

GLOBAL MOBILITY – STRATEGIES AND ACTIONS TO FACE CORONAVIRUS

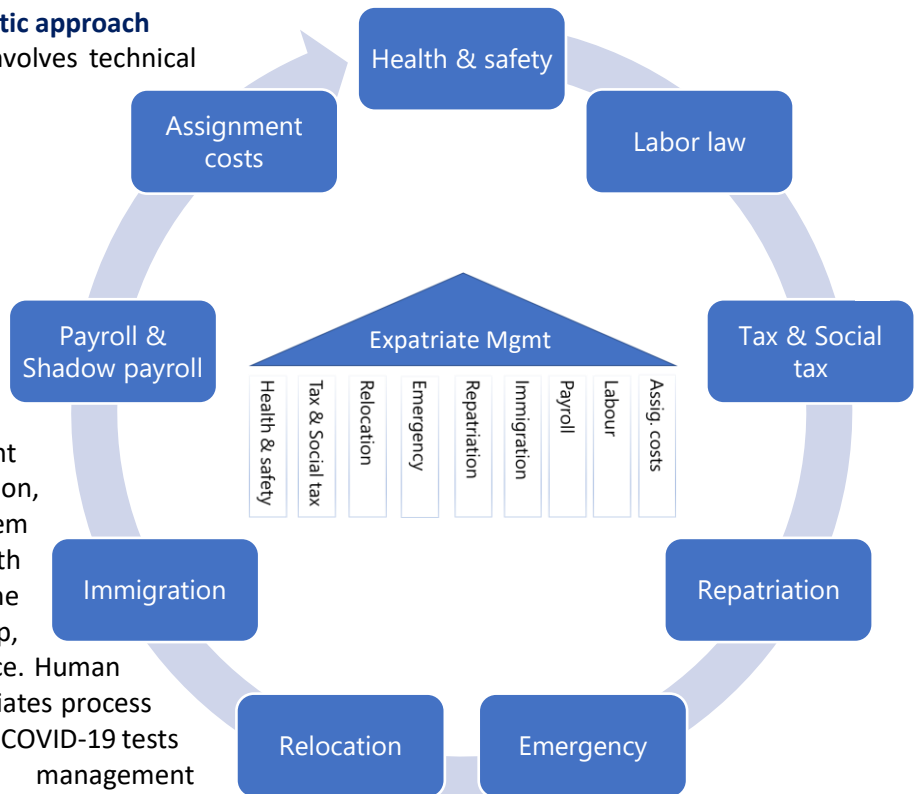
The expatriates' management during COVID-19 – we propose a methodology (*)

Expatriate management - a holistic approach

The expatriates' management involves technical and professional aspects like:

- SA Health & safety
- SA Labor law
- SA Tax & Social tax
- SA Repatriation
- SA Emergency
- SA Relo & accommodation
- SA Immigration
- SA Payroll
- SA Assignment costs

The above aspects represent pillars of expatriate administration, so a difficulty with one of them jeopardizes its stability with potential ramifications on the employment relationship, assignment costs, and compliance. Human resource managers direct expatriates process considering the above pillars, but COVID-19 tests the stability of expatriate management procedures since it is a radically unique complication. In this context, we assist Clients with repatriation, tax, social security, and immigration needs and we strongly suggest to follow a plan and keep a holistic approach, since changing one thing could influence the overall compliance, costs and lead to further issues. Let's start our methodology of analysis (pillar check).



Health & safety

Employers must guarantee work safety and comply with relevant standards. Health and safety legislation has changed for avoiding the spread of the COVID-19 in the workplace. Some new rules impose companies the interrupt of their activities, if their products or services are not essential, to avoid the spread of the virus among employees, for example, Italy does not allow unessential activities until April 13th.

Labor law

Any change in the employment relationship needs checks from a labor law perspective. For example, if the expatriate starts working from home, there may be a need to establish an addendum to the assignment contract.

Tax and social security

If the employee is not working in the host country and receives only a portion of his salary, the tax and

equalization impact need checks, similarly for social taxes. Moreover, if the expatriate repatriates, a tax liability may arise in the home country. However, there are specific rules applicable to avoid that tax and social obligation arise just because the employee has travel restrictions.

Repatriation

The epidemic worries expatriates who often ask for repatriation, but employers must assess and agree with them the solution and timing carefully. Indeed, flights can be unavailable and travel restrictions applicable, for example, countries like Italy allow trips only in case of necessity (see attached FAQ). Now, this is a contingency, but then? The next question is this: "is the repatriation temporary or permanent?" Depending on the answer, other aspects arise, and the analysis needs the reiteration.

Emergency

North Italian regions are under the emergency, but COVID-19 spread is affecting other countries and regions. In this context, employers should protect expatriates, providing information guide in line with the updated protocols of each country. Protocols and forms are updated frequently, so a constant check is strongly suggestible.

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Relocation and host accommodation services

The relocation services and the host benefits can have significant impacts on the management of expatriates during the epidemic. So for example, if expatriates want to repatriate from Italy to Germany, they have to interrupt the children's education as well as the apartment rental in Italy and have them available in Germany and can be not so straightforward.

Immigration

Many expatriates have found themselves unable to return home since the outbreak of COVID-19, considering flight cancellations and border restrictions. In this context, most of the countries allow the extension of visas. The epidemic impacts immigration procedure, but again keeping track of the cases is the key to avoid compliance issues.

