

Minimum Wage & Collective Bargaining in Belgium 205



Belgium Statutory Minimum Wage Monthly Min. Wage 2111.89€ Hourly Min.Wage 12.80€ 49.00% 45.00% MW as % of Gross MW as % of Median **Average Wage** Wage 0.70% Gender pay gap 96.00% Collective bargaining coverage Process of transposition: Transposed → Compare with other countries

Latest update on 05/05/2025

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Minimum wage system in Belgium

The minimum wage regime in Belgium is essentially a hybrid system, with a statutory minimum wage in the public sector and negotiated minimum wages in the private sector.

The national minimum wage – the so-called guaranteed average monthly minimum income (GAMMI) – is negotiated in the National Labour Council, the national crosssectoral joint committee in which the social partners are represented, but not the government. The GAMMI is based on collective agreement no. 43 of 1988, last updated in 2024 (CA 43/17). It is the average of all income from labour, from one employer, over a twelve-month period. This means that bonuses can make up for pay rates below the GAMMI. It applies to private sector employees over the age of 18 with an employment contract. In addition to the national/crosssectoral GAMMI, which applies to around 3 per cent of the workforce, there are sectoral minimum wages which are negotiated in the around 100 joint committees and 64 subcommittees for the various sectors and branches. These sectoral minimum wages are on average around 19 per cent higher than the GAMMI.

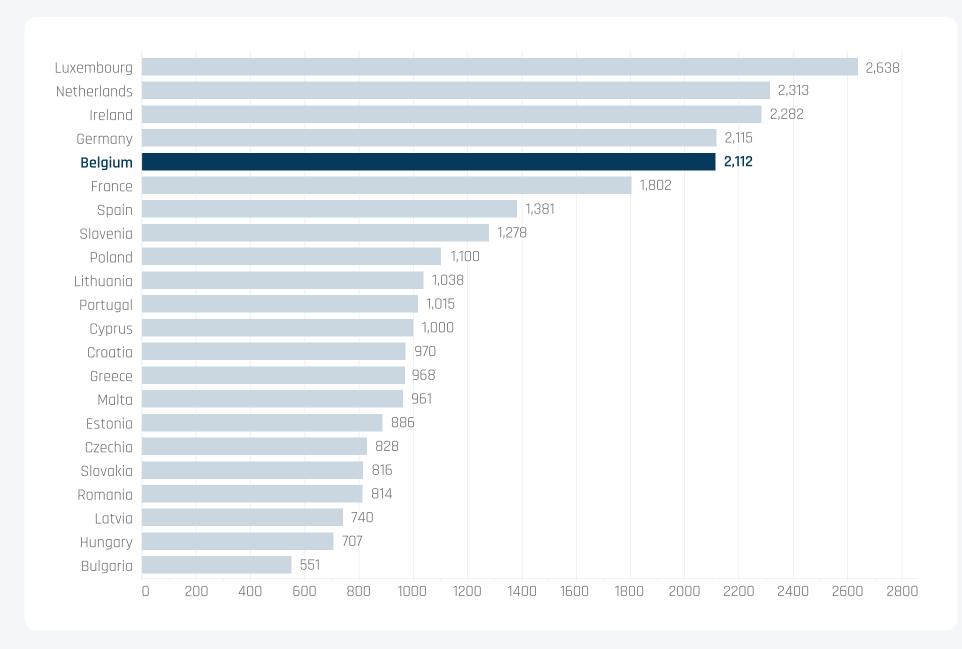
There are also a number of exceptions to the GAMMI:

- So-called 'flexi-jobs', which are secondary jobs for workers who are already working at least 4/5 full time under a regular contract, and are not subject to the sectoral wage floors.
- Workers without employee status, such as freelancers and platform workers, who do not meet at least three out of eight criteria characterising an employment relationship.
- Family members employed in a business managed by a parent, workers who usually work less than a month.
- Students for whom work is part of their training ('alternating learning'), and who do not have a labour contract.
- Workers in the 'starter-jobs' scheme for people over the age of 18 but under the age of 21 with little work experience.
- 'Neighbourhood jobs' is a scheme to enable re-entry into the labour market through small jobs in their neighbourhood for long-term unemployed workers.

