

Employment Taxes Hot Topics and Fair Pay

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Global Employer Services Turn It Up



Today's agenda



Welcome



Mandatory payrolling of benefits



UK Autumn Budget updates

- Employer NIC increase
- Off-payroll working



EU Pay Transparency Directive



Questions

Mandatory payrolling of benefits

Where we are



Mandatory payrolling of benefits

Menti question

Go to www.menti.com on your phone

Enter code 6387 7344



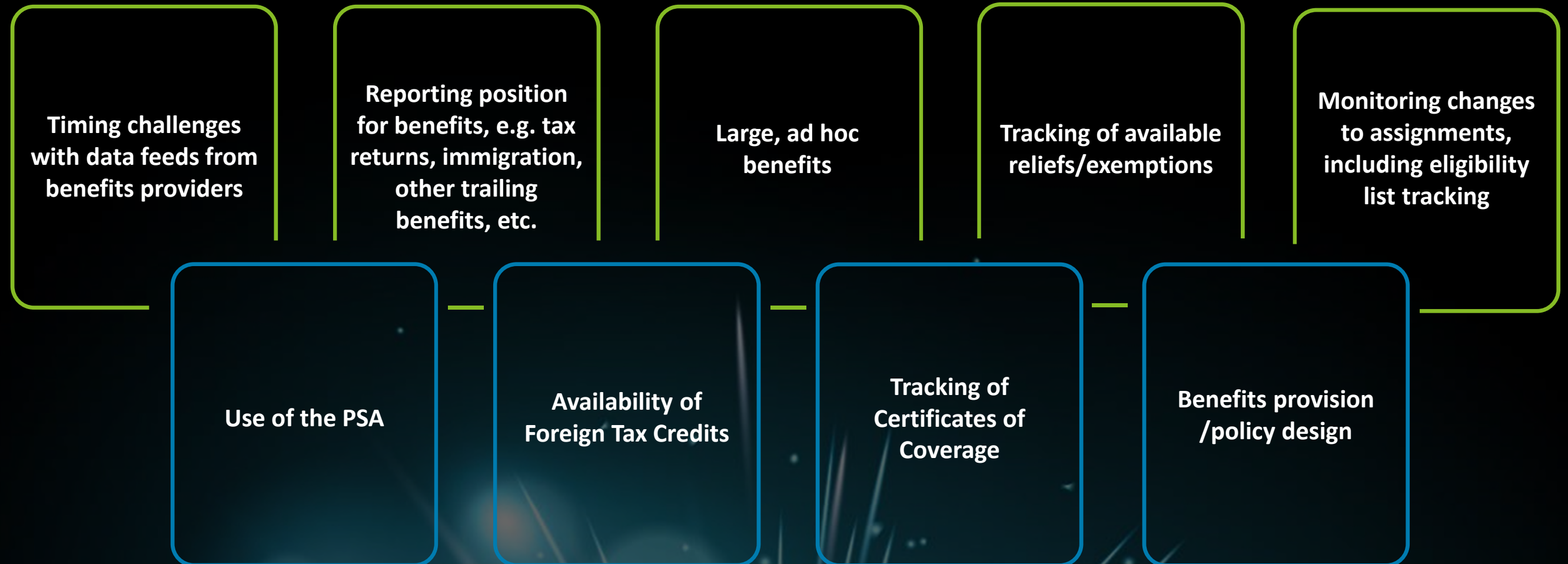
Have you been involved in any conversations within your organisation around payrolling of benefits?