Payroll

The payroll must capture any change for each expatriate on a real-time basis. Therefore, for example, if the employee has returned to his home country definitively, the payroll should be performed in the home country only; if the assignment is just interrupted temporarily, the situation can be different. However real-time assessment is needed to avoid that the payroll taxes are paid to the wrong country with compliance issues and the risks to pay twice them. Moreover, there are specific rules applicable to avoid that an interruption can give rise to tax and social obligation just because the employee has travel restrictions.

Assignment costs

COVID-19 will increase the assignment costs, so employers should determine the increase and mitigate the impacts. For example, if the expatriates have repatriated, employers could be liable to pay host benefits like accommodation, children's education and, company car.

FAQs for Italians returning and foreigners in Italy

Which rules apply to persons travelling to Italy from March 28?

Before boarding, the carrier's staff is required to check the self-certification (to download the form) setting out the following detailed information: the reasons for travelling to Italy (health needs, work requirements, reasons of absolute necessity), the place of self-isolation for 14 days, own or otherwise private means of transportation used to get to the place of self-isolation and a mobile/land phone number. The reasons of "absolute necessity" are as

specified in the FAQs previously posted on the website. All persons entering Italy, whether at an airport, ferry port or railway station, must avoid using public transport and must therefore make arrangements to be picked up, take a taxi, if and as allowed, or hire a car, with or without a driver. For airport transits see the specific FAQ. All persons entering Italy are required to self-isolate, including persons with their own transport. Persons travelling to Italy for work may postpone the start of the self-isolation period by 72 hours (which can be extended for a further 48 hours), albeit only if strictly necessary. All persons entering Italy, including persons with their own transport, are required to report to the local health authorities on arrival at their destination. All persons entering Italy may self-isolate either at home or other place of their choice. If a person entering Italy has no place for self-isolation, or is unable to travel to their place of self-isolation (if they have no-one to pick them up, if there are no available hotel rooms, etc.), they will be required to self-isolate at a location established by the Civil Protection Service, at the interested person's expense. The above rules do not apply to the following persons: cross-border workers, health services personnel, passenger/freight transport crews. Ordinance by the Ministry of Health, in agreement with the Ministry of Transport and Infrastructure, issued on 28.03.2020.

I'm an Italian expat or a foreign national resident in Italy, may I return to Italy?

Yes, but only for emergency reasons. For example, Italian nationals, or foreign nationals resident in Italy, who are abroad temporarily (for tourism, business or other reasons) are allowed to return to Italy. Italian nationals obliged to leave the foreign country where they were working or studying (because they've lost their job or home, or because the study programme they were attending has been suspended) are likewise allowed to return to Italy.

I live abroad and need to transit through Italy on my way to the country where I live. What must I do?

Transit through Italy, from one foreign country to another, for the purpose of travelling home as quickly as possible and without any unnecessary stopovers, is allowed, for work requirements, medical needs or reasons of absolute necessity. Following are several examples: - airport transit is allowed (for example, when travelling from Caracas to Frankfurt via Rome Fiumicino), provided that you do not leave the airport; - cruise ship passengers

disembarking in Italy at the end of the cruise are allowed to return to their home countries (at the expense of the cruise ship owner); - passengers are allowed to board private vehicles on a ferry (from Tunisia or Greece to Italy) and then continue by car to their home country (in the Netherlands or Germany, for example). When boarding a flight/ferry to Italy from abroad you must fill in this self-certification document (link to Foreign form) clearly specifying that you are a transit passenger travelling to another foreign country. While travelling through Italy you may be required to show this self-declaration document if stopped by any law enforcement officers (link to Interior form), clearly indicating the same reason. If you develop any Covid-19 symptoms while in Italy, you must immediately notify the competent health authorities, at the dedicated number, and follow their instructions. In any case, before planning any travel you are advised to seek information on the travel restrictions in force not just in Italy, but also in the countries of departure, transit and destination. When transiting through Italy you are also advised to contact your embassy or consulate offices in this country.

[I am travelling to Italy on a flight from abroad. Can I take an onward flight to another domestic or international destination?](#)

Yes, you are allowed to transit through any Italian airport, provided that you do not leave the airport. In any case, your journey to the final destination must be justified by work requirements or health needs or reasons of absolute necessity, as for all other travel.

[I'm a foreign national in Italy, may I return to my home country?](#)

Yes, but only if it is absolutely necessary and observing the same conditions that apply to Italian nationals returning from abroad (see the FAQ). The temporary suspension of work, or switching to a home working arrangement, are not sufficient reasons for travelling. To declare the reasons for travelling to the border, Please use the self-certification form available at the Interior Ministry website. Before departing, you are advised to check the measures put into place in the country of destination to prevent the spread of Covid-19 and to contact your embassy in Italy as well.

[I'm returning to Italy from abroad. May I ask someone to pick me up at the arrival airport, railway station or port?](#)

Yes, but only one person living in the same home as you and possibly wearing protective equipment. This type of movement is considered a matter of the "utmost urgency" and indicated as such on the self-certification form that can be downloaded at the Interior Ministry website. The self-certification must be fully compiled and must specify the journey and the destination place of residence.

You are obviously required to immediately report your return to the Prevention Department of the competent local health authority and shall be subject to health surveillance and self-isolation, and to promptly report the development of any symptoms of Covid-19 infection to the healthcare services.

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