The FPS Economy informs you!

The innovation bonus

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A simple and fast way to
reward your creative employees
with a 100 % net bonus

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Foreword

Dear reader,

Innovation in businesses is more important than ever to support their competitiveness. The stimulation of the innovation culture in businesses, including SMEs, is a key factor for sustainable economic growth within the European Union.

R&D is one path to innovation, but there are others. Indeed, any worker, whether researcher or not, whatever their function, education or rank, can contribute to the competitiveness of the business with innovative proposals. Thus, innovation can include not only products, processes or services, but also for example an efficient management of production or working conditions.

That is why the federal government has decided to encourage employers to reward an innovation bonus to creative employees. Since 1 January 2006, this bonus is in fact exempt from taxes and social security contributions.

In order to benefit from this exemption, no lengthy administrative steps need to be undertaken. The procedure is flexible and free of red tape and is presented in this brochure.

Chris Van der Cruyssen
General manager a.i.

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1. What is the innovation bonus?

The innovation bonus is a 100 % net bonus
granted and paid by an employer
to his creative employees.

The particularity of this bonus is
its full exemption as well as
the simplicity and speed of the procedures.

2. What are the benefits for the company?

The company does not pay social contribution on this bonus.

3. What are the benefits for the employee?

The employee does not pay any social security contributions or tax on this bonus.

4. What does the bonus look like?

A company wants to grant a bonus of 1,000 euros to one of its employees.

In general,		With the innovation bonus,
this company would spend		this company will only spend
more than 3,000 euros.	⇔	1.000 euros.

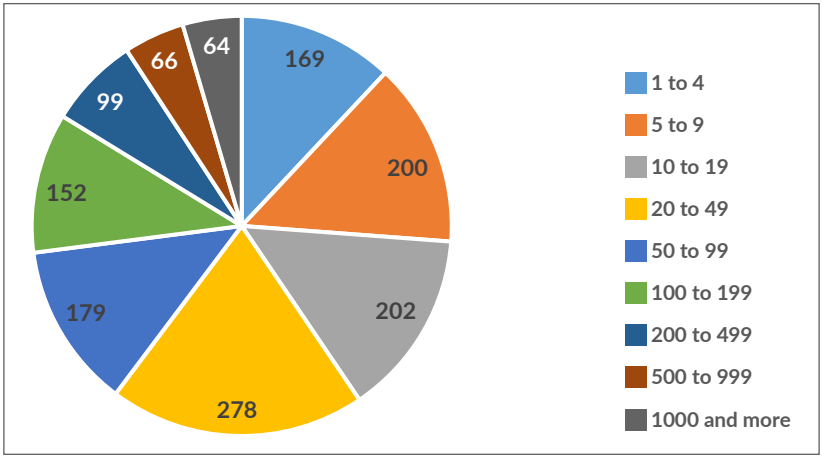
This represents a saving of more than two thirds.

5. For which companies?

Any company subject to the law of 5 December 1968 on collective agreements and joint committees can grant unique innovation bonuses.

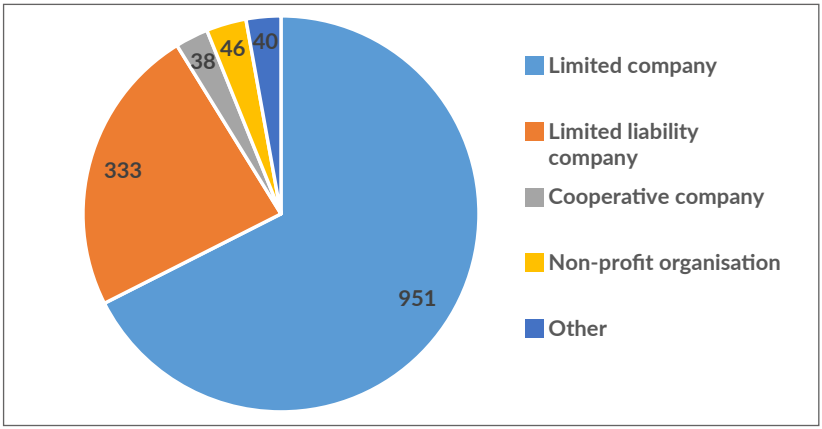
Statistics show that all employers can benefit from the exemption on innovation bonuses.