A Yes

B No

Mandatory payrolling of benefits

Impact for a globally mobile workforce



Mandatory payrolling of benefits

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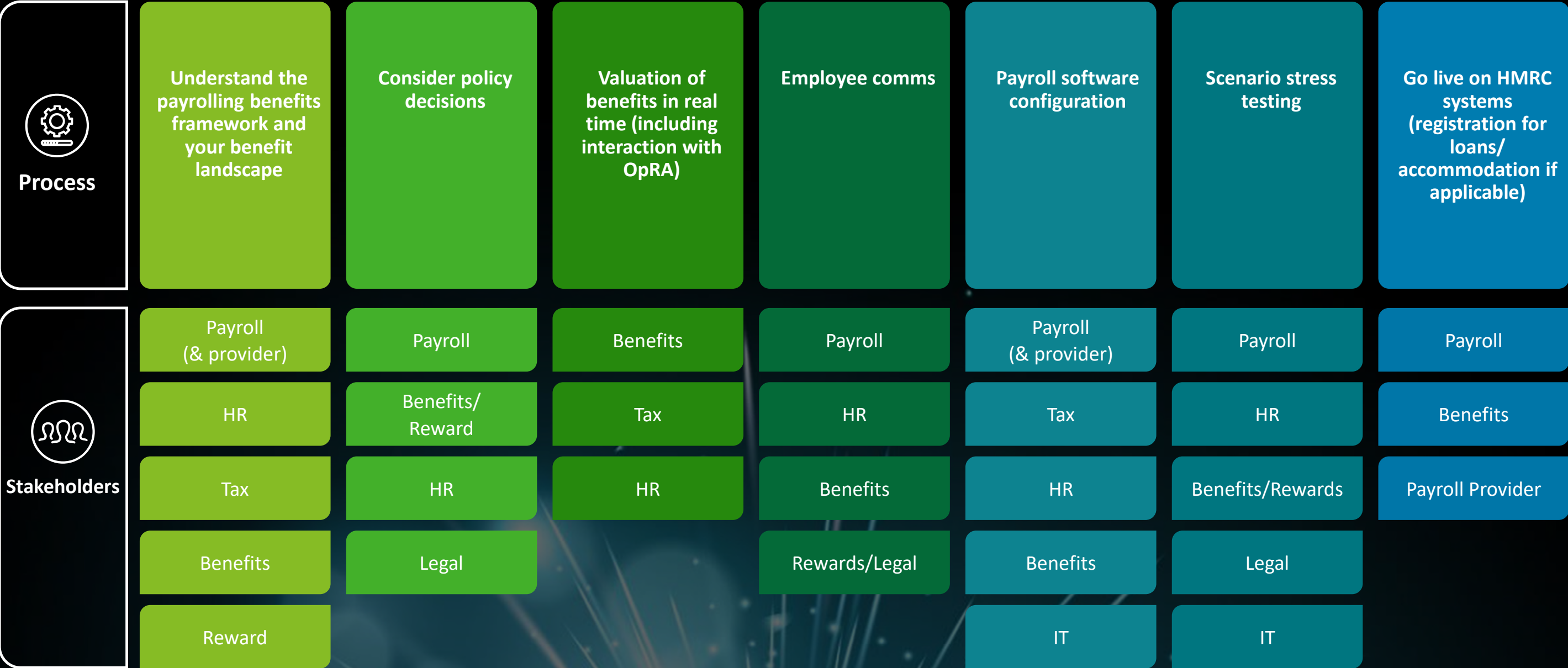


Which of these do you envisage will have the biggest impact for your organisation?

- A** Timing of data feeds
- B** Reporting positions
- C** Tracking of reliefs/exemptions
- D** Large, ad hoc benefits
- E** Use of PSA

