



Income Tax, Social Security and Immigration Aspects

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Structures used for engagement of researchers

Recruitment

Secondment

- Immigration requirements
- Personal income tax
- Social security

Structures used for engagement of researchers

Recruitment

- Direct contract with the researcher (employment or similar)
- Similar tax and social security treatment as local employees

Structures used for engagement of researchers

Secondment

- Contract with the Home Institution continues (remuneration, social security, tax withholding)
- Host Institution might be considered „Economic Employer“

Immigration Requirements

a) Within EU / Schengen zone

- No work permit or residency permit required
- Potential obligatory registration or notification at the authorities of the host country
- Simplified rules for family members (even if non-EU citizens)

b) Third countries

- Work permit and residency permit must be obtained before performance of work in the respective country – not needed if work is performed from the home country
- Several exemptions according to the local law (e.g., for scientists or students)
- Applicable to both Recruitment and Secondment

Social Security Obligations

- a) Within EU / EEA / Switzerland
 - Participation in the social security system of one country only
 - Contributions from all employers from all EU / EEA / Swiss countries into that system, calculated based on the local rules
 - Notification obligation of the employee (A1 certificate)
 - Potential non-compliance at the costs of the employer (with subsequent claim for damages at the individual)
 - Secondment: potential continuance of participation in the Home Country
 - Recruitment: depending on the overall situation of the individual
- b) Countries with Totalization Agreement (Social Security Agreement)
- c) Other countries

Social Security Obligations

- a) Within EU / EEA / Switzerland
- b) Countries with Totalization Agreement (Social Security Agreement)
 - Each (employment) contract considered separately
 - Avoidance of double payment of contributions only in relation to a specific relationship
 - Secondment: potential continuance of participation in the Home Country
 - Recruitment: participation in the Host Country
 - Potential „Exemption based on agreement of both authorities“ – upon request
- c) Other countries

Social Security Obligations

- a) Within EU / EEA / Switzerland
- b) Countries with Totalization Agreement (Social Security Agreement)
- c) Other countries
 - Each (employment) contract considered separately
 - Potential double payment of contributions even from one contract
 - Secondment: potential participation in the Home Country as well as the Host Country
 - Recruitment: participation in the Host Country (most likely)

Personal Income Tax Obligations

- Local rules & Double Tax Treaties – no international coordination
- Tax residency
 - Mostly depending on number of days spent physically in that country + habitual abode / permanent home (+ nationality)
 - Tax residents:
 - Worldwide income taxable in that country
 - Double taxation avoided in compliance with the respective Tax Treaty (if applicable)
 - Tax non-residents:
 - Income from sources in that country taxable there

Example – CZ:

- Tax resident: > 183 days or permanent home (habitual abode)
- Living/Mobility/Family/Top-up Allowances: taxable in CZ as employment income
- Special rules: researchers, scientists, students – based on the respective Tax Treaty (Germany, Poland, US...)

QUESTIONS?



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