

HUMAN RESOURCES

STATEMENT ON STAFF LIVING AND WORKING OVERSEAS FOR PERSONAL REASONS

LONDON
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The School expects that staff do not work outside the UK for personal reasons. However, it is recognised that there may be exceptional circumstances, which will need consideration and guidelines.

The objective of this statement is to set out important considerations, including the potential impact of staff working overseas for personal reasons on service delivery, team cohesion, contribution to internal and external citizenship and the wider School community. The statement also outlines the process to consider and agree requests to work overseas and the potential income tax, social security and pension related considerations.

The statement covers any individual on an LSHTM contract of employment, including all part-time and full-time employees. This process should also be followed, when relevant, for any new appointments, with the appointment not being confirmed until the request has been formally approved. (Note:- during the recruitment process it should be made clear that the School expects that staff do not work outside the UK for personal reasons).

Staff wishing to live and work overseas for personal reasons should first discuss the proposed arrangements with their line manager and Head of Department. Requests to work from overseas for personal reasons will then be reviewed at SLT and the Director is the only person who can approve these requests which will only be granted in exceptional circumstances and will be for a time-limited period, usually no longer than 12 months. If agreed, the arrangement should be reviewed on a regular basis, including upon renewal or extension of a contract. The arrangement cannot be automatically continued because of a contract or funding renewal/extension.

Staff who would wish to work from overseas for personal reasons should apply formally under the Flexible Working Arrangements Form. All requests to work from overseas for personal reasons must be authorised by both the Dean of Faculty (for Faculty staff) / Chief Operating Officer (for Central Services staff) and the Director. Where a review of the arrangement is required as part of a contract renewal/extension (as above), the Dean of Faculty / Chief Operating Officer (as appropriate) will be required to review the request with the Director and authorise an extension to the arrangement if agreed.

It is important to note that School staff working overseas for personal reasons will be personally liable for any local tax payments, and employee social security or other similar payments, which may be incurred whilst based overseas. This includes paying any additional or excess employer payments (i.e. NI where applicable) if they are higher than those incurred by the School. Staff should be aware that such payments are staff members' personal responsibility and the School cannot indemnify you against any such payments.

School staff based overseas for personal reasons should be aware of the high-level summary points on income tax and social security outlined below.

Staff should also be aware that they will be required to pay for any additional administrative costs incurred by the School associated with setting up, facilitating and maintaining the overseas working arrangement. This may include a range of administrative costs including but not limited to payroll and finance responsibilities incurred as a result of the overseas working arrangement. The School cannot guarantee membership to the School's pension schemes for employees working overseas for personal reasons.

Income Tax

Your tax status in the UK and equivalent status in the relevant overseas country will vary depending on your individual circumstances, work duties and the country in which you are working. The School's Payroll department can provide information and assistance on the School's usual practices in particular situations, but cannot provide professional advice. We strongly recommend that you seek your own independent advice, including an assessment of your tax residency and associated filing obligations.

Depending on your personal circumstances and working pattern, the School will continue to operate UK PAYE on payments that you receive while abroad where required. It is also possible that you will be subject to income tax in the country in which you are working. You will be responsible for any tax payments which may apply in the relevant overseas country and will keep the School fully indemnified against any such liabilities, including any penalties, interest and costs. Where a withholding obligation arises on the School, these sums will be withheld from payments made to you.

Whilst it is usually possible for a credit to be claimed for taxation suffered overseas, this may initially lead to a dual income tax liability. This situation would most likely occur where UK tax residency is not broken, and it is important to note that foreign taxes will not reflect UK rates. You should also be aware that where income tax is due in both the UK and host country, filing requirements (i.e. submission of personal tax returns) are likely to also arise in each country.

Social Security

Whether an individual remains liable to pay social security contributions in the UK, i.e. National Insurance Contributions (NICs), while working abroad is even more complex than the determination around income tax. Broadly, depending on where you will work, there are three possible sets of rules which apply to determine where you will pay social security contributions.

1. Working in a country which is party to the EU social security agreement

The basic rule of this agreement is that you will only pay where you work. It is not possible to pay social security contributions on a mandatory basis in two EU countries at once. The 'pay where you work' rule, however, does not necessarily apply if you are within the scope of certain exceptions to this rule which are specified in the agreement. Some of these exceptions will allow you to remain insured in the UK only (whilst you are working in the EU). The EU agreement is complex and your social security position will depend on several factors including (but not necessarily limited to):

- Your nationality;
- Your working pattern;
- How long you will work outside the UK;
- Your personal circumstances; and
- Your employment arrangements

You should seek independent advice in respect of how the agreement may apply to you.

