



Global Mobility Services

April 2016

kpmg.ch/mobileworkforce



Columbus	Southwest	2220	3:15P	81	On-Time	Los Angeles	Alaska	488	3:00
Dallas/Ft. Worth	American	380	3:30P	A3	New 3:50P	Los Angeles	Southwest	1080	3:00
Dallas/Ft. Worth	American	1232	5:30P	A3	On-Time	Los Angeles	Alaska	530	3:45
Denver	Alaska	562	2:30P	C29	On-Time	West Ketchikan	Northwest	95	2:55
Denver	Frontier	834	2:40P	A3		Westford	Horizon Air	2285	3:05
Denver	United	324	3:40P	91	On-Time	Wrengeville	Alaska	5017	3:05
Denver	United	480	4:40P	92	On-Time	Wrengeville	Northwest	182	4:15
Denver	Alaska	578	5:20P	C18	On-Time	Wrengeville	United	480	4:40
Denver	United	1218	6:00P	96	New 5:00P	Wrengeville	Sun Country	288	4:05
Detroit Metro	Frontier	1111	2:20P	87	On-Time	Wrengeville	Northwest	172	3:25
Edmonton	Horizon Air	2316	2:30P	C26	On-Time	Wrengeville	Continental	6821	3:55
Edmonton	Horizon Air	2900	3:30P	C26	On-Time	Wrengeville	Horizon Air	2382	3:15
Eugene	Horizon Air	2427	3:20P	C26	On-Time	New York - JFK	JetBlue Airways	178	1:50
Eugene	Horizon Air	2821	5:00P	C18	On-Time	Newark	Continental	1889	3:30
Fairbanks	Alaska	167	2:40P	26	New 3:00P	Dulles	Alaska	374	3:31

Managing your global workforce

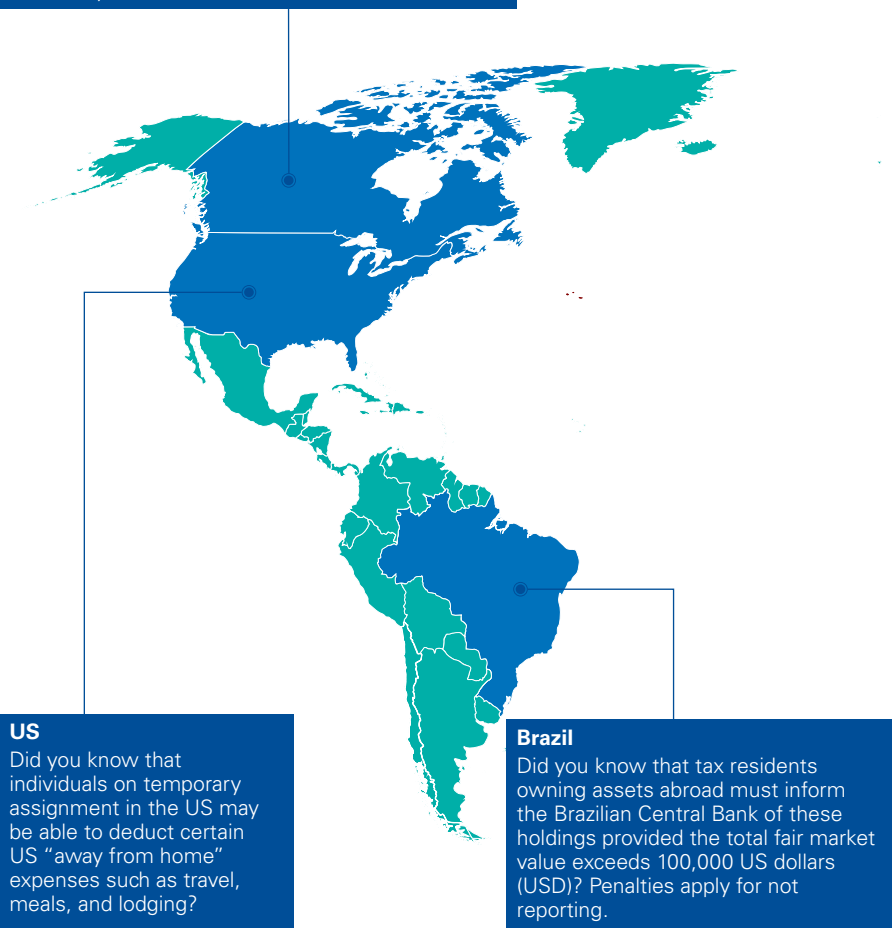
For many organizations, the pressure to compete effectively has led to an increase in the size and complexity of their global workforce, placing greater demands on international human resource teams. Managing compensation, tax compliance and global mobility is becoming more costly, complex and time-consuming.

