



Frequently Asked Questions

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Can Global PEO Services® (GPS) help my business expand internationally?

You can expand your business globally by plugging into the GPS eco-system. We help our clients expand globally to 150+ countries and are backed by a mix of 300+ multidisciplinary experts from Payroll, HR, Finance, Tax, and Legal domains who are ready to respond to the expected and unexpected needs of your business on the shortest notice. We can empower your teams with 24/7 support. With a single point-of-contact model, we'll have an experienced and dedicated client service director communicate, inform, and advise you on all your international expansion initiatives.

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Is it possible to engage workers in a country where our business has no presence?

Simply put, yes! GPS can help you engage workers in more than 150 countries. We are a local company in every country we operate in and have expertise in the regulations for each of these countries. This allows us to help you legally employ local workers without having to set up a local entity.

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Do we need to open a local bank account in the country where we wish to expand?

Opening a bank account is generally required prior to incorporation but varies based on each country's local laws and regulations. Using GPS for PEO services allows you to hire local employees without having to incorporate your business or opening a bank account. When you are ready to consider incorporation, GPS can recommend a global or local bank as necessary, and can also provide funding services for income tax, payroll and payroll tax payments.

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How do we know which benefits are statutory?

The laws regulating benefit provisions are unique to each country. Partnering with GPS can ensure that all statutory benefits are provided to employees. We can also help you procure competitive supplementary benefits, which are a great way to improve employee engagement and retention.

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How do we make sure foreign workers are paid correctly and on time?

Through our employer of record (EOR) service, we manage payroll compliance and ensure that employee remuneration and payments to social security office/local tax authorities are done correctly and in a timely manner. We ensure that you stay compliant which helps you avoid financial penalties and other business sanctions that comes as a result of non-compliance.

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What are the different types of employment contracts available?

The types of employment contracts you can offer an employee depends upon your needs and the local regulations. GPS provides different types of contracts to clients, which allow them to pick the ideal one, whether it be project-based, long-term, short-term or other legally valid contracts in a given country. We will recommend the most suitable mix of contracts for you to engage your employees.

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How can we make our overseas employees feel that they are an integral part of the company without registering it in that country?

As an Employer on Record (EOR), we make sure the employees understand the employment relationship they are entering into. When we hand over an employment letter to the employee, it means that he or she knows that they have the support of both GPS and your company. Our administrative support along with strategic support from your company will ensure that employees feel both taken care of and connected to your organization.

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How can we ensure compliance when dealing with a foreign worker who has not met expectations?

Most countries have implemented employment laws which help protect employees from poor or unfair treatment in regards to employment. In order to part ways with a foreign worker who has performed below expectations, you must comply with the country's local employment laws. GPS helps you navigate these situations by carefully managing terminations on your behalf. We work with you throughout the termination process to ensure that no legal requirements are overlooked. This is critical to protecting the interests of both your organization and ours.

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How to ensure compliance in termination?

Very few countries allow for employee terminations "at will" as many make it mandatory for employers to provide valid justifications. Following a compliance procedure is also required. GPS will work with you to grasp your reasoning for termination and present your case in the legally permissible ways to achieve the desired result.

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Do you directly hire employees in all the countries you operate in?

We are a local company, having incorporated in all the countries in which we operate. We are able to directly recruit or engage with qualified global recruiters to help find the global talent our clients require. Fees for this service depend on volume and country requirements.

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What accounting requirements do I need to fulfill?

The main requirement is to ensure that your employees are paid on time with pre-funded payroll. Our service team prepares the payroll that all required parties agreed upon and approve. The regular payroll management is the responsibility of GPS allowing your in-house accounting team to focus on core tasks.

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What are Social Costs and do we incur them?

Social costs refer to the costs that ensure statutory compliance for employment in a country. Also known as the employer's tax burden, these costs include Medicare, Social Security, FICA and Medicaid in the USA. Benefits provided by the government varies in every country, the most common being social, security, health care, and pension. As GPS is adept at enabling the clients' transition from the PEO model to international incorporation, we will provide the insights you need to manage your social costs with ease.

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Is there a minimum number of workers required when working with Global PEO Services®?

There are no minimum employee requirements when working with GPS. Whether you want to hire just one employee or a group of employees, GPS provides end-to-end hiring solutions without having to establish a local business entity where it is not financially viable.

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Is there any minimum amount of time that we must commit to hiring a worker or a fixed-term to the Global PEO Service Agreement?

There is no fixed term associated with our service agreements. We can serve you for as long or as little as you need. We regularly engage workers for short periods and some clients require only short-term solutions while determining the viability of a market or before registering their legal entity.

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What is the maximum duration of an employment contract?

GPS works with you to understand your strategy for an employee and how long you expect the role to last. We can subsequently decide whether a short-term contract (renewable) or a full-time indefinite contract is the best. This gives you the flexibility to adapt the length of the contract to your company's needs.

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Does engaging workers using the PEO model protect our business from the risks of setting up a Permanent Establishment (PE) in that country?

Permanent Establishment (PE) refers to a fixed place of business which is subject to income or value-added tax liability in a particular jurisdiction. When working with us, you do not have to establish any permanent business in the country where you wish to engage a worker. This protects you from PE risks in most cases.

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Do you provide Immigration and Global Mobility services?

GPS has expertise in visas, work permits, global mobility, and expatriate tax. We ensure the strictest compliance with visa and immigration needs, will process all the documentation, and also assist with relocation as required.

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How the onboarding process is taken care of?

GPS ensures fast employee onboarding with legally-compliant employment contracts, procured competitive benefits and ensures payroll is timely and accurate. We work closely with our clients to mutually agree on a hiring/onboarding schedule. Implementation timelines vary based on each unique scenario. For example, if an employee is not a local resident, immigration requirements can extend the timelines. We always aim to provide reasonable timeline estimates and deliver on the commitments made.

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How do you protect the Intellectual Property (IP) of a company?

GPS works with you in protecting your intellectual property (IP), particularly trade secrets by framing and incorporating the necessary clauses in employment contracts. These contracts are drafted according to specific needs pertaining to compliance with employment legislation in a country. IP agreements can be a part of the employment contracts or added as an addendum if

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How to manage an employee's daily work responsibilities?

GPS ensures that you manage the day-to-day activities of your overseas employees just as you would any other employee working for your company. We will administer payroll, statutory requirements, and all other employment aspects, but you manage the day-to-day management of the employee.

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How do we manage reimbursements and expenses?

GPS is able to help reimburse the necessary expenses for your foreign workers. All you need to do is to inform us of the amounts that need to be reimbursed. In general, adding expenses to the payroll can be quite complex in certain countries that have stringent reimbursement laws, but we do our best to help our clients through these complexities.

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Is it possible to shift incorporated legal entities to the PEO model ?

The volatility of the global economy has meant that companies need to assess the viability of running their offshore incorporated entities. Tax compliance and other factors that impact the financial and operational aspects of foreign business entities can render them inefficient. When incorporating is not required legally, it may be feasible to consider the PEO model.

A major bottleneck in shifting from an incorporated entity to the PEO model is that the talents developed in these locations can be lost. As GPS specializes in balancing risks and costs, we provide the ideal solution to prevent this, based on the specific circumstances of a business. You can transfer the ownership of your employees to us without disrupting their workflow as they continue to work as usual. Transferring a worker from a legal entity to a PEO involves complying with strict procedures in many countries. GPS ensures compliance as well as fair treatment to your employees along with adherence to statutory requirements so that you are free from potential non-compliance risks.

Disclaimer:

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