



## Payrolling

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This article is about the different ways of getting paid (payrolling) when you carry out assignments or perform without being an employee and without being able to send an invoice. Payrolling can be convenient if you carry out assignments on an occasional basis or if you are a freelance.

Artists always have to check if they should be working under an employment contract. This usually happens if, for example, you work for a certain company or orchestra for a few days a week for more than three months in a row. If not, the Performance Artists' Tax Regime (artiestenregeling) will then apply to you.

The payroller deducts income tax and other compulsory contributions from the sum to be paid. There are three kinds of payrolling: opting in, 'white table' (the application of a fiscal table setting off income tax payable against tax deductions) and the scheme for performing artists. The choice depends partly on legal provisions and on what the client wants.

### Forms of payrolling

	<b>Opting-in</b>	<b>Payrolling ('white table')</b>	<b>Scheme for performing artists (artiestenregeling)</b>
<b>For whom</b>	Opting in is possible if you are not a freelance or performing artist and if, for example, you do an odd job in addition to being employed.	For self-employed entrepreneurs without personnel (ZZP) or freelancers who want the security of an employee as much as possible, such as directors, camera operators, technicians, conductors, workshop tutors.	For performing artists such as musicians, actors, cabaret performers.
<b>By whom</b>	The client/commissioner	An obligatory withholding agent, for example a payroll agency.	- If the artist gives the client a completed wage statement (gageverklaring), the employer can pay the artist directly - A withholding agency (the artist himself or a payroll agency) can send the client an invoice.



<b>Income tax deduction at source</b>	Yes, the client deducts this from the gross wage.	Yes, the client deducts this from the gross wage.	Yes, this is deducted by the payroller. Unless you use the wage statement and earn less than €163.
<b>Annual wage statement</b>	Yes, annual wage statement.	Yes, annual wage statement.	Yes, annual gross wage statement and deductions (wage statements)
<b>VAT</b>	Not applicable	Not applicable	Not applicable
<b>Tax benefits for entrepreneurs</b>	No, the person who performs the service is not recognised as an entrepreneur.	Sometimes, provided the person who performs the service is recognised as an entrepreneur by the Tax Office.	A performing artist who is paid via the Scheme for Performing Artists can be recognised as an entrepreneur.
<b>Entitlement to employee benefits: unemployment benefit, disablement benefit, sick benefit</b>	No	Yes if you meet certain conditions.	Yes, via the Public Employment Agency (UWV) if you meet certain conditions.
<b>Entitlement to national insurance: social security, retirement pension</b>	Yes	Yes	Yes
<b>Entitlement to payment during illness</b>	Yes	Yes	No
<b>Entitlement to paid holiday and 8% holiday bonus</b>	Yes	Yes	No
<b>Compulsory Chamber of Commerce registration</b>	No	No	Yes, if you perform on a regular basis.
<b>Payrolling costs</b>	As agreed between the two parties.	As agreed between the two parties; a payrolling agency always costs money.	As agreed between the two parties; a payrolling agency always costs money.

## Income tax deduction at source

Income tax is deducted at source in advance of the annual wage statement. You must always indicate all your annual figures and other gross income on your income tax declaration form. In the income tax declaration you can include expense items that are not taken into account when your income tax is deducted at source. The final tax assessment from the Tax Office shows whether you are entitled to a (partial) refund or whether you must pay more tax.



The Small Allowance Scheme is important for performing artists. This means that no tax deduction is made at source from a wage of no more than € 163 per performance per person if this is indicated on the wage statement. All payments should be mentioned in the annual income tax declaration.

## Who is allowed to make payment?

An organisation or person is allowed to make payment if it is recognised as an obligatory withholding agent (IPV) by the Tax Office. A payroll agency is in possession of an IPV declaration. If you work with other people in a partnership, dual partnership (VOF), association or foundation, this person at law can also apply for IPV status. That person at law then becomes the employer, is obliged to keep a payroll administration, and is allowed to make payment for services rendered. For example, if you have a band or a company, you can agree on one of the members applying for IPV status. Then all the members can receive payment from this person by making a wage statement (gageverklaring).

## How a payroll agency works

The payroll agency takes over the salary administration and saves both the client and the person who renders a service time and administration. The payroll agency becomes the fictive employer in a fictive relation of employment. The advantage of payrolling through an agency is that you do not have to chase up your payment yourself and you avoid unexpected requests for payment of tax later on from the Tax Office. If you work for a single payroll agency, all of the payments are included in a single annual wage statement, and you accumulate entitlement to employee benefits via a single employer/payroll agency.

If you are payrolled and become ill, partial sickness benefit is paid by the Public Employment Agency, not by the payroll agency or the client. The agency will try to make an agreement with the client to assume responsibility for any damage that an employee can cause or sustain.

### When do you get paid?

Usually the payroll agency does not pay you until it has itself been paid by the client. The risk of not getting paid is still borne by you. This can also be an advantage: it makes it easier for you to obtain recognition as an entrepreneur by the Tax Office, and that entails tax benefits. This applies both to performing artists and to payrolling via the 'white table'.

### Costs of payrolling

The amount deducted at source for tax or national insurance contributions is the same for every payroll agency, but the payrolling charge can vary. Usually it is a fixed amount per day or per invoice. Compare the conditions and possibilities on the websites of the agencies, ask colleagues about their experiences, or get information from your union or professional association.

## More information

On [BeroepKunstenaar.nl](http://BeroepKunstenaar.nl):

- I want to ... be insured properly
- I want to ... get paid after a performance
- Search for *Income & Tax: tax, working to order, model agreement and social security*
- pdf on the Scheme for Performing Artists and wage statement

Well-known payroll agencies in the cultural sector:

- [Artiestenverloningen.nl](http://Artiestenverloningen.nl)
- [Raakvlak](http://Raakvlak)
- [Tentoo](http://Tentoo)
- [Younameit](http://Younameit) (only performing artists)



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