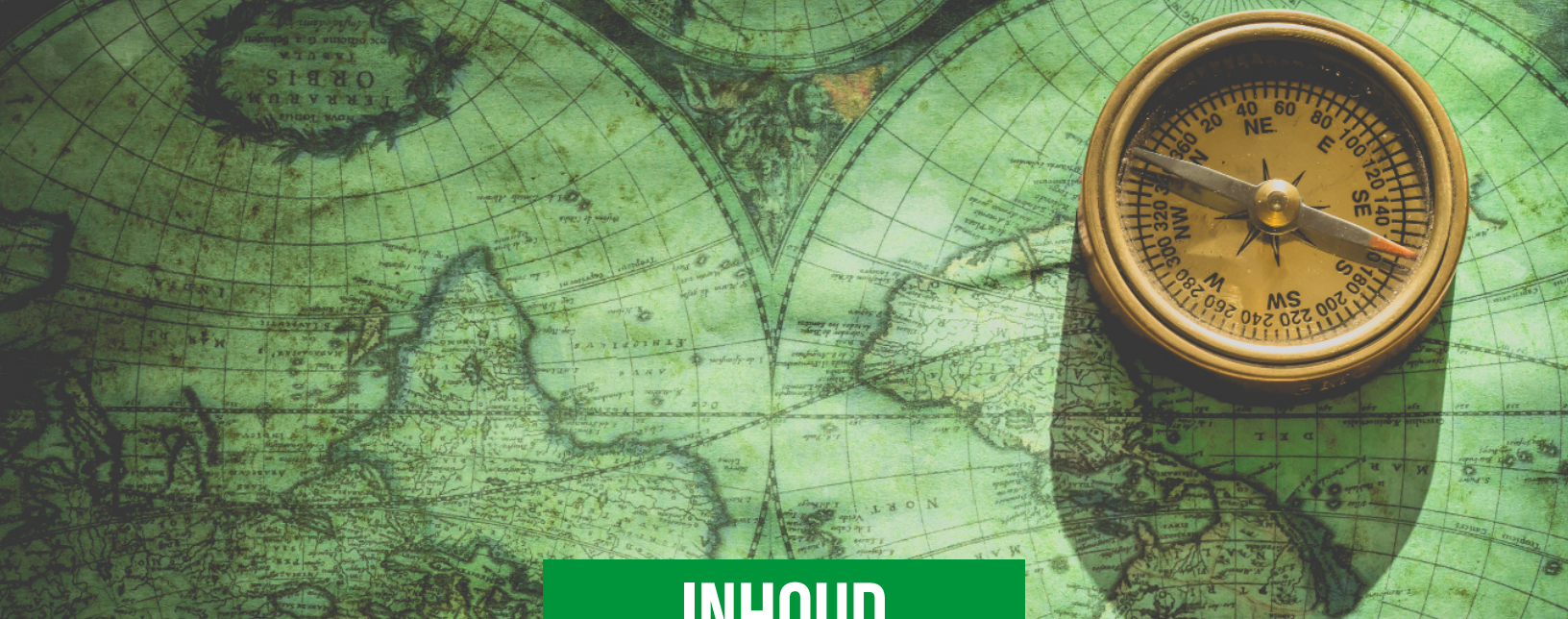


Your HR affairs: Do you manage them in-house or prefer to outsource your HR? When you already have a team, you might find yourself overwhelmed with the time-consuming administrative aspects related to your employees. This can distract you from your core business. If you are preparing to embark on the significant step of hiring your first employee(s), it's natural to feel uncertain about everything involved hiring staff. We fully comprehend your concerns!

E-BOOK

**EXPLORE THE WORLD
OF PAYROLLING**

PAYROLLING



INHOUD

Outsourcing your HR affairs through payroll services might be an excellent option for your company. Do you already know the ins and outs of payroll in the Netherlands, its benefits, the associated costs, and who is payroll actually a suitable solution for?

This e-book covers all these topics and more.

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01

UNDERSTANDING PAYROLL IN THE NETHERLANDS:

WHAT IS IT?

Are you considering outsourcing your HR affairs? Payroll services could be a viable option. When you enter into a collaboration with a payroll company like Mettom, you will encounter a payroll construction. You are responsible for finding the suitable employee for your company. However, from a legal perspective, this employee will be employed by the payroll company. You determine the salary of your employee and the employee exclusively works for your organization. Moreover, you maintain your role as supervisor, as the payroll company has no involvement in your managerial responsibilities.

