

# Where are you working today? Managing tax implications for offshore workers, by Dynama

*Vessels and people on the move make tax a complicated business - Lee Clarke at Dynama offers some suggestions to solving the conundrum*

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[/EINPresswire.com/](http://EINPresswire.com/) -- The offshore industry is a complicated business at the best of times. The onus is on organizations to deploy highly qualified staff to the right place at the right time, safely and cost-effectively whilst delivering successful engineering projects on time and on budget. Then, quietly behind the scenes, someone has to ensure staff are paid promptly and paid correctly. This is a vital task especially in an industry where critical skills are in high demand but often in short supply. Get it wrong and you risk losing valuable people and talent along the way.



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*Lee Clarke, Regional Director,  
Dynama*

Working offshore is a taxing affair

So what makes the whole process of paying offshore workers so difficult? It all comes down to tax and here is why. Let's consider the average offshore organization's day-to-day business, and the challenges that have huge tax ramifications for organizations. Here are just two to consider:

1. Different waters, different tax jurisdictions – the reality is that large, complex engineering projects often take place in various territorial waters meaning the crew manning the vessels, oil rigs and remotely operated vehicles (ROVs) are also moving around. For example, laying an undersea oil pipe in the North Sea will typically involve going from the

Norwegian sector to the UK sector, and vice versa, with relevant tax implications. Therefore, it is important for organizations operating in this area to track when and where their employees are working for tax purposes.

2. Inter-country tax agreements – the main issue faced by many offshore workers is the potential to pay tax twice because they might be resident in one country but have to pay tax to another country depending on their location at any given time. To overcome this scenario, many countries operating in the offshore industry have collaborated to form specific tax agreements. For example, the UK has set up 'double taxation' agreements with other countries that are designed to help determine which tax territory has the priority to claim tax on the workers' income.

Take control with clever workforce tracking

Utilizing the latest workforce management (WFM) solutions, offshore organizations can simplify the process of managing tax implications for large, constantly moving teams. Use automated WFM to:

- Track the exact location of staff and how long they have worked on specific vessels for any given period in time. This information can then be tagged to staff timesheets and sent off to payroll
- Integrate your workforce deployment system with important business systems belonging to the accounts department to ensure payroll always has the most up-to-date timesheets and can make accurate tax calculations and deductions quickly and efficiently
- Assign specific tax sectors to selected vessels and allow masters of the vessel to determine when borders have been crossed to keep an accurate record of the exact number of days crew have spent in different countries. This data can then be passed to payroll to reconcile staff timesheets and tax codes and ensure individuals pay the correct amount of tax in the right country
- Save time and money - high levels of automation streamline processes and reduce the costs and delays associated with double data entry and data entry errors commonly found in non-integrated systems.



The latest workforce management solutions do not claim to calculate tax but they do make it easier to track vessels and people, record this information dynamically and then transfer it automatically to the experts in your organization who are tasked with paying your most important asset, your staff. Automation can ultimately help make the complex area of tax in the offshore industry clearer. What are you waiting for?

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Dynama does not offer tax advice or consulting to its customers.

[i] <http://yourtaxrefund.co.uk/offshore/>

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