FOOTHOLD AMERICA

HIRING IN THE UNITED STATES

EOR, PEO+ or Your Own Entity?

Three ways for an international company to employ people in America. The difference is not the payslip. It is who carries the entity, who carries the risk, and how much of your own time the arrangement consumes before anyone has done a day's work.

3 routes into US employment

17–44% on top of base salary

50 states you may register in

1 provider, all three

01 THE THREE ROUTES

What actually changes between them

Every provider will tell you an EOR is faster and an entity is cheaper at scale. Both are true. What matters more is the middle column, because most companies that outgrow an EOR do not want to become a US HR department overnight.

	Employer of Record We employ your people. You direct their work.	**PEO+ Cross-Border** You employ them. We run the HR function.	**Your Own US Entity** You employ them and you run everything.
Do you need a US entity?	No	Yes, plus an EIN and a US bank account	Yes. It is the entity
Who is the legal employer?	Foothold America	You, co-employed with the PEO	You
Time to first hire	Days	Once the entity is live	Two to four months to set the entity up
Payroll, tax filings, benefits, workers' compensation	Run for you	Run for you	You build it and run it
Employment liability sits with	Foothold America	Shared, through co-employment	You, in full
Registering in every state you hire in	Not your obligation	Handled with you	Yours, state by state
Benefits buying power	Our plans, our rates	Shared plans, often better rates	Your headcount, your rates
Equity for US employees	Awkward. Not your employees	Straightforward	Straightforward
Usually right at	1 to 3 US employees	5 to 50	8 or more, committed to the US

02 THE REAL NUMBER

What a US employee actually costs

Base salary is the number in the offer letter. It is not the number in your budget. The figures below are built from published rates and survey averages, for an office role with a typical professional benefits package. Two things move the total more than anything else: whether the employee takes single or family health cover, and how far the salary sits above the Social Security wage base.

Base salary		Loading	Single cover	Family cover
$70,000 base salary	SALARY	+26%	$88,487 single cover	$100,745 on family cover
$100,000 base salary	SALARY	+22%	$122,327 single cover	$134,585 on family cover
$200,000 base salary	SALARY	+17%	$234,166 single cover	$246,424 on family cover

WHAT YOU PAY ON TOP	RATE	DETAIL	SOURCE
Social Security	6.2%	On earnings up to the $184,500 wage base for 2026, up from $176,100. This is why the loading falls as salary rises.	SSA
Medicare	1.45%	No cap. Applies to every dollar of pay.	IRS
Federal unemployment	0.6%	FUTA, on the first $7,000 per employee per year. About $42 a head.	IRS
State unemployment	Varies	SUTA. Set by the state and by your own claims history. A first hire typically lands between $189 and $442. The model above assumes $400.	State agencies
Workers' compensation	$0.35 per $100	Of payroll, at a typical office class rate. Considerably higher for field and clinical work, and set by state and industry.	Market rate
Health insurance, single	$7,885	Employer share of a $9,325 average annual single premium. Employers pay about 84%.	KFF 2025
Health insurance, family	$20,143	Employer share of a $26,993 average annual family premium. Employers pay about 74%.	KFF 2025
401(k)	4.8%	Average total employer contribution. The most common formula is a full match on the first 3%, then 50 cents on the next 2%.	Fidelity Q1 2026
Dental, vision, life, disability	~$1,200	Combined, per employee per year, at typical professional-package levels.	Market rates

THE BENCHMARK

Benefits are 30.0% of total compensation

Across US private industry, employers pay $46.89 an hour in total compensation. $32.82 of that is wages and $14.07 is benefits. If your model assumes benefits are a rounding error on top of salary, it is out by about a third.

Bureau of Labor Statistics, Employer Costs for Employee Compensation, June 2026.

WHAT IS COMING

Health costs rise 8.2% in 2027

The largest increase since 2003. That is the figure after employers make plan design changes to hold it down. Take no action and the projection is 11%. Whichever route you use to employ people, this lands on your budget.

Mercer National Survey of Employer-Sponsored Health Plans, preliminary 2027 results, 31 August 2026, 1,800+ employers.