Since the payroll company becomes the legal employer of your employees, the payroll company immediately takes care of all tasks related to HR affairs. The company handles employment contracts and payslips for your staff, manages salary payments, and assumes the risk in case of illness. When working with a payroll company, you essentially hand over all the administrative hassle.



How would an expert explain the concept of payroll?

Who could provide a more insightful perspective on ‘payrolling’ than an expert in payroll and HR? Irene Bots is precisely that expert, and she explains:

“Being an employer is a specialized field with numerous laws, regulations and risks.

As a new business owner, you have multiple responsibilities to handle.

Many things cannot be outsourced, especially in the early stages of your business, which adds to the challenge. However, in my opinion, this does not apply to HR affairs, an area that can be effectively outsourced.

That’s why I’ve noticed more and more entrepreneurs choosing to embrace payrolling: it allows them to hand over the entire burden of personnel administration and related tasks. With payrolling, the legal employer responsibilities are transferred to an external specialist, Mettom in our case. Nevertheless, your employees continue to work for you and you retain operational control.”

02

WHAT DOES A PAYROLL SERVICE COVER?

So, you recruit your own employee and from a legal standpoint they become an employee of the payroll company. When operating under this structure, the payroll company ensures that the following tasks related to personnel management are perfectly handled:

- Drafting employment contracts
- Processing monthly salary payments
- Arranging absenteeism insurance
- Establishing a pension scheme
- Applying for a wage tax number
- Handling payroll administration
- Steps related to the law around sickness (Wet Verbetering Poortwachter)
- Investigating mandatory collective labor agreement (CLA) obligations
- Creating settlement agreements
- Secondary employment conditions

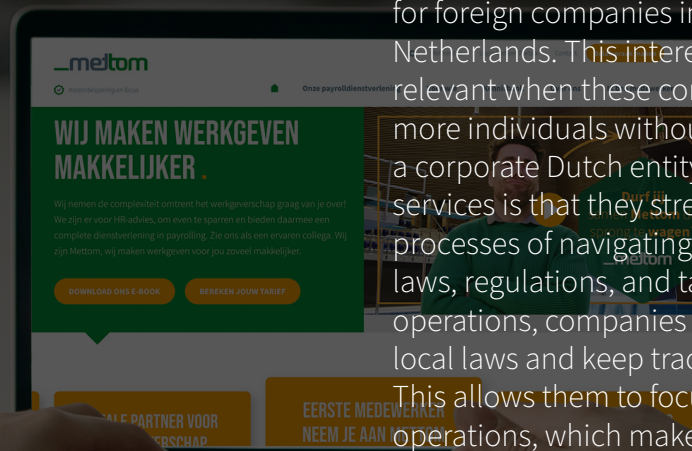
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WHO CAN BENEFIT FROM PAYROLL SERVICES?

Payrolling is beneficial for every entrepreneur who intends to hire their first employees or for those who already have a workforce. We firmly believe that, especially for companies with up to 20 employees, payrolling is the perfect solution to delegate their HR affairs. This is due to the convenience, minimized risk and financial benefits that can be obtained through a payroll structure. Since companies with around 20 FTE (Full-Time Equivalent) often do not have an HR employee on staff, payrolling is particularly appealing to companies with up to 20 employees.

When it comes to hiring your first employee, payrolling is the ultimate solution. After all, your primary goal as a entrepreneur is to focus on your passion and dealing with HR issues is not part of that. Moreover, as a startup business owner, you may have little expertise in HR affairs, while a payroll company specializes in this area. By entrusting your HR responsibilities to a payroll company, you can experience complete ease, as you no longer have to contemplate how to structure your personnel matters.

Payroll services can also be exceptionally interesting for foreign companies intending to operate in the Netherlands. This interest becomes particularly relevant when these companies aim to employ one or more individuals without the burden of establishing a corporate Dutch entity. The advantage of payroll services is that they streamline the often complex processes of navigating through Dutch employment laws, regulations, and taxes. By outsourcing these operations, companies can ensure compliance with local laws and keep track of changing labor laws. This allows them to focus on their core business operations, which makes it an appealing and practical option.



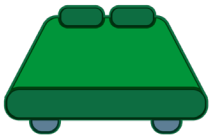
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WHAT ADVANTAGES DOES PAYROLL OFFER?

