Working from home from abroad – legal considerations in the following jurisdictions

The Covid pandemic has undoubtedly changed the world of work for the foreseeable future. As employees across the globe have discovered working from home, many may now be tempted to work from sunnier locations or move closer to family or friends. The below aims to give employers an understanding of the initial questions when considering cross border flexible working in key jurisdictions.

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|  | **England & Wales** | **Spain** | **Italy** | **Czech Republic** | **USA** |
| A) Can the relevant employment laws apply to contracts outside of the jurisdiction? Specify if that is the case for all employment laws or only some instruments. B) If so, what is the test for the law to apply (for instance, sufficient connection with the jurisdiction, nationality of the employee, country of incorporation of the employer)? | A) Courts have interpreted both the Employment Rights Act 1996 (which gives employees key employment rights) and the Equality Act 2010 (protection from discrimination) as applying outside the UK.B) the test set out in *Lawson v Serco* and *Ravat v Halliburton* contains a number of principles to ascertain whether the connection with Great Britain is “sufficiently strong”, including: * Where recruitment took place
* Where the work is done
* Where the employee is based
* The parties’ choice of law
* Where the employee’s home is and whether they have accommodation in GB
* Where the employee gets paid and in what currency
* Where the employer is based or registered
 | A) Spanish employment Law may be applicable outside of its jurisdiction if parties choose the application of such law.  Nevertheless, according to EU Regulation 593/2008 on the law applicable to contractual obligations (Rome I), this choice of law may not deprive the employee of the protection granted by the law which under the absence of choice would be applicable to the employment contract.B) According to article 8 of the said regulation, the test to check the applicable law is the following:1º Law of the country chosen by the parties.2º Law of the country in which the employee habitually carries out the work.3º Law of the country where the place of business through which the employee was engaged is situated.4º Law of the country from the circumstances of the employment is more closely connected with. | (A) As a general rule, if the work is performed abroad, Italian law does not apply, unless the parties have chosen Italian law as the applicable one.Anyway, the parties can choose the law applicable to Italian employees working abroad in compliance with the mandatory provisions of the relevant foreign jurisdiction and private international law.(B) Based on the general Italian rules and on the private international law, main elements of connection with the Italian jurisdiction are (i) the actual workplace; (ii) the actual legal office of the employer; (iii) the parties‘ choice of law. | 1. Directly applicable and binding EU legislation -REGULATION (EC) No 593/200 (Rome I) allows for contractual obligations as general rule that a contract shall be governed by the law chosen by the parties. In addition, for individual employment contracts such a choice of law may not, however, have the result of depriving the employee of the protection afforded to him by provisions that cannot be derogated from by agreement under the law that, in the absence of choice, would have been applicable.

The law chosen by the parties does not need to have any connection with neither of the parties. The law that, in the absence of choice, would have been applicable: (i) the law of the country in which or from which the employee habitually carries out his work (ii) if not (i), the law of the country where the place of business through which the employee was engaged is situated (iii) where it appears from the circumstances as a whole that the contract is more closely connected with a country other than that indicated in (i) or (ii), the law of that other country shall apply. | A) As a general rule, United States federal employment laws do not apply to employees working outside of the United States unless the law itself clearly and specifically states that it applies outside the boundaries of the United States. For example: **Title VII of the Civil Rights Act of 1964**, 42 U.S.C. §§ 2000e *et seq*. (Title VII), which prohibits discrimination with respect to employment on the basis of an individual’s race, color, religion, sex, national origin or pregnancy applies to U.S. Citizens employed abroad by a U.S. Company. **Americans With Disabilities Act**, 42 U.S.C. §§ 12101 *et seq*. (ADA) prohibits discrimination against a “qualified individual” with a disability and applies to U.S. Citizens employed abroad by a U.S. company, unless doing so would cause the company to violate the law of the country in which its workplace is located. **The Employee Retirement Income Security Act of 1974**, 29 U.S.C. §§ 1001 *et seq*. (ERISA) governs the provision of pension and welfare benefits to employees. ERISA will apply to overseas workers unless a corporation’s benefit plans are maintained outside of the U.S. and a very small percentage of the plan participants are U.S. citizens or residents.Few state laws apply to business activities that occur outside of that state, but there are a few exceptions. For example, Colorado’s Department of Labor and Employment recently issued new interpretive guidance under the Colorado Equal Pay for Equal Work Act, Part 2, that requires employers with at least one employee working in Colorado to disclose to all Colorado employees any job posting for a job that could be performed in Colorado (e.g., any remote position), even if the job posting specifically excludes working remotely from Colorado. B) The test for coverage depends on each statute and its implementing regulations.  |
| 1. Under what circumstances will employees employed in another jurisdiction and working in your jurisdiction benefit from the mandatory employment laws in your jurisdiction.