Sub-minima exist for young workers, as stipulated by collective agreement no. 50 of 1991, which was last updated in 2021 (CA 50/4): 67 per cent of the GAMMI is paid at 16 years of age, 73 per cent at 17, 79 per cent at 18, 85 per cent at 19, and 90 per cent at 20 years of age. Since 2015, the full minimum wage has applied to regular workers from the age of 18. Previously, this was from the age of 21, as is still the case for students. The De Wever I government, which has been in office since February 2025, intends to extend student work and child labour to 650 hours and 12,000 euros (€) annually from the age of 15 onwards.



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Statutory Minimum Wage

Yes

Wage inequality (inter-decile Ratio P90/P10)

3.00

Gender Pay Gap

0.70%

Hourly Minimum Wage

12.80€/hour

Nominal Growth rate of Wages

3.80%

In-work poverty rate

4.30%

Monthly Minimum Wage

2111.89€/ month

Real Growth rate of wages

-0.50%

% of workers covered by minimum wage

0.90%

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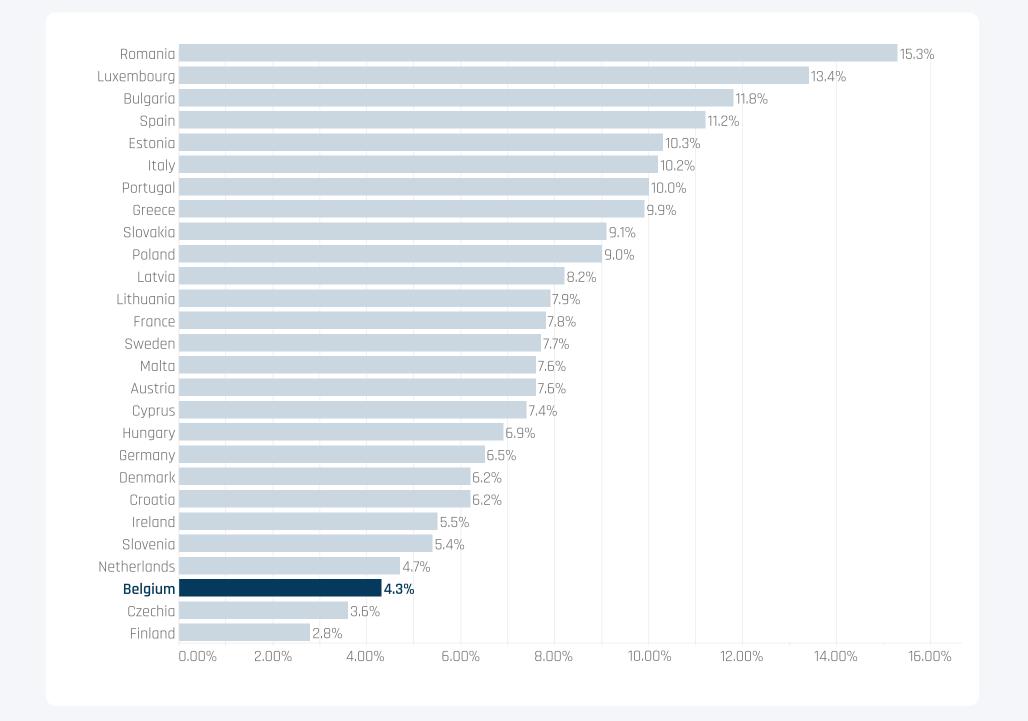
The current rate of the GAMMI as of 1 February 2025 is €2,111.89 per month, or €12.83 per hour for a 38-hour week, €12.50 per hour for a 39-hour week, and €12.18 per hour for a 40-hour week. For part-time workers, the national minimum wage is applied proportionally, according to collective agreement no. 35. Social security contributions and taxes on this income are almost entirely waived, so gross and net pay levels are nearly the same. The intention is to establish this as a principle, and to maintain the GAMMI at €500 above out-of-work benefits.

Within the EU, in 2025, Belgium's GAMMI ranks fifth behind Luxembourg, Ireland, the Netherlands and Germany. According to OECD data, the relative value of the GAMMI is 45 per cent of the average wage and 49 per cent of the median wage for full-time workers.

