



WORLDWIDE ERC®

WEBINARS

June 29, 2pm EST

**Worldwide ERC® would like to
thank today's sponsor: MSI Global Talent Solutions**



WORLDWIDE ERC®
WEBINARS

Business Travel Tracking – Knowing Where Your Mobile Employees Are is Now a C-suite Issue

WORLDWIDE ERC® WEBINAR DISCLAIMER

The views, opinions, and information expressed during this webinar are those of the presenter and are not the views or opinions of Worldwide ERC®. Worldwide ERC® makes no representation or warranty with respect to the webinar or any information or materials presented therein. Users of webinar materials should not rely upon or construe the information or resource materials contained in this webinar as legal or other professional advice and should not act or fail to act based on the information in these materials without seeking the services of a competent legal or other professional.



Webinar Instructions

Technical difficulties?

- Dial 866.779.3239, or e-mail questions to support@webex.com

Sound Troubles?

- If your sound quality is poor, check your Wi-Fi strength or connect via cable.
- Call in using the phone number listed under the “Event Info” tab in the upper left-hand corner.

To return to meeting room window:

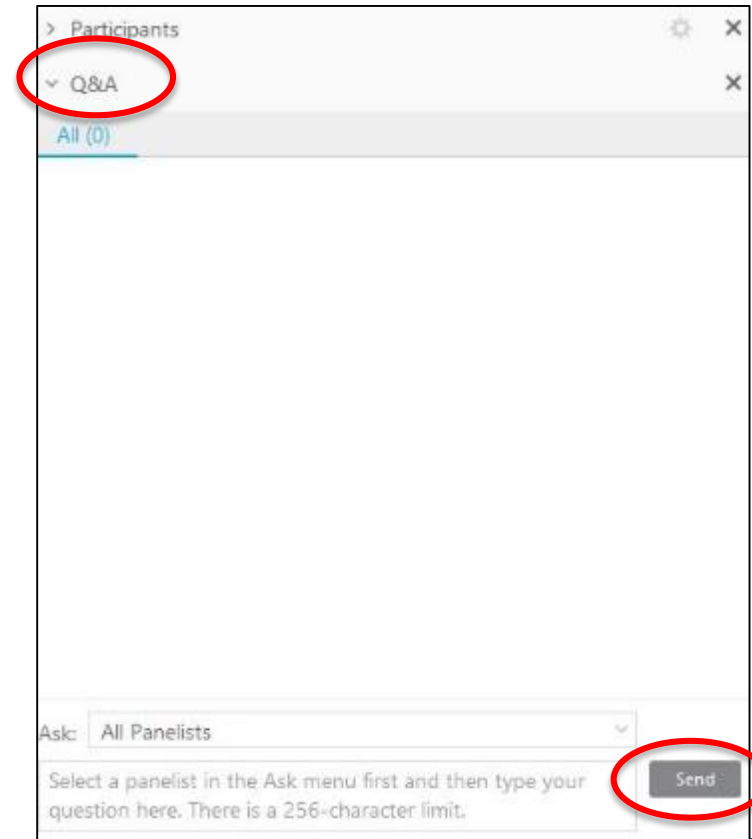
- If you are in full screen mode, you may return to the meeting room window by clicking the View Meeting Room button located at the bottom left corner of your screen.



Q&A Instructions

- Submit questions through Q&A dialogue box
- Box is located in lower right corner of screen
- Do not use the Chat Box
- Be specific
- You may submit your question at any time

Q&A Dialogue Box:



Polling Instructions

- The Polling Box appears below Q&A Box
- Question will appear on slide and in the Poll Box
- Submit answer quickly
- Results will display in the same location

Polling Box:

The screenshot shows a web interface with two main sections: 'Q&A' and 'Polling'. The 'Polling' section is highlighted with a red circle. Below the 'Polling' header, there is a progress bar showing 'Time elapsed: 0:38' and 'Time limit: 5:00'. The 'Poll Questions:' section contains a single question: '1. Are you enjoying this Learning Zone Webinar?'. Below the question are three radio button options: 'a. Maybe', 'b. Yes', and 'c. Absolutely!'. The 'c. Absolutely!' option is selected, indicated by a blue highlight. At the bottom right of the 'Polling' section, there is a 'Submit' button, which is also highlighted with a red circle.