 | If the employee is based in the UK, UK employment law likely applies. Note that foreign states employing staff as part of their diplomatic missions are immune from proceedings before a tribunal. | When a employee is working in Spain under the employment law of another country, the employee can enforce the application of Spanish employment law if the conditions grants the employee a better protection than the law of the country of origin.  | The place of work is the most relevant criterion: if the worker carries out the relevant work activities in Italy, he/she will be subject to Italian employment laws.In principle, the indication made by the parties in an employment agreement of a law different from Italian law, must not result in depriving the employee of the protections given under the mandatory rules of the applicable Italian rules that normally would apply.Anyway, most Italian employment legislation is mandatory (please see box n. 3 here below), which means it applies independently of the choice of the parties. | Employee may benefit from the Czech jurisdiction basically if the working in the territory of the country is not only temporarily. As for EU explicitly set in the Czech Labour Code that if the employee of an employer from another Member State of the European Union is posted for the performance of work within transnational provision of services in the territory of the Czech Republic, the employee shall be subject to the regulation applicable in the Czech Republic as regards explicitly specified matters and at the same time if such “local” rights are more favourable for the employee.  | Green Card or a valid work visa is required for most non-US Citizens to work in the US. <https://www.uscis.gov/working-in-the-united-states> Employees working in the US, whether for a US company or a foreign company doing business in the US, are covered by applicable federal laws and state and local laws of the place where they work.  |
| 1. What are the key mandatory statutory rights employees will benefit from under your jurisdiction **regarding employment terms?**
 | National Minimum Wage must be complied with (£8.91 per hour for those over 23), statutory notice period (1 week per year of service up to a maximum of 12 weeks), auto-enrolment pension with a minimum of 8% contributions between employer and employee, working time must be complied with (average of 48 hours a week and rest periods of 20 minutes every 6 hours, 11 hours per day 24 per week), statutory holiday of 5.6 weeks per year. | -Application of the Workers Statute (*Estatutos de los Trabajadores*) and the rights and protection recognized in the Statute. -All employment relationships are submitted under a Collective Agreement which are negotiated for a complete sector and for a region (i.e: Consulting Sector for Spain, Iron Sector of the Province of Barcelona).-All employment relationships are under the Spanish Social Security.Application of the regulation of Prevention of occupational hazards.  | The main employee’s mandatory rights are: minimum wage (as indicated by the NCBA applied by the employer), working time and overtime (normally, for full time contract, there are 40 hours per week; overtime cannot exceed 250 hours per year; NCBA provides specific rules), weekly rest (normally on Sunday), vacation days (normally 4 weeks per year), maternity leave and sick leave. | There does not exist definite scope of mandatory rules; it is subject of interpretation and is matter of development as well. * the maximum working hours (shift max. 12 h / hours; also limits per week) and minimum rest periods (11 h / 24 hours; also limits per week);
* the minimum duration of holiday (4 weeks / calendar year)
* minimum bases of salary (2021: 15200,- CZK/month equals to cca 595,- EUR) and extra pay for overtime work (wage + 25% bonus);
* occupational safety and health protection;
* the working conditions of pregnant employees, breastfeeding employees and employees until the end of the ninth month after childbirth, and minor employees;
* equal treatment of male and female employees and prohibition of discrimination;
* the working conditions in case of employment by an agency;
* travelling expenses compensation.
