KPMG Meijburg & Co Tax & Legal

Reward Services

Rewarding with vision and certainty

October 2025

Are you taking advantage of all the tax opportunities available for flexible employment conditions and the work-related costs scheme (WRC)? Or are you running unintentional risks?

Is your reward policy transparent and fair – and how can you be sure that you're complying with statutory equal pay requirements? And how do you manage the legal and tax implications of innovative forms of reward such as employee participation, SAR plans or share option plans?

These and other questions not only require vision, but also a critical eye and a smart approach. In this flyer we explain how our Reward Services team can support you.

Employee benefits

A good reward policy goes beyond numbers and contracts – it is a strategic means of retaining, motivating and developing people. A good salary remains important, but it is no longer the only criterion. Employees are looking for flexibility, recognition, opportunities for personal development and focus on health and wellbeing. Nowadays, remuneration means room for customization.

Recognition and appreciation are the foundation

Actively recognizing and appreciation employees'efforts, achievements and behavior contributes to keeping them motivated and committed. A sincere compliment, a thank you or highlighting special achievements ensures employees feel seen and valued.

We'd be happy to help you explore ways to make recognition and appreciation permanent elements of your reward policy.

Flexible and customized employment conditions

More and more organizations are offering employees flexible working arrangements.. After all, what matters to one person may not be important to someone else. Customization is key. Examples of flexible employment conditions include exchanging vacation days for additional salary, using part of the salary to purchase a company bike, or opting for more training opportunities instead of a higher bonus. Flexible employment conditions give employees more control over their own employment conditions and enables them to respond better to personal life changes.

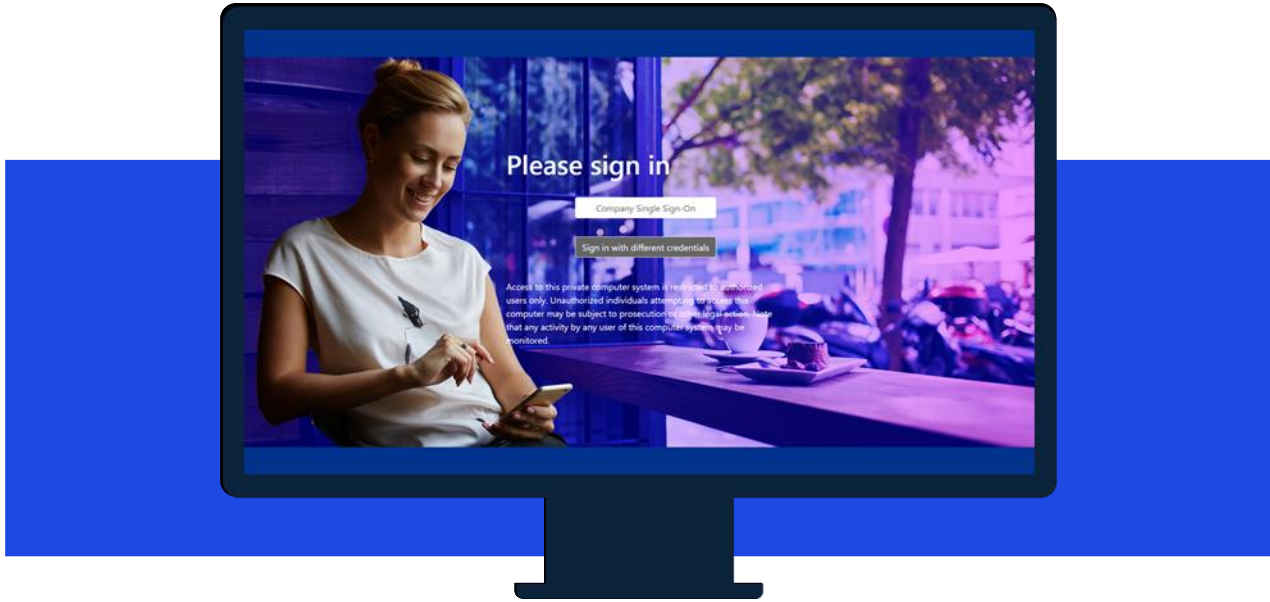
Unfortunately, not all exchange options are tax-exempt. Therefore, it's important to clearly communicate in advance which options are tax-advantageous and what the potential implications of certain exchange options may be. This helps to prevent unexpected and higher taxes and ensures transparency for everyone.

