



# LSE Policy for Staff on UK contracts requesting to work abroad for personal reasons

## 1. INTRODUCTION

The School recognises the positive impact that flexible working can have on an individual, their wellbeing, engagement and productivity. The School strives to positively support all employees from all backgrounds and the [LSE Flexible Working policy](#) supports this. Flexible working can vary in shape and form, from a formal change in contracted hours to a change of work location, and is dependent upon both the employee and employer working together to meet the mutual needs of the individual and the School.

The LSE campus is at the heart of all activities and its community. It is the hub from which the School operates, and which is part of its identity for many students, visitors, collaborators and partners, bringing together global academics, researchers and policy makers.

Staff on academic terms and conditions are expected to make a full range of contributions across research, education and citizenship. The revised 2020 LSE Academic Staff terms and conditions state that 'All academic staff are expected to attend the School where necessary to carry out their contractual duties. These duties include teaching, office hours, departmental meetings and other in person academic support meetings'.

Whilst remote working tools can assist in achieving virtual presence, nevertheless it is not a full substitute for regular physical presence. As a campus-based university, employment at LSE carries it with a strong expectation of presence on the School campus.

Understandably, there are occasionally events in the lives of members of the School community that prompt them to request a period of living and working abroad (which is distinct from a request to change working pattern which is covered by our flexible working policy). Where staff make this request, they and their manager will be required to follow the policy principles and process set out below.

Each request will be dealt with on its merits and circumstances, but the decision shall be at the sole discretion of the School.

## 2. POLICY AIMS

This policy aims to outline the School's principles / position surrounding those occasions where staff request to work overseas on a long term or permanent basis for personal reasons or work-related reasons. The policy outlines the key considerations for working overseas and aims to

guide LSE management in considering how to proceed with these requests, with support and guidance from HR Partners.

### **3. POLICY SCOPE**

This policy relates to all salaried staff in professional services, academic, teaching/education and research staff groups whether on a short term or long-term fixed contract or a permanent or open-ended contract with LSE. It also recognises that remote working from abroad is not possible in many roles, including but not limited to teaching and advisory roles that require face to face contact with students, staff who support teaching and the student experience, as well as facilities roles within the Estates Division and other roles within Residential and Catering Services Division.

This policy excludes individuals who are frontier workers or are considering a request for cross-border working. Such circumstances are covered in the School's policy for staff on UK contracts requesting arrangements as [frontier workers or cross-border workers](#).

#### **3.1 Considering temporary and short term overseas working requests for personal reasons**

Exceptionally, the School will consider requests for flexibility in location on a **temporary short term (3-6 months) basis in any period of 12 months** at the School's discretion and only when the School agrees and accepts the conditions agreed.

#### **3.2 Considering temporary and short term overseas working requests for research activity**

Faculty who undertake research abroad during sabbatical leave do not normally need permission to do so. The same holds for faculty and research staff undertaking research abroad as part of their normal duties on a short-term basis.

However, their work is sometimes a discrete part of a larger project or an independent project entirely which needs to be based overseas temporarily. There are certain European double tax treaty reliefs for professorial and research<sup>1</sup> roles when working overseas temporarily (2 years) for work-related reasons; in these cases, it is advised that specific advice is obtained on a case by case basis in order to make the appropriate assessment on how this may be applicable.

The School expects any faculty and research staff carrying out research overseas to continue to build our research community and continue institution building – bringing new research opportunities to LSE and in turn strengthening the teaching experience for our students. as well as bringing research to School and to support our students.

#### **3.3 LSE obligations overseas**

Except for specific circumstances, outlined in 3.3.1, LSE does not have the mechanism to arrange to pay and employ staff who are based overseas, outside the UK for a permanent period or longer than a 6 month period (in any given 12 month period) and LSE will not normally pay salaries overseas even on a short term basis. There are costs to making such arrangements, including legal, tax and payroll costs, that are not covered within an LSE budget or plans.

