

# International Shadow Payroll and Global Compensation Management



## The Challenge

When multinational companies send employees on international assignments, the local payroll team or an external payroll provider must ensure that the social security and tax position of the assignees is compliant with both home and host country rules. This requires an understanding of the assignment compensation structure, and ensuring that the company's mobility and tax policies are expressed clearly so that there is payroll compliance.

Payroll is often seen as purely administrative and not directly linked to a company's Global Mobility programme. However, it is an integral part of a successful Global Mobility programme, preventing a company and its employees from exposure to the risk of legal.

### Key scenarios we can assist on:

- Advice on the tax and social security policy and processes for mobile employees
- Negotiations with authorities for optimisation of shadow payroll processes
- Need for assistance with operating your shadow payroll in Switzerland or abroad
- Health checks on withholding and reporting processes in advance of audits
- Establishing global compensation management processes



## The Solution

We help you create robust and efficient local and global payroll processes that both facilitate and ensure compliance.

### Compliance

We analyse the overall international compensation structure and establish processes for correct current and trailing reporting of compensation for tax and social security purposes.

### Advisory

We advise companies on the complex compensation structures that arise from international postings. This includes negotiating with relevant tax and/or social security authorities in order to optimise the local reporting and withholding processes. In addition, we provide insights for the relevant stakeholders about the costs of their mobility programme with regard to tax and social security and/or total cost plus local/global compliance.

### Strategy

We assist companies with optimising their mobility policies to facilitate global compliance, including global compensation management processes.

### BENEFITS

- Compliant and consistent global payroll processes | Facilitates insights into the true cost of your mobility programmes
- Improved business and assignee experience | Enhancing trust with local authorities and avoiding a "bad press"



## Client case study

**Client/Industry:** A global engineering company with more than 75,000 employees worldwide.

**Challenge:** To ensure that international assignees and business travellers are subjected to the correct tax and social security schemes during their international posting to Switzerland, in the most administratively efficient way for the company whilst ensuring full compliance.

**Solution:** Understand the client's specific needs and engage with the relevant Swiss tax authorities, to ensure administrative transparency and efficiency as well as optimizing their tax position.

**Outcome/impact:** An annual withholding and reporting process, with all key compensation and calendar data available for Swiss reporting purposes, that minimizes the administrative impact for the client and facilitates transparent cost overview for the project management and finance group.

## Contact



### Richard Goodwin

Partner,  
Global Employer Services

Email: [rgoodwin@deloitte.ch](mailto:rgoodwin@deloitte.ch)

Phone: +41 58 279 8703

Contact me for all global workforce advisory related questions



### Marko Dujanovic

Manager,  
Global Employer Services

Email: [mdujanovic@deloitte.ch](mailto:mdujanovic@deloitte.ch)

Phone: +41 58 279 80 95

Contact us for all questions relating to international shadow payroll and global compensation management



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