



International mobility and expatriate ‘health checks’

An increasingly globalised world needs internationally mobile employees (“IME”). The number of employees working outside of their home country is soaring and this trend is set to continue; it is predicted that the number of globally mobile employees will double by 2020.

Whilst a highly flexible global workforce provides greater opportunities for international organisations to fulfil resourcing needs and quickly deploy talent globally to the areas that need it, this rapidly changing landscape also brings key challenges which need to be managed carefully and proactively.

The issue

Are you managing your internationally mobile employees in the most efficient and effective way?



1. Poor feedback from the business and assignees

- Could feedback from assignees and the business improve?
- The responsibility for mobile employees can cut across a combination of HR, payroll, finance, legal and tax. Do all of these stakeholders understand their respective roles and how they align with each other? Are these role/responsibilities clearly defined?
- Is your International Assignment Policy linked to business strategy?
- Do assignments have ‘goals’ and are assignees measured against these at the end of assignment?
- Do you have a high turnover of assignees in the year after they return from assignment?

2. Unexpected and high costs

- Are there unexpected costs and are costs just too high?
- Is there limited financial discipline or cost management for international assignments?
- Is there lack of clarity around the purpose of an assignment and the value it is bringing?
- Do you spend lots of time on manual, transactional activities with little time spent on strategic, value-add work for the business? Are the right resources being concentrated on the right activities?
- Do you produce cost projections and do you use them as a budgeting tool?

3. Compliance risks

- The UK, like many tax authorities around the world, is seeking new ways to raise revenues and is more focused than ever on employers of Internationally Mobile Employees. The regulatory environment is being tightened and heavy penalties are being imposed for non-compliance.
- Are you happy that you are 100% tax and payroll compliant or do you worry about possible compliance risks?
- Have there been any payroll or social security issues?
- Have you had issues with compensation data collection?
- Do you have a visit planned from the tax authorities?

4. Policy issues

- Do you have one? Is your policy up to date and do you actively manage it?
- Do you consider you have outdated, expensive, assignment policies that are no longer fit for purpose?
- Is your policy applied consistently and is well documented? Do you have problems with exceptions and deviation from the policy?
- Are assignees forced to localise / repatriate after a set time period?
- Have company mergers produced a variety of processes and policies for people on assignment?



Review & Fix

Case study – an independent review

We were asked by a UK listed international organisation to perform an end-to-end review of how they manage their international assignments. One of the reasons we were selected was that as we were not their expatriate tax vendor we could apply our extensive experience in international mobility with a very independent and honest approach. We were asked to assist with the following key objectives:

Understanding - Improve knowledge of the processes and technical aspects. Ensure relevant HR and payroll individuals are trained in the basics.

Responsibility - Identify roles and allocate responsibilities/ownership. Who does 'what' and 'when'? View the process holistically and how each part aligns and interacts.

Freshen policies - Update old policies making them fit for purpose. Standardise these and fill any policy gaps.

Best practice – Identify external best practice and review if the company is doing things right and make sure it is doing the right things.

The client benefit

Our report highlighted areas of good practice as well as areas where there was some risk and inefficiencies. It highlighted where there were some "quick" wins to be made in terms of small changes and better processes.

The report was also then used by the head of function to present to the board in order to facilitate discussion regarding the bigger changes that would need to be made to bring the function in line with the changing business structure. Various stakeholders in HR and payroll were then trained on the process and technical basics.

What are the benefits of an IME review?

- ✓ Understand costs better. Implement cost and budgeting tools
- ✓ Identify cost savings
- ✓ Understand the effectiveness of your existing arrangements
- ✓ Review your employer compliance and payroll reporting and identify possible issues

- ✓ Develop, review and clearly document assignment policies
- ✓ Communicate and explain these policies to key stakeholders
- ✓ Update allowances and implement an annual or periodic review
- ✓ Introduce best practice and fresh ideas
- ✓ Achieve consistency in the 'assignee experience'
- ✓ Clearly define roles and responsibilities
- ✓ Process map key activities in the assignment lifecycle to provide clear ownership of activities
- ✓ Review how your internationally mobile employees can better support your business strategy
- ✓ Benchmark your performance against other organisations
- ✓ Review the perceptions of the business
- ✓ Measure the satisfaction of your assignee population with the management of their assignments

Blick Rothenberg and international employers

In an increasingly globalised world, business and individuals face a wide range of tax challenges and opportunities every day. Blick Rothenberg produce a variety of thought leadership and other materials to help keep you informed of the tax issues that affect you.

Blick Rothenberg is a leading accountancy firm and supports over 900 international businesses. Our specialist Expatriate Tax Services team has considerable experience in helping organisations and individuals who work across international borders with tax and payroll compliance, tax planning and related policy issues.

Blick Rothenberg was named winner of the Best International and Expatriate Tax Team at the Taxation Awards 2015. Recognised as a mark of excellence within the sector, the awards were judged by a panel of leading professionals and officers of major tax institutions.

We have also been highly commended by the Chartered Institute of Payroll Professionals (CIPP) as being a leading firm in the provision of international payroll services.

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