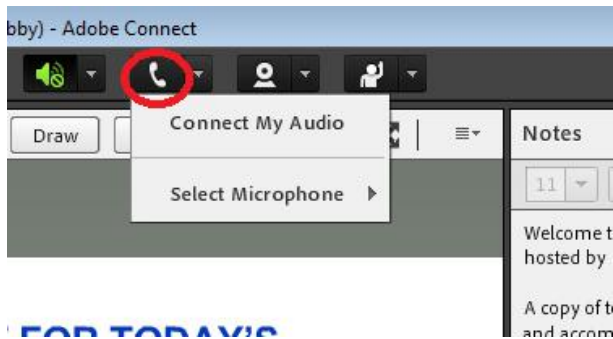


DIAL-IN INSTRUCTIONS FOR TODAY'S WEBINAR

- In order to connect your audio for today's presentation, **please click on the telephone icon at the top of your screen, select "Connect my Audio" and select "Dial-in" or "Listen only":**
 - **Dial In:** Call in to the toll-free conference line.
 - **Listen Only:** Listen using your computer speakers or headphones. If choosing this option, please ensure the volume on your computer is turned up.



ADDITIONAL CALL-IN NOTES FOR TODAY'S WEBINAR

- Please **make sure you have your phone on “MUTE”** if you choose to call in to the conference call.
- **Questions will not be asked over the phone.** Please submit questions via the “Q & A” pod on the right.
- If you are disconnected from your audio at any point, please click on the telephone icon at the top left hand side of your screen to see the audio options again.

RECEIVING CREDIT FOR TODAY'S PRESENTATION

- If you did not launch the presentation from learning.bna.com, please email credits@bna.com and we will send you your certificate manually within 1 business day of receipt of your email.
- If you would also like to receive CLE credit for attending today's presentation, you will need to answer the polling question at the end of the presentation with your state(s) and bar number(s).
 - There is no submit button for the multiple choice polling questions. Your responses are automatically submitted once the poll is closed.
 - The last question will ask for you to enter your state and attorney registration number(s), if you wish to receive CLE credit. This will require you to hit a submit button.
- For any additional questions, please email credits@bna.com
- The presentation and additional handouts are available for download at any time throughout the presentation in the "Files" pod on the right hand side of your screen.

Bloomberg
BNA

MY CERTIFICATES

Hello Cassie

You have no certificates to display.

0 Items in Cart

Reports

Help

My Classroom

My Certificates

Browse Catalog

Bloomberg
BNA



**GLOBAL
PEO
SERVICES**

Hire Fast
Stay Compliant
Win Globally

ENSURING COMPLIANCE WITH THE GLOBAL GIG ECONOMY

Adam Sheffield

President
Global PEO Services

Nina K. Markey

Shareholder
Littler Mendelson

Hazzen Muñoz

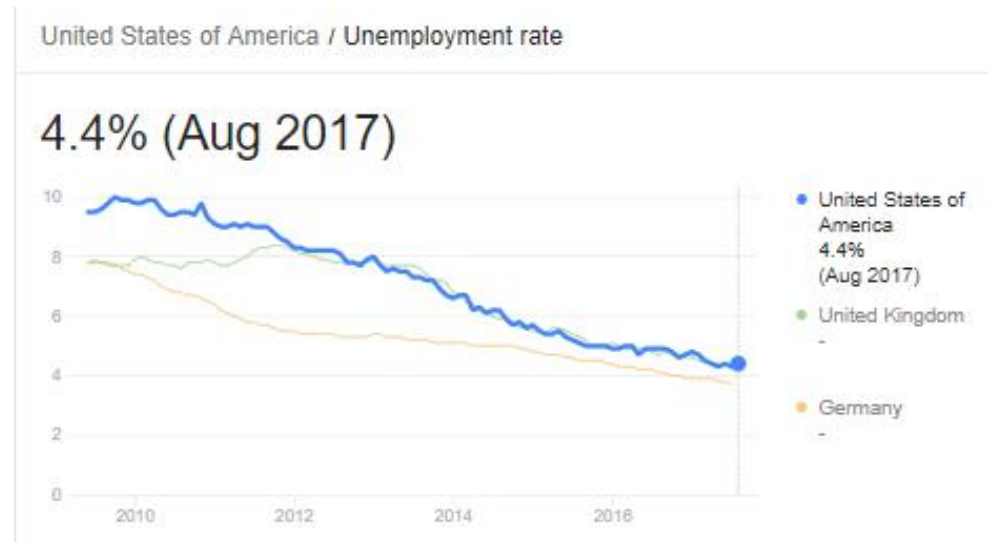
Director, Global Talent – Contingent Workforce Solutions
Ecolab