KPMG's Global Mobility Services (GMS) practice brings together a wealth of tax, technology, immigration and mobile administration services to help make managing your global workforce easier, safer and far more efficient. Whether you are considering expansion or relocation to a new location, an acquisition or more streamlined processes to manage your existing workforce, our practice can support you.

The scale and scope of our knowledge spans the world, with our diverse, experienced teams working closely to provide personal service on a global scale.

Canada

Did you know employers have a payroll reporting and withholding obligation, even if the employee's income is exempt from tax in light of the provisions of a treaty?



US

Did you know that individuals on temporary assignment in the US may be able to deduct certain US "away from home" expenses such as travel, meals, and lodging?

Brazil

Did you know that tax residents owning assets abroad must inform the Brazilian Central Bank of these holdings provided the total fair market value exceeds 100,000 US dollars (USD)? Penalties apply for not reporting.



KPMG's GMS practice thinks globally — beyond the present and beyond borders

- 4,000 worldwide GMS professionals
- Staff in over 140 countries

UK

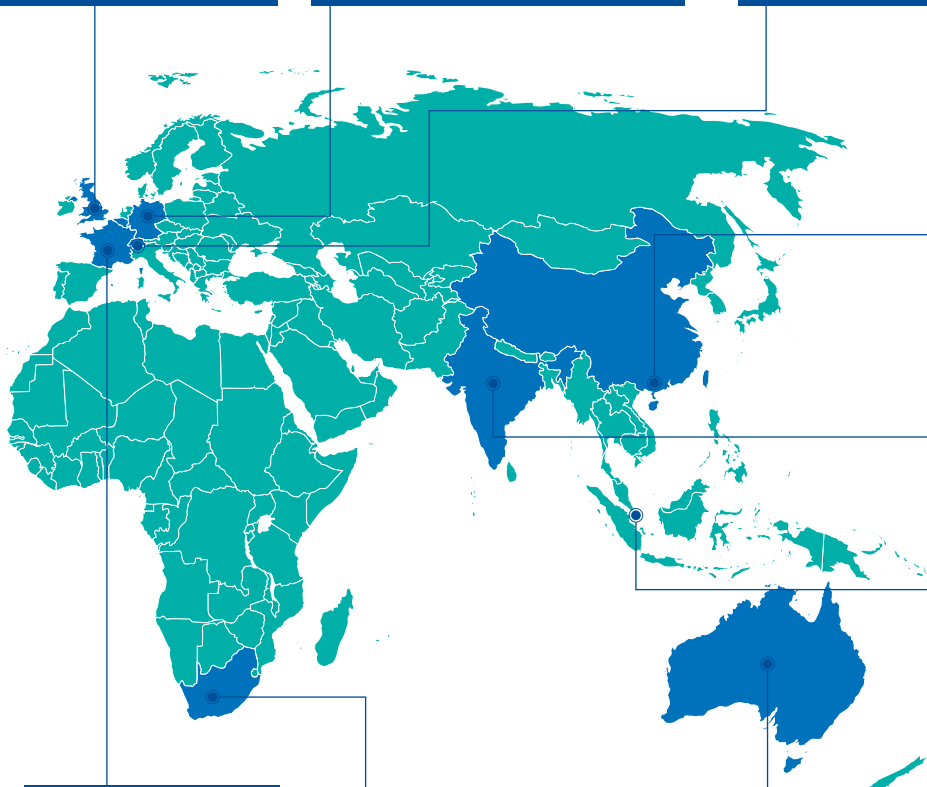
Did you know that most extended business travelers would not be liable for UK social security?

Germany

Did you know that tax withholding for non-resident employees follows special rules, which differ from those for resident employees?

Switzerland

Did you know that on a monthly or quarterly basis, the employer is obliged to report the gross salary as well as the deducted withholding tax to the authorities?



Hong Kong/China

Did you know that visitors who do not exceed 60 days of presence in Hong Kong in a year of assessment will be exempt from salaries tax?

India

Did you know that India has introduced social security arrangements which can apply to expatriates and require both employee and employer contributions during an assignment?

Singapore

Did you know employers are required to complete a return of remuneration form (Form IR8A) setting out the various payments under the employment for the year?

France

Did you know that income tax in France is assessed on a family/household basis?

South Africa

Did you know that individuals claiming relief from tax under a Double Tax Agreement are required to submit tax returns to claim relief?

Australia

Did you know that non-cash employment benefits, including many assignment benefits, are taxed to the employer rather than the employee?

Tax compliance — a source of long term savings?

Case study

A GMS client was expanding into a number of jurisdictions across Europe and Asia Pacific. The KPMG member firm assisted the client to develop their global mobility policies by identifying the key benefits commonly offered in each jurisdiction and structuring the provision of those benefits in the most cost effective manner. This enabled the company to ensure its policies were both competitive and cost effective.