 | Regardless of visa status, all employees working in the US are entitled to be paid fairly; to be free from illegal discrimination, harassment, sexual exploitation or retaliation; to have a safe workplace; to join or request help from labor rights groups; and to leave an employment situation. <https://travel.state.gov/content/dam/visas/LegalRightsandProtections/Wilberforce/Wilberforce-ENG-100116.pdf> The terms of employment are governed federal laws and by the state and local laws in the location of work. For example, federal laws include, e.g.: The **Fair Labor Standards Act**, 29 U.S.C. §§ 201-219 (FLSA) and state and local laws regulate minimum wages and overtime pay. The **Family and Medical Leave Act**, 29 U.S.C. §§ 2601 et seq. (FMLA) requires employers with 50 or more employees to provide eligible employees with up to 12 weeks of unpaid leave to tend to serious health conditions afflicting the employee or their family members; and, many states and localities have additional leave rights, including in some cases paid leave rights. Worker safety is protected by the **Occupational Safety and Health Act**, 29 U.S.C. §§ 651 et seq. (OSHA).  Illegal discrimination in the terms and conditions of employment are prohibited by: **Title VII of the Civil Rights Act of 1964**, 42 U.S.C. §§ 2000e et seq. (Title VII); **Americans With Disabilities Act**, 42 U.S.C. §§ 12101 et seq. (ADA); **Age Discrimination in Employment Act**, 29 U.S.C. §§ 621-634 (ADEA); **Civil Rights Act of 1866**, 42 U.S.C. § 1981; and the **Equal Pay Act**, 29 U.S.C. § 206(d) (EPA). Many states impose additional rights and requirements, e.g.:* Job Postings, interviews, references and background inquiries
* Terms of Employment Contracts (e.g., non-competition clauses)
* Minimum wages, pay equity and pay transparency requirements
* Work hours, breaks and rest periods
* Family, sick and other leaves
* Payroll requirements (timing of payment, deductions, etc.)
* Health, safety and security requirements
* Labor relations, including collective bargaining
* Additional groups of employees and activities protected from discrimination or retaliation
* Accommodations for disabilities and religious beliefs
* Taxes and insurance
* Disclosure and reporting requirements
* Employee rights to employment records
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| 1. What are the key mandatory statutory rights employees will benefit from under your jurisdiction **in case of dismissal?**
 | After 2 years, right not to be unfairly dismissed. Right not to be discriminated against on grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex.Right not to be subjected to detriment after blowing the whistle.In case of redundancy, right to a statutory redundancy payment. Protection of employment in the case of a business transfer (TUPE). | -Cases of unfair dismissal: the employee is entitled to the maximum compensation of 33 days of salary for each working year with a maximum of 24 months.Cases of objective dismissal: the employee is entitled to a compensation of 20 days of salary for each working year with a maximum of 12 months. | In general, the dismissal cannot be – *inter alia* – discriminatory (e.g. based on gender, political opinions, union-related activity, religion, race, language, disability, age, sexual orientation, personal belief…), arbitrary or carried out orally. Dismissals made as a direct result of transfers of undertakings are invalid.Moreover, employers cannot dismiss female employees during pregnancy and until the child is one year old, except in certain circumstances.Other specific rules depend on the discipline under which the dismissal is carried out. Please consider that there are several manners (and respective regulations) of dismissal, such as: just cause dismissal, dismissal due to justified subjective reason, dismissal due to justified objective reason, collective dismissal.Depending on the type of dismissal and on certain characteristics of the employer, the employee will benefit from different statutory rights. Please also consider that in any case of termination of the employment relationship (for whatever reason), the employer has to pay to the employee the severance payment (so called t.f.r.) accrued. | The employer may give notice to the employee only on the grounds set out explicitly in the Labour Code (otherwise notice is not possible). The notice period must be the same for the employer and the employee and shall equal at least 2 months.It is prohibited to give notice to an employee during the period of protection which applies in explicitly specified situations (e.g. illness of the employee, pregnancy, maternity or parental leave, discharge of public office). Employees whose employment law relationship is terminated on the grounds of organisation reasons, shall be entitled to obtain severance pay (the minimum amount differs according to the length of the employment, up to 3x average monthly earning of the employee). If there is termination because of occupational illness or injury at work the severance pay amounts to at least yearly income of the employee.  | Termination rights and benefits are based on state and local laws, with a federal statutory overlay. Most US states are “at will” employment states, meaning employees may be dismissed at any time and for any reason, with or without notice, as long as the termination does not violate a federal, state or local law or public policy (e.g., discrimination in violation of Title VII and state law). Many states have specific requirements regarding final wage payment. |
| 1. What are the risks to employers of not complying with these statutory rights?
 | Risk of an employment tribunal claim, compensation for unfair dismissal is capped at the highest of 1 years’ salary or £89,493, whichever is the highest, compensation for discrimination and whistleblowing is uncapped. Failure to comply with minimum wage legislation is enforced by HMRC and can lead to criminal enforcement. | First at all, the employee has the right to the enforce the statutory rights before court.In some cases, the non-fulfilment of some statutory rights may be cause for an inspection from the Labour Authorities (or Social Security) which can impose fines that starts from 60 € and can go to 187.515 € or higher. In serious cases (i.e: to employ employees without registration in Social Security and work permit in Spain) can be considered as criminal offence sanctionable according to the Spanish Criminal Code. | The risks of the employers depend on the different discipline under which the dismissal falls.Basically, risks are linked to a tribunal claim to obtain the reinstatement and or damages.For companies with less than 15 employees, damages range between 3 and 6 months’ salary. For Companies with more than 15 employees, damages may be quantified up to 36 months‘ salary, for employees hired after the 7 March 2015.Failure to comply with minimum wage and or with the safety at workplace legislation is audited by the National Labour Office and can lead to criminal enforcement and fines. | 1. Private law sphere

The employee can take legal action; most often the claims relate to* settling of the payments (e.g. bonuses, wage for overtime work),
* rights resulting for indemnity for the occupational illness or injury at work
* invalidity of termination (must be claimed at the courts not later than within two months of the date when the employment was to end)
1. Public law sphere

Labour Office Inspection state control which can lead to imposing of financial penalty (the employer is fined for breaking the law). | Employers who do not comply with applicable federal, state, and local employment laws may be subject to taxes, penalties, and the risk of civil lawsuits instituted by government agencies and/or employees whose rights were violated. Individual decision-makers may be personally liable for some types of violations. There is no cap on actual damages, although some states have a cap on punitive damages for violations of their state laws.  |
|  | **Employment Documentation** |  |  | **Employment Documentation** | **Employment Documentation** |
| 1. Are employers required to have policies in place regarding flexible, remote working or homeworking?