The GAMMI is adjusted to inflation through a 'pivot' mechanism: when the so-called 'smoothed health index' (a four-month average figure for inflation calculated without taking into account the price of alcohol, tobacco, petrol and diesel – the so-called 'pivot index') is exceeded, an increase in the GAMMI, usually of 2 per cent, is triggered one month later.

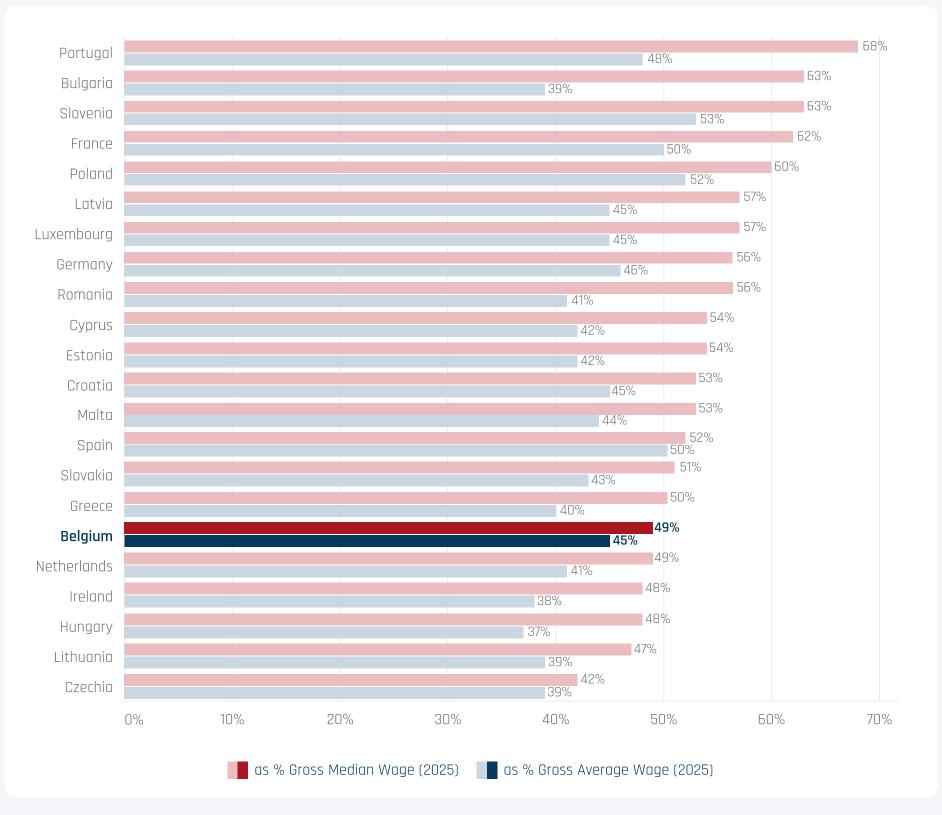
This last happened in May 2024 and February 2025. Note that strong inflation in 2022 led to no less than six 2 per cent adjustments of the GAMMI in one year.

In-work poverty rate (%) per Country



Minimum Wage as % of Gross Median and Gross Average Wage per Country

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Collective Bargaining system in Belgium

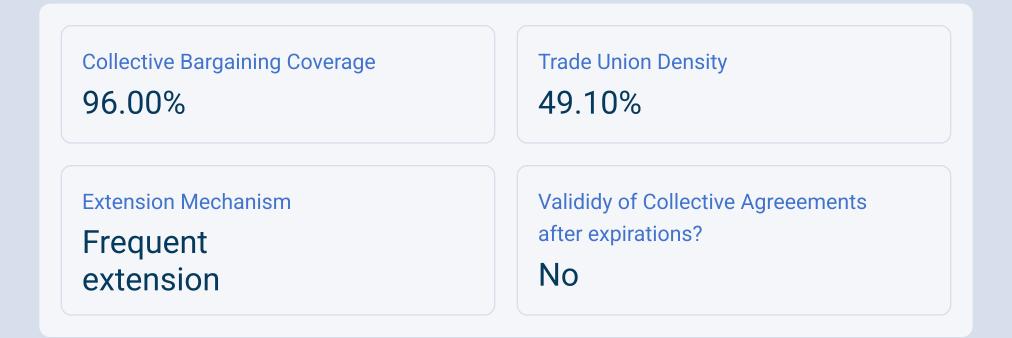
Collective bargaining regimes can be characterised in terms of the collective bargaining coverage rate, the dominant level of collective bargaining, the unionisation rate, the existence of a minimum wage and its differential from average effective and collectively agreed wages.