Figure 1. Number of companies according to the number of employees



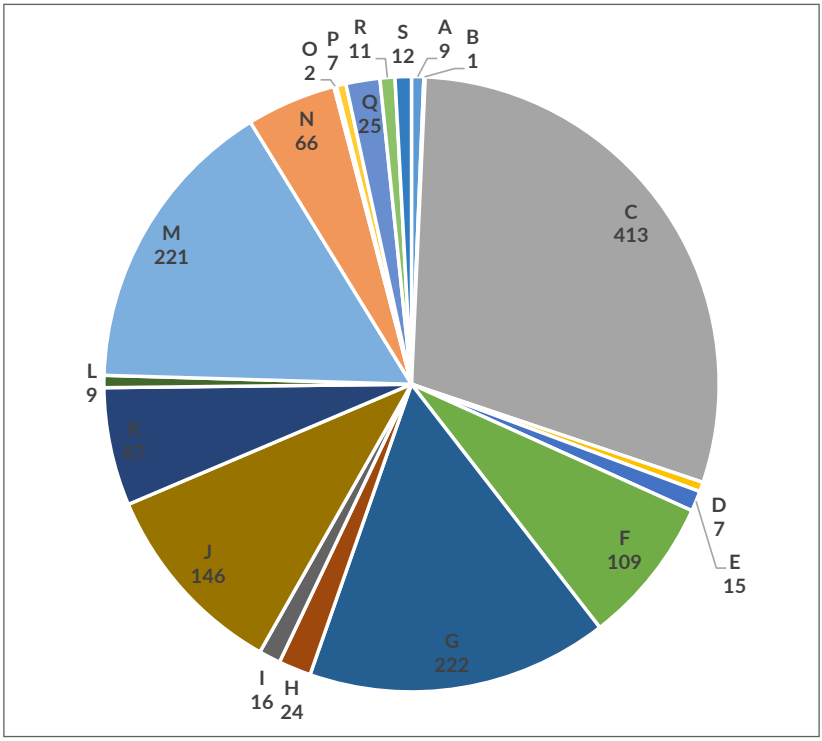
Source: FPS Economy.

Figure 2. Number of companies according to their legal form



Source: FPS Economy.

Figure 3. Number of companies according to their sector



A	Agriculture, forestry and fishing	K	Finance and insurance
B	Extractive industry	L	Real estate
C	Manufacturing industry	M	Professions, scientific and technical activities
D	Production and distribution electricity / gas / vapor / air conditioning	N	Administrative and support activities
E	Production and distribution water / Sanitation and waste management	O	Public administration, defence and compulsory social security
F	Construction industry	P	Education
G	Wholesale and retail / Auto-moto repair	Q	Human health and social work
H	Transportation and warehousing	R	Arts, entertainment and recreation
I	Accommodation and food	S	Other services
J	Information and communication		

Source: FPS Economy.

6. For which employees?

All employees who have entered into a contract with a company as defined in paragraph 5 can receive an innovation bonus, regardless of the type of work contract:

- indefinite term,
- fixed term,
- for clearly defined work,
- student occupation,
- etc.

In order to receive an innovation bonus, an employee must have participated in the proposal or the development of the innovation.

7. When?

The exemption concerns innovation bonuses that have been paid or granted during the current calendar year.

The measure came into force for the first time in 2006 and then for 2-year periods covered by the successive interprofessional agreements that program its extension.

More information about interprofessional agreements:

https://emploi.belgique.be/fr/themes/concertation-sociale/niveau-interprofessionnel/accord-interprofessionnel-aip

The interprofessional agreements must then be transposed into law.

8. For which innovations?

An innovation is a novelty, the realisation of which brings real added value to the regular activities of the company.