To help provide you with the competitive edge, the GMS practice aims to provide value beyond the preparation of tax returns. While completing tax returns for international assignees is a personalized service provided for each expatriate, we can also help assignees get the payroll information they need to process a return. KPMG professionals review

a company's current program to help uncover potential savings and then help the company implement the ideas and methodologies it chooses to adopt. All of this is done in alignment with the organization's global corporate goals and compliance initiatives.

Services to help you help them

Mobility Consulting Services (MCS)

KPMG's GMS practice offers a broad array of strategic (advisory) and administrative (outsourcing) services to help improve business processes, including:

- policy review, design, and development
- international assignment process improvement and re-engineering
- process manuals and guides
- international assignee assessment and repatriation planning
- assignee communications
- tailored benchmarking surveys
- employee attitude surveys.

The GMS team has worked with many leading multinational organizations that have redesigned their policies and processes to reduce costs, improve assignee satisfaction, address a new environment caused by a merger or acquisition, and respond to recent government legislation.

The GMS practice has also provided assistance with routine administration of international assignment programs so that companies can focus on high-level strategic human resources aspects of their programs.

It is important to us that both the organization and individual assignee are confident that all aspects of the assignments are being handled effectively.

Due Diligence Advisory

When your company needs to evaluate tax compliance, our Due Diligence Advisory team can provide a variety of services, from assisting with evaluating permanent establishment issues to helping to evaluate potential unrecorded liabilities associated with globally mobile employees.

Companies often ignore the tax aspects of transactions such as an acquisition, a merger, movement into a new country or a joint venture. If a significant amount of your business is from offshore

operations where employees are on the ground, cross-border employees can have hidden or unexpected financial consequences. Our network of Advisory professionals can help you to evaluate these types of transactions.

Global Equity Tax Advisory

Increasing employee mobility, combined with the clear trend toward long-term incentive programs, creates challenges for companies. Not the least of these is managing complex multi-country payroll reporting and withholding obligations which often involve countries that an employee left years prior to the taxable event.

KPMG professionals can help take the complexity out of this important process. Our member firm practices not only understand the rules, but can effectively coordinate the many stakeholders that need to be involved in the incentive settlement process. Our experienced teams, combined with cutting edge technology, can help you to satisfy your payroll obligations quickly and cost-effectively while ensuring a proper level of understanding.

International Social Security Advisory

You need to plan social security tax, which can sometimes be higher than the income tax associated with employees. It is important to understand the rules and how they impact the cost of international assignments so you can control organizational costs. For example, effectively using Totalization Agreements and other exemptions can help lower the social tax cost where only one country's tax system is being funded.

Employment Tax Services

Our Employment Tax professionals can help companies identify payroll and employment tax issues early and help resolve them before they escalate into significant tax problems. This includes assistance in identifying, quantifying and recovering payroll tax overpayments, complying with employment tax requirements during restructuring or related M&A transactions, and securing the abatement of penalties for payroll-related assessments. Our professionals can provide day-to-day assistance on various types of payroll and payroll-related issues.

Global Immigration Services

Managing a global workforce means observing different, complex and fast changing immigration laws worldwide. Increasing enforcement of the laws by the immigration authorities and severe penalties in cases of non-compliance means companies need to be more diligent than ever about managing their global workforce.

KPMG's network of member firms offer the broad range of immigration services required to deal with such challenges. With a global network of immigration specialists in more than 100 countries, our teams can help you get necessary visas, work and residences permits, determine applicable visa categories and advise on immigration topics and processes. It's about giving you the information you need to help you efficiently manage your global workforce.

Case study

During the due diligence review for a corporate acquisition, the KPMG member firm identified substantial unrecorded liabilities related to international assignees of the target company. As a result, the client was able to favorably adjust the purchase price for the target and subsequently put in place processes to mitigate their associated tax and financial costs going forward.

Case study

An internal audit review of compliance with internal corporate processes, including employer withholding, remittance and reporting obligations, resulted in an audit adjustment for unpaid taxes and penalties and interest associated with a number of short-term assignments. The KPMG member firm worked with the client's corporate tax and human resources teams to put into place processes and controls to mitigate such an occurrence in the future. The member firm also negotiated with multiple jurisdictions to mitigate any penalties and interest arising in respect of the identified exposure.

KPMG LINK Work Force

KPMG has been among the first in the market to use data and analytics to help you make evidence-based decisions and better align global mobility and human capital with broader organizational goals. Our Global Mobility Services practice develops technology tools that can help you manage costs and enhance efficiency.

