Optimizing your social security mobility program
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Increasing globalization and changing working practices are continuing to drive a significant increase in the number of cross-border working arrangements. This has resulted in an enhanced focus from both tax and social security authorities on the compliance position of organizations with internationally mobile populations.

EY invited some of the world’s most recognizable organizations across 16 industry sectors to share the challenges and concerns they face when managing their international social security obligations.

The survey reveals several key trends, particularly the need to establish clear internal ownership over compliance responsibilities, accurately assess policy effectiveness and to understand conflicting home and host requirements in relation to short-term business traveler populations.

It also highlights just how many organizations are inadvertently missing opportunities to access strategies that would significantly reduce their overall mobility program costs.

To help you gauge the health of your organization’s compliance and to navigate these issues better, we have also included practical next steps to assist you in moving toward a fully optimized social security operation.

Thank you to each of our participating organizations.
The evolving global landscape

The survey highlights a shift in attitudes toward strengthening social security compliance among global mobility professionals. This is symptomatic of the impact of a more complex regulatory environment and greater scrutiny from local authorities.

As part of this greater awareness, organizations that have reviewed the suitability of policies and supporting processes have found that many are not fit for purpose, particularly those relating to short-term business travelers and cost management.

Although social security contributions (SSCs) vary significantly across locations and often exceed income tax costs, compliance has, for many organizations, featured lower on the overall priority list.

Often, this is because the mobility operating model has evolved primarily to focus on income tax requirements, immigration regulations and to provide relocation assistance support for employees.

Country-specific challenges are also on the rise. This is linked to complex regulations, evolving political landscapes and pressure on governments to manage the growing deficit in retirement benefits funding amid an ageing workforce.

The increased focus on compliance can be attributed to developments across three main areas:

1. **More audits and higher settlements**
   Audits are being undertaken more frequently and some authorities are adopting a more aggressive approach, which can result in significantly higher financial settlements per audit.

2. **Excessive, yet avoidable, social security program costs**
   ‘Money left on the table’ by organizations who are unaware of the actual assignment costs and the opportunities available to proactively reduce these costs.

3. **Increased litigation and reputational risks**
   More employees are seeking compensation for detrimental impacts to their state benefit eligibility as a result of their social security treatment during periods of assignment overseas.

**South America**

- Heightened audit activity focusing on global compensation reporting and the application of social security to total compensation packages
- Inability to obtain social security certification unless the application is filed prior to departure from the home country, impacting speed to deployment and the costs incurred
Increasing focus on the level of business commuter and short-term business traveler compliance in audits
- Significant delays in many countries issuing social security certification creating uncertainty for employers in relation to withholding requirements
- Inconsistent application of social security regulations across European countries

Drive to expedite negotiation of social security totalization agreements, making it more challenging to estimate accurately social security costs incurred during the assignment period
- Many newly negotiated totalizations do not allow for full host country liability exemption, withholding liabilities continue to rise in home and host locations creating cost and administrative challenges

Increasing “policing” and enforcement of domestic social security legislation for inbound assignees
- Increasing focus on global compensation reporting and application of social security to total compensation package, in light of domestic liability assessment
Managing compliance risks

Social security regulation is becoming increasingly complex and employers are facing additional obligations to remain compliant with international and domestic social security legislation.

Significant risks associated with non-compliance include:
► Criminal charges brought against senior corporate stakeholders
► Legal action brought against organizations by past and present employees who wish to recover perceived losses in retirement benefits
► Financial penalties and reputational damage

Ownership over the global social security program varies significantly across organizations. Understanding which area of the business has responsibility for social security compliance is the first step to ensuring clear accountability exists.

Who holds primary responsibility for your global social security program?

Penalties for non-compliant employers can be up to three hundred percent of the combined underpaid employee and employer social security contributions.
Managing compliance risks (continued)

**Top four compliance challenges for organizations**

Respondents highlighted four key challenges when attempting to manage their social security program:

1. Understanding payroll obligations in the home and host locations for social security withholding
2. Understanding and executing relevant compliance requirements across all locations
3. Establishing effective global social security compliance processes
4. Understanding the impact of a move on an employee’s state benefit entitlement

What are the main challenges you face when managing social security compliance?

