

Flash Alert

Monthly Summary (February 2015)

Flash Alerts	
Belgium	<p><u>Salary Thresholds Raised for Work Permit, EU Blue Card</u> Starting January 1, 2015, the salary criteria for the Belgian work permit type B and the European Union (EU) Blue Card have been increased (for yearly indexation). Since salary requirements are tied to the issuance of this work permit and the EU Blue Card, these new salary thresholds will have to be taken into account by companies planning to employ personnel in Belgium when such a Belgian work permit type B or EU Blue Card is required.</p>
Germany	<p><u>2015 Brings New Social Security Rates, Thresholds</u> Germany implemented slight changes to mandatory social security contributions effective from 1 January 2015. Contribution rates and income ceilings are adjusted annually based on economic developments and trends in Germany.</p>
Germany	<p><u>Federal Employment Agency Clarifies Payments to Meet Minimum Wage Rules</u> According to Germany's Federal Employment Agency, while typical assignment-related allowances cannot serve to meet the minimum wage requirements, companies may use temporary pay raises to boost salaries as a means of complying with the statutory minimum wage rules.</p>
Germany	<p><u>Foreign Language Requirements for Trailing Spouses May Soon Be No More</u> The German Parliament's upper chamber (Federal Council) is suggesting the abolition of the German language skills requirement for accompanying spouses of non-EU/EEA/Swiss nationals. This proposed amendment to a recent government proposal could ultimately have the effect of easing administrative burdens tied to "trailing" spouses and make family unification smoother and easier and less stressful.</p>
Germany	<p><u>On Track to New 'Fast Track' Visa Applications?</u> Following meetings of several German ministries and authorities this past autumn after an important study had been published, it appears that Germany is on the path to implementing a new fast track application for certain German visas. While the concept has been accepted, concrete formulation of fast track visa procedures is awaited.</p>

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Germany	<p><u>Proposed Amending Law Contains Changes for Immigration, Business Travelers</u></p> <p>Germany's government has proposed an amending law that will modify Germany's immigration law, which includes changes related to labor migration, and, of particular note, a new business traveler scheme. The business traveler proposal would introduce significant changes by extending the time-frame for certain permissible activities that a business traveler undertakes – from 90 to 180 days out of 360 days. Additionally, the new job seeker visa is to become an enduring type of visa.</p>
Germany	<p><u>Registration Rules Set for May 1 Implementation, Undergo Delay, Revision</u></p> <p>New rules regarding foreigners' registration formalities in Germany have been postponed from May 2015 until November 2015, due to organizational and practical issues. Moreover, differences that existed across the states (Länder) in Germany will be eliminated with effect as of November 1, 2015, because of the 2013 federal law regarding registration formalities (and the 2014 update). This will lead to less confusion and simpler administration, which, hopefully, will have a knock-on effect in respect of proper and easier compliance.</p>
Germany	<p><u>Risk of Inspections Related to Foreign Employees at Client Sites</u></p> <p>German customs authorities have been increasing inspections at employment sites, according to recent observations and experiences. The subject of these inspections are, generally speaking, foreign employees posted to client sites and performing activities related to their contracts for work and materials. Failure of employers and employees to be in compliance carries reputational, business, and financial risks.</p>
Germany	<p><u>Territorial Scope of Income Tax for Offshore Projects Altered</u></p> <p>A new law has been enacted in Germany that amends the territorial scope of German income tax laws with regard to offshore wind farms with effect from January 1, 2015. This means that employees working on offshore energy projects in the so-called Exclusive Economic Zone (EEZ) perform the work in Germany. They are thus subject to German income tax on the salary, regardless of their residence status. German employers as well as foreign employers having a permanent establishment in Germany (including the EEZ) are obliged to withhold German wage tax and solidarity surcharge on these salaries.</p>

