



# Extended Business Traveler Compliance

presented by

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# Today's Objectives

- Review Extended Business Traveler Project
- Summarize Current State Findings
- Describe Tax Risk, Options and Recommendations
- Describe Immigration Risk, Options and Recommendations.



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# Agilent at a Glance

REVENUE IN FY12

**\$6.9 billion** (more than 70% generated outside the U.S.)

EMPLOYEES

**20,500**

CEO

**William P. (Bill) Sullivan**

PRESIDENT & COO

**Ron Nersesian**

CUSTOMER LOCATIONS

**100+ countries**

MANUFACTURING AND  
R&D LOCATIONS

**U.S., Europe, Asia Pacific**

NYSE

**A**



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## Business Travelers Tax & Immigration Risk:

- Assess current state
- Identify potential risks, if any
- Develop recommendations



# Why do we care?

## 1. Agile Values - “Uncompromising Integrity”

## 2. Changing Global Practices

- New global & local tax & immigration regulations
- Government/border scrutiny increasing
- Customers adding language to “contracts” limiting their liability

## 3. Increasing Risks and Costs

- Potential financial penalties due to non-compliance
- Potential loss of productivity
  - delays in travel, turned back at border, etc.
  - confusion re: what is needed when, resources
- Negative and harmful press to Agile and employee
- Extra manual hand-holding required by Mobility



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# Compliance Risks: Tax vs. Immigration

## Tax

- Occurs when a traveler exceeds a number of days in a country within a calendar year
- Threshold varies from country to country
- Income and social security taxes impacted
- 60 or 90 days is common practice for global threshold compliance
- Tax non-compliance can be identified and corrected retroactively

## Immigration

- Occurs when a traveler has the incorrect visa or work permit
- Immigration non-compliance concerns are complex. It depends on a number of variables (home/host combinations, type of activity, family size, etc).



# Current State

- Global Mobility focus on travel greater than 90 days cumulatively OR consecutively in a calendar year
- Global Travel focus on business travel
- Travel Provider is the first required touch point for booking international travel
- Intranet provides guidance on obtaining visas and contacts; level of support varies from country to country



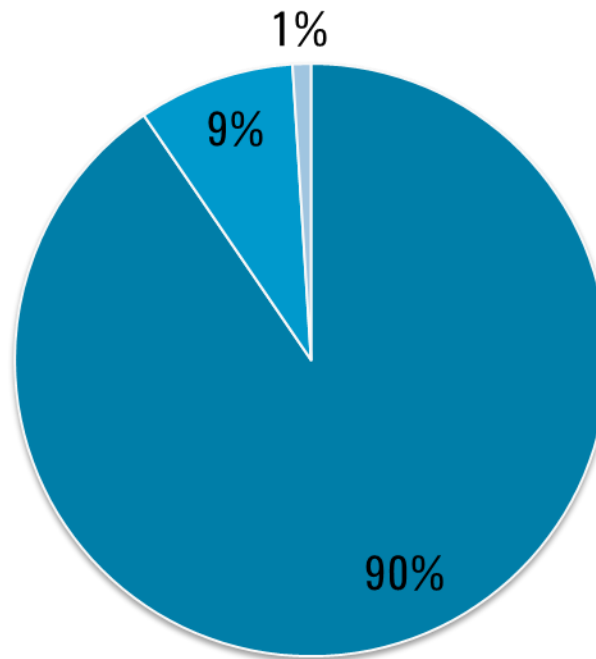
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# Agilent 2012 Travel Activity

## Number of Trips Booked – 20,000

- Under 30 days: 17,800
- Between 31 - 90 days: 1,700
- Greater than 90 days: 200



KPMG analysis revealed that total tax risk for travel greater than 30 days is less than half of 1%



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# Benchmarking Results

## *What are other companies doing?*

### Interviewed 5 companies regarding EBT policies and practices

- Inconsistent practices based on risk tolerance
  - High touch vs. Low touch
- Most maintain intranet guidance
- Common use of vendors (Travel, Immigration, Tax, Relocation) to support compliance
- Various travel reporting tools used to identify employees with tax risk
- After 90 days, relocation policies typically take effect
- Some require employee consultations with Mobility when risks present

*Note: Summary of generic input can be found in Appendix*



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# Key Learnings / Opportunities

- Partner effectively!
  - Travel Department and Providers
  - Immigration & Tax Provider
  - Country HR
  - Legal
  - Managers of frequent travelers
  - Others
- Update and regularly review intranet information
- Capitalize on opportunities to provide just-in-time guidance to employees & managers (e.g. time of booking travel)
- Explore opportunities to screen proactively and retroactively



# Agilent Actions

1. Facilitated thorough review of Immigration & Tax policy in partnership with outsourced providers, region & country partners, etc.
2. Updated intranet information & guidance to enhance navigation and accuracy
3. Established annual review process to ensure intranet information remains current
4. Partnered with Immigration Provider to improve guidance on visas and work permits
5. Partnered with Tax Provider to audit travel reports annually to identify and address non-compliance
6. Enhanced partnership with Global Travel team:
  - Provide input on travel provider selection & training
  - Equip travel provider to screen & guide employees accurately
7. Continue to explore tools and options





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# Benchmarking: What are other companies doing?