CRP® and GMS® Certification

If you are a **CRP®** seeking CE credit for this webinar, you must utilize the CRP® Recertification Credit Form, available online at:

<http://www.worldwideerc.org/Education/CRP/Pages/crp-recertification-form.aspx>

(please note that all (S)CRPs must use this form and pay the \$8 admin fee to receive CE credit)

If you are a **GMS®** seeking CE credit for this webinar, you must include the name/date of this webinar on your GMS® Renewal Application (at the time you apply for recertification). The Renewal Application is available online at:

<http://www.worldwideerc.org/Education/GMS/Pages/GMS-Renewal-Application-Form-Video.aspx>



Today's Presenters



NELLIE BLOOM, GPHR EA

- As **President** MSI Global Tax and Compensation, Nellie is responsible for the strategic direction and management of MSI's global tax & compensation division. Nellie's goal is to ensure our clients remain in compliance with local reporting requirements as well as delivery of timely and accurate reporting to our clients. Nellie serves as MSI's in-house subject matter expert for both US individual income tax and reporting requirements and global compensation tax issues. Nellie also serves as the Practice Leader for MSI's GEO and Business Travel Tracking divisions.
- Nellie brings 15 years of experience to this role. Prior to joining MSI, she was employed in the international expatriate tax departments of both PricewaterhouseCoopers and served as a Senior Manager at Deloitte. Nellie's role included day to day oversight of client engagements as well policy development and benchmarking projects.
- Nellie is a graduate of the University of Phoenix, where she earned a masters degree in Accounting and an MBA in International Human Resource & Global Development. She also holds a bachelors degree in Economics from Montclair State University. She is currently certified with the Global Professional in Human Resources (GPHR) certification from the Society of Human Resources. Nellie is also an Enrolled Agent (admitted to practice before the IRS). Nellie is a member of the National Society of Tax Professionals as well as the New Jersey Society of Enrolled Agents) and a member of the Global Business Travel Association (GBTA).



Today's Presenters



LINDA GIRARD, CRP

- As the **VP, Strategic Initiatives**, Linda is responsible for developing and implementing process engineering, process design elements and strategies to increase the efficiency and effectiveness of each of MSI's operating divisions. Linda collaborates with MSI's division leaders to establish and implement processes and strategies for business expansion.
- Linda brings 24 years of experience within the relocation industry to this role.
- Prior to joining MSI, she was employed by a major human capital organization where her roles included Finance Lead, Organization Effectiveness, and Director, Relocation Finance. Linda's various responsibilities included daily oversight of relocation finance operations and finance lead on various acquisition, migration and system integration projects.
- Linda earned her bachelor's degree in business administration from Emmanuel College and an associates degree in accounting from Northeastern University. She holds the Certified Relocation Professional® (CRP) designation from Worldwide Employee Relocation Council® (ERC) and is a member of the Global Business Travel Association (GBTA).



Today's Discussion

- Trends Impacting Business Travelers
- State-to-State Business Travelers
- International Business Travelers
- Real World Risks
- Business Travel by the Numbers
- Business Travel Tracking
- The Road to Compliance



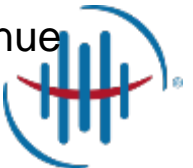
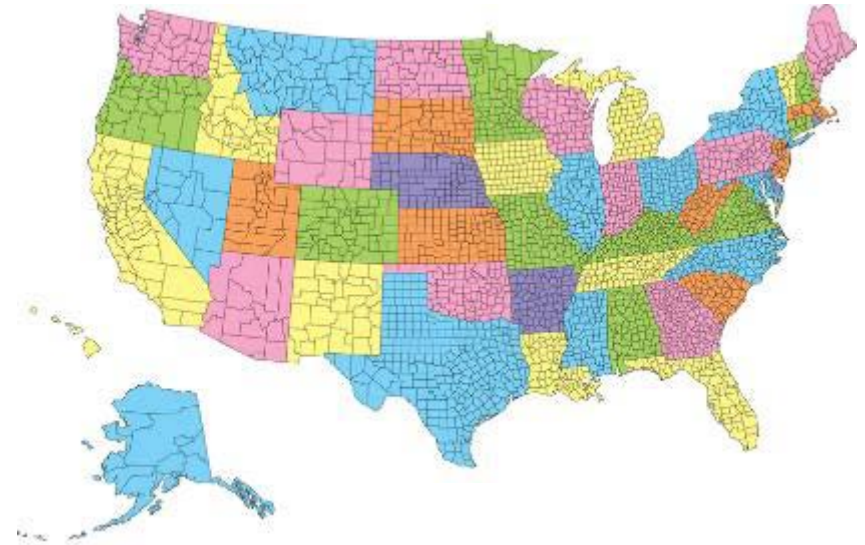
New Trends Affecting Business Travel

- BEPS: Base Erosion and Profit Shifting
- Bleisure
- Duty of Care
- Permanent Establishment
- Technology Improvements
- Sharing Economy
- Millennials



