

International
employment taxes
– what are the
global trends?

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What are the key areas of challenge you are facing in relation to global employment taxes? (select all which apply)

A

Termination payments

B

Contingent/ off-payroll workers

C

Benefits and expenses

D

Tracking international business travellers

E

Payroll reporting

F

Processing of employee equity

G

Keeping on top of global legislative updates



Overarching trends

Catalysts for disruption in employment taxes

01

Government deficits

02

Technological advancement

03

Evolving working practices



Data

What are the developments?

Government deficits

Technological advancement

Shift towards
digital reporting



Trend towards
real-time reporting

Improved data
capabilities of tax authorities



Need for:

- *Interconnected systems*
- *Tax sensitisation*
- *Collaboration between teams*

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How automated are your employment taxes compliance processes?

A

Almost completely – minimal human action required

B

Very – but human intervention is still needed for tax assessments

C

Fairly – some systems are connected but intervention is needed elsewhere

D

Not much – basic integration but significant time commitment needed from humans

E

Not at all – key processes remain manual



Tax authority activity

Global trends

Government deficits

Technological advancement

Stricter enforcement

Cross-checking of data

Improved data analysis

Introduction of AI



Tax authority activity

Areas of focus

Government deficits

Evolving working practices



Project Snowball



Cross-border employees



Work-Cost Regulation and car fleets



Staff entertainment, Enhanced Reporting Requirements



Non-resident directors



“Right first time” payroll



Tax treatment of conferences



Benefit reviews



Mandatory reporting for overtime and tips



Payroll tax



Transport and construction sectors



Contingent workers

What is driving the trend?

Government deficits

Technological advancement

Evolving working practices



Technological development has allowed for the creation of the gig economy



Desire for flexibility from workers and consumers



Continued tax and social security savings from self-employed status



Tax legislation has been slow to catch up with new working practices – so case law has filled the gap