- Payroll obligations in home and host locations for social security withholding: 28%
- Understanding and executing relevant compliance requirements in all locations: 21%
- Establishing effective global social security compliance processes: 18%
- Understanding the impact of a move on an employee’s state benefit entitlement: 12%

Fifty-nine percent of organizations do not have an effective communication process to ensure timely and accurate social security withholding.

59%

Only thirty-six percent of organizations are confident they have a globally applied process to update home and host payrolls in real-time on changes to individual social security positions, mid assignment.

36%
Managing the challenges

Implementing processes and controls that enable effective communication between the global mobility function and global payroll teams is essential. This is particularly important in relation to SSC compliance. Unlike income tax, global SSC liabilities are almost exclusively paid through payroll withholding arrangements and there is generally no ability to amend payments in case of prior error through an equivalent of a tax return. Consequently, payrolls have only one opportunity to apply relevant social security correctly on a real-time basis in home and host locations. Required changes can include the expiry of certificates of coverage or domestic exemption periods.

Ineffective processes to enable real-time communication can often result in compliance failures, yet only 41% of organizations have these processes in place. Failures can be divided into two broad categories:

1. Processes enabling identification or instruction of new payroll withholding requirements

Communication of new requirements can include:

► Identification of an individual employee move
► Confirmation of an actual assignment start date
► Validation of any pending or outstanding application for a home country certificate of coverage
► Validation of any potential social security exemption

Where this relatively basic information exchange does not exist, payrolls may not be able to meet appropriate withholding requirements. Currently, only 36% of organizations are confident they can identify and report on changes in real time. Non-adherence with payroll withholding requirements can adversely affect the eligibility of the employee and their family members to access significant state-funded benefits, such as retirement, health care, child allowance and unemployment.

EY has noticed an increase in the number of cases brought against corporate organizations by individual employees seeking to redress perceived losses in their state benefit entitlements.

2. Processes enabling timely reporting of total assignment compensation information

Required information to be exchanged can include:

► Amounts of compensation paid through another payroll via a split salary arrangement
► Share-related compensation, e.g., gains or awards received
► Other non-payroll compensation, e.g., housing or education costs that are reimbursed, cost of living or other assignment allowances
► Tax payments made by the employer on behalf of the employee under a tax equalization program

EY is experiencing increasing cooperation and information sharing between global social security authorities. Initiatives, such as the Electronic Exchange of Social Security Information (EESSI) system in Europe, will increase the flow of detailed information to facilitate a targeted cross-border compliance campaign by domestic and international authorities.

EY insight #1

Many local payrolls can find the complexity of international assignments challenging. Maintaining compliance with evolving home and host rules, and obtaining accurate compensation data from all locations, can be incredibly time-consuming, especially considering the assignee population is a small component of the overall payroll population. These factors increase the risk of incorrect social security reporting and withholding, with the responsibility for resolving issues often falling to the mobility team. However, unlike income tax, it is generally more difficult to amend incorrect social security payments after the fact. A process to instruct accurately local payrolls and regularly validate the reporting can assist in reducing this risk.

Matthew Blaker
EY Global Compensation Services Leader
Establishing effective processes to minimize audit risk

Only 34% of respondents could confirm that their organizations had effective processes in place to track and report accurately additional income streams for their employee population. However, ensuring the timely reporting of employee total gross compensation is fundamental to ensuring effective compliance, thereby minimizing associated social security audit risks.

Accurate reporting is particularly important in jurisdictions where:

1. There is no compensation ceiling for social security payments
2. The employee is on a split salary arrangement
3. The employee receives non-payroll payments

Social security authorities that have increased audit activity in light of this include the UK, Italy, Brazil and Belgium. Those responsible for social security compliance should review reporting process to avoid gaps in coverage.

**Steps to address compliance risks**

In order to manage the multiple layers of international and domestic compliance requirements associated with social security effectively, the steps below may provide a practical starting point for organizations seeking to understand and minimize these risks.

