

# Current & Post-Covid era Tax and social security review for cross-border workers

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# General rules

## Post-Covid policy

- Social security: if a cross-border employee works 25% or more in their country of domicile, they are affiliated to the social insurance of their country of domicile (subject to the authorization of Urssaf in France)
  - How are 25% calculated? It is the % of the weekly hours mentioned in the employment contract. ie: if the employee works full time (i.e. 40 hours), 25% represent 10 hours.
- Tax implication: taxation in the country of domicile as from the 1<sup>st</sup> day of telework

## What exactly are non-Swiss workdays?

- Work performed from the country of domicile
- What about international business travel or training?



# Tax and social security compliance

	EMPLOYER	EMPLOYEE
TAX AT SOURCE	<ul style="list-style-type: none"><li>- Retains <b>French and Swiss</b> source tax</li><li>- Must select the rate of the canton where the employer's headquarter is based</li><li>- Must prepare monthly reporting to tax authorities</li><li>- Informs the employee of the source tax retained through the salary certificate provided at the end of the year</li></ul>	<ul style="list-style-type: none"><li>- Must provide their employer each new year and at each status change the declaration for collection for tax at source</li></ul>
TAX RETURN COMPLETION	<ul style="list-style-type: none"><li>- Has to inform employees about their self-responsibility regarding taxes</li><li>- Needs to provide the amount and calculation of taxes withheld for non-Swiss workdays</li></ul>	<ul style="list-style-type: none"><li>- Must fill in the declaration form in good faith</li></ul>
TRACKING OF WORKDAYS IN EACH COUNTRY	<ul style="list-style-type: none"><li>- Must keep records of <b>Swiss AND non-Swiss</b> employees' working days and be able to attest them</li></ul>	<ul style="list-style-type: none"><li>- Must record their working time in each country and submit it to their employer</li></ul>
COMMUNICATION TO CROSS-BORDER WORKERS	<ul style="list-style-type: none"><li>- Can assist employee in a form of good employee / employer relationship</li></ul>	



# Payroll simulation (1)

Example: **Salary 8,000 CHF / Telework = 20%**

Swiss payroll – 80%  
(6,400 CHF)

Swiss social charges – **YES**

Taxable amount = 6,400 CHF (at the rate of 8,000 CHF)

Deduction of French tax

French payroll – 20%  
(1,600 CHF = around  
1,460€)

French social charges – **NO**

Taxable amount = 1,600 CHF



**Issue of ONE salary certificate, proof of French taxes paid**

We see the following options:

- Withdrawal as a down payment
- Alternatively, the amount to be paid directly by employee to French tax authority



# Payroll simulation (2)

Example: **Salary 8,000 CHF / Telework = 40%**

Swiss payroll – 60%  
(4,800 CHF)

Swiss social charges – **NO**

Taxable amount = 4,800 CHF (at the rate of 8,000 CHF)

Deduction of French tax - **NO**



**Issue of TWO salary certificates**

French payroll – 40%  
(3,200 CHF = around  
2,920€)

French social charges – **YES**  
(on total income of 8,000 CHF)

Taxable amount = 3,200 CHF



# Important considerations

## Employers

- Mandatory registration with the foreign social security system if teleworking is + than 25%
- Contact with French tax authorities concerning the taxation of teleworked days

## Employees

- Potential loss of the quasi-resident status:
  - At least 90% of the taxpayer's income must be taxable in Switzerland
- Transfer from the Swiss social system to the foreign one:
  - No more LPP?
  - Loss of earnings?
  - Pro and non-pro accidents?



# General view

## Our recommendations

- Contact a legal advisor depending on the % of work in the country of domicile and Switzerland
- Include an amendment dedicated to remote working in the employment contract





# Sources

Geneva State:

<https://www.ge.ch/actualite/imposition-du-teletravail-frontaliers-prolongation-accord-covid-au-30-septembre-2021-16-06-2021>

FER-CIAM:

<https://www.ciam-avs.ch/web/ciam-avs/coronavirus#teletravail>

Swiss government:

[https://www.seco.admin.ch/seco/fr/home/Arbeit/neues\\_coronavirus.html](https://www.seco.admin.ch/seco/fr/home/Arbeit/neues_coronavirus.html)

Synergix website:

<http://www.synergix.ch/en/info/news>







**Thank you!**

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