



IMPACT OF BREXIT ON YOUR UK NATIONAL EMPLOYEES

As Brexit has become reality and transitional measures have ended, a couple of things have changed since 1 January 2021. As you may be aware, UK nationals who are new to the Netherlands should follow the immigration procedures which apply to third country nationals. This means that they must have a valid Dutch work and residence permit to legally work and reside in the Netherlands.

Living in the Netherlands prior to 1 January 2021

However, you may also have UK national employees employed who were already working or living in the Netherlands prior to 1 January 2021. Although they are covered by the so-called withdrawal agreement between the UK and the EU, additional actions are needed to arrange the correct residence documents.

All UK nationals who are covered by the withdrawal agreement should request a residence document with the IND **before 30 June 2021**. There are 2 types of situations:

- The UK national has been living in the Netherlands for less than 5 years: Temporary residence document can be applied for.
- The UK national has been living in the Netherlands for more than 5 years: Permanent residence document can be applied for.

Frontier workers / cross border commuters

For the employees who have been working in the Netherlands prior to 1 January 2021 but remained living in the UK, a frontier worker document should be applied for. Once the frontier worker document has been granted, this will show that the employee has the right to work in the Netherlands under the withdrawal agreement.

There is no hard deadline for this application, however the employee will have to be able to prove that he is covered by the agreement upon request by the authorities. Therefore, we would advise to request this document as soon as possible with the IND.

Employer responsibility

As an employer you need to check that the employees have the correct residence documents when you employ them on an ongoing base. Furthermore, the residence documents need to be on file for (payroll) compliance purposes. This is important to avoid possible higher tax withholding rates and penalties in case of an audit by the Dutch tax authorities or labour inspection.

We therefore suggest that you check if you have UK nationals employed, and take the necessary actions, if this has not been analyzed yet.

Assistance or more information?

Should you need any assistance on reviewing and/or arranging for the appropriate documents or would you like more information about the above, please contact your trusted RSM advisor.