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Global Employment Mobility

June 2026

Employee discounts will become taxable from 2027

Many employers offer their employees discounts on products or services they sell themselves. Examples include discounted retail products, insurance products, banking services or subscription services.

Under the current Dutch tax rules, these discounts can often be provided tax-free through a specific exemption for employee discounts on products and services related to the employer's business activities.

However, this exemption will be abolished on 1 January 2027. As a result, employee discounts that are currently tax-free may become taxable employment income from 2027 onwards.

How does the current tax-free exemption work?

The current tax-free exemption remains available until 31 December 2026.

A discount can generally be received tax-free if:

- the product or service is related to the employer's business activities;
- the discount does not exceed 20% of the normal consumer price;
- the total tax-free benefit does not exceed EUR 500 per employee per calendar year.

If all conditions are met, the employee discount can currently be received without paying Dutch wage tax on the discount.

Does this mean employee discounts will disappear?

Not necessarily.

Many employers are expected to continue offering employee discounts. The main change is how these benefits are treated for tax purposes.

In practice, employers will generally have two options:

1. Treat the discount as taxable salary.
2. Include the discount in the Dutch Work-Related Costs Scheme (Werkkostenregeling or WKR).

The approach chosen by your employer will determine how much of the discount you ultimately keep.

How much does this actually cost?

The practical impact is often smaller than people expect. Employee discounts do not disappear; part of the benefit simply becomes taxable.

Suppose you work for a manufacturer of household appliances and buy a washing machine with a retail price of EUR 800. You receive a 15% employee discount (EUR 120 benefit) and are taxed at 37.07%.

	Until 2027	From 2027
Retail price	EUR 800	EUR 800
Employee discount (15%)	EUR 120	EUR 120
Purchase price	EUR 680	EUR 680
Tax on discount	EUR 0	EUR 44
Effective cost	EUR 680	EUR 724
Net saving compared to retail price	EUR 120	EUR 76

As the table shows, the employee still benefits from the discount. However, the net advantage becomes smaller because part of the benefit is taxed.

Employees who are considering larger purchases through an employee discount programme may therefore want to check whether those purchases can still be made before the end of 2026, while the current tax exemption remains available.

What if my employer uses the WKR?

Some employers may decide to include employee discounts in their WKR budget rather than treating them as taxable salary. In that case, employees generally do not pay tax on the discount themselves.

At first glance, little may seem to change. However, one key consideration remains.

The employer's WKR budget is limited. Every euro used to keep employee discounts tax-free is a euro that can no longer be used for other tax-free employee benefits.

Depending on the employer's policies, this may affect benefits such as:

- Christmas gifts;
- company events and staff outings;
- bicycle schemes;
- wellness or fitness programmes;
- other tax-free employee benefits.

As a result, employers may need to make choices about how they allocate their available WKR budget.

For employees, the question is therefore not only whether the discount remains tax-free, but also whether other benefits might eventually be reduced or changed.

Taxable salary versus WKR: what's the difference?

If processed as taxable salary	**If included in the WKR**
Employee pays tax on the discount.	Employee generally pays no tax on the discount.
Net benefit becomes smaller.	Net benefit largely remains unchanged.
No impact on the employer's WKR budget.	Uses part of the employer's limited WKR budget.
Other employee benefits are generally unaffected.	May reduce the budget available for Christmas gifts, staff events and other benefits.

This is why the impact of the new rules may differ significantly from one employer to another.

What should employees do?

If you currently receive employee discounts, it may be worthwhile to:

- identify which discounts you use regularly;
- consider whether planned purchases can still be made before the end of 2026;
- ask your employer how it intends to deal with the new rules;
- understand whether any changes to employee benefits are expected.

The sooner employees understand their employer's approach, the fewer surprises there are likely to be once the new rules take effect.

Conclusion

The abolition of the tax exemption does not mean employee discounts will disappear. However, it does mean that the tax advantage will often become smaller from 2027 onwards.

Some employers may choose to absorb the impact through the WKR, allowing employees to continue receiving discounts without paying tax directly. However, because the WKR budget is limited, this may leave less room for other tax-free employee benefits.

As a result, the impact of the new rules will depend not only on the discount itself, but also on the choices made by your employer.

If you are unsure how these changes may affect your situation, consider discussing the matter with your HR department or payroll team before 2027.

Questions or need support?

Do you have questions about the upcoming changes to the tax treatment of employee discounts or the potential impact on your WKR budget and employee benefits? Please contact one of our key contacts below.

Key contacts

Dennis von Oven
Director
+31 88 185 00 01
d.vonoven@exterus.nl

Ashwin Dwarkasing
Consultant Tax Advice
+31 88 185 00 16
a.dwarkasing@exterus.nl