

Mobility Perspectives

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Mobility Perspectives of Grant Thornton in the Netherlands gives the international mobility community background information on mobility topics. In this issue:

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Management and employee's involvement: Key to GDPR compliance

Data protection and compliance with the recently introduced EU Directive on data protection (GDPR) is a key element in surviving in the competitive and globalized business world. Complying with the GDPR is not just a matter of technicality. When it comes to handling data, people are considered the 'weakest link'. Even when good (IT) systems and processes for handling data are implemented, employees can still find it difficult to obey the rules and follow the change. Therefore, it is important to include policies that guide the employees, especially so for employees that are internationally mobile. Employees should receive proper training and acknowledgments for their compliance. Furthermore, management has to make sure that the work routine of their employees can be combined together with compliance.

Even though employees are considered one of the main risk for maintaining secured systems, there is also a recognition that employees can assist the organisation security measures. Employees can contribute by taking actions that help strengthen the security of the systems. However, existence of security policies doesn't automatically create this desired behaviour among employees, as they may not be motivated to take actions. In order to encourage compliance, the managers' approach to security is key.

Managers have to include compliance as part of the responsibilities of their employees in their job description. Further, the management has to take actions towards implementations of policies, and also create follow up actions such as training programs and compliance evaluation. A high level of management support, will create a security culture within the organisation that will positively affect the level of security.

Seminar Data Protection and Global Mobility'

On 13 September 2018, Grant Thornton will be hosting a seminar on 'Data Protection and Global Mobility' in Amsterdam. [Registration for this free seminar is still open.](#) [Full details are available on our website.](#)

For more information, please contact Danit Elgev,
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Survey on policies for 'local hires'

More and more organisations hire employees from abroad as 'local hires'. Many companies offer additional benefits to their international hires (as opposed to native local hires) to help them settle in to their new environment. How do you know whether the package that you offer is in line with the market/competitive on the one hand and on the other hand meets the needs and expectations of the individual?

We invite you to participate in our survey

In return for your participation, we offer you an overview of the results. All results are strictly anonymous, are treated confidentially and only are intended for research purposes.

Participation is possible through the following link:
<https://nl.research.net/r/JK5KNNC>

Changes in Dutch tax credits as of January 2019

With effect from January 1, 2019, changes will be made in the Dutch wage tax tables reflecting the distinction between resident and non-resident employees in the Netherlands. In the future, there will be different wage tax tables for three groups of employees:

1. Employees who are residents of the Netherlands.
2. Employees who are residents of another EU Member country, of an EEA country (Iceland, Norway and Liechtenstein), Switzerland or the BES islands (Bonaire, Sint Eustatius and Saba).
3. Employees who are residents of any other country.

Non-resident taxpayers from the EU, EEA, Switzerland or the Dutch Caribbean will be entitled to the tax component of the employed person's tax credit which will be applied through their payroll. However, foreign taxpayers who are resident in other countries will no longer receive some of the Dutch tax credits via the payroll. As a consequence, they will face a reduction in net salary. At the moment these tax credits almost amount to €550. Potentially, depending on the salary level, this will result in a decrease of the monthly net salary of around €46.

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Brexit – draft transition agreement

As negotiations on the details of Brexit continue, the outline of a number of items is becoming clearer. Firstly, parties have agreed to a transition period up to December 31st, 2020. This means that the consequences of the Brexit on March 19th, 2019 will not take effect until January 1, 2021. Secondly, the draft transition agreement suggests that a number of matters will be grandfathered after January 1, 2021, including immigration and social security related matters.

Immigration

The draft transition document states in essence that the residence rights in existing cases of UK nationals living in the Union and Union nationals living in the UK will continue to be respected as long as the residence situation remains unchanged. In addition, these persons may obtain right of permanent residency in the related country if they lived there for a consecutive period of 5 years. These regulations appear to be a relaxation of the line initially anticipated with respect to the movement of workers already working abroad. How new cases after the transition period are dealt with, remains uncertain at this time.

Social security

On social security, the document states that the social security coverage as applicable under current EU regulations/directives will remain intact during the transition period. Moreover, the aggregation of relevant periods within the UK/Union appear to be safeguarded as well.

As negotiations proceed, it is advisable for companies to identify which employees/assignees are affected by the Brexit and related transition agreement. While existing cases seem to be grandfathered, thought should be given to the impact post transition period as well as for new cases as per January 1, 2021 to ensure the proper steps will be taken.

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Enforcement of employment relationships (deregulation) act

For Dutch wage tax and social security purposes, there is a fine line between hiring an employee or a self-employment person/contractor. The consequences of getting it wrong, however, can be significant. To help business and to avoid confusion, the Dutch authorities published on May 1, 2016, general and sector specific model agreements as part of the Employment Relationships (Deregulation) Act, (Wet deregulerend beoordeling arbeidsrelaties - DBA). As long as the business relationship with a self-employed person/contractor is based on such a model agreement or an individual model agreement which has been ruled with the Dutch tax authorities, the hiring party will be exempt from withholding Dutch wage withholding tax as long as the actual situation does not change.

The Dutch government intends to replace the Employment Relationships (Deregulation) Act as of January 1, 2020. Until then, its enforcement has initially been suspended. For parties that hire self-employed persons, this means that until January 1, 2020, the Dutch tax authorities will not retroactively impose Dutch wage tax assessments and penalties when they deem that an employer-employee relationship exists or existed. However, wage tax and penalties will be enforced where the Dutch tax authorities conclude that there is malicious intent or obvious or deliberate bogus self-employment constructions. Starting July 1, 2018, the Dutch tax authorities will also enforce other malicious situations in case they are able to demonstrate 3 criteria:

- The existence of a (fictitious) employment
- The existence of obvious varnish of self-employment
- The existence of deliberate self-employment

Although the enforcement has been suspended in principle, we strongly recommend that businesses regularly and proactively review whether a (fictitious) employment relationship exists with a contracto

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