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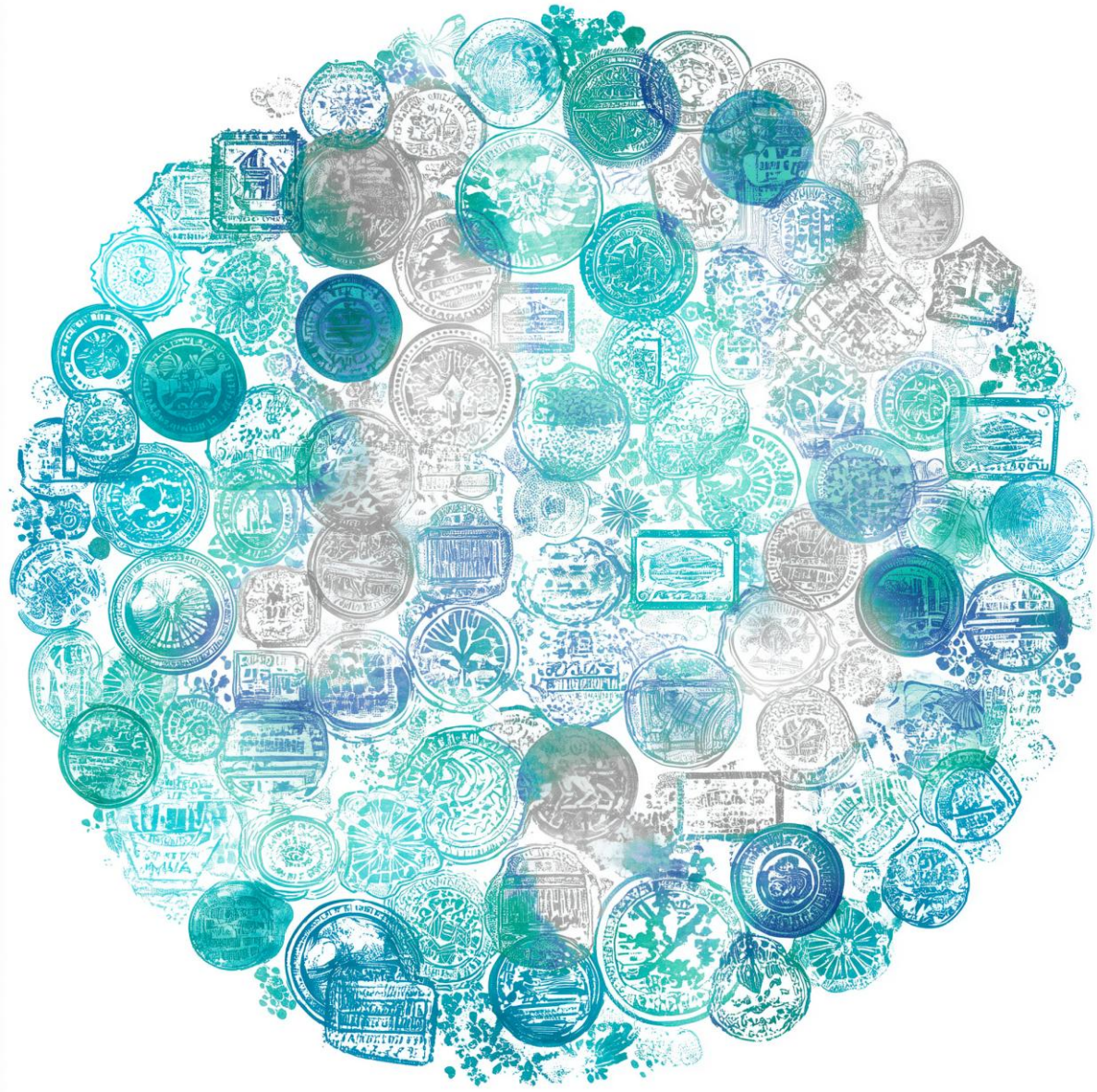

Cross-Border HR Compliance:
The 2026–2027 Readiness Series

Frontaliers & Cross-Border Employees in Switzerland

May 2026

CROSS-BORDER HR COMPLIANCE

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

Cross-border employment is not a marginal workforce arrangement in Switzerland. For many employers in Geneva, Vaud, Basel and other cross-border regions, it is part of the ordinary operating model. Employees may live in France, work for a Swiss entity, spend part of the week in a Swiss office, work remotely from home, travel to clients, attend training events abroad and participate in global equity plans. Each of these facts may appear routine in isolation. Together, they create a compliance profile that HR, payroll, tax and social security teams need to understand.

The 2026–2027 cycle is significant because it brings the work pattern of French-resident cross-border employees into a much more evidence-driven environment. The question is no longer only whether a remote work policy is well drafted. The question is whether the employer can show where the employee actually worked, how the days were classified, which thresholds were monitored, and which internal teams reviewed the outcome.

