

# GLOBAL MOBILITY POLICY



<b>Version</b>	1.1
<b>Executive Sponsor</b>	Executive Director of HR and OD
<b>Officer Responsible for Policy/ Procedures</b>	Associate Director of HR
<b>Consultation Process</b>	Executive Operations Group, Executive Academic Group
<b>Date of Approval and Committee and/or Executive Officer</b>	Executive Operations Group Executive Academic Group Executive Finance and Infrastructure Committee
<b>Effective Date</b>	1 December 2021

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# 1. SCOPE OF THE POLICY

## 1.1 Purpose of the Policy

As an institution with global reach, the purpose of the Global Mobility Policy is to establish a clearly defined set of rules which govern the University's approach to overseas working. This policy aims to ensure that the University meets the relevant statutory, financial and regulatory duties the University has as an employer of staff who work for the University while located outside of the UK.

## 1.2 What is covered by the Policy

This policy covers all short and long-term periods of working for the University while outside of the UK, known as "assignments". The only exception to this policy is where the University has an overseas subsidiary, branch or already established Permanent Establishment. In these cases the Global Mobility team (note – this is a multi-disciplinary team – there is no dedicated role for this) will provide specific advice.

The University will support overseas assignments in a specific set of circumstances following appropriate approval in line with the Global Mobility Process. These circumstances are:

- Where a **work requirement** drives the need to be located fully or partly overseas, for example, overseas secondment is part of the requirement of a research project.
- Where the assignment gives **mutual benefit**, for example, a balance of work and personal factors applies, or the individual holds a particularly difficult to source skillset.
- Where the request is driven by **solely personal factors (exception)**. In this scenario, the arrangement would only be accepted where costs and benefits justify it, where a global mobility request has been processed and the terms agreed in writing. This would be a very exceptional scenario where significant welfare issues apply, where the practicalities (time-zone difference, internet connectivity, the nature of the work undertaken) sensibly permit work to continue and where the individual/manager communication channels are strong.

## 1.3 Who is covered by the Policy

This Policy applies to all staff, including casual, visiting and research staff who are employed or seconded by the University on a full or partial FTE wishing to carry out work for the University while overseas. All requests to work overseas will fall under the scope of this Policy, however short the proposed duration.

## 1.4 Policy ownership and governance

The Finance and Infrastructure Committee and the Executive has approved this Policy, the Executive Director of HR and OD is the Executive sponsor and the Associate Director of HR is the officer responsible for the Policy. Any questions about the operation of this Policy or any concerns that the Policy has not been followed should be referred in the first instance to the multi-functional Global Mobility team via [gntax@aston.ac.uk](mailto:gntax@aston.ac.uk).

University staff may propose amendments to this Policy via their representatives on the Finance and Infrastructure Committee. All proposed amendments will be considered annually by the Finance and Infrastructure Committee.

## 2. THE POLICY STATEMENT

### 2.1 Statement

The University is committed to:

- assessing risks, practicalities, wellbeing and health and safety of its staff, alongside costs and risks/liabilities created by global mobility;
- complying with HMRC Corporation, VAT and employment taxation rules governing tax and social security;
- complying with its responsibilities as a sponsor of migrant workers as set out by UK Visas and Immigration;
- assessing all activities that result in an employee working overseas to identify local tax regulations and ensure that employer and employee individual taxation obligations are identified and met;
- seeking advice and costings for all overseas assignments and these will be provided to the relevant person for approval (in line with delegated authorities) at the appropriate point in each initiation process;
- providing individuals with written confirmation of the legal, visa and tax/social security arrangements obligations which apply, and an assignment agreement where appropriate;
- risk-assessing whether the proposed activity creates the risk of creating a Permanent Establishment in the host country, and if so this must be approved by Executive;
- for approved Global Mobility cases, the equalisation of tax and social security, putting the individual in a position where their net pay would be equal to 'UK resident' levels. Note that this is a financial measure, it does not mean that all benefits (e.g. healthcare) will be matched to UK provision;
- for secondments, following visa and employment advice, ensuring that any assignment in excess of two months and less than six months in duration has a certificate of coverage in place to mitigate social security risks. The University will accept the risk of tax regularisation; and
- reviewing any overseas working arrangement of a duration of less than two years. Continuous assignments of longer than two years will not be considered.

## 3. TAXATION

### 3.1 Equalisation

Tax equalisation ensures that an individual is in a “no better or no worse” position from a tax perspective and allows the individual to pay the same level of tax had they not gone on assignment and begun working overseas.

It therefore aims to neutralise any tax advantages or disadvantages for the individual of working in a host location and ensures that the employee continues to pay the same level of tax had they remained in the UK.

Therefore, there will be some assignments where this is financially beneficial to the University, and some where this results in additional costs of employment. Under tax equalisation, monthly salary is reduced by an amount of “hypothetical” income tax and social security (if this is also included in the equalisation policy) from the employee’s monthly salary. This represents a reduction in the employee’s salary to deliver the net pay which they would have received in the UK had they not gone on assignment.

Payroll will calculate the amount of hypothetical tax and hypothetical social security, working to minimise significant year-end adjustments. Where home country tax laws require continued

actual tax and/or and social security withholding, the University will ensure that the correct net pay is delivered to the employee by grossing-up assignment-related payments.

The University will, for all approved globally mobile employees, provide the following support:

- A briefing email (or call on request) setting out the taxation approach and roles and responsibilities of employer and employee with respect to tax filings;
- UK and host country support in respect of tax return filings and the preparation of a tax equalisation calculation. This calculation is prepared at the end of the tax year in the UK to ensure that both the individual and the employer have paid the correct amount of taxes to reach the “no better, or no worse” position; and
- A de-briefing email (or call on request) setting out the transition back to UK arrangements.

