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## **BELGIUM'S STATE PENSION REFORMS TAKE EFFECT**

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Changes to Belgium's state pension system enacted in 2017 took effect on 1 Jan 2019 and apply to pensions paid from that date.

### **HIGHLIGHTS OF THE CHANGES**

Key changes include the following:

- All periods of employment are taken into account when calculating an individual's pension entitlement, including employment occurring after the individual has worked for 14,040 working days — the threshold entitling an individual to a full pension.
- From 2019, certain periods of employment inactivity that generate pension rights will be less favorably rewarded when calculating an individual's pension entitlement. These include periods of time after 2016 when individuals:
  - Are fully unemployed
  - Have taken conventional “early retirement” pension
  - Are receiving “unemployment with company supplement” (this enables employees who meet age and career criteria to stop working early and receive an unemployment benefit plus a company allowance to bridge the period between the end of their employment and the beginning of their pension benefit), or
  - Have taken “pseudo” bridging pension (known as the “Canada Dry” early retirement system, whereby the employee is dismissed and is paid a lump sum in addition to the unemployment benefit for a certain period of time)
- Individuals benefiting from the arrangement of “unemployment with company supplement” can now apply for early retirement. Under the old law, individuals remained on the payroll until their legal retirement age. Under the new arrangement, the company no longer has to pay the company supplement to an employee once he or she takes early retirement. Companies must be informed of an employee's transfer to early retirement status by the institution paying the unemployment benefit to the employee (this is either a labor union or unemployment fund).

## RELATED RESOURCES

- [Law of 5 Dec 2017 \(French and Dutch\)](#) (Official journal, 5 Dec 2017)

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