

A woman with long dark hair, wearing glasses, a black leather jacket, and a tan turtleneck, is sitting at a wooden desk. She is looking down at a silver laptop in front of her, with her hands on the keyboard. The background is a blurred office setting with a window and curtains.

Cross-border flexible working

“The new normal”

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Building a better
working world

Introduction

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4. Employee experience
5. Q&A



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Cross-border flexible working (60 minutes)

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Case Study



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Flexible and Mobile working

Is your business and workforce equipped for the new norm?

Strategy

Talent

How could you use this new mobility to enrich your talent strategy?

Organisation

How can you address the PE risks of employees working from countries where no entity is registered?

Data

How could you track employees to assure payroll accuracy and facilitated reporting?

Programme

How could your suite of mobility policies be adapted so they are fit for purpose?

Technology

How could you encourage collaboration even more? What HR tools could you consider?

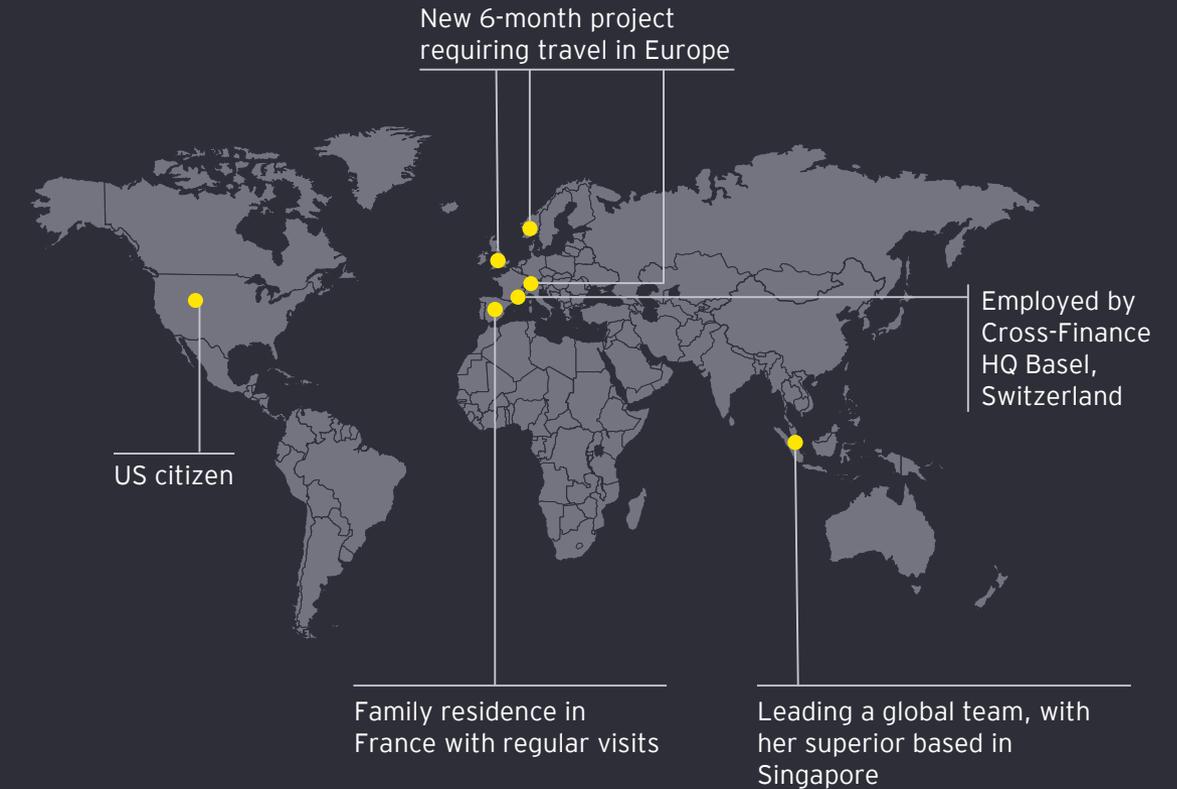
Performance

How can you drive culture and leadership behaviour that rewards the new way of working?