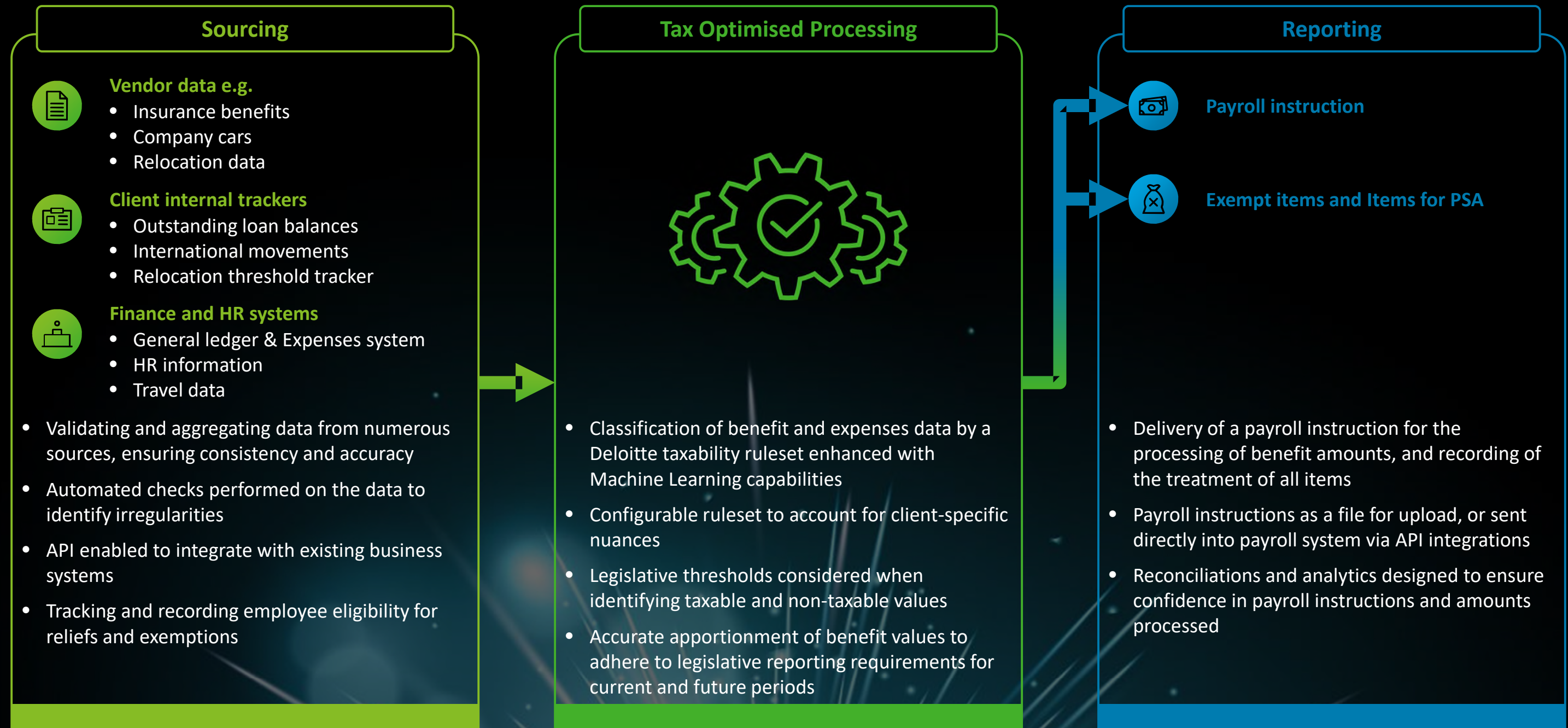
Mandatory payrolling of benefits

Planning for successful implementation



Mandatory payrolling of benefits

Automation opportunities



UK Autumn Budget 2024

Impact for a globally mobile workforce

Changes to Employer National Insurance Contributions ("NIC")

From 6 April 2025:

- Employer National Insurance rates (Class 1 secondary, 1A, and 1B) will rise from 13.8% to 15%
- The annual Secondary Threshold for Class 1 secondary contributions will decrease from £9,100 to £5,000

Areas of consideration:

- Assignment planning and strategy
- Budgetary pressures

UK Autumn Budget 2024

Impact for a globally mobile workforce

Proposed changes to rules around umbrella companies

The government will tackle tax non-compliance in umbrella companies by moving PAYE obligations to recruitment agencies or, where an agency is not present, end client businesses from April 2026.

Areas of consideration:

- Definition of “umbrella” – still awaiting further guidance
- Identifying and monitoring umbrella companies in supply chain
- Vendor management
- Assignment Planning and impact on talent acquisition

EUPTD overview

What is the EU Pay Transparency Directive (EUPTD)?



What is the EUPTD

- Key measures include:
- Either implement gender pay gap reporting for the first time, or, in countries where reporting already exists, broaden the scope of the requirements.
- Report gender pay gaps by 'categories of workers' and, where gender pay differences are not justified by objective and gender-neutral factors, remedy the gap. A compulsory joint pay assessment (similar to an equal pay audit) can be triggered if the gap is not remedied.
- Introduce several individual rights for existing workers and job seekers in relation to pay transparency.



Application of the EUPTD

- The EUPTD will apply to organisations with workers in the EU.
- With the exception of gender pay gap reporting, there is no de-minimis number of workers required for the EUPTD to apply.
- Gender pay gap reporting requirements apply to organisations with at least 100 workers in an EU country (details yet to be finalised).
- Gender pay gap reporting includes base pay, variable pay, allowances and benefits in kind.
- Outside of reputational damage, organisations who fail to comply with their obligations may be liable for compensation to workers as well as penalties for non-compliance.



When will the rules come into force?

- Gender pay gap reporting requirements under the EUPTD commence in June 2027, meaning that employers have effectively two pay cycles to investigate and remedy any pay equity issues.
- Requirements outside of reporting apply from 2026.

EUPTD

Why is this relevant for Global Mobility (GM)?

1

Identifying mobile employees under the EUPTD

What are the underlying contractual arrangements for your assignment policies and who should be considered in country and entity reporting?

2

Treatment of 'new' GM types

Have virtual assignments and remote working arrangements been assessed and considered for reporting?

3

Challenges of reporting

How do you capture all pay items, including home country benefits?

4

Pay discrepancies with local employees

As a result of assignments into higher/lower cost locations.

5

Gender pay discrepancies

In locations with senior positions/C-suites who are more likely to be male and negotiate on packages.

6

Advertisement of roles

GM jobs posted on internal and external websites will need to make pay information available to candidates as part of the process (including variable pay, benefits and allowances).

EUPTD

What steps can GM be taking independently to be ready for the EUPTD?





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