Hiring employees involves various complexities. Opting for a collaboration with a payroll company is choosing the perfect solution. Such a partnership (as we like to call it) offers a multitude of advantages, benefiting both the employer and the employee!

ADVANTAGES FOR YOU AS AN EMPLOYER

When collaborating with a payroll company, you can wave goodbye to the following responsibilities:



ABSENTEEISM MANAGEMENT: the payroll company assumes the obligations and risks associated with sickness and absenteeism. This shields you from high sick leave expenses. Moreover, the payroll company ensures compliance with the law that has to do with sickness (Wet Verbetering Poortwachter) and facilitates your employee's access to a occupational physician. This relieves you of these responsibilities, allowing you to redirect your attention to other important areas.



EVOLVING LEGAL LANDSCAPE: Labor laws and regulations are constantly changing. One notable example in the Netherlands is 'Wet Arbeidsmarkt in Balans', a law that was introduced in 2020. With their expertise as professional employers, payroll companies have an in-depth understanding of personnel-related legislation and regulations.



PENSION PROVISION: Establishing a pension scheme can be costly and administratively burdensome. Nevertheless, it represents a vital secondary employee benefit. It's a must to make arrangements for it as it is part of professional employer responsibilities. The payroll company takes care of enrolling your employees and handling pension contributions, sparing you from additional concerns.



ADMINISTRATIVE TASKS: The payroll company handles contract management, personnel and payroll administration, and registration with various authorities on your behalf. This significantly reduces your administrative workload. However, you still have access to your employees' records whenever needed.

Through payrolling, employers can delegate important tasks related to their role as employers. At the same time, collaborating with a payroll company also offers several advantages:



CONVENIENCE:

The payroll company handles all employer-related responsibilities on your behalf. As specialists in the field, they simplify the complexities of employer tasks. Managing employment becomes hassle-free!



FOCUS:

The payroll company helps you to maintain your focus on your core business. By entrusting them with payroll tasks, you can concentrate on what you do best as an entrepreneur.



COST SAVINGS:

Due to the scale of their operations and extensive automation of processes, payroll companies can help you achieve cost savings as an entrepreneur and employer.



HAPPY EMPLOYEES:

By partnering with a payroll company, your employees benefit from competitive primary and secondary employment terms. Moreover, the company ensures efficient and professional management, positioning you as a reputable and employee-focused employer.

“BY OUTSOURCING YOUR HUMAN RESOURCES, YOU KNOW EXACTLY HOW MUCH YOU ARE SPENDING ON YOUR STAFF PER MONTH.”

Our expert Irene tells us more about the advantages: “By entrusting the payroll company, employers can offload the burden of managing sick leave risks, stay informed about evolving labor laws and streamline administrative tasks. Naturally, each industry faces its own challenges. In the business services sector, many entrepreneurs choose Mettom because it allows them to offer a pension plan to their employees without incurring exorbitant advisory expenses. Additionally, the ability to offer secondary employment benefits, such as educational opportunities, plays a significant role.

By outsourcing your HR affairs, you gain clarity on your monthly personnel costs and at the same time you reduce administrative complexities. This empowers you to concentrate on your core product or service. Naturally, engaging a payroll company comes with associated costs, but you’ll be amazed to find that payroll is more cost-efficient compared to handling everything yourself. Essentially, a payroll company eliminates the need for multiple external entities, such as accountants, insurers, payroll processors and pension providers. As a result, you only receive one invoice for their comprehensive service. Furthermore, a payroll company benefits from economies of scale due to its large workforce.”



ADVANTAGES FOR YOUR EMPLOYEE(S)

For your employee, there won't be significant changes through the partnership with a payroll company. Even though the payroll company handles the employment contract, pay slips and the administration, they operate mostly behind the scenes. Nevertheless, your employee still benefits from various advantages. These advantages may not be easily achievable if you were to hire employee yourself.



PENSION PLAN: With a payroll structure, the payroll company takes responsibility for an effective pension plan for your employee. This aspect is taken care of right away.



SMOOTH PAYROLL MANAGEMENT: Your employee will always receive their salary on time, along with accurate pay slips or annual statements. The payroll company manages these responsibilities on your behalf.



GUIDANCE DURING ILLNESS: When your employee becomes ill, the payroll company provides expert guidance, which is essential. Our goals, as well as yours and your employee's, is to facilitate your employee's swift recovery and return to work. The payroll company maintains regular contact with your employee throughout their sickness and, if necessary, guides him through the process of long-term illness, possibly involving an occupational physician.



