

# How to hire in the United States with an Employer of Record Service

## What is a US Employer of Record Service?

A US Employer of Record service allows companies to have a legitimate US business presence and hire top talent quickly and compliantly, anywhere in the country, without the cost and complexity of setting up a US entity.

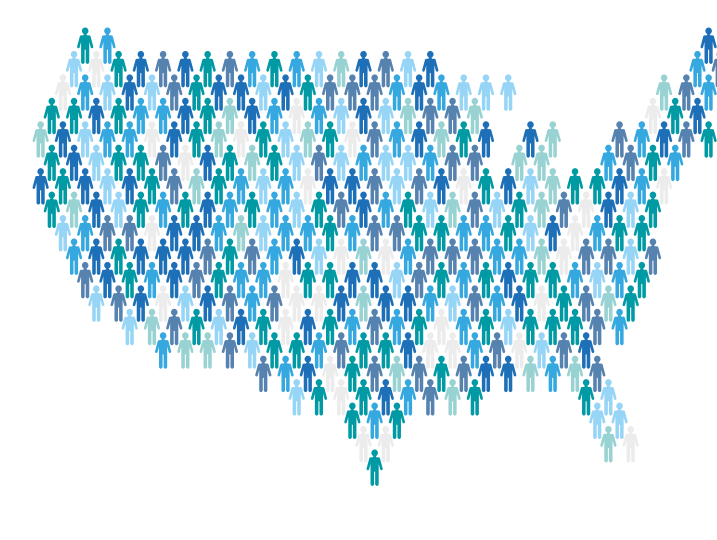
## How is it put into practice?

Once you've chosen your US talent, we will hire them under our US entity. As your US Employer of Record and your assigned personnel legal employer, we onboard, manage and pay staff on your behalf, becoming your extended HR team in the US. We take on all the burden, risk and legal responsibility of employing your US workforce, allowing you to focus on building and growing your US business.

## EORs vs DIRECT HIRING vs PEOs vs HIRING CONTRACTORS

There are multiple pros and cons to consider when determining the best hiring solution for your business.

### Employer of Record



- No US entity is required
- Hires quickly and compliantly
- Assumes employment risks and liabilities
- Timely and cost-efficient
- No HR and compliance burdens
- Attract and retain top talent through competitive and comprehensive benefits packages
- Enter and exit the US market as you wish without a long-term commitment
- Test the market with as little as one employee

- Finding the right partner with whom you are able to scale your workforce

### Direct hire via your US entity



- US entity required
- Employees are hired under your entity
- Handle the HR and employment management in-house
- Full control of the benefits offered
- Low cost when adding additional employees
- Enables you to hire employees on visas

- Costly and lengthy process to set up your business entity and fully liable and accountable for any employment and compliance issues

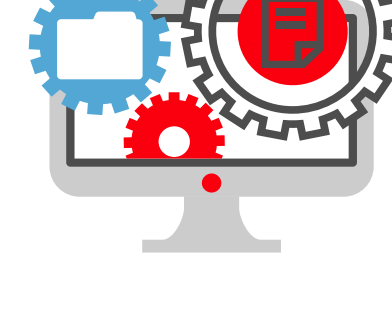
### Professional Employer Organisation



- US entity required
- You and the chosen PEO are the legal co-employers of your US workforce
- Ideal for a long-term presence in the US
- For a PEO to be cost-effective, a minimum number of employees are required. For larger organisations, PEOs are uneconomical.

- With PEO, you have less autonomy over the benefits offered to employees

### Hiring Contractors



- Enables you to acquire US talent for short-term projects
- Enables you to outsource based on your temporary business needs
- Not required or permitted to provide benefits
- Easy to end contract once the project is completed

- High risk of worker misclassification, fines and back-pay if not managed closely

## Is EOR the right solution for your US business expansion?

- Are you planning to hire US employees quickly and compliantly, without having to establish your own US entity?
- Do you want reduced operational costs?
- Are you planning to hire up to eight employees in year one?
- Do you want to have access to a comprehensive benefits package?
- Are you planning to focus on your US business, without worrying about HR administrative tasks and bureaucracy?
- Are you wishing to avoid a long-term contractual commitment?
- Do you need guidance to understand US labor law and ensure compliance at all times?

**YES**

**UNSURE**

**NO**

If you answered **YES** to most of these questions, **EOR is the best solution for hiring and scaling your business.**

If you answered **NO** or **UNSURE** to most of these questions, consider **establishing your own US entity and managing your employees in-house or with the support of a PEO or working with contractors for short-term projects.**

## How to find the right EOR for your business

There are many EORs to choose from, but not all of them provide the same level of service or expertise. To help you choose the right US EOR for your business, we put together a list of questions you might want to consider.

- Would the EOR hire your US personnel under their own entity, or do they use a third-party entity instead?
- Is the EOR provider transparent about the pricing? Do they have an onboarding fee or a termination fee? Is the monthly fee a fixed amount or a percentage of the employee's salary? Do they have any additional fees, such as a minimum deposit, foreign exchange fees or transfer fees?
- Is the EOR able to support you with recruiting talent?
- Is the EOR people-led or SaaS-led?
- Has the EOR provider walked you through their timeline of onboarding your US employee? How long is their onboarding process?
- Does the EOR provide an attractive benefits package?
- Does the EOR provide local support for you and your employees?
- Does the EOR provide you with direct access to one point of contact?
- Does the EOR have compliance experts on the ground in the US?
- Does the EOR have EPLI (Employment Practices Liability Insurance) and General Liability?
- Can the provider support you scale your US workforce from one employee to 500+?
- Does the EOR have partners who can support you with visa, immigration, and tax advice if needed?
- Does the EOR offers service, during the majority of your business hours?
- Are you able to terminate the contract easily with the EOR if needed, or do they have a minimum rolling contract and notice period?