November 15, 2017

Bloomberg
BNA

New Challenges in the War on Talent

- Low Unemployment Rates
- Advances in Technology
- Global Demand



Source: August 2017, Bureau of Labor Statistics, eurostat



Employee

Needs legal structure
(Subsidiary, Branch)
Professional Employer
Organization (PEO)

Contractor

Permanent Establishment (PE)
Employment Risks



Objectives

- Sales
- Research & Development
- Service Delivery
- Merger & Acquisition
- Other



Headcount/Functions

- Small Footprint
- Large Footprint



Speed To Hire

- Incorporation/Registration
- Bank Accounts
- Employment Contracts
- Benefits

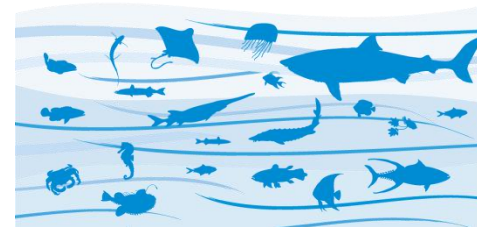


Risk Mitigation

- Permanent Establishment
- Employment Law
- Immigration

Create Talent Channels For The Future | Enable A Flexible Workforce

- Fish the entire talent pool; regardless of engagement type

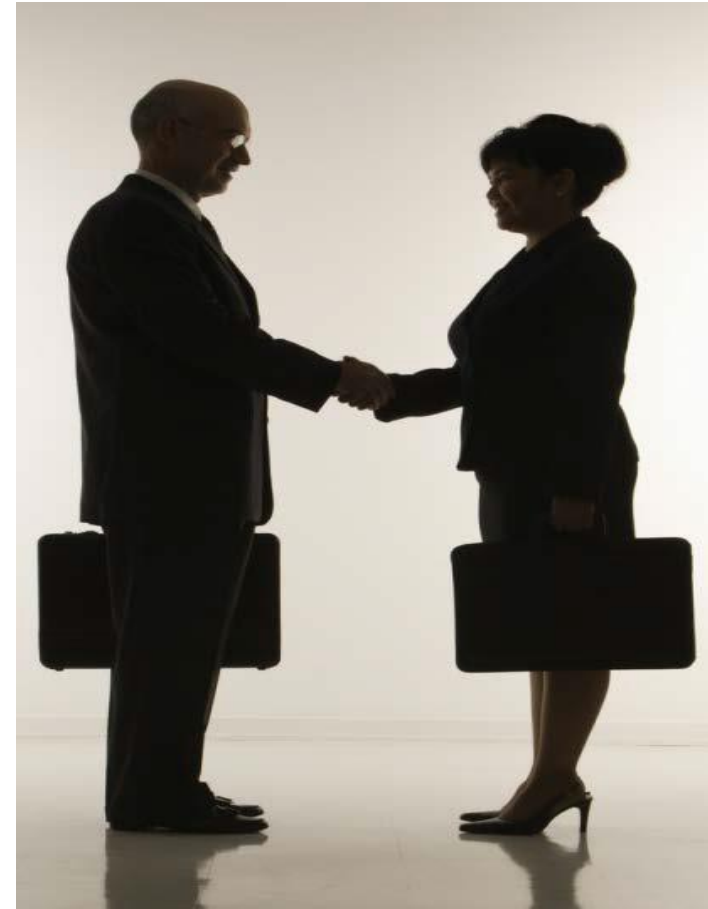


- Retain baby boomer knowledge & millennial skill sets that might prefer the flexibility of contingent engagements

- Gain workforce flexibility to match the speed of innovation & volatility of business cycles



- Legal theory is not new; attention and expansive interpretation it is now getting is new
- “Joint employment” exists when a person is employed by two or more otherwise separate entities
- “Joint employers” may be held individually and jointly liable for compliance with state, federal and local laws



