

Human Resource Services*

News from the Nordic countries



Issue 6, November 2008

Introduction

We hereby introduce you to our 6th Nordic Newsletter of 2008. This issue brings you the news of a proposed amendment in the Finnish tax system regarding the qualification of benefits in kind provided to employees. Furthermore, we inform you about upcoming seminars in Sweden and Norway regarding cross-border mobility. For more information on these seminars, or for general questions relating to employee mobility in the Nordic region, please visit our website or contact your local PwC contact person.

Erland Nørstebø, Partner HRS

Finland

According to a proposed amendment to the Finnish income tax act, the employer's possibilities to provide the employee with tax free, customary and reasonable benefits in kind will be extended as of January 1st 2009. The amendment would apply to employer paid physical exercise and culture services. Currently, the employee can receive only exercise services tax free if the annual value of this has been approximately 200 € or less. According to the new proposed legislation, the employer can pay up to 400 € annually for exercise and cultural services jointly without this being considered a taxable benefit for the employee. The employee can choose the form of exercise or culture, and the payment of the service has to be made to the service provider without direct cash payments to the employee, for example by contracts with gyms or theatres. The exercise type has to be common, and culture can include for example attending concerts or art exhibitions. In order to be regarded as customary and reasonable employee benefit, all employees should be entitled to use the services personally.

Norway

For many foreign employees working in Norway or Norwegian employees on assignment abroad, a tax assessment has been issued in October relating to the tax year 2007. It is important to review if the tax authorities correctly considered each individual situation, as we see in practice that errors are easily made for example relating to social security coverage and calculation of exemption for foreign income.

Human Resource Services Norway will arrange a seminar covering topics on taxation, social security, immigration and payroll obligations. Topics will be discussed for cross-border situations, mainly from a Norwegian perspective. The seminar will be held in Bergen on November 20th and in Oslo on November 21st. Please visit our website www.pwc.com/no for more information about the seminar.

Sweden





As the world globalises, the need for flexible and mobile personnel increases. Often, shorter business trips and short term assignments are required to meet the needs. Business travel and short term assignments can involve tax- and social security obligations for both the employer and the employee.

Human Resource Services in Sweden will arrange seminars on the topic: "Work abroad - how to manage the risks in connection with frequent business travellers". During the seminar, not only the obligations but also the opportunities with short term presence are emphasised. We will also present tools that can be used to simplify the administration related to the travelling. Please visit our website www.pwc.com/se for more information about the seminars.

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