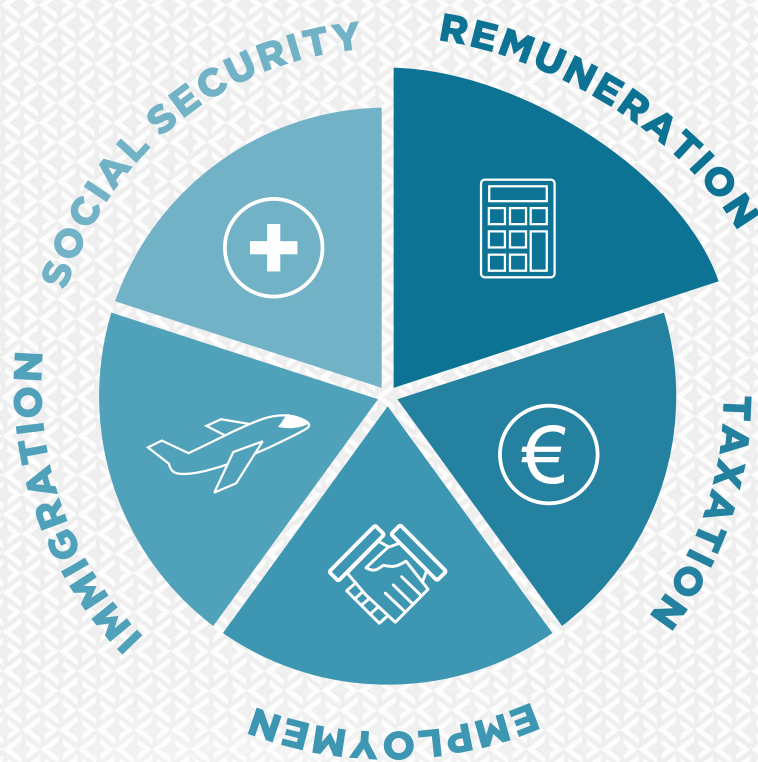


OUR BUSINESS IS YOUR PEACE OF MIND

TAXPATRIA

TAX & LEGAL



Most experts agree that a reasonable salary for a given job is needed to attract and retain employees. Whether as a retention tool or way to motivate performance, remuneration is always an important topic. Especially when you work abroad, it is even more essential to understand how much you will take home at the end of the month. Salary and benefits play a decisive role for a potential expatriate to accept the mission abroad or decline it. Consequently, every employer who wants to set up abroad looks for an attractive compensation method to make their international expansion a success.

If you continue to pay your employees from the home-country payroll, you can avoid paying tax and social security abroad

If you ask your employees to register as self-employed abroad, you can avoid local tax and social security requirements

AVOIDING COMMON PITFALLS



Gregory GOOSSENS
Partner

Tax lawyer with more than 15+ years of experience in international tax and global mobility
gg@taxpatria.be



Sepideh AMANI
Associate

Tax lawyer with experience in individual income taxation and estate planning
sa@taxpatria.be



Elizabeth BRITO
Advisor

Tax advisor with multiple years of experience in international tax and accounting matters
eb@taxpatria.be



www.taxpatria.be

Brussels office
Da Vincilaan 1
B-1930 Zaventem
T +32 2 801 13 63

Antwerp office
Markgravelei 30 / 201
B-2018 Antwerpen
T +32 3 304 82 89

REMUNERATION POLICY

If you send your employees to work across borders, there are different remuneration options to choose from. Depending on the type of assignment there are in general three payroll methods that may best serve your objectives:

- **Home-based approach:** the employee continues to be paid via the home country payroll in the home country currency
- **Host-based approach:** the employee will be paid via the host country payroll in the local currency
- **Split payroll approach:** the employee receives part of their salary via the home country payroll and part via the host country payroll. The salary is split over two payrolls and two currencies.

DOMESTIC REQUIREMENTS

When both employer and employee agree on a certain salary, you should be aware there might be other elements to consider. Specific domestic regulations may limit your options when setting up your international payroll. The base compensation package can be subjected to additional remuneration requirements such as certain local premiums, holiday pay or year-end bonus entitlements.

Immigration law requirements may also affect your budgeting, as some work permits require payment of a minimum salary in the host country depending on the employee's executive level.

TAX & SOCIAL SECURITY

As they say 'the devil is in the details', which is also the case when setting up your international payroll. If you structure your cross-border remuneration policy the right way, you may create significant tax savings, but overlooking important details could have serious negative consequences as well.

For example, the length of an assignment could result in the remuneration attracting taxation abroad. For this reason, timing is key. Planning ahead is an important first step when setting up your international assignments. As income tax regimes vary significantly, you should also have a proper tax management policy in place when sending your employees abroad. A tax equalisation or tax protection program will help promote mobility by ensuring the tax regime in the host country is not a decisive factor when you ask your employees to go work abroad.

MANDATORY REPORTING

It is also important to understand that depending on the remuneration policy in place, certain mandatory domestic reporting requirements must be met. The local legislation of a host country and the employee's personal situation both need to be evaluated in detail before you can successfully implement your compensation strategy.

OUR SERVICES

TAXPATRIA can advise on all remuneration aspects of working cross border. Our services consist of:

- Remuneration packages & compensation policies
- Compensation budgeting & various mobility-related calculations (tax equalizations)
- Employment contracts & assignment letters
- Cross-border tax & social security analysis
- International immigration & employment law advice

YOUR TRUSTED PARTNER

Our 'Disc of Five' solution covers all aspects of cross border employment and global mobility. TAXPATRIA has become a trusted partner over the years for many international employers and mobile employees.



SPECIALIZED

TAXPATRIA provides tailored services in complex cross-border situations to both private and corporate clients.



PRAGMATIC

TAXPATRIA assistance is designed to meet your objectives and provide the right advice which is practical and easy to implement.



INTEGRATED & PROACTIVE

TAXPATRIA provides integrated services worldwide within our 'Disc of Five' solution. We proactively advise on all aspects of your cross-border assignments.



TRANSPARENT

We make sure that our fee structure is straightforward and easy to understand so our clients know that we offer value for money every step of the way.