

# Net Expat Newsletter



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Net Expat helps Corporations and Expat Families achieve successful expatriation through a series of Career & Life Transition programs in more than 42 countries. Two programs have been specially developed to facilitate international mobility of your Expats while four other programs help partners of your expats find work in their future host country

## Expert Opinion

### The vision of Sony Europe

**Mr. Jos Windelinckx**

HR & GA  
General  
Manager,  
Sony Brussels  
Operations



Sony Europe Brussels Operations employs 520 people in a new building in the Corporate Village in Zaventem, near the airport, as of September 2003.

Flexibility and a world-wide visibility are some of the values that Sony supports. This can be easily illustrated within Sony Brussels Operations, as 50 % of the employees represent 35 different nationalities. All of them work in different areas such as marketing, engineering, customer services, finance... A real combination of different cultures and at the same time keeping in mind that we are one team with one vision.

Sony Brussels Operations welcomes many employees from abroad, from Europe and outside, from call center agents to European Executives.

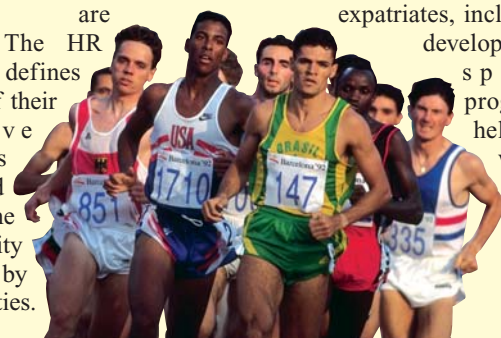
An important part of our recruitment strategy is to include a relocation package. This package includes for example help in finding apartments, legal advice on rental contracts, related administrative issues, applying for work permits, advice on visa applications, registration in Belgium, exchange of foreign driving licenses, introductions to international schools. Most of these services are outsourced, but

*50 % of the employees are representing 35 different nationalities*

a very close coordination and information exchange with the agencies and control from the HR department are important. The HR department defines the limits of their respective interventions and supervises the service quality provided by the third parties.

Sony Brussels Operations continues to develop and to improve the relocation and remuneration package. Since 2000, we have offered an extended medical insurance and services, all provided in Dutch, French or English. In addition, we widened our service by developing an international workforce, such as the set-up of a framework for corporate issues, of partnerships with banks, with social security institutions, tax consultants, insurance companies, ... and even better, we have recently implemented a partner program via NET EXPAT for management through our HR Department.

Our challenge is to create a relocation program for all expatriates, including the development of a specific program to help them to work within a multi-cultural



## Editorial

### Against all odds!

**Alain Verstandig**

Managing  
Director,  
NET EXPAT



I'm going to surprise you. In these early days of 2004, I'm able to pass a relatively positive verdict on the year just gone. You think I'm crazy? That's not my style. The fact is that 2003 was an excellent year for NET EXPAT. So I would like to thank all those men and women who, from their

positions of responsibility as Human Resources executives, kept a cool head in tough times. My thanks go to all those who - as HR directors, Expat Managers, Compensation & Benefits Managers, Business Unit Managers and the like - gave us the opportunity to develop further and, despite difficult economic conditions, now deem it a matter of course and therefore essential to provide support to Expat Partners.

These men and women are helping shape the economic evolution of

our planet and unquestionably preparing the future of their companies. After all, global prosperity depends ultimately on the humane management of our Human Resources.

Thanks to you - and there are more and more of you - we have now opened NET EXPAT offices in Milan and Vienna and are working on plans for Prague, Budapest and Warsaw to help you manage your future mobility needs. ■

Supported by



Dual Career

Mobility

Integration

Talents

workforce. We have to enhance the mobility on the Brussels platform as well as between various countries. Together with the cooperation and support of HR Europe, we are able to prepare this kind of international transfer more easily between the different Sony operations within Europe. ■

## Humor

### HOW TO MESS UP YOUR EXPAT MANAGEMENT PLANS

- Let Wall Street determine your expatriation policy
- Make as many exceptions as possible to the forms of support you offer
- Give responsibility for your expats to people who have never been expatriated
- Offer money rather than support services to your expats: they will know how to spend it without realizing...
- Make the logic of your allowances so complicated that even a full expatriation will not be enough time to understand it
- Avoid talking more than necessary to your expats' partners as they could spoil everything before leaving
- Survey your expats as little as possible: you can't imagine the sorts of things they could come up with
- Don't identify your potential expats until the last possible moment, that way they will be 'fresher'
- Outsource all your expat management... and look for another job!

## Testimonial

# The Win – Win – Win

**Alex & Louise Sheppard**  
Alex is accompanying Louise in her expat assignment as BMS employee



Alex, we're delighted to see you happy and relaxed today, but it would be fair to say that the past few months have not been easy ones for you and your family.