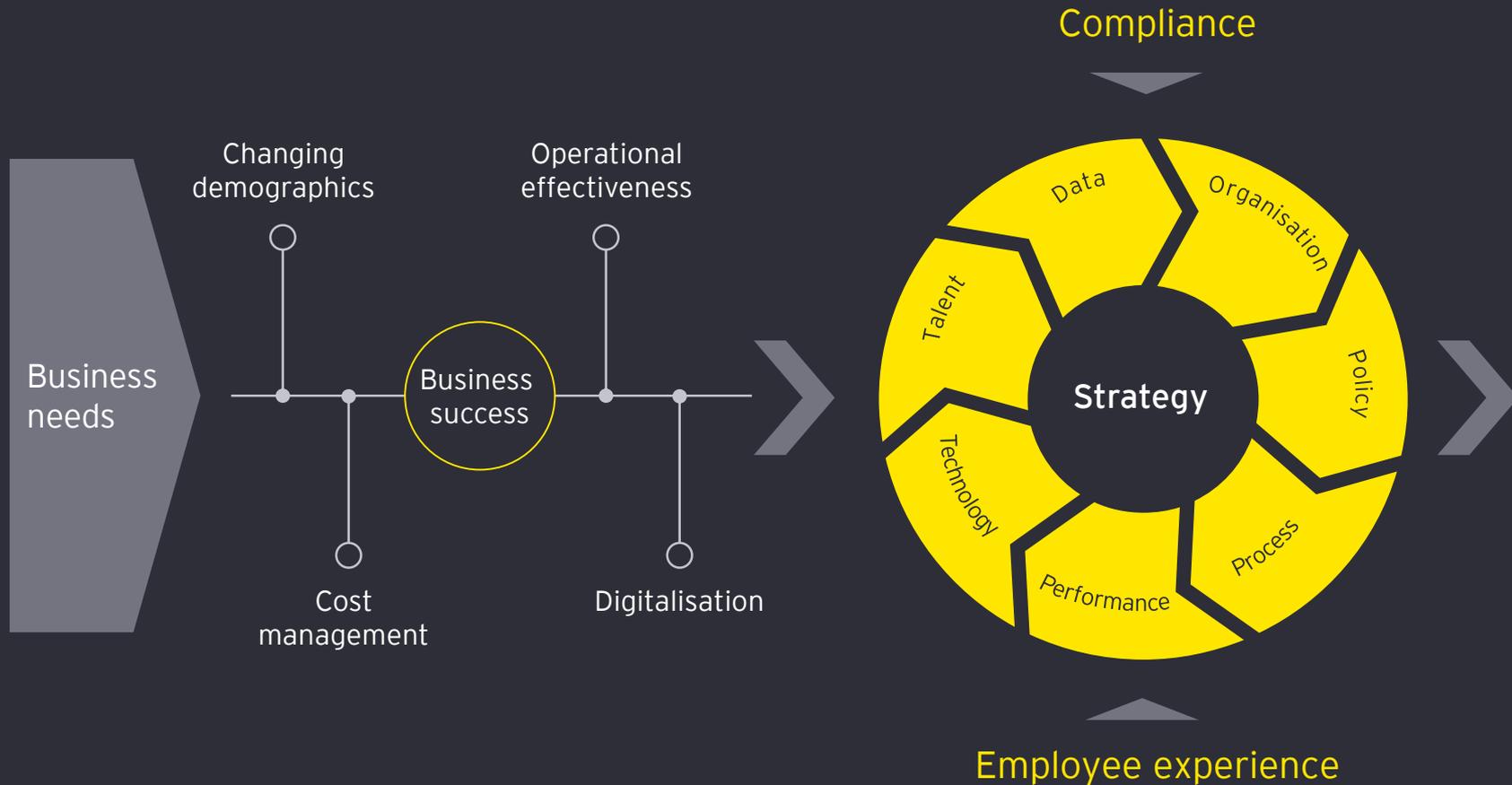
Process

How could you ensure best communication amongst teams while having an office – home-office mix every day?

Case study – Felicia



What does cross-border flexible working mean to you?



How do you balance business needs with compliance risks and striving for employer of choice?

- ▶ Do you allow flexibility?
- ▶ How do you ensure compliance?
- ▶ How do you measure employee experience?
- ▶ Is your program fit for future?

Compliance Considerations



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Felicia's story

- ▶ Felicia is employed by HQ of Cross - Finance Ltd in Basel Switzerland
- ▶ Her payroll and tax withholding is managed in Switzerland but what about her taxes in France?

Company aspects

- ▶ Is your payroll system and team's capabilities agile enough to implement tax and social security implications based on cross-border working?
- ▶ Which entity will bear any of the additional costs in view of cross-border reporting?
- ▶ To what extent should Felicia be responsible for the cross-border tax and/or social security burden and how will you ensure the impact is considered in her compensation package?

Individual aspects

- ▶ Does Felicia understand the implications to her personal tax situation when she is working from home in France?
- ▶ Is Felicia's remuneration below market level due to unexpected tax burden?
- ▶ Will Felicia agree to bear the additional tax burden that will arise as a result of traveling for her new project?