State-to-State Business Travelers

- States are increasing scrutiny on companies that have frequent business travelers.
- Regardless of an employee's home location, the physical location of where the work is performed has the first right to tax the income on the person performing the services
- Business travelers are not covered under a policy and are typically not tracked due to the various methods of transportation plus there can be a high administrative burden of tracking state-to-state travel
- Employers are required to allocate the income related to the work performed during the travel period in the location and withhold and report accordingly
- Technology driven solutions are being developed, not only for companies to track employees, but for government agencies who are looking for growth in tax revenue



International Business Travelers

- Companies are relying more on business travel rather than incurring the costs of an international assignment
- Commuting is another option that many companies are offering, especially in Europe (e.g. Eurocommuting)
- Virtual assignments are fast becoming another alternative to a long term assignment
- Employees may make their own travel arrangements and may not have the proper visa to enter the country
- The majority of companies do not have business travel policies or procedures in place
- Companies must do a risk assessment for any location where an employee will be travelling to ensure duty of care is met



Risks Are Real

- **USA:** \$20m assessed in under-withheld taxes, penalties and interest for domestic short term business travelers.
- **UK:** A company pays £40m+ in back taxes and penalties for failure to accurately report home paid income in the UK.
- **UK:** Of 407 immigration investigations in the UK, 72% resulted in prosecution and criminal sanctions, of which 46% included jail sentences of 7-12 months.
- **India:** A European multinational was assessed €5m in penalties for failing to report full home paid compensation for employees assigned to work in India. Indian authorities then opened a fuller 3-year investigation.
- **China:** A manufacturer was the subject of the largest payroll audit to ever occur in China, resulting in the requirement for payment of approximately \$25m in back taxes and \$8m in penalties.
- **France:** Increasingly aggressive social security authorities led a raid and criminal investigation on a multinational company, resulting in an \$8m assessment of back social security tax and penalties, even though the company had an agreement with another EU country to protect its position in France.
- **Brazil:** A company was unable to collect \$1m in employee debt because they were not able to enforce loan agreements not written in the local language.
- **Germany:** An SEC inquiry into a related matter uncovered an internal control breakdown requiring a multinational company to re-state previously published financial statements by €100m to correctly report employer paid tax expense.
- **Japan:** A global financial services company had their entire foreign retirement plan retroactively disqualified for Japanese tax purposes, requiring the payment of back taxes of \$8m and \$1m in penalties.

Source: <http://www.ey.com/gl/en/services/tax/tax-policy-and-controversy/tpc-13--addressing-business-traveler-risk>



Domestic Business Travel

2016 By the Numbers

- 2.2 billion person trips - increased 1.2%
 - Leisure = 1.7 billion person trips
 - Business = 457 million person trips
- 307.2 billion spend - increased 1.4%
 - Meeting & Convention Traveler spend \$127.1 billion - increased 3%



¹Source: US Travel and Tourism Overview 2016



Global Business Travel

- Global Market Spend \$1.2 trillion – increased 5%

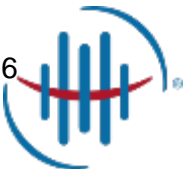
FORECAST

5.8% average increase in spend per year over the next five years reaching \$1.6 trillion by 2020



- Asia Pacific Region 40% of Global Market
- China business travel spend up 11.4%

²Source: GBTA BTI Outlook Annual Global Report & Forecast: Prospects for Global Business Travel 2016-2010, July 2016



Poll:

