



Workforce facts for life sciences companies investing in Flanders

Employment Overview:

Committed Life Sciences Cluster

The Flemish life sciences sector is a major employer in the region. There are:

- Well over 20,000 people employed in life sciences
- 7,000 people employed in direct relationship with biotech business (dedicated biotech, biotech employees of mixed companies and specialist service providers)
- 6,100 researchers in life sciences at Flemish universities & research institutes

Recruitment

Biotech companies have a variety of options available for staffing an organization in Flanders. The Flemish Employment Agency (VDAB) and FlandersBio offer simple and free resources for meeting your recruitment needs.

- Flemish Employment Agency (VDAB): An official government agency offering an extensive job applicant database and candidate referral and training services
- FlandersBio: Specialized biotech job candidate database (<http://www.flandersbio.be/cv.asp>)
- Local Newspapers, executive search firms, and private agencies

Employment Contract

Written employment contracts are not required, but recommended. A contract must be in writing if employment is desired for a limited duration or specific project or if the employer wishes to insert certain clauses (e.g. non-competition clauses, trial periods).

- Classification: Employees are classified by law as blue-collar (manual laborers) or white-collar (clerical). This affects an employee's probation period, vacation, paid leave in case of work-related accidents or illnesses, methods and terms for termination, the possibility of including non-competition or arbitration clauses, notice periods, and indemnities in case of discharge
- Trial Period: Up to 14 days for blue collar workers and 12 months for white collar workers
- Employment at Will: Any employee can be laid-off any time without reason, as long as the appropriate notice period is observed



www.flandersbio.be



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- Notice Period: Depends on length of service and employment classification. For a manual worker with one year of service, the notice period is 14 to 35 days; for a clerical worker it is 1.5 to 3 months

Social Security

- Social security in Flanders provides much broader coverage than in the United States, for example. The policy covers health, dental, vision and disability benefits, child benefit, maternity allowance, vacation, and the right to unemployment and retirement benefits in the future. Key benefits include:
 - Unemployment: 60% of salary for up to 2 years
 - Retirement: 60% of gross annual wage (full pension at 45 years worked)
 - Health insurance: 75% of costs covered
 - Sickness: Employer pays one month, wage insurance covered for 1 year at 60%
- Belgium's social security system is based on the insurance principle: both employers and employees pay into the system.
 - Employees pay a contribution of 13% on their annual gross wage.
 - Employers pay 41% for manual workers and 35% for clerical workers

Cost of Labor

- The qualifications of the labor force and its productivity in relation to its costs remain one of the most competitive features of Flanders:
 - According to the 2004 World Competitiveness Yearbook, Belgium ranks 8th in the world in GDP per person employed per hour
- The main components of labor cost are the gross wage or salary and the employer's social security contributions
- The joint industrial committee of each particular sector usually fixes minimum wages for specific occupations. Most dedicated biotech companies fall under 'paritair' committee n° 207, some service providers fall under committee 218.
- Most companies pay their employees a 13th month and a vacation bonus, resulting in a gross annual salary of 13.85 times the monthly wage
- FlandersBio (the organization representing the cluster of Flemish life sciences companies) runs a salary survey every two years and can offer some insight into the salary ranges in the life sciences industry.

It is common in life sciences companies for employees to receive in addition to their salary:

- Meal vouchers
- Hospitalization insurance

Remuneration packages at the executive level sometimes involve

- Group insurance
- Company car

Labor Environment

- Working hours = 37.5 hours / week
- Bank holidays = 10 days
- Vacation days = 20 days minimum

Expatriates

1. Reduction in personal income tax

Expatriates can apply for a special ruling, reducing their taxable personal income base by applying special deductions such as tax-free allowance up to €11,250 (€29,750 if the employer is a coordination or R&D center), moving and studying costs and tax equalizations. Expatriates are not taxable on income from outbound activities and are also allowed to opt out of the Belgian Social Security System for a period of five years.

2. Work Permit

- Foreign workers other than EU citizens must have a work permit to be legally employed in Belgium
- Applications can be made at the regional immigration authority, the VDAB
- The employee will receive a work permit type B, which is valid for a maximum of one year (for employment with one employer) and is renewable. The employer is responsible for obtaining and renewing the permit

Government initiatives to stimulate employment:

Reductions in social security contribution (Federal Government of Belgium)

1. Structural reduction in employer contributions

The employer's social security contribution (see above), is reduced for all individual employees by €400 per quarter.

2. Specific reduction plans/employment measures

a. Plus-one-two-three plan

Companies hiring an "additional" first, second or third employee receive reductions in quarterly social security payments of €1000 or €400 for a specific number of quarters.

b. Activa plan

For long-term job seekers – at least 12 months if younger than 45 years, or at least six months if older than 45 years – a reduction in social security contributions of €1000 or €400 can be obtained for a number of quarters.

c. Starter jobs

When hiring semi-skilled and unskilled people under 26 years, the employer receives a reduction in the overall social security contribution for each such employee of €1000 or €400.



Training incentives (Regional Government of Flanders)

1. Individual in-house training

To give job-seekers access to a job for which they are not fully qualified or skilled, a company can organize job-related or company-related training at the company's initiative at a greatly reduced cost if the job-seeker is hired for a full-time job after training.

During the training period (from six to 26 weeks) the company does not pay a wage or salary, but only a productivity premium to the VDAB (Flemish Employment Agency).

The job-seeker/trainee retains his benefits income during training, and the VDAB pays a premium to bring this up to normal wage/salary levels.

2. Training vouchers

To minimize the cost of qualified training at certified training institutes or organizations, a company can apply for training vouchers. A maximum of 200 vouchers of €30 each can be obtained per company. The company pays 50% of that value.