The collective bargaining regime in Belgium may be described as a strongly institutionalised partial Ghent system. It is also neo-corporatist, compatible with the Christian democratic welfare state based on universalism, subsidiarity and favourability. The Act of 5 December 1968 on collective agreements and joint committees lays out the organisation of collective bargaining in the private sector, taking these three principles into consideration.

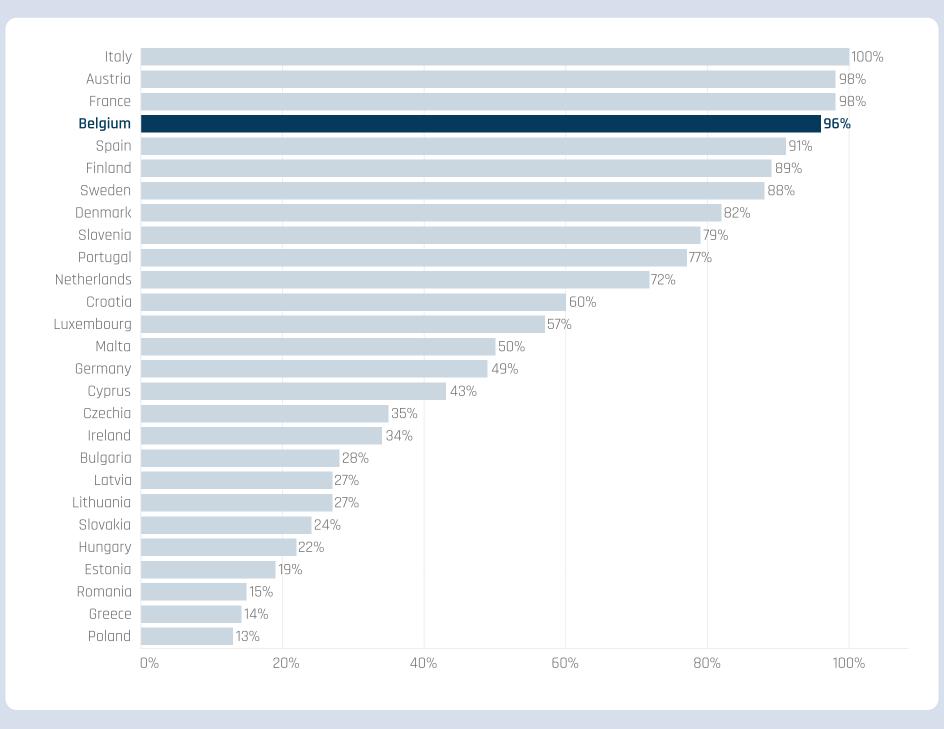
Subsidiarity refers to the delegation of decision-making to lower, decentralised bodies. For instance, the Act of 1968 allows cross-sectoral, sectoral, sub-sectoral and company-level collective agreements; collective bargaining that excludes certain groups of employees is also permitted in the private sector. Collective bargaining in the public sector is slightly different, as the unions have consultation rights, but not decisionmaking rights. Negotiations in the various committees (according to the level of governance and separately for education) lead to 'protocols', which can be taken into consideration when drafting the relevant legislation.

There are 100 joint committees and 64 joint sub-committees for sectors and branches. They cover blue- or white-collar workers separately, or together. Collective agreements nos 43 and 50 of the NLC, on which negotiated minimum wages are based, are examples of cross-sectoral, national agreements. In the broader field of social dialogue, social partners are further represented in many bipartite and tripartite bodies at the federal and regional level, including in the social security institutions. This demonstrates the cooperation between the state and civil society.

There are additional collective bargaining bodies within companies, and elections are held every four years. In principle, companylevel collective agreements must be signed by a sectoral trade union secretary. Companies with at least 50 employees are required to set up an occupational safety and health committee, and companies with at least 100 employees need a works council. In addition, collective agreement no. 5 of 1971 provides the framework for a union delegation within companies, if a union demands this. It includes some broad principles, such as provision of the 'necessary (paid) time and facilities', including an office, for union work and training, and the means necessary to inform and consult the employees. The union delegation has information rights with regard to labour relations and employment conditions, and is responsible for complaints and conflict resolution, as well as occupational safety and health in the absence of a committee. This national collective agreement was not extended to all sectors, and sectors may have specific agreements on the conditions for setting up a union delegation and provision of the requisite resources.