Italy	<p><u>New Law Contains Some Tax Measures Affecting Employees, Employers</u></p> <p>A new law recently enacted in Italy -- Legge di Stabilit� -- introduced various measures that impact the tax compliance process with the use of pre-filled tax returns, the tax treatment of severance payments, and the ability of taxpayers to "regularize" their tax affairs. The new law also increases the exemption on income paid abroad to Italian resident employees (which could help keep employers' international assignment costs down) and makes the hiring of new employees cost-effective for employers through the exemption of employer-paid social security contributions on behalf of the new hire.</p>
Nigeria	<p><u>Abolition of Re-entry Visas for Resident Expatriates and Dependents</u></p> <p>In Nigeria, expatriates with valid temporary residence permits (CERPAC form) or Green cards will no longer require re-entry visas (i.e., single re-entry or multiple re-entry visas) for commuting into and out of the country. On February 11, 2015, the Nigeria Immigration Service (NIS) announced, through an official circular, the abolition of re-entry visas for expatriates resident in Nigeria.</p>
Portugal	<p><u>Tax Reform Introduces Changes to Residency, Mobility-Related Tax Rules</u></p> <p>Portugal's Personal Income Tax reform law took effect on January 1, 2015 with some important changes to the taxation of households/families, the determination of tax residency, the family quotient, and return filing deadlines, amongst others.</p>
Switzerland	<p><u>Restrictions to Expatriate Deductions Come into Force January 1, 2016</u></p> <p>The Swiss Federal Council released the final version of the revised federal Expatriate Ordinance on January 16, 2015. While the Expatriate Ordinance is expected to continue to apply, the definition of an expatriate will be narrower, the conditions for claiming commuting and relocation costs have been tightened, the conditions allowing deductions for school fees for minor children have become more restrictive, and the expatriate deduction for housing costs has been limited. The new Expatriate Ordinance is expected to come into force on January 1, 2016.</p>
United Kingdom	<p><u>Consultations on Foreign Employees and Employer-Related Securities Published</u></p> <p>The U.K. government recently published the consultation report on potential changes to the National Insurance (social security) treatment of employer-related securities received by Internationally Mobile Employees (IME). Legislation is expected to be introduced to enact the proposed changes, which would take effect from April 6, 2015, with detailed guidance from the U.K. tax authority planned for release in advance of the law's implementation.</p>

United Kingdom	<p><u>Immigration Developments Bring Efficiencies, Tighter Rules, Higher Fees</u></p> <p>This newsletter covers the U.K.'s (1) New visitor rules; (2) Roll-out of Biometric Residence Permits for Entry Clearance; (3) Visa charges and the National Health Service surcharge; and (4) Closure of the Tier 1 (General) route for extension applications.</p>
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Payroll Insights	
United States	<p><u>Mobile Workforce State Income Tax Simplification Act Introduced to U.S. Senate</u></p>
United States	<p><u>Proposed FY 2016 Budget Plans for Increased Unemployment Taxes</u></p>

Videos	
United States	<p><u>Understanding What the Affordable Care Act Means for Expatriates and Their Health Care Plans (Part 1) -- (app. 5-1/2 minutes)</u></p> <p>KPMG LLP's Veena Murthy and Ben Francis discuss some of the general rules under each type of mandate, with a focus on how each mandate may apply in connection with globally-mobile employees who are U.S. persons providing services outside the United States and non-U.S. persons providing services within the United States.</p>
United States	<p><u>Understanding What the Affordable Care Act Means for Expatriates and Their Health Care Plans (Part 2) -- (app. 8-1/2 minutes)</u></p> <p>KPMG LLP's Veena Murthy and Ben Francis continue their discussion, examining such matters as employer shared responsibility under the ACA, the types of coverage under a foreign plan that may be minimum essential coverage (MEC), the expatriate health plan law enacted in December 2014, what is expected of a 'large employer' with cross-border assignee employees, and what can happen if an employer is not providing employer-sponsored MEC to its cross-border assignee employees.</p>

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