- That's true! I'm now working for a company in a job I really enjoy, but it wasn't easy getting here. I already had more than 10 years professional experience in IT, all of it in the UK. When my wife, Louise, was offered an expatriate assignment, I thought I wouldn't have much difficulty finding a job in our new host country. So we left

the U.K. without too many qualms, to some extent encouraged by the optimism that seemed justified at the time.

Unfortunately the job market changed dramatically, as everyone now knows. The IT world in particular went through

a major crisis: most IT employers revised their recruitment strategies with many hiring only young applicants with little experience and costing less. So I found myself offering my services to a job market that wasn't really looking for someone like me...

**So you decided with your coach to add another string to your bow.**

- Exactly. While keeping a close eye on the job market I also looked at the possibilities of

complementary training to support my application. Through valuable contacts in the IT field my coach confirmed that my choice of an Oracle Professional certification would enhance my appeal in a difficult market.

This certification helped me at three levels. Firstly, it allowed me to reposition myself with an additional quality endorsement: as a result it directly contributed to my finding my present job, and I'm also sure it has added to my long-term 'employability'.

Secondly, the course helped me get through some difficult times, it kept me occupied and helped me to adjust to my new situation. The intensive studying required kept me going through the moments of

*It says a lot for BMS that they have the vision and commitment to provide these services to help their employees and partners*  
(Alex)



## Corporate Vision

# A holistic point of view

**Mr. Steven Baert**  
Manager Human Resources, BMS



**Mr. Baert, how important are family concerns to BMS?**

- For a very long time now, we have tried to look at the aspects of expatriation from a holistic point of view. This means that we not only take into consideration the direct issues facing our expatriates, but also those affecting their partners. For our employees,

expatriation represents a change within the context of continuity: as BMS employees in one country, they become BMS employees in another. For their partners, on the other hand, expatriation represents a complete change of lifestyle, both socially and professionally.

# Newsletter

## Win BMS approach!

isolation which I think many partners of expatriates feel. Last of all, once the training was over and I found myself talking to my potential employers, I was able to talk confidently and with a certain pride of the way I had put the time since my last job to good use. I hadn't simply bided my time until the IT job market picked up. I had updated my skills, invested in my future and, by implication, in that of my next employer! People see such proactivity as a valuable asset in potential employees. One thing that was very important to me throughout this period was the contact with my coach. As my wife Louise was working full time in her new job and as my Oracle certification was done at home on the PC, I appreciated the regular, personal contact with my coach. Whenever I felt prey to self-doubt in my approach to finding a job or my value in the market when the prospect of a job looked

distant, the optimism and realism of my coach helped keep me going. His morale and practical support meant a lot to me. Of course, all NET EXPAT's services were paid for by BMS, Louise's employer, and I am very grateful to them. It says a lot for BMS that they have the vision and commitment to provide these services to help their employees and partners. I believe that this can only benefit the company in the long term.

**Louise, it was your opportunity that started the whole process. How do you feel about the decision to expatriate now?**

- I have to admit that, when I left the U.K. with my family in tow, I didn't have a completely easy conscience. Although the whole process was very much a joint decision I felt some responsibility for Alex giving

up his job and for pitching him into an extremely difficult IT job market.

Knowing that his coach was there to help him and that he had the support of HR professionals to help him continue his career was extremely reassuring for me. It went a long way towards easing my conscience.

As time went by and the new job looked as far away as ever, NET EXPAT reaffirmed our decision to move here was a sound one. Alex's coach consistently provided us with the confidence that eventually the right job would turn up. Without this support we would have been questioning our decision amongst ourselves and worrying unnecessarily.

Today, we are a happy and more united family integrating ourselves into a truly European life. For us, expatriation has been great! ■

*For us, expatriation has been great!*  
(Louise)



In their case, the impact is much more dramatic. The fact of helping partners to pursue their careers or simply find a worthwhile activity is seen by BMS as a perfect example of a win-win situation for both BMS and its employees. We are convinced that a successful expatriation is conditional on a happy family, where everyone gets satisfaction.

**How, practically, are you**

***The fact of helping partners to pursue their careers or simply find a worthwhile activity is seen by BMS as a perfect example of a win-win situation for both BMS and its employees***

**helping your expatriates' partners?**

- Our objective, by working with NET EXPAT, is to give the partners the opportunity to integrate well in the host country by helping them to either find a new job or an

activity that helps them to assimilate into the new culture and environment. The services of NET EXPAT allow the expatriate's partners to feel supported and feel "at home" in a new country! ■

### Some Clients

3M
Advanced Elastomer Systems
AMIS
Alstom Power
BBL International
BD Biosciences Europe
Borealis
BP
Brady
Bristol-Myers Squibb
Bull
Cadbury Schweppes
Colgate Palmolive
Cordis
Corus Group plc
Delhaize Group
DuPont de Nemours
Electrabel
Euroclear Bank
ExxonMobil
Gemplus
GlaxoSmithKline Biologicals
Guidant Europe
Honeywell
ING
International Paper
Janssen Pharmaceutica
Kraft Foods
La Poste
MasterCard
Merck Sharp & Dohme
Methanex
Nestlé
Newell Rubbermaid
Nur
PerkinElmer
Pfizer
Procter & Gamble
Quest International
Reckitt Benckiser
Saint Gobain Glass France
Schlumberger
Sogem
Solvay
Sonaca
Sony
Standard Life
Tele Atlas
Tessenderlo
Thermo King
Total
Tractebel
Tyco-electronics
Raychem
UCB
Umicore
Unilever
Unisys
UPS
Whirlpool
...