##### **3.3.1 LSE overseas registered offices**

In response to a specific and large funding requirement to be based overseas permanently for demand-led economic policy research working with local government policy makers, LSE has established operations based overseas with registered branch offices in Africa and South Asia where there are staff who are engaged through local operations (local employment contracts and payroll).

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<sup>1</sup> In some countries this could also include PhD students.

Where an LSE staff member is able to work temporarily in one of these countries and is engaged on any type of LSE contract, then considerations will need to be made according to the residency, immigration and social security withholding legislation as well as costs of these liabilities. Full considerations need to be made before authorising such longer-term arrangements in those countries. In these cases, the HR Partner will be able to seek appropriate advice.

#### 4. POLICY PRINCIPLES

This policy aims to outline the guiding principles for staff and managers when requesting temporary overseas relocation for personal reasons.

It should be noted that the School will not be able to bear any of the additional cost that arise to the employee and the School as a result of the individual choosing for personal reasons to reside outside the UK whilst employed by LSE<sup>2</sup>.

It is not possible for LSE to employ staff on a permanent basis where the intention is that their formal work location is abroad based on a personal request. Such arrangements do exist on an exceptional basis for some staff (e.g. ICG Country based contracts, but do require complex arrangements including in setting up a presence in the country, a localised pay administrator to comply with local taxation, and tailored pension and benefits arrangements. It would not be practical nor economical for this to be an option for staff on UK contracts.

The expected main location and place of work is set out in all LSE offer of appointment letters and/or terms and conditions which are governed by the laws of the UK. Under this policy, LSE will **not** normally be able to support individual personal requests for temporary overseas working arrangements, except on an exceptional basis, based on personal circumstances, the job role, the length of the temporary period of cover and whether there are other benefits to the School of a member being based abroad temporarily.

All line managers are responsible for respecting the policy and its principles to seek guidance from their HR Partner and Finance team before agreeing to any arrangement taking place even if they support the request.

When an individual makes a request for temporary overseas working, their **manager** or department/division will need to speak to the individual and consider many factors such as those outlined below, in consultation with their HR Partner (refer to Appendix A for information on the key considerations):

- a) Clarify the details of the plan, including timelines, to live abroad temporarily and agree the period of time, including all dates
- b) Discuss any significant changes in a staff member's personal circumstances that they want to share
- c) Consider the contractual relationship including the type and whether it is at the end of the contractual period
- d) If the individual works independently or manages / leads a team: can they fulfil all of the duties of their post whilst working abroad? Ensuring that any relocation will not place additional demands on their team; that there will be no adverse impact on the role being carried out or to any colleagues, students or other stakeholders.
- e) Ensure that there will be no additional financial cost to the School because of the temporary relocation arrangement. If there will be any material increase in cost to the School of them relocating overseas in terms of additional tax, social security, National Insurance and other insurance and administrative costs then this will be borne by the individual.

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<sup>2</sup> Subject to provisions in the School's policy for staff on UK contracts requesting arrangements as frontier workers or cross-border workers

- f) If they have one, does their visa permit facilitate this? Will they need a visa to do so? Will this affect any UK visa or permit currently held?
- g) Where applicable, will their funder allow the move?
- h) Could the staff member carry out the work without creating a 'Permanent Establishment' for tax purposes in the overseas location?
- i) By being based overseas, when fulfilling their responsibility in the UK or on campus means that any expenses are the responsibility of the individual - such as travel from or to the UK, subsistence or accommodation in the UK or in the temporary location, will not be reimbursed by the School.

## 5. PROCEDURE

The expected main place of work is set out in all LSE offer of appointment letters and/or terms and conditions which are governed by the laws of the UK and it is expected that staff work under this jurisdiction.

In the first instance, the staff member is required to talk to their line manager about their request to relocate abroad on a temporary basis. The line manager, in consultation with the HR Partner, should assess the individual case. If the case is supported, then the relevant application form should be completed (Appendix B).

### 5.1 Process for all staff requests

The staff member needs to receive formal authorisation from their manager and the School before making any plans for moving abroad for personal reasons on a temporary basis (3-6 months in any 12 month period).