 | Not required, but highly recommended to regulate how, when homeworking is agreed and what the obligations are on employer and employee regarding the same.  | Yes. The new Law 10/2021, of July 9, of Work in distance obligates to sign an agreement between Employer and Employee when the time worked remotely is at least 30% of the working time during a reference period of 3 months.  | Please note that under Italian law, flexible/remote working is called “smart-working” (“lavoro agile” in Italian). Homeworking (so-called “telelavoro” in Italian) is a different contractual institute and follows different rules from the ones concerning the smart working. For example, in homeworking, the employee has a fixed job station (normally his/her home) and must observe the working time of the company. On the other hand, under “smart working” the employee can carry out the work activities from anywhere he/she has an internet connection (which, as per law, the employer is not even obliged to provide for).Smart working is the common “flexible working” in Italy, in particular after the Covid-19 pandemic event. Normally employers are required to have written agreements with employees who work remotely (smart working).The agreements must define: (1) the duties to be performed outside the company's premises and any applicable conditions; (2) the terms regulating the use of computers and mobile devices; (3) the technological and organizational measures put in place in order to ensure compliance with laws on with rest hours—including a “right to disconnect” during which periods the employer may not contact the employee, and (4) the notice to be given to the employee in the event the employer decides to change the smart working agreement to an ordinary contract of employment.Under COVID-19 emergency (until 31st December 2021), this obligation of written agreement is suspended in order to encourage flexible and remote working.In addition, employers are required to draft an annual report indicating the measures put in place to ensure employees' safety. | No obligation, but recommended to keep the remote working under some rules and control to reduce / eliminate the possible side effects.It is advised to have as much as possible in the issued internal regulation (instead of contractually) because employer can change the policy much easier any time. It is important to make sure that the employee was fully informed about the internal policy.  | Employers in the United States are not required by federal law to have policies in place regarding flexible or remote working. Some state or local jurisdictions may implement such a requirement, but we are not aware of any at this time. |
| 1. Are there any clauses that employers should consider including in employees’ contracts regarding flexible remote working?
 | Yes, regarding:* Provision, maintenance and return of property (screen, PC, phone, desk, chair)
* Data protection and confidentiality obligations
* Employee to confirm he will ensure he abides by working time legislation
* Employer’s right to enter to carry out health and safety obligations
 | Yes, the law defines a mandatory minimum content of the work in distance agreement:-Inventory of the means, equipment and tools required to carry out the concerted remote work.-Enumeration of the expenses that the worker may have for providing services at a distance, as well as a way of quantifying the compensation that the company must pay.-Working hours and availability rules.-Percentage and distribution between presential work and remote work, if applicable.-Means of business control of the activity.-Procedure to follow in the event of technical difficulties that impede the normal development of remote work.-Instructions regarding data protection, specifically applicable in remote work.-Place where the employee will carry out the work in distance.Duration of the work in distance agreement. | Employees that have a flexible-working agreement are entitled to the same pay and regulatory treatment as those employees who carry out the same duties inside the company's premises (included the rules regarding the data protection). | The remote working, no matter what kind, must be agreed with the employee, i.e. it is not possible to order it to the employee. It means that the employee’s consent itself is the most important. It is important to make sure that the employee was fully informed about the internal policy for remote working. As the work must be performed on employer’s costs the employer should cover employee’s costs connected with remote working; the calculation of the real costs could be very difficult if not impossible so it is advised to agree on a flat fee.  | Yes, employers should consider implementing a written flexible work or remote work policy, including the following provisions: - Request and approval process - Specified terms- Clear job description- Attendance and performance expectations - Designated workspace- Required resources and whether the company will provide- Safety and security of work location and resources- Data protection and confidentiality - Duty to perform job- “At-will” employment relationship- Receipt and acknowledgment of policy  |
|  | **Health & Safety** |  |  | **Health & Safety** | **Health & Safety** |
| 1. Are there any obligations on the employer in terms of health and safety of a home office?