Collective Bargaining Coverage per Country (%)



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Collective Bargaining system in Belgium

Trade union representatives, as well as candidates in trade union elections are protected against dismissal because of their union work by collective agreement no. 5, if applicable, or by the Act of 19 March 1991 on the specific dismissal procedure for employee representatives. In both cases, the union can appeal the decision in the sectoral joint committee, and if there is no reconciliation, the labour court shall decide, with potential sanctions on the employer.

The Act of 1968 also defines the hierarchy of legal norms, among laws and collective agreements. The favourability principle means that each lower-order agreement needs to be compliant with higher-order legislation or improve the situation of the weaker party, namely the workers.

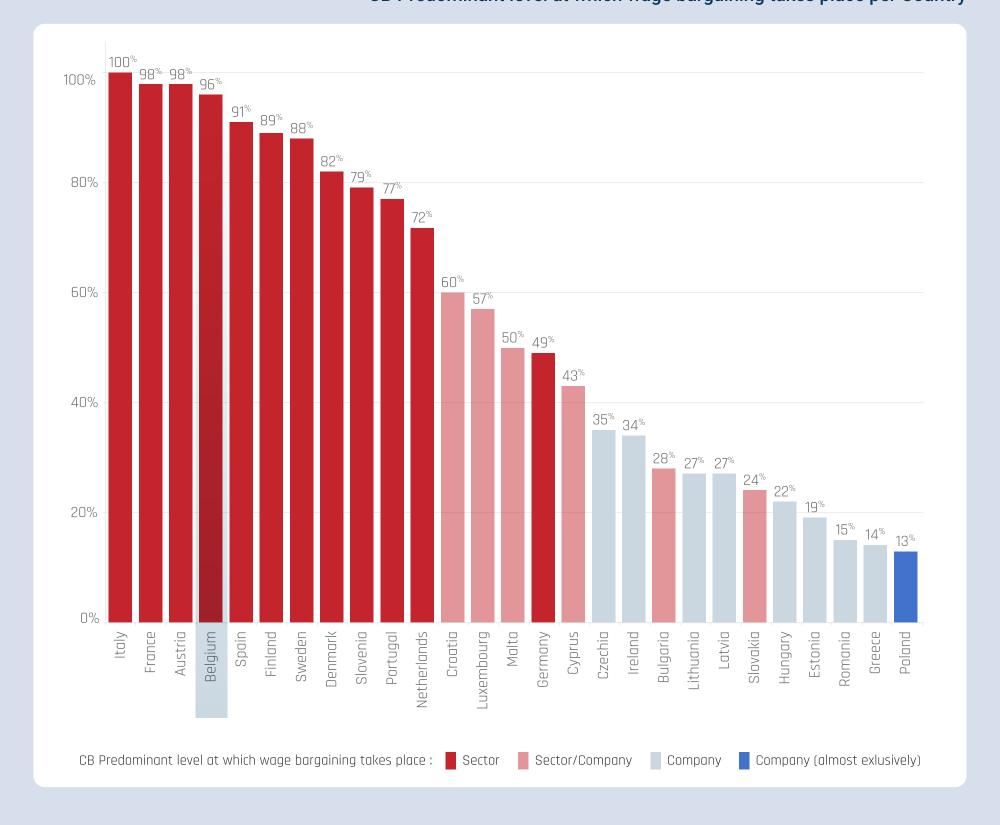
Finally, the Act of 1968 describes the procedure for extending the scope of collective agreements to non-signatory parties. This refers only to the form, not the content of the agreement (provided there is compliance with higher-order legislation). The main elements are the duration of the agreement (starting date and ending date, or open-ended, for instance in the case of wage schemes) and the categories of workers affected. Agreements can be amended if the signatory parties are the same, and prolonged if the content remains the same.

By law, collective agreements are no longer valid after their expiry; pay agreements are usually open-ended, however.