The below steps form the policy process guidelines:

- a. The staff member **must** inform their manager, department or centre manager or Head of Department/Division that they are or plan to be based temporarily overseas providing details and their reasons as soon as they start making plans.
- b. Together they will consider and discuss the situation and if the manager is supportive, they need to request to meet with their HR Partner.
- c. The staff member and their management team will need to complete the LSE International Working Approval Form (Appendix B) in order to obtain LSE Finance, and LSE HR Approval
  - o In making the application to work overseas the staff member will need to obtain independent financial advice in the UK and in the country they are based and share that with HR and Finance: by doing so the staff member will need to review all local rules and independent financial advice for their situation.
  - o The staff member will be liable for all associated costs incurred by both themselves and LSE (including any legal, financial advice and on-going costs).
- d. HR will liaise with LSE Finance where Taxation issues should be referred to the School's Tax Manager as per the LSE Financial Regulations.
  - o LSE cannot meet foreign taxation liabilities in overseas countries for individuals and does not have the resources to operate the requirements of any local tax and social security obligations in such isolated cases. Where an employee or their independent tax advisor completes a P85 form for the Staff member to complete, the staff member is expected to speak to their manager, HR Partner and LSE's Payroll team **before** completing and submitting the form.
  - o Social Security: Temporary posting of the staff member to an EU Member State will be governed by the EU-UK Trade and Cooperation agreement, which includes a protocol on Social Security Coordination (the Protocol). Under the Protocol in

certain circumstances a person who is sent by their employer in the UK to work temporarily in an EU Member State (for a temporary period) can continue to pay contributions only in their home state (UK). A system of portable documents (A1) exists to ensure that the worker does not also have to pay contributions in the Member State they are posted to. LSE will not normally be able to support individual personal requests for temporary overseas working arrangements EU Member State when they are not successful in obtaining an A1 from HMRC as this will result in complex arrangements including in setting up a presence in the country, and engaging a localised pay administrator to comply with local social security rules.

- ii. HR will also liaise with Health & Safety to consider any declarations required from the staff member to ensure that the place of temporary work complies with the policies of the School.

## **5.2 Options and outcome of requests**

The School LSE Finance and LSE HR teams<sup>3</sup> will decide on whether the individual will be allowed to work overseas for the length of period requested. The staff member will need to review all local rules and seek independent personal financial advice which LSE Finance will procure (and pass all associated costs to the staff member). The staff member will be liable for all associated costs incurred by both themselves and for LSE.

The options and outcomes available to LSE staff based on this policy and its principles are as follows:

- a) A request is approved on an exceptional basis because it is possible to carry out the full duties of the role from a location abroad for a period of up to 6 months and the conditions relating to taxation, immigration and pensions are not a barrier. However, it is highly unlikely that a period exceeding 6 months can be approved because the costs that the employee would have to bear would be prohibitive. Where the particular circumstances of the case makes this possible and the employee is able to meet the cost of personal and School advice or charges relating to taxation, immigration and pensions this may be approved. A key factor in this being considered will be the specific country in which they plan to be based.
- b) An interim solution is agreed upon by all parties where the staff member is transferred to an overseas consultant contract and will forego their employment rights (including continuity of service, pension and other benefits) for a 'true' consultant arrangement. This means considerations will need to be made regarding any management and other duties that will need to be relinquished and passed to team members at no additional cost to LSE as well as other factors such as School assets being returned. This would normally be considered for period of 12 months or more.
- c) The request is rejected.

Any failure to follow the procedure or to comply with any variation could be deemed to be an act of gross misconduct.

HR Division  
August 2021

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<sup>3</sup> This will typically be the HR Partner in consultation with the Assistant Finance Director and Head of Financial Control and Compliance with advice from the LSE Tax Manager. In some cases, it may be necessary for the HR Director and Finance Director to make the final decision.