SUPPLEMENTARY INSURANCE FOR DISABILITY: If your employee becomes permanently disabled, the payroll company offers additional coverage to partially compensate for an income reduction. This helps mitigate the impact of reduced earnings during prolonged incapacity.



LEARNING AND DEVELOPMENT OPPORTUNITIES: Most payroll companies provide training and development opportunities for your workforce. Often, this comes in the form of an online training portal with a wide range of courses. This means you no longer need to individually purchase training programs for your employees.



COLLECTIVE EMPLOYEE PERKS: Thanks to the extensive client base and substantial workforce, payroll companies often offer company-wide employee perks, such as discounted health insurance packages.



HR EXPERTISE: Does your employee have inquiries regarding HR matters, their employment contract or their salary statement? With their profound HR knowledge, payroll companies also act as a reliable source of information for your employees.

HOW MUCH DOES PAYROLL ACTUALLY COST?

It's challenging to estimate the costs of payroll services at other companies. Fortunately, we can provide you with the cost of payroll services at Mettom. Our payroll rates are likely lower than you might expect. We offer our services on a large scale, allowing us to benefit from economies of scale. Additionally, our highly automated processes contribute to keeping payroll costs low. Calculate your personalized payroll rate instantly using our [payroll calculator](#).

WHAT COMPONENTS MAKE UP THE PAYROLL COSTS?

When embarking on a partnership with a payroll company, you will be charged a consolidated fee that covers all your staffing expenses. Essentially, you don't have to worry about anything concerning HR affairs anymore. Naturally, we understand that you're curious about the structure of these payroll costs. You pay the gross salary of your employee combined with a predetermined factor. But what exactly is included in this? The payroll costs are structured as follows:

1. Gross hourly wage of your employee
2. All employer contributions
3. Provision for holiday allowance
4. Pension plan
5. Insurance for your staff (including absenteeism risk)
6. Guidance during illness
7. Other costs, such as training and perks for your employees
8. Administrative services

At Mettom, we often achieve cost savings for you by taking care of all the mentioned tasks (and more). The following shows the cost breakdown if you were to handle your HR internally, as well as the cost breakdown with Mettom's cost-saving approach.

IN-HOUSE LABOR COSTS

GROSS € SALARY



LABOR COSTS THROUGH METTOM

GROSS € SALARY

RATE METTOM



WHAT EXPENSES ARE COVERED BY THE PAYROLL RATE?

The payroll rate takes care of all you staff-related costs, including employer contributions, insurance, and pension. Within this rate, all additional costs are included. This means that you no longer need to allocate extra funds for aspects like leave, holiday pay, and insurance for absenteeism: they are all covered by Mettom's payroll rate. However, it is crucial to carefully review this when choosing among different payroll companies: at times, items such as holiday pay and leave may not be incorporated in the factor, creating the illusion of a lower payment amount. These costs will then be added later on.

In addition to the primary personnel affairs, the payroll rate often includes secondary employment benefits. There are no extra costs associated with these. With Mettom, for example, you can take advantage of several perks, including access to our training portal GoodHabit, discounts on outings through the Mettom Advantage Platform, and various collective discounts.

WHAT FACTORS CONTRIBUTE TO LOWER PAYROLL COSTS?

The costs of payrolling are likely lower than you may assume. Payroll service providers operate on a large scale, allowing them to take advantage of economies of scale. Additionally, handling employment matters is the specialty of a payroll company. They have implemented extensive automation in their processes, enabling them to keep payroll costs low and achieve significant cost savings in various areas. The perception that payrolling is expensive is truly a misconception. However, every situation is unique. At Mettom, we take the time to have individual discussions with each potential client to assess how we can meet their specific needs. Would you like to get an initial estimate of what payrolling with Mettom would cost for your company? Calculate it now!

[CALCULATE NOW](#)

FACTS AND MYTHS ABOUT PAYROLL SERVICES

Payrolling: In our view, an excellent method for hiring employees! Unfortunately, there are numerous myths circulating about payrolling. But rest assured, we are well aware that these misconceptions hold no truth! Let's go over the 10 most widespread misunderstandings together!



01. PAYROLLING IS TOO EXPENSIVE

The costs of payroll are probably lower than you think. With a payroll company employing a significant workforce, it can take advantage of economies of scale. The payroll rate covers all costs such as employer contributions, insurance and a pension plan.