### **3.2 Applicable Income and benefits**

With regards to taxation, the policy considers employment income only. It covers the equalisation of net pay with regards to income tax, social security and, subject to jurisdiction, superannuation.

Any non-salary payments, benefits or allowances will be assessed on a case-by-case basis by the Global Mobility team.

### **3.3 Social Security and benefits**

Social security is generally due in the country in which an employee works and holds their employment contract, however this is not always the case where an individual works in multiple countries.

This is a purely financial assessment. There will be no consideration given to the comparative benefits that an individual derives from social security payments, for example, if an individual was working in a country with no public health service, the employee would still pay the equivalent value of UK National Insurance, but the University would not pay for additional healthcare provision in the host country.

Similarly there will be no cost of living adjustments calculated or provided for any assignment.

### **3.4 Employee obligations**

As part of any assignment agreement, employees will be asked to explicitly agree to comply with this policy. In advance of the University assessing a request for overseas work, the employee must secure in principle approval from their line manager.

When making the initial assessment or where support is requested or required, employees will need to provide information or approval on a timely basis. This information will be shared with the University’s external advisors for the purpose of securing advice e.g. on tax, social security, international employment and visa as relevant and, in making a request to work overseas, the employee agrees that their data may be shared with these advisors. This may include:

- personal information about the employee, their marital status, family, and tax affairs;
- approvals and power of attorneys for the University and its advisors to act on their behalf; and
- confirmation of payments being made or received on personal tax accounts.

Employees commit to acknowledge all requests for information within two working days, and following that to ensure best endeavours in providing all information required within the prescribed timeline.

Employees will be liable for late payments and penalties where these are caused by the failure of the employee to provide information in a timely manner. The University will be liable by any failings on behalf of the University or its advisors.

Where employees take their own tax advice and this differs from that of the University's advisors, the University will first endeavour to reconcile the two positions. Should this not be achievable, the University's advice will take precedence.

Should employees relocate or commence an assignment without obtaining the requisite approvals the University may consider this to be a serious disciplinary offence. Where an employee does not obtain approval before relocating or starting work overseas, the support provisions outlined in this policy will not apply and the employee will be liable for any costs of tax or other regularisation required for themselves and the University. Where approval is not sought or obtained, the employee will also be required to return immediately to their contractual work location.

### **3.5 Payments**

Due to the University's policy of equalisation, the University is responsible (subject to variation by jurisdiction) for making tax and social security payments for the employee on employment income.

As such following the submission of tax returns, should any tax refunds arise the University would have the benefit of receiving these, and the employee of remitting them to the University. This will be set out in the assignment agreement.

Where there are limited mechanisms for the University to remit funds to overseas tax authorities, the employee may be required to make these payments on behalf of the University. In these cases, full support will be given for employees making payments and this will be documented in the assignment agreement.

Any professional support that is covered by this policy will be provided by the University's contracted advisors. Employees may choose to use their own advisors, however, this would not be funded by the University.

### **3.6 Termination of contract**

If an employment contract is terminated either by the University or the employee, the assignment agreement will set out the required steps to reconcile the employee and the University's tax position. Tax return support will continue to be provided for the remainder of the year and the next tax year.

Where the employee is considered tax equalised, tax rate bands and personal allowances will be apportioned based on the portion of the tax year the individual was considered an Aston University employee when closing out the employee's position.

Where there are termination or settlement payments, these will be assessed separately on a case-by-case basis and the treatment documented in the termination/settlement agreement or an amendment to the assignment agreement.

## 4. NON-TAX CONSIDERATIONS

### 4.1 Visa

For staff who hold a work visa for employment at the University there are implications for their continued ability to remain sponsored by us when working outside the UK.

Absence from the UK can lead to them losing the right to work in the UK and/or or it can negatively impact an individual's ability to apply for longer term settlement in the UK.

Losing the right to work in the UK may mean the University has to terminate an individual's employment. For these reasons, individuals must seek personal immigration advice.

The University will also take advice in all cases on host country entry and right-to-work requirements.

### 4.2 Local Employment and Health and Safety regulations

Specialist advice on relevant international employment and health and safety legislation will be taken to ensure that anyone working for Aston overseas is doing so in compliance with local laws.

It is not possible to rely on the fact that Aston is a UK employer, the individual holds a UK employment contract or receives salary into a UK bank account to ensure international compliance.

### 4.3 Insurance and travel

Employee and approving Managers should ensure that they have adhered to the prescribed international travel and insurance processes prior to travel.

### 4.4 Operational considerations and approval

The vast majority of employees' contractual place of work is in the UK and as such any work location other than this requires a formal contractual variation (assignment or secondment agreement).

There are considerable challenges in managing an individual who rarely or only very occasionally will attend campus. For those in leadership roles, leading a staff team remotely, internationally, is more challenging than for those located close enough to come to campus at short notice or on a regular basis.

Approvals should be made in line with Delegated Authorities following the Global Mobility Process.

### 4.5 Costs

All incremental costs of scoping, external professional employment and tax advice, registrations and set-up in host countries, ongoing tax and social security and compliance will be borne by the home department of the individual.

Underlying tax advice and UK Visa advice, as well as Finance and HR staff costs, will continue to be charged centrally. Any recovered funds from the University's policy of equalisation will be utilised to offset these costs.

The implications and costs of compliance for overseas assignment, including secondments, should be identified at the earliest opportunity. Where they are requirements of funding, efforts should be made to maximise recovery of these additional costs from funders.

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