



Key contacts



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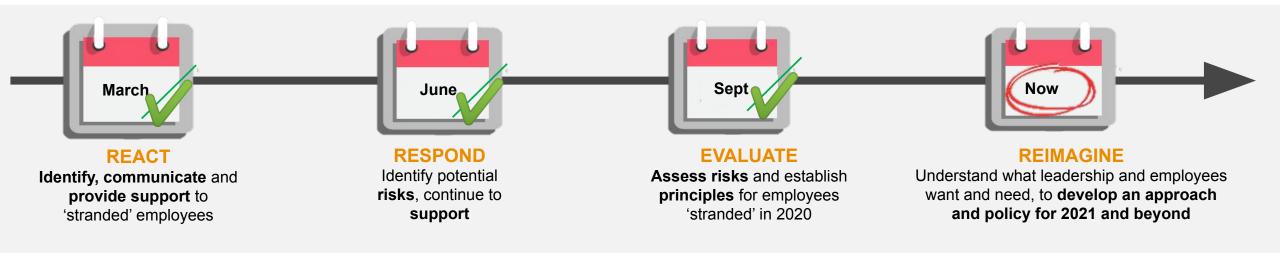
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PwC viewpoint and your insights

International remote working - how companies are responding

We've seen companies respond in different ways, as the pandemic has evolved...



Three broad areas of focus emerging:

- 1. Current population clean up and review
- 2. Define short term process to review immediate requests (3-6 months) and operationalise using technology
- 3. Agree long term view and flex solution to suit

Facts and Figures: expected impact of COVID-19 on international remote working

There is no 'one size fits all' approach to International Remote Working – below is a snapshot of what our clients are doing:

We will not allow int. remote working. Any exception to this must be pre-approved.

We will not allow int. remote working where there is a potential significant corporate tax exposure.

We know we'll need to become an enabler for future int. remote working arrangements and are analysing scenarios to determine corporate and employment tax impacts and requirements.

We want to give employees greater flexibility in how and where they work as part of our EVP. We're determining how we can enable employees to work for some of their time from overseas.

We want to enable a more virtual global organisation. We broadly expect 3 groups of cross border workers:

- 1) permanent;
- 2) international commuters;
- 3) global nomads.

Int. remote working is accepted as a reality. Our intent is to adopt and enable it, enhance our EVP and gain access to broader talent pools.

We don't anticipate adopting international remote working

We are evaluating if international remote working can work and is right for us

We want to enable international remote working but are exploring if it's possible

We want to enable international remote working and will make it happen

We are already set up for international remote working

Seizing the opportunities

Remote working brings a number opportunities that are unique to each organisation, for both the domestic and international workforce. These may include:



1. Attract and retain talent

- Access to wider global talent pool
- Increase employee choice, flexibility and engagement
- Improve employee experience and employee value proposition (EVP)



2. Happier, healthier workforce

- More freedom for employees
- Opportunities to work on global projects without needing to relocate
- Move work to people instead of people to work



3. Increased productivity

- Increase speed of activities
- Reduce employee travel time



4. Enhanced reputation

- Create fair access to opportunities – promote inclusion and diversity
- Enable more sustainable and responsible mobility



5. Cost reduction

- Reduce real estate footprint
- Business travel, allowances & expenses savings

- Has your leadership made any statements about the ambition for remote working at your company?
- What opportunities do you think remote working will unlock at your company?
- What are your priorities?
- Have you heard from your employees on what they want and need?

Managing the challenges

Employment law

Which country's employment law takes precedence? Are there any discrimination or fair pay considerations?

Immigration

Does the employee have the right to work? Will we provide support if not?

Entity locations

Do we have an entity in the location? Are there potential PE risks? Does this impact our value chain strategy?

Duty of care

How will we ensure we fulfil our duty of care obligations (e.g. health insurance)?

Additional costs

Will we support additional costs (e.g. immigration support, tax advice, social security compliance)? Who will pay?

Reward

Should we adjust salary and reward based on the physical location?

Governance and controls

How will employees request to work remotely? How will they know what they need to do?

Payroll and infrastructure

Do we need to set up a payroll in the host location? What is the best employment infrastructure?

Performance

Who will manage employee performance and productivity?

Employee wellbeing

How will we ensure our employees keep happy and healthy if they are working more remotely?

Eligibility

Will we enable int. remote working for all employees or only some roles? What does flexibility mean for different parts of our workforce? Could there be a fairness issue?



What challenges are you facing at your company?

What areas will you need to prioritise?

How we can partner with you

How to get started – preparing for the future

Get clarity and gain consensus, to set up for success:

Strategy & Purpose

- Speak to leadership to understand what their ambitions are – for now and the future
- Understand the future company culture they want to create
- How will remote working form part of the EVP?
- Do you know what your employees want and need?



Gain consensus

- Set up cross functional groups to create a joined up approach e.g representatives from HR, tax, legal, security, business leaders etc.
- Define what IRW is and what it means for the Company e.g. what are you trying to solve for? Which employees are in scope? Now and in the future?



Determine the principles

- · How will you pay and reward?
- Who owns performance management?
- What do you need to consider in terms of employee wellbeing?
- Which employing entity?
- What governance framework will be required?
- Who will approve?
- How will you manage risk and compliance?
- How will costs be managed and who will pay?

