

CASE STUDY

INTERNATIONAL PAYROLL DOESN'T HAVE TO BE TAXING

Companies with personnel based in countries around the globe often find that paying staff can be fraught with difficulties when it comes to issues regarding international taxes and employment law. This has led to an increase in the number of multi-national organisations that are now choosing to outsource the payroll function to specialist agencies at a low cost and for less hassle.

Payroll and Business Solutions UK Ltd has recently de-merged from The Key Personnel Group, the East Midlands based Human Resources Consultancy, and offers a dedicated payroll service both within the UK and internationally.

The move has been made due to the increased interest from companies wanting to outsource their payroll service in both the UK and abroad to reduce costs, increase confidentiality and subsequently alleviate the burden that this necessary task can often cause - particularly when dealing with extra issues that can arise in foreign countries.

The de-merger announcement comes on the back of a highly successful year for PBS that has built a customer portfolio of 170 clients using the PBS UK Payroll Service and a further 20 companies using the PBS International Payroll Service, now operating in 35 countries. PBS provides a specialist international payroll service and offers advice on international tax, expatriate's payroll, employment law and government legislation.

John Laing is a specialist owner, operator and manager of public sector infrastructure assets in the UK and internationally. PBS has been providing the company with an international payroll function for two years.

Phil Wilson, Payroll and Pensions Manager at the firm said: “We have outsourced our UK payroll for a long time now, but never our international one. Since the company has started to grow overseas and is constantly expanding into more countries we approached our UK payroll company about taking on our overseas personnel, but unfortunately they couldn’t offer us this service and recommended PBS.

“Over the last few years we have expanded into the Czech Republic, Canada, the Netherlands and will shortly be moving into Delhi as well. Because we have a small number of staff in each country we find that each area has very different rules when it comes to employment tax and employment law. There is also various government legislation that can sometime affect how staff are paid and the deductions that are incurred.”

Kathryn Morgan is the International Payroll Co-ordinator at PBS and manages the John Laing account, she said: “When a company decides to outsource its payroll and HR function in the UK it is usually because it is particularly cost effective and means that they don’t have to employ a dedicated in-house team to carry out the task. International payroll has even more benefits. With each country the company operates in, the complexity of the payroll function grows. They need to keep the authorities in each country happy and ensure that internal governance is complied with and this is where PBS can use its expertise to alleviate the stress that organisations can face.

“We source payroll partners in the countries where John Laing is based and straight away that means that there are no language issues.

“All of our partners are recognised providers in their own countries and have extensive knowledge of the local tax laws that means that payrolls are processed correctly. We act as the point of contact between the partners and John Laing which makes it easier for everyone involved.”

John Laing plc employs 650 people worldwide and continues to expand. Phil adds: “As a company we don’t have any in-house payroll expertise and need assistance from a company like PBS. International payroll is very complex and each country we are based in has different tax issues and different requirements and we have needed advice and guidance to set these payrolls up as well as to keep them running smoothly. At the current time there would be no reason to bring the service in house and in terms of the level of service I would definitely recommend it to other multi-national firms.”