

Terms of employment and negotiation

Terms of employment are a set of agreements that apply to the work you are going to do. They include things like salary, working hours, and holidays. Before you start working, the agreements must be clear, written down, and signed by both parties.

Concepts explained

Primary terms of employment

Primary terms of employment are the matters you and your employer must almost always make clear agreements on. For instance, the salary you will earn or the number of hours you will work. When you start a new job in the Netherlands it can be a challenge to understand how your salary is calculated, how much tax you're paying and how to read your payslip. You can find more information in this document.

Gross- or Net salary

One of the most important things to understand about your Dutch salary is the difference between gross and net salary. Gross salary (bruto salaris) is the salary you get before tax and other costs (social security payments, contributions for your pension) are deducted. Net salary (netto salaris) is what remains after these deductions and what is deposited in your bank account each month. When the employer mentions salary (for example in the job vacancy or during the job interview), then this is about the gross salary, unless otherwise indicated. Be sure to check the net amount as there is quite a difference between the two values. Salaries vary between sectors, countries and even at the regional level within a country. Please note that salary is generally linked to the cost of living within a country or region.

Secondary terms of employment

The secondary terms of employment are the conditions that are additional to the primary terms of employment. Some examples of secondary terms of employment include: travel expenses, a lease car, a cell phone, holidays or a laptop.

Flexible secondary terms of employment

Your employer may also offer flexible secondary terms of employment. In this case, you can partly select your own terms of employment. For example, you could choose whether or not to take non-statutory holidays as leave days, or rather use these days to pay for a study programme or bicycle.

Dutch labour law legislation

For a number of employment conditions a minimum is prescribed by law. For example, you cannot earn less than the statutory minimum wage or get fewer holidays than the number required by law.

Collective Labour Agreement (CLA)

Is there a collective labour agreement (CAO) for the organisation or industry in which you work? If so, these usually contain agreements on terms of employment. A CLA often contains agreements on employment conditions and information about job profiles and salary scales. If a CLA applies to your organisation, the employer must mention this in the employment contract. This collective labour agreement is often sent to you electronically or can be found online. Employers must apply the collective labour agreement if:

- They have concluded it themselves (company CLA)
- They are members of an employers' organisation that has concluded one (sector CLA)
- There is a collective agreement for the sector that has been declared generally binding. The collective agreement will then automatically apply to all employers within that industry.

For specific questions about CLA provisions you can usually contact the Human Resources Department or contact the CLA parties, such as the trade union or trade association.

Temporary employment CLA

Temporary workers are usually not covered by the collective labour agreement of the company they work for. They are covered by their own temporary employment CLA.

What is negotiable?

Any additional agreements you make with your employer in the contract cannot go against the law or the applicable collective labour agreement. Positive deviations (in your favour) are allowed. Salary is one of the most frequently negotiated components. Often an employer assumes that you have the courage to negotiate.

Be creative! The terms of employment interview is about more than just negotiating your salary, think for instance about travel time and -expenses, vacation days, a computer or cell phone, opportunities for development and growth, pension arrangements, a long term contract and so on. You can negotiate about practically anything, figure out what is important to you and think about your employer as well during the interview to reach an agreement that satisfies both of you.

When do you start negotiating your salary?

Normally, you negotiate your salary and other conditions of employment when you receive an offer from the company. The organisation will then schedule an interview with you to discuss the terms of employment. Sometimes a contract is just sent to you, without scheduling an interview first. In that case, you can request an interview on your own initiative.

If you are asked about your salary expectations during the selection procedure, the interviewer usually wants to know whether your expectations are in line with those of the company. An organisation wants to avoid wasting both parties' time. However, you never know when you will be asked what you want to earn, so make sure you are prepared from the very first job interview!

Do's

- ✓ **Determine your lower and upper limits:** get clarity on your fixed charges, what do you need to earn to make ends meet and what is the minimum you need to live the way you want to? But also: starting from what amount of money do you feel underappreciated?