As a rule, extension is requested and approved. This is in line with the principle of universalism or equal treatment, and it is reflected in the high collective bargaining coverage. According to the latest OECD/AIAS data coverage stood at 96 per cent in 2019, as nearly all workers were covered by an active sectoral joint committee. Moreover, when sectoral bargaining is limited, there are usually fewer and larger companies in the sector, which have company-level agreements. A relatively high unionisation rate of 49.1 per cent, which ranks sixth in the OECD, behind Iceland, Denmark, Sweden, Finland and Norway, and a high employer organisation density rate of around 80 per cent further underline the wide reach of collective bargaining.

In recent years, following the Act of 26 July 1996 on the promotion of employment and the preventive preservation of competitiveness, a 'wage norm' was imposed, setting the margins for wage development in each negotiation period of two years, based on expected wage cost evolutions in the Netherlands, France and Germany. While difficult to enforce, this has strongly constrained the dynamics of sectoral bargaining. A revision of this Act in 2017 strengthened the norm even further, as the social partners cannot agree on a norm above the recommendation of the Central Economic Council (CEC), which since 2009 has never provided more than a 1.1 per cent real wage increase over two years and even 0 per cent for 2025–2026. Indexation, however, is guaranteed. All sectors have indexation clauses, but the frequency and mechanism of wage indexation varies: about half of the sectors follow the pivot mechanism as explained above; the other half adjusts wages according to the 'coefficient' mechanism, once or several times per year. The De Wever I government social partners have been asked to propose a revision of the wage norm by the end of 2026, along with the indexation mechanism.

CB Predominant level at which wage bargaining takes place per Country



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Transposition of the European Directive on Adequate Minimum Wages in the EU

minimum wages has a twofold aim: to promote national minimum wages and collective bargaining. If there is no collectively agreed minimum wage and the collective bargaining coverage rate is under 80 per cent the procedure for establishing and adjusting a statutory minimum wage is specified, and Member States are supposed to present an action plan to improve collective bargaining and increase the coverage rate. If the coverage rate is at least 80 per cent, there are no further requirements. This is the case in Belgium.

Nevertheless, <u>Belgium has opted for 'partial transposition'</u>, as the GAMMI does not cover the public sector. In particular, the <u>federal</u> and <u>regional governments</u> have renamed the lowest pay grades, excluded negative adjustments to deflation and added criteria for uprating the minimum wage in accordance with the recommendations of the directive.

In this respect, the Flemish government refers only to the target of 50 per cent of average wages, whereas the federal government leaves space for other targets to be taken into account when revising the minimum wage.

According to the ACV-CSC union the current public sector minimum wage in Belgium, as of February 2025, is €2,294.7 per month.

Regarding the use of public procurement to support collective bargaining, the Act on public procurement of 17 June 2016 required contractors to comply with all applicable laws, including collective agreements, and to enforce this on subcontractors (Ch. 2, Art. 7).

As the GAMMI is negotiated collectively and autonomously, without strong interference by the state, it is not subject to the stipulations of the minimum wage directive. This was explicitly stressed in three opinions presented by the social partners in the NLC. However, the (announcement of a) minimum wage directive may have inspired the social partners in two ways.

First, following a fourteen-year gap between the 2008 and 2022 upratings of the minimum wage, a series of three increases was planned and a 2028 increase was foreseen and has been supported by the government. Secondly, in the past the GAMMI was not monitored systematically, but in the 2023/2369 advisory document, the NLC demands more timely data on collectively agreed and effective wages.

Also, following the 2021 and 2023 agreements on the uprating of the GAMMI, a review was produced in 2025 (advisory document 2025/2440), comparing the evolution of the GAMMI with the minimum wage in Germany. According to this exercise, the gross minimum wage rose faster in Germany, by 33.5 per cent between 2021 and 2025 compared with 27.4 per cent in Belgium, or 29.9 per cent after the expected indexation. Similarly, net wages and wage costs increased more in Germany, and wage costs for minimum wage workers in Belgium are lower than in Germany.



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presenting information on Minimum Wage setting procedures and Collective Bargaining systems in all EU countries, as well as the progress in EU countries toward the transposition and the implementation of all the provisions of the Directive on adequate minimum wages in the EU (2022/2041).

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