



FOOTHOLD AMERICA
THE EASY WAY TO THE USA

Thinking of Expanding Your Business Into America?

Three routes of employing people in the US

1

Branch Office

Part of the legal entity of the parent company.

2

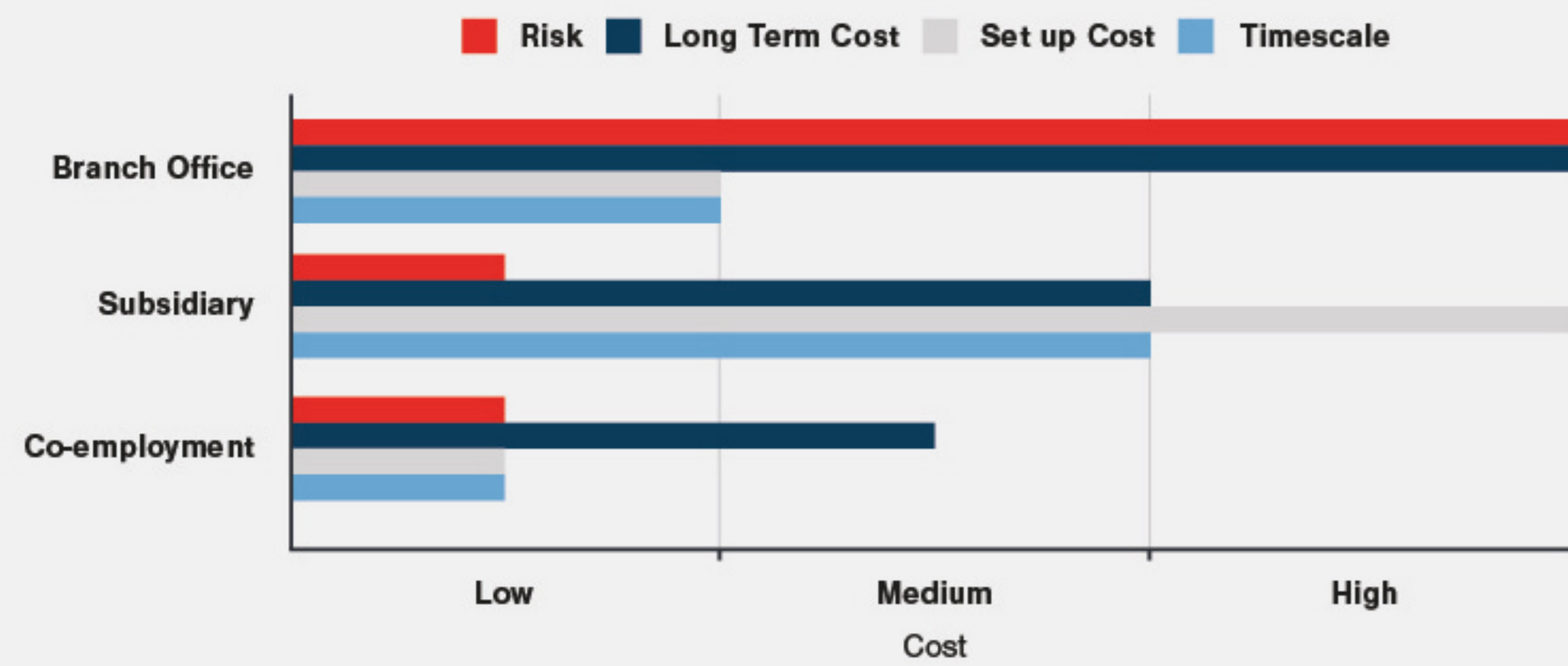
Subsidiary

A separate legal entity of the parent company.

3

Co-employment

Employment is arranged on behalf of your company without the set up of a legal entity.



Litigation & Claims



Branch Office

The entire company may be exposed to any litigation or claim on it, as well as US taxation, if you have a Branch office.

\$65,000



Subsidiary

International businesses considering establishing a subsidiary in the USA typically incur first year costs of \$65,000.

35-50%



Co-employment

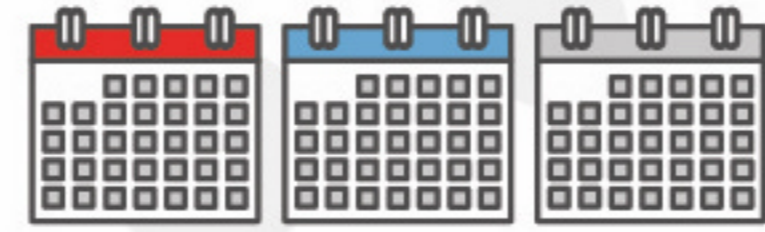
You should budget around 35-50% above salary to account for taxes, insurance, benefits and co-employment fees.