- ✓ **Do not just look at the salary!** What are your preferences for travel expenses, holidays, retirement scheme, parental leave, training, etc. Maybe your employer offers discounts on sports memberships or provides a free lunch every day.
- ✓ **Preparation:** make sure in advance that you know your worth on the job market. What does someone in a comparable job with your background earn? Compare vacancies, look at the salary scales in a Collective Labour Agreement (in Dutch CAO) and ask your network for advice.
- ✓ **Know your worth:** explicate your qualities and job experience and give an indication of what you still want to achieve. Make sure you know exactly what the job contents are and anticipate on this when you talk about your experience. Be aware of your own strength and value.
- ✓ **Determine your strategy:** who will make the first offer? And if you make the first move: what is your opening proposal? It is often nice if the employer makes an 'offer' first. You can then react to this and indicate that you think it is too low (and argue this on the basis of your preparation). For example, indicate that you had expected more, because you calculated a higher salary using online analysis. Or that your fellow students have entered at a higher salary. If the employer is keen to continue working with you, there is a good chance that the offer will be increased.
- ✓ **Aim high:** aim higher than what you hope for, so that you are also satisfied if you lose a little. But be realistic. A thumb rule is to bet 10-15% higher than your target amount. You can also indicate a range. If, for example, you want to earn at least 2.500, you can indicate that you are thinking of a salary between 2.600 and 2.800.
- ✓ **Be flexible:** keep in mind that you still have to work together after the salary negotiation. Make sure there is room in your offer as well. If you indicate that you really want to earn at least 2.750, but the employer is unwilling to offer more than 2.500, it will come across as a bit silly if you accept the offer anyway. Look for room in other conditions. Discuss the possibility of a training course, participation in conferences or the reimbursement of a professional journal, for example. Or stipulate that your salary will be discussed again after 6 months and how the amount can be measured then. Be prepared to compromise and know on what points you are willing to make concessions. This way, you will eventually reach an agreement that is positive for both parties.
- ✓ **Be prepared to say no:** if you enter the game of negotiations, you must finish it. Dare to say no if the terms of employment are beneath your lower limit.
- ✓ **Give yourself time:** do not feel rushed and give yourself time to think about the offer on the table. If necessary, indicate that you want to sleep on it. It is very common to take 1 or 2 days to think things over and possibly come up with a well-founded counteroffer.
- ✓ **Write down the agreements you make:** at the end of the interview, go over everything you discussed and make sure all the agreements you made are secured.
- ✓ **Practice:** practice the interview with someone you trust and who can take a critical approach. Prepare for all possible scenarios and think of the arguments you can use to convince the employer. Ask the other person to pay attention to your way of communicating: a negotiation will proceed best if you can be friendly and calm, yet business-like. A pitfall is to adopt an aggressive tone of voice/attitude, or to be too modest/submissive.

Don'ts

- × **Accept the first offer blindly:** employers are usually counting on negotiations and leave room for them.

- × **Be modest:** do not feel sorry if you ask for a higher salary, it is okay to get something suitable in return for your skills and experience. Realise that you and your employer are equals and it shows courage and autonomy if you stand up for yourself.
- × **Put all your cards on the table at once:** do not throw all your demands and wishes on the table right away, but build up to it. Chances are that the employer will not agree with all your wishes. If you cannot get one thing, ask for something else.
- × **Make empty promises:** Do not promise things you cannot keep later in order to obtain better employment conditions. It is annoying for you and the employer if you later turn out not to be suitable for the job you have accepted.
- × **Present your payslip too easily:** how much you earned in your previous job is not always relevant. Focus on your value in this new position. If you expect it to have positive effects on salary negotiations, you could give an indication of what you earned approximately in your previous job.
- × **Let emotions run high:** the purpose of negotiation is to reach a business agreement. So, try to keep emotions under control. If you feel that something is not acceptable, you may express this, but in a calm and professional manner.
- × **Start working the job before the negotiations are wrapped up:** this weakens your position for negotiations.
- × **Clumsy phrasing:** instead of asking for money, it is better to ask, 'is there a budget' or 'what is in return'.

The interview

It is of the utmost importance to take an objective position in order to make the interview succeed. Stay calm and confident, it is after all a business conversation. Maintain an active but relaxed attitude and try to avoid twitches. Eye contact is important, but make sure not to stare. It is essential to listen carefully and to ask questions when necessary. Don't give in too quickly but remain reasonable. At the end of the conversation, it is important to go over the arrangements that have been made, so that both parties have a clear idea of what they are agreeing to. Make sure you receive all the agreements on paper, before you seal the deal.

Results

At the end of the terms of employment interview both parties will be satisfied. You will feel appreciated and your employer will feel like he or she acquired an employee of great value. Well-executed negotiations will ensure a future-proof relation between the employer and employee. Good terms of employment create a solid foundation for growth.