- Establish who is responsible for social security compliance within your organization, e.g., tax, global mobility, HR or a combination of stakeholders, and ensure each party understands its role, including external service providers
- Ensure your global mobility program contains standardized global processes to provide:
  - Effective communication to relevant payrolls in advance of, and during, an assignment regarding all withholding information for each cross-border move
  - Governance and real-time visibility of all employee-related compliance requirements, including the status of each assignee, on a worldwide basis via a global tracking system
  - Proactive tracking and management of future requirements, e.g., extensions to certificates of coverage, commencement of payroll withholding after the conclusion of relevant initial domestic exemption periods
- Implement an effective global compensation management program to ensure that total compensation is reported and analyzed, and includes reporting for social security purposes in each jurisdiction
- Consult with a dedicated social security specialist service to ensure you remain aware of regulatory changes as they occur, and to understand the impact of these changes on existing and future employees
Tax and social security authorities are increasing their focus on short-term business traveler (STBT) compliance, and applying a more sophisticated approach to data sharing to enforce regulations.

Organizations are under pressure to navigate a changing compliance landscape while meeting the requirements of a growth in STBTs.

Fifty-eight percent are not confident they are globally compliant, and 48% do not have a specific STBT policy, indicating a need for more robust internal governance around the social security implications on STBTs.

Ownership of the implementation and enforcement of the policy varies across organizations, often falling outside of the remit of those responsible for the overall global mobility program. Fragmented ownership can contribute to non-alignment of social security positions being taken in the home and host locations, insufficient transparency, task duplication and therefore increased risk.

Forty-eight percent of organizations do not have a specific STBT policy.

48%
Effectively managing your STBT compliance

The shift toward STBT working arrangements and growing expectations of authorities relating to reporting and payment of contributions, makes it all the more important for organizations to be able to track and monitor their STBT population on a real-time basis. However, only 15% of respondents have a process or technology to support STBT social security compliance.

Specific STBT tax and social security requirements vary depending on the home and host country combination. Organizations should consider the compliance needs of STBTs separately from the broader assignee population for a number of reasons, including:

► Social security totalization agreements may offer less protection for STBTs than income tax treaties and will impact compliance requirements differently.

► Domestic withholding requirements in both the home and host location vary considerably for tax and social security, therefore any minimum period of work acceptable for tax reporting purposes may not be effective for social security.

► Several countries have practical guidelines on income tax compliance for STBTs; however, these guidelines are not applicable to social security.

► Social security liabilities for STBTs working in the EU can be determined by a set of specific regulations for multistate workers that can lead to social security withholding in a country other than home and host locations.

Do you have a process or technology in place to track and monitor STBT moves?

- No
- Yes, but have concerns that the process does not capture all short-term business trips
- Yes, but this data is not used for social security compliance processes
- Yes, and this data is used for social security compliance processes
- Do not know

Fifty-eight percent of organizations are not confident they are globally compliant with social security requirements for their STBT population.
Short-term business travelers (continued)

A lack of awareness of STBT-related compliance issues is evident in the results, with only 2% of organizations being very confident in their compliance levels. Coupled with unsuitable compliance processes, this lack of awareness can result in numerous risks including:

► Financial penalties, particularly “per failure” penalties based on the potential number of STBT compliance breaches per employee within each location
► Adverse impact on immigration clearance in countries requiring particular social security compliance documentation, e.g., certificates of coverage
► Inability to access state health care in the host locations
► Violation of associated local country employee registration requirements, e.g., “Limosa” in Belgium

Considering the potential financial risks, it’s concerning that only two percent of organizations are very confident about their level of STBT compliance.