The exemption of the innovation bonus is only possible if the project for which it is granted:

- is in the process of being implemented;
- is recent.

8.1. What does the project implementation period mean?

The project implementation is the set of phases leading to the result (product or process) and its final application:

1. The feasibility study which shows the input that the implementation of the project output will provide;
2. The implementation;
3. The evaluation phase;
4. The final implementation which ends the project.

This means that an idea is only sufficient once it is subject to at least one implementation phase.

8.2. Until when is a project considered recent?

A project with a completed implementation period is considered to be recent when one of the following phases has taken place within the 12 months preceding the application:

- The final implementation has taken place;
- A patent application has been filed;
- A patent has been obtained.

8.3. What is the innovation about?

The innovation may concern products, services, tools, production processes, other processes of work, but also the working environment.

The innovation may be radical or incremental. In other words, it may be a completely new concept or improve an existing concept.

The improvement of an existing concept consists among others of:

- ⇨ a new realisation;
- ⇨ the addition of a new feature;
- ⇨ the adaptation allowing a significant improvement of the performances;
- ⇨ the application of not previously considered cases;
- ⇨ the merger with other existing concepts.

However, the improvement can't cover:

- ⇨ the simple choice of the best solution on the market;
- ⇨ the simple choice of the cheapest solution on the market;
- ⇨ the simple application of solutions representing the state of the art;
- ⇨ the complying with the state of the art, a standard or a regulation.

Table 1. Examples of innovations

Type of innovation	Example
New concept	The invention of the telephone
New realisation of an existing concept	The cordless telephone or the mobile
New functionality	SMS – text messages
Increase of the performances	3G > 4G > 5G
Merger with other existing concepts	Camera on smartphone
New application/new market	Use of a smartphone as a tool for interactivity with the audience of a seminar

8.4. What is the origin of the innovation?

The innovation must be developed and proposed by one or more employee(s) of the company, and not by a third party.

Part of the implementation of the project can be outsourced if the required skills are not available internally.

