



Employers forum

Employment tax and employee retention in a re-opening world

10am – 11am

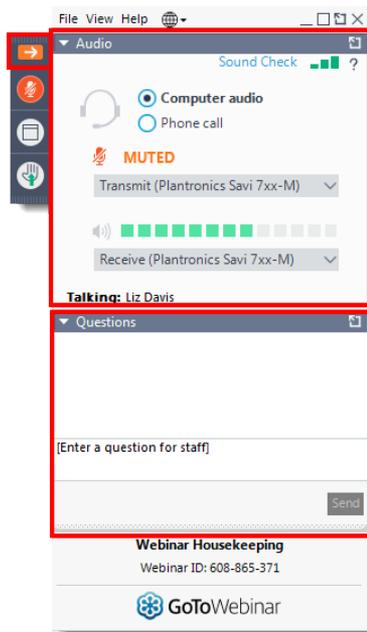
Thursday 15 July 2021



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Agenda

1. Impact of remote working on policies and procedures
2. Managing employment tax and social security risks
3. Incentive plans and employee benefits

Impact of remote working on policies and procedures

Katy Bond

Partner, Global Mobility Services

Remote Working: What's the issue?

Covid-19 pandemic – many employees working in jurisdictions where they are not employed...trend only increasing

Tax risk for the employer and employee

Permanent Establishment

Corporate Residence

Indirect Taxes

Host country withholding obligations

Income tax position

Residence issues

Social security impact

Additional expenses for individuals
working from home

Remote Working: Approach



Residence

- Days or ties
- COVID relaxations (exceptional circumstances / force majeure)
- Treaty residence



Income Tax position

1. Employment income article of the tax treaty
 - 183 days
 - Remuneration paid by NR employer
 - Remuneration not borne by a PE in the “host”
2. Non-treaty countries
3. COVID relaxations?
 - Social Security position
 - EU (Brexit)
 - Agreement countries
 - Non-agreement countries



Employer obligations

- Withholding / set up payroll
- Potential registrations
- Reporting requirements
- Posted Workers Directive
- Immigration requirements

Remote Working: Future considerations



Hybrid working model

- Access to wider talent pool
- Encourage flexible, agile working culture

vs. risk and cost =



Policies & process to manage

- Day limits
- Country limits
- Approval procedures
- Insurance policies
- Identification of remote workers

Q&A

Managing employment tax and social security risks

Mike Herdman

Director, Employment Taxes

CJRS claims



- Big focus for HMRC
 - Importance of reviewing calculations and eligibility
 - Demonstrating reasonable interpretation of legislation

Hybrid working arrangements



- Growing in popularity
- Challenges around homeworking costs and expense payments, particularly travel expenses
 - Provision of benefits to be considered (company cars particularly under the spotlight)
 - Clear policy is essential

Off payroll workers



- New rules went live in April and real need to consider carefully
 - Identifying personal service versus provision of services
 - Increased HMRC activity

Q&A

Incentive plans and employee benefits

Dominic Merlin-Cone

Partner, Reward Advisory Services

Using incentive plans and benefits to attract and retain key talent and support wellbeing

Overview

- Many businesses are wrestling with the challenges that lockdown has brought
- Growing evidence that businesses want to hear clear thought leadership on ways to engender a healthy working environment as we approach a “new normal”
- Supporting business leaders with an understanding of the practical measures they can take to retain key Talent and support the Wellbeing of themselves and their colleagues
- Need for structure and substance around people strategies:
 - Employee Value Proposition – process and policies and the role of HR
 - Leadership and Management coaching programmes
 - Reward and Incentives
 - Employee benefits – flexible benefits.

Trends: what are we seeing?

- Talent retention is always an issue and careers are more fluid than ever before
- Employers generally responded really well to the increased focus on the Wellbeing agenda
- Introduction of additional two-way communications / specific additional benefits / flexibility in ways of working Generally well received by employees
- Employers are now looking to embed their improved focus on wellbeing into BAU but there is less clarity on how to effectively and sustainably do this
- Can't feel like a bolt on to your culture, ways of working and your offer to your people, but should become a part of how a business operates
- Increasing call to measure the effectiveness and ROI of investing in the people agenda and Wellbeing
- Businesses that are able to invest in Wellbeing and ROI are achieving better outcomes in this area.

Using incentive plans and benefits to attract and retain key talent and support wellbeing

What are the practical steps businesses can take to attract and retain key talent and support wellbeing?

- Review your Employee Value Proposition and ensure importance and messaging around Wellbeing is consistent throughout
 - Review your Employee benefits and re-launch these with a robust communications programme and in line with Wellbeing i.e. not to establish any new benefits but rather re-purpose the existing schemes in line with Wellbeing ‘pillars’
 - An effective benefits package should not just improve immediate welfare levels, it really needs to drive behavioural change – actively encouraging team members to operate as stakeholders in the company
 - Implementing digitally managed platforms can really help people stay connected despite working remotely.
 - Adding equity into the benefits package is a highly cost-effective way to keep staff members motivated - fosters a feeling of ownership and can reduce employer costs
- Increasing popularity of employee-owned businesses - grew by 28% in 2019 alone – leading to increased productivity levels
 - Review the role of the line manager and the support, training and tools provided to this population to successfully deliver against your Wellbeing agenda
 - Measurement of delivery against your Wellbeing agenda
 - Improve your diversity and inclusion.



Q&A

Speakers



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