Visa



If you or anyone who is not a US citizen and does not hold a Green Card, needs to work in America, you'll need to consider Visas.

It may be possible to do certain work related activities in the US for up to 90 days at zero cost under the Visa Waiver Programme, if you are from a qualifying country. This may include negotiation of contracts or consultation with business associates, for example.



A visa will usually be required to enable employment or other types of active work, including consultancy, even for short periods.

Obtaining a work visa is likely to cost between \$5,500 and \$10,000.

Types of Visa

You should take expert advice to choose the right visa. Broadly speaking:

O Visa

This visa allows someone to work for a company in the US if they can show they have extraordinary ability within their field of expertise. Specific evidence of this will be required.

H1B Visa

This is the visa people typically think of when they think of working in the US. It applies to qualified people who wish to perform services in a specialty occupation.

L1 Visa

This is a typical visa for companies that are adding a US office to a business they currently run overseas.

E2 Visa

The E2 visa is for an international investor or employee of an international investor who wants to open an office in the United States.

Opening a Bank Account



Documents you might need to fill out: SS-4 form, W8/W9 form, W-8BEN-E

Benefits: Not battling with exchange rates, trading is a smoother process, IRS compliance. Check the regulations in your state.

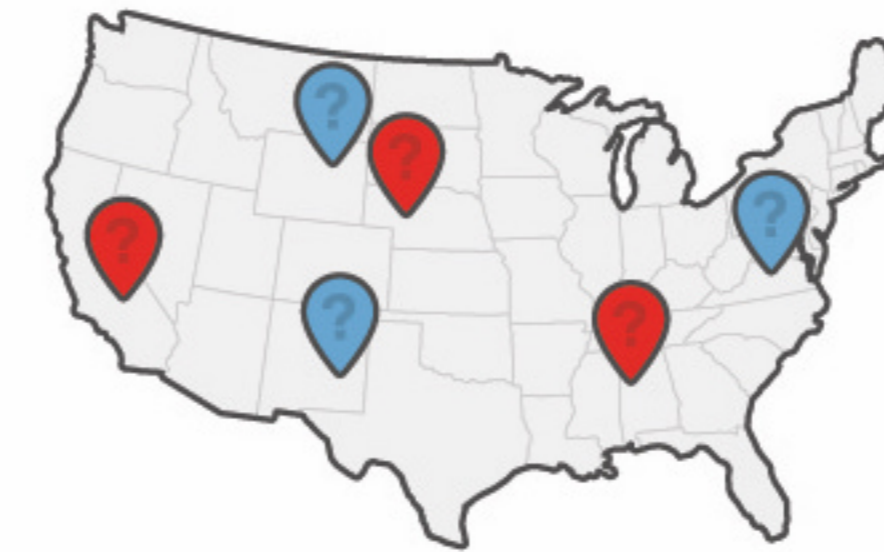


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- The US has the world's largest GDP.
- It was \$7t (trillion) larger than the second largest, China, in 2018.
- The US is rated 8th in the world for ease of doing business.
- It is rated 53rd for ease of starting a business.*

Where to Set up

Things to consider



- State Laws
- Time Zone
- Salaries
- Industry
- Talent Pool
- Cost of Hiring
- Transport links

Taxation



If setting up a subsidiary for your business in America, you'll likely need to pay taxes at a federal, state and, possibly, local level.



Basic Corporate Income Tax 21%
+ between around 2.5% and 12% for state corporation taxes

Additional Employer-paid Taxes



Social Security Tax 6.2% of first \$132,900 of an employee's salary
Medicare Tax 1.45% of an employee's annual salary



401(k)

The average contribution made by employers in 2018 to retirement plans was 4.8% of participants' pay, according to the Plan Sponsor Council of America.

Salaries

Median household income for five popular US states:

- Maryland \$78,954
- New Jersey \$76,126
- Massachusetts \$75,297
- California \$67,739
- New York \$62,909

Hiring Process

Things to consider and be aware of:



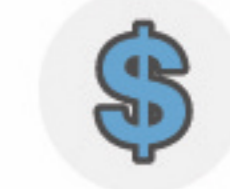
'At will' employment



How to find top talent



Background checks



You need to 'sell' your organization



Interview dos and don'ts



Benefits employees will expect



Health Insurance

In 2018, on average, employers paid \$5,711 towards single coverage and \$14,069 towards family coverage policies*
*according to KFF Henry J Kaiser Family Foundation



Sick Pay

Maternity (US employers with 50 or more employees allow mothers up to 12 weeks unpaid leave)