



# Global Payroll

## Compliance without Complexity

GLOBAL  
UPSIDE®

**GPMI**  
Global Payroll Management Institute



# Our Panelists



## **Ragu Bhargava**

*Chief Executive Officer, Global Upside*

Ragu is an award-winning financial executive, entrepreneur, and leader. He helps Clients successfully navigate some of the world's trickiest business environments. In his previous roles, Ragu has served as CFO at ActivIdentity (NASDAQ:ACTI) and held leadership positions in several companies including Deloitte and NetIQ (NASDAQ: NTIQ), where he helped the company grow from \$20 million to over \$300 million in revenue.

# Our Panelists



## **Michael McLaughlin**

*Director of Payroll, JUUL*

Michael has been managing payroll for companies of all sizes, both public and private, for more than 30 years. He has managed payroll in over 40 countries and has been responsible for ensuring monthly payroll is processed for up to 32,000 employees. He has worked at Cisco Systems, the Federal Reserve, and numerous start-ups. Currently, he works as the Director of Payroll at Juul Labs, a multi-national company.

# Our Panelists



## **Nathan North**

*Global Payroll Director, Global Upside*

Nathan has over 20 years of payroll experience across a variety of industries in the public, private, VC-funded, and non-profit sectors. His expertise spans development and implementation of compliant, cost-saving, quality driven payroll processes, globally. Currently, he manages payroll for Global Upside Clients, overseeing payroll processing for thousands of Client employees in nearly 150 countries.



# Agenda

Global payroll trends

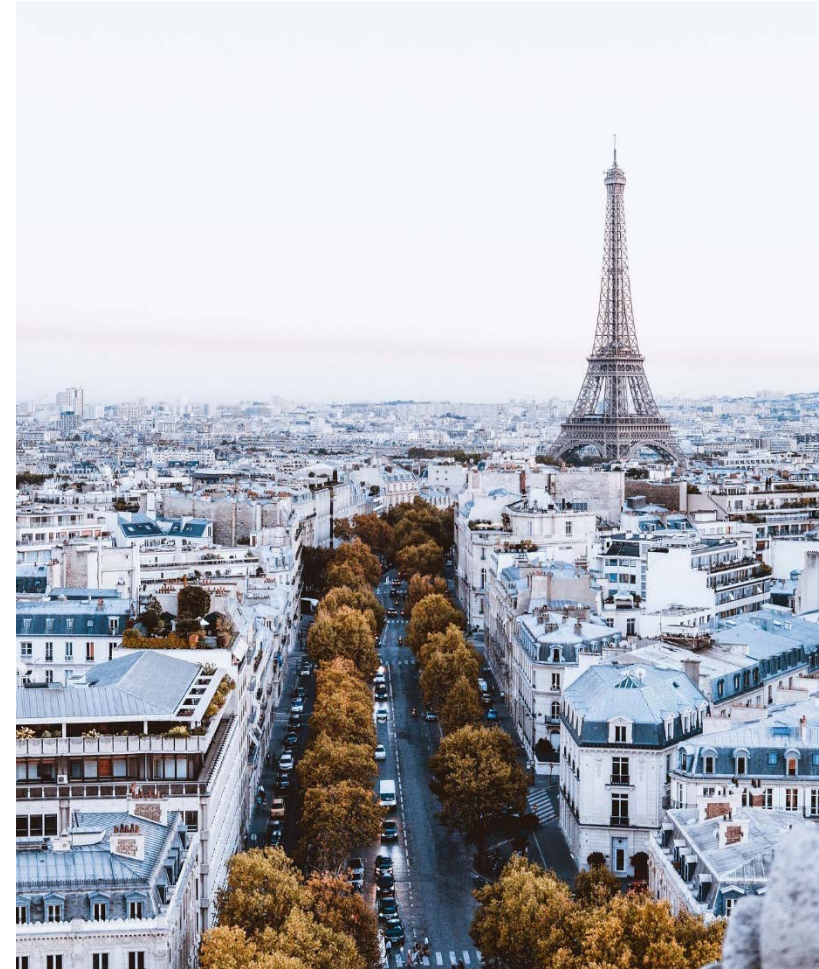
Business expansion into foreign countries

Complex countries – HR & payroll

Payroll complexity examples

Technology & processes

Questions



# Global Payroll Trends

## Stringent compliance requirements



### Data privacy (GDPR)

- Are you collecting more personal data than you need?
- Are outsourcing and processing agreements compliant – especially for international data transfers?
- Are employees trained to spot potential data breaches?
- Are your privacy policies, employee monitoring policies, data retention policies, standard employment agreements up to date?



### Increased government scrutiny

- EU court ruling on mandatory tracking of time worked

# Global Payroll Trends



Changes in employee work & pay preferences



Rising demand for multi-country payroll



Cloud-based payroll software becomes more popular



Employee self-service (ESS) for outsourced payroll service



Robotics for payroll processing



Integrated platforms for better management

# Business Expansion into Foreign Countries



Cultural items (pay cycles, bonus treatments, 13<sup>th</sup> month, 14<sup>th</sup> month)



Tax setup



Benefits – taxable & non-taxable



Allowances – stay competitive (car, meal, etc.)



Banking – cash movement, risk of pay by third party



Bureaucracy – register in-person at government office, “chop”, health exams



# Country Spotlight – North America

## Mexico

NAFTA and Mexico wages

Permanent employment after the 1<sup>st</sup> month

Generous vacation and service days

Maximum work week limitation

Private retirement and old age insurance fund



# Country Spotlight – South America



## Brazil

Joining a Union is now optional, but employers obligated to pay union dues

Voluntary resignation allowed

Proposed national database staff and working arrangements

Payroll accruals of 13<sup>th</sup> month and one month vacation



## Colombia

Enhanced severance payments

Minimum wage increases

Tax reform and capital gains tax

Restrictions on work time

# Country Spotlight - EMEA



## France

Paid time off (PTO)

Meals

New tax plan (2019)

Income tax requirement

# Country Spotlight - Africa



## Zimbabwe

22 industrial sectors that have a specific minimum wage

Collective bargaining agreements (CBA)  
Working hours & overtime

Amended employment tax law changed Aug 1 until Dec 31, 2019

- Rates
- Separating USD from ZBD reporting when filing
- Employees filing ITF16s for 2019
- Payment and returns due 10<sup>th</sup> of the following month



## Nigeria

Collective bargaining agreements (CBA)

Failure to remit employees' pension contribution within two weeks; penalties (3% of contribution)

Online tax returns and payment system

No social security system but pension, group life plan

# Country Spotlight - APAC

## China

Each city like its own country

Cash transfer

Banking

–Paying tax authorities, employees, third parties

Statutory benefits

Annual preferential tax treatment

Everything is a negotiation



# Country Spotlight - APAC

## China

Company reporting

Various tax authorities

Current relationships

Strong government oversight – you will be identified

Traveling difficulty

- Connecting to home office (internet blocked)
- Phone may not work
- Many websites blocked (Zoom, LinkedIn, Google, Facebook)





# Technology & Processes



## Payroll systems & human capital management (HCM)

Excellent domestic products on the market

Most systems are setup for the United States

- Results in additional manual work
- Requires setup in HCM system



## Are they global in nature

Not quite "there" yet; domestic vs. global

No such thing as a "global solution" - find good partners

Technology doesn't always work

Reporting

# Questions?

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