Calculation example: what can signing straight away cost?

A worked example for an international employee in the Netherlands

A worked example with simplified assumptions, for expats, highly skilled migrants and other international employees. The amounts are an illustration, not a prediction of your outcome. Recalculate with your own figures.

Assumptions

To keep the example clear, we use a fictitious but realistic situation:

- Highly skilled migrant (*kennismigrant*) with a permanent contract, in service from 1 July 2024
- Gross monthly salary: €5,000
- Holiday allowance: 8% (monthly salary including holiday allowance: €5,000 × 1.08 = €5,400)
- The employer proposes a settlement agreement on 10 December 2026, with end date 31 December 2026
- Length of service on that end date: 2.5 years, so the employer's notice period is 1 month (article 7:672(2) Dutch Civil Code)
- A relocation bonus with a repayment clause; the employer wants to deduct €3,000 from the final pay
- Housing arranged through the employer, which must be vacated on the end date
- The 30% ruling (*30%-regeling*) applies
- The employee wants to keep the right to unemployment benefit (*WW-uitkering*)
- No illness, no collective agreement (*cao*) deviations

This example is simplified. In practice other factors can influence the outcome.

Step 1 – The transition payment (basis)

Transition payment = 2.5 × 1/3 × (€5,000 × 1.08) = 2.5 × €1,800 = **€4,500 gross** (article 7:673 Dutch Civil Code).

This amount is often the starting point of the employer's proposal. With a settlement agreement there is no automatic statutory right to it, but it is the usual minimum in the negotiation.

Scenario A – Signing straight away

The employer's proposal: a payment of €4,500 gross (the transition payment), end date 31 December 2026, garden leave, deduction of €3,000 relocation repayment, no additional payment, a broad final discharge (*finale kwijting*) and no reimbursement of legal costs. At first sight this looks correct. In reality several disadvantages arise.

1. End date too early: no salary and no WW for one month

The notice period of 1 month runs to the end of the month. Counted from signing on 10 December 2026, the earliest end date that respects the notice period is 31 January 2027. With an end date of 31 December 2026, UWV applies a fictitious notice period (*fictieve opzegtermijn*): you receive no WW for that month (article 19 Unemployment Insurance Act), and no salary either.

Indicative loss: 1 month of salary including holiday allowance = **€5,400 gross**.

On top of that, your search period of 3 months as a highly skilled migrant starts on the day your employment contract ends, so one month earlier.

2. No additional payment

Employers are often willing to pay more than the transition payment, especially if they want to finish quickly, avoid a procedure or their file is not watertight. If you sign straight away, that room is not used. Assumption in this example: **€5,000 gross**.

3. Repayment of relocation costs

The employer deducts €3,000 under the repayment clause. Because the employer took the initiative, a waiver is a reasonable request in the negotiation. Assumption in this example: **€3,000**.

4. Holiday days and holiday allowance

In practice we regularly see uncertainty about the remaining holiday days or an incorrect calculation of the holiday allowance. Assumption in this example: **€1,500 gross**.

5. Housing, pension and the final discharge

Housing through the employer ends one month earlier, pension accrual stops one month earlier, and a broad final discharge can mean that claims for bonus, shares or unpaid allowances can no longer be made. These are not calculated in the example, but can be significant.

Total Scenario A (indicative loss)

Item	Amount
End date too early (no salary, no WW)	€5,400
No additional payment	€5,000
Relocation repayment deducted	€3,000
Holiday days and holiday allowance	€1,500
Housing, pension, final discharge	not calculated
Total missed	**± €14,900**

Scenario B – Checked and negotiated first

After a legal review the following points are changed or renegotiated:

1. **End date 31 January 2027**, which respects the notice period: one month more salary, no period without WW. Advantage: €5,400. Your search period also starts one month later.
2. **Additional payment** on top of the transition payment: €5,000.
3. **Waiver of the relocation repayment:** €3,000.
4. **Correct final settlement** of holiday days and holiday allowance: €1,500.
5. **Housing** until the new end date, and one month more pension accrual (not calculated).
6. **A narrower final discharge**, with exceptions for specific rights (legal certainty, not expressed in money).
7. **Legal costs reimbursed by the employer.** For you: no costs for the advice in this example. This does not count in the total: without advice you would not have had these costs either.

Total Scenario B (indicative advantage)

Item	Amount
End date that respects the notice period	€5,400
Additional payment	€5,000
Relocation repayment waived	€3,000
Holiday days and holiday allowance	€1,500
Housing and pension	not calculated
Legal costs	reimbursed (not counted)
Total advantage	**± €14,900**

How to read the two scenarios

Scenario A and B describe the same difference from two sides: what you miss if you sign straight away, and what you can achieve if you have the agreement checked and negotiate first. The two totals are therefore the same. Do not add them up or subtract them from each other.

In this example the difference is about **€14,900 gross**, plus one month more before your search period starts. The transition payment also rises slightly with the later end date; that is not counted here. In your situation the difference can be more or less; recalculate it with your own figures.

What the example does not calculate

- **Tax and the 30% ruling.** The payment is taxed as wages from employment; the net amount depends on your total income. How the end date and the payment affect your 30% ruling depends on your situation: the ruling can continue if you start with a new employer within 3 months, and the application must be made within 4 months after you start there. Ask a tax adviser.
- **Leaving the Netherlands.** If you plan to leave, check with UWV before you leave whether you can keep receiving WW abroad.

Next step

Want to know what the difference is in your situation? Send us your agreement and we calculate it with your own figures.

The first consultation is free and without obligation. Your employer often pays the costs of further legal assistance.

Free review of your situation: +31 85 4016 014 · www.vanleeuwenbos.nl/en/settlement-agreement/free-settlement-agreement-check/

Disclaimer

This document is general information under Dutch law, last updated on 28 November 2026. It is not legal advice and no rights can be derived from it. Every situation is different; have your own situation assessed. For the consequences for your residence permit we advise on the points we can and refer you to an immigration lawyer where needed.