Considerations

- ▶ Determine the level of support, financially as well as compliance services, you will be providing to your individuals when taxes are due in various locations
- ▶ Create 'fit for purpose' activities by focusing on standardization of processes and facilitating tracking and monitoring of mobile employees
- ▶ Be aware of employer reporting requirements in and out of payroll and to local authorities
- ▶ Build an integrated model for your risk threshold management on all compliance aspects

Three key takeaways

1

Policy

Tax reporting requirements and how this correspond to your company's internal risk policies

2

Process

Payroll process and adjustments (actual and shadow)

3

**Data and
technology**

Cash flow implications for the corporate and for the individual

Social Security



Felicia's story

- ▶ Felicia usually spends 1 day per week working remotely from France where her family resides, however with her new project she is likely to spend a significant amount of days outside Switzerland

Company aspects

- ▶ Do you know the applicable social security scheme that applies to all your employees?
- ▶ How do you assure social security compliance for mobile employees?
- ▶ Have you implemented processes to adequately assess social security risks in view of remote working?
- ▶ Do you know where your employees work when they are not at the office?
- ▶ How to avoid company exposure in view of social security compliance?

Individual aspects

- ▶ Does Felicia understand the implications to her social security liability due to working from home in France?
- ▶ Has Felicia clarified what are the implications on her pension?
- ▶ What about Felicia's health insurance? Is she and her family covered in France or in Switzerland or both?

Considerations

- ▶ Ensure that you track your mobile workforce effectively to be aware of work patterns
- ▶ Stay fully updated with social security reporting requirements in each jurisdiction for which your employees are required to travel to for business to define whether there is a reporting requirement or exemption possible
- ▶ Communicate with your employees, informing them of the affiliation to the social security system and the risks associated in case of remote working across borders (i.e., No more than 25% of remote working in their country of residence for EU nationals)

Three key takeaways

1

Data

Track your mobile workforce effectively

2

Policy and process

Employees should be aware of the risks of increased home office days and impact of their business travels on their social security position

3

Organisation

Be aware of change in social security liability in view of days spent working from home in their country of residence

Immigration



Felicia's story

- ▶ As a US National, living in France and working in Switzerland, Felicia has had to request a number of permits
- ▶ Although she has a Swiss work permit and a residence permit in France, she will need to clarify if any other visa or notification will be required for the countries she plans to go for business trips. As a US Citizen (non-EU), this may increase complexity.

Company aspects

- ▶ How do you ensure that immigration and labor law metrics are met in each country where Felicia travels?
- ▶ Do you know where your employees are at any given time? Who is responsible for this data? How is this data being stored and tracked? How is this information being exchanged internally and with third parties?
- ▶ Do you have technology, processes and policies in place to tackle the immigration questions and benefit from the authorities' automated registration process, e.g. for posted worker initiative?

Individual aspects

- ▶ Felicia needs to ensure that she has the required visas/permits to travel so that she is not stopped at the border
- ▶ Holding a residence permit normally requires you to spend a considerable time in that country. Does her residence permit have other restrictions?
- ▶ Her project requires frequent trips to Germany, Sweden and the UK. Does she require a visa? How many days can she spend there? Is she just doing 'business meetings' or does she require a work permit or notification?

Considerations

- ▶ Constantly update processes in view of immigration legislative changes
- ▶ Track and evaluate your workforce travel patterns and align with business needs
- ▶ Involve all relevant stakeholders from the beginning and consider variables such as delayed processing to ensure that employees can travel when required

Three key takeaways

1

Organisation

Each country has its own immigration and Posted Workers rules and requirements

2

Process

Clarify immigration requirements early prior to travel

3

Data and technology

Tracking and assessing business trips



Felicia's story

- ▶ Felicia is working from home in France a number of days per month
- ▶ Cross - Finance does not have an entity in France where Felicia works from home
- ▶ She reports into several projects within Europe

Company aspects

- ▶ Are you evaluating PE on a per trip basis or on a per project basis?
- ▶ How are you educating your business and other stakeholders on compliance risks to reduce exposure? Are they your 'eyes and ears' or do they bring global mobility or other department into each conversation?
- ▶ Do you have a process in place to determine PE exposure and how to mitigate the risks?
- ▶ Who are the stakeholders in your company and decision makers?

Individual aspects

- ▶ Felicia usually works one day a week from home and the other days in Switzerland where she is contracted
- ▶ Due to her new project she is often reporting to her superiors in Germany, the UK and Sweden. In Addition, her direct reporting superior is located in Singapore

Considerations

- ▶ The definition of a permanent establishment (PE) differs from country to country and is based on the countries' domestic tax law, court decisions and the respective double tax treaty
- ▶ Whether or not a PE is created generally depends on level of business activities in another jurisdiction as well as the level of permanence of the business taking place in that country

Three key takeaways

1

Organisation

Do you have one or more individuals working in the same location?