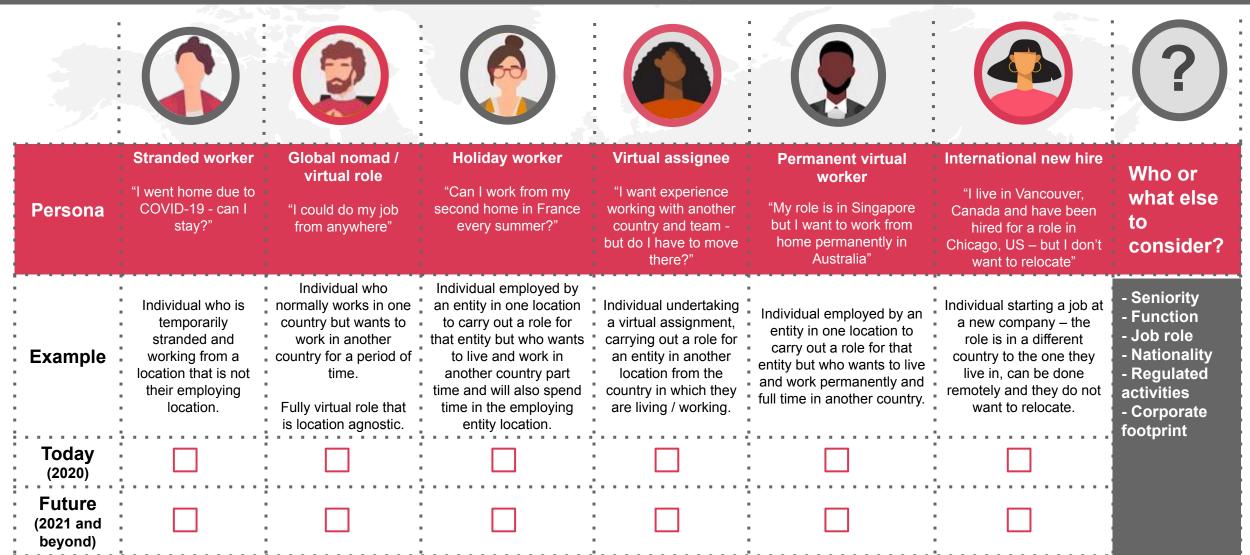


- What policies and processes will you need?
- Who will do what? Roles and responsibilities?
- What technology will you use?
- What communications are needed for employees, HR and the business?



What types of international remote workers do you have today and what types will you have in the future?

To help you define what international remote working means and consequently help you prioritise the actions you need to take, let's consider the following:



Process: manage the risk, enable the workforce

Our suggested best practice approach to managing cross border remote working requests:

1. Assess

Assess compliance areas critical for stop go decisions:

- a. right to work,
- org specific e.g. reg permissions, country or corporaté footprint

STOP/GO



2. Cost

Assess other compliance; cost but manageable (admin / vendor) e.g. PE risk, payroll, posted worker, legal.

Assess impact on compensation and benefits e.g. pension or social security contributions, travel expenses.

Consider more cost effective alternatives.

3. Approve

Business sign off, which may fall into categories:

- a. Approve in full
- b. Approve with restrictions
- c. Do not approve



4. Document

STOP/GO

Document decision and rationale, note any monitoring requirements for restrictions



Change of employment contract (transfer, GEC, secondment).

Manage PE position - recognise PE, agree transfer pricing and profit attribution.

Arrange payroll - maintain existing payroll arrangements, split payroll, GEC payroll.

Confirm and provide tax and immigration support obtain work permission, CoC, authorise tax return preparation.

6. Monitor

Monitor working pattern of individual.

Monitor activities where approved with restrictions.

Track and assess business trips.

Monitor performance, productivity, wellbeing.



PwC's myAtlas remote working technology services

Technology enabled compliance underpins our global service

Key benefits:



Real-time information



myAtlas - self service

Our immigration and tax pre-planning tool, helps you and your business plan manage the mobility compliance risks for your remote working requests



Robotics and automation provide data accuracy and data integrity



MyAtlas - Employer request upload

Bulk upload of employer remote working requests with corresponding approval report based on country risk profile and company policy



Global oversight



myAtlas – Managed service

Requests sent directly to PwC who will use the tool and any agreed client rules to make an assessment



Ease of use for GM, HR and your employees



ourGenesis -Agile Workforce

Align global mobility with the talent function to enable global workforce agility.

Infrastructure: Can a GEC support?

For those of your virtual workforce who have no natural "home" when it comes to their employing entity, we can support you to consider whether employment through a global or regional employment company is the optimal solution. For this population, we can provide a managed service to support them throughout the employee lifecycle and ensure that the compliance obligations are identified, met and monitored.

How can a GEC/REC support a virtual workforce?

- A global employment company is a special purpose vehicle established to employ a defined population e.g. global virtual workers.
- It provides a centralised approach to managing risk, supports the employee experience and drives efficiencies for the group through harmonisation of HR processes and policies including recruitment, onboarding, reward, performance, talent management, etc, particularly important for a population with compliance complexities and lacking an obvious home location.
- It is important to set up the GEC in a location that does not create adverse outcomes or unnecessary costs from a tax, social security or legal perspective so care should be taken on deciding an appropriate jurisdiction, which also works operationally.

Phase 3 Phase 4 Phase 1 Phase 2 Structure **Build and Feasibility Strategy** and design implement

- Stakeholder buy-in
- · Model analysis: GEC or alternatives?
- · Participation criteria and purpose of the GEC
- GEC location feasibility study and work location due diligence, if required
- · Identify challenges

- · Design policies, processes, structure, resourcing needs
- Reward and benefits plan
- Mitigate challenges

- Pilot and implement deliver final documentation
- Transition employees

Phase 6

Ongoing management

Employee lifecycle

- · Onboarding and contract
- · Deployment, offboarding
- Performance management
- Wellbeing / productivity

Reward

- · Payroll facilitation
- Manage benefits including international pension plan, health care

Risk management

- Assess and manage risk incl. right to work, PE, employment taxes
- Documentation

Compliance

- Payroll (incl. SS) withholding
- CT support PE attribution
- Tax and immigration support