03. EMPLOYEES ON THE PAYROLL ARE PAID A DIFFERENT WAGE

Payroll employees are entitled to the same employment conditions, including their salary. Therefore, payroll employees receive the same salary as the employees directly employed by the client.



02. PAYROLLING IS ONLY FOR LARGE ORGANIZATIONS

Payrolling is an ideal solution for entrepreneurs who are about to hire their first employee and for companies with a workforce ranging from 1 to approximately 20 employees. Providing peace of mind in personnel matters and minimizing the risk of illness are the primary motivations to opt for this service.



04. PAYROLLING IS ONLY FOR TEMPORARY EMPLOYMENT CONTRACTS

Most payroll companies offer both temporary contracts and permanent contracts. The greatest benefit can be obtained by transferring all employees (both temporary and permanent) to a payroll company. This way, you have outsourced your entire HR department.




05. PAYROLL ORGANIZATIONS DO NOT INCLUDE PENSION PROVISIONS FOR THEIR EMPLOYEES

A solid pension plan is essential if you want to be a good employer. Many small businesses opt for payroll services as it allows them to provide their employees with a pension plan right away, without the need to establish an expansive pension plan themselves. Through payroll, perhaps even more employees are able to build up their retirement savings!


06. PAYROLLING IS IDENTICAL TO TEMPORARY STAFFING

This is definitely not the case. In temporary staffing, the recruitment and selection of employees are handled by the staffing agency. Payroll companies do not perform these tasks. As a result, the cost of engaging a payroll company is much lower. The client is responsible for the recruitment of employees, while legally, these employees are employed by the payroll company.




07. WITH PAYROLL, THERE IS AN INCREASED RISK OF LOSING YOUR JOB

A payroll company can offer just as many temporary employment contracts as a 'regular' employer can. This minimal flexibility in contracts ensures that payroll employees cannot be suddenly left without a job.



08. PAYROLLING IS ONLY FOR ZERO-HOUR CONTRACTS, ON-CALL EMPLOYEES AND SEASONAL EMPLOYEES

The most significant risks when hiring employees are associated with those who have a fixed weekly workload and an indefinite contract. By also entrusting permanent employees to a payroll company, you eliminate all personnel-related risks.



09. PAYROLLING UNDERMINES THE PRINCIPLES OF BEING A GOOD EMPLOYER

A payroll company specializes in employment, while most small employers do not. By partnering with a payroll company, all personnel matters are simply better organized. This enables you to dedicate your time to coaching your employees and jointly focusing on your core activities.

10. BY OUTSOURCING HR, YOU LOSE THE CONNECTION WITH YOUR EMPLOYEES

In legal terms, the payroll company assumes the role of employer for the employees, but you continue to have operational control. You maintain leadership and supervision over their tasks. The payroll company takes care of all personnel administration tasks while staying in the background. As the manager, you maintain control in the workplace and have the opportunity to establish a bond with your employees.



07

WHAT TO CONSIDER WHEN CHOOSING A PAYROLL PARTNER?

You may have already made up your mind: teaming up with a payroll company is the right choice for you. There are numerous payroll companies in the Netherlands, but naturally, you want to make an informed decision about who to collaborate with. How do you choose the payroll partner that suits your business needs the most? And what aspects should you take into account?

RELIABILITY OF THE PAYROLL PARTNER

When choosing a payroll partner, it is important that you can fully trust this company. You want to collaborate with a professional and financially reliable partner. Therefore, ensure that you opt for a payroll provider with the right certification (NEN-4400). This certification proves that the payroll company is trustworthy and has well-organized operations. This way, you can avoid any unpleasant surprises. The website '[Stichting Normering Arbeid](#)' always provides an up-to-date list of certified companies. Make sure to check this website before making a decision. Additionally, it is recommended to check whether the payroll company has a special bank account (G-rekening). The funds deposited into this account can only be utilized for payments to the Tax Authority. This can provide protection for you as a business owner against liability issues. For reliability, it is therefore recommended to check if a payroll company has such a bank account, even if you do not intend to use it.

Since our establishment, Mettom has been committed to upholding the NEN 4400-1 certification. You can consult our certificates [here](#).