### Review schedule

Review interval	Next review due by	Next review start
1 year	August 2022	March 2022

### Version history

Version	Date	Approved by	Notes
1	August 2021	SMC	

### Links

Reference	Link

### Contacts

Position	Name	Email	Notes
abc	abc	abc@lse.ac.uk	abc

### Communications and Training

Will this document be publicised through Internal Communications?	<b>Yes</b>
Will training needs arise from this policy	<b>No</b>
If Yes, please give details	

## Appendix A: Key considerations when working overseas

LSE could exceptionally agree to staff members temporarily based overseas for different reasons in various scenarios. In order for staff to work in any country on a UK based employment contract, the following and adduce for the staff member to take **The period of time based overseas is the principle and key aspect to consider as it will have implications on all of these elements:**

- i. **Residency:** Each country will have different rules and thresholds which trigger residency. Factors such as nationality, pattern of travel, previous residence in the UK/home country and intention will feed into the local decisions. These need to be understood and assessed on a country by country and individual basis. For example, information on UK residency can be found on the government webpages [here](#).
- ii. **Taxation considerations:** Taxation will be driven primarily by your residency status, see section i) above, but can also arise in a country where you are working for a significant period, even if not resident there. In addition to UK HMRC rules there will be different rules to consider and which may apply in other countries. This is particularly important if residency is triggered in that location. The rules will be different for each individual scenario and you can find more information on other residency information [here](#).

There are certain European double tax treaty reliefs for professorial, PhD and research roles when working overseas temporarily for work reasons; in these cases it is advised that specific advice be obtained in order to make the appropriate assessment on how this can be applicable.

The UK HMRC rules mean that any UK resident who is outside the UK for longer than a set number of days per year and have connections to the country (e.g. nationality, rented property, registration with a local health authority, etc.) risks breaking their UK tax residency and triggering residency and perhaps tax residency in that location. Additionally, the UK HMRC has generic [double taxation treaties](#) in place with a number of countries, and states, which permits people to move overseas for a short term stay, usually limited up to a certain amount of days for non-residents and has certain rules around settlement that could trigger residency for the individual in that country. **You will need to review these rules and take independent financial advice on these for your situation from an LSE Finance procured advisor. You will be liable for all associated costs incurred by yourself or the LSE.**

For anyone temporarily based abroad the question arises of when the activity may trigger a [permanent establishment](#) (PE) which could happen at the beginning of the stay or over a short period of time depending on your activity in the country. There are several baseline tests for PE used in most tax treaties and domestic tax law and certain activity over a period of time could create PE and the resulting tax liability for you and LSE. Each case would need to be reviewed in order to comply with these local rules and to test the engagement. If this was triggered, this may mean that LSE would have to register in that country, arrange local payroll services and have **local employment statutory contractual obligations**. If this becomes a risk, LSE will have to consider the option of terminating the employment contract.

- iii. **Immigration considerations:** Authorisation<sup>1</sup> to work in each country will be different and therefore compliance with any entry visa or work permit is required if this is needed. It is worth checking that you are complying with these entry and stay duration regulations where needed. The Staff member will need to provide evidence of their right to work for HR records and declare any changes that occur to their circumstance or the visa.

If the member of staff are sponsored by LSE to work in the UK under any UKVI visa, then working overseas may compromise the validity of their visa. The staff member would need to contact the HR Visa team in the first instance for advice and information related to your sponsorship requirements as well as to inform them of their intentions.

- iv. **Social Security considerations:** If the country where the Staff member is working in has a Reciprocal Agreement or Double Contribution Convention (sometimes called 'bilateral Social Security agreements'), the employee will usually pay social security contributions in that country instead of National Insurance. The social security implications of living outside the UK will impact on the employee's health care and benefits payments in the UK and in the country of residence. The employee should ensure they fully understand their rights and responsibilities. Social security costs in other countries can be much higher than in the UK for employee and employer. Any additional employer costs including advice and setting up costs necessary to withhold overseas social security contributions, will be the responsibility of the employee.
- v. **Statutory benefits in the UK for staff temporarily based overseas:** Staff will continue to be entitled to UK statutory benefits such as maternity leave and pay, paternity leave and pay, sick pay and sickness absence as long as they remain eligible for these and also continue to pay their National Insurance in the UK [reference HMRC webpages below]. These rights may be affected depending on the location and length of arrangement in place; in these circumstances the School may have to take local advice and Staff will need to incur all costs associated with the advice. More information on the [statutory benefit provisions in the UK](#) can be found on the government website.