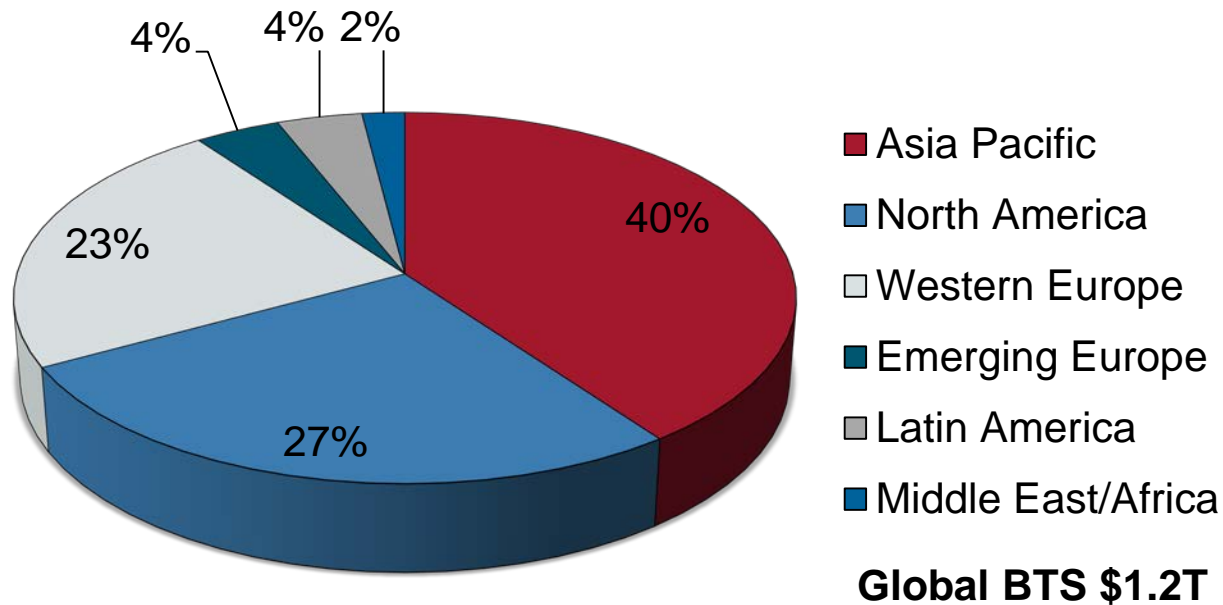
If your company has frequent business travelers, where are they traveling?

- A. China
- B. United States
- C. Germany
- D. Japan
- E. United Kingdom
- F. None of the above
- G. We don't have frequent business travelers



Global Business Travel

By Region



Source: GBTA BTI Outlook, July 2016

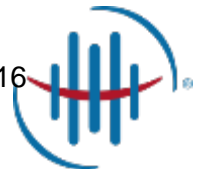
©2017 Worldwide ERC®



Top 15 Business Travel Spending Markets (2015)

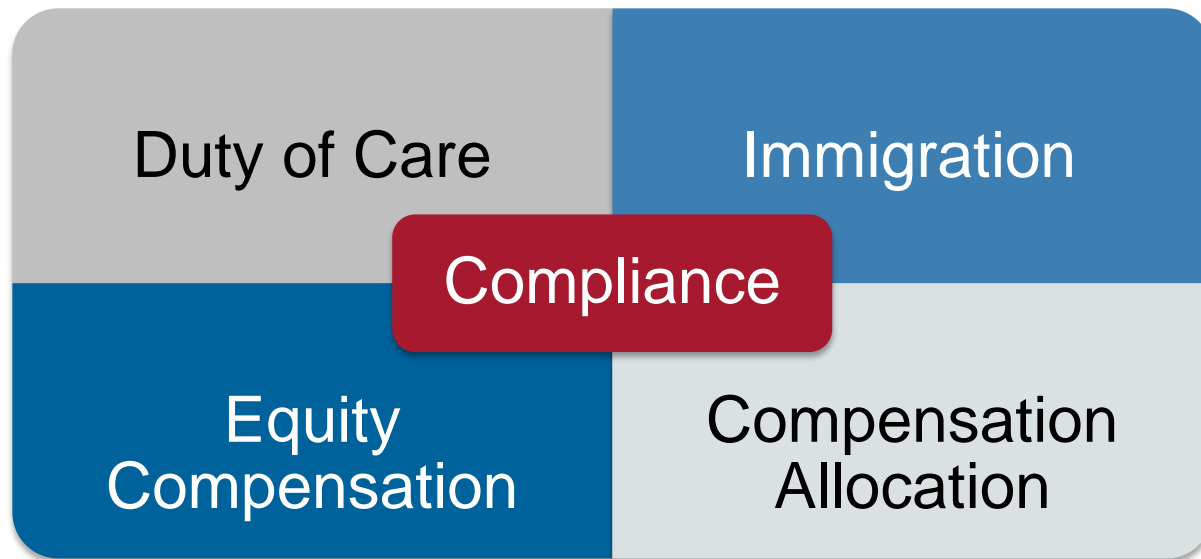
	Total BTS (\$ Billion)	Annual Growth in BTS
China	\$291,276	11.4%
United States	\$289,837	2.2%
Germany	\$63,534	9.8%
Japan	\$62,101	1.0%
United Kingdom	\$47,138	8.3%
France	\$37,103	3.0%
South Korea	\$32,598	1.5%
Italy	\$31,621	2.2%
Brazil	\$30,521	-4.1%
India	\$29,629	11.0%
Canada	\$23,134	2.7%
Australia	\$21,767	6.4%
Spain	\$19,393	7.8%
Netherlands	\$18,160	2.0%
Russia	\$17,241	-18.2%
Global Total	\$1,236,848	5.0%

Source: GBTA BTI Outlook Annual Global Report & Forecast: Prospects for Global Business Travel 2016-2010, July 2016



Business Travel Tracking

- In today's ever-expanding regulatory environment, it's important that organizations implement a consistent process for collecting and managing employee travel and location information to support a broad number of compliance and employee security-related processes.