Salary guides

Check these websites to find out what salary is normal within a certain sector, country, position or career level:

Dutch	International
http://www.loonwijzer.nl	Dutch Umbrella Company (Payroll & Contracting services)
https://www.nationaleberoepengids.nl/beroepen-per-salarisschaal	Payingit International (Payroll administration & Tax issues)
https://www.intermediar.nl/salariskompas	All About Expats (Payroll & Immigration services)
https://neuvoo.nl/salaris/	

Understanding your Dutch payslip

Got the job? Congratulations! In the Netherlands, employees receive a payslip (*loonstrook*) from their employer each time they are paid. The payment breakdown on Dutch payslips can be hard to interpret. Here is an overview of the main terms used:

Payslip top section: personal details

- *Periode* - the relevant time period (week or month)
- *Personeelsnummer* - employee number
- *Salaris / uurloon* - gross salary (pre-tax)
- *Bijz. tarief / heffingskorting (ja)* - tax rate (percentage) / general tax credit (yes)
- *Verzekerd voor WW, WvA, ZW, Zvw* - social security you are covered for / contribute to
- *Datum in dienst* - date you entered employment
- *Burgerservicenummer (BSN)* - your Dutch social security number
- *Functieomschrijving* - job description

Payslip middle section: salary breakdown

- *Omschrijving* - description
- *(Normale) gewerkte uren* - (Normal) hours worked
- *Salaris* - gross salary based on hours worked
- *Loonheffing* - the amount deducted as prepaid tax and as social security contributions
- *Sociale verzekeringen (SV)* - social security contributions
- *Reiskostenvergoeding* - refunds such as transport costs
- *Nettoloon* - net salary after tax, deductions and refunds. This amount appears at the bottom of your payslip and is the final amount that is deposited into your bank account.

Payslip bottom section: holiday hours

- *(Opgebouwd) vakantiegeld* - (accumulated) holiday leave (in hours)

Social premiums on your payslip

Your payslip may also state which social security premiums (*sociale verzekeringen*) you contribute to (and are covered by). Social security premiums can include:

- *AOW (Algemene Ouderdomswet) / OP-premie* - pension contribution
- *AP-premie* - disability pension
- *ANW (Algemene nabestaandenwet)* - widow benefit contribution
- *AWBZ* - special health care needs contribution
- *WAO (Wet op de arbeidsongeschiktheidsverzekering) / WIA (Wet werk en inkomen naar arbeidsvermogen)* - benefits for inability to work due to sickness
- *WW (Werkloosheidswet)* - unemployment benefit
- *ZW or Zvw (Zorgverzekeringswet)* - paid sick leave

Salary indicator for new careers

Below is an overview of entry-level salaries in the Netherlands. These amounts are based on the average starting salaries on Dutch high school and university graduates one and half years after they completed their studies.

Sector	Monthly salary in € (gross)
Visual arts	1.300
Art history/ archaeology	1.800
Physiotherapy	2.000

International business/ languages	2.050
Retail management/ small business	2.150
Industrial design	2.200
Accountancy	2.300
Management/ economics/ law	2.300
Artificial intelligence	2.400
Business economics	2.500
IT	2.700
Fiscal economics	3.000
Medicine	3.200
Dentistry	4.000

Source: [Gemiddeld Inkomen](#)

Salary indicator for advanced careers

If you are more advanced in your career, or you were recruited from abroad, most likely your salary is already higher. To get a specific indication of your salary in the Netherlands, make use of the [Salariskompas](#) (in Dutch). Besides providing a tailored salary guide, this site can also indicate the benefits, number of holidays and [working hours](#) (including overtime) that apply to your specific field and sector.

Minimum wage in the Netherlands

The legal minimum wage (*minimumloon*) in the Netherlands is based on age and is revised every six months in line with inflation. The minimum wage is based on a full-time employee working between 36 – 40 hours a week.

Minimum wage in euros from July 1st, 2021 (gross)

Age	Month	Week	Day
20 years	€1360,80	€314,05	€62,81
21 years and older	€1701,-	€392,55	€78,51

Minimum wage by hour, per week in euros from July 1st, 2021 (gross)

Hours	20 years	21 years and older
36	€8,73	€10,91
38	€8,27	€10,34
40	€7,86	€9,82

More information

Attend a workshop on salary negotiation or make an appointment with the Career Officer.