Hiring a Global Employee FAQ [1]

Have questions about hiring a Global Employee? We've compiled frequently asked questions about hiring an employee abroad.

Q: What is a PEO?

A. A PEO is the professional employer organization (PEO) that partners with the university in the hiring of CU Global Employees. Global PEO Services (GPS) [2] was awarded the partnership after a rigorous bidding period. The university now has a hiring tool that allows departments greater flexibility to hire remote employees outside of the U.S. GPS offers human resource consulting, safety and risk mitigation services, payroll processing, employer payroll tax filing, workers' compensation insurance, health benefits, employers' practice and liability insurance (EPLI), retirement vehicles (equivalent of 401(k)), and regulatory compliance assistance to University of Colorado departments hiring a CU Global Employee.

Q: What is a CU Global Employee?

A: A CU Global Employee is defined as any employee of the University of Colorado, regardless of their country of citizenship, permanent residency, or tax residency, whose work site is located outside of the U.S. for any relevant tax period in a calendar year. This includes employees who are telecommuting under an arrangement specifically approved by their business unit that permits the employee to work remotely in an international location (this does not include consultants, contractors, and volunteers).

Q: What is the key factor that makes an individual employable by the PEO?

A: The key factor for an individual to be employed by the PEO is determined by the university employee’s work location. All CU employees working outside of the U.S. meet the criteria for the PEO.

Q: Is the University of Colorado a Global Employer?

A: The University of Colorado is not a Global Employer; that is, the university is not a legal hiring authority in any country outside the U.S. CU employees working outside of the U.S.
cannot be serviced by Employee Services through the current payroll and benefits systems.

Some limitations include but are not limited to:

- the inability to pay the employee
- the employee having no access to their benefits
- legal ramifications for the university and/or employee for non-compliant business practices identified by the country in which the employee is working

Q: Why is a PEO necessary for the employment of a CU employee with a work location outside of the U.S. (CU Global Employee)?

A: Global PEO Services (GPS) [2] is a legal employer in every country they operate. GPS has an established local presence in 170+ countries and has extensive expertise in navigating complex labor laws and regulations for each of those countries. This allows them to help the university legally employ workers outside of the U.S. without the university having to set up a local entity in each country or deal with payroll and compliance challenges.

Q: Why is the PEO a valued hiring tool?

A: The PEO is a tool that helps the University of Colorado strive towards its mission of a diverse and inclusive workforce. In this new era of digital and remote work environments, the PEO allows the university to expand its workforce across the globe. The PEO is the tool that allows compliant hiring practices for all CU employees.

Q: Are departments required to hire CU Global Employees through the PEO and what are the ramifications if a department chooses not to use the PEO and pay remote employees through HCM?

A: The University of Colorado is not a Global Employer; that is, the university is not a legal hiring authority in any country outside the U.S. and therefore cannot support the CU Global Employee through the current HCM system. This presents a risk to the university. In addition, CU employees working outside of the U.S. cannot be serviced by Employee services through the current payroll and benefits systems.

Some limitations may include but are not limited to:

- the inability to pay the employee
- the employee having no access to their benefits
- legal ramifications for the university and/or employee for non-compliant business practices identified by the country in which the employee is working

Therefore, when hiring a CU Global Employee, best practice is to utilize the designated PEO, Global PEO Services (GPS) [2].

Q: How do departments of the University of Colorado hire faculty, staff and students in locations outside of the U.S. (CU Global Employees)?
A: Partnering with the PEO, Global PEO Services (GPS) [2] is best practice when hiring CU Global Employees. Departments can initiate the hiring of a CU Global Employee by following the PEO Process [3] and submitting a Get a Quote form [4].

Q: Are there any countries where GPS is not operable?

A: GPS is operable in more than 170 countries. Visit the website [5] to explore more.

Q: Is there a specified period of time an employee must work outside of the U.S. to warrant the use of the PEO?

A: Contracts of any length, temporary or indefinite, can be obtained through GPS to assure compliance while the employee is working outside of the U.S.

Q: Do current employees working outside of the U.S. need to transition to the PEO?

A: Moving forward, leveraging Global PEO Services (GPS) [2] is the option when hiring new CU Global Employees. Departments with current CU Global Employees can follow the same processes to transition those employees to the PEO.