Check-point

Steps to address STBT compliance

Employers wishing to minimize the social security compliance risks related to STBTs should consider the following:

► Analyze the frequency and duration of business trips, particularly for STBTs working within the EU, as this may impact compliance requirements.
► Ensure acceptable workday thresholds meet both income tax and social security requirements, e.g., how many days must STBTs be expected to work in the host country prior to obtaining a certificate of coverage, as these requirements can change regularly and differ depending on the location.
► Regularly review social security specific assumptions and thresholds to improve ongoing compliance with requirements of home and host authorities.
► Consider the availability of a single certificate of coverage to cover future trips to one or more locations; for example, for those traveling within the EU.
► Anticipate how receptive authorities are to applications for retrospective certificates of coverage in cases where these have not been made prior to the business travel.

EY insight #3

An increasing number of host countries now require evidence of social security registration and coverage in order to grant complete and lawful status coverage for international employees. Failure to secure and report coverage can result in the employee being deemed an ‘unlawful presence,’ exposing the delinquent host country employer to a range of sanctions, including fines and personal penalties.

James Egan
EY Immigration Senior Adviser
Undertaking an international assignment can significantly impact the current and future state benefit entitlements of employees and their dependents – the most important often being eligibility to retirement benefits, followed by child allowances and state health care. Employers face ongoing pressure to quantify if, and how, an employee may be impacted, and the most effective way of protecting against a potential loss.

This is due to:

- Growing numbers of cross-border employees, coupled with a higher number of assignment extensions, increasing the likelihood of employees falling outside home country schemes
- A greater awareness of social security cost optimization opportunities, that can protect the individual while maximizing corporate savings

Do organizations have a formal social security policy?

Although organizations with internationally mobile employees should have a well-established mobility policy, almost half of respondents did not have a formal policy specific to social security. For practical purposes, social security is often contained within the overall tax mobility policy, with the contents viewed as general non-binding guidance.

Forty-nine percent of organizations do not have policies to protect employees that drop out of their home country scheme during an international assignment. Unfortunately, solely relying on non-specific guidance to address social security issues can inadvertently increase an organization’s compliance risks. Ideally, policies should provide either income tax protection or tax equalization to employees and specific guidance on how to resolve social security issues.

For those organizations that do have a specific social security policy, the traditional home-based approach remains the most prevalent. This approach is often preferred as it enables simple communication with employees, and provides a level of comfort by maintaining the status quo in relation to payment contributions, e.g., the company attempts to ensure there will be no change to the employee’s state social security benefit position. More organizations are also increasingly “flexing” policies between certain country combinations to facilitate cost-optimization opportunities.

Policies that are fit for purpose contain the right level of guidance to resolve issues and minimize risk, and provide flexibility to support potential cost-saving opportunities for the business.

EY insight #4

Policies that are fit for purpose contain the right level of guidance to resolve issues and minimize risk, and provide flexibility to support potential cost-saving opportunities for the business.

Siobhan Cummins
EY Mobility Performance Improvement Leader
Legal action brought against the organization by repatriated employees to redress perceived mismanagement of their state benefit entitlements.

An inability to implement controls accurately and proactively that may protect against potential losses in a manner that is both efficient and tax effective.

Case study

Policy optimization in practice

EY’s International Social Security Practice and Pension Advisory Teams recently delivered an integrated solution to assist a client struggling to manage employees who had fallen outside of their home social security scheme.

By using the EY Pension Analysis Solution, the client was provided with a full actuarial analysis of the potential impact on each individual in both the home and host locations, tailored to their personal contribution records and future expectations.

The analysis provided several differing cost-effective strategies for each set of employee scenarios resulting in:

- Zero overall loss in state pensions for all US outbound employees, factoring in the resultant eligibility that the individuals would accrue in the host location
- A cash compensation payment being more efficient and cost-effective than voluntary payments to non-US employees with a detrimental impact forecast, due to specific home country benefit schemes under consideration

Qualifying and quantifying the impact on employees

The challenge for many organizations is how to qualitatively and quantify if, and how, an employee might be negatively impacted by undertaking an international assignment. Limited visibility over potential impacts can result in significant risks including:

- An inability to manage accurately the impact on employee retirement benefits and effectively communicate this with the employee – poor transparency and communication can be a deal-breaker for employees considering international assignments
- Legal action brought against the organization by repatriated employees to redress perceived mismanagement of their state benefit entitlements

Optimizing your social security mobility program
Protecting employee entitlements

When an employee’s entitlements are impacted as a result of undertaking an international assignment, the organization must decide whether any loss should be protected against. Currently, only 52% of organizations operating under a social security policy confirm that they would attempt to “protect” employees against any detrimental impact resulting from an international assignment. EY is seeing a growing number of instances where repatriated employees have chosen to file legal claims against past or present employers that have failed to make them aware of any detrimental impacts to their entitlements prior to deployment.

