

## Remote workers – action required

### Today's environment

- COVID-19 has caused major disruption, resulting in significant displacement of personnel globally. Whilst global mobility teams sought to rapidly identify the whereabouts of international assignees, assessing safety and compliance risks, many regular (“non-assignee”) employees have been working outside of their usual location, some for many months.

### What's the impact?

- Remote working can have an impact on your organisation's tax, social security and immigration profile, and can generate significant employment law risk.

### What actions need to be taken?

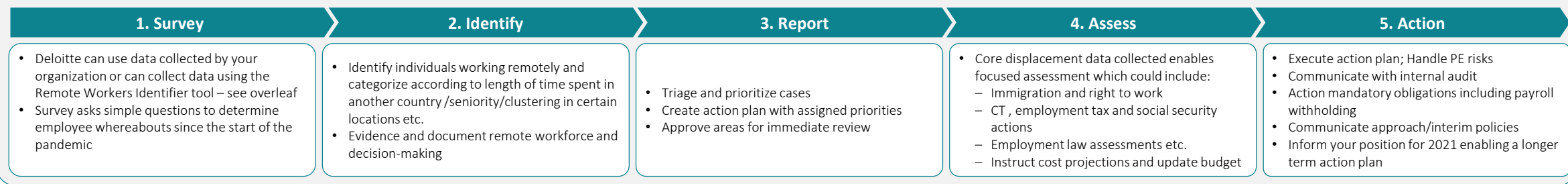
- Identifying remote worker cases as soon as possible is essential to enable the business to assess and action any mandatory compliance obligations. It will also allow you to identify increased and unbudgeted costs and document decision-making/policy exceptions.

## What does your organisation need to consider?

Focus area	Considerations
Risk	<ul style="list-style-type: none"> <li>• <b>Immigration risk:</b> Individuals working in another country without the proper immigration or regulatory permissions</li> <li>• <b>Corporate tax and transfer pricing risks:</b> Permanent Establishment (PE) creation and need for attribution of profits to unplanned locations.</li> <li>• <b>Employment tax, social security &amp; employment law risks:</b> Through longer term or under the radar remote working, there could be a shift in country/state tax costs</li> </ul>
Costs	<ul style="list-style-type: none"> <li>• There will likely be administrative costs associated with remote workers creating a presence in a new location for the employer – registrations, tax filings, statutory books, etc. A single employee can cause an employer significant costs</li> <li>• For Assignees – unbudgeted current year assignment costs (due to higher tax jurisdictions, potential double taxation due to resuming or not ceasing tax residence in the home or a 3rd country)</li> <li>• For Non-Assignees – tax and social security may be due in country of remote work, but being withheld in usual country of work.</li> <li>• Fees and effort associated with reviewing and instructing amendments to wage statements and retroactive reporting plus payment needed in new payroll locations. Potential penalties and interest for underpaid remittances or late payments</li> </ul>
Employee experience	<ul style="list-style-type: none"> <li>• Cash flow challenges due to mismatch of monies paid to home, host, or 3rd location if taxes are employee-funded</li> <li>• Delayed income tax return filings due to additional analysis and amended wage statements</li> <li>• Unexpected surprises resulting from unknown individual compliance obligations</li> </ul>
Compliance	<ul style="list-style-type: none"> <li>• Unforeseen corporate and individual registration, reporting, payment and filling requirements in new locations</li> <li>• Underpaid employment tax and social security</li> <li>• Increased risk of audit/ enquiry. Need for a risk-based approach to assess and document positions.</li> </ul>

## Deloitte's 5 step methodology

Deloitte can help with a straightforward 5 step methodology providing you with a high priority action plan.



# Remote Workers Identifier



The Deloitte Remote Workers Identifier uses a simple survey to identify employee whereabouts since the start of the pandemic to enable an up to date analysis to be performed, assessing mandatory compliance obligations. The data can be presented in a dashboard format and enables a triage process to be implemented to prioritize actions.

## Key features

- Survey administration will be handled by Deloitte so that you can focus on other priorities that matter most
- The Deloitte Remote Workers Identifier is fully mobile enabled, providing individuals with flexibility to use their PC, tablet, or mobile device
- The survey has drop down date and location menus to facilitate data quality
- Results will inform you of employee locations and can be used to analyze risk exposure
- Results can be presented in report format and/or via dashboard reporting

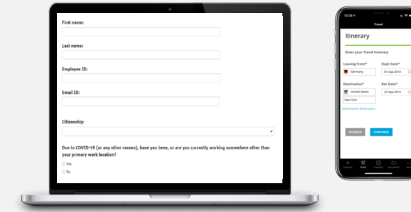
**1** Personal details: First name, Last name, Employee ID, Email ID, Citizenship.

**2** Location and work status: Current location, Usual location, Remote location, Working from home.

**3** Date and duration: Start date, End date, Duration.

This Remote Workers Identifier is designed to **enhance employee experience** by minimizing requests. The survey takes less than 5 minutes to complete

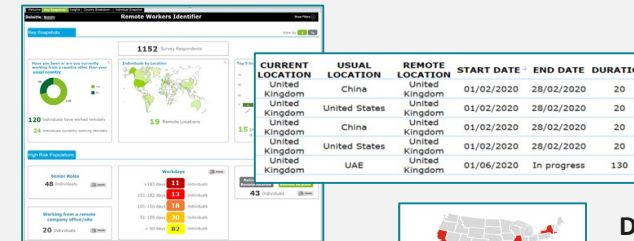
## Technology enabled design



Fully mobile enabled

### The opportunity

Through the reporting functionality, Deloitte can identify locations where compliance risks are evident and develop a plan in collaboration with you to reduce risk and manage compliance and costs.



International Dashboard



Domestic (State) Dashboard

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