 | Employers must ensure the health and safety of workers. Employers are required to do a workstation risk assessment if the employee uses a display screen equipment.   | Yes, the employer must obtain all information about the risks to which the person who works remotely is exposed through a methodology that offers confidence regarding its results, and foresee and implement appropriate protection measures in each case. | The employer has to guarantee the respect for the worker’s health and safety conditions. In addition, employers must ensure that smart workers benefit from the employer's accident insurance coverage—granted by the relevant national agency (INAIL) and take responsibility for the correct functioning of the technological devices provided to the employee. Finally, employers are required to draft an annual report indicating the measures put in place to ensure employees' safety. | Unfortunately, the obligations of the employer do not differ when the employee does not work at the workplace which makes it even more demanding for the employer because the general rule is that the employer has the burden of proof and his responsibility is regardless the fault. | Yes. Employers have a general duty to provide a safe workspace, free of known hazards. **Occupational Safety and Health Act**, 29 U.S.C. §§ 651 et seq. (OSHA) Some states and local jurisdictions have additional requirements. |
|  | **Immigration** |  |  | **Immigration** |
| 1. Are there any restrictions on employees working remotely from the relevant jurisdiction (if they are not citizens)?
 | Yes, EEA citizens are not subject to immigration restrictions on the same basis as other nationalities. Visitor visa granted for up to 6 months, but there are strict rules about working on a visitor visa and if the border official considers the individual is coming to the UK to work (even remotely) they may be turned away. | For EU/EEA citizens no special restrictions are applicable. In order to be registered as employee in Spain they need a NIE Number (Foreign Identification Number) and a Social Security Number before they start to work in Spain.Non-EU/EEA citizens must obtain visa and work permit issued by the Immigration Authorities. The work permit is granted only (further to other requirements) in condition that the working position can not be covered in Spain.  | There are no specific rules related to theemployment of “EU” citizens, asthey can move and work in every EU Country, freeof restrictions. On the other hand, limitations areprovided by the law with respect to non-EU citizens, for whom Visas and different work permits are necessary. In particular, the employment relationship canstart only after a specific immigration procedure, which includes complying with thelimitation of the “annual quotas”. After the annual quotas are established, a non-EU citizen mustrequest a work visa, assuming that they have been offered an employment in Italy. | The EU citizens do not need any residency or working permits; there exist only some duties having evidential / notifying character. As for people from other countries any obligations are in general connected with the entrance and/or stay in the territory of the Czech Republic which does not happen when the remote working is performed strictly from abroad; vice versa respective duties are connected with the entrance (working activity) and staying in the country.  | Yes, there are restrictions on non-US Citizens working in the US. <https://www.uscis.gov/working-in-the-united-states> Most visitors to the US will be allowed entry pursuant to a visa, which will have a purpose and an expiration date. Visitors for business, medical treatment, tourism, or to visit family or friends are usually allowed up to 6 months and can apply for an extension. During the term of the visa, the visitor must comply with the terms of the visa.No noncitizen may accept employment in the United States unless they have been authorized to do so. Some non-citizens, such as those who have been admitted as permanent residents, granted asylum or refugee status, or admitted in work-related non-immigrant classifications, may have employment authorization as a direct result of their immigration status. Other noncitizens may need to apply individually for employment authorization. A common way to work temporarily in the United States as a non-immigrant is for a prospective employer to file a petition with USCIS on the employee’s behalf. |
| 1. What are the consequences of failing to comply with any immigration requirements?
 | The individual may be deported and will have difficulty being granted visas to the UK in future. | The individual may be deported from Spain and the Employer may be subject to sanctions (or criminal offence in serious cases).  | The consequences for employees may lead to the deportation/expulsion from Italy. | Failing the immigration requirements from the labour law point of vie leads to illegal employment. Consequences for the employer are mainly following: * penalty from the Labour Authority
* expelling from grant programs (does not apply in general/automatically but it is very frequent that the conditions for participation in specific program require no fining for illegal employment in the past)
* the employer is not allowed to hire employees from abroad (for vacant places which must be notified to Labour Authority Office in advance).

