

# NEW YEAR – NEW RULES

## *Did you forget your Payroll Team?*

31 January 2018

2018 brings along a new set of rules and standards from the Danish Tax Authorities and potential changes in the ways to collaborate with your Payroll Team.

---

### 3 MAJOR CHANGES IN RULES AND REGULATIONS

---

Starting from 2018, individuals' year-end statements ("Årsoppgørelse") and the tax return ("Selvangivelse") have been made obsolete. The tax return is replaced by an online information scheme ("Oplysningsskema") for the purpose of showcasing the details, which has been reported to the Danish Tax Authorities ("SKAT"). This means, that for every employee, the taxes shall also primarily be settled via Payroll. Thus, it is important to include the Payroll Team in order to be compliant with SKAT.

---

### HERE ARE THE 3 MAJOR CHANGES THAT CALL FOR AN ACTION IN YOUR PAYROLL TEAM

---

#### 1. New employer obligation

SKAT will issue a year-end statement to every employee in Denmark. The statement will contain all information, which has been reported to SKAT throughout the year by various parties, such as Banks, Pension providers and especially Payroll, etc. Due to the changes evoked under the Legal Rights Act III ("Retssikkerhedspakke III") the reporting parties (e.g. employer) are now liable for the content reported. This also means that employees are no longer accountable for the reported information as they do not have the ability to change the details.

## 2. New way to inform SKAT

In case of incorrect information in the year-end-statement, your employee will have the option of providing SKAT with a notification that the employee considers the information to be incorrect. This may require a prompt response from Payroll to review and potentially correct the information to the Authorities.

## 3. New procedure to submit corrections

If your Payroll shall make any corrections during the year or at the end of the year, Payroll shall meet the new procedures set forth by SKAT. Be aware that as of **February 1st 2018**, the specific mark for changes can no longer be applied for the ordinary reports (for more, see box below).

---

## 3 STRATEGIC WAYS TO INVOLVE YOUR PAYROLL TEAM

---

Payroll is firsthand, receiving an invaluable amount of information, but is not necessarily aware of the significance of the insights that they have in their hand.

1. **Educate** your Payroll Teams so they can become the Strategic Player to ensure seamless processes.
2. **Streamline** the internal processes for relaying information to the Payroll Team to secure compliant reporting.
3. **Consider** how the employees shall notify Payroll in the unlikely event of incorrect reporting.

In other words - make your **Payroll Team the central compass** in your company. You, as the employer, may even want to consider adding a preliminary circuit internally for Payroll escalations in order to avoid having employees informing SKAT directly about incorrect reporting by amending the reported information. In such case, your Payroll Team needs sufficient empowerment to argue or understand the situation and thereby the ability to perform conflict resolution.

### Facts for corrections to payroll reporting

- Ordinary salary income shall be reported in the actual salary period
- Extra-ordinary salary income (e.g. bonus, stock options, etc.) shall be reported in the salary period in which the income is paid to the employee
- Changes containing A-tax or Labour Market Contributions shall be submitted for the period that the changes relate to
- Changes not containing A-tax or Labour Market Contributions can be submitted for an unspecified period by applying the Corrections Mark ("R")
- Figures have to be positive, and a report leading to negative figures will be disregarded
- Changes submitted later than February 15th after the end of the year containing A-tax or Labour Market Contributions are not allowed

### Payroll - Just production or a strategic player?

- Join the forces of Tax, HR/Global Mobility and Payroll in order to rationalize the relevant data and to save the resources.
- Involve Payroll Team in the early stages of the strategic planning of CBA (Collective Bargaining Agreement) to ensure correct processing and calculations.
- Include Payroll Team in the recruitment process to answer the ambiguous questions, f. ex. when planning international assignments, in order to find an appropriate balance for the cost of employment.

### UNITED TAX NETWORK - DENMARK CAN ASSIST WITH THE FOLLOWING;

- 1) Exposure analysis
- 2) Review of payroll reporting when employment has foreign aspects
- 3) Internal process optimisation

**WWW.UNITEDTAXNETWORK.DK**

Hobrovej 42 C, 9000 Aalborg, Denmark  
hello@unitedtaxnetwork.dk  
+45 98 16 05 05