# Net Expat Newsletter

European Union

## Tax and social security in the enlarged EU

**Joël Lebersorg**

Director,  
Deloitte  
International  
Assignment  
Services



The European Union is preparing for its biggest enlargement ever in terms of scope and diversity. Ten new members - Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia, and Slovenia - are set to join in 2004.

While the income tax matters will remain a national prerogative as is currently the case in the Union, major changes will occur in the area of social security for all migrating persons in the enlarged EU.

### The tax rules

In the absence of harmonization on individual tax rules within the EU, domestic tax law will

continue to govern the individual tax treatment of the salary received by the migrating employee in an enlarged EU. As a general rule, the worker will be taxable on all remuneration in the country where he or she works. Bilateral tax treaties have been signed between the current EU member states and most of the ten candidate states. Where these bilateral tax treaties exist, a set of

rules will decide which country has the final right to tax the income. These treaties have been signed to avoid situations of double taxation on the same income, in particular when an employee is working simultaneously in two or more countries.

### The social security coverage

The EU rules on social security coverage have essentially been designed to avoid as much as possible contributing to several different social systems during a career and hence

### Representative old age pension levels for 2003

	Pension Amount (EUR)	Men's qualification age	Women's qualification age
Czech Republic	805 - no maximum	61	56 - 60 now
Estonia	714 - 1591	63	58.5 - 62.5
Hungary	995 - no maximum	62	62
Latvia	750 - no maximum	62	59.5
Lithuania	528 - 3,823	65	60
Poland	1,380 - 7,500	65	60
Slovakia	Maximum 2,140	60	53 - 57
Slovenia	4,560 - 18,192	60	54
France	6,039 - 13,446	60	60
Germany	No minimum - Average 12,000	60 - 65	60 - 65
UK	1,450 - 5,800	65	60

Euro at exchange rates at time of going to press - Source: "Social security in the new EU", Deloitte 2003

having a fractioned entitlement to pension and other social benefits from each country where contributions were paid.

These EU rules will be extended to all ten new member states and will allow for migrating workers in the enlarged EU territory to remain covered by their home social security system. This possibility will be a major breakthrough for all companies conducting business in the new member states.

However, the social security contribution rates are still under control of each country and can vary greatly. As shown below, the employer's contribution due on a salary of EUR 60,000 can vary from as much as EUR 25,800 to as little as EUR 3,477 in 2003.

### What about the benefits?

Just as the social security contribution rates vary, the old-age pensions, healthcare, disability and unemployment

benefits also differ very much from each other.

When comparing for example the annual state pension in the ten candidate states with a few EU countries, very large differences in benefits immediately appear.

**The social security contribution rates are still under control of each country and can vary greatly**

Moreover, as the pension build-up occurs over the entire

working career, the individual's contribution history will have to be taken into account. The EU regulations on social security coverage will here also provide for new rules in the candidate states. ■

For more information, you can contact Joël Lebersorg, Director, Deloitte International Assignment Services at +32 2 600-68-42.

**NET EXPAT**  
new offices in  
**Birmingham,**  
**Cambridge,**  
**Milan and**  
**Vienna!**

### 2003 Employer Social Security Contributions

	Total ER contribution %	Is there a cap?	Contribution due on EUR 60,000
Czech Republic	35.2 - 36.2 %	Uncapped	EUR 21,000
Estonia	33.5 %	Uncapped	EUR 20,100
Hungary	33.5 %	Uncapped	EUR 20,257
Latvia	24.09 %	Capped	EUR 6,820
Lithuania	31 %	Uncapped	EUR 6,878
Poland	19.83 - 22.72 %	3.57 - 6.46 % Uncapped	EUR 6,200
Slovakia	38 %	Capped	EUR 3,477
Slovenia	16.1 %	Uncapped	EUR 9,660
France	43 %	Uncapped	EUR 25,800
Germany	21 %	Capped	EUR 11,112
UK	12.8 %	Uncapped	EUR 6,848

Euro at exchange rates at time of going to press - Source: "Social security in the new EU", Deloitte 2003  
\*Assuming gross income of EUR 60,000 for a single man.

We help you expat your talents

Web site: <http://www.netexpat.com>

**NET EXPAT**

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