Illustration 1. Internal innovations

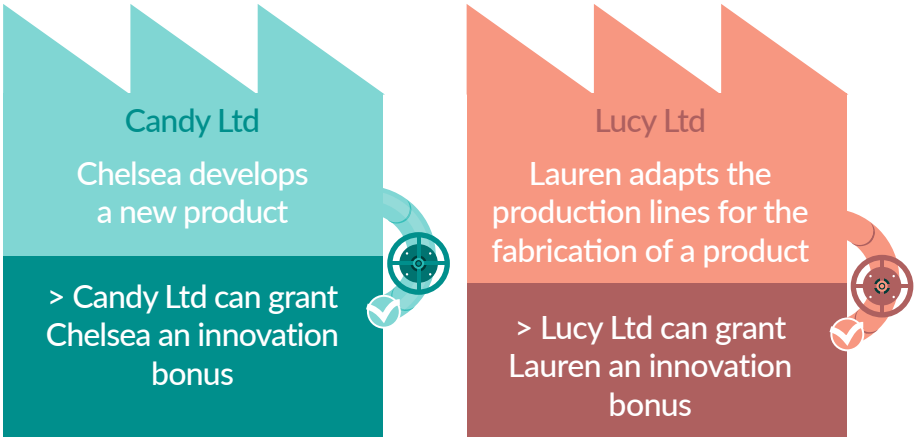


Illustration 2. Problem-solving by a supplier

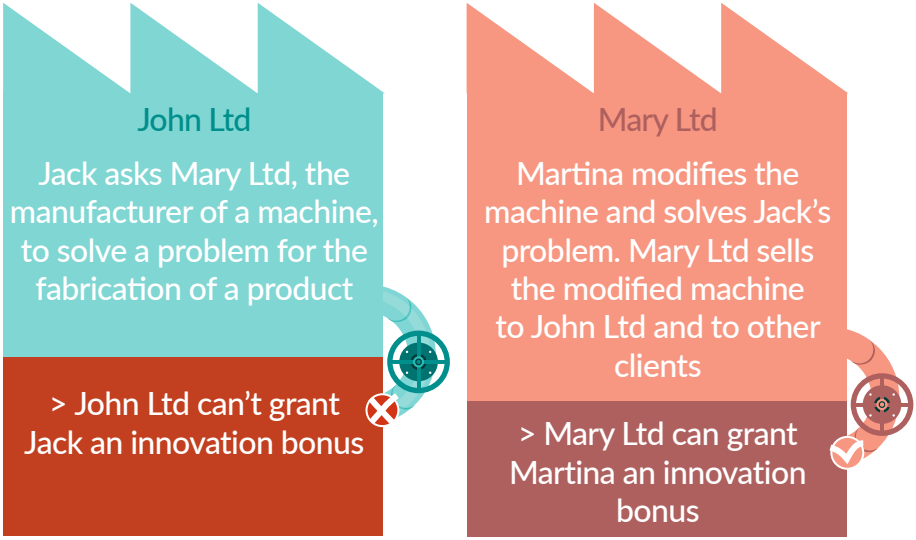


Illustration 3. Adaptation requested by a customer

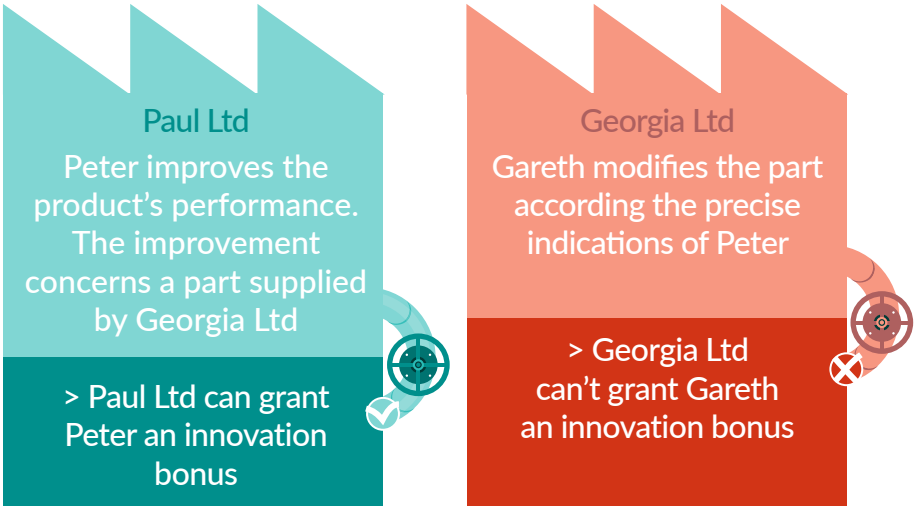
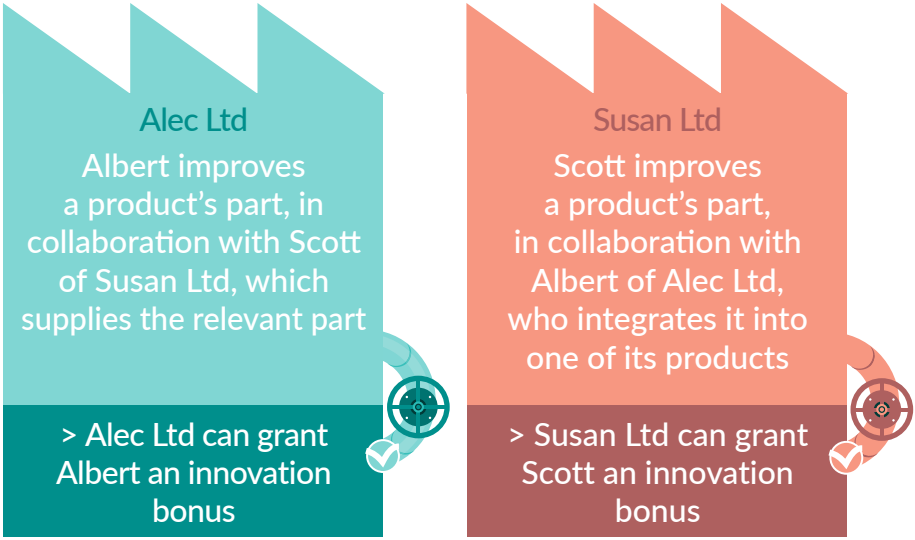