Consequences for individuals (employees) are mainly denial of granting residency and/or working permit, rejection of entry to the country, financial penalty.  | The employee may be deported and may have trouble obtaining a visa and with re-entry to the US in the future. |
|  | **Tax and Social Security** |  |  | **Tax and Social Security** | **Tax and Social Security** |
| 1. Is a declaration to the relevant authorities required before sending employees to work in the relevant jurisdiction?
 | If they have a UK presence (even just a business address) employers must be registered with PAYE to deduct income tax at source, and pay national insurance contributions. If the employer has no UK presence, the employee must notify HMRC of their presence in the UK and may have to set up a PAYE scheme themselves. Note there may be a double tax treaty with its own conditions applicable to the situation. | The Employer must be registered in Spain before the Tax Administration for payment of income taxes and obtain a Tax Number (NIF).In cases of short displacement of employees to Spain (under 8 days) no communication is necessary.  | If the employer has a fiscal code, they need to register with the “INPS” (National Institute for Social Contributions) and “INAIL” (National institute for insurance against injuries on the workplace) positions in the competent registers in order to have the insurance coverage. In the event that the employer has a permanent establishment in Italy, then they will be obliged to pay the relevant taxes. | It depends for how long the employee is intended to work abroad (if it changes the place of employee’s substantial activity, centre of their vital interests etc.) as well as what is the purpose of their stay. Further criterion as for the social security if the posting is withing EU or not. If it is the second case there is to be distinguished whether there exists a bilateral treaty with the foreign country or not. If the outcome is that the employee does not stay in the Czech social security system there is either a certificate to be issued or deregistration. As for the taxes it is deciding if there exists double tax treaty.  | A declaration is not required before sending an employee to work in another state or local jurisdiction. However, the laws of that jurisdiction will apply to the Company with respect to the employee working there and the work done there, including employment and tax laws, in addition to federal laws. Before sending an employee to work in another jurisdiction, a company should contact an attorney and an accountant to research and advise regarding the laws of that jurisdiction.  |
| 1. Will the employing entity be required to contribute to local social security?
 | If the employee makes national insurance contribution, then the employer is also liable for national insurance contributions. | The Employer needs a registration before the Social Security in order to register a work centre in Spain and obtain a Social Security Number to pay the contributions.In some cases, employees can maintain Social Security of the Member State of its origin (A1 Form is required). | In the event that the employer has a presence/office/business unit in Italy, then they will be required to contribute to social security. | When there is the duty for the employee, it is for the employer in the country as well. The employer deducts the contribution from the employee’s salary and transfer the payment together with the employer’s contribution to the Social Security Administration (the same goes for the health insurance contribution which is transferred to Health Insurance Company). | Yes, the employer will be required to withhold and pay payroll taxes, which include taxes that are used to finance social insurance programs, such as Social Security and Medicare. Some states specify a number of days of work in their jurisdiction before state and local payroll taxes will apply (e.g., New York: 180 days); some states are silent on this issue. Before sending an employee to work in a US state or municipality where the employer is unfamiliar with the requirements, the employer should contact an attorney and an accountant to advise regarding the requirements of that jurisdiction. |
| 1. What are the consequences of non compliance?
 | Enforcement is carried out by HMRC who can recover tax and national insurance due, and may pursue the employee as well as the employer. | Non payment of income tax can be enforced by Tax Administration and Employer and Employee can be subject to sanctions. Same is applicable for non-payment of Social Security contributions.  | An inspection from the competent bodies (INPS, INAIL, Italian Revenue Agency) can lead to the conviction to pay the taxed and social contributions due, and to different sanctions for the employer. | The employer as well as the employee may be obliged to pay to the Czech system (tax, social and health security) also in cases when proper application of the rules / legislation would allow to be exempted.  | Many states have tax penalties that are similar to those imposed by the US Internal Revenue Service (IRS), as well as civil penalties, for failure to file and pay applicable taxes and insurance. Unpaid taxes and penalties often bear interest. In addition, tax liens and wage garnishment may apply; state drivers licenses, professional licenses and other licenses may be suspended or not renewed if taxes and penalties are not paid; delinquent taxpayers may be listed on a published list; and, in rare situations, criminal penalties may apply.  |