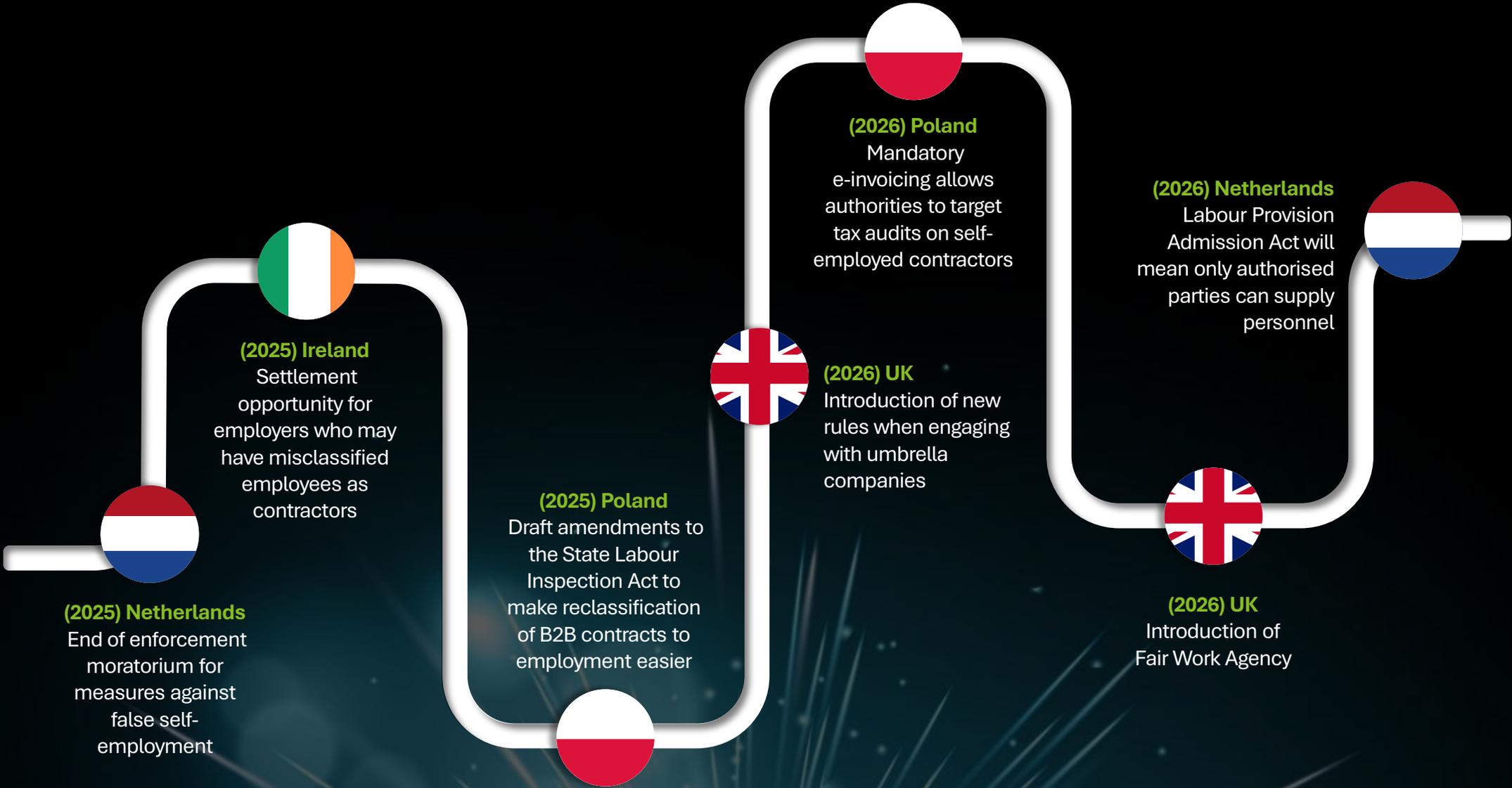


Governments now are increasingly looking to regulate and tax these new ways of working



Contingent workers

Development of legislation and practice since 2025



(2025) Netherlands
End of enforcement moratorium for measures against false self-employment

(2025) Ireland
Settlement opportunity for employers who may have misclassified employees as contractors

(2025) Poland
Draft amendments to the State Labour Inspection Act to make reclassification of B2B contracts to employment easier

(2026) Poland
Mandatory e-invoicing allows authorities to target tax audits on self-employed contractors

(2026) UK
Introduction of new rules when engaging with umbrella companies

(2026) UK
Introduction of Fair Work Agency

(2026) Netherlands
Labour Provision Admission Act will mean only authorised parties can supply personnel

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How do you manage global contingent worker compliance? [select all that apply]



A

Central oversight of global engagements within the business



B

Responsibilities left to local in-country teams



C

Engagement of managed service provider/ agency to meet obligations



D

Reliance on external advice



Example

Real time reporting for benefits in kind in the UK

Government deficits

Technological advancement

Mandatory reporting of taxable benefits in kind from April 2027

Cash equivalent reported on a monthly basis



125 new RTI fields proposed – more than the current voluntary regime



Automatic removal of BIKs from employee tax codes



No indication of relaxation for internationally mobile employees



Year-end process to revisit the final FPS



RTI penalties to apply (with soft landing in 2027/28)





Hot topics

Ad hoc updates

Government deficits



The small benefits exemption applies to the first five small benefits per tax year, with a maximum combined value of EUR 1500.



From 1 Jan 2026, employers must pay payroll withholding tax to the authorities within one business day of salary payment.



Increase in pension contributions by a total of 2% from 1 Jan 2026.



Introduction of Payday Super from 1 Jul 2026 – requirement to pay to super funds within 7 business days.



Mandating of Federal Mobility Budget as an alternative to company cars delayed.



Close

Government deficits

Technological advancement

Evolving working practices

Data

*Ensure systems are interconnected and tax sensitised
Closer collaboration with different functions*

Tax authority activity

*Proactively review governance and processes
Test tax outcomes*

Contingent workers

*Understand the nature of your broad workforce
Develop global contingent worker strategy*

Continued evolution of the global employment taxes function

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