Company	Travel Between 30 and 90 days	Travel > 90 days	Challenges	Training/Education	Recent Tax or Immigration Compliance Issues
Company 1	<ul style="list-style-type: none"> <li>RMC consultation with manager. RMC coordinates travel, engages immigration and tax provider.</li> <li>Separate EBT policy under Mobility</li> <li>Travel reporting to audit # of days</li> <li>Utilize Immigration Provider visa tool</li> </ul>	<ul style="list-style-type: none"> <li>ISTA or ILTA policy applies</li> </ul>	<ul style="list-style-type: none"> <li>Resistance to paying RMC fees</li> <li>Poor utilization of EBT policy</li> <li>Immigration Provider tool sometimes gray</li> </ul>	<ul style="list-style-type: none"> <li>“Splash” emails to managers and employees</li> <li>Tools and checklists on intranet</li> </ul>	<ul style="list-style-type: none"> <li>Taiwan: \$300K tax liability identified in audit</li> <li>Canada: Employees held at border. Passports confiscated.</li> <li>India: Employees turned away at border</li> </ul>
Company 2	<ul style="list-style-type: none"> <li>Visa information on intranet</li> <li>Travel provider directs employees to Visa Provider</li> </ul>	<ul style="list-style-type: none"> <li>Focus on C-Level employees only</li> <li>Travel reports used by EA's to monitor # of days per country</li> <li>Travel policy guidelines for visa and tax</li> </ul>	<ul style="list-style-type: none"> <li>No focus on travelers less than 90 days</li> <li>Compliance risk for non-C Level employees</li> </ul>	<ul style="list-style-type: none"> <li>“Splash” emails to managers and employees</li> <li>Tools and checklists on intranet</li> </ul>	<ul style="list-style-type: none"> <li>Canada: Employees stopped at border</li> <li>Thailand: Cracking down on visas, AP HR sensitivity</li> </ul>
Company 3	<ul style="list-style-type: none"> <li>Immigration Provider visa tool completed by traveler to assess trip purpose and determine visa type</li> <li>Travel reports used by tax dept to monitor # of days per country</li> </ul>	<ul style="list-style-type: none"> <li>Short-Term International Assignment after 90 days</li> </ul>	<ul style="list-style-type: none"> <li>Travel monitoring not centralized and inconsistent</li> </ul>	<ul style="list-style-type: none"> <li>Annual training sessions with HR.</li> <li>Regular HR sessions with managers</li> <li>Tools and policies available on intranet</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>



# Benchmarking: What are other companies doing?

Company	Travel Between 30 and 90 days	Travel > 90 days	Challenges	Training/Education	Recent Tax or Immigration Compliance Issues
Company 4	<ul style="list-style-type: none"> <li>• Manager contacts Mobility group for advice</li> <li>• Travel group advises travelers if visa required or to call Mobility</li> <li>• Intranet explains business vs. work visas</li> <li>• No travel records/reports pulled</li> <li>• Use 30 day threshold for tax purposes b/c some countries have a tax risk at 60 days</li> </ul>	<ul style="list-style-type: none"> <li>• Short-Term International Assignment after 90 days</li> </ul>	<ul style="list-style-type: none"> <li>• Risk of some travelers falling through cracks</li> </ul>	<ul style="list-style-type: none"> <li>• Regular HR sessions with managers</li> <li>• Tools and policies available on intranet</li> </ul>	<ul style="list-style-type: none"> <li>• No compliance issues/problems</li> </ul>
Company 5	<ul style="list-style-type: none"> <li>• Travel group directs employee to call Immigration Provider or Mobility.</li> <li>• Immigration Provider notifies Mobility when contacted so consult may occur</li> <li>• Frequent Business Traveler Policy applies with tax and immigration services</li> <li>• Tax Provider Travel Calendar Tool used by employee by honor system</li> </ul>	<ul style="list-style-type: none"> <li>• Travel group directs employee to call Immigration Provider or Mobility.</li> <li>• Immigration Provider notifies Mobility when contacted so consult may occur</li> <li>• Extended Business Traveler Policy or ISTA applies</li> <li>• Tax Provider Travel Calendar Tool used by employee by honor system</li> </ul>	<ul style="list-style-type: none"> <li>• Travel calendar is completed on honor system</li> <li>• Risk of travelers falling through cracks</li> </ul>	<ul style="list-style-type: none"> <li>• Annual training sessions with HR.</li> <li>• Regular HR sessions with managers</li> <li>• Tools and policies available on intranet</li> </ul>	<ul style="list-style-type: none"> <li>• Tax and immigration audits occur regularly</li> </ul>





# Thank You for Attending!

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