“ WE MAKE BEING AN EMPLOYER SO MUCH EASIER ”

PAYROLL RATES



In the realm of payroll, there are actually three distinct variations of conversion factors. This can create confusion because you might think you have an exceptionally low rate, only to discover that, for example, vacation days are not included in the rate. As mentioned, we distinguish three variants:

1. Variant where only actual worked hours are invoiced. In this variant, the conversion factor already includes costs for reserving vacation days.
2. In the second variant, the same principle applies as in the first variant, but the factor is calculated based on the gross salary, which includes reservations for vacation days and holiday pay. Consequently, this conversion factor is significantly lower, but the overall amount you pay remains unchanged.
3. Lastly, there is a variant where everything is included in the price except for the vacation reservation. In this variant, as an employer, you will receive the same invoice every month, regardless of whether your employee has taken vacation days or not.

It is not always immediately clear what is included in the payroll rate. Therefore, during your search for a payroll company, make sure to inquire about these details so that you understand how your invoices are composed.

ABSENTEEISM RISK

One of the primary reasons to choose payroll is to reduce your risks in case of illness. Many payroll companies implement a two-week waiting period for illness. During this period, the payroll organization still invoices for the employee that is absent. However, in case of long-term illness the risk lies entirely with the payroll company. By selecting a two-week waiting period, you enter into a

partnership focused on keeping employees actively working. A payroll company with zero waiting weeks typically charges higher rates, meaning you would be paying extra for an employee who remains illness-free for an entire year.

TERMS OF EMPLOYMENT



With the implementation of the labor legislation (WAB) in 2020, it is mandatory for payroll companies to at least comply with the employment conditions of the company where the employee actually works. Consequently, payroll employees are entitled to receive at least the equivalent (and frequently superior) employment benefits. It is important that your employees receive what they are entitled to, and through your collaboration with a payroll company, they do not experience any disadvantages.

Employing people is truly specialized work, and it is certainly not always easy to accurately map out all the conditions from a collective labor agreement (cao). By partnering with a payroll company, this responsibility is taken off your hands, allowing you to allocate more time to your core business activities.

CHOOSING THE RIGHT PAYROLL COMPANY



Once all the above aspects are in order, you can decide on which payroll partner is going to be your partner in crime as it comes to HR. Take the time to consider which organization is the right fit for you as a business owner. Choosing the appropriate payroll company requires careful consideration of multiple factors. If you don't have a good feeling about it, continue exploring other payroll companies.

HOW DOES METTOM HANDLE YOUR PERSONNEL MATTERS?

For us, payroll goes beyond simply handling your payroll administration. At Mettom, we offer a true partnership based on a fixed fee. We take on the legal responsibilities as an employer while your employees remain dedicated to you. Our services include well-crafted employment contracts and accurate salary statements that comply with legal standards, timely salary transfers, a pension provision for your staff, and expert support during periods of illness. This allows you to focus on your core strengths. Additionally, Mettom ensures employee satisfaction by providing excellent secondary employment benefits, such as training opportunities, collective discounts, and a supplementary insurance for disability. Together with Mettom, you become the best employer for your personnel.

WHAT METTOM REPRESENTS

- **GROWTH:** facilitating growth through educational opportunities, space for personal growth, knowledge-sharing sessions, and providing entrepreneurs with peace of mind. Our payroll solution enables entrepreneurs to concentrate on their core business and expand their enterprise.
- **EXPERTISE:** Mettom delves into your field of expertise and business, seeking a payroll solution that perfectly aligns with you and your company. We possess extensive knowledge of HR matters, collective labor agreements, and sickness absence. Moreover, we stay up to date with changing laws and regulations.
- **BEING A GOOD EMPLOYER IS KEY:** The workforce is the backbone of any organization. Ensuring favorable employment conditions is vital for both our clients and their employees. We take care of establishing a solid groundwork for employership.
- **DEDICATED PARTNERSHIP:** We thrive on maintaining close relationships and establishing personal connections with our clients. Rapid response and proactive engagement in personnel affairs are paramount to us. We are locally connected and forge genuine partnerships in our relationships..
- **RELIABLE:** We are a reliable and trustworthy partner, committed to stability and professionalism. Transparency is at the core of our operations. We offer open and honest services, aiming for long-term partnerships.

Interested in discovering how Mettom can assist you? We're eager to provide you with all the information about the possibilities! Don't hesitate to book a no-obligation [online meeting](#). By the way, we're also keen to meet you in person. Shall we count on you for the coffee? We'll bring a treat!

_mettom