- Multifactor Tests
- Contract doesn't control – the facts of the situation control
- Similar factors across jurisdictions, even internationally
 - Control
 - Economic (in)dependence

Inside the United States

- Backpay and overtime
- Back tax withholdings
- Back unemployment compensation & workers compensation premiums
- Back benefits
- Back social security contributions

Outside the United States

- Severance pay
- Notice pay
- Unfair employment termination liability
- Misclassification “fines”

- On June 7, 2017, the DOL withdrew two Wage and Hour Administrator's Interpretations (AIs) on joint employment and independent contractors.
 - Administrator's Interpretation No. 2016-01 (Jan. 2016): expanded standards for joint employment liability under the federal Fair Labor Standards Act (FLSA) and the Migrant and Seasonal Agricultural Worker Protection Act (MSPA).
 - Administrator's Interpretation No. 2015-1 (July 2015): "most workers are employees under the FLSA's broad definitions." Essentially created a presumption of employment for workers.
- Current administration is taking steps to rein in the expansive interpretation of "employment" that has evolved in recent years

- Introduced to the House in July 2017, and approved by the Committee on Education & the Workforce
- The Act seeks to amend the NLRA and the FLSA to provide that an entity may be considered a joint employer only if it “directly, actually, and immediately, and not in a limited and routine manner, exercises significant control over the essential terms and conditions of employment.”
 - The Act provides the following examples of the essential terms and conditions of employment:
 - “hiring employees, discharging employees, determining individual employee rates of pay and benefits, day-to-day supervision of employees, assigning individual work schedules, positions, and tasks, and administering employee discipline.”

- USCIS memo re more targeted approach when doing site visits on three types of firms:
 - companies with a high ratio of H-1B workers,
 - those where the USCIS cannot validate basic business information, and
 - **“employers petitioning for H-1B workers who work off-site at another company or organization’s location.”**

Current Overseas Hiring Set-Up

- What you can do
- What you **can't** do

Considerations in Permanent Establishment (P.E.)

- Distribution license
- Inventory needs

Anticipating Gaps

- What is your current level of expertise
- What is the limit of your current resources



