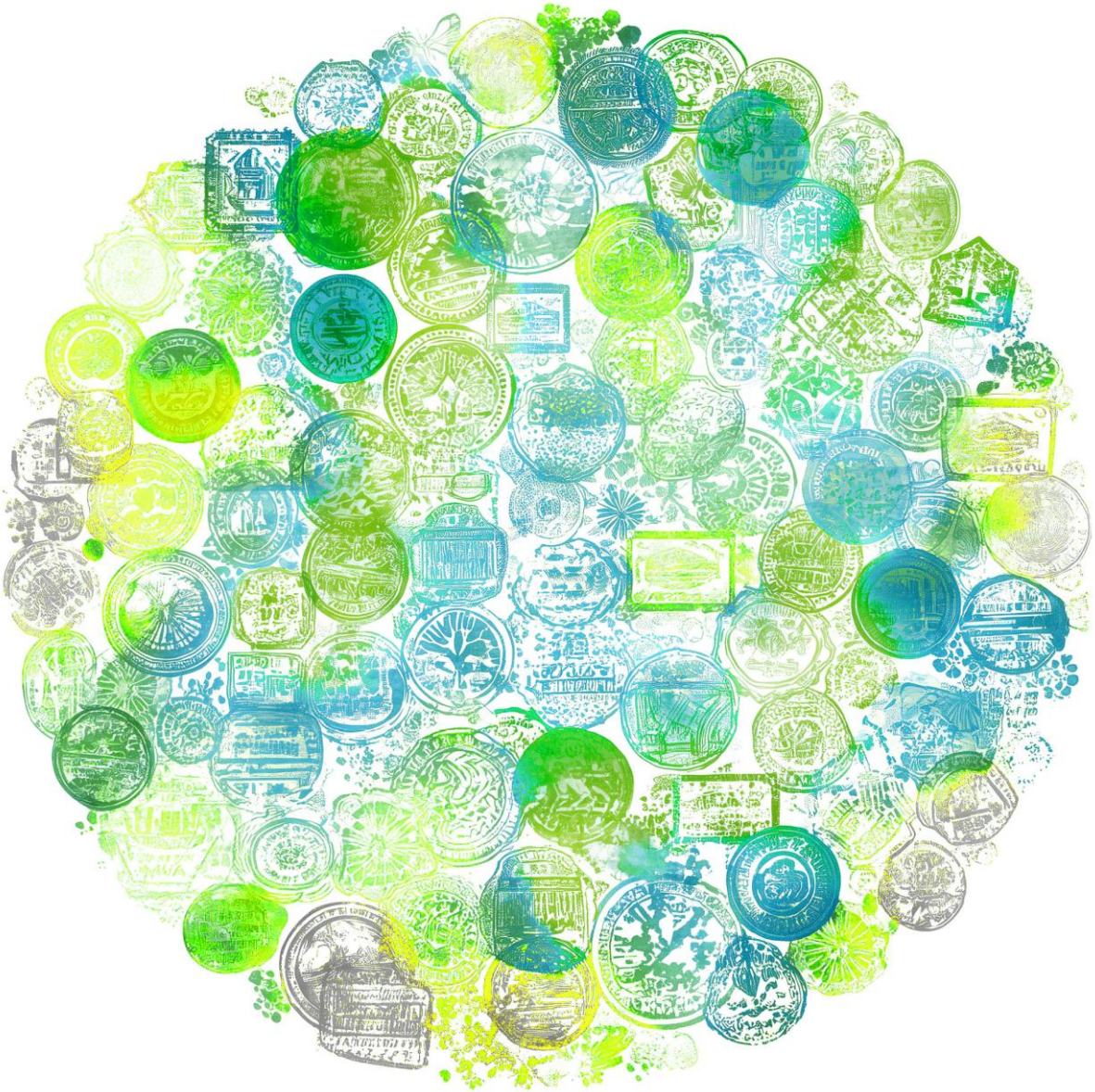
Deloitte.



Cross-Border HR Compliance: The 2026–2027 Readiness Series

Remote work, business travel and the five-threshold model

May 2026

REMOTE WORK, BUSINESS TRAVEL AND THE FIVE-THRESHOLD MODEL

In 2026, cross-border work becomes a data-driven compliance topic. For Swiss-based employers, remote work, business travel, payroll reporting, social security documentation and individual tax status now need to be managed through one integrated control framework.

Introduction

Remote work and business travel are often managed by different teams. Remote work sits in HR policy. Business travel sits in travel approvals and expense systems. Equity sits with C&B. Payroll sits with finance or HR operations. Tax and social security teams are often asked to interpret the consequences after the work pattern has already happened.

For French-resident cross-border employees, this separation is increasingly difficult to maintain. The same workday record can be relevant for payroll reporting, income tax allocation, social security coverage, A1 documentation, equity sourcing and quasi-resident status. The employer does not need five separate versions of the truth. It needs one reliable dataset and several technical tests.

This article explains how employers can use a five-threshold model to make cross-border complexity understandable and operational.

The central question: where was the work performed?

Every cross-border analysis starts with a factual question: where did the employee actually perform professional duties? The answer may be simple for a day spent in the Geneva office. It may be more complex for a day with travel, mixed activities, client meetings, transit time or partial work in several locations.

Employers should define how days are classified before they need to report or analyse them. A day worked from home in France is not the same as a client meeting in Paris. A training day abroad is not the same as a day in transit with no substantive work. A day spent mostly in Switzerland with late travel in the evening may need to be treated differently from a day spent mostly performing duties abroad.

The key is consistency. If the organisation cannot explain how it classified days, it may struggle to defend the final threshold analysis.

