

United Kingdom

Useful Information for companies in the Swiss Construction Industry sending employees to work in the UK

Compiled by:

Swiss Business Hub UK

London, June 2014

ENTRY CONDITIONS, WORK PERMITS, RESIDENCE PERMITS, LABOUR LAW

Swiss nationals are not required to register with any authority in the UK. Since the Free Movement of Persons Agreement between Switzerland and the EU came into force, Swiss nationals have the same rights as EU nationals when entering and staying in the UK. A valid identity card or passport must be used to enter the UK. For further information about entry conditions, please contact <http://www.eda.admin.ch/london> or see <http://www.ukba.homeoffice.gov.uk/>

For more information about work permits, residence permits (should you require these) and labour laws please contact the UK Border Agency <https://www.gov.uk/uk-border-agency>

For specific questions about working in the UK please see <https://www.gov.uk/browse/working>

- Citizens Advice Bureau:
http://www.adviceguide.org.uk/wales/work_w/work_rights_at_work_e/basic_rights_at_work.htm
- The Department for Work and Pensions:
<https://www.gov.uk/government/organisations/department-for-work-pensions>
- More information about living and working in the UK can be found at:
www.swissemigration.ch

CONSTRUCTION SKILLS CERTIFICATION SCHEME (CSCS)

The construction trade in the UK is covered by a skills certification scheme (<http://www.cscs.uk.com>) which is considered to be the industry standard. This certification scheme is supported by the largest construction companies in the UK, whose aim is to have a fully-qualified workforce.

The CSCS card is a registration card with photographic identification which is valid for three or five years. It provides proof that the employee has achieved a professional level of skill in his/her trade and that he/she has been tested or trained in health and safety requirements. Most clients expect contractors to employ only CSCS-certified tradesmen.

HEALTH AND SAFETY EXECUTIVE

Publications of the Health and Safety Executive (HSE, the workplace inspectorate) can be found at <http://www.hse.gov.uk/> (click on your industry or Health and Safety Topics or A-Z Index).

SAFETY PASSPORT

In many cases, employees may not enter large construction sites (“passport-controlled work environment”) without a Safety Passport. Safety Passports are issued to employees who have completed a course on safety in the workplace. The relevant courses last one or two days. Further information may be found at: <http://www.safetypassports.co.uk/>

THE CONSTRUCTION INDUSTRY SCHEME

The Construction Industry Scheme (CIS) sets out the rules for how payments to subcontractors for construction work must be handled by contractors in the construction industry.

The scheme applies mainly to contractors and subcontractors in mainstream construction work, however businesses or organisations whose core activity isn't construction but have a high annual spend on construction may also count as contractors and fall under the scheme.

For more information please see: <http://www.hmrc.gov.uk/cis/>

TAXES

The UK Tax Authority is HMRC. Tax liabilities will be determined by residency and it is vital to check the residency regulations prior to sending staff to the UK.

Due to the complexity of the subject it is advisable to consult the following link:

<http://www.hmrc.gov.uk/>

For specific information about residency please see:

<http://www.hmrc.gov.uk/international/residence.htm>

In addition UKTI provides information regarding tax matters and the newest regulations. This information can be found here:

http://www.ukti.gov.uk/pt_pt/investintheuk/whytheuk/item/478920.html?null

Indirect taxation

The UK has a number of indirect taxes that are levied on certain goods and services: Value Added Tax (VAT), Excise Duties, Customs Duties, Landfill Tax and Insurance Premium Tax. These taxes are administered by HMRC. Local property taxes are levied by reference to the value of the property. There is also Stamp Duty which is payable in respect of certain transactions that are evidenced in documentary form. HMRC administers this.

VAT is applicable to most business transactions involving supplies of goods or services made in the UK, although there are certain exceptions. There are no local sales taxes in the UK.

If taxable turnover reaches £55,000 per annum (or is expected to), it is necessary to register with HMRC for VAT. Under certain circumstances it may also be beneficial to register on a voluntary basis.

More information can be found at:

http://www.hmrc.gov.uk/vat/index.htm?nfpb=true&pageLabel=pageVAT_Home

SOCIAL INSURANCE ASPECTS

Income from employment is subject to the social insurance obligations of the state in which the gainful employment takes place (principle of the place where the earnings arise). There are exceptions to this principle also, including one for employees sent to work abroad.

For employees sent to work in an EU state, the rule is that an exemption from social insurance obligations can be granted for 12 months, with the possibility of an extension for a further 12 months. This means that the employee can be exempted from the obligation to pay contributions for a maximum of 24 months in the state where he/she works and can therefore be subject to this obligation in the home state. In relation to such exemptions, it is important to note that in most cases not all aspects of social insurance are included. For example, a separate application for exemption from occupational insurance should always be made for each employee sent to work abroad, but this is frequently forgotten.

The Federal Office for Social Insurance publishes a document containing answers to questions about social security for employees based in Switzerland who are sent to work in EU countries. It can be found at:

http://www.sozialversicherungen.admin.ch/storage/documents/309/309_1_de.pdf

STATUTORY MINIMUM WAGE

The National Minimum Wage also applies to employees sent from Switzerland to work in the UK. For the most recent information please see: <https://www.gov.uk/national-minimum-wage-rates>

We wish you every success with your construction contract!

We recommend that you consult the British authorities for a full explanation of UK legislation and the latest changes to UK law.

No liability is accepted for the above information, which may be incomplete.

Date: 17 June 2014

Author: Geraldine Mortby, Trade Officer

Author's address: Embassy of Switzerland, 16-18 Montagu Place, London W1H 2BQ