Take full advantage of the work-related costs scheme (WRC)

The WRC offers the option to provide reimbursements and provisions in a way that makes them attractive for tax purposes. By strategically using the WRC, you can offer your employees additional perks, without this directly leading to higher costs for the organization. At the same time, the WRC requires careful consideration, clear communication and sound recordkeeping and accounts. We can help you make the right choices.

Using technological support for flexible employment conditions

Our KPMG Flex Reward Tool makes it easy to implement and manage flexible employment conditions. Employees can tailor their own employment conditions and gain immediate insight into their overall rewards package. The tool significantly reduces the administrative burden on HR. Discover the possibilities and ask for a demo.



Rewarding with impact
Sustainability as a driver

Sustainability and sense of purpose are important motivators for many employees. They actively seek employers who look beyond profit and contribute to a better world. Employees not only want to work for an organization but also with an organization to build a more sustainable future.

A sustainable reward policy provides an opportunity to align employees' wishes with the organization's ambitions.

Making employment conditions more sustainable

Growing awareness of the impact of corporate activities on the environment and society means that 'green' employment conditions play an important role in designing a reward policy. Traditional benefits can be replaced by sustainable alternatives, such as electric lease cars, company bicycles or offering a climate budget. However, setting up green employment conditions requires careful consideration to tax implications and thorough record-keeping. Be sure to assess your green employment conditions from both a tax and for legal perspective to avoid any unpleasant surprises.

