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# Belgium: Severance pay/redundancy compensation

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Phase: Management
Type: Severance pay/redundancy compensation

tast modified: 23 April, 2019

Native name: Loi du 13 février 1998 portant des dispositions en faveur de l'emploi /13

februari 1998 Wet houdende bepalingen tot bevordering van de

tewerkstelling

English name: Act of 13 February 1998 measures to promote employment

#### Article

62-70

#### Description

#### In case of individual redundancy:

Both the employer and the dismissed worker have to choose between the notice period during which the employment contract is still running and the severance pay by stopping the contract immediately. In the later case, the severance pay is equivalent to the wage and benefits multiplied by the duration of the notice period that should have been notified.

## In case of collective dismissals:

In addition to the unemployment benefits, workers affected by the collective dismissal are entitled to a special severance pay. The amount of this allowance is equal to half the difference between the net wage and the amount of the unemployment benefits the worker receives. The maximum gross salary value used for this calculation amounts to  $\in$ 3,144.66.

The employee is entitled to four months of severance pay, starting the day after his/her working agreement or after his/her notice period ended.

Certain categories of workers are excluded, such as those in the construction sector, and port and ship workers.

For the purpose of calculating the special indemnity, the law considers that the collective dismissal is deemed to occur if during any given 60 day period, a notice of termination is given to:

- six or more employees in an enterprise employing between 20 and 59 people; and
- 10% or more of the workforce in an enterprise employing 60 people or more.

#### In case of fixed-term contracts:

There is no severance pay during the trial period.

After the trial period, the severance pay is equivalent to the amount of salary that was due until the end of the contract. Nevertheless, this amount may not exceed twice the wage corresponding to the duration of the notice period that would have been calculated in the case of a permanent contract.

#### Comments

There is the possibility to extend this obligation to companies with at least five workers through collective agreement.

## Cost covered by

Employer

### Involved actors other than national government

Public employment service

### **Thresholds**

Company size by number of employees:

20

Number of affected employees:

6

#### Sources

- Wet houdende bepalingen tot bevordering van de tewerkstelling
- Federal Public Service Employment, Labour and Social Dialogue
- Restructuring in Belgium
- Ius Laboris (2011), Individual Dismissals Across Europe, Brussels
- EMCC legal framework of restructuring
- Alpha Consulting (2003), Anticipating and Managing Change A dynamic approach to the social aspects of corporate restructuring, Brussels, European Commission

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