Illustration 4. Client-supplier cooperation



8.5. Which added value?

The added value relates to the normal activities of the company and is of all kinds:

- technical,
- economics,
- productivity,
- organization,
- environment,
- well-being at work,
- social contribution,
- etc.

9. Under which conditions?

The bonus doesn't replace the wages or other forms of remuneration in any way.

It is only granted to employees who have been recruited under an employment contract.

Thresholds can't be exceeded in terms of number of rewarded employees and bonus amounts. They are calculated on the basis of the calendar year to which the bonus relates. This therefore requires a little caution. This is described in following points.

If you have any questions concerning these conditions and the payment of bonuses, contact the NSSO at the following address primesinnovation@onss.fgov.be.

9.1. Number of employees

Each calendar year, an employer can reward the bonus to a maximum of 10 % of its employees.

However, in companies with less than 30 employees, the maximum amount is 3 persons.

In case this number is exceeded, the NSSO will refuse to apply the measure to all the employer's bonuses for the calendar year in question.

9.2. Number of employees per project

An employer can reward the bonus to a maximum of 10 employees for the same innovation project.

In case this number is exceeded, the NSSO will refuse to apply the measure to all the bonuses related to the project in question.

9.3. Amount per employer

The total amount of bonuses paid by an employer may not exceed 1 % of the annual gross payroll of the employer, calculated on the basis of the same calendar year.

This payroll is all remuneration, regardless of the form, on which ordinary social security contributions are due.

In case this amount is exceeded, the NSSO will refuse to apply the measure to all the employer's bonuses for the year in question.

9.4. Number of bonuses per employee

An employee can receive several bonuses. However, during a calendar year, the total amount of received bonuses can't exceed the maximum amount per employee per year.

9.5. Amount per employee per year

The total amount of the bonuses received by the same employee during one calendar year may not exceed his gross monthly salary.

In case this amount is exceeded, the NSSO will refuse to apply the measure to all the worker's bonuses for the year in question.

9.6. Examples

Table 2. Examples of thresholds

	Example 1	Example 2	Example 3
Number of employees in the enterprise	51	23	2,000
Gross payroll of the enterprise	1,500,000 euros	640,000 euros	60,000,000 euros
Maximum number of employees	5	3	200
Maximum number of employees per project	5	3	10
Maximum amount per employee	Gross monthly salary	Gross monthly salary	Gross monthly salary
Maximum amount per employer	15,000 euros	6,400 euros	600,000 euros

10. How to get the exemption?

The procedure consists of three phases of information to:

1. the employees;
2. the FPS Economy;
3. the National Social Security Office (NSSO).

Those 3 phases are presented in the following chapters.

10.1. How to inform the employees?

10.1.1. What does the employer communicate initially?

The employer informs his employees about the criteria and internal allocation procedure(s) for innovation bonuses.

10.1.2. What to communicate about innovation projects?

Whenever an innovation project is rewarded, the employer informs his employees that a bonus is granted for this project.

10.1.3. What means should be used?

The employer is free to use whatever means he considers the most appropriate to inform his employees, such as notice boards, intranet, company magazine, electronic or paper newsletter.

10.2. How is the communication with the FPS Economy carried out?

10.2.1. Who initiates the communication?

The employer communicates the information concerning the innovation to the FPS Economy.

10.2.2. By what means?

The employer communicates the information by means of a structured and user-friendly form, which can be downloaded from the website https://economie.fgov.be/fr/themes/entreprises/developper-et-gerer-une/soutien-et-primes/prime-dinnovation.