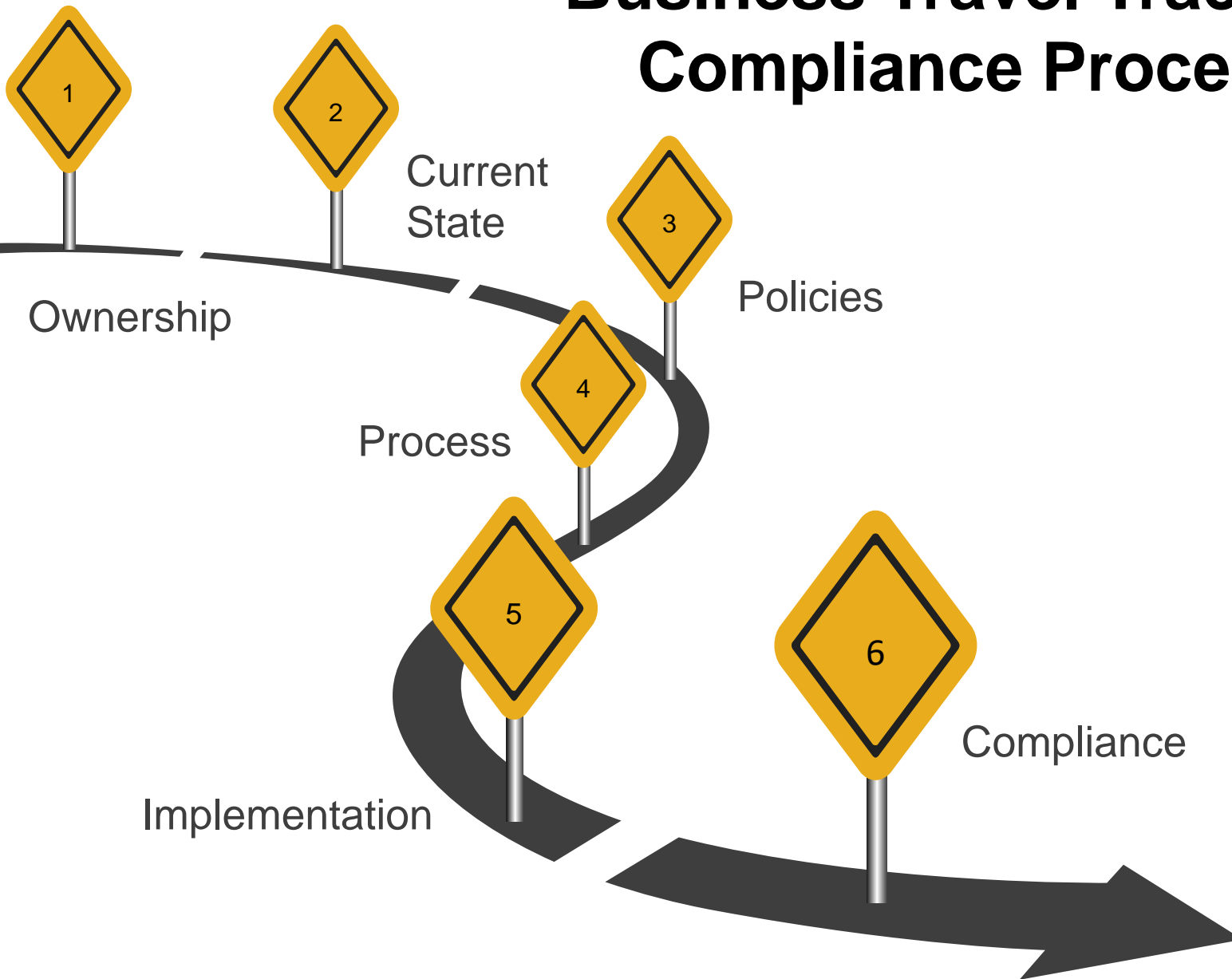
Business Travel Tracking

- Building a business case for travel tracking is the first step in compliance

Business Case



Business Travel Tracking Compliance Process



Questions & Answers

Q and A



Thank you for attending!

Visit the Worldwide ERC® web site at
www.worldwideERC.org, or contact
Worldwide ERC® for more information on
these topics. 703.842.3400

