

FOCUS ON

The title 'Brexit - the GM and immigration issues' is centered over a background of two large, stylized arrows pointing towards each other. The left arrow is filled with the Union Jack flag, and the right arrow is filled with the European Union flag. The background is a grey, wood-grain texture. A large black curved line is on the left side of the image.

Brexit - the GM and immigration issues

With the prospect of a “no deal” Brexit becoming increasingly more likely, we discuss the actions HMRC has suggested employers should take in order to prepare for this outcome.

Social Security

HMRC's latest edition of the [Employer Bulletin](#) provides guidance on the actions that employers, who have employees working in the EU, EEA or Switzerland, will need to take in respect of social security contributions in the event of a no deal Brexit.

Under current EU Social Security Coordination Regulations, UK employees who are sent to work in the EU, EEA or Switzerland are only required to make social security contribution payments in one country. However, in the event that the UK leaves the EU without a deal, employees working in the EU, EEA or Switzerland may need to make social security contributions in both the UK and the country in which they are working.

HMRC guidance on what action should be taken by employers to prepare for this change

If your employee is currently working in the EU, EEA or Switzerland and has a valid UK issued A1/E101 portable document in place, they will continue to pay UK National Insurance contributions until the expiry date of the document.

In the situation where the end date on the document goes beyond the date that the UK leaves the EU, HMRC suggests that you should contact the relevant EU/EEA or Swiss authority to confirm whether your employee will need to start paying social security contributions in the country they are working in from that date.

You can find information on the relevant country's authority on the [European Commission's website](#).

For employees who are UK or Irish nationals working in Ireland, HMRC confirmed that their position will not change after the UK leaves the EU, as they are covered under the international agreement signed in February 2019.

Any employees who start working in the EU, EEA and Switzerland after the UK leaves the EU, with no deal in place, will be required to apply for the 'replacement' to the A1/E101 document, so they may continue to make national insurance contributions and maintain their social security records.

The UK Government is seeking to reach reciprocal arrangements with the EU or Member States to maintain the existing social security coordination for a transitional period until 31 December 2020 and ensure that individuals sent to work in the EU or Member States will only pay social security in one country at a time, in a no deal scenario.

EU Settlement Scheme

In order to retain the rights currently available to EU citizens due to the UK's existing relationship with the EU, such as the right to live, work and study in the UK, with continued access to public services such as healthcare and schools, and access to public funds such as pensions and benefits after 31 December 2020, EU citizens need to apply for a UK immigration status under the EU Settlement Scheme.

The EU Settlement Scheme provides a process for EU, EEA or Swiss citizens that currently live in the UK to apply for permission for them and their family to continue living in the UK. Applications to the Scheme are free and are made via an online application process. Applications are not mandatory but employers may like to consider providing their staff with guidance in this respect.

The current deadline for applying is 30 June 2021, but the deadline for applying if the UK leaves the EU without a deal will be 31 December 2020.

Other considerations

In a no deal scenario there will be changes that affect businesses trading both inside and outside the EU. HMRC have a toolkit to help businesses understand these changes and the actions that need to be taken to prepare. More information can be found [here](#).

If your business trades exclusively with the EU then there are immediate changes in the way you import/export. You can prepare now by registering for a UK Economic Operator Registration and Identification (EORI) number.

There are also additional considerations if your business uses chemicals. Further details can be found on the [HSE website](#).

Contact us

For further information on global mobility issues, speak to your usual MHA MacIntyre Hudson tax contact or Peter Abbott who heads up our Global Mobility team within Human Capital Advisory (HCA).

Peter Abbott
Tax Manager | Human Capital Advisory
+44 (0)20 7429 4135.
peter.abbott@mhllp.co.uk

macintyreHUDSON.CO.UK

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