**Re: changes to the income tax and social insurance contributions credit may result in a lower net salary**

Dear employee,

The Dutch government has made a decision, to come into effect on 01 January 2019, that may result in a slightly lower net salary in January than you are used to.

Everyone in paid employment in the Netherlands pays PAYE tax on his or her income. The government grants credit for part of that PAYE tax, the income tax and social insurance contributions credit. In almost all cases, the employer applies the income tax and social insurance contributions credit when calculating your salary. By applying the income tax and social insurance contributions credit, your net wage is higher than without the application of this credit.

The Dutch government has decided to change the rules with effect from 01 January 2019. As your employer, we are obliged to establish if you are a resident of the Netherlands or not on the basis of the rules. If you are not a resident of the Netherlands, we can no longer apply some of the income tax and social insurance contributions credit. This means your net salary may be slightly lower than you are used to.

Kind regards,

[employer’s name]