This article introduces the Cross-Border HR Compliance series. The purpose of the series is not to provide a theoretical summary of the rules. It is to help Swiss employers translate the rules into an operating model that can be used by HR Directors, Payroll Managers, Mobility teams, C&B leaders, travel teams and in-house tax or legal functions.

Why this matters now

The year 2026 should be treated as a data collection and readiness year. 2027 reporting and review will depend on the quality of the workday data collected during the calendar year. If the organisation waits until year-end to ask where employees worked, it may discover that travel data, HRIS data, payroll data and employee declarations do not tell the same story.
This is particularly important for French-resident employees working for Swiss employers. The French-Swiss telework framework, the practical clarifications introduced by the mutual agreement of 29 April 2026, and the separate social security framework together require employers to assess cross-border working patterns from several angles. A home office day, a client visit and a training day may each be relevant, but not necessarily for the same reason.

Employers that prepare early can continue to offer flexibility while reducing uncertainty. Employers that do not prepare may face fragmented reporting, inconsistent employee treatment, avoidable A1 certificate issues, and difficult conversations with employees who expected a particular tax or social security outcome.

The five-threshold model

Our series of articles will address five important thresholds that need to be considered for cross-border employment compliance. They are useful because they give non-specialist stakeholders a practical way to discuss a complex topic. However, the thresholds should not be confused with a single rule. Each threshold belongs to a different technical analysis and produces a different compliance consequence.

Threshold	Main area	Practical question for HR and payroll
10 days	Temporary assignments / business travel	How many relevant workdays outside Switzerland should be monitored and reported?
25%	Social security	Is the employee approaching a level of activity in the residence state that requires specific review or documentation?
40%	Income tax	Does the employee remain within the annual tax tolerance for work outside Switzerland?
49.9%	Social security telework framework	Does the employee remain within the maximum level of telework covered by the framework?
90%	Quasi-resident status	Could income taxable outside Switzerland affect the employee's access to Swiss deductions?

- The 10-day threshold concerns certain temporary assignments or business travel days relevant to the tax framework.
- The 25% threshold is central to social security analysis.
- The 40% threshold concerns income tax allocation under the French-Swiss framework.
- The 49.9% ceiling marks the upper boundary of the multilateral social security telework framework.
- The 90% threshold is relevant to Swiss quasi-resident status and may affect the employee's ability to claim certain deductions.

Why one work pattern can create several consequences

An employee's work pattern is a single set of facts. The legal consequences are not straightforward. This is where many organisations struggle. HR may approve two days of remote work per week. Payroll may process salary in Switzerland. Travel management may approve client visits outside Switzerland. C&B may administer an RSU vesting event. Each team sees a piece of the picture, but no team automatically sees the full compliance position.

Take a simple example. A French-resident employee works regularly from home, attends client meetings in France, participates in a training session in another country and has RSU vestings during the year. This may require a payroll reporting review, a tax threshold review, a social security review, a business travel review and an equity sourcing review. The employee has not done anything unusual from a business perspective.

The complexity comes from the fact that the same workdays are relevant to several frameworks. That is why cross-border HR compliance should not be run as a year-end technical exercise.

It should be embedded into the way the organisation approves remote work, records business travel, prepares payroll, manages equity, and communicates with employees.

What a defensible operating model looks like

A defensible operating model starts with population mapping. Employers should identify French-resident employees, other cross-border employees, employees with formal or informal telework arrangements, employees with frequent travel, executives, equity holders and employees whose work pattern changes during the year.

The second step is day-count tracking. The organisation should know whether a day was worked in the Swiss office, from a home office in France, at a client site, during a training event or while travelling without substantive work. These distinctions should be made consistently and stored in a format that payroll and tax teams can use.

The third step is ownership. HR should not assume payroll will solve the issue. Payroll should not assume travel management has captured the right information.

Tax should not be brought in only after the data is final. The most effective model has clear ownership, defined escalation triggers, and an annual reconciliation process.

Common pitfalls

One common pitfall is to rely on a policy rather than evidence. A policy may say that an employee may work from home up to two days per week, but it does not prove what happened during the year. Another pitfall is to ignore business travel because it sits outside HR. A travel day can be operationally routine but still relevant to the cross-border analysis.

A third pitfall is to treat tax and social security thresholds as interchangeable. They are not. An employee can be below the income tax threshold but above the social security threshold, or vice versa. A fourth pitfall is to forget equity and quasi-resident consequences, which may become relevant only when payroll and C&B teams compare the workday record with vesting events or employee deductions.

The objective of the campaign is to help employers avoid these pitfalls before they become year-end problems. The next articles will examine payroll, social security, remote work and business travel in more detail.

Next week's publication: Payroll reporting in 2027 — why 2026 workday data needs to be right.

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.

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