

# Netherlands

Holiday Allowance

Change in Process

Claudia Di Marcantonio

Senior Regional HR - BeNeLux

June 2022

## What's Happening ? - Background

We recently found out that the statutory 8% holiday allowance in NL is not being calculated in line with the applicable rules in NL.

## What's in place now ?

Your holiday allowance that is paid in May is currently calculated on the salary of the current calendar year – so from January through December. This means that currently your holiday allowance is partly paid in advance (i.e. with regard to the months May through December).

## What Does the law say ?

Your holiday allowance that is paid in May should be calculated on the salary you earned in the past year (i.e. on the salary from 1 May until 30 April). So reference period = different.

# Tiger Team

We have looked into the matter together with the Tiger Team, and found an option to be compliant with law that has no negative impact and the least disturbance to the employees.

## Outcome - What will change for the employee ?

- Move to a monthly payment of holiday allowance

## Why ?

- No financial impact nor for VMware nor for employee
- To be competitive and in line with the market
- Payment is calculated on the actual salary received (including any salary increases)
- You avail of the money immediately so that you can spend or save it immediately, and not wait for June
- Life style has changed – employees travel more times/year
- Vacation pay is not used anymore specifically for vacation, but to pay off things

## When ?

- Effective January 2023



# What's next ?

We would proceed and adapt towards this process **effective January 2023**, the employees will start to receive the monthly holiday allowance in their monthly payslip. Below an example.

Salary Referral Period													Payment
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	May 2022
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Start paying monthly holiday allowance

	Example	Holiday allowance		
<b>Currently</b>	Annual Base salary	128.000,00	8% included	
	Monthly salary	9.876,54	8% excluded	12,96
		118.518,52	8% excluded	12
	8% vacation allowance	9.481,48		
	Monthly holiday allowance	790,12		
<b>January 2023</b>	New monthly base salary	10.666,67	8% <b>included</b>	
	Annual Base salary	128.000,00	8% included	