Additionally, the OECD model treaty and most (if not all) bilateral tax treaties refer to 'physical presence for periods not exceeding 183 days' rather than 'workdays'. All days spent in the work country, including work days, weekend days, public holidays, vacation days and sick days will count towards the limit in that country. This means that any sickness absence or maternity/paternity/adoption leave period whilst being based abroad will contribute to the time or 'presence' spent in the country for that rolling 12 month period.

- vi. Health & Safety considerations such as in country health and safety laws may be different to the UK. Home working assessments are available for those working overseas, please contact the [LSE Health and Safety](#) team for details ([health.and.saftey@lse.ac.uk](mailto:health.and.saftey@lse.ac.uk)).

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<sup>1</sup> Obtaining work authorisation can take some time in the UK and overseas and immigration advice should be sought approximately 3 months in advance of any move to allow time to obtain this.



- vii. **Summary of implications for both the Staff member and LSE**, which may be impacted by being based temporarily overseas include:

**Key factors for the individual to note**

- a) you may be required to agree a variation to your terms and conditions which may revoke your employment rights in the UK and applicable in the overseas country which includes local terms and conditions including local statutory rights
- b) UK occupational and statutory pension membership compromised from outset
- c) you may not be eligible for cover of LSE travel insurance
- d) effects on social security obligations and social insurance benefits in both UK and overseas country
- e) different and/or additional tax liabilities
- f) health care access for you (and your family) compromised in the UK and also the country you are based in
- g) Immigration requirements of the country you are based in and right to work
- h) additional costs associated with necessary advice to or actions by LSE borne by you
- i) current right to work/sponsorship in the UK

**Key Factors for the LSE**

- a) corporate liability including accounting, accountability and legal assistance for PE
- b) tax withholding obligations and social security payments from first day
- c) local statutory employment rights for the individual which are different to UK
- d) additional burden that there is a strong enough connection with the UK to be able to bring UK claims
- e) issues over confidentiality and employment covenants
- f) data protection considerations
- g) insurance and health & safety issues

# Appendix B: LSE Overseas Working Arrangement Approval Form

This is a read-only version of the form. To help you complete it more easily, please request an Excel version of the form via [HR.Partner@lse.ac.uk](mailto:HR.Partner@lse.ac.uk) by email, using 'Request for the LSE Overseas Working Arrangement Approval Form' in the subject heading

## Assessment & Policy Steps

Please use the below flow chart to assess whether approval is required for the arrangement.



Will they spend more than 90 days cumulatively in any other country outside of the UK during the tax year?

No

Yes to any

Go to the **LSE Overseas Travel Policy, Documents and Forms**

Has the individual requested flexible working or sabbatical leave?

Yes

No

Complete **Flexible Working** request / **Sabbatical Leave** application

Attach form

**Section 1** to be completed by the department manager and employee but to be signed by **both** parties to ensure mutual understanding of the arrangement

Departmental Manager to complete **Section 2** with support from LSE Finance team

Head of Department, Division Director or Service Leader to complete **Section 3**

HR and Finance approval **Section 4**

Completed form to be sent to employee, Payroll/Finance and HR Partner

*\*Tax year refers to the UK tax year, i.e. the 12-month period ended 5 April*

*\*\*Any EEA member state, Switzerland, USA, Canada, Japan, Israel, Philippines, South Korea, Turkey*

# International Working Arrangement Approval Form

## Section 1: Overview of Arrangement

To be completed by employee/departmental administrator but signed by **both** parties

Employee Information	
Full Name	
Date of birth	
Nationality	
Passport(s) held	
Current country of residence	
Emergency contact: Name & phone number	
Job title	
Division/department/Centre	
Employee number (found on payslip or Myview)	

What is the purpose of the request?