2. Working in a country which is outside the EU but which also has a social security agreement with the UK

If you work in a non-EU country with which the UK has a social security agreement, the 'pay where you work' principle is again usually the default principle but it may be possible for you to remain insured in the UK and exempt from paying the equivalent social security contributions in the other country. Whether this is possible depends on the specific terms of the particular agreement, and again, independent advice should be sought.

3. Working in a country which does not have a social security agreement with the UK

If you are going to work in a country which does not have a social security agreement in place with the UK, you may still remain liable to pay Class 1 NICs in the UK for the first 52 weeks of your time overseas. This will occur if:

- You are ordinarily resident in the UK; and
- You were resident in the UK immediately before starting work overseas.

If these conditions are not met, generally speaking, your obligation to pay Class 1 NICs will cease on your departure from the UK to work overseas (unless you are also working in the UK). You should be aware that it is possible to also have a requirement to pay social security contributions in the country you are working in at the same time as you are paying Class 1 NICs, but this will vary from country to country.

Paying UK voluntary NICs

If you do not have an obligation to pay compulsory UK Class 1 NICs whilst working overseas, you may wish to consider paying voluntary contributions in the UK. Payment of voluntary contributions will allow you to continue to accrue entitlement to certain contribution-based benefits, most notably UK State Pension.

There is no connection between your income tax position and your liability to pay Class 1 NICs. Both obligations are separate and should be assessed independently as set out in this statement. For the purposes of settling liabilities when they arise, you should seek professional advice so that your personal circumstances are necessarily taken into account.

Pension

Staff who are considering working overseas for personal reasons must seek pensions information from the School's Payroll & Pensions team and the relevant pension scheme provider before arrangements are finalised. The eligibility for joining or continuing to pay into the School's pension scheme providers (USS and SAUL) for School employees working overseas will be subject to pension scheme regulations, and also dependent on a number of other factors (including but not limited to whether the overseas country is EU or non-EU). The School cannot guarantee membership to the School's pension schemes for employees working overseas for personal reasons. It is important staff seek advice and guidance on pensions matters before arrangements for working overseas for personal reasons are agreed. Pension scheme regulations are subject to change from time to time.

Staff working overseas for personal reasons may wish to consider their own personal pension arrangements. The School cannot guarantee contributions to any other pension scheme other than our recognised schemes (USS and SAUL, and the NHS pension scheme for relevant clinical academic staff).

Other important considerations

Other important considerations for staff working overseas for personal reasons include but are not limited to the list below (which is not exhaustive):

- It is the responsibility of the staff member based overseas for personal reasons to contribute to the wider academic life of the School in a similar way to London-based staff. For academic staff, this includes appropriate consideration to the School's *Academic Expectations* (including Internal Citizenship).
- Before any request is approved, management and staff should give appropriate consideration to the potential impact on service delivery, team cohesion, whether the approval of the arrangement will set a precedent in the team/department, contribution to internal and external citizenship and the wider School community.
- Staff are expected to regularly attend the School's London office (at their own expense), if the contractual office location is London.
- Staff based overseas for personal reasons will not be awarded a higher salary simply on the basis that they are based overseas. Discussion on salary should not be affected or influenced by staff being based overseas for personal reasons.
- Line managers and PI's should not offer or agree to overseas working arrangements for personal reasons for staff without pre-agreement and authorisation of both the Dean of Faculty (for academic staff) or the Chief Operating Officer (for Professional Services staff) and the Director. Failure to adhere to the authorisation requirements (as set out on page one) could constitute to a disciplinary matter given the potential exposure to the School of these arrangements.

Useful Contacts

For general enquires in relation to Income Tax, Social Security, National Insurance Contributions and pensions, please contact the Pensions & Payroll team at Payroll@lshtm.ac.uk.

For queries in relation to the application of this Statement, please contact the relevant HR Partner in the [HR Team](#).

Document Type	Statement
Document owner	Kessar Kalim (Director of HR)
Approved by	Management Board and Institutional Principles and Policies Committee
Approval date	13 March 2018
Review date	N/A
Version	1.0
Amendments	N/A
Related Policies & Procedures	