For those that do implement measures to protect against entitlement losses, 63% prefer to make voluntary payments to employee home country schemes where possible.

However, more organizations are discovering that voluntary contributions into home country schemes may not be the most effective option due to associated costs, and because the level of home country benefit that can be protected against is minimal.

Alternative strategies to voluntary contributions include:

► Removal of the home hypothetical social security deduction – this involves increasing the net pay and enabling the individual to make a decision on their investment priorities while on assignment
► Enhanced contributions into a corporate pension plan
► Enrolment into international pension plans (IPP)
► Cash compensatory payments

What processes do you follow to protect against losses?

- Payment of voluntary home SSCs 63%
- Removal of hypothetical social security deduction 15%
- Enhanced contribution into a corporate pension scheme or international pension plan 11%
- Other 11%

Checkpoint

Steps to optimize social security mobility policy

As employees become more aware of their eligibility regarding retirement benefits, organizations that fail to manage this process effectively will do so in the face of increasing reputational risks. Additionally, failing to determine if, and how, an employee will be impacted can delay speed to deployment, disrupting both the employee and the business.

The practical steps below are a starting point to help your organization understand and reduce these risks:

► Revisit and refresh the social security elements of your global mobility policy
► Ensure policy is “fit-for-purpose,” articulates the preferred degree of social security protection (where applicable) and is appropriately flexible to enable effective use of cost-optimization strategies
► Consider your current ability to qualify and quantify the impact on employee benefits
► Consult with a dedicated social security specialist to establish the level of support required to manage compliance with state benefit regulations; review your assignee population to identify employees who have fallen outside of their home country schemes; and review additional compliance risks in the context of the issues raised
There is a huge diversity of SSC costs throughout the world with liabilities typically levied on both the employee and employer through a local payroll withholding process. Contribution costs can vary from a complete exemption to a combined contribution rate of over 65% of total income, depending on the location.

Of those organizations that do conduct cost estimations, 60% confirm that the actual social security costs experienced during the assignment far outweigh the initial estimates undertaken. However, only 8% of organizations calculate costs post assignment.

Are costs generally found to be:

- 20% in line with budget?
- 20% in excess of budget?
- 60% a combination of a) and b)?

Risks of inadequate cost qualification

Inability to validate likely SSCs prior to deployment can inadvertently expose organizations to unnecessary risks such as:

- A lack of visibility over one of the most significant assignment costs for the organization
- An inability to take advantage of potential cost reductions available to the business
- An inability to develop and implement accurately a plan to reduce future assignment costs
- Those relating to the ability to manage and communicate any impact on an individual’s state benefit eligibility, e.g., retirement, health care and child allowance

Eight percent of organizations calculate SSC costs after the assignment has ended to identify overspend or opportunities for cost optimizations.

EY insight #5

The calculation of a cost estimate can support global mobility assignment policy and provide the business with a comprehensive cost breakdown of each assignment prior to deployment. This can identify potential cost savings, overspend and mobility trends. This data also facilitates budget management, policy and exception management, return on investment and strategic succession planning.

Thomas Efkemann
EY Global Assignment Services Leader
Optimizing social security costs

Process optimization and policy optimization are two areas organizations can review to manage and realize potential SSC cost reductions effectively.

Process optimization

Process optimization focuses on ensuring the right processes are in place to take advantage of home country social security exemptions, or to obtain refunds of contributions paid during an assignment once the employee has returned to the home country.

Lost “savings” to an organization can be significant as they include employee and employer contributions, plus additional tax savings potentially applicable if a tax equalization policy is in place. A systematic social security withholding validation process and real-time communication between global payrolls and the organization are essential in ensuring withholdings are fully optimized.