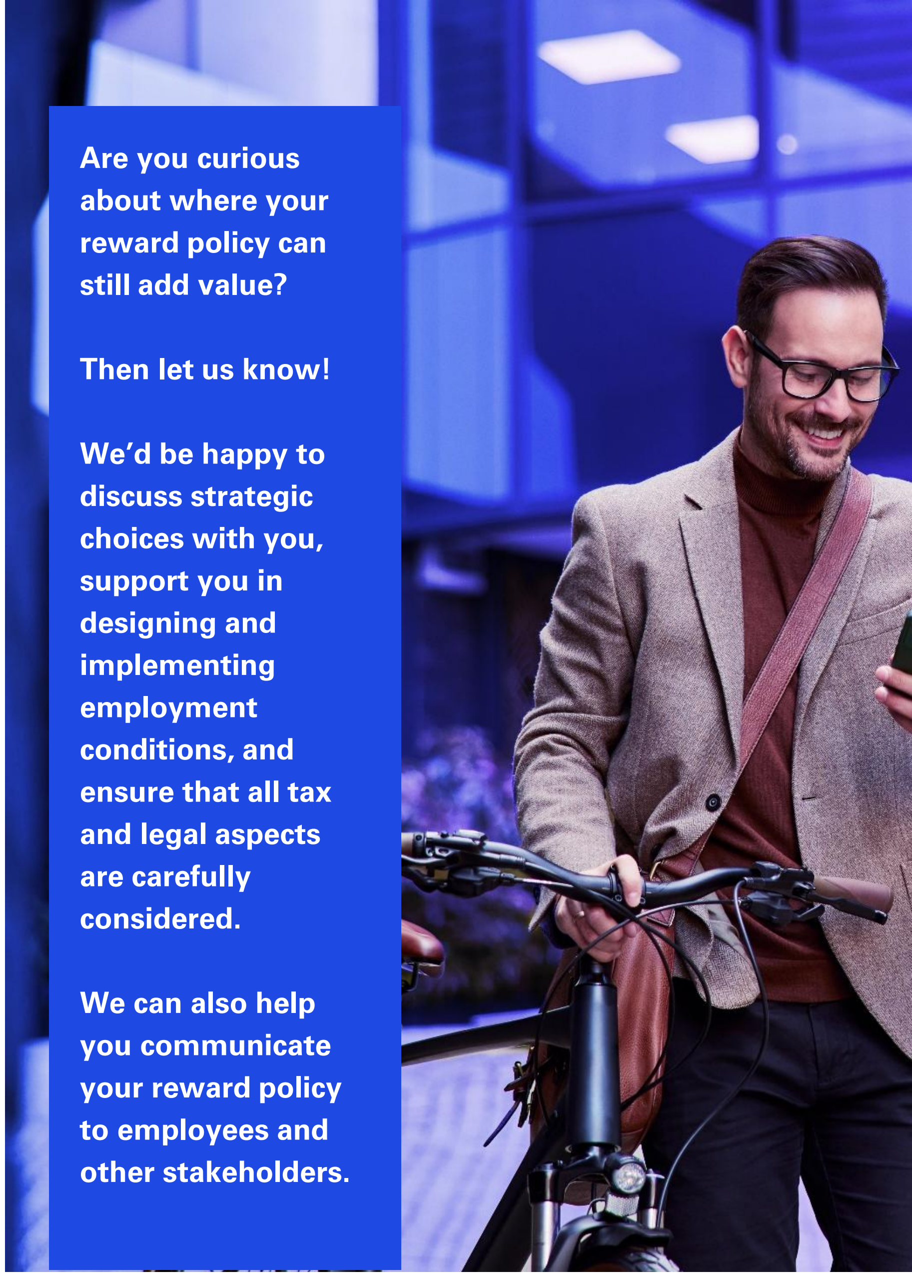
Equal pay for equal work

A modern reward policy also focuses on offering equal opportunities and respect to all employees, regardless of gender, background or identity. Companies with an equal pay policy will not only foster more honest and inclusive interactions but will also contribute to employee motivation and loyalty.

The new EU Directive on equal pay and pay transparency is designed to encourage employers to ensure fair pay and to actively address unjustified pay differences.

As of 2027 employers will be required to disclose pay gaps, address unexplained differences and give employees the right to compare their salaries with those of their colleagues. Be prepared for the new requirements and contribute to a fair and attractive workplace.

If you need support in assessing the implications of the EU Directive for your organization, we'd be happy to help. By using our flexible Equal Pay Reporting Dashboard, we can provide a high-level analysis of the current situation. This tool is ERP-system independent, can be specifically customized for your organization and offers insight into where your organization stands.



Are you curious about where your reward policy can still add value?

Then let us know!

We'd be happy to discuss strategic choices with you, support you in designing and implementing employment conditions, and ensure that all tax and legal aspects are carefully considered.

We can also help you communicate your reward policy to employees and other stakeholders.

Equity-based compensation

Would you like to know how a participation plan can contribute to attracting and retaining talent in your organization?

We have broad expertise and through our years of experience with advising and assisting a wide range of organizations we know the ins and outs of all forms of employee participation plans.

We'd be happy to help you further by providing you with clear explanations, practical assistance and strategic advice.

Now that talent is scarce, organizations are looking for new ways to motivate and retain employees. Equity-based compensation can play a role here. By letting employees share in the organization's success, a strong commitment is created, and the interests of the organization and its employees are aligned.

There are various forms of share-related reward plans, such as share options, stock appreciation rights (SAR) and phantom stock. Each of these instruments has its own features and benefits, which allows you to make a choice that suits the specific objectives of your organization and the stage of growth it finds itself in.
Are you a start-up or a scale-up, then this form of reward offers interesting possibilities. Not only because it is an attractive alternative for traditional rewards, but also because a new tax regime is being introduced that will reduce the tax burden on share options. This will make it easier and more attractive to have employees participate in the company.

It is also important for organizations that already work with employee participation plans to regularly evaluate whether the current plan still aligns with the strategic objectives of the organization and actual market conditions. For example, involving stakeholders, facilitating an international roll-out and ensuring everything is clearly communicated to employees.

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