The employer should submit the application by email to primeinnovation@economie.fgov.be.

10.2.3. When?

The application must be submitted no later than 31 March of the year following the award of the bonus.

10.2.4. What is the role of the FPS Economy?

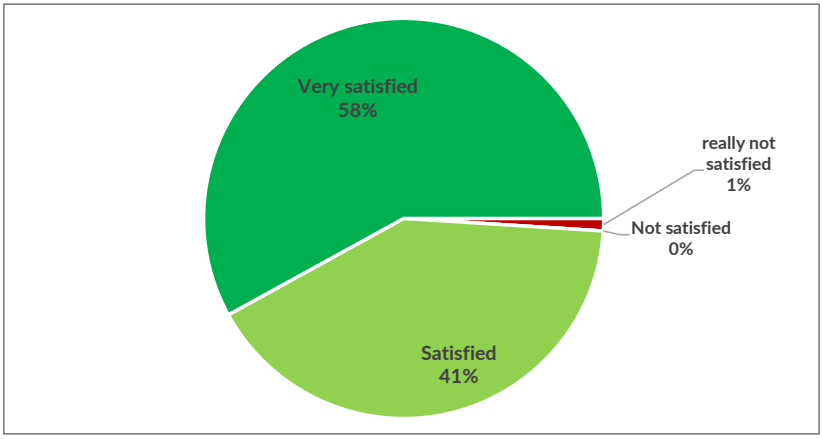
The FPS Economy analyses the validity of the application regarding aspects related to innovation. If necessary, additional information may be requested.

Within 2 weeks, the FPS communicates its assessment by e-mail, together with the file number to be used in any subsequent communication.

10.2.5. How do companies perceive communication with the FPS Economy?

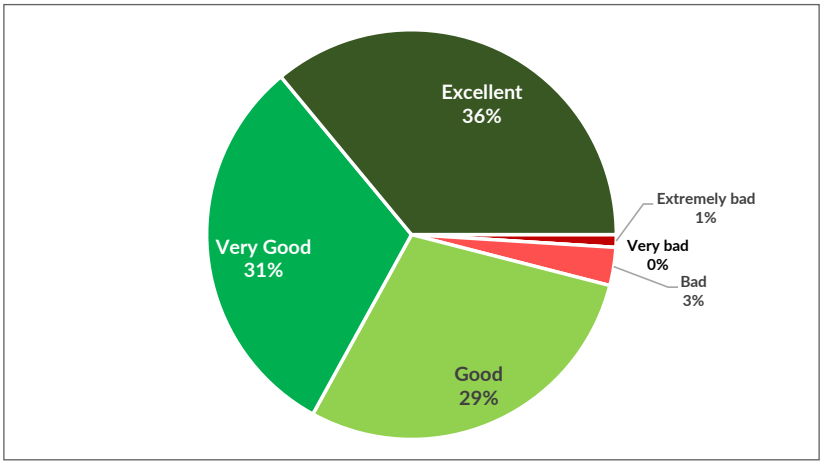
Enterprises using this measure are satisfied with the service provided by the FPS Economy, as shown by the results of the latest satisfaction survey.

Figure 4. Results of the satisfaction survey – Service of FPS Economy



Source: FPS Economy.

Figure 5. Results of the satisfaction survey – Response time of the FPS Economy



Source: FPS Economy.

10.3. How is the communication with the NSSO carried out?

10.3.1. Who initiates the communication?

The employer communicates the following information to the NSSO on his own initiative:

1. the name(s) and the identification number for the social security (INSS) of the beneficiary(ies) of this bonus;
2. the amount(s) of this bonus;
3. the FPS Economy file number.

10.3.2. By what means?

The communication is done by email at primesinnovation@onss.fgov.be.

10.3.3. When?

The communication has to be carried out within the month following the grant of the bonus.

10.3.4. What is the role of the NSSO?

The NSSO verifies that the legal thresholds are respected. These thresholds are determined by data specific to the company for the calendar year to which the bonus relates.