03 THE PART NOBODY QUOTES FOR

Your Delaware entity is not enough

Incorporating in Delaware does not entitle you to employ anyone in the other 49 states. Authority to transact business is granted state by state, and the obligation starts the moment an employee performs work there, not when you get round to it.

EVERY STATE YOU HIRE IN

What you must register for

- **State income tax withholding** account.
- **State unemployment insurance** (SUTA) account.
- **Workers' compensation** coverage.
- **Paid family and medical leave**, where the state runs a programme.
- **State disability insurance** in California, Hawaii, New Jersey, New York and Rhode Island.
- **Local tax accounts** in some cities and counties.

FOREIGN QUALIFICATION

And then the Secretary of State

01 **Check name availability** in the state. You may need a fictitious name.

02 **Appoint a registered agent** with a physical address there.

03 **Get a certificate of good standing** from your formation state.

04 **File a Certificate of Authority** with the Secretary of State.

05 **Keep filing.** Annual reports and fees, in every state, indefinitely.

IF YOU SKIP IT

What non-registration costs

Fines vary by state, and several states will also impose $500 to $5,000 personally on each officer, director or employee. You cannot bring an action in that state's courts until you register, though you can still be sued in them, and back taxes with penalties and interest accrue for every unregistered year.

STATE	PENALTY
California	$20 a day under Corporations Code 2203, plus a misdemeanour fine of $500 to $1,000, plus the $800 minimum franchise tax whether you register or not
Alaska	Up to $10,000
Nevada	$1,000 to $10,000
Michigan	$100 to $1,000 a month, capped at $10,000
Wyoming	$5,000
Connecticut	$300 a month
Florida	$500 to $1,000 a year
Wisconsin	The lesser of 50% of unpaid fees or $5,000

04 THE SWITCH POINT

Where companies usually move

Headcount is the trigger most companies feel first, because the maths is visible. It is rarely the only one, and the others tend to arrive with a deadline attached.

1 to 3
EMPLOYER OF RECORD

Clearly cheaper and faster. No entity, no filings, no US bank account, no state registrations in your name.

4 to 7
STILL EOR, START PLANNING

The economics are still on the EOR's side, but this is the point to plan the entity rather than react to it six weeks before you need it.

8 or more
ENTITY, WITH PEO+

Your own entity typically wins on cost. PEO+ keeps payroll, benefits and compliance off your desk while you own the entity.

Equity
You want US employees on the option scheme. Hard to do cleanly when they are not your employees.

Enterprise customers
Procurement wants to contract with a US legal counterparty, and will not accept the parent.

US fundraising
Institutional investors expect a US structure before a term sheet, not after.

Genuine presence
An office, a warehouse, contracts signed in-state. At that point you are transacting business anyway.

05 THE LONG VIEW

You are not choosing once

The three routes are stages, not competing products. Foothold America runs all of them, so the move from one to the next does not mean changing provider, re-papering your employees, or explaining a new payroll system to people who have only just joined.

FIRST HIRES

Employer of Record

Test the market. Get someone selling or building in the US within days, with no entity and no exposure.

→

PROVEN

US Entity Setup

Incorporate, get the EIN, open the bank account, register where you actually operate. Two to four months, done once.

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SCALING

PEO+ Cross-Border

You own the entity and the employment relationship. We run payroll, benefits, compliance and the HR function alongside you.

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Empowering Your Growth

Sources. Social Security Administration, 2026 taxable wage base. IRS, FICA and FUTA rates. KFF Employer Health Benefits Survey 2025, average premiums and employer contributions. Fidelity Investments, Q1 2026, 26,800 plans and 25.6 million participants. Bureau of Labor Statistics, Employer Costs for Employee Compensation, June 2026. Mercer National Survey of Employer-Sponsored Health Plans, preliminary 2027 results. State registration penalties confirmed against Wolters Kluwer's fifty-state summary, and for California against Corporations Code 2203 and the Franchise Tax Board. Service definitions, headcount guidance and switch thresholds from Foothold America's published service and guide pages.

Timings, thresholds and costs are typical figures for planning, not commitments or quotations. Speak to us about your own case.