

Compliance issues

International assignments involve a wide range of compliance issues. Organisations must consider the implications for relocating employees, accompanying family members and those that apply to remote/third country-based workers. Penalties for non-compliance can be severe.

TAXATION

Taxation compliance is required when organisations operate in foreign jurisdictions. Both the organisation itself and its workers will be subject to prevailing taxation legislation. The length of time spent in the host country and in the home country or another third country can affect employees' tax treatment and hence tracking of mobility should be in place.

Tax treaties typically address the potential for double taxation. These should be considered carefully as they may impact the length of assignment undertaken.

Employees must file tax returns in accordance with legislation. Employers may provide support to assist employees with this under their global mobility policies.

SOCIAL SECURITY

Every country will have rules that govern the requirement to pay into the local social security scheme. Rules will also govern reciprocal arrangements with other countries. These vary from country to country and can change over time. It is important to ensure that the correct contributions are made and so organisations must keep up-to-date with social security compliance.

PENSIONS

Assignees may be able to remain in their home country pension scheme. They might be required to join the local pension scheme. Home or host country pension scheme membership can depend upon a range of factors, including, for example, assignment length. Globally mobile employees may be eligible to join international pension plans.

IMMIGRATION: ENTRY & WORK VISAS

Immigration compliance is required for individuals when living and working in foreign jurisdictions. Organisations must ensure that employees have valid passports, entry documentation such as visas, and the required permits for work authorisation.

There may be strict rules governing the length of stay in the host location so this should be carefully monitored.

ACCOMPANYING FAMILY MEMBERS

Compliance issues must be thought through for any accompanying family members. Dual careers are a prime

example. Spouses may be able to work in the host country but they may require their own work visa to do so. Working rights may extend to accompanying partners but not all jurisdictions recognise non-married couples.

In some countries same sex partnerships are prohibited by law. Consideration must be given to issues affecting LGBT spouses/partners wishing to accompany assignees. Employers have a duty of care and cultural considerations as well as legislative issues should be understood and appropriate decisions taken.

EMPLOYMENT & HEALTH AND SAFETY

The employment law implications of the host country must be understood and compliance is required, for example, with any minimum wage or hours of work legislation. The location of the employment contract must be given due consideration. Local health and safety legislation must be adhered to.

REMOTE WORKERS

Assignees that are based remotely, for example in a third country, generate their own set of compliance issues. Organisations will need to consider, for example, the tax implications for both their organisations and the employees themselves.

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