Avoids setting up an entity

No bank account needed

Temporary Solution

Increases compliance risk

Limits the talent pool

Misclassification woes

Contractors may use this to negotiate payouts

Hire the employee through the PEO's local entity



Locally compliant
employment contract



Expense
reimbursements



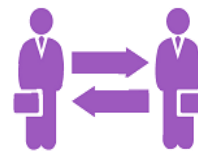
Payroll



Local compliance

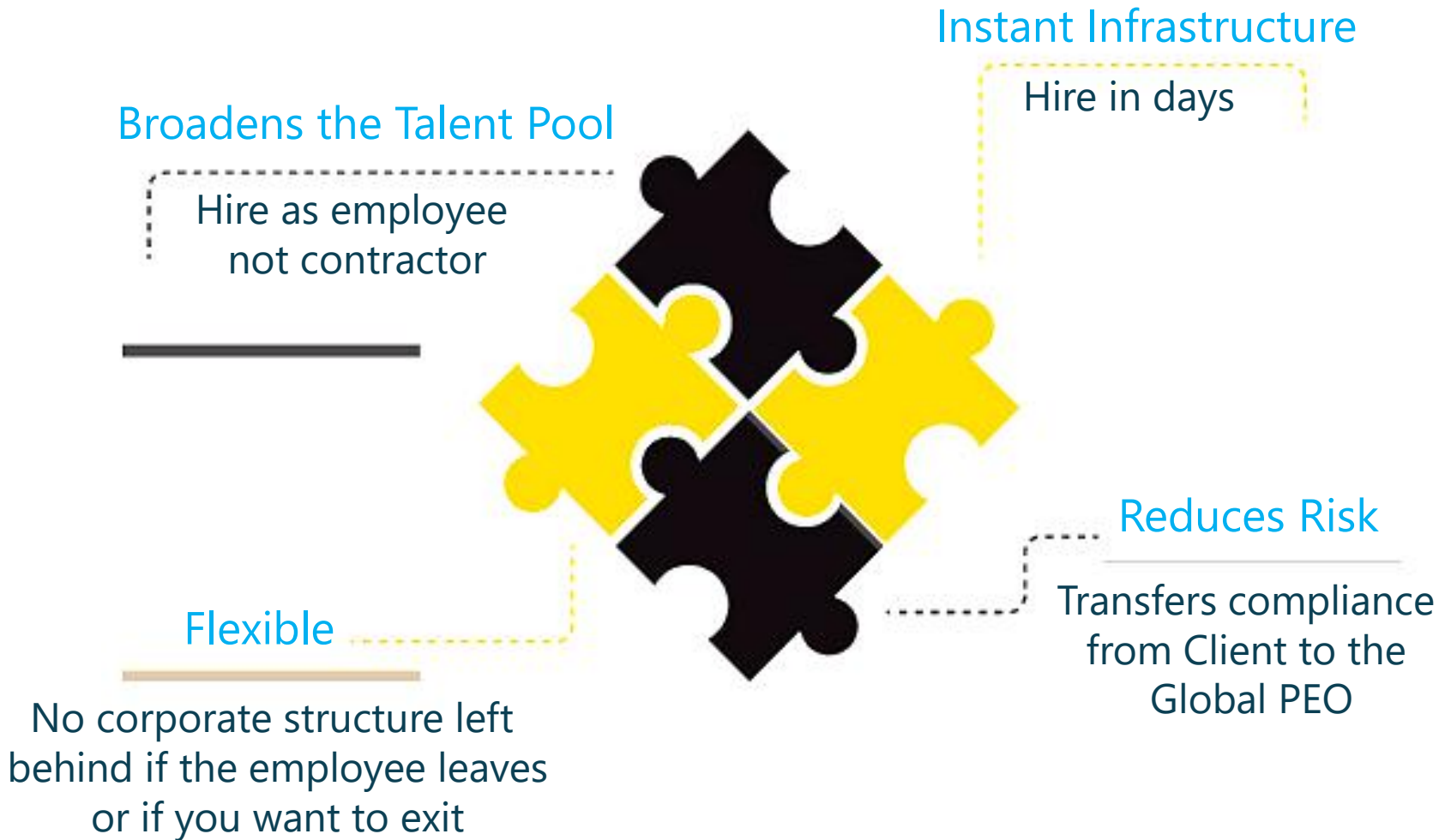


Benefits



Assign services back to the
Client, so employee "walks
and talks" like the Client's
employee

- Lack of due diligence with respect to potential business partners
- Written agreements that reserve more control than necessary with respect to terms and conditions of employment
- Lack of training and auditing of “on the ground” practices and supervision
- Nature of work performed/interaction with “regular” employees
- Management overlap/shared services/procedures



First steps/test the market

“Surprise Hires”

Long-term low volume countries

Alternative to contractors

PEO 



Fast growth

Large headcount

Tax strategy/benefits

Outgrown PEO model

Entity 

Benefits

- Hire employees in days
- Ready to hire as soon as you finalize candidate, access to larger talent pool, no contractor liabilities
- Intellectual Property protected
- No issues with employees not paying taxes

Not the best solution for hiring a large number of people in a specific country

Create Talent Channels For The Future | Enable A Flexible Workforce

Visibility

Building a Foundation

- ✓ Centralized ownership
- ✓ Focused strategy
- ✓ VMS | MSP
- ✓ Global standards

Spend

To Create

- Visibility | Transparency
- Spend governance
- Compliance | risk reduction
- Workforce planning

Compliance

To Enable

- Multi-channel talent sourcing
- Integrated workforce planning

Build a business case; immense change management

Adam Sheffield

President
Global PEO Services

adam@globalpeoservices.com

Nina Markey

Shareholder
Littler Mendelson

nmarkey@littler.com

Hazzen Muñoz

Director, Global Talent
Contingent Workforce Solutions
Ecolab

hazzen.munoz@ecolab.com

RECEIVING CREDIT FOR TODAY'S PRESENTATION

To retrieve a certificate after a webinar, please follow the steps below:

Please allow 1 business day for your certificate to appear.

- Log in to your account at <https://learning.bna.com>
- Once you have logged into your classroom, click “My Certificates”
- Complete the survey
- Click “Process a new certificate”
- Download and open the certificate



For any additional questions, please email credits@bna.com