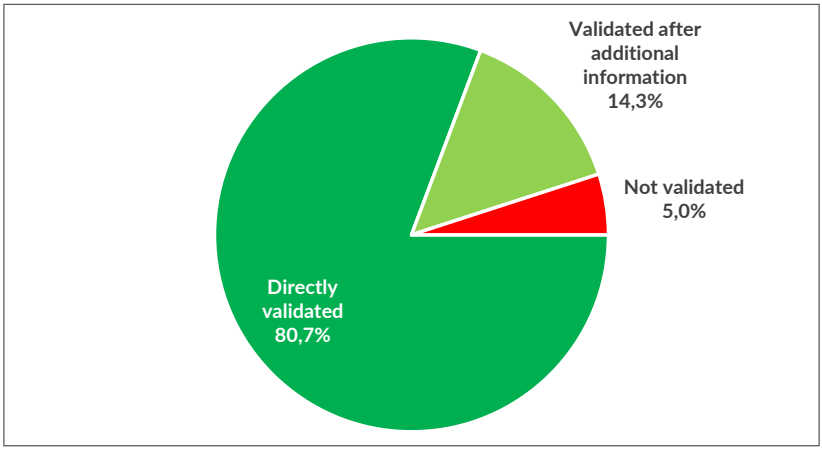
As soon as the NSSO has all the data relating to the calendar year, it calculates the thresholds and checks if they are respected.

11. What are the statistics?

Within the first 15 years (2006 to 2020), the FPS Economy has received more than 17,200 applications. These applications were submitted by 1374 companies. On average, 95 % of applications have been validated.

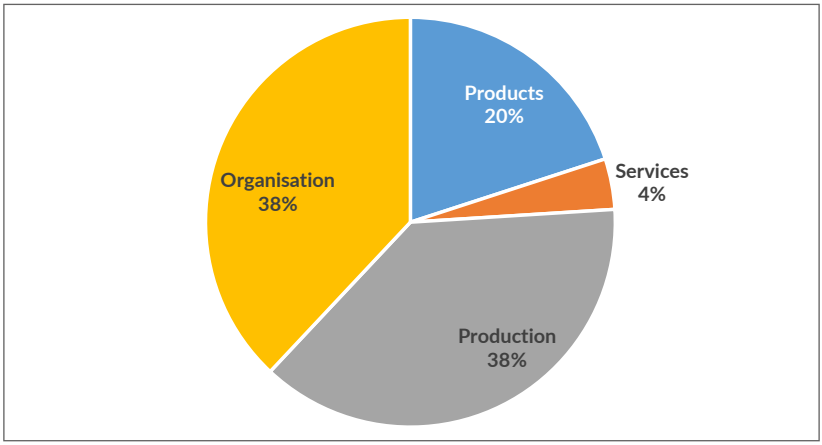
In 14 years (2006 to 2019), nearly 34,000 employees were rewarded with an innovation bonus with an average amount of about 1,850 euros.

Figure 6. Results of the evaluation of the FPS Economy



Source: FPS Economy.

Figure 7. Scope of validated innovation projects



Source: FPS Economy.

12. Useful addresses

Federal Public Service Economy, SMEs, Self-Employed and Energy
Directorate-General Quality and Safety
Division Quality and Innovation
Service Standardization and Competitiveness
North Gate, 2d floor
16, Boulevard du Roi Albert II
1000 Brussels
Phone: +32 2 277 80 20
+32 2 277 68 32
Email: primeinnovation@economie.fgov.be
Website: https://economie.fgov.be/fr/themes/entreprises/developper-et-gerer-une/soutien-et-primes/prime-dinnovation

National Social Security Office
Directorate Specific Applications
11, Place Victor Horta
1060 Brussels
Phone: 02 509 34 15
Email: primesinnovation@onss.fgov.be
Website: https://www.socialsecurity.be/employer/instructions/dmfa/fr/latest/instructions/salary/particularcases/innovation_advantages.html

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