The five thresholds in one model

The five-threshold model helps HR and payroll teams identify which questions need to be asked. It does not remove the need for technical review but it makes the topic easier to govern.

The 10-day threshold focuses attention on temporary assignments and business travel. Under the France-Switzerland tax treaty (in force since 1 January 2026), these days count within the 40% telework ceiling — they are not a separate allowance. An employee may not exceed 10 temporary assignment days abroad and 40% total work outside Switzerland.

The 25% threshold identifies the point at which social security analysis becomes critical. The 40% threshold is used for income tax allocation. The 49.9% ceiling marks the upper boundary of the multilateral social security telework framework. The 90% threshold concerns quasi-resident status and employee-level tax deductions.

Why thresholds do not align

One of the most important messages for HR teams is that thresholds do not align. An employee at 30% telework may be below the 40% tax threshold but above the 25% social security threshold. An employee with little remote work but significant business travel may not look like a hybrid worker, but the travel pattern may still require review.

This creates communication risk. Employees may believe that if their arrangement is approved under the remote work policy, all tax and social security consequences are resolved. Managers may believe that if travel is approved by the business, it has no payroll consequence. Payroll may believe that if the employee is on Swiss payroll, the analysis is complete.

The employer should therefore communicate that approval for work flexibility is not the same as a final tax, payroll or social security conclusion. Approval should trigger data capture and, where necessary, review.

Threshold	Main area	Why HR should care
10 days	Temporary assignments / business travel	Travel approvals can become tax-relevant data
25%	Social security	Remote work can trigger documentation and applicable legislation review
40%	Income tax	Annual work location can affect where employment income is taxed. Applies to employees taxed in Switzerland — 1983-agreement cantons follow separate rules.
49.9%	Social security telework framework	The multilateral telework framework has an upper boundary
90%	Quasi-resident status	Employee deductions and pension planning expectations may be affected. Assessed at household level — an additional French income can disqualify the household.

Equity sourcing and C&B implications

Equity compensation is often the hidden issue. RSUs, stock options and other employee participation plans may be administered outside monthly payroll cycles. However, where an employee works in more than one country during the relevant period, the vesting income may require a workday-based sourcing analysis.

This matters because the data required for equity sourcing is not always collected at the moment of vesting. If C&B asks for a workday allocation after the event, the organisation may need to reconstruct several years of work location data. That is often difficult and may lead to inconsistent assumptions.

C&B teams should therefore be included in the cross-border governance model. The equity calendar should be compared with the workday dataset, and high-risk employees should be reviewed before vesting events.

Quasi-resident status and employee expectations

Quasi-resident status is another reason why employees need clear communication. Where a French-resident employee relies on Swiss-source income to access certain deductions, the allocation of income outside Switzerland may have personal tax consequences.

This is particularly sensitive where employees have planned pension buy-ins or other deductions based on an expected Swiss tax position. If work outside Switzerland causes part of the compensation to be taxable elsewhere, the employee's expectations may not match the final outcome.

Employers should not provide personal tax advice unless they are engaged to do so. However, HR teams should understand when employees may need to seek individual advice and should avoid making overly broad assurances in remote work communications.

Example: five thresholds in one employee profile

Consider a French-resident manager employed in Geneva. The manager works from home in France one day per week, travels regularly to client meetings in France and occasionally attends regional meetings in other countries. The manager also participates in a share plan and expects to make a pension buy-in before year-end.

This single profile may require several reviews. The telework percentage may be relevant for social security and income tax. The client meetings may be relevant to the business travel count. The equity vesting may require a sourcing review. The pension planning may depend on the employee's quasi-resident position. Payroll may need to reconcile the final compensation and workday data.

The employee's working pattern is not exceptional. It is common in senior or client-facing roles. That is why employers need a model that can identify these cases before they become year-end issues.

Building the operating model

From 2026, Swiss employers must report each French-resident employee's annual telework percentage to the Swiss Federal Tax Administration (AFC), with the first transmission due in January 2027. Workday data collection is now a legal obligation, not just best practice.

The operating model should begin with policy design. Remote work policies should reference annual thresholds and data obligations, not only weekly work patterns. Travel policies should include escalation triggers for French-resident cross-border employees. Equity processes should require a workday review for relevant employees before vesting.

The second component is system design. Employers may not need a perfect technology solution but they do need a reliable way to connect HRIS, travel and payroll data.

The third component is governance. The employer should define who owns threshold monitoring, who approves exceptions, who communicates with employees, who signs off payroll data and who retains evidence. Without ownership, even a technically correct policy may fail in practice.

Next in the series: Join our webinar on the 16th June 2026.

CONTACTS

Our Support

Deloitte's cross-border employment, payroll, tax and social security specialists can help employers design and implement an end-to-end compliance approach for French-resident frontaliers and other cross-border employee populations. This includes workforce mapping, threshold analysis, workday tracking, A1 certificate support, payroll reporting readiness, business travel controls, equity documentation and year-end reconciliation.

If you would like to discuss this topic, please reach out to our key contacts below.

David Wigersma
Partner
+41 58 279 9260
dwigersma@deloitte.ch

Kevin Brahimi
Director
+41 58 279 8881
kbrahimi@deloitte.ch

This publication has been written in general terms and we recommend that you obtain professional advice before acting or refraining from action on any of the contents of this publication. Deloitte AG accepts no liability for any loss occasioned to any person acting or refraining from action as a result of any material in this publication.

Deloitte AG is an affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see www.deloitte.com/ch/about to learn more about our global network of member firms.

Deloitte AG is an audit firm recognised and supervised by the Federal Audit Oversight Authority (FAOA) and the Swiss Financial Market Supervisory Authority (FINMA).

© 2026 Deloitte AG. All rights reserved.