

THINKING BUSINESS SOLUTIONS

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BUSINESS

INTERNATIONAL PAYROLL SOLUTIONS

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OVERVIEW

The mobility of businesspeople in the modern world is a double-edged sword: the pool of available talent is increasing but talented individuals are increasingly seeking employment in countries other than their home jurisdiction in order to maximise their income.

If you are a business facing the regulatory complications of employing staff in the world's major commerce and trade centres, 4 Business is ideally positioned to provide both personnel and payroll solutions that maximise benefits for both your business and your expatriate employees.



INTERNATIONAL PAYROLL SOLUTIONS

How can we help?

For businesses employing either permanent or contract staff in the UK, Continental Europe, Asia, China, Hong Kong and Australia, 4 Business offers expertise relating to:

- International tax advice
- Employment law
- Residence and work permits
- Global banking and payment execution
- Consolidation of international payroll reports
- Assistance with the preparation of contracts of employment
- Special purpose vehicles and remuneration policies designed to minimise the costs of taxation and social security for both employer and employee
- International pensions

Through our international network you can be confident in the knowledge that your international payroll management will be administered in accordance with local and international laws, to exacting standards, and at a price that will provide cost savings benefits to you and your staff.

SOLUTIONS FOR SENIOR EXECUTIVES AND INTERNATIONAL CONTRACTORS

International Payroll Management

Special Purpose (Employment) Vehicles (SPVs) are most commonly used for overseas recruits employed on medium or short-term contracts. In many cases the use of such SPVs avoids the unnecessary burden of domestic taxation, social security, and other related costs associated with overseas payrolls. In addition the use of SPVs can be project related, thus assisting in the control and management of cost.

4 Business has designed and developed payroll and time management software specifically to cater for senior executives and contract staff working in the field. This software facilitates online access for time and expense payroll recording, a 'lock-down' cut-off facility and, through our banking alliances, enables instant execution of international payments anywhere in the world.

Employee Benefit Trusts (EBTs)

The candidate for this style of tax planning will include profitable UK companies that are closely controlled by a small number of (usually family) shareholders. The aim is to get tax-efficient payments to the controlling director/shareholders.

The principle works as follows: a company acquires the beneficial interest in a trust that is created for the benefit of all employees of the sponsoring company. The company claims a corporation tax deduction for this expense on the grounds that it is wholly and exclusively for the purposes of the trade of the company (in that it is a fund to provide benefits to all employees). Any benefits coming out of the trust to employees will usually be taxed as if the benefits were provided by the employer. However, a beneficial result can arise for director/shareholders who may be able to obtain loans from the trustees. (Please note that EBTs are not appropriate in all circumstances and so each trust structure should be individually tailored.)

International Pensions

For senior executives and entrepreneurs who are consistently on the move the establishment of a domestic pension scheme is often inappropriate for their long-term needs particularly if they intend to retire in a country other than their place of ordinary residence.

The Isle of Man introduced the Retirement Benefits Schemes Act 2000, ('The Act'), and the Retirement Benefit International Regulations. The Act aims at providing tax neutral (that is to say that the Isle of Man authorities receive no tax revenue from these schemes) international pensions in a regulated environment for individuals or corporations who are resident in any jurisdiction other than the Isle of Man.

If your particular circumstances match any of the following criteria then an international pension scheme located in the Isle of Man, may well provide you with a robust and cost-effective solution:

- a company with overseas offices to which employees are frequently seconded;
- an individual working for a company whose work entails secondments to overseas offices;
- a company or individual seeking flexibility in pension management in terms of annuity purchase and fund investment;
- a non-domiciled UK resident with cash or other assets offshore;
- an EU national with cash/bond deposits in another EU state or offshore; and/or
- a non-UK domiciled individual employed in the UK by a non-UK domiciled company.

► **For more information:**
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