

UNITED KINGDOM

As per 1 January 2018

EXPATRIATE AND EMPLOYER TAX COMPLIANCE AND ADVISORY

Tax rate	Progressive personal income tax rates from 20% – 45%. There is a tax free personal allowance (£11,850 in 2018/19) that is available to UK residents, UK nationals who are non-resident and EEA Nationals. It is also available to individuals who are national and resident in selected countries and in certain circumstances under the provisions of double taxation agreements.
Tax period	6 April to the following 5 April.
Tax residency / Domicile according to domestic law	UK tax residency is determined under the rules of the UK Statutory Residence Test. The rules of the test must be reviewed in order to conclude whether an individual is either automatically non-resident or automatically resident in the UK. For those who do not fall into these categories there is a 'sufficient ties' test which provides a sliding scale for residence based on the number of days spent in the UK and the number of ties an individual has to the UK.
Tax registration	Registration with HM Revenue and Customs (HMRC) is required using Form SA1. Once registered, the individual will be issued with a 10 digit Unique Taxpayer Reference Number (UTR).
Employment income definition	Employment income is split between 'General Earnings' and 'Specific Income' General Earnings includes salary, bonuses and other payments which are equivalent to cash, as well as certain non-cash benefits. General earnings are assessed on the basis of the domicile and residence status of the employee, and the place that the individual's employment duties are performed. 'Specific Income' covers certain types of income that fall outside the general earnings legislation and are assessed under their own specific legislation. The types of specific income most often seen when dealing with expatriate employees are termination payments and company share and share option plan gains.
Examples of tax exemption	Earnings that relate to merely incidental duties e.g. where an employee attends work in the UK for training. Employee mobile phones (one per employee). Medical treatment abroad (employees working outside the UK). Health Screening and Medical check-ups (one per year). Employee meals where available to all employees. Long service awards. Late night taxis.
Specific expatriate concession	Overseas workday relief – relief from UK tax in respect of a non-domiciled employee's workdays performed outside the UK – subject to meeting various conditions. Home leave flights paid for or reimbursed by an individual's employer, for up to 5 years where the employee is not UK domiciled. Travel and Subsistence Relief – deduction for expenses such as accommodation, groceries, local property tax, utilities, travel to and from work – applies where there is an intention to work at a temporary workplace for up to 24 months. Remittance basis of tax for non UK domiciled employees – non UK sourced investment income and gains can be exempt from UK tax if the income/gains are kept outside the UK.
	The income of statutory directors is broadly taxed in the same way as employees.

Income of board members	There are social security exemptions for board meetings if specific conditions are met. Director's duties can never be 'merely incidental' (and therefore not taxable).
Tax returns	Self-assessment tax returns are filed on an individual basis (no joint filing in the UK) by: <ul style="list-style-type: none"> - 31 October following the end of the tax year if submitted by paper. - 31 January following the end of the tax year if filed online. Late filing and late payment penalties apply. N.B. not all UK individuals are required to file UK tax returns. However, filing will apply in most expatriate cases.
Tax payments	Payment is required by 31 January following the end of the tax year. Payments on account are required in certain cases by 31 January and 31 July. This might apply, for example, where there has been insufficient payroll withholding in the previous year.

TAX TREATIES

Employment income / income from board members	Determined under article 15 / 16 of the OECD model tax treaty.
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INTERNATIONAL SOCIAL SECURITY

Cross border employments	EU Regulation No 883/2004 and EU regulation No. 1408 / 71 and several social security treaties.
Exception under Art 16 of Reg. 883/2004 and Art 17 of Reg. 1408/71	Generally applicable.
Social Security Cost as % from gross salary and absolute amounts	Employees who receive gross earnings of more than £162 per week are subject to a withholding for Class 1 National Insurance contributions at 12% up to a total earnings limit of £892 per week and 2% thereafter. Employer social security of 13.8% on earnings above £162 per week (employer's contributions follow the employee's position). Employer social security on non-cash benefits-in-kind of 13.8%.

IMMIGRATION

Work permit	EEA and Swiss nationals do not currently need any additional permissions to work in the UK. Non-EEA nationals normally need to apply for a permission to be able to live and work in the UK legally. There are different immigration categories that may apply depending on the duration and the purpose of the visa sought, nationality of the applicant, personal circumstances as well as employment particulars. Each case would need to be assessed individually in order to determine the most appropriate working visa category.
Visa	Certain nationals, travelling to the UK as visitors for a period of less than 6 months do not need a visa to enter the UK for certain permitted activities. Some examples of the 'non-visa' nationals are: EEA, Swiss, the US, Canada, Australia, New Zealand nationals among others. The examples of permitted activities include visiting friends and family in the UK or coming to the UK for a holiday, attending business meetings, conferences, seminars, conducting site visits etc. Please note that the UK is not part of the Schengen zone, so Schengen visa holders still normally need to obtain a separate visa for the UK, unless one of the exemptions applies.
	EEA and Swiss nationals do not need any additional permissions to travel, live and work in the UK, provided that they are "qualifying persons". If they are staying in the UK for over 3

Residency permits / registration certificate	<p>months, they may consider applying for a Registration Certificate but this is not mandatory. They may also apply for a Permanent Residence after spending 5 years in the UK, provided that they satisfy the qualifying criteria. For non- EEA nationals, there are various visa categories. Generally speaking, when applying to come to the UK for more than 6 months, the entry visa will be issued for 30 day to enable the applicant to enter the UK, and, once in the UK, the applicant would need to collect his/her Biometric Residence Permit card from the designated post office. The Biometric Residence Permit confirms the full validity of the visa. The duration of the visa could be up to 3 or 5 years, which can be further renewed in certain cases for up to 6 or 9 years, depending on the specific visa category chosen. Certain nationals are also required to be registered with the police within 7 days of entering the UK.</p>
Driving license	<p>EU/EEA nationals can drive in the UK on a full, valid driving licence from another EU country. Drivers from other countries can drive small vehicle (i.e. car or motorcycle) for up to 12 months if they've got a non-EU driving licence or an international driving permit. Certain nationals from 'designated countries' (i.e. Australia, Canada, New Zealand, Japan, South Africa, Switzerland, Singapore, South Korea etc.) who are also UK residents can apply to exchange a foreign driving licence to a UK driving licence.</p>
STOCK OPTION PLAN	<p>There are complex rules regarding the taxation of stock options and RSUs. The tax point is generally the exercise date and based on the gain profit over the grant / award to vest / exercise period.</p>
ARTICLE 15 OF THE OECD MODEL	
183 days	<p>The days of physical presence will be accounted per calendar year, tax year or 12 month period (depends on tax treaty).</p>
Notion of employer	<p>Economic and formal employer.</p>
Existence of a permanent establishment	<p>The definition of a permanent establishment is determined in the tax treaty.</p>

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