**Working arrangement details**

In which location/country will the employee live and perform their work duties, research, etc.?

Anticipated start date of arrangement

Anticipated end date of arrangement (NB: if there is no defined end date then the arrangement must be reviewed within 3 years)

Is the individual requesting Flexible Working or Sabbatical Leave? (Attach relevant form)

Brief description of requested working pattern & the duties the employee will be performing.

How much time will they spend in each location?

Who will benefit from their work?

What are their contracted hours of work/FTE equivalent?

If relevant, will the employee's spouse / partner or dependent(s) accompany the employee?	
In which location(s) will the employee have a home or available accommodation?	

Employee/Department/Centre/Division Signature			
Employee Name		Name	
		Department/Centre/Division Position	
*Employee Signature		Signature	
Date		Date	

*\*by signing this form the employee is*

*- is confirming that the information on this sheet is correct; and*

*- will agree that they will indemnify the School on any additional costs*

*- Will agree to cover the costs for themselves and for the LSE*

*- will complete the form and speak with management if any of the circumstances change, (where approval should again be sought again), with potential different/additional costs.*

*For example if they buy a home abroad, or sell a home in the UK, or their personal circumstances change such as getting married to an overseas national could affect the status in some countries.*

# International Working Arrangement Approval Form

## Section 2: Practical Arrangements

To be completed by the departmental manager or divisional lead or equivalent with the support of the LSE Finance team.

**Rationale for proposed overseas working arrangement, include here a description of how the employee will carry out their duties overseas**

**Other relevant information**

Policy Steps	Description of considerations and external advice sought	Costs associated with the overseas arrangement		
		Description	One-off Costs (£)	Recurring Costs (£)



Risk Assessment				
Visas and Work Permits				
Insurance				
Corporate Taxes - P.E., VAT, Withholding Tax				
Personal Tax				
Social Security				
Pension				

Additional Costs				
Other Considerations*				
Payroll Bureau costs				
Total Costs for the School**				
Total Costs for the employee**			-	-

Completed by (Name & Position in the University)	
Signature	
Date	

\*\*The employee will agree to take on the costs for both LSE and themselves by signing this form.

# International Working Arrangement Approval Form

## Section 3: Approval of Arrangement

To be completed by Head of Department/Divisional Directors or service leaders

Summary of Overseas Arrangement (per Sections 1 & 2)	
Employee Name	
In which location (country) will the employee be located?	
Anticipated start date of arrangement	
Anticipated end date of arrangement	
Total one-off costs	
Total annual recurring costs	
Total cost	
<b>I am satisfied:</b>	<b>Yes/No (and comments)</b>
(i) that the above arrangement delivers an overall benefit to the School (taking into account time away from LSE work undertaken overseas, and costs incurred by the department)	

<p>(ii) that practical arrangements, as detailed in sections 2 of this form, are in place to ensure the School's obligations are fully met and to implement any professional advice received; and</p>	
<p>(iii) that any external professional advice required has been taken into consideration and accounted for in relation to the above overseas working arrangement;</p>	
<p>The arrangement will be reviewed after a specified time period, as agreed within the department. The review will take place on:</p>	
<p>Please note here any special conditions associated with your approval (for example only the costs listed will be paid by the department, employee to pay for their own tax advice in country of destination):</p>	
<p><b>Head of Department/Service Leader/Divisional Director Approval</b></p>	
<p>Arrangement approved (yes/no - and reason why)</p>	
<p>Approver Name</p>	
<p>Approver Signature</p>	
<p>Date</p>	

*A copy of the completed form should be returned to the applicant, the Departmental Manager, HR and Payroll*

# International Working Arrangement Approval Form

## Section 4: School Approval of Arrangement

To be completed by HR and Finance

LSE HR Approval	
Arrangement approved (yes/no - and reason why)	
Approver Name	
Approver Signature	
Date	

LSE Finance Approval	
Arrangement approved (yes/no - and reason why)	
Approver Name	
Approver Signature	
Date	