Q: Do PEO employees receive the same benefits provided to CU employees?

A: One important advantage of hiring the CU Global Employee through Global PEO Services (GPS) is that GPS will work with the department to formulate benefit packages for CU Global Employees. The laws regulating benefit provisions are unique to each country. Partnering with GPS can ensure that all statutory benefits are provided to employees.

Q: Does GPS provide Immigration and Global Mobility services?

A: GPS has expertise in visa, work permits, global mobility, and expatriate tax. GPS ensures the strictest compliance with visa and immigration needs, documentation, and with relocation/global mobility needs as required.

Q: How is the onboarding process managed?

A: GPS ensures all employees are hired via legally-compliant employment contract, ensures fast employee onboarding, procures competitive employee benefits, and facilitates timely and accurate payroll. GPS works closely with 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.

Q: How does GPS ensure that the CU Global Employee is paid correctly, on time and manage leave?
A: GPS manages payroll compliance and ensures that employee remuneration and payments to social security office/local tax authorities are done correctly and in a timely manner. They ensure that you stay compliant, which helps department’s avoid financial penalties and other business sanctions that come as a result of non-compliance.

While working under GPS, employees will have access to GPS’s proprietary cloud-based Human Capital Management (HCM) system, which is a localized self-service tool for time and attendance, leave, and benefits management. It serves as a system of record where employees can access and edit personal information, review pay slips, view holidays, and manage leave entitlements online.

Q: Will a GPS employee be entered into HCM?

A: Currently, CU Global Employees employed through GPS will be entered into the HCM system as a POI. Employee Services is working towards a system that will allow them to be entered as a contingent worker in the future. More to come.

Q: How does GPS protect university owned Intellectual Property (IP)?

A: GPS works with departments in protecting university intellectual property (IP) by framing and incorporating the necessary clauses in the employment contracts. These contracts are drafted according to specific needs pertaining to compliance with employment legislation in a country, as well as the work the individual employee will be doing with the university. IP agreements can be part of the employment contracts or added as an addendum.

Q: How are employee's daily work responsibilities managed?

A: GPS ensures that departments will continue to manage the day-to-day activities of their overseas employees, just as they would for any other employee working for the university. GPS will administer payroll, statutory benefits, HR, and all other administrative aspects of employment, but the department manages the day-to-day work of the employee.

Q: How can GPS help with the management of reimbursements and expenses?

A. GPS is able to help reimburse the necessary expenses for CU Global Employees. Departments just need to indicate the amount that needs to be reimbursed. In general, adding expenses to payroll can be quite complex in certain countries that have stringent reimbursement laws, but GPS offers support to address these complexities.

Q: Is this a service provided by the university, or will the department be charged for it?

A: The department hiring a CU Global Employee pays the costs associated with the CU Global Employee’s hire. In the Pre-Agreement process, the hiring department will complete the Generate a Quote form and GPS will provide all financial information via an exhibit,
Q: What are the costs to utilize the PEO?

A: There are several factors involved in assessing the cost of the PEO:

1. The associated costs are reduced by the payroll burden by the department such as OASDI, Medicare, Leave, and Retirement which are paid on an employee working in the U.S.
   - UCCS follows similarly

2. There is an administration fee of 16% to 18% (subject to a minimum) depending on the country on each invoice by the PEO. Departments may need to consider non-grant source funding when budgeting positions to pay for service fees associated with Global PEO Services.

3. A one-time set up fee of $2,500 is required for the PEO to set up the new employee in their system and with the country in question.

4. Due to payment restrictions from the university, we are required to pay the first 2 months of wages, social charges and GPS fees upfront. The purpose is that if there is a delay in the PEO receiving the paper check payment, the payroll payment to the employee will not be delayed. Any unused funds at the end of the employment agreement will be refunded back to the department.

Compare the costs between a US Hire and a Global Hire [8].

Source URL: https://www.cu.edu/cu-global-employee/hiring-global-employee-faq

Links
[3] https://www.cu.edu/docs/peo-process
[4] https://www.cu.edu/docs/generate-quote-form
[8] https://www.cu.edu/docs/us-vs-global-hire-cost-comparison