Sixty-six percent of organizations fail to apply for contribution refunds and less than half take advantage of available exemptions.

Coordinating an effective withholding process

Unnecessary social security payments are usually made when there is no established withholding process across home and host locations. Refund processes required by the various authorities across the world are making it increasingly challenging, in some cases almost impossible, for organizations to obtain retrospective refunds on incorrectly paid SSC.

Examples of information that will affect withholding in home and host locations include:

- Pending or existing applications for home country certificate of coverage
- Potential applications of domestic social security exemptions
- The relevance of certain work permit positions (which can exclude an individual from host country withholding requirements)

Case study

Effective process in practice

During a recent transition of global social security compliance services into EY, we enabled the client to receive over US$9 million in refunds of incorrectly paid SSCs, in addition to significant ongoing annuity savings.

To achieve this, we utilized onboarding methodology to highlight 35 legacy cases where social security had been incorrectly withheld by host country payrolls. These errors had occurred due to a communication breakdown between the home country HR and relevant home and host payrolls, and a lack of integrated validation review processes to ensure withholding determinations had been actioned appropriately.
Policy optimization

Policy optimization focuses on structuring assignment arrangements to avoid high-cost social security liabilities. Historically, many organizations have followed a strict “stay-at-home” approach in relation to an employee’s social security position on assignment, e.g., maintaining an individual in their home country social security scheme whenever possible.

However, increasing costs associated with reductions to an employee’s eligibility for state retirement benefits in many countries has encouraged organizations to review this approach.

Although significantly more organizations are now beginning to consider the option to “flex” this stay-at-home approach, dependent on home and host country combinations, many still retain employees in high cost state schemes without considering alternative options.

Check Point

Steps to optimize social security program costs

Significant opportunities exist for employers to reduce ongoing social security costs within their global mobility programs while avoiding any detrimental impact on their employees. Organizations may wish to consider the following steps when looking to optimize SSCs:

► Review the current employee population to identify refund or exemption opportunities

► Implement a strategy where future assignments are structured in a way that can facilitate potential reductions in SSC costs

► Use this strategy to enhance the pre-assignment cost-estimate process, introducing pre-consideration of SSC cost-reduction opportunities

► Introduce a withholding validation process to prevent payment of excessive social security liabilities during the assignment term
### Summary and action plan

Achieving a fully optimized global social security program is dependent on the flow of real-time, accurate cross-border employee information, both within the organization and with home and host tax and social security authorities. Survey participants highlight a growing awareness of the need to unify policy and process to facilitate this and address the risks associated with operating in a tougher regulatory environment.

#### 1. Managing compliance risks

"Unlike income tax, it is more difficult to amend incorrect social security payments."

"Ineffective processes to enable real-time communication can often result in compliance failures."

"Understanding which area of the business is responsible for ISS is the first step toward achieving accountability."

Currently, **59%** of organizations do not have an effective communication process to ensure timely and accurate social security withholding.

Only **34%** of organizations have a process in place to capture global non-cash and off-payroll items subject to SSCs regularly.

#### 2. Short-term business travelers

"Organizations must navigate changing compliance requirements alongside growing STBT populations."

"How receptive are authorities to applications for retrospective certificates of coverage if the pre-departure deadline is missed?"

"STBT compliance requirements should be considered separately from the broader assignee population."

However, **48%** of organizations do not have a specific STBT policy.

Only **13%** of respondents have a process or technology to support STBT social security compliance.

#### 3. Social security mobility policy

"International assignments can adversely impact employee state pensions, allowances and health care benefits."

"Policies should contain the right level of guidance to resolve issues and minimize risk, and provide flexibility to support potential cost-saving opportunities for the business."

"As employees become more aware of their eligibility for retirement benefits, organizations that fail to manage this process face reputational risk."

Today, **49%** of organizations do not have policies to protect the social security benefits of employees that drop out of their home country scheme during an international assignment.

