

REMOTE WORK, TAX AND SOCIAL SECURITY IMPLICATIONS: PESTALOZZI'S ANALYSIS

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Working from home regularly is not the same as when an employee carries out tasks outside the office only occasionally and on a small scale. This situation sees the workplace de facto relocated to the employee's home office. Such scenarios may create tax liability for both the employer and employee as well as liability for social security contributions. Parner Jonas Sigrist and senior associate Noëlle Mathis at Pestalozzi [analyzed the situation](#) from a Swiss law perspective. We propose a summary of the main points:

- Normally, there is no impact for the employer from a tax or social security law perspective, if the period of working from home only lasts a few months.
- If a material business activity is carried out regularly and permanently by an employee working from home, the employer may become liable for tax in that jurisdiction.
- There are lots of cases where it is not immediately clear whether the employer is liable for tax in the jurisdiction of the home office. In such circumstances, it is advisable to seek a ruling from the responsible tax authorities.
- In an international context within the EU/EFTA area, if an employee regularly works from home in his jurisdiction of residence for 25% or more of his working hours, the local social security system in that jurisdiction usually applies exclusively.