2

Data

How do you track your cross-border employees?

3

Policy

Would PE help you mitigate your compliance risk overall when taking into account all variable aspects (volume of individuals, their role and duties)

Employee experience



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Culture and leadership



Felicia's story

- ▶ Felicia is both a leader of a team as well as member of global team. She and her team, are often working at home or abroad, in various locations around the world.
- ▶ Felicia tries to engage with her team at least once a week to ensure that she is connected with her team.

Company aspects

- ▶ Is there alignment across the company – global, regional, local, team as to the overall approach to flexible working and how it fits with the overall company purpose and culture?
- ▶ How are relevant Policies (performance management, recognition, working hours/time reporting, access to IT equipment/infrastructure, etc.) aligned to support company culture – is it driven globally, regionally, locally?
- ▶ How are leadership provided with relevant support, tools, methodologies to ensure continued productivity and engagement of a workforce that is hybrid (home based and office based) and globally dispersed?

Individual aspects

- ▶ Felicia is aware of relevant organisational and HR policies and she is equipped with the technology she needs to continue working from any location is able to report easily her location and working hours
- ▶ Felicia is very flexible, working hours that are suited to her projects and family life, this is why it is imperative for her to connect with her teams regularly to manage expectations

Considerations

- ▶ Reviewing relevant policies, systems, tools, approaches to ensure consistency of approach and messaging
- ▶ Reviewing approach to learning to ensure it fits with new flexible and remote and digitalised ways of working
- ▶ Adapting leadership behaviours and communications to reflect hybrid workforce needs

Reward



Felicia's story

- ▶ Felicia is engaged by the Swiss Company, however she is often travelling around the world and reports to her superior who is based out of Singapore.
- ▶ In delivering a number of projects across Europe and reporting to her superior in Singapore, Cross - Finance needs to ensure that the reward and recognition structure and policies are adapted to this type of employee

Company aspects

- ▶ How are company incentives established and support a more flexible, hybrid way of working? Are rewards schemes activity or output driven? What is the mix between individual, team, organisation and how do they support and drive desired behaviours and ways of working?
- ▶ How are benefits programs set - according to employment entity? Are they flexible, what impact does it have having hybrid employment set-ups

Individual aspects

- ▶ Felicia likes to check in with her superior on a regular basis, however due to the travel and different time zones it is not always easy to find a time to connect. She often writes an email to highlight some of the topics to discuss to ensure that she does not forget her achievements nor her aspirations
- ▶ Felicia has been very successful on the implementation of her projects and has been put forward for an additional bonus, however it is not clear how this will be paid.
- ▶ Felicia's benefits package, including insurances, pension plan, etc are based on a local entity employment contract, Cross - Finance in Switzerland.

Considerations

- ▶ Review existing reward, recognition and benefits programs to be tailored to both organisational and individual needs, to be agile, recognise increased flexibility, desired ways of working and adaptive to relevant regulatory requirements.
- ▶ How are non-monetary reward mechanisms being used to reflect your workforce needs and continue to drive engagement, trust, productivity and retention.

Three key takeaways

1

Alignment of organisational culture, performance and talent expectations across many and different dimensions

2

Ensuring reward and recognition levers are aligned to both organisational and workforce needs and adaptable to ever changing environment

3

Holistic approach to the workforce – organisation, policy, process, performance, technology, talent, data – is key in ensuring overall employee experience

The now next and beyond of the strategy



1 | Now

- ▶ Are you **aware** of the **compliance risks** related to cross-border flexible working?
- ▶ How do you address cross-border flexible working today (**policies, processes**, etc.)?
- ▶ Are your employees **aware** of the **compliance exposure** of flexible working and how your company address these?
- ▶ Are your **current policies flexible** enough to support current remote/hybrid ways of working and **meet** existing **workforce needs**? (physical, virtual, emotional, financial etc.)

2 | Next

- ▶ Would your company **risk threshold** need re-evaluation now?
- ▶ Are there **controls and processes** in place to reduce case by case analysis?
- ▶ How will you **support and bind** your employees and business to the compliance process?
- ▶ How are leadership enabled, recognised and rewarded in ensuring a safe, engaged and productive workforce in a sustainable way

3 | Beyond

- ▶ How does your organisation **turn compliance requirements into an opportunity** to be leaders in flexible working?
- ▶ How do you **improve employee experience** but staying compliant?
- ▶ Is your company **technology enabled** to tackle flexible work scenarios?
- ▶ Can flexible working be offered as a **competitive benefit** alternative to financial incentives?
- ▶ How are new ways of working reflected in **leadership behaviours**/company culture/values and necessary **talent identification** processes and development programs

Q&A



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