

How can PwC help you?

Before

- Optimisation of package of remuneration, salary benchmark and regulatory constraints
- Eligibility for the application of the Circular letter
- Costs estimate
- Social security advice

During/ongoing

- Specific request to competent tax office within two months after start date
- Tax return assistance
- Provide tax office with a list of employees benefiting from said tax regime beginning of each year (no later than 31 January)
- Regular follow-up

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**Special tax regime
for qualifying
international
employees**

Solutions
for people



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Tax optimisation for employers and for qualifying international employees

- Relocation expenses (removal costs, expenses linked to final return, travel costs related to specific circumstances...)
- Housing related costs
- School fees
- One trip a year from Luxembourg to home country
- Tax equalisation
- Lump sum allowance for differential of cost of living and other relocation charges

Time scale

1.

Confirm the eligibility for application of Circular (employer/employee)

2.

Prepare or review the tax optimised salary package – salary benchmark – regulatory constraints

3.

Send formal request to the tax authorities (within 2 months)

4.

Assist on completion of tax return and regular follow-up

Requirements for employees

General

- Qualifies as a tax resident under Luxembourg law
- Holds a master degree and has specialised technical knowledge or has five years experience in line of business to be developed
- Has never been neither a Luxembourg tax resident nor has paid Luxembourg income taxes on a professional income for the 5 previous years
- Must make a significant economic contribution or must contribute to the creation of “high value-added business activities” in Luxembourg

Specific for a secondment

- Has five years experience within the international group or has at least five years specialised in the line of business concerned

Employment relationship must exist between the sending employer and the qualifying international employee

Requirements for employer

General

- Employs or commits to employ at least 20 full-time employees in Luxembourg
- Limit of 10% of the undertaking’s total full-time working staff (condition does not apply to undertaking which has been established in Luxembourg for less than 10 years)

Specific for a secondment

- Must belong to an international group (definition in the Circular letter)
- Secondment agreement must exist between the sending employer and the Luxembourg undertaking