Only **52%** of organizations with a social security policy will attempt to “protect” employees against any detrimental impact resulting from an international assignment.

#### 4. Cost management and reduction

"Most organizations experience a lack of visibility over one of the most significant assignment costs – social security."

"Significant opportunities exist to reduce social security costs within global mobility programs while avoiding detrimental impacts on employees."

"Accurate cost estimates can provide the business with a comprehensive cost breakdown of each assignment prior to deployment."

Up to a **65%** combined SSC rate can be expected in some locations.

Over **60%** of organizations fail to apply for contribution refunds available to them and over **40%** fail to take full advantage of exemptions available to them.
Action plan

Undertaking a holistic operational review of your global social security program to identify risks and optimization opportunities is the first step to improving the overall health of your operation. Proactively addressing issues can, in turn, support the broader global mobility function to demonstrate value and operational effectiveness.

To begin the journey toward a fully optimized social security program today, organizations should consider the following key objectives:

01 Establish clear ownership over social security compliance within your organization.

02 Implement processes to allow regular communication between internal compliance owners and external payroll providers.

03 Track and notify internal and external parties on future payroll requirements.

04 Ensure global compensation reporting accurately captures social security payments in home and host locations.

05 Regularly review your processes in each jurisdiction to ensure operations comply with local authority requirements, and consult with your specialist service provider to keep up to date with changing compliance requirements and how these impact your organization.

06 Establish a framework to address each compliance scenario for all country combinations, e.g., Is a social security certification relevant and obtainable (retrospectively or otherwise), or is EU “multistate” coverage applicable?

07 Ensure policy is fit for purpose, facilitating cost-optimization opportunities relating to payment options across locations, including potential refunds and exemptions.

08 Ensure policy clearly sets out the organization’s position in relation to protecting individuals that may experience a detrimental impact on their benefits and contains flexible compensatory support for managing losses and to serve tax purposes.

09 Embed cost-optimization strategies within operations, e.g., structure assignments to include detailed pre- and post-assignment cost analysis to support budget management and cost-reduction opportunities.

10 Speak with service providers that can demonstrate a robust understanding of local tax and social security authorities in home and host locations, and obtain reporting and proactive insights to inform your program.
Appendix: respondent demographics

Which of the following best describes your industry sector?

- Media, telecomms or technology: 19%
- Automotive, engineering or manufacturing: 24%
- Retail and consumer goods: 10%
- Finance services: 8%
- Oil, gas, energy or utilities: 8%
- Pharmaceuticals or health care: 8%
- Professional services: 3%

“Other” sectors include chemical, NGOs, transport and logistics, food processing and packaging, IT, insurance and financial services.

How many assignees does your organization have worldwide?

- Under 50: 7%
- 50-99: 16%
- 100-199: 10%
- 200-299: 16%
- 300-399: 8%
- 400-499: 2%
- 500-749: 5%
- 750-999: 3%
- 1,000-1,499: 5%
- 1,500-1,999: 5%
- Over 2,000: 20%

Do not know: 3%

Where is your organization headquartered?

- Europe: 72%
- North America: 23%
- Asia: 5%

What is the average assignment length for your long-term assignees?

- Less than 12 months: 0%
- 12 to 17 months: 11%
- 18 to 23 months: 13%
- 24 to 35 months: 38%
- 36 to 47 months: 22%
- 48 or more months: 7%
- Do not know: 9%
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EYG No. DL1388
7763.indd (UK) 08/15. Artwork by Creative Services Group Design.
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EY’s International Social Security (ISS) practice is a market-leading provider of global social security services around the world. Our global ISS service delivery model and our use of dedicated social security subject matter resources enable us to provide clients with comfort in relation to their ongoing compliance while facilitating cost control opportunities on a proactive basis.

Our ISS Center of Excellence (CoE) is committed to providing clients with unrivaled service and advice through the use of our market-leading methodologies. Our CoE and network of ISS specialists throughout the world pride themselves on their technical experience, having a deep understanding of technical legislation but also being at the forefront of legislative developments to help clients best prepare for ever-changing legislation.