Mobility Compliance Survey

In February, we invited you to participate in our survey on mobility payroll compliance policy and process. We are now pleased to share highlights of the results:

- Respondents in general were more compliant for their globally mobile employees than domestically mobile employees, presumably because global mobility requires more employer involvement such as application for work visas.
- Respondents were more compliant for transfers and assignees than they were for travelers.
- Respondents with a professional services division (e.g., a department whose employees work at client sites, possibly in another U.S. state or country, usually consulting or implementing technology and typically completing timesheets) were generally more compliant with the mobile employee payroll tax compliance rules than their counterparts.
- Just over one-quarter of respondents tracked executive mobility for the purposes of allocating income, almost one-third for respondents with a professional services division. These numbers are higher than for those respondents tracking sales staff.
- When asked for the perceived level of company compliance, almost one-third of respondents thought they were between 70-80% compliant.
- Eighty-six percent (86%) of respondents plan to improve compliance over time with 46% having a current initiative to do so.

For any questions on mobility trends and best practices, please contact us.

Global Tax Developments for Equity Compensation

Here is a high-level summary of some key recent equity compensation legislative updates:

> ***Belgium*:** The Belgium Supreme Court confirmed the National Social Security Office's position that the income from equity awards should be treated as compensation subject to employer and employee social taxes regardless of a recharge.
>
> ***China:*** The Chinese government has issued a new Circular 35 in May 2019 that is backdated to January 1, 2019. The main change under this Circular for non-PRC citizen mobile employees is that the employer should report the income of a former resident of China who receives equity compensation granted while in China that is settled after they relocate. As previously, no withholding is required.
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> ***Singapore:*** From April 1, 2019 companies need no longer apply for Ministry of Manpower approval for ESPP payroll deductions provided that the employee has given consent to the payroll deduction, the employee may withdraw consent and there would be no penalty for the withdrawal.

To keep up with global tax developments without needing to read a plethora of news alerts, consider subscribing to Rutlen's quarterly GEAR Up service. For any questions on tax rates or tax developments for equity compensation or GEAR Up services, please contact Marlene.

Join Rutlen Associates at our upcoming presentations:

- August 28: Webinar presentation on: ***Tax Consequences of Stock Options: ISOs, NSOs, ESPPs and RSUs*** - Strafford
- September 10: Webinar presentation on ***Mobility Trends: What Employees Are Doing, What Companies Are Doing, and What You Should Be Doing*** - GEO
- September 17: Panel on ***What Would You Do? Global Equity Hot Topics*** - NASPP Annual Conference
- September 18: Panel on **Which State Are Your Employees In? -** NASPP Annual Conference
- October 9: Presentation on ***Sourcing of Equity Compensation*** - California Payroll Conference

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