The KPMG LINK Work Force suite of global mobility tools, combined with KPMG's services, can help streamline and simplify the management of your global mobility program. Our web-based, integrated, and user-friendly tools can be tailored to a company's assignment program and can be used in multiple languages.

How can globally mobile employees use KPMG LINK Work Force?

KPMG LINK Work Force is a powerful resource that international assignees can use throughout their assignment. They can:

- exchange information with KPMG firms securely and conveniently
- access data collected for both home and host country tax return preparations (more than 70 countries included)
- enter required information only once (information is automatically shared for multiple countries)
- build relevance by interactively presenting follow-up questions based on previously entered answers
- learn about home and host country tax obligations
- view the status of a tax return or tax equalization/settlement calculation, and retrieve documents, such as a completed tax return or certificate of coverage.



How can global mobility managers use KPMG LINK Work Force?

KPMG LINK Work Force provides a single portal for all stakeholders and can help streamline the management of a globally mobile population. Through the portal you can provide tailored views to each user and configure workflows to support key processes in the assignment lifecycle, depending on the tools you leverage.

- **Dashboard and status report center:** see the latest status of all tax compliance projects such as home and host country tax returns, tax equalization settlements, assignment counseling sessions and other activities. The dashboard provides a high level, graphical status of all tax compliance at both the program and individual employee levels, with multiple portlets that can be added to or removed from your personalized dashboard. Key metrics allow you to evaluate your international tax compliance program and KPMG's performance at a glance. All data is shown graphically on screen for easy review and analysis. A drill-down capability allows you to focus on certain subsets of data for detailed information along with the ability to export that data into Excel for further manipulation.
- **Taxpayer documents:** a place for you to retrieve international assignee specific documentation, such as tax equalization summary information, hypothetical tax calculations, and assignment letters.
- **Online collaboration:** access to online space for you to work collaboratively with KPMG member firm professionals and your own company's management on projects, initiatives, and ongoing engagement management.
- **Travel tracker:** generate real-time travel and workday reports based on data entered by the assignee. The travel tracker can be particularly beneficial in determining an employee's filing or withholding obligations.
- **Benchmarking center:** houses the Global Assignment Policies and Practices Survey, the first web-based survey of its kind, which provides immediate data and enables you to compare global mobility policies across peer organizations.

Other licensed technology

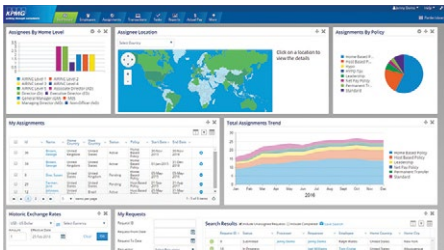
In addition to KPMG LINK Work Force technology, the GMS practice offers a host of licensable assignment management, financial modeling, and compensation collection tools to facilitate the management of programs of all sizes.

KPMG LINK Cost Projector: helps multinational companies quantify the assignment and tax costs associated with sending employees on both short and long-term international assignments.

- Identifies tax obligations and keeps budgets under control.
- Gives company the power to effectively structure assignments and select the right candidate.

KPMG LINK Enterprise Assignment Manager: provides an end-to-end process and data management solution with integrated analytics, work flow, and robust reporting functionality.

- Helps prepare for, and manage tax and payroll issues, compensation incentives and assignment structuring.



- Provides robust cost projections with company-specific policies and granular allowance calculations.
- Facilitates the global payroll and tax compliance process and manages the administrative side of the move to track and keep costs down while ensuring all issues are quickly and efficiently addressed.
- Monitors and reports on the many various post-assignment activities and transactions.

KPMG LINK Global Equity Tracker: a flexible, web based application that helps companies manage the payroll reporting and withholding obligations for incentive compensation of mobile employees.

Global Equity Tracker has tax rules for more than 140 countries and can be used for any type of incentive arrangement or even regular pay. It not only provides payroll instructions, but supports the entire process from collection of data through to settlement, communication, and even payroll reconciliation and helps ensure your employees receive the right amount at the right time.

The flexible advanced functionality make it a perfect tool for any company or population size. The speed, accuracy, and transparency will help assure you that you have managed your company's obligation and delivered valuable awards to your employees.

KPMG LINK Business Traveller: helps companies and employees quantify the risks associated with entry requirements, income tax, social tax and permanent establishment.

- Track the travel of all employees, including on-the-go tracking via the mobile app.
- Provide instant trip analysis and guidance: fast, accurate and tailored tax, social security and immigration assessments.

- View real-time travel assessments for employees contemplating business trips.
- View management information, available 24/7, through a live digital dashboard and generate compliance reports detailing issues and next steps.
- Receive regular updates to tax, social security and immigration rules and logic.

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