracts

- Confirm expat ruling clause is included in all employment contracts or addenda
- Verify renewals in 2026 maintained correct references, articles, and salary requirements

2. Salary Requirements Review

- Check 2025 salaries for compliance:
 - o ≥30 years: EUR 46,660
 - o <30 with master's degree: EUR 35,468
- Confirm 2026 salaries meet the new thresholds:
 - o ≥30 years: EUR 48,013
 - o <30 with master's degree: EUR 36,497
- Maximum tax-free reimbursement 2026: EUR 78,300 (salary cap EUR 262,000)
- Identify employees affected by transitional arrangements for 2025 (≥ EUR 246,000)
- Adjust salaries or percentages for employees turning 30 in 2026

3. Expiring expat rulings

- Identify expats whose ruling expires in 2026
- Assess financial/employment implications with HR and payroll
- Communicate changes and explore alternative benefits where needed

4. Payroll Review

- Ensure expat ruling correctly applied as final levy component
- Verify tax-free allowance calculation (max 30%)
- Confirm documentation of extraterritorial cost reimbursements

5. Budgeting for New Expats

- Include correct expat ruling provisions in new employment contracts
- Factor 2026 salary thresholds into hiring budgets

6. Retroactive Applications

- Take inventory of pending expat ruling applications at year-end
- Keep payroll open if retroactive corrections are expected
- Avoid applying 2025 corrections in 2026 payroll
- Consider transitional exemptions for existing beneficiaries

7. School Fee Reimbursement

- Verify eligibility for international school fee reimbursement
- Check documentation and tax treatment

8. Employee Communication

- Inform expats about changes to salary thresholds and expiring rulings
- Offer consultations or tax briefings as needed

9. Planning for 2027 Changes

Expected changes:

- Reduction of tax-free allowance: 30% -> 27%
- Higher minimum salary thresholds
- Application rules for different start dates (transitional)
- Indexed thresholds for inflation
- Terminology shift: expat ruling

Actionable steps:

- Review salaries and contracts for 2027 eligibility
- Forecast payroll budget with new rates/thresholds
- Identify impacted employees and plan communications
- Adjust recruitment/retention strategies
- Schedule payroll and process updates for 2027

10. Abolition of Partial Foreign Tax Liability & Worldwide Asset Reporting*

- Inform expats they must report worldwide assets in the Netherlands
- Ensure reporting of $\geq 5\%$ ownership interests in foreign companies
- Encourage employees to gather valuations of assets and stakes
- Coordinate with tax advisors for correct Box 2 and Box 3 reporting
- Provide guidance materials or briefings to expats

**Transitional note: Partial foreign tax liability may still apply in 2025–2026 for employees using it since 2023; it is fully abolished from 2027*

Key Year-End Action

- Conduct a full review of expat population for 2026 compliance
- Identify gaps and notify employees where action is required
- Start 2027 planning early to stay ahead of compliance and salary changes
- Contact Exterus for expert support if needed

Key contacts



Jordy Verduyn Lunel
Practice Lead Payroll

📞 +31 88 185 00 11

✉️ j.verduynlunel@exterus.nl



Ashwin Dwarkasing
Tax Consultant

📞 +31 88 185 00 16

✉️ a.dwarkasing@exterus.nl